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DIRECTORS' STATEMENT

The directors have pleasure in presenting their statement together with the audited financial statements of Fraser and Neave, Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 30 September 2018.

1. DIRECTORS

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

Mr Charoen Sirivadhanabhakdi (Chairman)
Khunying Wanna Sirivadhanabhakdi (Vice-Chairman)
Tengku Syed Badarudin Jamalullail
Mr Charles Mak Ming Ying
Mr Timothy Chia Chee Ming
Mr Chan Heng Wing
Mr Koh Poh Tiong
Mrs Siripen Sitasuwan
Dr Sujittra Sombuntham
Mr Chotiphat Bijananda
Mr Thapana Sirivadhanabhakdi
Mr Sithichai Chaikriangkrai
Mr Michael Chye Hin Fah (Alternate Director to Mr Thapana Sirivadhanabhakdi)
Mr Prapakon Thongtheppairot (Alternate Director to Mr Sithichai Chaikriangkrai)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of, nor at any time during, the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of an acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed in this statement.

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

(a) The following directors who held office at the end of the financial year had, according to the register required to be kept under Section 164 of the Companies Act (Chapter 50 of Singapore), interest in the shares in, or debentures of, the Company and its related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct Interest		Deemed Interest	
Name of Director	As at 1 Oct 2017	As at 30 Sep 2018	As at 1 Oct 2017	As at 30 Sep 2018
Charoen Sirivadhanabhakdi				
Fraser and Neave, Limited				
• Ordinary Shares	-	**-**	1,270,503,884 (1)	**1,270,503,884 (1)**
Frasers Property Limited *(formerly known as Frasers Centrepoint Limited)*				
• Ordinary Shares	-	**-**	2,541,007,768 (1)	**2,541,007,768 (1)**
Frasers Property Treasury Pte. Ltd. *(formerly known as FCL Treasury Pte. Ltd.)*				
• S$600,000,000 4.88% Subordinated Perpetual Securities (Series 3)	-	**-**	S$250,000,000	**S$250,000,000**
• S$700,000,000 5.00% Subordinated Perpetual Securities (Series 5)	-	**-**	S$300,000,000	**S$300,000,000**
Fraser & Neave Holdings Bhd				
• Ordinary Shares	-	**-**	203,470,910	**203,470,910**
TCC Assets Limited				
• Ordinary Shares	25,000	**25,000**	-	**-**

DIRECTORS' STATEMENT

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

	Direct Interest		Deemed Interest	
Name of Director	As at 1 Oct 2017	As at 30 Sep 2018	As at 1 Oct 2017	As at 30 Sep 2018
Khunying Wanna Sirivadhanabhakdi				
Fraser and Neave, Limited				
• Ordinary Shares	-	**-**	1,270,503,884 [1]	**1,270,503,884** [1]
Frasers Property Limited *(formerly known as Frasers Centrepoint Limited)*				
• Ordinary Shares	-	**-**	2,541,007,768 [1]	**2,541,007,768** [1]
Frasers Property Treasury Pte. Ltd. *(formerly known as FCL Treasury Pte. Ltd.)*				
• S$600,000,000 4.88% Subordinated Perpetual Securities (Series 3)	-	**-**	S$250,000,000	**S$250,000,000**
• S$700,000,000 5.00% Subordinated Perpetual Securities (Series 5)	-	**-**	S$300,000,000	**S$300,000,000**
Fraser & Neave Holdings Bhd				
• Ordinary Shares	-	**-**	203,470,910	**203,470,910**
TCC Assets Limited				
• Ordinary Shares	25,000	**25,000**	-	**-**
Tengku Syed Badarudin Jamalullail				
Fraser & Neave Holdings Bhd				
• Ordinary Shares	2,062,000	**2,062,000**	-	**-**
Koh Poh Tiong				
Fraser and Neave, Limited				
• Ordinary Shares	251,315	**251,315**	-	**-**
Frasers Property Limited *(formerly known as Frasers Centrepoint Limited)*				
• Ordinary Shares	385,660	**385,660**	-	**-**
Frasers Property Treasury Pte. Ltd. *(formerly known as FCL Treasury Pte. Ltd.)*				
• S$700,000,000 5.00% Subordinated Perpetual Securities (Series 5)	S$250,000	**S$250,000**	-	**-**

(1) Each of Charoen Sirivadhanabhakdi and his spouse, Khunying Wanna Sirivadhanabhakdi, owns 50% of the issued share capital of TCC Assets Limited ("TCCA"), and is therefore deemed to be interested in all of the shares in the Company in which TCCA has an interest. Both the Company and Frasers Property Limited ("FPL") (formerly known as Frasers Centrepoint Limited) are direct subsidiaries of TCCA.

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

Further, Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi 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 the Company in which IBIL has an interest.

DIRECTORS' STATEMENT

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

(b) There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 October 2018.

(c) By virtue of Section 4 of the Securities and Futures Act, Chapter 289, each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is deemed to have interests in the shares of the subsidiaries held by the Company and in the shares of the subsidiaries held by FPL.

(d) Except as disclosed in this statement, 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, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

4. SHARE PLANS

(a) F&N Restricted Share Plan ("RSP") and F&N Performance Share Plan ("PSP")

The Company has in place the RSP and PSP (collectively, the "Share Plans") which are administered by the Remuneration Committee. The Share Plans were approved by the shareholders of the Company at the Extraordinary General Meeting held on 22 January 2009 and will be expiring on 21 January 2019. The Company proposes to adopt a new F&N Restricted Share Plan 2019 (the "F&N RSP 2019") to replace the Share Plans following their expiry and the Company will be obtaining shareholders' approval for the new F&N RSP 2019.

Share Grants under RSP and PSP

Under the RSP and PSP, the Company grants a base number of conditional share awards (the "Base Award") to eligible participants annually. The Base Award represents the right to receive fully paid ordinary shares of the Company, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met. The Remuneration Committee, as the administrator of the Share Plans, has absolute discretion in granting the Base Awards.

Depending on the level of achievement of the pre-determined targets over a two-year performance period for the RSP and three-year performance period for the PSP, an achievement factor will be applied to the relevant Base Award to determine the final number of RSP shares and PSP shares to be awarded at the end of the respective performance periods. The achievement factor ranges from 0% to 150% for the RSP and 0% to 200% for the PSP. Accordingly, the actual number of RSP shares to be awarded pursuant to the RSP will range from 0% to 150% and the actual number of PSP shares to be awarded pursuant to the PSP will range from 0% to 200% of the relevant Base Award (the "Final Award").

At the end of the two-year performance period, 50% of the number of shares under the RSP Final Award will be vested to the participants. The balance will be vested in equal instalments over a period of two years. All the shares under the PSP Final Award will be vested to the participants at the end of the three-year performance period.

Senior management participants are required to hold a minimum number of shares that are vested to them under the RSP and PSP for the duration of their employment or tenure with the Company.

No awards have been granted to controlling shareholders or their associates, or parent group directors or employees under the Share Plans.

No awards have been granted to directors of the Company.

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

DIRECTORS' STATEMENT

4. SHARE PLANS (cont'd)

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

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 1.10.2017 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2018
Year 5	01.10.2014	269,100	(8,250)	-	(260,850)	-
Year 6	06.05.2015	463,050	(16,450)	-	(225,025)	221,575
Year 7	26.02.2016	1,193,476	(67,950)	180,524	(670,250)	635,800
Year 8	28.12.2016	1,034,354	(91,000)	-	-	943,354
Year 9	28.12.2017	1,016,700	(75,500)	-	-	941,200
		3,976,680	(259,150)*	180,524	(1,156,125)	2,741,929

* Cancelled due to resignations.

(ii) PSP

Shares	Grant Date	Balance as at 1.10.2017 or Grant Date if later	Achievement Factor	Vested	Balance as at 30.9.2018
Year 6	06.05.2015	30,500	(12,100)	(18,400)	-
Year 7	26.02.2016	84,383	-	-	84,383
Year 8	28.12.2016	67,538	-	-	67,538
Year 9	28.12.2017	78,000	-	-	78,000
		260,421	(12,100)	(18,400)	229,921

(b) Fraser & Neave Holdings Bhd ("F&NHB") Restricted Share Plan ("F&NHB RSP") and F&NHB Performance Share Plan ("F&NHB PSP") (collectively, the "Share Grant Plan")

The Share Grant Plan 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.

Under the F&NHB RSP and F&NHB PSP, F&NHB grants a base number of conditional share awards (the "F&NHB Base Award") to eligible participants annually. The F&NHB Base Award represents the right to receive fully paid shares of F&NHB, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met. The Remuneration Committee of F&NHB, as administrator of the Share Grant Plan, has absolute discretion in the granting of shares under the F&NHB RSP and F&NHB PSP.

Depending on the achievement of pre-determined targets over a two-year performance period for the F&NHB RSP and three-year performance period for the F&NHB PSP, the final number of F&NHB RSP shares and F&NHB PSP shares to be awarded could range between 0% to 150% of the initial grant of the F&NHB RSP Base Award and 0% to 200% of the initial grant of F&NHB PSP Base Award, respectively (the "F&NHB Final Award").

At the end of the two-year performance period, 50% of the F&NHB RSP shares under the F&NHB Final Award will be vested to the participants. The balance will be vested in equal instalments over a period of two years.

All of the F&NHB PSP shares under the F&NHB Final Award will be vested to the participants at the end of the three-year performance period.

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

DIRECTORS' STATEMENT

4. SHARE PLANS (cont'd)

(b) Fraser & Neave Holdings Bhd ("F&NHB") Restricted Share Plan ("F&NHB RSP") and F&NHB Performance Share Plan ("F&NHB PSP") (collectively, the "Share Grant Plan") (cont'd)

The first grant of the F&NHB RSP was made in March 2012. The details of the shares awarded under the F&NHB RSP are as follows:

Shares	Grant Date	Balance as at 1.10.2017 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2018
Year 3	12.08.2014	124,250	-	-	(124,250)	-
Year 4	15.01.2015	209,000	(5,600)	-	(104,500)	98,900
Year 5	05.01.2016	476,500	(10,450)	(92,900)	(191,800)	181,350
Year 6	22.12.2016	493,200	(28,600)	-	-	464,600
Year 7	22.12.2017	496,000	(26,100)	-	-	469,900
		1,798,950	(70,750)*	(92,900)	(420,550)	1,214,750

* Cancelled due to resignations.

(c) Other than those disclosed in this paragraph 4, 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.

(d) Other than those reported in this paragraph 4, 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 statement relates.

5. AUDIT COMMITTEE

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act (Chapter 50 of Singapore), the SGX-ST Listing Manual and the Code of Corporate Governance 2012. These functions include, *inter alia*, the following:

(a) reviewing quarterly and full-year financial statements and related financial results announcements, including the independent auditors' report for the full-year and significant financial reporting issues and assessments, to safeguard the integrity in financial reporting, and to ensure compliance with the requirements of the Singapore Financial Reporting Standards;

(b) reviewing and approving the internal and external audit plans to ensure the adequacy of the audit scope;

(c) recommending, for the approval of the Board, the half-year and annual financial results and related financial results announcements;

(d) reviewing the adequacy and effectiveness of the Group's internal audit function, including the adequacy of internal audit resources and its appropriate standing within the Group;

(e) reviewing with internal and external auditors, the scope and results of the audit report and their recommendations, and monitoring the timely and proper implementation of any required corrective or improvement measures; and

(f) reviewing and evaluating with internal and external auditors, and reporting to the Board at least annually on the adequacy and effectiveness of internal control systems, including financial, operational and compliance and information technology controls and together with the Sustainability and Risk Management Committee, risk management systems.

Further details regarding the Audit Committee are disclosed in the Corporate Governance Report.

The Audit Committee has nominated KPMG LLP for re-appointment by the shareholders as independent auditors at the forthcoming Annual General Meeting.

DIRECTORS' STATEMENT

6. INDEPENDENT AUDITORS

The independent auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

7. OPINION OF THE DIRECTORS

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2018 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended 30 September 2018; 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

9 November 2018

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
FRASER AND NEAVE, LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Fraser and Neave, Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 30 September 2018, the consolidated statement of changes in equity of the Group and statement of changes in equity of the Company and the consolidated profit statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 99 to 177.

In our opinion, the accompanying 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 Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 September 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of fixed assets and investment in subsidiaries
(Refer to Note 2.8, Note 2.18, Note 12 and Note 15 to the financial statements)

The key audit matter	***How the matter was addressed in our audit***
Fixed assets constitutes 12.5% of the Group's total assets and investment in subsidiaries constitutes 82.4% of the Company's total assets as at 30 September 2018. Impairment of $0.1 million was recorded for fixed assets at Group level during the year. When there are indicators of impairment noted in a business segment, the Group will estimate the recoverable amount of the fixed assets and investment in subsidiaries at the Company level based on the discounted future cash flows expected to be generated from the business segment. The net present value of the forecast cash flows is derived from profit forecasts which include key assumptions such as sales growth rates and gross profit margins for the next 5 years, and discount rate. The assessment of management's judgements in arriving at these key assumptions is a key focus area of our audit.	Our procedures included, among others, assessing the appropriateness of the methodology used in determining the recoverable amount of the fixed assets and investment in subsidiaries. We also assessed the reasonableness of the key assumptions used in the 5-year profit forecasts by comparing sales growth rates and gross profit margins to past performance and future plans. We also compared the discount rates applied to the cost of capital of comparable listed companies. We evaluated the sensitivity of the profit forecasts by considering the downside scenarios against reasonably plausible changes to the key assumptions. **Our findings** – We found the methodology used to be appropriate and key assumptions applied in the impairment testing to be reasonable.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
FRASER AND NEAVE, LIMITED

Impairment of goodwill and intangible assets (including brands)
(Refer to Note 2.12, Note 2.13, Note 2.18, Note 18, Note 19 and Note 22 to the financial statements)

The key audit matter

As at 30 September 2018, the Group has goodwill of $75.6 million mainly relating to the printing and publishing group and beverages group, and intangible assets (including brands) of $56.6 million mainly relating to brands owned by the Group.

The Group will estimate the recoverable amount of goodwill and intangible assets with indicators of impairment based on discounted future cash flows expected to be generated from the respective operating unit. The net present value of the forecast cash flows is derived from profit forecasts which include key assumptions such as sales growth rates and gross profit margins for the next 3 to 5 years, and discount rate for the operating units which the goodwill and intangible assets are allocated to.

As there are judgement and estimation involved in the preparation of the discounted future cash flows and determination of certain key inputs, this is a key focus area in our audit.

How the matter was addressed in our audit

We assessed the determination of the operating units that goodwill is allocated to based on our understanding of the nature of the Group's business.

For goodwill and intangible assets with indicators of impairment, our procedures included, among others, assessing the appropriateness of the methodology used in determining the recoverable amount of the goodwill and intangible assets. We assessed the reasonableness of the key assumptions used in the 3 to 5 year profit forecasts, by comparing sales growth rates and gross profit margins to past performance and future plans. We also compared the discount rates applied to the cost of capital of comparable listed companies. We evaluated the sensitivity of the profit forecasts by considering the downside scenarios against reasonably plausible changes to the key assumptions.

Our findings – We found the methodology used to be appropriate and key assumptions applied in the impairment testing to be reasonable.

Accounting for acquisition of investment in Vinamilk
(Refer to Note 2.4 and Note 17 to the financial statements)

The key audit matter

In prior year, interest in Vinamilk was classified from other investment to investment in associated company on 15 April 2017 and during the year, the Group finalised the purchase price allocation exercise for the additional interest in Vinamilk acquired.

There is judgement and estimates used in determining the allocation of the purchase price to the fair value of the identifiable assets (including intangible assets) acquired and liabilities assumed.

How the matter was addressed in our audit

We involved our valuation specialists (where necessary) and compared the methodologies and key assumptions used in determining the fair values assigned to the identifiable assets acquired and liabilities assumed to generally accepted market practices and market data.

Our findings – The estimates used in allocating the purchase price to the respective assets acquired and liabilities assumed were within an acceptable range.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
FRASER AND NEAVE, LIMITED

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report except for the Shareholding Statistics which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Shareholding Statistics, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors 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 Act and FRSs, 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit 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 Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
FRASER AND NEAVE, LIMITED

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Quek Shu Ping.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
9 November 2018

PROFIT STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	THE GROUP 2018 ($'000)	2017 ($'000) (Restated)
REVENUE	3	**1,926,537**	1,897,959
Cost of sales		**(1,254,191)**	(1,236,660)
GROSS PROFIT		**672,346**	661,299
Other income (net)	4(a)	**5,264**	1,614
Operating expenses			
- Distribution		**(181,212)**	(174,595)
- Marketing		**(250,894)**	(271,996)
- Administration		**(126,165)**	(129,363)
		(558,271)	(575,954)
TRADING PROFIT		**119,339**	86,959
Share of joint venture companies' loss		**(3,568)**	(668)
Share of associated companies' profit		**97,697**	50,297
Gross income from investments	6	**-**	33,394
PROFIT BEFORE INTEREST AND TAXATION ("PBIT")		**213,468**	169,982
Finance income		**14,628**	10,671
Finance cost		**(30,491)**	(16,187)
Net finance cost	4(b)	**(15,863)**	(5,516)
PROFIT BEFORE FAIR VALUE ADJUSTMENT, TAXATION AND EXCEPTIONAL ITEMS		**197,605**	164,466
Fair value adjustment of investment properties		**301**	(1,724)
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS	4(c)	**197,906**	162,742
Exceptional items	7	**719**	1,177,566
PROFIT BEFORE TAXATION		**198,625**	1,340,308
Taxation	8	**(19,568)**	(14,707)
PROFIT AFTER TAXATION		**179,057**	1,325,601
ATTRIBUTABLE PROFIT TO:			
Shareholders of the Company			
- Before fair value adjustment and exceptional items		**121,713**	96,282
- Fair value adjustment of investment properties		**301**	(1,728)
- Exceptional items		**155**	1,184,887
		122,169	1,279,441
Non-controlling interests		**56,888**	46,160
		179,057	1,325,601
Earnings per share attributable to the shareholders of the Company	10		
Basic - before fair value adjustment and exceptional items		**8.4 cts**	6.7 cts
Basic - after fair value adjustment and exceptional items		**8.4 cts**	88.4 cts
Fully diluted - before fair value adjustment and exceptional items		**8.4 cts**	6.6 cts
Fully diluted - after fair value adjustment and exceptional items		**8.4 cts**	88.2 cts

The Notes on pages 107 to 177 form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2018

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

The Notes on pages 107 to 177 form an integral part of the Financial Statements.

BALANCE SHEET

AS AT 30 SEPTEMBER 2018

	Notes	THE GROUP 2018 ($'000)	THE GROUP 2017 ($'000) (Restated)	THE COMPANY 2018 ($'000)	THE COMPANY 2017 ($'000)
SHARE CAPITAL AND RESERVES					
Share capital	11(a)	**851,941**	849,301	**851,941**	849,301
Treasury shares	11(b)	**(267)**	(267)	**(267)**	(267)
Reserves	11(c)	**1,969,542**	1,965,965	**860,910**	864,916
		2,821,216	2,814,999	**1,712,584**	1,713,950
NON-CONTROLLING INTERESTS		**348,604**	317,108	**-**	-
		3,169,820	3,132,107	**1,712,584**	1,713,950
Represented by:					
NON-CURRENT ASSETS					
Fixed assets	12	**561,459**	505,643	**269**	332
Investment properties	13	**41,672**	40,581	**-**	-
Properties held for development	14	**18,529**	18,025	**-**	-
Subsidiary companies	15	**-**	-	**2,087,620**	1,915,824
Joint venture companies	16	**48,257**	46,669	**-**	-
Associated companies	17	**2,560,292**	2,377,062	**-**	-
Intangible assets	18	**104,430**	93,574	**147**	167
Brands	22	**27,704**	27,115	**212**	212
Other investments	20	**13,879**	30,131	**222,485**	222,705
Other receivables	24	**1,298**	1,350	**-**	-
Deferred tax assets	30	**6,609**	9,677	**-**	-
Bank fixed deposits	21	**-**	2,927	**-**	-
		3,384,129	3,152,754	**2,310,733**	2,139,240
CURRENT ASSETS					
Inventories	23	**242,512**	247,085	**-**	-
Trade receivables	24	**272,192**	279,654	**-**	-
Other receivables	24	**50,310**	59,165	**358**	675
Related parties	24	**9,607**	7,054	**9**	1
Subsidiary companies	15	**-**	-	**22,486**	518,309
Joint venture companies	16	**1,863**	571	**-**	-
Associated companies	17	**12**	1	**-**	-
Bank fixed deposits	21	**214,830**	291,028	**92,263**	8,684
Cash and bank balances	21	**315,295**	843,953	**108,704**	287,584
		1,106,621	1,728,511	**223,820**	815,253
Assets held for sale	26	**-**	9,887	**-**	-
		1,106,621	1,738,398	**223,820**	815,253
Deduct: CURRENT LIABILITIES					
Trade payables	27	**160,961**	155,029	**-**	-
Other payables	27	**197,422**	202,234	**7,996**	7,993
Related parties	27	**9,121**	13,689	**1,265**	1,265
Subsidiary companies	15	**-**	-	**9,137**	328,014
Joint venture companies	16	**-**	11	**-**	-
Associated companies	17	**1,253**	1,583	**-**	-
Borrowings	28	**374,131**	785,591	**180,000**	360,000
Provision for taxation		**32,959**	32,990	**3,931**	3,148
		775,847	1,191,127	**202,329**	700,420
Liabilities held for sale	26	**-**	2,371	**-**	-
		775,847	1,193,498	**202,329**	700,420
NET CURRENT ASSETS		**330,774**	544,900	**21,491**	114,833
Deduct: NON-CURRENT LIABILITIES					
Other payables	27	**12,575**	13,169	**-**	-
Subsidiary companies	15	**-**	-	**619,640**	540,123
Borrowings	28	**497,288**	517,498	**-**	-
Provision for employee benefits	29	**18,256**	17,807	**-**	-
Deferred tax liabilities	30	**16,964**	17,073	**-**	-
		545,083	565,547	**619,640**	540,123
		3,169,820	3,132,107	**1,712,584**	1,713,950

The Notes on pages 107 to 177 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)	Share-based Payment Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)	Non-controlling Interests ($'000)	Total Equity ($'000)
YEAR ENDED 30 SEPTEMBER 2018												
Balance at 1 October 2017, restated		849,301	(267)	19,416	2,101,244	(208,671)	1,264	9,304	43,408	2,814,999	317,108	3,132,107
Comprehensive income												
Share of other comprehensive income of associated companies		-	-	-	2,378	204	84	22	-	2,688	-	2,688
Revaluation of fixed assets		-	-	256	-	-	-	-	-	256	-	256
Net fair value changes on available-for-sale financial assets		-	-	-	-	-	(27,221)	-	-	(27,221)	-	(27,221)
Remeasurement of defined benefit obligations		-	-	-	232	-	-	-	-	232	52	284
Currency translation difference		-	-	-	-	(29,712)	-	-	-	(29,712)	8,570	(21,142)
Other comprehensive income for the year		-	-	256	2,610	(29,508)	(27,137)	22	-	(53,757)	8,622	(45,135)
Profit for the year		-	-	-	122,169	-	-	-	-	122,169	56,888	179,057
Total comprehensive income for the year		-	-	256	124,779	(29,508)	(27,137)	22	-	68,412	65,510	133,922
Contributions by and distributions to owners												
Employee share-based expense		-	-	-	-	-	-	3,491	-	3,491	940	4,431
Issue of shares in the Company upon vesting of shares awarded	11	2,640	-	-	-	-	-	(2,640)	-	-	-	-
Purchase of shares by a subsidiary company		-	-	-	(521)	-	-	-	-	(521)	(417)	(938)
Shares of a subsidiary company reissued pursuant to its share plans		-	-	(729)	1,996	-	-	(1,267)	-	-	-	-
Capital contribution by non-controlling interests		-	-	-	-	-	-	-	-	-	102	102
Dividends:	9											
Dividends paid		-	-	-	(21,757)	-	-	-	(43,408)	(65,165)	(31,000)	(96,165)
Dividends proposed		-	-	-	(43,444)	-	-	-	43,444	-	-	-
Total contributions by and distributions to owners		2,640	-	(729)	(63,726)	-	-	(416)	36	(62,195)	(30,375)	(92,570)
Changes in ownership interests												
Change of interests in subsidiary company		-	-	-	-	-	-	-	-	-	(3,639)	(3,639)
Total changes in ownership interests		-	-	-	-	-	-	-	-	-	(3,639)	(3,639)
Total transactions with owners in their capacity as owners		2,640	-	(729)	(63,726)	-	-	(416)	36	(62,195)	(34,014)	(96,209)
Balance at 30 September 2018		851,941	(267)	18,943	2,162,297	(238,179)	(25,873)	8,910	43,444	2,821,216	348,604	3,169,820

The Notes on pages 107 to 177 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 2017 (Restated)													
Balance at 1 October 2016		849,301	(2,655)	18,746	889,151	(142,346)	1,177,590	(425)	10,349	43,373	2,843,084	309,460	3,152,544
Comprehensive income													
Share of other comprehensive income of associated companies		-	-	-	(2,542)	199	-	-	(22)	-	(2,365)	-	(2,365)
Realisation of reserves on dilution of interest in an associated company		-	-	-	1,699	4,868	-	425	(197)	-	6,795	-	6,795
Realisation of fair value gains on change of interest in available-for-sale financial asset		-	-	-	-	-	(1,200,750)	-	-	-	(1,200,750)	-	(1,200,750)
Net fair value changes on available-for-sale financial assets		-	-	-	-	-	24,424	-	-	-	24,424	-	24,424
Remeasurement of defined benefit obligations		-	-	-	1,198	-	-	-	-	-	1,198	85	1,283
Currency translation difference		-	-	-	-	(71,392)	-	-	-	-	(71,392)	(2,954)	(74,346)
Other comprehensive income for the year		-	-	-	355	(66,325)	(1,176,326)	425	(219)	-	(1,242,090)	(2,869)	(1,244,959)
Profit for the year		-	-	-	1,279,441	-	-	-	-	-	1,279,441	46,160	1,325,601
Total comprehensive income for the year		-	-	-	1,279,796	(66,325)	(1,176,326)	425	(219)	-	37,351	43,291	80,642
Contributions by and distributions to owners													
Employee share-based expense		-	-	-	-	-	-	-	3,836	-	3,836	1,318	5,154
Treasury shares reissued pursuant to share plans	11	-	2,388	901	-	-	-	-	(3,289)	-	-	-	-
Purchase of shares by a subsidiary company		-	-	-	(1,608)	-	-	-	-	-	(1,608)	(1,289)	(2,897)
Shares of a subsidiary company reissued pursuant to its share plans		-	-	(231)	1,604	-	-	-	(1,373)	-	-	-	-
Capital repayment to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(70)	(70)
Dividends:	9												
Dividends paid		-	-	-	(21,739)	-	-	-	-	(43,373)	(65,112)	(30,615)	(95,727)
Dividends proposed		-	-	-	(43,408)	-	-	-	-	43,408	-	-	-
Total contributions by and distributions to owners		-	2,388	670	(65,151)	-	-	-	(826)	35	(62,884)	(30,656)	(93,540)
Changes in ownership interests													
Change of interests in subsidiary companies		-	-	-	(2,552)	-	-	-	-	-	(2,552)	(4,987)	(7,539)
Total changes in ownership interests		-	-	-	(2,552)	-	-	-	-	-	(2,552)	(4,987)	(7,539)
Total transactions with owners in their capacity as owners		-	2,388	670	(67,703)	-	-	-	(826)	35	(65,436)	(35,643)	(101,079)
Balance at 30 September 2017		849,301	(267)	19,416	2,101,244	(208,671)	1,264	-	9,304	43,408	2,814,999	317,108	3,132,107

The Notes on pages 107 to 177 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 ($'000)	Total Equity ($'000)
YEAR ENDED 30 SEPTEMBER 2018									
Balance at 1 October 2017		849,301	(267)	(1,099)	734,205	83,813	4,589	43,408	1,713,950
Comprehensive income									
Net fair value changes on available-for-sale financial assets		-	-	-	-	(11,189)	-	-	(11,189)
Other comprehensive income for the year		-	-	-	-	(11,189)	-	-	(11,189)
Profit for the year		-	-	-	72,669	-	-	-	72,669
Total comprehensive income for the year		-	-	-	72,669	(11,189)	-	-	61,480
Contributions by and distributions to owners									
Employee share-based expense		-	-	-	-	-	2,319	-	2,319
Issue of shares in the Company upon vesting of shares awarded	11	2,640	-	-	-	-	(2,640)	-	-
Dividends:	9								
Dividends paid		-	-	-	(21,757)	-	-	(43,408)	(65,165)
Dividends proposed		-	-	-	(43,444)	-	-	43,444	-
Total transactions with owners in their capacity as owners		2,640	-	-	(65,201)	-	(321)	36	(62,846)
Balance at 30 September 2018		851,941	(267)	(1,099)	741,673	72,624	4,268	43,444	1,712,584
YEAR ENDED 30 SEPTEMBER 2017									
Balance at 1 October 2016		849,301	(2,655)	(2,000)	753,938	75,014	5,687	43,373	1,722,658
Comprehensive income									
Net fair value changes on available-for-sale financial assets		-	-	-	-	8,799	-	-	8,799
Other comprehensive income for the year		-	-	-	-	8,799	-	-	8,799
Profit for the year		-	-	-	45,414	-	-	-	45,414
Total comprehensive income for the year		-	-	-	45,414	8,799	-	-	54,213
Contributions by and distributions to owners									
Employee share-based expense		-	-	-	-	-	2,191	-	2,191
Treasury shares reissued pursuant to share plans	11	-	2,388	901	-	-	(3,289)	-	-
Dividends:	9								
Dividends paid		-	-	-	(21,739)	-	-	(43,373)	(65,112)
Dividends proposed		-	-	-	(43,408)	-	-	43,408	-
Total transactions with owners in their capacity as owners		-	2,388	901	(65,147)	-	(1,098)	35	(62,921)
Balance at 30 September 2017		849,301	(267)	(1,099)	734,205	83,813	4,589	43,408	1,713,950

The Notes on pages 107 to 177 form an integral part of the Financial Statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	THE GROUP	
	2018 ($'000)	2017 ($'000)
		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and exceptional items	**197,906**	162,742
Adjustments for:		
Depreciation of fixed assets	**45,918**	44,567
Impairment of fixed assets and intangible assets	**118**	1,088
Reversal of impairment of fixed assets and intangible assets	**(804)**	(886)
Fixed assets and intangible assets written off	**1,000**	589
Provision for employee benefits	**1,652**	329
Write back of provision for employee benefits	**-**	(462)
Gain on disposal of fixed assets	**(3,271)**	(70)
Amortisation of brands and intangible assets	**12,090**	12,865
Interest income	**(14,628)**	(10,671)
Interest expenses	**30,491**	16,187
Share of joint venture companies' loss	**3,568**	668
Share of associated companies' profit	**(97,697)**	(50,297)
Investment income	**-**	(33,394)
Employee share-based expense	**4,431**	5,154
Fair value adjustment of financial instruments	**173**	454
Fair value adjustment of investment properties	**(301)**	1,724
(Gain)/loss on disposal of financial instruments	**(804)**	672
Operating cash before working capital changes	**179,842**	151,259
Change in inventories	**8,254**	275
Change in receivables	**8,773**	(7,493)
Change in related parties' and joint venture and associated companies' balances	**(6,904)**	(2,698)
Change in payables	**(6,551)**	(50,592)
Development expenditure on properties held for development	**-**	(235)
Currency realignment	**5,568**	129
Cash generated from operations	**188,982**	90,645
Interest income received	**12,737**	8,886
Interest expenses paid	**(30,265)**	(13,656)
Income taxes paid	**(11,289)**	(12,945)
Payment of employee benefits	**(1,216)**	(1,380)
Net cash from operating activities	**158,949**	71,550
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends from associated companies	**87,146**	34,633
Investment income	**-**	33,394
Proceeds from sale of fixed assets	**4,871**	1,061
Payment of deferred consideration for prior years' acquisition of subsidiary companies	**-**	(6,071)
Net cash inflow on acquisition of subsidiary companies and business assets	**687**	-
Investments in an associated company	**(213,182)**	(51,252)
Purchase of other investment	**(10,969)**	(964,901)
Purchase of fixed assets	**(93,187)**	(64,733)
Payment for intangible assets	**(13,369)**	(10,506)
Loan to a joint venture company	**-**	(643)
Deposits pledged in relation to acquisition of subsidiary companies	**-**	3,832
Deposits made in relation to acquisition of subsidiary companies completed after the financial year	**-**	(8,000)
Net cash used in investing activities	**(238,003)**	(1,033,186)

The Notes on pages 107 to 177 form an integral part of the Financial Statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	THE GROUP	
	2018 ($'000)	2017 ($'000) (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment of)/Proceeds from term loans and bank borrowings	**(434,858)**	1,169,532
Acquisition of non-controlling interests in subsidiary companies	**-**	(7,539)
Purchase of shares by a subsidiary company	**(938)**	(2,897)
Capital contribution by/(repayment to) non-controlling interests	**102**	(70)
Payment of dividends:		
- by subsidiary companies to non-controlling interests	**(31,000)**	(30,615)
- by the Company to shareholders	**(65,165)**	(65,112)
Net cash (used in)/from financing activities	**(531,859)**	1,063,299
Net (decrease)/increase in cash and cash equivalents	**(610,913)**	101,663
Cash and cash equivalents at beginning of year	**1,134,383**	1,037,871
Effects of exchange rate changes on cash and cash equivalents	**3,696**	(5,151)
Cash and cash equivalents at end of year	**527,166**	1,134,383
Cash and cash equivalents at end of year comprise:		
Cash and bank deposits (Note 21)	**530,125**	1,137,908
Bank overdrafts (Note 28)	**-**	(598)
	530,125	1,137,310
Less: Deposits pledged in relation to acquisition of subsidiary companies (Note 21)	**(2,959)**	(2,927)
	527,166	1,134,383
Analysis of acquisition of subsidiary companies and business assets		
Net assets acquired:		
Intangible assets	**6,801**	-
Other non-current assets	**892**	-
Current assets	**7,290**	-
Current liabilities	**(8,788)**	-
Cash and cash equivalents	**1,585**	-
	7,780	-
Goodwill/Provisional goodwill on acquisition	**1,118**	-
Consideration paid	**8,898**	-
Less: Deposits paid in last financial year	**(8,000)**	-
Cash and cash equivalents of subsidiary companies and business assets acquired	**(1,585)**	-
Net cash inflow on acquisition of subsidiary companies and business assets	**(687)**	-

The Notes on pages 107 to 177 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

The following Notes form an integral part of the Financial Statements on pages 99 to 106.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 9 November 2018.

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 and dairy products; and
(b) printing and publishing.

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

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

The financial statements of the Group as at and for the year ended 30 September 2018 comprise the Company and its subsidiary companies (together referred to as the "Group").

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 Dollar 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 2017, the Group and the Company adopted the following amendments to standards that are mandatory for application from that date.

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

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

From 1 October 2017, as a result of the amendments to FRS 7, the Group has provided additional disclosure in relation to the changes in liabilities arising from financing activities for the year ended 30 September 2018. Comparative information has not been presented (see Note 28).

2. ACCOUNTING POLICIES (cont'd)

2.2 Basis of Consolidation and Business Combinations

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 venture 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.

Losses within a subsidiary company are attributed to the non-controlling interest even if that results in a deficit balance.

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 2.12(b).

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, consolidated statement of changes in equity and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. ACCOUNTING POLICIES (cont'd)

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

Transactions with non-controlling interests (cont'd)

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.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses.

A list of the significant subsidiary companies is shown in Note 40.

2.3 Joint Arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

(a) Joint operations

A joint operation is an arrangement which provides the Group with the rights to the assets and obligations for the liabilities relating to the arrangement.

The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation. The Group combines its share of each of the assets, liabilities, income and expenses of the joint operations with the similar items, line by line, in its consolidated financial statements.

(b) Joint venture companies

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group recognises its interest in joint venture companies using equity method. The Group's investments in joint venture companies are recorded at cost and adjusted to recognise the Group's share of post-acquisition reserves of the joint venture companies and less accumulated impairment losses, if any.

Investments in joint venture companies include goodwill. When the Group's share of losses in a joint venture company equals or exceeds its interest in the joint venture company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture company.

The Group's share of the operating results and exceptional items of joint venture 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 joint venture 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.

The joint venture is equity accounted for until the date on which the Group ceases to have joint control over the joint venture.

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

A list of the significant joint arrangements is shown in Note 40.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. ACCOUNTING POLICIES (cont'd)

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 and adjusted to recognise the Group's share of post-acquisition reserves of the associated companies, and less accumulated impairment losses, if any. 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.

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. Upon loss of significant influence over the associated company, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in the profit statement.

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

A list of the significant associated companies is shown in Note 40.

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 Services

Service income is recognised upon rendering of services.

Others

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

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

Tax on the profit or loss for the year comprises current and deferred tax. 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. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

(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 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:

(i) 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

(ii) 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 2018

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	-	6.7% to 33%
Motor vehicle and forklift	-	10% to 20%
Postmix and vending machine	-	10% to 20%
Furniture and fitting, computer equipment	-	10% to 50%

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

Investment properties are properties that are held for long term rental yields and/or capital appreciation. 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 2018

2. ACCOUNTING POLICIES (cont'd)

2.10 Properties Held for Development

Properties held for development are stated at cost less provision for foreseeable losses. The cost of properties held for development includes cost of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle.

Allowance for foreseeable losses of properties held for development is made when it is anticipated that the net realisable value has fallen below cost.

Properties held for development are reclassified as property development costs at the point where the development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

2.11 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 and development properties. 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 development properties are determined after netting off interest income earned from progress billings received and placed on fixed deposits.

2.12 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.

(a) Development costs of published products 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	Education	General and Reference
1st year	100%	33%	50%
2nd year	-	33%	30%
3rd year	-	34%	20%

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. ACCOUNTING POLICIES (cont'd)

2.12 Intangible Assets (cont'd)

(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) Other intangible assets are amortised on a straight-line basis in accordance with their estimated economic useful lives as follows:

Intangible assets	Useful lives
Imprints	5.0%
Co-publishing rights	21.7%
Non-contractual customers	10.0%
Customer relationships	6.7% to 20.0%
Publishing rights	12.5%
Licensing rights	10.0%
Distribution rights	6.7% to 10.0%
Software	12.5% to 33.3%

2.13 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.

2.14 Inventories

All inventories are stated at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

Cost in respect of raw materials, consumable stores and goods purchased for resale is stated based on first-in-first-out, weighted average or standard cost (which approximates average actual cost). Cost in respect of manufactured inventories and work-in-progress includes attributable production overheads. Engineering spares and other inventories are valued on the weighted average cost basis less appropriate allowances for obsolete items.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. ACCOUNTING POLICIES (cont'd)

2.15 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 2.17.

(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. Loans and receivables comprise trade receivables, other receivables, cash and cash equivalents, amount due from related parties, subsidiary, joint venture and associated companies.

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. For the purpose of the cash flow statement, pledged deposits (including fixed deposits held as profit guarantee) are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

(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. Available-for-sale financial assets comprise equity securities.

(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, less any impairment losses.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. ACCOUNTING POLICIES (cont'd)

2.15 Financial Assets (cont'd)

(e) Determination of fair value

The fair value of quoted financial assets are based on current market 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.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. ACCOUNTING POLICIES (cont'd)

2.16 Financial Liabilities

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.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Other financial liabilities comprise trade payables, other payables, amounts due to subsidiary, joint venture, associated companies and related parties, borrowings and bank overdrafts.

2.17 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. ACCOUNTING POLICIES (cont'd)

2.18 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.

2.19 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.

All income and expenses from discontinued operations are reported separately from income and expenses from continuing activities in the profit statement.

2.20 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. ACCOUNTING POLICIES (cont'd)

2.21 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.

(b) Equity Compensation Plans

Employees of the Group receive remuneration in the form of 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 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 awards on the date of grant. At each balance sheet date, the number of share awards that are expected to be vested are estimated. The impact of the revision of the original estimates is recognised as an expense and as a corresponding adjustment to equity over the remaining vesting period, unless the revision to the original estimates is due to market conditions. No adjustment is made if the revision or actual outcome differs from the original estimates due to market conditions.

When the awards are released, the share-based payment reserve is credited to share capital if new shares are issued. If treasury shares purchased are re-issued to employees, the share-based payment reserve is credited to treasury shares with gain/loss on reissuance taken to capital reserve.

(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. ACCOUNTING POLICIES (cont'd)

2.22 Leases

(a) 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) 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.

2.23 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.

2.24 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.

2.25 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. ACCOUNTING POLICIES (cont'd)

2.26 Functional and Foreign Currencies

(a) Functional currency

The currency of the primary economic environment in which the Company operates ("the functional currency") is Singapore Dollar. The consolidated financial statements are presented in Singapore Dollar, 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.

(c) Foreign currency translations

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) profit statement items are translated into presentation currency at exchange rates ruling at the dates of the transactions;

(ii) assets and liabilities are translated into presentation currency at exchange rates ruling at the balance sheet date; and

(iii) exchange differences arising from translation of foreign subsidiary, joint venture 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 associated or joint venture companies that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit statement.

2.27 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.

2. ACCOUNTING POLICIES (cont'd)

2.27 Significant Accounting Estimates and Judgements (cont'd)

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date are discussed below.

(i) Impairment of non-financial and financial assets

Goodwill and brands

Goodwill and brands are tested for impairment at least on an annual basis. This requires an estimation of the value-in-use of the CGUs to which the goodwill and brands are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU 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 22 respectively.

Investment in joint venture and associated companies

The Group assesses at each reporting date whether there is any objective evidence that investment in joint venture and 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 joint venture and 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 joint venture and 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. The carrying amount of the investment in available-for-sale financial assets at balance sheet date is disclosed in Note 20.

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. The carrying amount of the loans and receivables at balance sheet date is disclosed in Note 35(g).

(ii) Taxes

The Group has exposure to taxes in numerous jurisdictions. Significant judgment is involved in determining the provision for 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 tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of taxation and deferred taxation at balance sheet date are disclosed in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. ACCOUNTING POLICIES (cont'd)

2.27 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 2 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.

3. REVENUE

	THE GROUP	
	2018 ($'000)	2017 ($'000)
Sale of goods	**1,815,823**	1,778,974
Sale of services	**101,259**	107,637
Others	**9,455**	11,348
Total revenue	**1,926,537**	1,897,959

4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS

(a) Included in other income (net):

Gain on disposal of fixed assets	**3,271**	70
Management and support services	**3,128**	1,846
Sale of scrap items	**1,920**	1,605
Rental income	**1,228**	951
Subscription fee income	**767**	1,155
Service fee income	**602**	603
Wage credit allowance	**537**	836
Gain/(Loss) on disposal of derivatives	**479**	(320)
Exchange loss	**(7,808)**	(6,434)
Cost (reimbursement)/recovery	**(334)**	887
Fair value loss on derivatives	**(156)**	(468)

(b) Net finance cost:

Finance income		
Interest income from bank and other deposits	**12,677**	8,676
Others	**1,951**	1,995
	14,628	10,671
Finance cost		
Interest expense from bank and other borrowings	**(30,377)**	(16,069)
Others	**(114)**	(118)
	(30,491)	(16,187)
	(15,863)	(5,516)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS (cont'd)

	THE GROUP 2018 ($'000)	THE GROUP 2017 ($'000)
(c) Profit before taxation and exceptional items have been arrived at after charging:		
Depreciation of fixed assets	**45,918**	44,567
Impairment of fixed assets	**104**	996
Impairment of intangible assets	**14**	92
Amortisation of brands	**135**	135
Amortisation of intangible assets	**11,955**	12,730
Intangible assets written off	**-**	22
Fixed assets written off	**1,000**	567
Bad debts written off	**-**	4
Allowance for bad and doubtful trade debts	**737**	1,981
Inventory written off	**2,346**	2,496
Allowance for inventory obsolescence	**6,855**	6,254
Directors of the Company:		
Fee	**752**	586
Remuneration of members of Board committees	**549**	536
Adviser fees and allowances	**1,953**	1,947
Key executive officers:		
Remuneration	**4,186**	5,173
Provident Fund contribution	**78**	98
Employee share-based expense	**406**	246
Staff costs (exclude directors and key executives)	**240,151**	244,319
Employee share-based expense (exclude directors and key executives)	**4,025**	4,908
Defined contribution plans (exclude directors and key executives)	**23,937**	23,790
Defined benefit plans	**1,652**	329
Auditors' remuneration:		
Auditor of the Company	**793**	751
Member firms of the Auditor of the Company	**708**	633
Other auditors	**27**	25
Professional fees paid to:		
Auditor of the Company	**136**	131
Member firms of the Auditor of the Company	**169**	73
Other auditors	**71**	569
and crediting:		
Write back of defined benefit plans	**-**	462
Write back of allowance for bad and doubtful trade debts	**935**	936
Write back of allowance for inventory obsolescence	**939**	575
Reversal of impairment of fixed assets	**804**	861
Reversal of impairment of intangible assets	**-**	25

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

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, Thailand, Vietnam and other countries.

Year ended 30 September 2018

The following table presents financial information regarding operating segments:

Operating Segment	Beverages ($'000)	Dairies ($'000)	Printing & Publishing ($'000)	Others ($'000)	Elimination ($'000)	Per Consolidated Financial Statements ($'000)
Revenue - external	488,498	1,156,533	281,146	360	-	1,926,537
Revenue - inter-segment	2,882	9	142	95,636	(98,669)	-
Total revenue	**491,380**	**1,156,542**	**281,288**	**95,996**	**(98,669)**	**1,926,537**
Subsidiary companies	(235)	136,208	148	(16,782)	-	119,339
Joint venture and associated companies	-	94,836	(1,379)	672	-	94,129
PBIT	**(235)**	**231,044**	**(1,231)**	**(16,110)**	**-**	**213,468**
Finance income						14,628
Finance cost						(30,491)
Profit before fair value adjustment, taxation and exceptional items						**197,605**
Fair value adjustment of investment properties						301
Exceptional items						719
Profit before taxation						**198,625**
Taxation						(19,568)
Profit after taxation						**179,057**
Non-controlling interests						(56,888)
Attributable profit						**122,169**
Assets	396,584	604,780	262,692	81,411	-	1,345,467
Investment in joint venture and associated companies	-	2,532,438	523	75,588	-	2,608,549
Tax assets						6,609
Bank deposits & cash balances						530,125
Total assets						**4,490,750**
Liabilities	91,451	189,479	82,447	36,211	-	399,588
Tax liabilities						49,923
Borrowings						871,419
Total liabilities						**1,320,930**
Other segment information:						
Capital expenditure	61,485	22,994	18,507	3,570	-	106,556
Depreciation and amortisation	15,582	23,825	17,627	974	-	58,008
Impairment losses	49	55	14	-	-	118
Reversal of impairment losses	(436)	(357)	(11)	-	-	(804)
Attributable (loss)/profit before fair value adjustment and exceptional items	(11,263)	167,248	(2,953)	(31,319)	-	121,713
Fair value adjustment of investment properties	-	-	300	1	-	301
Exceptional items	221	49	(312)	197	-	155
Attributable (loss)/profit	(11,042)	167,297	(2,965)	(31,121)	-	122,169

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)	Thailand ($'000)	Vietnam ($'000)	Others ($'000)	Per Consolidated Financial Statements ($'000)
Total revenue	455,464	762,333	613,761	226	94,753	1,926,537
PBIT	(15,034)	50,920	87,591	92,719	(2,728)	213,468
Non-current assets	116,617	442,570	115,690	90	94,004	768,971
Investment in joint venture and associated companies	-	75,588	-	2,532,438	523	2,608,549
Current assets	158,416	247,481	134,687	492	35,420	576,496
Capital expenditure	16,026	56,999	11,388	17	22,126	106,556

Others: Myanmar, Brunei, Indonesia, China, India, Australia, Europe and USA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

5. SEGMENT INFORMATION (cont'd)

Year ended 30 September 2017 (Restated)

The following table presents financial information regarding operating segments:

Operating Segment	Beverages ($'000)	Dairies ($'000)	Printing & Publishing ($'000)	Others ($'000)	Elimination ($'000)	Per Consolidated Financial Statements ($'000)
Revenue - external	499,317	1,105,292	293,032	318	-	1,897,959
Revenue - inter-segment	4,553	-	90	108,721	(113,364)	-
Total revenue	**503,870**	**1,105,292**	**293,122**	**109,039**	**(113,364)**	**1,897,959**
Subsidiary companies	(3,897)	156,851	(4,108)	(28,493)	-	120,353
Joint venture and associated companies	-	47,102	(415)	2,942	-	49,629
PBIT	**(3,897)**	**203,953**	**(4,523)**	**(25,551)**	**-**	**169,982**
Finance income						10,671
Finance cost						(16,187)
Profit before fair value adjustment, taxation and exceptional items						**164,466**
Fair value adjustment of investment properties						(1,724)
Exceptional items						1,177,566
Profit before taxation						**1,340,308**
Taxation						(14,707)
Profit after taxation						**1,325,601**
Non-controlling interests						(46,160)
Attributable profit						**1,279,441**
Assets	354,238	590,070	299,157	76,371	-	1,319,836
Investment in joint venture and associated companies	-	2,350,122	-	73,609	-	2,423,731
Tax assets						9,677
Bank deposits & cash balances						1,137,908
Total assets						**4,891,152**
Liabilities	74,908	185,323	90,181	55,481	-	405,893
Tax liabilities						50,063
Borrowings						1,303,089
Total liabilities						**1,759,045**
Other segment information:						
Capital expenditure	41,190	17,325	15,445	1,279	-	75,239
Depreciation and amortisation	16,350	21,826	17,968	1,288	-	57,432
Impairment losses	541	454	92	1	-	1,088
Reversal of impairment losses	(419)	(442)	(25)	-	-	(886)
Attributable (loss)/profit before fair value adjustment and exceptional items	(11,954)	145,727	(6,059)	(31,432)	-	96,282
Fair value adjustment of investment properties	-	-	(1,733)	5	-	(1,728)
Exceptional items	(4,099)	1,197,982	(8,788)	(208)	-	1,184,887
Attributable (loss)/profit	(16,053)	1,343,709	(16,580)	(31,635)	-	1,279,441

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)	Thailand ($'000)	Vietnam ($'000)	Others ($'000)	Per Consolidated Financial Statements ($'000)
Total revenue	473,566	734,333	584,838	346	104,876	1,897,959
PBIT	(29,418)	48,673	73,666	78,338	(1,277)	169,982
Non-current assets	113,691	402,538	109,137	82	90,971	716,419
Investment in joint venture and associated companies	-	73,609	-	2,350,122	-	2,423,731
Current assets	173,163	245,180	138,233	708	46,133	603,417
Capital expenditure	12,990	47,902	8,574	107	5,666	75,239

Others: Myanmar, Brunei, Indonesia, China, India, Australia, Europe and USA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	THE GROUP	
	2018 ($'000)	2017 ($'000)
6. GROSS INCOME FROM INVESTMENTS		
Dividend income	**-**	33,394
7. EXCEPTIONAL ITEMS		
Write back/(Provision) for restructuring and re-organisation costs of operations	**1,046**	(16,614)
Insurance claim relating to flood	**219**	-
Provision for damaged inventories relating to fire	**(546)**	-
Effect of change of interest in other investment	**-**	1,199,415
Effect of change of interest in an associated company	**-**	4,671
Reversal of provision for litigation claims	**-**	1,843
Retirement benefit plan buy-out relating to restructuring of operations	**-**	(10,612)
Impairment loss on fixed assets relating to restructuring of operations	**-**	(1,032)
Loss on liquidation of a joint venture company	**-**	(105)
	719	1,177,566
8. TAXATION		
Based on profit for the year:		
Singapore tax	**6,604**	4,935
Overseas tax		
- current year	**9,283**	8,506
- withholding tax	**1,626**	2,134
Deferred tax		
- current year	**5,294**	753
	22,807	16,328
(Over)/Under provision in preceding years		
- current income tax	**(1,698)**	(2,476)
- withholding tax	**-**	(145)
- deferred tax	**(1,541)**	1,000
	19,568	14,707

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

8. TAXATION (cont'd)

	THE GROUP	
	2018	2017
	%	%
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 jurisdictions	**3.0**	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	**0.8**	-
Income not subject to tax (tax incentive/exemption)	**(16.5)**	(2.4)
Expenses not deductible for tax purposes	**5.8**	1.0
Utilisation of previously unrecognised tax losses	**(0.6)**	-
Over provision in prior years	**(1.7)**	(0.1)
Deferred tax benefits not recognised	**1.5**	0.5
Withholding tax	**0.8**	0.2
Tax benefits on previously unrecognised losses	**(0.1)**	(0.2)
Effect of non-taxable exceptional items	**-**	(15.2)
Others	**(0.1)**	-
	9.9	1.1

As at 30 September 2018, certain Singapore subsidiary companies have unutilised tax losses carried forward of approximately $22,379,000 (2017: $22,379,000) and unabsorbed capital allowances of $199,000 (2017: $199,000) available for set off against future profits. In addition, certain overseas subsidiary companies have unutilised tax losses carried forward of approximately $90,235,000 (2017: $98,128,000), unutilised investment allowances of approximately $64,908,000 (2017: $23,582,000) and unabsorbed capital allowances of $14,612,000 (2017: $18,023,000). 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 30.

For the year of assessment ("YA") 2018 certain subsidiary companies have transferred loss items of $23,500,000 (YA 2017: $16,296,000) to offset against the taxable income of other companies in the Group. Tax benefits of $272,000 (YA 2017: $616,000) were recognised on the tax losses utilised under the group relief system. Tax benefits of $6,069,000 (2017: $4,436,000) 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.

9. DIVIDENDS

	THE GROUP & THE COMPANY	
	2018	2017
	($'000)	($'000)
Interim paid of 1.5 cents per share (2017: 1.5 cents per share)	**21,757**	21,739
Final proposed of 3.0 cents per share (2017: 3.0 cents per share)	**43,444**	43,408
	65,201	65,147

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

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	
	2018 ($'000)	2017 ($'000) (Restated)
Group attributable profit to shareholders of the Company		
- before fair value adjustment and exceptional items	**121,713**	96,282
- after fair value adjustment and exceptional items	**122,169**	1,279,441
	------ Number of Shares ------	
Weighted average number of ordinary shares in issue	**1,447,925,399**	1,446,751,141
Earnings Per Share (Basic)		
- before fair value adjustment and exceptional items	**8.4 cts**	6.7 cts
- after fair value adjustment and exceptional items	**8.4 cts**	88.4 cts

(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 dilutive potential 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:

	2018	2017
Group attributable profit to shareholders of the Company before fair value adjustment and exceptional items	**121,713**	96,282
Change in attributable profit due to dilutive potential shares under share plans of a subsidiary company	**(230)**	(225)
Group adjusted attributable profit to shareholders of the Company before fair value adjustment and exceptional items	**121,483**	96,057
Group attributable profit to shareholders of the Company after fair value adjustment and exceptional items	**122,169**	1,279,441
Change in attributable profit due to dilutive potential shares under share plans of a subsidiary company	**(231)**	(207)
Group adjusted attributable profit to shareholders of the company after fair value adjustment and exceptional items	**121,938**	1,279,234

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

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 dilutive potential 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	
	2018	2017
	------ Number of Shares ------	
Weighted average number of ordinary shares used to compute basic earnings per share	**1,447,925,399**	1,446,751,141
Adjustment for dilutive potential shares under share plans of the Company	**2,971,850**	3,142,401
Weighted average number of ordinary shares used to compute diluted earnings per share	**1,450,897,249**	1,449,893,542
Earnings Per Share (Fully diluted)		
- before fair value adjustment and exceptional items	**8.4 cts**	6.6 cts
- after fair value adjustment and exceptional items	**8.4 cts**	88.2 cts

11. SHARE CAPITAL, TREASURY SHARES AND RESERVES

(a) **Share capital**

	THE GROUP & THE COMPANY			
	2018		2017	
	Number of Shares	**($'000)**	Number of Shares	($'000)
Ordinary shares issued and fully paid up				
Balance at beginning of year	**1,447,077,754**	**849,301**	1,447,077,754	849,301
Shares issued pursuant to the vesting of shares awarded under Share Plans	**1,174,525**	**2,640**	-	-
Balance at end of year	**1,448,252,279**	**851,941**	1,447,077,754	849,301

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.

The Company has the following employee share plans under which share awards conditional on the achievement of pre-determined targets have been granted.

(i) Fraser and Neave, Limited Restricted Share Plan
(ii) Fraser and Neave, Limited Performance Share Plan

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FOR THE YEAR ENDED 30 SEPTEMBER 2018

11. SHARE CAPITAL, TREASURY SHARES AND RESERVES (cont'd)

(b) Treasury shares

	THE GROUP & THE COMPANY			
	2018		2017	
	Number of Shares	**($'000)**	Number of Shares	($'000)
Balance at beginning of year	**(131,126)**	**(267)**	(1,304,051)	(2,655)
Reissued during the year:				
- Reissued pursuant to share plans	**-**	**-**	1,172,925	-
- Transferred from share-based payment reserve	**-**	**-**	-	3,289
- Gain on reissuance of treasury shares	**-**	**-**	-	(901)
	-	**-**	1,172,925	2,388
Balance at end of year	**(131,126)**	**(267)**	(131,126)	(267)

Treasury shares relate to ordinary shares of the Company that is held by the Company.

The Company did not acquire shares in the Company through purchases on the Singapore Exchange during the financial years ended 30 September 2018 and 2017.

The Company reissued Nil (2017: 1,172,925) treasury shares pursuant to its share plans at a weighted average price of $Nil (2017: $2.04) in this financial year.

(c) Reserves

	THE GROUP		THE COMPANY	
	2018 ($'000)	2017 ($'000) (Restated)	**2018 ($'000)**	2017 ($'000)
The reserves comprise the following:				
Capital Reserve	**18,943**	19,416	**(1,099)**	(1,099)
Fair Value Adjustment Reserve	**(25,873)**	1,264	**72,624**	83,813
Share-based Payment Reserve	**8,910**	9,304	**4,268**	4,589
Revenue Reserve	**2,162,297**	2,101,244	**741,673**	734,205
Dividend Reserve (Note 9)	**43,444**	43,408	**43,444**	43,408
Exchange Reserve	**(238,179)**	(208,671)	**-**	-
Total reserves	**1,969,542**	1,965,965	**860,910**	864,916

Capital reserve of the Company comprises the net loss on reissuance of treasury shares. The capital reserve of the Group comprises statutory reserve, asset revaluation reserve of subsidiary companies and the net 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

11. SHARE CAPITAL, TREASURY SHARES AND RESERVES (cont'd)

(c) **Reserves** (cont'd)

Movement of hedging instruments designated as cash flow hedges are as follows:

	THE GROUP 2018 ($'000)	THE GROUP 2017 ($'000)
Balance at beginning of year	-	(425)
Realisation of reserve on dilution of interest in an associated company	-	425
Balance at end of year	-	-

Share-based payment reserve represents the 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 share plans and is reduced by the shares awarded.

Dividend reserve relates to proposed final dividend of 3.0 cents (2017: 3.0 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.

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 ($'000)	THE COMPANY Other Assets and Total ($'000)
For the year ended 30 September 2018								
At cost								
Balance at beginning of year	40,320	49,396	279,472	598,964	39,621	202,796	1,210,569	443
Currency realignment	950	885	6,039	11,410	1,266	3,712	24,262	-
Additions	-	15,134	610	13,208	54,972	9,263	93,187	1
Acquisition of subsidiary companies	-	-	-	-	-	63	63	-
Disposals	(777)	-	(867)	(13,994)	-	(11,747)	(27,385)	-
Write off	-	-	(28)	(392)	-	(7,692)	(8,112)	-
Revaluation	-	-	256	-	-	-	256	-
Reclassification	-	-	3,616	47,800	(58,271)	6,855	-	-
Reclassified to investment properties	-	-	(285)	-	-	-	(285)	-
Reclassified to intangible assets	-	-	-	-	(964)	-	(964)	-
Reclassified to inventories	-	-	-	(1,657)	-	-	(1,657)	-
Balance at end of year	40,493	65,415	288,813	655,339	36,624	203,250	1,289,934	444
Accumulated depreciation and impairment								
Balance at beginning of year	757	12,108	93,868	452,023	-	146,170	704,926	111
Currency realignment	20	158	1,389	7,077	-	2,607	11,251	-
Depreciation charge	-	905	5,616	22,544	-	16,853	45,918	64
Impairment charge	-	-	-	72	-	32	104	-
Reversal of impairment charge	-	-	(5)	(226)	-	(573)	(804)	-
Disposals	-	-	(465)	(13,903)	-	(11,417)	(25,785)	-
Write off	-	-	(16)	(341)	-	(6,755)	(7,112)	-
Reclassification	-	-	34	(2,958)	-	2,924	-	-
Reclassified to investment properties	-	-	(23)	-	-	-	(23)	-
Balance at end of year	777	13,171	100,398	464,288	-	149,841	728,475	175
Net book value at end of year	39,716	52,244	188,415	191,051	36,624	53,409	561,459	269

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

12. FIXED ASSETS (cont'd)

	THE GROUP							THE COMPANY
	Freehold Land ($'000)	Leasehold Land ($'000)	Building ($'000)	Plant & Machinery ($'000)	Capital Work-in-Progress ($'000)	Other Assets ($'000)	Total ($'000)	Other Assets and Total ($'000)
For the year ended 30 September 2017								
At cost								
Balance at beginning of year	40,717	41,669	278,012	570,167	42,315	208,398	1,181,278	440
Currency realignment	(397)	(640)	(1,347)	(3,180)	(229)	(902)	(6,695)	-
Additions	-	-	1,747	11,213	40,529	11,244	64,733	3
Disposals	-	-	(15)	(9,179)	-	(15,196)	(24,390)	-
Write off	-	-	(6)	(556)	(23)	(3,092)	(3,677)	-
Reclassification	-	8,367	1,081	30,499	(42,301)	2,354	-	-
Reclassified to intangible assets	-	-	-	-	(670)	(10)	(680)	-
Balance at end of year	40,320	49,396	279,472	598,964	39,621	202,796	1,210,569	443
Accumulated depreciation and impairment								
Balance at beginning of year	775	11,518	88,683	443,064	-	144,445	688,485	47
Currency realignment	(18)	(123)	(210)	(2,233)	-	(197)	(2,781)	-
Depreciation charge	-	713	5,401	20,729	-	17,724	44,567	64
Impairment charge	-	-	1	193	-	1,834	2,028	-
Reversal of impairment charge	-	-	(1)	(341)	-	(519)	(861)	-
Disposals	-	-	(5)	(8,949)	-	(14,445)	(23,399)	-
Write off	-	-	(1)	(440)	-	(2,669)	(3,110)	-
Reclassified to intangible assets	-	-	-	-	-	(3)	(3)	-
Balance at end of year	757	12,108	93,868	452,023	-	146,170	704,926	111
Net book value at end of year	39,563	37,288	185,604	146,941	39,621	56,626	505,643	332

(a) Other assets comprise motor vehicles and forklift, postmix and vending machines, fixture and fittings and computer equipments.

(b) The Group's carrying amount of assets held under finance leases at 30 September 2018 amounted to $Nil (2017: $39,000).

(c) During the financial year, a change in use led to a building being transferred to investment property. Immediately before the transfer, the Group remeasured the property to fair value and recognised a gain of $256,000 in other comprehensive income. The valuation techniques and significant unobservable inputs used in measuring the fair value of the building at the date of transfer were the same as those applied to investment property at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

13. INVESTMENT PROPERTIES

		THE GROUP 2018 ($'000)	THE GROUP 2017 ($'000)
(a)	**Completed Investment Properties**		
	Balance at beginning of year	**40,581**	42,863
	Currency realignment	**528**	(558)
	Reclassified from fixed assets	**262**	-
	Net fair value loss recognised in the profit statement	**301**	(1,724)
	Balance at end of year	**41,672**	40,581

(b) Completed investment properties comprise commercial properties that are leased mainly to third parties under operating leases (Note 32).

The following amounts are recognised in the profit statement:

	2018 ($'000)	2017 ($'000)
Rental income from investment properties:		
- Minimum lease payments	**1,017**	925
Direct operating expenses arising from rental generating properties	**238**	255

(c) As at 30 September 2018, investment properties amounting to $Nil (2017: $10,330,000) have been pledged to financial institutions as security for bank facilities.

(d) 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.

Independent professional valuations were carried out by the following valuers:

Valuers	**Country**
CBRE Pte Ltd	Singapore
Roma Appraisals Ltd	Hong Kong
Henry Butcher Malaysia Sdn Bhd	Malaysia

14. PROPERTIES HELD FOR DEVELOPMENT

	THE GROUP 2018 ($'000)	THE GROUP 2017 ($'000)
Balance at beginning of year	**18,025**	18,232
Currency realignment	**504**	(442)
Cost incurred	**-**	235
Balance at end of year	**18,529**	18,025
Properties held for development comprise:		
Freehold land	**16,458**	16,010
Development costs	**2,071**	2,015
	18,529	18,025

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

15. SUBSIDIARY COMPANIES

	THE COMPANY	
	2018 ($'000)	2017 ($'000)
Quoted shares at cost	**256,353**	256,353
Unquoted shares at cost	**2,100,554**	1,928,754
Allowance for impairment	**(269,362)**	(269,362)
	2,087,545	1,915,745
Amounts owing by subsidiary companies (unsecured)	**75**	79
	2,087,620	1,915,824
MARKET VALUE		
Quoted shares	**2,537,329**	1,613,658

During the financial year, the Company increased its shareholdings in F&N Dairy Investments Pte Ltd ("F&NDI") and F&N Interflavine Pte. Ltd. through capital injections amounting to $111,800,000 and $60,000,000 respectively. There was no change to the Company's effective ownership interest in these subsidiary companies.

During the financial year ended 30 September 2017, an impairment loss of $58,433,000 was recognised on the cost of investment of a subsidiary company to bring its carrying value to its recoverable value. The recoverable amount of the subsidiary company had been determined based on the higher of the fair value less cost to sell and the 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 was 8.0% and the terminal growth rate was 3.4%.

The amounts owing by subsidiary companies are unsecured, not repayable within the next 12 months and are interest free.

The amounts owing to subsidiary companies disclosed under non-current liabilities are unsecured, not repayable within the next 12 months, non-trade in nature, interest free except for amounts of $540,000,000 (2017: $460,000,000) which bear interest between 2.5% to 3.9% (2017: 2.9% to 3.9%) per annum, and to be settled in cash.

The amounts owing from and to subsidiary companies disclosed under current assets and current liabilities are unsecured, non-trade in nature, have no fixed repayment term, interest free except for amounts payable of $Nil (2017: $320,000,000) which bears interest of Nil% (2017: 1.6%) per annum and amounts receivable of $18,000,000 (2017: $515,000,000) which bears interest of 2.1% (2017: 1.3% to 1.4%) per annum, and are to be settled in cash.

The carrying amounts of the amounts owing from and to subsidiary companies are largely denominated in Singapore Dollar, Malaysia Ringgit and Thai Baht.

Details of the significant subsidiary companies are included in Note 40.

(a) Acquisition of subsidiary companies and business assets

Printing and Publishing

(i) On 9 January 2017, the Company announced that Times Publishing Limited, a wholly-owned subsidiary of the Company, entered into a conditional agreement (the "Share Purchase Agreement") to acquire the entire issued share capital in Penguin Random House Pte. Ltd. ("Penguin Singapore") and Penguin Books Malaysia Sdn. Bhd. ("Penguin Malaysia"). The aggregate consideration for the purchase is $8,231,000. The acquisition was completed on 2 October 2017. The consideration was arrived at on a "willing-buyer-willing-seller" basis, taking into consideration, inter alia, the net asset value and earnings of Penguin Singapore and Penguin Malaysia. The consideration was paid in cash and funded from internal resources. The fair value of the identifiable assets and liabilities were finalised during the financial year based on a purchase price allocation ("PPA") exercise undertaken.

15. SUBSIDIARY COMPANIES (cont'd)

(a) **Acquisition of subsidiary companies and business assets** (cont'd)

Printing and Publishing (cont'd)

(ii) On 1 April 2018, Times Experience Pte. Ltd., a wholly-owned subsidiary company of the Group, acquired the business assets in Times Travel (formerly known as Times Newslink) for a cash consideration of $667,000. A provisional goodwill of $667,000 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 PPA.

The fair value of the identifiable assets and liabilities of the subsidiary companies and business assets acquired and the goodwill recognised at the date of acquisition were as follows:

	Fair Value as at Date of Acquisition ($'000)
Intangible assets	6,801
Other non-current assets	892
Current assets	7,290
Current liabilities	(8,788)
Cash and cash equivalents	1,585
Total identifiable net assets at fair value	7,780
Goodwill/Provisional goodwill arising from acquisition	1,118
Consideration paid	8,898
Less: Deposit paid in last financial year	(8,000)
Cash and cash equivalents in subsidiary companies and business assets acquired	(1,585)
Net cash inflow on acquisition of subsidiary companies and business assets	(687)

The contribution to the Group's revenue and profit after tax by the acquired subsidiary companies and business assets were $15,853,000 and $341,000 respectively for the 12 months ended 30 September 2018.

Transaction costs related to the acquisitions of $571,000 have been recognised under "Administrative expenses" in the Group's profit statement for the years ended 30 September 2017 and 2018.

(b) **Liquidation of subsidiary companies**

During the financial year, the Group liquidated the following companies:

(i) Lee Fah Marketing Sdn Bhd
(ii) F&N Foods Sdn Bhd
(iii) Kuala Lumpur Glass Manufacturers Company Sendirian Berhad

(c) **Emerald Brewery Myanmar Limited ("EBML")**

On 19 December 2017, the Company announced that its wholly-owned subsidiary F&N Investments Pte Ltd ("F&NI") had together with Than Lwin Aye Yar Industrial Production & Construction Co., Ltd. ("TLAY"), a company incorporated in the Republic of the Union of Myanmar, incorporated a company, EBML with F&NI holding 49% shares and TLAY holding 51% shares. It is intended for EBML to explore beer production in Myanmar. EBML is treated as a subsidiary of the Group as of 30 September 2018 by virtue of management control over the financial and operating policies of EBML. Subsequently on 22 October 2018, F&NI increased its shareholdings in EBML to 74.9%, as disclosed in Note 38.

15. SUBSIDIARY COMPANIES (cont'd)

(d) Subsidiary company with material non-controlling interest ("NCI")

The Group's subsidiary company that has material NCI is as follows:

	Fraser & Neave Holdings Bhd 2018 ($'000)	Fraser & Neave Holdings Bhd 2017 ($'000)
NCI percentage of ownership and voting interest	**44.5%**	44.5%
Carrying amount of NCI	**340,152**	305,181
Profit after taxation allocated to NCI	**57,195**	46,125
Dividends paid to NCI	**31,000**	30,156
Summarised financial information before inter-group elimination		
Non-current assets	**560,615**	521,232
Current assets	**545,328**	518,018
Non-current liabilities	**(60,845)**	(80,288)
Current liabilities	**(280,594)**	(273,075)
Net assets	**764,504**	685,887
Revenue	**1,371,871**	1,314,901
Profit for the year	**128,545**	103,665
Other comprehensive income	**(618)**	10,220
Total comprehensive income	**127,927**	113,885
Net cash from operating activities	**181,459**	70,745
Net cash flows used in investing activities	**(53,617)**	(45,119)
Net cash flows used in financing activities	**(90,069)**	(83,959)
Net increase/(decrease) in cash and cash equivalents	**37,773**	(58,333)

16. JOINT VENTURE COMPANIES

	THE GROUP 2018 ($'000)	THE GROUP 2017 ($'000)
Vacaron Company Sdn Bhd ("VCSB")	**47,734**	46,669
Other joint venture company	**523**	-
	48,257	46,669

(a) Shareholder's loan

On 11 November 2011, the Group had through its non-wholly owned subsidiary, Fraser & Neave Holdings Bhd ("F&NHB"), entered into a conditional subscription cum shareholders' agreement ("SSA") with Frasers Property Holdings (Malaysia) Pte. Ltd. ("FPHM")(formerly known as FCL Centrepoint Pte. Ltd.) to form a joint venture, VCSB for the purpose of carrying out a proposed mixed development on the land held under PN 3679 for Lot No. 35 and PN 3681 for Lot No. 37, Seksyen 13, Bandar Petaling Jaya, Daerah Petaling, Selangor.

The Group and FPHM had both granted shareholder's loans to VCSB pursuant to the SSA. The loans are unsecured, bear interest at KLIBOR + 1.25% (2017: KLIBOR + 1.25%) per annum, not repayable within the next 12 months and are denominated in Malaysia Ringgit. The shareholder's loan included in the carrying amount of VCSB as at 30 September 2018 was $52,660,000 (2017: $49,351,000).

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FOR THE YEAR ENDED 30 SEPTEMBER 2018

16. JOINT VENTURE COMPANIES (cont'd)

(a) **Shareholder's loan** (cont'd)

The summarised financial information of VCSB held by the Group is as follows:

	THE GROUP	
	2018 ($'000)	2017 ($'000)
Expenses	**(190)**	(385)
Loss before interest and taxation	**(190)**	(385)
Interest income	**10**	7
Interest expense	**(3,892)**	(1,401)
Net interest	**(3,882)**	(1,394)
Loss before taxation	**(4,072)**	(1,779)
Taxation	**(306)**	444
Loss after taxation	**(4,378)**	(1,335)
Non-current assets	**895**	1,178
Cash and bank balances	**350**	542
Other current assets	**94,343**	91,731
Other current liabilities	**(105,446)**	(98,822)
Net liabilities	**(9,858)**	(5,371)
Proportion of F&NHB's ownership	**50.0%**	50.0%
Group's share of net liabilities	**(4,929)**	(2,685)
Goodwill	**3**	3
Shareholder's loan	**52,660**	49,351
Carrying amount of the investment	**47,734**	46,669

(b) The share of loss of the joint venture company held by the Group that is not individually material is as follows:

Carrying amount of interest	**523**	-
Share of loss after taxation	**(1,379)**	-

(c) The share of the results as stated in paragraph (a) and (b) above are based on the accounts of the joint venture companies for the financial years ended 30 September 2018 and 2017.

(d) The amounts owing from/to joint venture companies classified under current assets and current liabilites are unsecured, trade and non-trade in nature, interest free, repayable on demand, to be settled in cash and are denominated mostly in Chinese Renminbi and United States Dollar (2017: Singapore Dollar).

(e) There is no share of capital commitments and contingent liabilities of the joint venture companies as at 30 September 2018 and 2017.

Details of the significant joint venture companies are included in Note 40.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

17. ASSOCIATED COMPANIES

	THE GROUP	
	2018 ($'000)	2017 ($'000) (Restated)
Vietnam Dairy Products Joint Stock Company ("Vinamilk")	**2,532,438**	2,350,122
Other associated companies	**27,854**	26,940
	2,560,292	2,377,062
MARKET VALUE		
Quoted shares	**2,856,478**	2,480,459

(a) On 21 December 2016, the Group, through its wholly owned subsidiary companies, F&NDI and F&NBev Manufacturing Pte. Ltd., completed its acquisition of additional shares representing approximately 5.4% interest in Vinamilk through a competitive bid process. Thereafter, F&NDI acquired additional shares representing approximately 2.4% interest through further purchases from the market. This brought the Group's shareholdings in Vinamilk to a total of approximately 18.7%.

At the annual general meeting of Vinamilk on 15 April 2017, its shareholders approved the appointment of Mr Michael Chye, a representative of FNL, to the board of directors of Vinamilk ("the Vinamilk Board"). This increased FNL's representation on the Vinamilk Board to two directors. In accordance with FRS 28, Investments in Associates and Joint Ventures, FNL is deemed to have significant influence through its representation on the Vinamilk Board and will henceforth account for its investment in Vinamilk as an "Investment in Associated Company". As a result, the Group's investment in Vinamilk which was previously recorded as available-for-sale financial assets in Other Investments (Note 20) was reclassified to Investment in Associated Company during the financial year ended 30 September 2017.

During the financial year ended 30 September 2018, the Group, through F&NDI, acquired additional shares representing approximately 1.3% interest through purchases from the market and this brought the Group's shareholdings in Vinamilk to a total of approximately 20.0%.

The following table summarises the financial information of Vinamilk based on its consolidated financial statements for the periods ended 30 September and prepared in accordance with FRS and modified for fair value adjustments on acquisition and differences in the Group's accounting policies:

Summarised statement of comprehensive income	2018	2017
Revenue	**2,674,671**	1,297,102
Profit before taxation	**585,942**	304,586
Taxation	**(104,111)**	(53,366)
Profit after taxation	**481,831**	251,220
Other comprehensive income	**42,950**	(26,313)
Total comprehensive income	**524,781**	224,907
Attributable to:		
Non-controlling interests	**27,744**	(13,075)
Shareholders of Vinamilk	**497,037**	237,982

17. ASSOCIATED COMPANIES (cont'd)

	THE GROUP	
	2018 ($'000)	2017 ($'000) (Restated)
Summarised balance sheet		
Non-current assets	**2,937,667**	2,838,817
Current assets	**1,056,599**	1,094,174
Current liabilities	**(406,285)**	(396,872)
Non-current liabilities	**(451,804)**	(439,952)
Net assets	**3,136,177**	3,096,167
Attributable to:		
Non-controlling interests	**28,801**	1,076
Shareholders of Vinamilk	**3,107,376**	3,095,091
Proportion of the Group's ownership	**20.0%**	18.7%
Group's share of net assets	**621,786**	580,020
Goodwill on acquisition	**1,910,652**	1,770,102
Carrying amount of the investment	**2,532,438**	2,350,122

(a) A provisional goodwill of $2,083,093,000 was recognised based on the provisional fair value of the identifiable assets and liabilities at the date of the acquisition during the financial year ended 30 September 2017. During the financial year ended 30 September 2018, a PPA exercise was conducted and this resulted in the fair value of certain assets and liabilities being revised to reflect the finalisation of the allocation process. The Group took up a fair value increase in non-current assets of $387,547,000, current assets of $3,701,000 and non-current liabilities of $78,257,000 and a decrease in goodwill amount of $312,991,000.

The fair value adjustments have been recorded with effect from the date of acquisition and the impact on the profit statement for the year ended 30 September 2017 was a decrease in share of associated companies' profit of $3,264,000.

(b) The share of profit and other comprehensive income of the associated companies held by the Group that are not individually material are as follows:

	THE GROUP	
	2018 ($'000)	2017 ($'000)
Carrying amount of interest	**27,854**	26,940
Share of profit before taxation	**3,795**	4,202
Share of taxation	**(934)**	(1,007)
Share of profit after taxation	**2,861**	3,195
Share of other comprehensive income	**-**	137
Share of total comprehensive income	**2,861**	3,332

(c) The amounts due from/to associated companies classified under current assets and current liabilities are unsecured, trade and non-trade in nature, interest free, repayable on demand, to be settled in cash and are denominated mostly in Malaysia Ringgit and Chinese Renminbi.

(d) There is no share of contingent liabilities of the associated companies as at 30 September 2018 and 2017.

Details of the significant associated companies are included in Note 40.

NOTES TO THE FINANCIAL STATEMENTS

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18. INTANGIBLE ASSETS

	THE GROUP				THE COMPANY
	Goodwill ($'000)	Deferred Development Costs ($'000)	Other Intangible Assets ($'000)	Total ($'000)	Other Intangible Assets and Total ($'000)
For the year ended 30 September 2018					
At cost					
Balance at beginning of year	**79,863**	**27,425**	**40,823**	**148,111**	**200**
Currency realignment	**578**	**74**	**423**	**1,075**	**-**
Additional expenditure	**-**	**9,361**	**4,008**	**13,369**	**-**
Acquisition of subsidiary companies and business assets	**1,118**	**-**	**6,801**	**7,919**	**-**
Reclassified from fixed assets	**-**	**-**	**964**	**964**	**-**
Write off	**-**	**(11,770)**	**(3)**	**(11,773)**	**-**
Balance at end of year	**81,559**	**25,090**	**53,016**	**159,665**	**200**
Accumulated amortisation and impairment					
Balance at beginning of year	**5,936**	**14,577**	**34,024**	**54,537**	**33**
Currency realignment	**47**	**129**	**326**	**502**	**-**
Amortisation charge	**-**	**9,128**	**2,827**	**11,955**	**20**
Impairment charge	**-**	**14**	**-**	**14**	**-**
Write off	**-**	**(11,770)**	**(3)**	**(11,773)**	**-**
Balance at end of year	**5,983**	**12,078**	**37,174**	**55,235**	**53**
Net book value	**75,576**	**13,012**	**15,842**	**104,430**	**147**
For the year ended 30 September 2017					
At cost					
Balance at beginning of year	80,483	80,017	41,824	202,324	200
Currency realignment	(620)	(591)	(353)	(1,564)	-
Additional expenditure	-	9,321	1,185	10,506	-
Reclassified from fixed assets	-	-	680	680	-
Write off	-	(61,322)	(2,513)	(63,835)	-
Balance at end of year	79,863	27,425	40,823	148,111	200
Accumulated amortisation and impairment					
Balance at beginning of year	5,979	66,393	34,166	106,538	13
Currency realignment	(43)	(670)	(275)	(988)	-
Amortisation charge	-	10,109	2,621	12,730	20
Impairment charge	-	92	-	92	-
Reversal of impairment charge	-	(25)	-	(25)	-
Reclassified from fixed assets	-	-	3	3	-
Write off	-	(61,322)	(2,491)	(63,813)	-
Balance at end of year	5,936	14,577	34,024	54,537	33
Net book value	73,927	12,848	6,799	93,574	167

All intangible assets, other than goodwill, have finite useful lives of not more than 20 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

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 CGUs				
As at 30 September 2018				
Subsidiary companies:				
Printing and Publishing Group	**16,421**	**Value-in-use and Fair value less cost to sell**	**0%**	**6.3% - 9.3%**
Dairies Group	**331**	**Value-in-use**	**0%**	**9.5%**
Beverages Group	**58,824**	**Value-in-use and Fair value less cost to sell**	**0% - 2.0%**	**6.5% - 9.5%**
	75,576			
As at 30 September 2017				
Subsidiary companies:				
Printing and Publishing Group	15,236	Value-in-use and Fair value less cost to sell	0%	7.3% - 7.6%
Dairies Group	322	Value-in-use	0%	10.2%
Beverages Group	58,369	Value-in-use and Fair value less cost to sell	0% - 1.0%	7.0% - 10.2%
	73,927			

Goodwill is allocated for impairment testing purposes to the individual entity which is also the CGU. 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 period. 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 management's estimates of the risks specific to the respective CGUs at the date of assessment.

There was no impairment loss recognised in the profit statement during the current financial year and the previous financial year.

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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 $14,000 (2017: $92,000) was recognised in "Other income (net)" in the profit statement as the carrying value was assessed to be in excess of its recoverable value due to shift in market demand for certain products.

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 7.3% (2017: 7.3%) and the terminal growth rate is 0% (2017: 0%).

(c) **Other intangible assets**

The carrying value of other intangible assets was assessed for impairment during the financial year.

There was no impairment loss recognised in the profit statement during the current financial year and the previous financial year.

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	
	2018 ($'000)	2017 ($'000)	**2018 ($'000)**	2017 ($'000)
Quoted available-for-sale financial assets				
Equity investments				
At fair value	**13,865**	30,117	**222,471**	222,691
Unquoted available-for-sale financial assets				
Equity investments				
At cost (less impairment loss)	**14**	14	**14**	14
Total	**13,879**	30,131	**222,485**	222,705

(a) Market value of quoted investments are determined by reference to stock exchange quoted prices.

(b) 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.

21. CASH AND BANK DEPOSITS

	THE GROUP		THE COMPANY	
	2018 ($'000)	2017 ($'000)	**2018 ($'000)**	2017 ($'000)
Non-Current				
Bank fixed deposits	**-**	2,927	**-**	-
Current				
Bank fixed deposits	**214,830**	291,028	**92,263**	8,684
Cash and bank balances	**315,295**	843,953	**108,704**	287,584
	530,125	1,134,981	**200,967**	296,268
	530,125	1,137,908	**200,967**	296,268

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

21. CASH AND BANK DEPOSITS (cont'd)

The weighted average effective interest rate for non-current fixed deposits is Nil% (2017: 0.96%) and current fixed deposits is 2.27% (2017: 1.59%).

Included in the Group's bank fixed deposits is an amount of $2,959,000 (2017: $2,927,000) relating to the portion of consideration for acquisition of a subsidiary company 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. These fixed deposits are excluded from the Group Cash Flow Statement.

As at 30 September 2018, cash and bank deposits held by the Group are in the following major currencies: Singapore Dollar - 55.6% (2017: 71.5%), Malaysia Ringgit - 25.5% (2017: 8.1%), Thai Baht - 10.0% (2017: 4.6%), United States Dollar - 3.1% (2017: 5.6%) and Vietnamese Dong - Nil% (2017: 8.4%).

22. BRANDS

	THE GROUP		THE COMPANY	
	2018 ($'000)	2017 ($'000)	**2018 ($'000)**	2017 ($'000)
At cost				
Balance at beginning of year	**40,720**	41,359	**8,647**	8,647
Currency realignment	**868**	(639)	**-**	-
Balance at end of year	**41,588**	40,720	**8,647**	8,647
Accumulated amortisation and impairment				
Balance at beginning of year	**13,605**	13,467	**8,435**	8,435
Currency realignment	**144**	3	**-**	-
Amortisation charge	**135**	135	**-**	-
Balance at end of year	**13,884**	13,605	**8,435**	8,435
Net book value	**27,704**	27,115	**212**	212

Included in the Group's brands are brands with indefinite useful life of carrying amount of $26,762,000 (2017: $26,040,000).

The recoverable amount of the brands have been determined based on value-in-use calculations using 3 to 10 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 CGU operates.

The discount rate applied to the cash flow projections reflect managements' estimates of the risks specific to the respective CGUs at the date of assessment.

The pre-tax discount rates applied to the cash flow projections were 6.5% - 9.5% (2017: 7.0% - 10.2%) and terminal growth rates applied were 1.0% - 2.0% (2017: 1.0%).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

23. INVENTORIES

	THE GROUP	
	2018 ($'000)	2017 ($'000)
Raw materials	**108,409**	123,348
Finished goods	**108,364**	104,403
Packaging materials	**17,640**	12,572
Engineering spares, work-in-progress and other inventories	**8,099**	6,762
	242,512	247,085

The cost of inventories recognised as an expense in cost of sales during the year was $1,176,842,000 (2017: $1,152,775,000).

24. TRADE RECEIVABLES, OTHER RECEIVABLES AND RELATED PARTIES

	THE GROUP		THE COMPANY	
	2018 ($'000)	2017 ($'000)	**2018 ($'000)**	2017 ($'000)
Current				
Trade receivables	**272,192**	279,654	**-**	-
Other receivables:				
Accrued income	**952**	1,444	**339**	215
Prepayments	**5,348**	4,999	**19**	68
Deposits paid	**5,987**	12,669	**-**	-
Tax recoverable	**20,615**	17,921	**-**	392
Staff loans	**2,336**	3,109	**-**	-
Derivative financial instruments (Note 25)	**184**	236	**-**	-
Sundry debtors	**6,164**	9,053	**-**	-
Other receivables	**8,724**	9,734	**-**	-
	50,310	59,165	**358**	675
Related parties	**9,607**	7,054	**9**	1
	332,109	345,873	**367**	676
Non-current				
Other receivables:				
Staff loans	**468**	300	**-**	-
Tax recoverable	**366**	289	**-**	-
Deposits paid	**464**	761	**-**	-
	1,298	1,350	**-**	-
	333,407	347,223	**367**	676

(a) As at 30 September 2018, trade receivables, other receivables and related parties held by the Group are in the following major currencies: Malaysia Ringgit - 38.1% (2017: 36.2%), Singapore Dollar - 26.0% (2017: 27.4%),Thai Baht - 19.9% (2017: 17.2%), United States Dollar - 7.2% (2017: 9.5%) and Chinese Renminbi - 3.8% (2017: 4.3%).

(b) Current amounts due from related parties are trade and non-trade related, unsecured, interest free, repayable upon demand and to be settled in cash.

24. TRADE RECEIVABLES, OTHER RECEIVABLES AND RELATED PARTIES (cont'd)

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to $58,596,000 (2017: $61,107,000) that are past due at balance sheet date but not impaired. These receivables are unsecured and the ageing analysis at the balance sheet date is as follows:

	THE GROUP	
	2018 ($'000)	2017 ($'000)
Trade receivables past due:		
1 to 30 days	**40,382**	39,452
31 to 60 days	**5,524**	10,011
61 to 90 days	**4,503**	5,512
91 to 120 days	**1,249**	1,452
more than 120 days	**6,938**	4,680
	58,596	61,107

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	
	2018 ($'000)	2017 ($'000)	**2018 ($'000)**	2017 ($'000)
Trade receivables - nominal amounts	**592**	668	**4,261**	5,219
Less: Allowance for impairment	**(592)**	(668)	**(1,622)**	(2,889)
	-	-	**2,639**	2,330
Movement in allowance accounts:				
Balance at beginning of year	**668**	136	**2,889**	4,107
Impairment charge	**353**	1,111	**384**	870
Write back	**(313)**	(575)	**(622)**	(361)
Acquisition of subsidiary companies	**-**	-	**149**	-
Write off	**(109)**	-	**(1,210)**	(1,687)
Currency realignment	**(7)**	(4)	**32**	(40)
Balance at end of year	**592**	668	**1,622**	2,889

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 enhancements.

25. DERIVATIVE FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
	2018 ($'000)	2017 ($'000)	**2018 ($'000)**	2017 ($'000)
Current Assets				
Forward currency contracts	**184**	236	**-**	-
Current Liabilities				
Forward currency contracts	**300**	799	**46**	2
Net position	**(116)**	(563)	**(46)**	(2)

NOTES TO THE FINANCIAL STATEMENTS

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26. ASSETS AND LIABILITIES HELD FOR SALE

In the last financial year, the assets and liabilities of a former subsidiary company, Shanxi Xinhua Times Packaging Printing Co., Ltd ("SXTP") had been presented as held for sale following the commitment of the Group's management to a plan to sell SXTP. During the financial year, the discussion for sale was terminated. As such, the assets and liabilities of SXTP have been reclassified to investment in joint venture company.

	THE GROUP	
	2018 ($'000)	2017 ($'000)
Assets		
Fixed assets	-	5,043
Inventories	-	1,702
Trade and other receivables	-	3,110
Cash and bank balances	-	32
	-	9,887
Liabilities		
Trade and other payables	-	2,371

27. TRADE PAYABLES, OTHER PAYABLES AND RELATED PARTIES

	THE GROUP		THE COMPANY	
	2018 ($'000)	2017 ($'000)	**2018 ($'000)**	2017 ($'000)
Current				
Trade payables	**160,961**	155,029	**-**	-
Other payables				
Accrued operating expenses	**94,022**	81,785	**244**	254
Sundry accruals	**19,315**	27,731	**424**	316
Sundry deposits	**8,299**	7,352	**-**	-
Staff costs payable	**36,385**	44,224	**-**	-
Accrual for unconsumed annual leave	**2,473**	2,609	**-**	-
Deferred income	**320**	783	**-**	-
Derivative financial instruments (Note 25)	**300**	799	**46**	2
Interest payable	**4,169**	3,943	**199**	215
Other payables	**32,139**	33,008	**7,083**	7,206
	197,422	202,234	**7,996**	7,993
Related parties	**9,121**	13,689	**1,265**	1,265
	367,504	370,952	**9,261**	9,258
Non-current				
Other payables	**12,575**	13,169	**-**	-
	380,079	384,121	**9,261**	9,258

(a) As at 30 September 2018, trade payables, other payables and related parties held by the Group are in the following major currencies: Malaysia Ringgit - 29.4% (2017: 32.3%), Thai Baht - 26.8% (2017: 25.1%), Singapore Dollar - 22.8% (2017: 24.9%), United States Dollar - 7.7% (2017: 6.8%) and Sterling Pound - 5.3% (2017: 4.3%).

(b) Current amounts due to related parties are trade and non-trade related, unsecured, interest free, repayable upon demand and to be settled in cash.

(c) Included in the Group's current other payables is an amount of $2,900,000 (2017: non-current other payable of $2,810,000) relating to deferred consideration payable for acquisition of subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

28. BORROWINGS

	Weighted average effective interest rate %	Notes	THE GROUP 2018 ($'000)	THE GROUP 2017 ($'000)	THE COMPANY 2018 ($'000)	THE COMPANY 2017 ($'000)
Repayable within one year:						
Unsecured						
Bank loans	2.26%		**309,648**	736,665	**180,000**	360,000
Bank overdrafts	-		**-**	598	**-**	-
			309,648	737,263	**180,000**	360,000
Term loans	3.81%	(a)	**64,483**	48,322	**-**	-
Secured						
Finance leases			**-**	6	**-**	-
			374,131	785,591	**180,000**	360,000
Repayable after one year:						
Unsecured						
Bank loans	-		**-**	10,175	**-**	-
Term loans	3.07%	(a)	**497,288**	507,323	**-**	-
		(c)	**497,288**	517,498	**-**	-
Total			**871,419**	1,303,089	**180,000**	360,000
Fair value		(b)	**863,262**	1,308,997	**180,000**	360,000

Notes

(a) As at 30 September 2018 and 2017, term loans include medium term notes issued by certain subsidiary companies.

(b) 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 and term loans of $569,884,000 (2017: $580,664,000) which have a fair value of $561,727,000 (2017: $586,572,000). They are classified as a Level 1 and Level 3 instrument under the fair value hierarchy. For the loans and borrowings classified as Level 3 instrument, the fair value is derived using DCF method using a rate based on the current market rate of borrowings of the respective entities at the reporting date.

(c) Maturity of non-current borrowings is as follows:

	THE GROUP 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY 2017
Between 1 and 2 years	**8,553**	58,501	**-**	-
Between 2 and 5 years	**389,163**	359,475	**-**	-
After 5 years	**99,572**	99,522	**-**	-
	497,288	517,498	**-**	-

(d) As at 30 September 2018, borrowings held by the Group are in the following major currencies: Singapore Dollar - 87.1% (2017: 90.4%), Thai Baht - 7.0% (2017: 2.0%) and Malaysia Ringgit - 5.9% (2017: 7.6%).

28. BORROWINGS (cont'd)

(e) A reconciliation of movements of liabilities to cash flows arising from financing activities is as follows:

	As at 1 October 2017 ($'000)	Cash Flows ($'000)	Non-cash changes: Currency realignment ($'000)	Non-cash changes: Transaction costs ($'000)	As at 30 September 2018 ($'000)
The Group					
Bank and term loans	1,302,485	(434,852)	3,572	214	871,419
Finance leases	6	(6)	-	-	-
Total	1,302,491	(434,858)	3,572	214	871,419

29. PROVISION FOR EMPLOYEE BENEFITS

	THE GROUP 2018 ($'000)	THE GROUP 2017 ($'000)
Defined benefit plan	**18,186**	17,737
Long service leave/severance allowance/gratuity	**70**	70
	18,256	17,807

(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 and Australia.

Accruals for defined contribution plans are included in Other Payables under Note 27.

(b) **Defined Benefit Plan**

The defined benefit plan in the United Kingdom is a funded, defined benefit pension plan where the assets are held in a separate trustee-administrated fund. The defined benefit plans in Malaysia, Thailand and Indonesia do not have separately funded assets. They provide a lump sum benefit at normal retirement age.

The following tables summarise the components of net benefit expense and benefit liability:

	2018	2017
Net benefit expense/(income)		
Current service cost	**1,059**	1,055
Interest cost	**651**	730
Past service credit	**(58)**	(1,918)
	1,652	(133)
Actual return on plan assets	**732**	488
Benefit liability		
Present value of funded defined benefit obligation	**24,939**	25,702
Fair value of plan assets	**(21,126)**	(21,074)
	3,813	4,628
Present value of unfunded defined benefit obligation	**14,373**	13,109
Net liability arising from defined benefit obligation	**18,186**	17,737

29. 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 2018 was 13.7 years (2017: 14.2 years).

The Group expects to contribute $679,000 to the defined benefit plans in the financial year ended 30 September 2019 (2018: $691,000).

	THE GROUP	
	2018 ($'000)	2017 ($'000)
Changes in present value of defined benefit obligations are as follows:		
Balance at beginning of year	**38,811**	40,823
Interest cost	**1,192**	1,193
Current service cost	**1,059**	1,055
Past service credit	**(58)**	(1,918)
Benefits paid	**(1,536)**	(1,570)
Remeasurements:		
- actuarial loss arising from change in demographic assumptions	**573**	-
- actuarial gains arising from change in financial assumptions	**(613)**	(1,065)
- experience adjustments	**(89)**	(253)
Currency realignment	**(27)**	546
Balance at end of year	**39,312**	38,811
Changes in fair value of plan assets are as follows:		
Balance at beginning of year	**21,074**	20,222
Interest income	**541**	463
Contributions by employer	**679**	691
Benefits paid	**(999)**	(881)
Remeasurements on return on plan assets	**191**	25
Currency realignment	**(360)**	554
Balance at end of year	**21,126**	21,074
The proportion of fair value of plan assets at the end of the year is analysed as follows:		
Equity instruments	**9,925**	10,055
Debt instruments	**7,588**	7,817
Other assets	**3,613**	3,202
	21,126	21,074
The major assumptions used by the qualified independent actuaries were:		
Future salary growth	**4.0% to 7.0%**	4.0% to 7.0%
Discount rate	**2.5% to 5.2%**	2.5% to 7.8%

29. 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:

		Increase/(Decrease) in defined benefit obligation	
	Change in assumption	**Increase in assumption ($'000)**	**Decrease in assumption ($'000)**
The Group			
Year Ended 30 September 2018			
Future salary growth	**1%**	**1,186**	**(1,041)**
Discount rate	**1%**	**(4,464)**	**5,178**
Year Ended 30 September 2017			
Future salary growth	1%	1,170	(1,028)
Discount rate	1%	(4,404)	5,614

(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 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 level of achievement of pre-determined targets over a two-year performance period for the RSP, the final number of RSP shares to be awarded could range between 0% to 150% of the initial grant of the RSP shares.

(ii) Based on meeting stated performance conditions over a two-year performance period, 50% of the RSP share awards will vest. The balance will vest equally over the subsequent two years upon fulfillment of service requirements.

Information with respect to the number of shares granted under the RSP is as follows:

Shares	Grant Date	Balance as at 1.10.2017 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2018
Year 5	01.10.2014	269,100	(8,250)	-	(260,850)	-
Year 6	06.05.2015	463,050	(16,450)	-	(225,025)	221,575
Year 7	26.02.2016	1,193,476	(67,950)	180,524	(670,250)	635,800
Year 8	28.12.2016	1,034,354	(91,000)	-	-	943,354
Year 9	28.12.2017	1,016,700	(75,500)	-	-	941,200
		3,976,680	(259,150)*	180,524	(1,156,125)	2,741,929

* Cancelled due to resignations.

The expense recognised in profit statement granted under the RSP during the financial year is $2,197,000 (2017: $2,088,000).

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29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Plans (cont'd)

The estimated fair value of shares granted during the year ranges from $2.37 to $2.47 (2017: $1.90 to $1.99). 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:

	2018	2017
Dividend yield (%)	**2.0**	2.2
Expected volatility (%)	**14.6**	15.1
Risk-free interest rate (%)	**1.7**	1.4 to 1.8
Expected life (years)	**2.0 to 4.0**	2.0 to 4.0
Share price at date of grant ($)	**2.57**	2.08

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 level of achievement of pre-determined targets over a three-year performance period, the final number of PSP shares awarded could range between 0% to 200% of the initial grant of the PSP shares.

(ii) PSP share awards will vest based on meeting stated performance conditions over a three-year performance period.

Information with respect to the number of shares granted under the PSP is as follows:

Shares	Grant Date	Balance as at 1.10.2017 or Grant Date if later	Achievement Factor	Vested	Balance as at 30.9.2018
Year 6	06.05.2015	30,500	(12,100)	(18,400)	-
Year 7	26.02.2016	84,383	-	-	84,383
Year 8	28.12.2016	67,538	-	-	67,538
Year 9	28.12.2017	78,000	-	-	78,000
		260,421	(12,100)	(18,400)	229,921

The expense recognised in profit statement granted under the PSP during the financial year is $121,000 (2017: $103,000).

The estimated fair value of shares granted during the year is $2.10 (2017: $1.65). 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:

	2018	2017
Dividend yield (%)	**2.0**	2.2
Expected volatility (%)	**14.6**	15.1
Cost of equity (%)	**9.9**	10.5
Risk-free interest rate (%)	**1.7**	1.6
Expected life (years)	**3.0**	3.0
Share price at date of grant ($)	**2.57**	2.08

29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Plans (cont'd)

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 performance period, the final number of F&NHB RSP shares awarded could range between 0% to 150% of the initial grant of the F&NHB RSP 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.

Information with respect to the number of shares granted under the F&NHB RSP is as follows:

Shares	Grant Date	Balance as at 1.10.2017 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2018
Year 3	12.08.2014	124,250	-	-	(124,250)	-
Year 4	15.01.2015	209,000	(5,600)	-	(104,500)	98,900
Year 5	05.01.2016	476,500	(10,450)	(92,900)	(191,800)	181,350
Year 6	22.12.2016	493,200	(28,600)	-	-	464,600
Year 7	22.12.2017	496,000	(26,100)	-	-	469,900
		1,798,950	(70,750)*	(92,900)	(420,550)	1,214,750

* Cancelled due to resignations.

The estimated fair value of shares granted during the year ranges from RM15.52 to RM17.21 (2017: RM15.66 to RM16.58). 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:

	2018	2017
Dividend yield (%)	**2.7**	3.3
Expected volatility (%)	**11.6**	12.7
Risk-free interest rate (%)	**3.2 to 3.6**	3.6 to 3.9
Expected life (years)	**2.0 to 4.0**	2.0 to 4.0
Share price at date of grant (RM)	**26.38**	22.86

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 was 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 performance period, the final number of PSP shares awarded could range between 0% to 200% of the initial grant of the PSP shares.

(ii) PSP share awards will vest based on meeting stated performance conditions over a three-year performance period.

As at 30 September 2018, no shares has been granted under F&NHB PSP.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

30. DEFERRED TAX ASSETS AND LIABILITIES

	THE GROUP			
	Balance Sheet		Profit Statement	
	2018 ($'000)	2017 ($'000)	**2018 ($'000)**	2017 ($'000)
Deferred tax liabilities				
Differences in depreciation	**16,981**	16,101	**548**	138
Provisions, expenses and income taken in a different period	**1,277**	1,394	**133**	88
Fair value adjustments	**900**	917	**(229)**	(137)
Other deferred tax liabilities	**616**	1,132	**(539)**	37
Gross deferred tax liabilities	**19,774**	19,544	**(87)**	126
Less: Deferred tax assets				
Employee benefits	**(1,084)**	(1,023)	**(46)**	(257)
Unabsorbed losses and capital allowances	**(157)**	85	**(240)**	(213)
Provisions, expenses and income taken in a different period	**(1,181)**	(1,345)	**(51)**	(257)
Fair value adjustments	**(388)**	(188)	**-**	-
Gross deferred tax assets	**(2,810)**	(2,471)	**(337)**	(727)
Net deferred tax liabilities	**16,964**	17,073	**(424)**	(601)

Some subsidiary companies have net deferred tax assets relating to the following:

Employee benefits	**(1,935)**	(1,608)	**(275)**	11
Differences in depreciation	**10,526**	10,391	**(143)**	(33)
Unabsorbed losses and capital allowances	**4,545**	3,336	**1,360**	(2,053)
Provisions	**(8,513)**	(7,838)	**123**	281
Investment allowances	**(11,194)**	(13,917)	**3,108**	4,146
Fair value adjustments	**(38)**	(41)	**4**	2
Net deferred tax assets	**(6,609)**	(9,677)	**4,177**	2,354

The deferred tax provision of $Nil (2017: $1,363,000) relating to fair value adjustment in other comprehensive income was written back during the year.

Deferred tax liabilities of $446,000 (2017: $1,508,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the unremitted earnings of $2,620,000 at 30 September 2018 (2017: $8,870,000).

Deferred tax liabilities of $440,000 (2017: $436,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the undistributed earnings of $2,782,000 at 30 September 2018 (2017: $2,756,000) of certain of the Group's subsidiary companies as the Group has determined that the undistributed earnings of its subsidiary companies will not be distributed in the foreseeable future.

Deferred tax assets have not been recognised in respect of the following items:

	THE GROUP	
	2018 ($'000)	2017 ($'000)
Deductible temporary differences	**32,762**	35,911
Tax losses	**108,454**	102,984
	141,216	138,895

Tax losses of $43,306,000 (2017: $42,494,000) expire in 2027. The remaining tax losses and the deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	THE GROUP	
	2018 ($'000)	2017 ($'000)
31. FUTURE COMMITMENTS		
Commitments not provided for in the financial statements:		
(a) Commitments in respect of contracts placed		
Fixed assets	**86,766**	41,799
(b) Other amounts approved by directors but not contracted for		
Fixed assets	**46,194**	82,826
Total	**132,960**	124,625

32. LEASE COMMITMENTS

Operating Leases

Lease commitments under non-cancellable operating leases where the Group is a lessee:

	2018 ($'000)	2017 ($'000)
Payable within one year	**13,068**	14,605
Payable between one and five years	**13,549**	19,429
Payable after five years	**23,331**	27,207
	49,948	61,241
Operating lease expense for the year	**21,357**	19,427

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:

	2018 ($'000)	2017 ($'000)
Receivable within one year	**1,059**	612
Receivable between one and five years	**741**	121
	1,800	733

Finance Leases

Lease commitments under non-cancellable finance leases where the Group is a lessee:

	THE GROUP			
	2018 ($'000)		2017 ($'000)	
	Minimum lease payments	**Present value of payments**	Minimum lease payments	Present value of payments
Minimum lease payments payable within one year	**-**	**-**	6	6

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.

NOTES TO THE FINANCIAL STATEMENTS

33. SIGNIFICANT 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 based on agreed fees or terms between the parties.

		THE GROUP	
		2018 ($'000)	2017 ($'000)
(a)	Transactions with TCC Group of Companies[(i)]		
	Sales	**21,024**	18,531
	Advertising & promotion support	**7,103**	5,958
	Service fee and other income	**2,760**	3,803
	Purchases	**(31,779)**	(30,585)
	Marketing expense	**(11,566)**	(21,043)
	Insurance premium expense	**(1,389)**	(1,080)
	Management fee expense	**(876)**	(798)
	Rental and other expenses	**(5,287)**	(4,184)

[(i)] This refers to the companies and entities in the TCC Group which are controlled by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi.

		THE GROUP	
		2018 ($'000)	2017 ($'000)
(b)	Transactions with Joint Arrangements and Associated Companies		
	Sales	**17**	862
	Receipt of corporate service fee	**37**	62
	Finance income	**1,946**	1,796
	Purchases	**(4,500)**	(4,762)
	Shareholder's loan granted	**-**	(641)

34. CONTINGENT LIABILITIES

The Company issued corporate guarantees to the extent of $2,730,511,000 (2017: $2,780,000,000) for the purpose of assisting its subsidiary companies to obtain external borrowings. Of the $2,730,511,000 (2017: $2,780,000,000) corporate guarantees given by the Company, $700,000,000 (2017: $820,000,000) has been utilised by its subsidiary companies as security for its borrowings.

35. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

35. FINANCIAL RISK MANAGEMENT (cont'd)

(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 2018, the Group had entered into foreign currency forward exchange buy contracts amounting to $30,200,000 (2017: $46,495,000) and sell contracts amounting to $11,298,000 (2017: $8,378,000). 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 losses of $58,000 (2017: $467,000) and $58,000 (2017: $96,000) respectively.

At 30 September 2018, the Company had entered into foreign currency forward exchange sell contracts amounting to $1,223,000 (2017: $812,000). The fair value adjustments of the sell contracts (which is the difference between the notional principal amount and market value of the contracts) is a loss of $46,000 (2017: $2,000).

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.

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, Hong Kong Dollar, Singapore Dollar, Malaysia Ringgit, Thai Baht and Chinese Renminbi 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 2018				
Australia Dollar	**732**	**544**	**732**	**-**
Sterling Pound	**-**	**(1,228)**	**-**	**-**
United States Dollar	**-**	**2,478**	**-**	**(8)**
Vietnamese Dong	**-**	**66**	**20,861**	**-**
Hong Kong Dollar	**654**	**39**	**654**	**-**
Singapore Dollar	**-**	**206**	**-**	**-**
Malaysia Ringgit	**-**	**201**	**-**	**69**
Thai Baht	**-**	**(188)**	**-**	**(6)**
Chinese Renminbi	**-**	**490**	**-**	**-**
Year Ended 30 September 2017				
Australia Dollar	3,012	560	3,012	-
Sterling Pound	-	(1,035)	-	-
United States Dollar	-	6,613	-	4,544
Vietnamese Dong	-	7,879	19,257	-
Hong Kong Dollar	-	10	-	-
Singapore Dollar	-	1,325	-	-
Malaysia Ringgit	-	(521)	-	53
Thai Baht	-	(527)	-	17
Chinese Renminbi	-	416	-	-

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.

35. FINANCIAL RISK MANAGEMENT (cont'd)

(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.

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.

		Contractual Cash Flows			
	Carrying amount ($'000)	Total cash flows ($'000)	Less than 1 year ($'000)	Between 1 and 5 years ($'000)	Over 5 years ($'000)
The Group					
Year Ended 30 September 2018					
Financial Assets					
Trade receivables	272,192	272,192	272,192	-	-
Other receivables (excluding derivative financial instruments)	19,457	19,457	18,914	543	-
Derivative financial instruments	184	184	184	-	-
Related parties	9,607	9,607	9,607	-	-
Joint venture companies	54,523	54,523	1,863	-	52,660
Associated companies	12	12	12	-	-
Bank fixed deposits	214,830	215,065	215,065	-	-
Cash and bank balances	315,295	317,276	317,276	-	-
	886,100	888,316	835,113	543	52,660
Financial Liabilities					
Trade payables	160,961	160,961	160,961	-	-
Other payables (excluding derivative financial instruments)	202,773	202,773	190,198	12,575	-
Derivative financial instruments	300	300	300	-	-
Borrowings	871,419	947,070	391,048	442,936	113,086
Related parties	9,121	9,121	9,121	-	-
Associated companies	1,253	1,253	1,253	-	-
	1,245,827	1,321,478	752,881	455,511	113,086
Total net undiscounted financial (liabilities)/assets		(433,162)	82,232	(454,968)	(60,426)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

35. FINANCIAL RISK MANAGEMENT (cont'd)

(b) **Liquidity Risk** (cont'd)

	Carrying amount ($'000)	Contractual Cash Flows Total cash flows ($'000)	Less than 1 year ($'000)	Between 1 and 5 years ($'000)	Over 5 years ($'000)
The Group					
Year Ended 30 September 2017					
Financial Assets					
Trade receivables	279,654	279,654	279,654	-	-
Other receivables (excluding derivative financial instruments)	24,939	24,939	24,257	682	-
Derivative financial instruments	236	236	236	-	-
Related parties	7,054	7,054	7,054	-	-
Joint venture companies	49,922	49,922	571	-	49,351
Associated companies	1	1	1	-	-
Bank fixed deposits	293,955	295,757	292,805	2,952	-
Cash and bank balances	843,953	847,625	847,625	-	-
	1,499,714	1,505,188	1,452,203	3,634	49,351
Financial Liabilities					
Trade payables	155,029	155,029	155,029	-	-
Other payables (excluding derivative financial instruments)	203,854	203,854	190,685	13,169	-
Derivative financial instruments	799	799	799	-	-
Borrowings	1,303,089	1,394,233	805,130	472,267	116,836
Related parties	13,689	13,689	13,689	-	-
Joint venture companies	11	11	11	-	-
Associated companies	1,583	1,583	1,583	-	-
	1,678,054	1,769,198	1,166,926	485,436	116,836
Total net undiscounted financial (liabilities)/assets		(264,010)	285,277	(481,802)	(67,485)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

35. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity Risk (cont'd)

	Carrying amount ($'000)	Contractual Cash Flows: Total cash flows ($'000)	Less than 1 year ($'000)	Between 1 and 5 years ($'000)	Over 5 years ($'000)
The Company					
Year Ended 30 September 2018					
Financial Assets					
Other receivables	**339**	**339**	**339**	**-**	**-**
Subsidiary companies	**22,561**	**22,577**	**22,502**	**75**	**-**
Related parties	**9**	**9**	**9**	**-**	**-**
Bank fixed deposits	**92,263**	**92,415**	**92,415**	**-**	**-**
Cash and bank balances	**108,704**	**110,685**	**110,685**	**-**	**-**
	223,876	**226,025**	**225,950**	**75**	**-**
Financial Liabilities					
Other payables (excluding derivative financial instruments)	**7,865**	**7,865**	**7,865**	**-**	**-**
Derivative financial instruments	**46**	**46**	**46**	**-**	**-**
Subsidiary companies	**628,777**	**706,322**	**25,908**	**566,545**	**113,869**
Borrowings	**180,000**	**180,172**	**180,172**	**-**	**-**
Related parties	**1,265**	**1,265**	**1,265**	**-**	**-**
	817,953	**895,670**	**215,256**	**566,545**	**113,869**
Total net undiscounted financial (liabilities)/assets		**(669,645)**	**10,694**	**(566,470)**	**(113,869)**
Year Ended 30 September 2017					
Financial Assets					
Other receivables	215	215	215	-	-
Subsidiary companies	518,388	518,616	518,537	79	-
Related parties	1	1	1	-	-
Bank fixed deposits	8,684	8,686	8,686	-	-
Cash and bank balances	287,584	291,257	291,257	-	-
	814,872	818,775	818,696	79	-
Financial Liabilities					
Other payables (excluding derivative financial instruments)	7,991	7,991	7,991	-	-
Derivative financial instruments	2	2	2	-	-
Subsidiary companies	868,137	873,422	333,299	540,123	-
Borrowings	360,000	360,234	360,234	-	-
Related parties	1,265	1,265	1,265	-	-
	1,237,395	1,242,914	702,791	540,123	-
Total net undiscounted financial (liabilities)/assets		(424,139)	115,905	(540,044)	-

35. 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			
	2018		2017	
	($'000)	**% of total**	($'000)	% of total
By Geographical Segment:				
Singapore	**90,331**	**33%**	96,246	34%
Malaysia	**103,946**	**38%**	107,729	39%
Thailand	**61,856**	**23%**	56,056	20%
Others	**16,059**	**6%**	19,623	7%
	272,192	**100%**	279,654	100%
By Business Segment:				
Beverages	**69,112**	**25%**	111,374	39%
Dairies	**145,999**	**54%**	100,968	36%
Printing & Publishing	**57,069**	**21%**	65,886	24%
Others	**12**	**0%**	1,426	1%
	272,192	**100%**	279,654	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.

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 ageing analysis is disclosed in Note 24. 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 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.

35. 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.

	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 2018				
Assets				
Cash and bank deposits	**2,726**	**417,508**	**-**	**-**
Liabilities				
Borrowings	**300,347**	**74,043**	**397,457**	**99,572**
Year Ended 30 September 2017				
Assets				
Cash and bank deposits	2,094	964,490	2,927	-
Liabilities				
Borrowings	721,017	64,911	417,639	99,522
The Company				
Year Ended 30 September 2018				
Assets				
Cash and bank deposits	**-**	**200,015**	**-**	**-**
Other financial assets	**-**	**18,000**	**-**	**-**
Liabilities				
Borrowings	**180,000**	**-**	**-**	**-**
Other financial liabilities	**-**	**-**	**440,000**	**100,000**
Year Ended 30 September 2017				
Assets				
Cash and bank deposits	-	295,707	-	-
Other financial assets	-	515,000	-	-
Liabilities				
Borrowings	360,000	-	-	-
Other financial liabilities	-	320,000	460,000	-

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. 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 cost position for the year ended 30 September 2018 and 2017.

Sensitivity analysis for interest rate risk

It is estimated that a hundred basis points (bps) increase in interest rate, with all other variables held constant, would decrease the Group's profit after tax by approximately $2,470,000 (2017: $5,967,000) and the Company's profit after tax by approximately $1,494,000 (2017: $2,988,000). A decrease of a hundred bps in interest rate would have an equal but opposite effect. The analysis is performed on the same basis for 2017.

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35. FINANCIAL RISK MANAGEMENT (cont'd)

(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	
	2018 ($'000)	2017 ($'000)	**2018 ($'000)**	2017 ($'000)
Fair value adjustment reserve	**1,386**	3,012	**22,247**	22,269

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 2017 and assumes that all other variables remain constant.

(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) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

35. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair Values (cont'd)

(v) Bank borrowings and term loans

The fair value of fixed rate bank borrowings and term loans are disclosed in Note 28. The carrying values of bank borrowings, and term loans maturing within one year and the floating rate bank borrowings and term 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

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 2018				
Financial Assets				
Other investments (Note 20)				
- Quoted available-for-sale financial assets	**13,865**	**-**	**-**	**13,865**
Derivative financial instruments (Note 25)	**-**	**184**	**-**	**184**
	13,865	**184**	**-**	**14,049**
Non-Financial Assets				
Investment properties (Note 13)				
- Commercial	**-**	**-**	**41,672**	**41,672**
Financial Liabilities				
Derivative financial instruments (Note 25)	**-**	**300**	**-**	**300**
Year Ended 30 September 2017				
Financial Assets				
Other investments (Note 20)				
- Quoted available-for-sale financial assets	30,117	-	-	30,117
Derivative financial instruments (Note 25)	-	236	-	236
	30,117	236	-	30,353
Non-Financial Assets				
Investment properties (Note 13)				
- Commercial	-	-	40,581	40,581
Financial Liabilities				
Derivative financial instruments (Note 25)	-	799	-	799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

35. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair Values (cont'd)

(vi) Assets and liabilities measured at fair value (cont'd)

	Level 1 ($'000)	Level 2 ($'000)	Level 3 ($'000)	Total ($'000)
The Company				
Year Ended 30 September 2018				
Financial Assets				
Other investments (Note 20)				
- Quoted available-for-sale financial assets	**222,471**	**-**	**-**	**222,471**
Financial Liabilities				
Derivative financial instruments (Note 25)	**-**	**46**	**-**	**46**
Year Ended 30 September 2017				
Financial Assets				
Other investments (Note 20)				
- Quoted available-for-sale financial assets	222,691	-	-	222,691
Financial Liabilities				
Derivative financial instruments (Note 25)	-	2	-	2

There have been no transfers between Level 1, Level 2 and Level 3 for the Group and the Company during the financial year ended 2018 and 2017.

The fair value of quoted investments categorised within Level 1 of the fair value hierarchy is determined directly by reference to the quoted market 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 incorporate various inputs such as foreign exchange spot and forward rates.

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 30.9.2018 ($'000)	Valuation techniques	Unobservable inputs	Range
Investment Properties	**41,672**	**Investment Approach**	**Discount rate**	**7.25%**
		Discounted Cash Flows	**Discount rate**	**8.20%**
		Direct Comparison Approach	**Market value**	**0% to 39%**

Description	Fair value as at 30.9.2017 ($'000)	Valuation techniques	Unobservable inputs	Range
Investment Properties	40,581	Investment Approach	Discount rate	7.25%
		Discounted Cash Flows	Discount rate	8.40%
		Direct Comparison Approach	Market value	0% to 37%

The investment properties categorised 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

35. 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 reconciliation for the investment properties measured at fair value based on unobservable inputs (Level 3):

	2018 ($'000)	2017 ($'000)
The Group		
Balance at beginning of year	40,581	42,863
Currency realignment	528	(558)
Reclassified from fixed assets	262	-
Net fair value loss recognised in the profit statement	301	(1,724)
Balance at end of year	41,672	40,581

(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)	Available-for-sale ($'000)	Liabilities at amortised cost ($'000)	Non-financial assets/ liabilities ($'000)	Total ($'000)
The Group						
Year Ended 30 September 2018						
Assets						
Fixed assets	-	-	-	-	561,459	561,459
Investment properties	-	-	-	-	41,672	41,672
Properties held for development	-	-	-	-	18,529	18,529
Joint venture companies	54,523	-	-	-	(4,403)	50,120
Associated companies	12	-	-	-	2,560,292	2,560,304
Intangible assets	-	-	-	-	104,430	104,430
Brands	-	-	-	-	27,704	27,704
Other investments	-	-	13,879	-	-	13,879
Other receivables	19,457	184	-	-	31,967	51,608
Deferred tax assets	-	-	-	-	6,609	6,609
Inventories	-	-	-	-	242,512	242,512
Trade receivables	272,192	-	-	-	-	272,192
Related parties	9,607	-	-	-	-	9,607
Bank fixed deposits	214,830	-	-	-	-	214,830
Cash and bank balances	315,295	-	-	-	-	315,295
	885,916	184	13,879	-	3,590,771	4,490,750
Liabilities						
Trade payables	-	-	-	160,961	-	160,961
Other payables	-	300	-	202,773	6,924	209,997
Associated companies	-	-	-	1,253	-	1,253
Related parties	-	-	-	9,121	-	9,121
Borrowings	-	-	-	871,419	-	871,419
Provision for taxation	-	-	-	-	32,959	32,959
Provision for employee benefits	-	-	-	-	18,256	18,256
Deferred tax liabilities	-	-	-	-	16,964	16,964
	-	300	-	1,245,527	75,103	1,320,930

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

35. 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 Group						
Year Ended 30 September 2017						
Assets						
Fixed assets	-	-	-	-	505,643	505,643
Investment properties	-	-	-	-	40,581	40,581
Properties held for development	-	-	-	-	18,025	18,025
Joint venture companies	49,922	-	-	-	(2,682)	47,240
Associated companies	1	-	-	-	2,377,062	2,377,063
Intangible assets	-	-	-	-	93,574	93,574
Brands	-	-	-	-	27,115	27,115
Other investments	-	-	30,131	-	-	30,131
Other receivables	24,939	236	-	-	35,340	60,515
Deferred tax assets	-	-	-	-	9,677	9,677
Inventories	-	-	-	-	247,085	247,085
Trade receivables	279,654	-	-	-	-	279,654
Related parties	7,054	-	-	-	-	7,054
Bank fixed deposits	293,955	-	-	-	-	293,955
Cash and bank balances	843,953	-	-	-	-	843,953
Assets held for sale	3,142	-	-	-	6,745	9,887
	1,502,620	236	30,131	-	3,358,165	4,891,152
Liabilities						
Trade payables	-	-	-	155,029	-	155,029
Other payables	-	799	-	203,854	10,750	215,403
Joint venture companies	-	-	-	11	-	11
Associated companies	-	-	-	1,583	-	1,583
Related parties	-	-	-	13,689	-	13,689
Borrowings	-	-	-	1,303,089	-	1,303,089
Provision for taxation	-	-	-	-	32,990	32,990
Liabilities held for sale	-	-	-	2,371	-	2,371
Provision for employee benefits	-	-	-	-	17,807	17,807
Deferred tax liabilities	-	-	-	-	17,073	17,073
	-	799	-	1,679,626	78,620	1,759,045

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

35. 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 2018						
Assets						
Fixed assets	-	-	-	-	269	269
Subsidiary companies	22,561	-	-	-	2,087,545	2,110,106
Intangible assets	-	-	-	-	147	147
Brands	-	-	-	-	212	212
Other investments	-	-	222,485	-	-	222,485
Other receivables	339	-	-	-	19	358
Related parties	9	-	-	-	-	9
Bank fixed deposits	92,263	-	-	-	-	92,263
Cash and bank balances	108,704	-	-	-	-	108,704
	223,876	-	222,485	-	2,088,192	2,534,553
Liabilities						
Other payables	-	46	-	7,865	85	7,996
Subsidiary companies	-	-	-	628,777	-	628,777
Related parties	-	-	-	1,265	-	1,265
Borrowings	-	-	-	180,000	-	180,000
Provision for taxation	-	-	-	-	3,931	3,931
	-	46	-	817,907	4,016	821,969
Year Ended 30 September 2017						
Assets						
Fixed assets	-	-	-	-	332	332
Subsidiary companies	518,388	-	-	-	1,915,745	2,434,133
Intangible assets	-	-	-	-	167	167
Brands	-	-	-	-	212	212
Other investments	-	-	222,705	-	-	222,705
Other receivables	215	-	-	-	460	675
Related parties	1	-	-	-	-	1
Bank fixed deposits	8,684	-	-	-	-	8,684
Cash and bank balances	287,584	-	-	-	-	287,584
	814,872	-	222,705	-	1,916,916	2,954,493
Liabilities						
Other payables	-	2	-	7,991	-	7,993
Subsidiary companies	-	-	-	868,137	-	868,137
Related parties	-	-	-	1,265	-	1,265
Borrowings	-	-	-	360,000	-	360,000
Provision for taxation	-	-	-	-	3,148	3,148
	-	2	-	1,237,393	3,148	1,240,543

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

36. 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 2018 and 2017.

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	
	2018 ($'000)	2017 ($'000) (Restated)	**2018 ($'000)**	2017 ($'000)
Cash and bank deposits	**530,125**	1,137,908	**200,967**	296,268
Borrowings	**(871,419)**	(1,303,089)	**(180,000)**	(360,000)
Net (borrowings)/cash	**(341,294)**	(165,181)	**20,967**	(63,732)
Shareholders' fund	**2,821,216**	2,814,999	**1,712,584**	1,713,950
Total equity (including non-controlling interests)	**3,169,820**	3,132,107	**1,712,584**	1,713,950
Gearing ratio %				
- without non-controlling interests	**12.1**	5.9	**(1.2)**	3.7
- with non-controlling interests	**10.8**	5.3	**(1.2)**	3.7

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.

37. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATION

Convergence with International Financial Reporting Standards ("IFRS")

On 29 May 2014, the Accounting Standards Council ("ASC") announced that Singapore-incorporated companies listed on SGX will apply a new financial reporting framework identical to the IFRS for annual periods beginning on or after 1 January 2018. In December 2017, the ASC issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"), which the Group will adopt on 1 October 2018. As a result, the Group's financial statements for the financial year ending 30 September 2019 will be prepared in accordance with SFRS(I)s.

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The Group expects that the adoption of SFRS(I)s will have no material impact on the financial statements in the year of initial application, other than the election of optional exemption to reset its cumulative currency translation differences for all foreign operations to nil at the date of transition at 1 October 2017. As a result, the Group expects to reclassify losses of $208,671,000 from exchange reserve to revenue reserve as at 1 October 2017. After the date of transition, any gain or loss on disposal of foreign operations will exclude the currency translation differences that arose before the date of transition.

37. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATION (cont'd)

Convergence with International Financial Reporting Standards ("IFRS") (cont'd)

The following new SFRS(I)s, amendments to and interpretations of the SFRS(I) that are effective on or after the same date but not yet adopted by the Group are as follows:

Description		Effective for annual periods beginning on or after
Amendments to SFRS(I) 10 and SFRS(I) 1 - 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
SFRS(I) 15	Revenue from Contracts with Customers	1 January 2018
Amendments to SFRS(I) 15	Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018
SFRS(I) 9	Financial Instruments	1 January 2018
Amendments to SFRS(I) 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to SFRS(I) 40	Transfers of Investment Property	1 January 2018
SFRS(I) INT 22	Foreign Currency Transactions and Advance Consideration Illustrative Examples	1 January 2018
Amendment to SFRS(I) 1	First-time adoption of financial reporting standards	1 January 2018
Amendment to SFRS(I) 1 - 28	Investments in associates and joint ventures	1 January 2018
Amendments to SFRS(I) 4	Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts	1 January 2018
SFRS(I) 16	Leases	1 January 2019
Amendments to SFRS(I) 9	Prepayment Features with Negative Consideration	1 January 2019
Amendments to SFRS(I) 1 - 28	Long term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to SFRS(I)s 2015 - 2017 cycle		
Amendment to SFRS(I) 3	Business Combinations	1 January 2019
Amendment to SFRS(I) 11	Joint Arrangements	1 January 2019
Amendment to SFRS(I) 1 - 12	Income Taxes	1 January 2019
Amendment to SFRS(I) 1 - 23	Borrowing Costs	1 January 2019
SFRS(I) INT 23	Uncertainty over Income Tax Treatments Illustrative Examples	1 January 2019
SFRS(I) 17	Insurance Contracts Illustrative Examples	1 January 2021

Except for SFRS(I) 15, SFRS(I) 9 and SFRS(I) 16, the Directors expect that the adoption of the other new, amendments to and interpretations of the standards 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 SFRS(I) are described below.

(a) SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. SFRS(I) 15 will supersede the current revenue recognition guidance including FRS 18 Revenue, FRS 11 Construction Contracts and the related interpretations when it becomes effective. The core principle of SFRS(I) 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group has performed a preliminary impact assessment of adopting SFRS(I) based on currently available information. This assessment may be subject to changes arising from ongoing analysis until the Group adopts SFRS(I) 15 in October 2018.

Currently, the Group's contracts with customers contain product sales and also terms such as rebates and volume discounts to customers. With the adoption of SFRS(I) 15, these rebates and volume discounts are treated like variable considerations and offset against gross revenue.

The Group has assessed, with the initial application of SFRS(I) 15, the Group's revenue will decrease by 4.5% and operating expenses will decrease by 16.2%.

37. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATION (cont'd)

(b) SFRS(I) 9 Financial Instruments

SFRS(I) 9 Financial Instruments replaces the existing guidance in FRS 39 Financial Instruments: Recognition and Measurement. SFRS(I) 9 includes revised guidance on the classification and measurement of financial instruments, including classification and measurement of financial assets, impairment of financial assets and hedge accounting. Retrospective application is required, but comparative information is not compulsory in the year of adoption.

The Group plans to adopt the new standard on 1 October 2018 and elect to apply the short term exemption under SFRS(I) 1, which allows the Group not to restate the comparative information in its FY2019 financial statements. Differences in the carrying amounts of financial assets and liabilities resulting from the adoption of SFRS(I) 9 are to be recognised in the opening retained earnings.

The Group has performed a preliminary impact assessment of adopting SFRS(I) 9 based on currently available information. This assessment may be subject to changes arising from ongoing analysis until the Group adopts SFRS(I) 9 in October 2018.

(i) Classification and measurement: financial assets

For financial assets currently held at amortised cost and at fair value, the Group expects to continue measuring these financial assets at amortised cost and fair value under SFRS(I) 9. The Group does not expect any significant impact on the financial statements of the Group.

(ii) Impairment

SFRS(I) 9 requires the Group to record expected credit losses on all its loans and receivables, either on a 12 month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. Upon application of the expected credit loss model, the increase in impairment loss is expected to be less than 1% of trade receivables and this is to be adjusted against the opening retained earnings as of 1 October 2018.

(c) SFRS(I) 16 Leases

SFRS(I) 16 Leases will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised, with exceptions to short-term and low-value leases. The accounting for lessors will not change significantly. The standard will affect primarily the accounting for the Group's operating leases.

The Group expects the adoption of SFRS(I) 16 will result in increase in total assets, total liabilities, earnings before interest, taxation, depreciation and amortisation ("EBITDA") and gearing ratio.

The Group is currently in the process of analysing the transitional approaches and practical expedients to be elected on transition to SFRS(I) 16 and assessing the possible impact of adoption.

38. SUBSEQUENT EVENTS

On 22 October 2018, the Company announced that F&NI had subscribed for an additional 1,050,000 new shares of US$1 each in EBML for a total cash subscription amount of US$1,050,000 (the "Additional F&NI Investment"). In addition, Sun Ace Company Corporation Limited ("Sun Ace"), a company incorporated in the Republic of the Union of Myanmar, had also subscribed for 300,000 new shares of US$1 each in EBML for a total subscription amount of US$300,000 (the "Sun Ace Investment"). TLAY had not subscribed for any additional shares in EBML and therefore continues to hold 76,500 shares in EBML.

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

39. COMPARATIVE FIGURES

Certain comparative figures have been changed due to the finalisation of the PPA in relation to the Group's investment in Vinamilk, as disclosed in Note 17.

40. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES

		Effective Shareholding 2018	Effective Shareholding 2017	Principal Activities
	SUBSIDIARY COMPANIES OF THE COMPANY			
	Country of Incorporation and Place of Business: **Singapore**			
(A)	Fraser & Neave (Singapore) Pte. Limited	**100.0%**	100.0%	Management Services
(A)	F&N Investments Pte Ltd	**100.0%**	100.0%	Investment Holding
(A)	F&N Foods Pte Ltd	**100.0%**	100.0%	Manufacture and Distribution of Dairy Products and Beverages
(A)	Asia Dairies (S) Pte Ltd	**100.0%**	100.0%	Dormant
(A)	F&N Dairy Investments Pte Ltd	**100.0%**	100.0%	Investment Holding
(A)	F&N Interflavine Pte. Ltd.	**100.0%**	100.0%	Beverage Base Manufacturing
(A)	InterF&B Pte. Ltd.	**100.0%**	100.0%	Dormant
(A)	Times Publishing Limited	**100.0%**	100.0%	Investment Holding
(A)	F&NBev Manufacturing Pte. Ltd.	**100.0%**	100.0%	Investment Holding
(A)	F&N Treasury Pte. Ltd.	**100.0%**	100.0%	Provision of Treasury and Financial Services
(A)	F&N Creameries (S) Pte. Ltd. *(Held by a subsidiary company)*	**100.0%**	100.0%	Distribution of Ice Cream
(A)	Warburg Vending Pte Ltd *(Held by a subsidiary company)*	**100.0%**	100.0%	Vending Machine Operator
(A)	Warburg Engineering Pte. Ltd. *(Held by a subsidiary company)*	**100.0%**	100.0%	Machine Repair and Servicing
(A)	Warburg Vending Services Pte. Ltd. *(Held by a subsidiary company)*	**100.0%**	100.0%	Vending Machine Operator
(A)	F&N Myanmar Investments Pte. Ltd.	**100.0%**	100.0%	Investment Holding
	Country of Incorporation and Place of Business: **Hong Kong**			
(B)	Fraser & Neave Investments (Hong Kong) Limited	**100.0%**	100.0%	Dormant
	Country of Incorporation and Place of Business: **Malaysia**			
(B)	Fraser & Neave Holdings Bhd	**55.5%**	55.5%	Investment Holding
(B)	Tiger Tavern Sdn. Bhd.	**100.0%**	100.0%	Dormant
(B)	Magnolia - PDL Dairies (1993) Sdn. Bhd.	**100.0%**	100.0%	Investment Holding
(B)	F&N Services (F&B) Sdn Bhd	**100.0%**	100.0%	Technical Application and Brand Marketing Support Services
(B)	Yoke Food Industries Sdn Bhd *(Held by a subsidiary company)*	**100.0%**	100.0%	Manufacture, Export and Distribution of Soft Drinks
(B)	Warburg Vending Malaysia Sdn. Bhd. *(Held by a subsidiary company)*	**100.0%**	-	Vending Machine Operator

(A) Audited by KPMG LLP Singapore.
(B) Audited by KPMG in the respective countries.

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40. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2018	2017	Principal Activities
	SUBSIDIARY COMPANIES OF THE COMPANY (cont'd)			
	Country of Incorporation and Place of Business: **Thailand**			
(B)	F&N United Limited *(Held by a subsidiary company)*	**95.0%**	95.0%	Manufacture and Distribution of Dairy Products
	Country of Incorporation and Place of Business: **Indonesia**			
(E)	PT. F&N Indonesia *(Held by subsidiary companies)*	**100.0%**	100.0%	Dormant
	Country of Incorporation and Place of Business: **Vietnam**			
(B)	F&N Vietnam Limited Liability Company *(Held by a subsidiary company)*	**100.0%**	100.0%	Distribution of Non-alcoholic Beverages and Provision of Management Services
	Country of Incorporation and Place of Business: **Myanmar**			
(D)	F&N Myanmar Services Limited *(Held by a subsidiary company)*	**100.0%**	100.0%	Management Services
(C)(1)	Emerald Brewery Myanmar Limited *(Held by a subsidiary company)* *(All the above companies, incorporated in Myanmar, accounting year ends on 31 March)*	**49.0%**	-	Brewing and Distribution of Beer
	SUBSIDIARY COMPANIES OF F&N CREAMERIES GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(B)	F&N Ice Cream Manufacturing (M) Sdn Bhd	**100.0%**	100.0%	Manufacture and Distribution of Ice Cream
(B)	F&N Creameries (M) Sdn Bhd	**100.0%**	100.0%	Distribution and Selling of Ice Cream
(B)	F&N Ice Cream Manufacturing (Sarawak) Sdn Bhd	**100.0%**	100.0%	Dormant
(B)	F&N Creameries (Sarawak) Sdn Bhd	**100.0%**	100.0%	Dormant
	SUBSIDIARY COMPANY OF YOKE FOOD INDUSTRIES GROUP			
	Country of Incorporation and Place of Business: **Indonesia**			
(B)	PT Yoke Food Industries Indonesia	**100.0%**	100.0%	Distribution of Soft Drinks

(B) Audited by KPMG in the respective countries.
(C) To be appointed.
(D) Audited by other firms of auditors.
(E) Not required to be audited under the laws of the country of incorporation.
(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

40. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding		
		2018	2017	**Principal Activities**
	SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(B)	Fraser & Neave (Malaya) Sdn Bhd	**55.5%**	55.5%	Sale of Soft Drinks and Dairy Products, Provision of Management Services and Property Investment Holding
(B)	F&N Beverages Marketing Sdn Bhd	**55.5%**	55.5%	Distribution and Sale of Soft Drinks and Dairy Products
(B)	F&N Beverages Manufacturing Sdn Bhd	**55.5%**	55.5%	Manufacturing and Sale of Soft Drinks
(B)	F&N Dairies (Malaysia) Sdn Bhd	**55.5%**	55.5%	Dormant
(B)	Premier Milk (Malaya) Sdn Bhd	**55.5%**	55.5%	Dormant
(B) *	Wimanis Sdn Bhd	**55.5%**	55.5%	Dormant
(B)	Lettricia Corporation Sdn Bhd	**38.9%**	38.9%	Property Development
(B)	Elsinburg Holdings Sdn Bhd	**55.5%**	55.5%	Dormant
(B)	Nuvak Company Sdn Bhd	**55.5%**	55.5%	Property Development
(B)	Greenclipper Corporation Sdn Bhd	**55.5%**	55.5%	Property Development
(B)	Utas Mutiara Sdn Bhd	**55.5%**	55.5%	Property Investment Holding
(B)	Borneo Springs Sdn Bhd	**55.5%**	55.5%	Manufacturing and Sale of Mineral Water, Drinking Water and Rental of Dispensers
(B)	F&N Dairies Manufacturing Sdn Bhd	**55.5%**	55.5%	Manufacturing and Sale of Dairy Products
(B)	F&N Properties Sdn Bhd	**55.5%**	55.5%	Provision of Property Management Services
(B)	F&N Capital Sdn Bhd	**55.5%**	55.5%	Provision of Financial and Treasury Services
(B)	Tropical League Sdn Bhd	**55.5%**	55.5%	Property Development
	Country of Incorporation and Place of Business: **Singapore**			
(A)	F&N Dairies Distribution (Singapore) Pte Ltd	**55.5%**	55.5%	Distribution of Dairy Products
	Country of Incorporation and Place of Business: **Thailand**			
(B)	F&N Dairies (Thailand) Limited	**55.5%**	55.5%	Manufacturing, Distribution and Sale of Dairy Products
	Country of Incorporation and Place of Business: **British Virgin Islands**			
(B)	Lion Share Management Limited	**55.5%**	55.5%	Brand Owner
	Country of Incorporation and Place of Business: **Brunei**			
(B)	F&N Marketing (B) Sdn Bhd	**55.5%**	55.5%	Sale of Soft Drinks and Dairy Products

(A) Audited by KPMG LLP Singapore.
(B) Audited by KPMG in the respective countries.
* In voluntary liquidation

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

40. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2018	Effective Shareholding 2017	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP			
	Country of Incorporation and Place of Business: **Singapore**			
(A)	Marshall Cavendish International Private Limited	**100.0%**	100.0%	Investment Holding
(A)	Marshall Cavendish International (Asia) Private Limited	**100.0%**	100.0%	Publishing of Trade Books
(A)	Marshall Cavendish Education Pte. Ltd.	**100.0%**	100.0%	Publishing - Education
(A)	Marshall Cavendish Business Information Private Limited	**100.0%**	100.0%	Publishing of Trade Directory and Business Information
(E)	Educational Technologies Private Limited	**100.0%**	100.0%	Dormant
(A)	Marshall Cavendish Institute Pte. Ltd.	**100.0%**	100.0%	Publishing - Education
(A)	Pansing Distribution Private Limited	**100.0%**	100.0%	Distribution of Books and Magazines
(E)	Times Graphics Private Limited	**100.0%**	100.0%	Dormant
(A)	Times Printers Private Limited	**100.0%**	100.0%	Commercial Printing
(A)	Times Distribution Pte. Ltd. *(formerly Penguin Random House Pte. Ltd.)*	**100.0%**	-	Distribution of Books and Magazines
	Country of Incorporation: **Singapore** Place of Business: **Singapore and Malaysia**			
(A)	Times Experience Pte. Ltd. *(Times The Bookshop Pte Ltd and Times Experience Pte. Ltd. have been amalgamated with effect from 1 January 2018.)*	**100.0%**	100.0%	Retail - Books, Stationery, Magazines and Periodicals
	Country of Incorporation and Place of Business: **Malaysia**			
(B)	Marshall Cavendish (Malaysia) Sdn. Bhd.	**100.0%**	100.0%	Publishing - Education, Business Information and Trade Books
(B)	STP Distributors (M) Sendirian Berhad	**100.0%**	100.0%	Dormant
(B)	Pansing Marketing Sdn Bhd	**100.0%**	100.0%	Distribution of Books and Magazines
(B)	Times Offset (Malaysia) Sdn Bhd	**100.0%**	100.0%	Commercial Printing
(B)	Pansing Distribution Sdn Bhd	**100.0%**	100.0%	Distribution of Books and Magazines
(B)	Times Distribution (M) Sdn Bhd *(formerly Penguin Book Malaysia Sdn. Bhd.)*	**100.0%**	-	Distribution of Books and Magazines
	Country of Incorporation: **Hong Kong** Place of Business: **Hong Kong/Thailand**			
(B)	Far East Publications Limited	**100.0%**	100.0%	Distribution of Home Library Reference Books
	Country of Incorporation and Place of Business: **Thailand**			
(B)(1)	Marshall Cavendish International (Thailand) Co., Ltd	**49.0%**	49.0%	Publishing - Education

(A) Audited by KPMG LLP Singapore.
(B) Audited by KPMG in the respective countries.
(E) Not required to be audited under the laws of the country of incorporation.
(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

40. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2018	Effective Shareholding 2017	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)			
	Country of Incorporation and Place of Business: **Hong Kong**			
(B)	Everbest Printing Holdings Limited	**100.0%**	100.0%	Investment Holding
(B)	Everbest Printing Investment Limited	**100.0%**	100.0%	Investment Holding and Commercial Printing
(B)	Everbest Printing Company Limited	**100.0%**	100.0%	Commercial Printing
(B)	Marshall Cavendish Business Information (HK) Limited	**100.0%**	100.0%	Publishing of Trade Directory and Business Information
(B)	Times Publishing (Hong Kong) Limited	**100.0%**	100.0%	Education Publishing and Distribution of Magazines
(B)	Educational Technologies Limited	**100.0%**	100.0%	Publishing and Selling of Home Library Reference Books
	Country of Incorporation and Place of Business: **China**			
(B)	Everbest Printing (Guangzhou) Company Limited	**100.0%**	100.0%	Commercial Printing
(D)(2)	Shanxi Xinhua Times Packaging Printing Co., Ltd	**-**	51.0%	Commercial Printing and Packaging
(E)	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**			
(B)	Direct Educational Technologies India Pvt. Ltd. *(Accounting year ends on 31 March)*	**100.0%**	100.0%	Distribution of Home Library Reference Books
	Country of Incorporation and Place of Business: **Australia**			
(E)	Musicway Corporation Pty Ltd	**100.0%**	100.0%	Distribution of Lifestyle Accessories and Storage Products
(E)	Marshall Cavendish (Australia) Pty. Limited	**100.0%**	100.0%	Investment Holding
	Country of Incorporation and Place of Business: **United Kingdom**			
(B)	Marshall Cavendish Limited	**100.0%**	100.0%	Investment Holding
	Country of Incorporation and Place of Business: **United States of America**			
(E)	Marshall Cavendish Corporation	**100.0%**	100.0%	Publishing of Library Reference Books

(B) Audited by KPMG in the respective countries.
(D) Audited by other firms of auditors.
(E) Not required to be audited under the laws of the country of incorporation.
(2) Classified as Assets and Liabilities Held for Sale (Note 26) in 2017. As at 30 September 2018, the discussion for sale was terminated and the company is treated as a joint venture company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

40. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2018	2017	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)			
	Country of Incorporation and Place of Business: **Chile**			
(D)	Marshall Cavendish Education Chile SpA *(Accounting year ends on 31 December)*	**100.0%**	100.0%	Publishing - Education
	JOINT VENTURE COMPANY OF FRASER & NEAVE HOLDINGS GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(B)	Vacaron Company Sdn Bhd	**27.8%**	27.8%	Property Development
	JOINT VENTURE COMPANY OF TIMES PUBLISHING GROUP			
	Country of Incorporation and Place of Business: **China**			
(D)(4)	Shanxi Xinhua Times Packaging Printing Co., Ltd *(Accounting year ends on 31 December)*	**51.0%**	-	Commercial Printing and Packaging
	ASSOCIATED COMPANY OF FRASER AND NEAVE, LIMITED GROUP			
	Country of Incorporation and Place of Business: **Vietnam**			
(B)(3)	Vietnam Dairy Products Joint Stock Company *(Accounting year ends on 31 December)*	**20.0%**	18.7%	Manufacture and Distribution of Dairy Products and Beverages
	ASSOCIATED COMPANY OF FRASER & NEAVE HOLDINGS GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(D)	Cocoaland Holdings Berhad *(Accounting year ends on 31 December)*	**15.1%**	15.1%	Investment Holding
	ASSOCIATED COMPANIES OF TIMES PUBLISHING GROUP			
	Country of Incorporation and Place of Business: **China**			
(E)	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**			
(E)	Transworld Times Press (Africa) Limited *(Accounting year ends on 31 December)*	**40.0%**	40.0%	Dormant

(B) Audited by KPMG in the respective countries.
(D) Audited by other firms of auditors.
(E) Not required to be audited under the laws of the country of incorporation.
(3) Company is treated as an associated company of the Group by virtue of significant influence over the company.
(4) Company is treated as a joint venture company by virtue of shared control.

PARTICULARS OF GROUP PROPERTIES

The main properties as at 30 September 2018 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	3,639
	Peninsular Malaysia				
	F&N	-	12.8	hectares industrial property at No. 1, Jalan Bukit Belimbing 26/38, Persiaran Kuala Selangor, Section 26, Shah Alam, Selangor	12,199	21,797
		-	5.2	hectares industrial park land at Lot 3-2, Lion Industrial Park, Shah Alam, Selangor	3,861	-
		-	2.3	hectares industrial property at 3724 to 3726, Jalan Sungei Nyior, Butterworth, Pulau Pinang	1,560	551
		-	2.7	hectares industrial property at 217, Jalan Lahat, Ipoh, Perak	931	1,074
		-	2.2	hectares industrial property at Batu 4 3/4, Jalan Tampoi, Johor Bahru, Johor	2,533	917
		-	0.6	hectares industrial property at Lot 6, Jalan Tampoi, Johor Bahru, Johor	347	45
		-	0.1	hectares office premise at No. 3, Jalan Metro Pudu 1, Fraser Business Park, Off Jalan Yew, Kuala Lumpur	-	3,971
		-	0.4	hectares industrial property at Seksyen 26, Shah Alam, Selangor	538	260
		-	2.0	hectares industrial property at Lot 7399 & 8081, Jalan Mempaga, Mukim Sabai, Karak, Pahang	763	4,357
		-	0.3	hectares office premise at Level 1, 5, 6 & 7, Kompleks Metro Pudu, No. 1, Jalan Metro Pudu 2, Fraser Business Park, Off Jalan Yew, Kuala Lumpur	-	3,835
		-	Other properties		308	68
	TPL	-	1.2	hectares industrial property at Lot 46, Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam, Selangor	1,273	1,676
	East Malaysia				
	F&N	-	1.1	hectares industrial property at No. 94, Batu 11, Jalan Matang, Kuching, Sarawak	1,448	1,236
	Thailand				
	F&N	-	9.2	hectares industrial property at 668 Moo 4 Rojana Industrial Park Zone 2, U-thai, Phra Nakhon Si Ayutthaya 13210	7,171	45,106
	United States of America				
	TPL	-	0.2	hectares commercial property at 99 White Plains Road, Tarrytown, New York	684	2,506
	Total Freehold				**39,716**	**91,038**
	LEASEHOLD				
	Singapore				
	F&N	-	4.0	hectares industrial property at 214 Pandan Loop (Lease expires year 2040)	-	9,801
		-	0.1	hectares industrial property at 51 Quality Road (Lease expires year 2044)	-	24
		-	0.1	hectares industrial property at 53 Loyang Way (Lease expires year 2029)	3,279	-
	TPL	-	1.9	hectares industrial property at 16 & 18 Tuas Avenue 5 (Lease expires year 2043)	-	10,630

PARTICULARS OF GROUP PROPERTIES

				Land ($'000)	Building ($'000)
(A)	**CLASSIFIED AS FIXED ASSETS** (cont'd) **(Note 12 to the Financial Statements)**				
	LEASEHOLD (cont'd)				
	Peninsular Malaysia				
	F&N	-	15.1 hectares industrial property at Lot 56, Jalan Sungai Pinang 4/5, Selangor Halal Hub Taman Perindustrian Pulau Indah Fasa 2, Pulau Indah, Selangor (Lease expires year 2097)	8,701	49,666
		-	2.0 hectares industrial property at Plot 183 & 184, Jalan Cyber 9, Senai, Johor (Lease expires year 2068)	1,438	3,997
		-	2.0 hectares industrial property at Plot 182, Jalan Cyber 9, Senai, Johor (Lease expires year 2073)	964	1,514
		-	Other properties	333	140
	East Malaysia				
	F&N	-	2.6 hectares industrial property at 5 1/2 Mile, Jalan Tuaran, Inanam, Kota Kinabalu, Sabah (Lease expires year 2062)	633	1,595
		-	8.6 hectares industrial park land at Lot 808, Kota Kinabalu Industrial Park, Sabah (Lease expires year 2096)	8,473	-
		-	2.4 hectares industrial property at Lot 1581 Block 4, Matang Land District, Kuching, Sarawak (Lease expires year 2071)	1,286	649
		-	2.9 hectares industrial property at 3 1/2 Mile, Jalan Penrissen, Kuching, Sarawak (Lease expires year 2074)	2,045	6,203
		-	Shop office at Lot 142, Section 63, Kuching, Sarawak (Lease expires year 2784)	74	49
		-	0.4 hectares industrial property at Lot 1008, Bintawa Industrial Estate, Kuching, Sarawak (Lease expires year 2035)	18	67
	Thailand				
	F&N	-	3.5 hectares industrial property at No. 19/111 Moo 7 95 Thakarm Road, Samaedam, Bangkhuntien, Bangkok (Lease expires year 2029)	-	161
		-	1.2 hectares industrial property at 90 Moo 8 Mittraparp Road, Phayayen District, Amphur Pakchong, Nakornratchasima Province 30320 (Lease expires year 2037)	-	1,203
	TPL	-	Warehouse at Soi Wat Kok #20/526-527, Rama II Road, Bangkok (Lease expires year 2021)	-	10
	Myanmar				
	F&N	-	13.3 hectares industrial land at Yay Ta La Baun Village Tract, Helgu Township, Yangon (Lease expires year 2068)	15,010	-
	China/Hong Kong				
	TPL	-	Industrial property at Nansha District, Guangzhou City, Guangdong, China (Lease expires year 2044)	2,155	11,487
		-	Offices at Seaview Estate - 10th Floor Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	4,020	96
		-	Offices at Seaview Estate - 9th Floor Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	3,815	85
	Total Leasehold			**52,244**	**97,377**
	TOTAL PROPERTIES (CLASSIFIED AS FIXED ASSETS)			**91,960**	**188,415**

PARTICULARS OF GROUP PROPERTIES

				Land ($'000)	Building ($'000)
(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 1 Leasehold (Lease expires year 2038)	-	12,100
	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, Off Jalan Yew, Kuala Lumpur Freehold, lettable area - 4,702 sqm	-	16,125
		-	Office at Lot 682 Seksyen 92, Fraser Business Park, Off Jalan Yew, Kuala Lumpur Freehold, lettable area - 3,787 sqm	-	180
	Hong Kong				
	TPL	-	Shop unit at Houston Centre, 63 Mody Road, Tsim Sha Tsui, Kowloon Leasehold (Lease expires year 2053), lettable area - 68 sqm	1,339	129
		-	0.2 hectares office at Unit 1, 10th Floor of Block A, Unit 5, 10th Floor of Block C and car park at No. 56, Ground Floor of Block C, Ko Fai Industrial Building, No. 7 Ko Fai Road, Yau Tong, Kowloon Leasehold (Lease expires year 2047)	-	11,799
	TOTAL PROPERTIES (CLASSIFIED AS INVESTMENT PROPERTIES)			**1,339**	**40,333**

				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 3,787 sqm at Fraser Business Park, Off Jalan Yew, Kuala Lumpur.	-	-	56
		-	Freehold land of approximately 188,182 sqm for a residential property development at Lot 609, Mukim Hulu Semenyih, District of Hulu Langat, Selangor.	-	-	56
		-	Freehold land of approximately 57,105 sqm for a residential property development at Lot 1954, Mukim Hulu Semenyih, District of Hulu Langat, Selangor.	-	-	56
		-	Freehold land of approximately 12,759 sqm for a commercial property development at Lot 47261, Jalan Balau 1, Jalan Dato Sulaiman, Jalan Tebrau, Mukim Bandar, Johor Bahru.	-	-	56

SHAREHOLDING STATISTICS

AS AT 12 DECEMBER 2018

Class of Shares - Ordinary shares
Voting Rights - One vote per share

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%*
1 - 99	127	1.72	4,045	0.00
100 - 1,000	1,381	18.73	1,218,014	0.08
1,001 - 10,000	4,487	60.87	19,263,661	1.33
10,001 - 1,000,000	1,364	18.50	62,949,634	4.35
1,000,001 and above	13	0.18	1,364,685,799	94.24
TOTAL	**7,372**	**100.00**	**1,448,121,153**	**100.00**

TOP TWENTY SHAREHOLDERS (as shown in the Register of Members and Depository Register)

No.	Shareholder's Name	Shareholdings	%*
1	DBS Nominees Pte Ltd	444,032,941	30.66
2	United Overseas Bank Nominees Pte Ltd	430,238,861	29.71
3	InterBev Investment Limited	412,423,822	28.48
4	Citibank Nominees Singapore Pte Ltd	45,780,697	3.16
5	DBS Vickers Securities (Singapore) Pte Ltd	10,232,075	0.71
6	UOB Kay Hian Pte Ltd	6,651,770	0.46
7	Raffles Nominees (Pte) Ltd	5,029,581	0.35
8	BPSS Nominees Singapore (Pte) Ltd	3,137,220	0.22
9	Phay Thong Huat Pte Ltd	1,799,000	0.12
10	DBSN Services Pte Ltd	1,307,146	0.09
11	Phillip Securities Pte Ltd	1,109,784	0.08
12	Estate of Chua Eng Him, Deceased	1,065,000	0.07
13	The Titular Roman Catholic Archbishop of Kuala Lumpur	1,006,720	0.07
14	Morgan Stanley Asia (Singapore) Securities Pte Ltd	1,002,308	0.07
15	The HongKong and Shanghai Banking Corporation Limited	925,532	0.06
16	Choo Meileen	906,065	0.06
17	Chee Swee Cheng & Co Pte Ltd	846,610	0.06
18	CGS-CIMB Securities (Singapore) Pte Ltd	733,604	0.05
19	Thia Cheng Song	730,000	0.05
20	OCBC Nominees Singapore Pte Ltd	729,160	0.05
TOTAL		**1,369,687,896**	**94.58**

SHAREHOLDING STATISTICS

AS AT 12 DECEMBER 2018

SUBSTANTIAL SHAREHOLDERS (as shown in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	No. of Shares	%*	No. of Shares	%*
TCC Assets Limited	858,080,062	59.25	-	-
InterBev Investment Limited	412,423,822	28.48	-	-
International Beverage Holdings Limited (1)	-	-	412,423,822	28.48
Thai Beverage Public Company Limited (2)	-	-	412,423,822	28.48
Siriwana Company Limited (3)	-	-	412,423,822	28.48
MM Group Limited (4)	-	-	412,423,822	28.48
Maxtop Management Corp. (4)	-	-	412,423,822	28.48
Risen Mark Enterprise Ltd. (4)	-	-	412,423,822	28.48
Golden Capital (Singapore) Limited (4)	-	-	412,423,822	28.48
Charoen Sirivadhanabhakdi (5)	-	-	1,270,503,884	87.73
Khunying Wanna Sirivadhanabhakdi (5)	-	-	1,270,503,884	87.73

To the best of the Company's knowledge and based on records of the Company as at 12 December 2018, approximately 12%* of the issued shares (excluding treasury shares) of the Company are held in the hands of the public and this complies with Rule 723 of the Listing Manual.

Notes:

* Percentage is based on 1,448,121,153 shares (excluding 131,126 treasury shares) as at 12 December 2018.

(1) International Beverage Holdings Limited ("**IBHL**") holds a 100% direct interest in InterBev Investment Limited ("**IBIL**") and is therefore deemed to be interested in all of the shares of Fraser and Neave, Limited ("**F&N**") in which IBIL has an interest.

(2) Thai Beverage Public Company Limited ("**ThaiBev**") holds a 100% direct interest in IBHL, which in turn holds a 100% direct interest in IBIL. ThaiBev is therefore deemed to be interested in all of the shares of F&N in which IBIL has an interest.

(3) Siriwana Company Limited ("**Siriwana**") holds approximately an aggregate of 45.27% direct interest in ThaiBev.
- ThaiBev holds a 100% direct interest in IBHL; and
- IBHL holds a 100% direct interest in IBIL.

Siriwana is therefore deemed to be interested in all of the shares of F&N in which IBIL has an interest.

(4) MM Group Limited ("**MM Group**") holds a 100% direct interest in each of Maxtop Management Corp. ("**Maxtop**"), Risen Mark Enterprise Ltd. ("**RM**") and Golden Capital (Singapore) Limited ("**GC**");
- Maxtop holds a 17.23% direct interest in ThaiBev;
- RM holds a 3.32% direct interest in ThaiBev;
- GC holds a 0.06% direct interest in ThaiBev;
- ThaiBev holds a 100% direct interest in IBHL; and
- IBHL holds a 100% direct interest in IBIL.

MM Group is therefore deemed to be interested in all of the shares of F&N in which IBIL has an interest.

(5) Each of Charoen Sirivadhanabhakdi and his spouse, Khunying Wanna Sirivadhanabhakdi, owns 50% of the issued share capital of TCC Assets Limited ("**TCCA**"), and is therefore deemed to be interested in all of the shares of F&N in which TCCA has an interest. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi also jointly hold:
- a 51% direct interest in Siriwana. Siriwana holds an aggregate of approximately 45.27% interest in ThaiBev; and
- a 100% direct interest in MM Group. MM Group holds a 100% direct interest in each of Maxtop, RM and GC. Maxtop holds a 17.23% direct interest in ThaiBev; RM holds a 3.32% direct interest in ThaiBev; and GC holds a 0.06% direct interest in ThaiBev.

ThaiBev holds a 100% direct interest in IBHL, which in turn holds a 100% direct interest in IBIL. Each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is therefore deemed to be interested in all of the shares of F&N in which IBIL has an interest.

INTERESTED PERSON TRANSACTIONS

Particulars of interested person transactions ("IPTs") for the period from 1 October 2017 to 30 September 2018 as required under Rule 907 of the SGX Listing Manual are set out below.

Name of interested person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) ($'000)	Aggregate value of all IPTs conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) ($'000)
TCC Group of Companies [1]		
- Sale of products and provision of services	Nil	2,583
- Provision of management and support services	804	365
- Reimbursement and recovery of advertising and promotional expenses	10,069	Nil
- Purchase of products and obtaining of services	Nil	11,925
- Obtaining of marketing services	1,220	Nil
- Lease of office/commercial space	Nil	525

Note:

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

MATERIAL CONTRACTS (RULE 1207(8) OF THE SGX LISTING MANUAL)

There were no material contracts entered into by the Company or any of its subsidiaries involving the interests of any director or controlling shareholder of the Company during the financial year under review, save as disclosed above and in this Annual Report.