BUILDING A SUSTAINABLE FUTURE

2019 ANNUAL REPORT

FRASER AND NEAVE, LIMITED

Contents

1 In line with the Group's efforts towards greater environmental conservation, we have elected for an electronic transmission of our Annual Report and Sustainability Report.

The electronic version of this Annual Report is available on Fraser and Neave, Limited's website (fraserandneave.com/investor-relations/annual-reports). Shareholders and other interested parties who wish to receive a printed copy may order it through the website (fraserandneave.com/contact-us/request-annual-report), e-mail (ir@fraserandneave.com) or telephone ((65) 6318 9393).

Our FY2019 Sustainability Report is only available in electronic version, and can be downloaded at fraserandneave.com/investor-relations/corporate-sustainability.

2 Unless specifically stated otherwise, all figures in this Annual Report are quoted in Singapore Dollars.
3 Due to rounding, numbers in charts may not always add up to 100% or totals.

#GOPAPERLESS

Building a Sustainable Future

We are a successful and responsible branded consumer enterprise, focused on delivering long-term sustainable growth to our stakeholders. We build great-tasting brands, with a diverse and differentiated portfolio that people love and trust. Our business model, driven by our strategy, is simple, effective and profitable. It reflects the core competencies we have built over the years to support our purpose of enhancing the quality of life and contributing to a healthy future of our consumers. **We are F&N**.

Corporate Profile

Established in 1883, Fraser and Neave, Limited ("**F&N**") is a leading Southeast Asia Consumer Group with expertise and prominent standing in the Food & Beverage and Publishing & Printing industries. Leveraging its strengths in marketing and distribution, research and development, brands and financial management, F&N provides key resources and sets strategic directions for its subsidiary companies across both industries.

Listed on the Singapore Stock Exchange, F&N ranks as one of the most established and successful companies in the region with an impressive array of renowned brands that enjoy strong market leadership. F&N is present in 11 countries spanning Asia Pacific, Europe and the USA, and employs over 7,700 people worldwide.

Vision

To be a stable and sustainable Food & Beverage leader in the ASEAN region.

Mission

To be ASEAN's leading owner and provider of quality and innovative products that consumers choose and trust. To support our mission, we are guided firmly by our commitment to create value for our stakeholders by ensuring that our corporate actions positively impact the socio-economic and environmental factors.

Our Main Brands

2019 in Numbers

Numbers tell a story. In this case, it's a story of progress and success.

No.1

100PLUS
No.1 Isotonic Drink in Singapore

No.1 Carbonated Soft Drink in Malaysia

$1,902

MILLION
Revenue grew 4% on higher Food & Beverage sales

$2.02

NET ASSET VALUE PER SHARE, up from $1.95 per share in FY2018

$284

MILLION
Profit before interest and taxation surged 32% from broad-based growth, led by Dairies

No.1

F&N NUTRISOY
No.1 Soya Drink in Singapore

10.6¢

EARNINGS PER SHARE +25% from FY2018

No.1

in Sweetened Condensed Milk in Malaysia

No.1

F&N ICE MOUNTAIN
No.1 water brand in Singapore

60+

new products in FY2019

No.1

F&N SEASONS
and *OYOSHI*
are the leading Ready-To-Drink Tea (Asian Drinks) brands in Malaysia

This is F&N

Fraser and Neave, Limited ("**F&N**" or the "**Group**") originated more than a century ago from the spirited decisions of two enterprising young men, John Fraser and David Neave, who diversified from their printing business to pioneer the aerated water business in Southeast Asia ("**SEA**") in 1883.

The entrepreneurial spirit, embodied by our founders, remains in today's F&N. As a soft drink company, F&N seized the growth opportunities and ventured into the beer brewing business in 1931 in partnership with The Heineken Company and built a very successful beer empire in Asia Pacific – through its joint venture company, Asia Pacific Breweries Limited ("**APB**"). In 1959, it entered the Dairies business by forming a canned milk joint venture with Beatrice Foods of Chicago, and in 2007, it acquired Nestle's liquid canned milk business in Thailand, Malaysia, Singapore and Brunei, and accelerated its growth in the dairy business. Today, F&N is the largest canned milk producer in SEA. In 1985, the Group diversified into the Properties business. Starting with the redevelopment of its soft drinks and brewery sites in Singapore, F&N soon grew its property arm – Frasers Centrepoint Limited ("**FCL**", now known as Frasers Property Limited) to become one of the leading property companies in Singapore with multi-national businesses in residential, hospitality, retail, commercial and industrial properties.

In 2012, F&N divested its equity stake in APB to realise a substantial value for shareholders. In 2014, the Group demerged FCL through a listing on the Singapore Stock Exchange, thereby transferring value to shareholders.

Today, F&N is a leading Asia Pacific Consumer Group with expertise and prominent standing in the Food & Beverage and Publishing & Printing industries. Leveraging its strengths in marketing and distribution, research and development, brands and financial management, as well as years of acquisition experience, the Group provides key resources and sets strategic directions for its subsidiary companies across both industries.

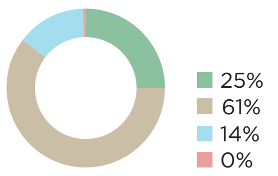
Listed on the Singapore Stock Exchange, F&N ranks as one of the most established and successful companies in the region with an impressive array of renowned brands that enjoy strong market leadership. F&N is present in 11 countries spanning Asia Pacific, Europe and the USA, and employs over 7,700 people worldwide.

FRASER AND NEAVE, LIMITED

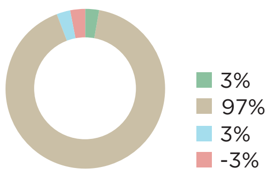
- **Food & Beverage Division**
  - **Non-Alcoholic Division**
    - **CEO** Mr LEE Meng Tat
  - **Beer Division**
    - **CEO** Mr Edmond NEO
- **Publishing & Printing Division**
  - **CEO** Mr SIEW Peng Yim

CONTRIBUTION BY SEGMENT

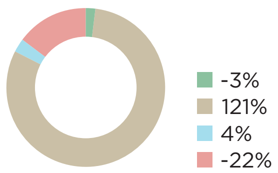
$1,902m
Revenue



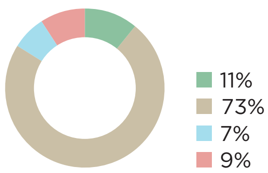
$284m
Profit Before Interest & Taxation



$153m
Attributable Profit Before Fair Value Adjustment & Exceptional Items



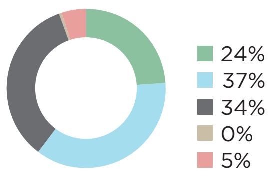
$4,719m
Total Assets



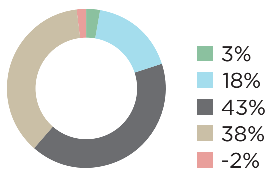
Legend:
Beverages Dairies Publishing & Printing Others

CONTRIBUTION BY GEOGRAPHY

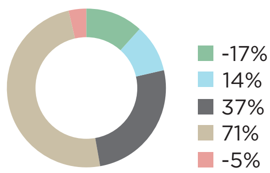
$1,902m
Revenue



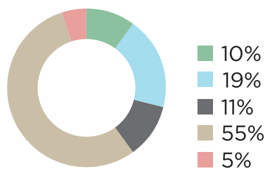
$284m
Profit Before Interest & Taxation



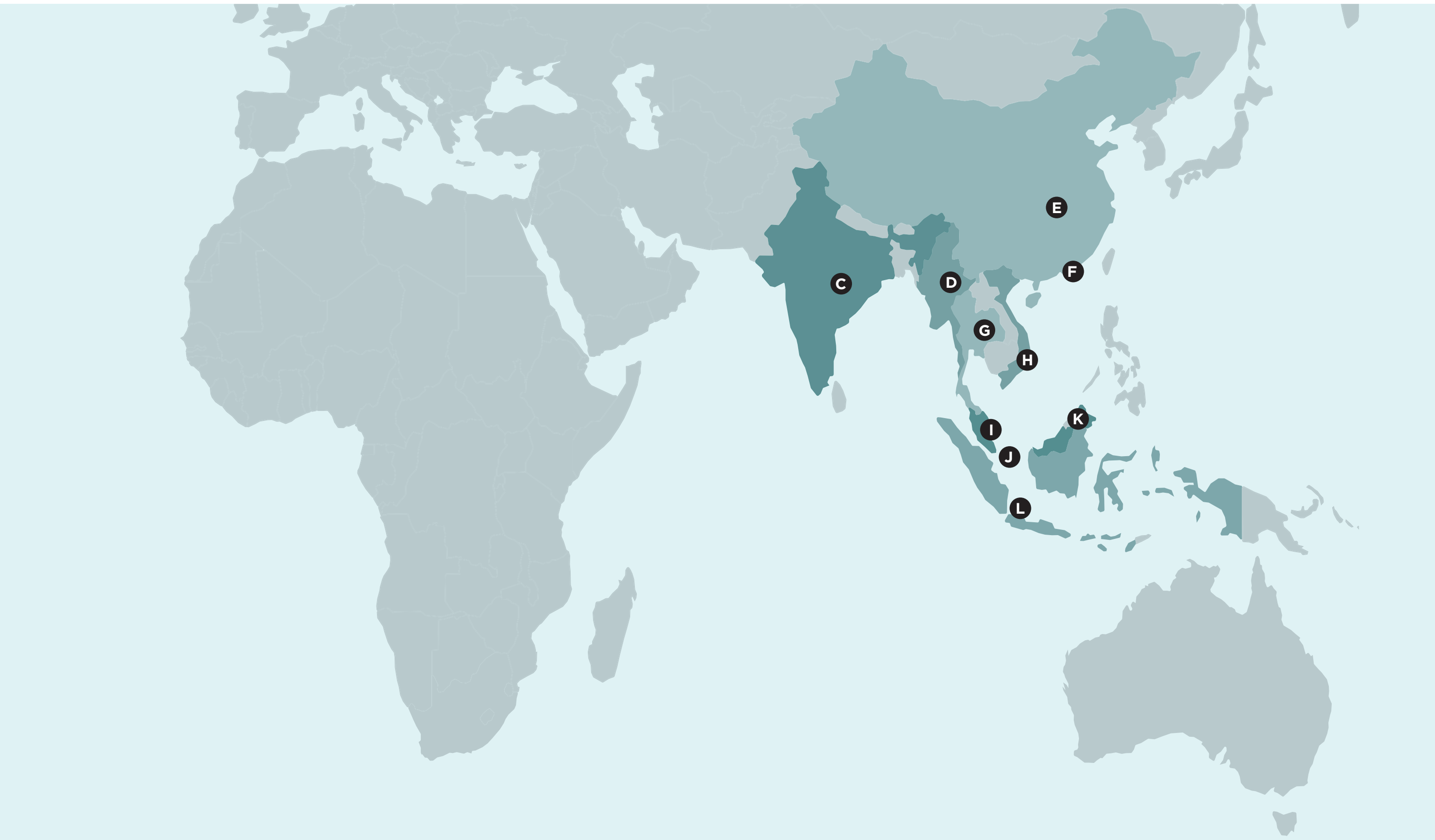
$153m
Attributable Profit Before Fair Value Adjustment & Exceptional Items



$4,719m
Total Assets



Legend:
Singapore Malaysia Thailand Vietnam Others



A USA
B Chile
C India
D Myanmar
E China
F Hong Kong
G Thailand
H Vietnam[1]
I Malaysia
J Singapore
K Brunei
L Indonesia

Legend:

Manufacturing Plants	Offices
Dairies	Dairies
Soft Drinks	Soft Drinks
Beer	Beer
Publishing & Printing	Publishing & Printing

Note:
1. F&N owns an effective 20.01% stake in Vietnam Dairy Products Joint Stock Company

F&N Business Model

Our Vision

To be a stable and sustainable Food & Beverage leader in the ASEAN region

Our Strategy

- **Winning with Brands**
  Focusing resources on and drive the growth of brands that are in the medium- to high-growth segments and where F&N has a right to win
- **Winning with Innovation**
  Focusing on offering new products that appeal to our customers and consumers
- **Winning in Marketplace**
  Focusing on strengthening levers to execute a strong go-to-market strategy that reduces cost and risk
- **Winning with People**
  Focusing on attracting and retaining the talent we need to achieve our growth priorities

Creating Shared Value
Understanding societal needs and stakeholder expectations
Communicating through stakeholder engagement

Inputs

CAPITALS	COMPONENTS OF VALUE CREATION
Human	7,700+ highly-qualified skilled people - Male 62% - Female 38%
Financial	**Appropriate debt/ equity funding** • Access to capital • Share capital $854m • Equity $3,332m • Debt capital $830m
Intellectual	**Brands** • More than 40 well-loved brands in 15 beverage categories • Internally developed systems and unique customer solutions and manufacturing processes
Tangible Capitals	**World-class manufacturing facilities** • 12 F&B manufacturing plants • 4 printing plants
Community	Relations with local community, customers, suppliers and wider stakeholders, driven through stakeholder engagement initiatives
Natural	**Water, energy and land** • Land & building $408m • Water consumption[1] 1,947 megalitres • Energy consumption[1] 1.3m megajoule

STRATEGIC PLANNING MODEL

Activity

ACTIVITY (DOWNSTREAM / UPSTREAM)

- Innovation
- Raw material sourcing and processing
- Production & Warehousing
- Distribution
- Marketing, sales, customers
- Consumers
- Packaging disposal, reuse & recycle

FOCUS AREAS

- **People**
  Providing leadership and supporting management processes to ensure we have the right people to achieve our goals
- **Customers/ Consumers**
  Developing products and supporting initiatives that promote good health and nutrition
- **Maximise Returns**
  Maximising financial returns through operating savings, revenue enhancements and high asset utilisation
- **Grow Business**
  Focusing on business expansion, geographical diversification and brand
- **Optimise Asset**
  Optimising asset to meet or exceed specified rates of returns
- **Embrace Sustainability Principles**
  Developing business and social partnerships based on mutual value creation while maintaining a focus on ensuring the safety and well-being of employees, and managing environmental and other impacts

Note:
1 Included water and energy consumed at the Group's significant operations in Malaysia, Singapore and Thailand

Core areas of sustainability: Driving economic value | Empowering our people | Enhancing social well-being | Promoting eco-efficiency

Our Businesses

Food & Beverage (Soft Drinks, Dairies, Beer)
Offering innovative products to consumers

Publishing & Printing
Enriching lives through knowledge

Other Strategic Investments
Delivering economic returns to stakeholders

Outputs

SUSTAINABILITY GOALS

ENVIRONMENTAL

1. Reduce solid waste intensity ratio by 5%
2. Reduce energy intensity ratio by 5%
3. Reduce GHG emissions intensity ratio by 5%
4. RSPO Credits for 100% of palm oil usage
5. Reduce water use intensity ratio by 5%

Read more from our Sustainability Report pages 50 to 70

SOCIAL AND PEOPLE

6. At least one healthier choice option in all RTD product categories
7. Maintain sustainable value creation through innovation
8. Continue to provide outreach engagement programmes in core markets
9. At least 16 and 10 training hours per year per Executive and Non-Executive employees, respectively
10. Zero lost time injury frequency

Read more from our Sustainability Report pages 28 to 49 and 71 to 82

ECONOMIC VALUE

11. Aim for sound earnings growth and increased corporate value through the proactive reshaping of our business models and portfolio

Read more from our Sustainability Report pages 28 to 33

VALUE CREATED

- **$1,902 MILLION** Revenue
- **$80 MILLION** Dividends
- **$56 MILLION** Taxes
- **60+** New products launched in FY2019
- **$284 MILLION** PBIT
- **$278 MILLION** Salaries and wages
- **$1,278 MILLION** Amount paid to suppliers
- **$211 MILLION** Economic value retained

OUR STAKEHOLDERS

- Employees
- Suppliers
- Shareholders and Financial Investors
- Distributors & Trade Customers
- Consumers
- Regulators
- Communities

Read more from our Sustainability Report

Creating Shared Value
Understanding societal needs and stakeholder expectations
Communicating through stakeholder engagement

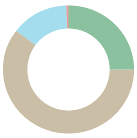
Responsible supply chain	Safety and well-being	Corporate governance	Learning organisation

Corporate Structure

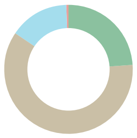
FRASER AND NEAVE, LIMITED

SGX Code: F99
Listed on the mainboard of the Singapore Exchange Securities Trading Limited
Number of ordinary shares outstanding: 1,449,028,178 shares

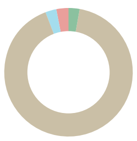
2019 Revenue
$1,902m



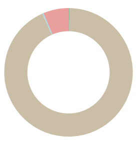
2018 Revenue
$1,835m



2019 Profit Before Interest & Taxation
$284m



2018 Profit Before Interest & Taxation
$215m



Legend:
Beverages
Dairies
Publishing & Printing
Others

BEVERAGES & DAIRIES[1]

86%[2]

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Subsidiary companies:
- Emerald Brewery Myanmar Limited **(79.9%)**
- F&N Foods Pte Ltd **(100.0%)**
- F&N Creameries Group **(100.0%)**
- Fraser & Neave Holdings Bhd Group **(55.5%)**
- Warburg Group **(100.0%)**
- Yoke Food Industries Group **(100.0%)**

Associated company:
- Vietnam Dairy Products Joint Stock Company **(20.0%)**

This segment comprises the businesses upon which F&N was founded. Established in 1883, F&N today holds market leading positions in a range of categories within the food & beverage market in Singapore, Malaysia and Thailand. Some of F&N's leading brands are *100PLUS*, *F&N SEASONS*, *F&N MAGNOLIA* and *F&N*. The Group is also licensed by Sunkist Growers and ThaiBev to use the *SUNKIST*, and *OISHI* and *CHANG* Beer brands, respectively.

PUBLISHING & PRINTING[1]

14%[2]

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Subsidiary company:
- Times Publishing Group **(100.0%)**

A leading publishing and printing company in Singapore. Its diverse publishing, printing, distribution and retail businesses are based on the Total Service Concept, spanning conceptualization to consumption. The Group has a global network of publishing offices, printing plants, retail outlets, distributors, direct sales teams and value-added suppliers worldwide.

OTHERS[1]

Associated company:
- Cocoaland Holdings Berhad **(15.1%[3])**

Joint venture companies:
- F&N International Holdings Co., Ltd **(49.0%)**
- F&N Retail Connection Co., Ltd **(74.0%)**

In addition to focusing on its core business, the Group also seeks to develop other strategic investment projects to enhance income stream and maximise shareholder value. These investments add to F&N's key competitive advantage.

Notes:
1 The list highlights Key Operating Units of the F&N Group. For a detailed listing, please refer to Significant Subsidiary, Joint Venture and Associated Companies on pages 182 to 187
2 As at percentage of Group FY2019 Revenue
3 Held under Fraser & Neave Holdings Bhd

Corporate Information

Board of Directors

Mr Charoen Sirivadhanabhakdi
(Chairman)

Khunying Wanna Sirivadhanabhakdi
(Vice-Chairman)

Tengku Syed Badarudin Jamalullail
(Lead Independent Director)

Mrs Siripen Sitasuwan

Mr Timothy Chia Chee Ming

Mr Charles Mak Ming Ying

Mr Chan Heng Wing

Dr Sujittra Sombuntham

Mr Koh Poh Tiong

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)

Board Executive Committee

Mr Koh Poh Tiong
(Chairman)

Mr Thapana Sirivadhanabhakdi
(Vice-Chairman)

Mr Sithichai Chaikriangkrai

Mr Michael Chye Hin Fah

Mr Prapakon Thongtheppairot

Sustainability and Risk Management Committee

Mr Koh Poh Tiong
(Chairman)

Mr Thapana Sirivadhanabhakdi

Mr Sithichai Chaikriangkrai

Mr Michael Chye Hin Fah

Mr Prapakon Thongtheppairot

Audit Committee

Mrs Siripen Sitasuwan
(Chairman)

Mr Timothy Chia Chee Ming

Mr Sithichai Chaikriangkrai

Nominating Committee

Tengku Syed Badarudin Jamalullail
(Chairman)

Mrs Siripen Sitasuwan

Mr Thapana Sirivadhanabhakdi

Remuneration Committee

Mr Timothy Chia Chee Ming
(Chairman)

Mrs Siripen Sitasuwan

Mr Thapana Sirivadhanabhakdi

Leadership Team

Mr Lee Meng Tat
Chief Executive Officer, Non-Alcoholic Beverages

Mr Edmond Neo
Chief Executive Officer, Beer

Mr Siew Peng Yim
Chief Executive Officer, Times Publishing Group

Mr Lim Yew Hoe
Chief Executive Officer, Fraser & Neave Holdings Bhd

Mr Hui Choon Kit
Chief Financial Officer and Company Secretary

Mr Vivek Chhabra
Head, Mergers and Acquisitions

Registered Office

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

Share Registrar and Transfer Office

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

Auditor

KPMG LLP
Partner-in-charge:
Mr Quek Shu Ping
(with effect from financial year 2016)

Principal Bankers

Oversea-Chinese Banking Corporation Limited

DBS Bank Ltd

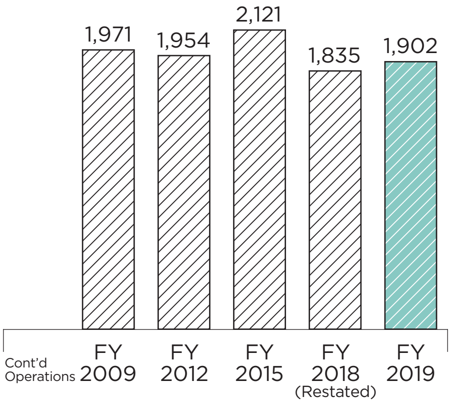
CTBC Bank Co. Ltd

Crédit Agricole Corporate and Investment Bank

Standard Chartered Bank

Performance at a Glance

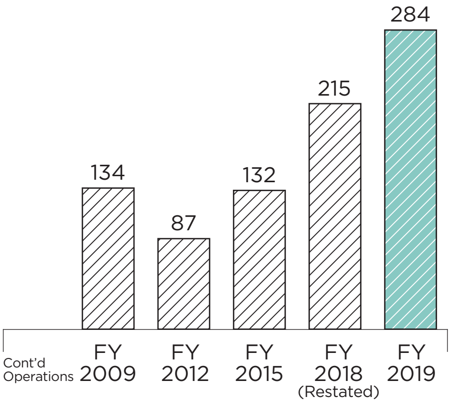
Revenue ($M)



Discont'd Operations[2]	3,175	3,589	336	-	-
Total Operations	5,146	5,543	2,457	1,835	1,902

10-Year CAGR[3]	**-0%**
Increase from FY2009[3]	**-3%**

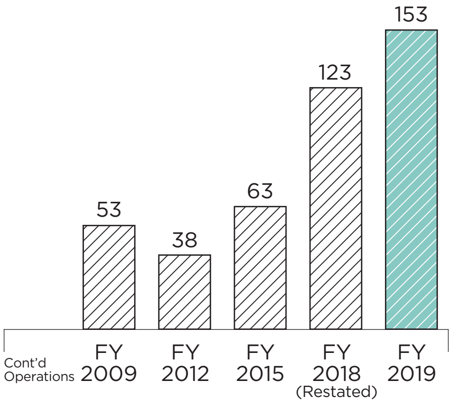
Profit Before Interest & Taxation ($M)



Discont'd Operations[2]	665	865	123	-	-
Total Operations	799	952	255	215	284

10-Year CAGR[3]	**+8%**
Increase from FY2009[3]	**+111%**

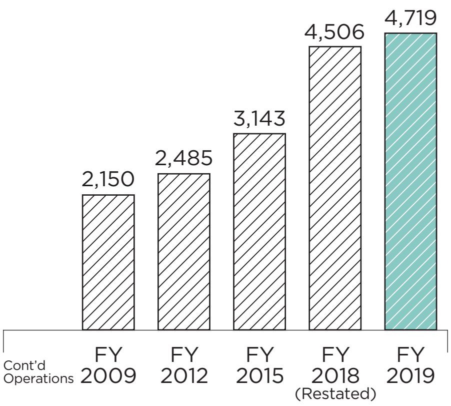
Attributable Profit Before Fair Value Adjustment & Exceptional Items ($M)



Discont'd Operations[2]	413	434	52	-	-
Total Operations	466	472	115	123	153

10-Year CAGR[3]	**+11%**
Increase from FY2009[3]	**+186%**

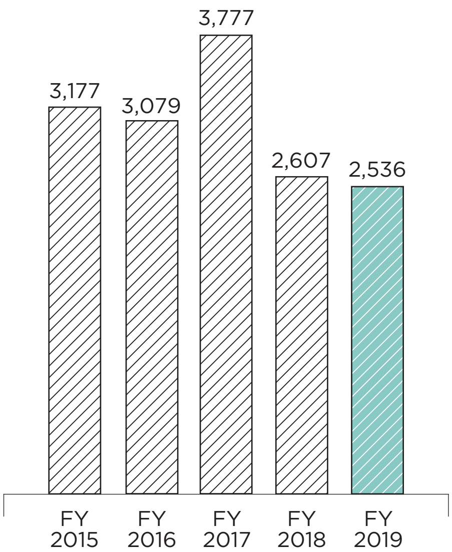
Total Assets ($M)



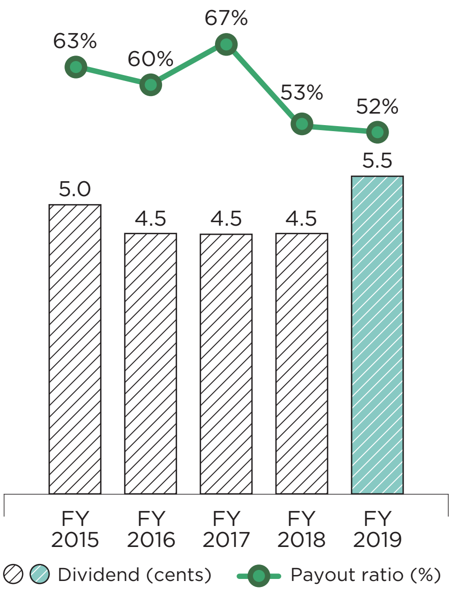
Discont'd Operations[2]	11,718	12,166	-	-	-
Total Operations	13,868	14,651	3,143	4,506	4,719

10-Year CAGR[3]	**+8%**
Increase from FY2009[3]	**+120%**

Market Capitalisation[4] ($M)



Distribution



Notes:

1 FY2009, FY2012 and FY2015 : As previously reported. FY2018: Restated upon adoption of SFRS(I) 1, SFRS(I) 9 and SFRS(I) 15

2 Upon the disposal of Asia Pacific Breweries Limited/Asia Pacific Investment Pte Ltd ("APB/APIPL") and Myanmar Brewery Limited ("MBL"), and the distribution in-specie of Frasers Centrepoint Limited ("FCL",now known as Frasers Property Limited), their respective results have been classified as discontinued operations

3 Excludes discontinued operations of APB/APIPL, FCL and MBL

4 Based on issued shares at close of business on the first trading day after preliminary announcement of results

Group Financial Performance

5-YEAR STATISTICS

Notes	Year ended 30 September	FY2015	FY2016	FY2017	FY2018 (Restated)	**FY2019**
1, 2	**Profit Statement ($ million)**					
	Revenue	2,457	1,979	1,898	1,835	1,902
	Profit before taxation					
	- before interest	255	179	170	215	284
	- before fair value adjustment & exceptional items	255	189	164	199	269
	- after fair value adjustment & exceptional items	225	188	1,340	200	269
	Attributable profit					
3	- before fair value adjustment & exceptional items	115	109	96	123	153
	- after fair value adjustment & exceptional items	633	108	1,279	124	153
1	**Balance Sheet ($ million)**					
4	Net asset value	2,268	2,843	2,815	2,817	2,933
	Total assets employed	3,143	3,773	4,891	4,506	4,719
	Long-term borrowings	98	125	517	497	820
	Market Capitalisation ($ million) at close of business on the first trading day after preliminary announcement of results	3,177	3,079	3,777	2,607	2,536
1, 2	**Financial Ratio (%)**					
	Return on average shareholders' equity					
	- profit before fair value adjustment, taxation & exceptional items	13.2	7.4	5.8	7.1	9.4
3	- attributable profit before fair value adjustment & exceptional items	6.0	4.3	3.4	4.4	5.3
5	Gearing ratio					
	- without non-controlling interests	(38.1)	(32.0)	5.9	12.1	14.0
	- with non-controlling interests	(33.8)	(28.8)	5.3	10.8	12.3
1, 2	**Per Share**					
	Profit before fair value adjustment, taxation & exceptional items (cents)	17.6	13.1	11.4	13.8	18.6
	Attributable profit (cents) (basic)					
	- before fair value adjustment & exceptional items	8.0	7.5	6.7	8.5	10.6
	- after fair value adjustment & exceptional items	43.7	7.5	88.4	8.5	10.5
4	Net asset value ($)	1.57	1.97	1.95	1.95	2.02
	Dividend					
	- net (cents)	5.0	4.5	4.5	4.5	5.5
6	- cover (times)	1.6	1.7	1.5	1.9	1.9
	Stock Exchange Prices ($) at close of business on the first trading day after preliminary announcement of results	2.20	2.13	2.61	1.80	1.75

Notes:
1 FY2015 - 2017: As previously reported. FY2018: Restated upon adoption of SFRS(I) 1, SFRS(I) 9 and SFRS(I) 15
2 Upon disposal of Myanmar Brewery Limited in FY2015, the results have been classified as discontinued operations
3 Attributable profit before fair value adjustment and exceptional items: Profit after taxation and non-controlling interests, but before fair value adjustment and exceptional items
4 Net asset value: Share capital and reserves
5 Gearing ratio: Sum of bank borrowings and term loans, less cash and bank deposits, expressed as a percentage of equity
6 Dividend cover: Attributable profit before fair value adjustment and exceptional items per share divided by net dividend per share

Chairman's Statement

Dear Shareholders,

I am pleased to report that F&N Group has achieved another year of steady growth. FY2019 is another challenging year from slower economic growth in the region and globally. Operating conditions were equally challenging in Malaysia with the implementation of excise duty on sugar sweetened beverages and increasing competition. Our steady performance is in line with our goals under Vision 2020, a strategic roadmap launched in 2014 which seeks to increase the size and scale of our businesses with the aim of becoming a stable and sustainable Food & Beverage leader in the ASEAN region.

RESULTS FOR FY2019

For the year under review, Group revenue grew 4% to $1.9 billion. Revenue growth was supported by the Food & Beverage ("**F&B**") division, where higher soft drinks and dairy sales contributed to its strong growth.

Group Profit Before Interest and Tax before fair value adjustment and exceptional items rose 32% to $284 million. The improvement was contributed largely by the Dairies business in Thailand and by our associated company, Vietnam Dairy Products Joint Stock Company. Dairies earnings benefitted from lower raw material and packaging costs. Consequently, Group Attributable Profit before fair value adjustment and exceptional items increased 24% to close at $153 million.

$284 MILLION

Group profit before interest and tax, fair value adjustment and exceptional items rose 32%

CORPORATE AND STRATEGIC DEVELOPMENTS

Our growth was undergirded by a strong and disciplined execution of initiatives, which included innovation, brand building, geographical and business expansions and improvements in our distribution network.

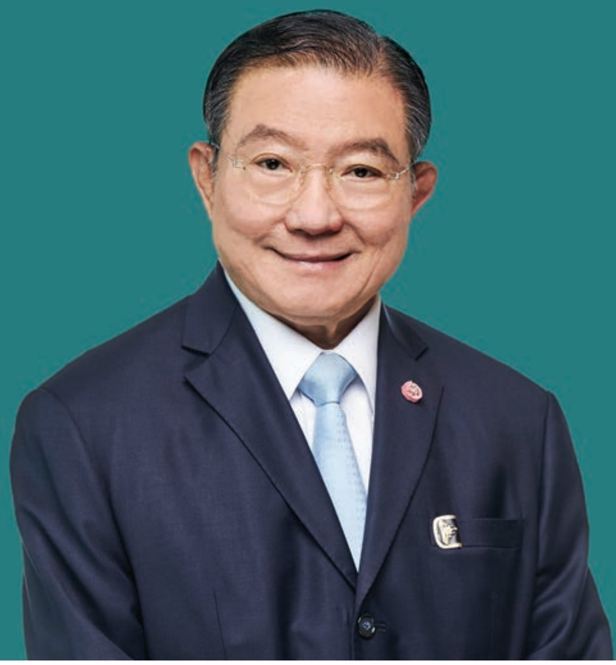
In line with consumers' increasing focus on health and wellness, we have stepped up innovation, adapting our product portfolio to meet consumer preference for healthier products. Our concerted efforts towards healthier products resulted in a steady decline in our "sugar footprint" by 40% over the past decade. More efforts are underway to further reduce our "sugar footprint" and to offer new products that qualify for the Healthier Choice Symbol.

Our growth strategy included improvements in operational efficiency, implementation of latest technology and investments in new capabilities. This involved investments in new production lines and upgrading of existing lines in our plants in Malaysia and Thailand. A new ice cream plant is being built in Thailand which will be operational by the end of 2019. A new facility which will integrate our soft drinks, ice cream and vending business will also be built in Singapore, targeted for completion in 2021. These investments will increase our efficiency and scale, and strengthen our ability to respond to changing consumer trends with agility and speed.

Another growth strategy is through geographical and business expansion. During the year, we added the iconic brands of Starbucks Coffee and Genki Sushi to our Thailand portfolio.

Emerald Brewery Myanmar Limited, our new state-of-the-art brewery in Myanmar, commenced operations in late September 2019. This brewery, which has an initial capacity of 500,000 hectolitres of beer a year, will focus on re-establishing F&N's foothold in Myanmar's fast-growing beer market.

In October 2019, our listed subsidiary in Malaysia, Fraser & Neave Holdings Bhd ("**FNHB**") entered into a conditional agreement to acquire an agricultural



Full-year dividend of

5.5 CENTS

per share. Proposed final dividend of 4.0 cents per share

Mr Charoen Sirivadhanabhakdi
Chairman

land in Perlis, Malaysia for a cash consideration of RM156 million. This acquisition provides us with an opportunity to develop crop and dairy farming capabilities, becoming the first vertically-integrated crop and dairy producer in Malaysia. Phase one of this development by FNHB is estimated to take seven years with a capital expenditure of approximately RM650 million. The completed facility will increase our fresh milk-sufficiency and support our expansion in the liquid milk business.

Since 2017, our Publishing & Printing business embarked on a transformation programme which resulted in leaner and more agile operations. It is now better positioned to address the challenges faced by the industry.

We will continue to pursue Vision 2020 through expansion and advancement of strategic partnerships with ThaiBev and external parties. These are important steps in positioning us for long-term growth.

DIVIDENDS

The Board of Directors is pleased to recommend a final dividend of 4.0 cents per share. If approved by the Shareholders at the AGM on 29 January 2020, the total dividend for the year would be 5.5 cents per share, an increase of 1 cent compared to FY2018. The pay-out will be made on 18 February 2020. The total dividend represents a distribution of 51.9%, which is in line with our policy of paying approximately 50% of the Group's Attributable Profit before exceptional items and fair value adjustment.

SUSTAINABILITY

As we drive business growth, we remain committed to adopting responsible and sustainable business practices in our plans and operations in order to deliver long-term value to all our stakeholders. Our sustainability strategies, initiatives and progress are covered in the Sustainability Report, published in our corporate website.

ACKNOWLEDGEMENTS

I would like to express my heartfelt gratitude to my fellow Board members for their strategic counsel, guidance and wisdom in conducting the affairs of the Board.

On behalf of the Board, we would like to thank our employees for their dedicated work and contribution and extend our deep appreciation to our shareholders, customers, suppliers and other business associates for their unwavering support.

Charoen Sirivadhanabhakdi
Chairman

Board of Directors

Mr Charoen Sirivadhanabhakdi ●
→ Page 15

Khunying Wanna Sirivadhanabhakdi ●
→ Page 16

Tengku Syed Badarudin Jamalullail ●
→ Page 16

Mrs Siripen Sitasuwan ●
→ Page 17

Mr Timothy Chia Chee Ming ●
→ Page 17

Mr Charles Mak Ming Ying ●
→ Page 18

Mr Chan Heng Wing ●
→ Page 18

Dr Sujittra Sombuntham ●
→ Page 19

Mr Koh Poh Tiong ●
→ Page 19

Mr Chotiphat Bijananda ●
→ Page 20

Mr Thapana Sirivadhanabhakdi ●
→ Page 20

Mr Sithichai Chaikriangkrai ●
→ Page 21

Mr Michael Chye Hin Fah
(Alternate Director)
→ Page 22

Mr Prapakon Thongtheppairot
(Alternate Director)
→ Page 23

● Non-Independent
● Independent

MR CHAROEN SIRIVADHANABHAKDI, 75

CHAIRMAN / NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Date of first appointment as a director
28 Feb 2013

Date of last re-appointment as a director
29 Jan 2019

Country of principal residence
Thailand

BOARD COMMITTEE(S) SERVED ON

- Nil

ACADEMIC & PROFESSIONAL QUALIFICATION(S)

- Honorary Doctoral Degree in Social Science (Social Work), Mahamakut Buddhist University, Thailand
- Honorary Doctoral Degree in Marketing, Rajamangala University of Technology Isan, Thailand
- Honorary Doctoral Degree in Buddhism (Social Work), Mahachulalongkornrajavidyalaya, Thailand
- Honorary Doctorate Degree in Business Administration, Sasin Graduate Institute of Business Administration, Chulalongkorn University, Thailand
- Honorary Doctoral Degree in Hospitality Industry and Tourism, Christian University of Thailand, Thailand
- Honorary Doctoral Degree in Sciences and Food Technology, Rajamangala University of Technology Lanna, Thailand
- Honorary Doctoral Degree in International Business Administration, University of the Thai Chamber of Commerce, Thailand
- Honorary Doctoral Degree in Management, Rajamangala University of Technology Suvarnabhumi, Thailand
- Honorary Doctor of Philosophy in Business Administration, Mae Fah Luang University, Thailand
- Honorary Doctoral Degree in Business Administration, Eastern Asia University, Thailand
- Honorary Doctoral Degree in Management, Huachiew Chalermprakiet University, Thailand
- Honorary Doctoral Degree in Industrial Technology, Chandrakasem Rajabhat University, Thailand
- Honorary Doctoral Degree in Agricultural Business Administration, Maejo Institute of Agricultural Technology, Thailand

PRESENT DIRECTORSHIP(S) (as at 11 Dec 2019)

Listed companies

- Asset World Corp Public Company Limited (Chairman)
- Berli Jucker Public Company Limited (Chairman)
- Frasers Property Limited (Chairman)
- Thai Beverage Public Company Limited (Chairman)
- Thai Group Holdings Public Company Limited (Chairman)

Others

- Bangyikhan Distillery Group of Companies (Chairman)
- Beer Thai (1991) Public Company Limited (Chairman)
- Cristalla Co., Ltd. (Chairman)
- International Beverage Holdings Limited (Chairman)
- North Park Golf and Sports Club Co., Ltd. (Chairman)
- Plantheon Co., Ltd. (Chairman)
- Siriwana Co., Ltd. (Chairman)
- Southeast Group Co., Ltd. (Chairman)
- TCC Asset World Corporation Limited (Chairman)
- TCC Assets (Thailand) Company Limited
- TCC Corporation Limited (Chairman)
- TCC Group of Companies
- TCC Land Co., Ltd. (Chairman)

PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS

Listed companies

- Big C Supercenter Public Company Limited[1]

Others

- Red Bull Distillery Group of Companies (Chairman)

PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 11 Dec 2019)

- Nil

PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)

- Nil

OTHERS

- Darjah Kebesaran Panglima Setia Mahkota (P.S.M.) which carries the title 'Tan Sri' from Malaysia
- Royal Order of Sahametrei, Grand Officer of the Most Noble Order of the Rajamitrabhorn of Cambodia

SHAREHOLDING INTEREST IN F&N GROUP

- Refer to Shareholding Statistics on pages 191 to 192

RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY

- Spouse of Khunying Wanna Sirivadhanabhakdi (Vice-Chairman and substantial shareholder)
- Father of Mr Thapana Sirivadhanabhakdi (Director)
- Father-in-law of Mr Chotiphat Bijananda (Director)
- See "Directors' Interests in Shares or Debentures" in the Directors' Statement on page 89 for details on relationship with other substantial shareholders of F&N

Note:
1 Delisted from the Stock Exchange of Thailand on 28 September 2017

Board of Directors

KHUNYING WANNA SIRIVADHANABHAKDI, 76

VICE-CHAIRMAN NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Date of first appointment as a director
28 Feb 2013

Date of last re-appointment as a director
29 Jan 2018

Country of principal residence
Thailand

BOARD COMMITTEE(S) SERVED ON
- Nil

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Honorary Doctoral Degree in Buddhism (Social Work), Mahachulalongkornrajavidyalaya, Thailand
- Honorary Doctoral Degree (Management), Mahidol University, Thailand
- Honorary Doctorate of Philosophy (Business Management), University of Phayao, Thailand
- Honorary Doctoral Degree from the Faculty of Business Administration and Information Technology, Rajamangala University of Technology Tawan-ok, Thailand
- Honorary Doctor of Philosophy in Social Sciences, Mae Fah Luang University, Thailand
- Honorary Doctoral Degree in Business Administration, Chiang Mai University, Thailand
- Honorary Doctoral Degree in Agricultural Business Administration, Maejo Institute of Agricultural Technology, Thailand
- Honorary Doctoral Degree in Bio-technology, Ramkhamhaeng University, Thailand

PRESENT DIRECTORSHIP(S) (as at 11 Dec 2019)
Listed companies
- Asset World Corp Public Company Limited (Vice-Chairman)
- Berli Jucker Public Company Limited (Vice-Chairman)
- Frasers Property Limited (Vice-Chairman)
- Thai Beverage Public Company Limited (Vice-Chairman)
- Thai Group Holdings Public Company Limited (Vice-Chairman)

Others
- Beer Thip Brewery (1991) Co., Ltd. (Chairman)
- Cristalla Co., Ltd (Vice-Chairman)
- International Beverage Holdings Limited (Vice-Chairman)
- North Park Golf and Sports Club Co., Ltd. (Vice-Chairman)
- Plantheon Co., Ltd. (Vice-Chairman)
- Sangsom Co., Ltd. (Chairman)
- Siriwana Co., Ltd. (Vice-Chairman)
- Southeast Group Co., Ltd. (Vice-Chairman)
- TCC Assets (Thailand) Company Limited
- TCC Asset World Corporation Limited (Vice-Chairman)
- TCC Corporation Limited (Vice-Chairman)
- TCC Land Co. Ltd. (Vice-Chairman)
- TCC Group of Companies

PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS
Listed companies
- Big C Supercenter Public Company Limited[1]

Others
- Nil

PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 11 Dec 2019)
- Nil

PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)
- Nil

OTHERS
- Royal Order of Cambodia, Grand Cross of the Most Noble Order of the Rajamitrabhorn (First Class) in Diplomacy

SHAREHOLDING INTEREST IN F&N GROUP
- Refer to Shareholding Statistics on page 191 to 192

RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY
- Spouse of Mr Charoen Sirivadhanabhakdi (Chairman and substantial shareholder)
- Mother of Mr Thapana Sirivadhanabhakdi (Director)
- Mother-in-law of Mr Chotiphat Bijananda (Director)
- See "Directors' Interests in Shares or Debentures" in the Directors' Statement on page 89 for details on relationship with other substantial shareholders of F&N

Note:
1 Delisted from the Stock Exchange of Thailand on 28 September 2017

TENGKU SYED BADARUDIN JAMALULLAIL, 74

LEAD INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Date of first appointment as a director
08 Jan 2014

Date of last re-appointment as a director
29 Jan 2019

Country of principal residence
Malaysia

BOARD COMMITTEE(S) SERVED ON
- Nominating Committee (Chairman)

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Master of Arts in Law & History, University of Cambridge, UK

PRESENT DIRECTORSHIP(S) (as at 11 Dec 2019)
Listed companies
- Fraser & Neave Holdings Bhd (Chairman)

Others
- Berkat Restu Sdn Bhd
- Besar Holdings Sdn Bhd
- Mega SPJ Sdn Bhd
- Pusat Dialisis Centre Tuanku Syed Putra – NKF (Chairman)
- Tuanku Syed Putra Foundation
- Vacaron Company Sdn Bhd

PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS

Listed companies
- Hwang Capital (Malaysia) Berhad

Others
- HDM Capital Sdn Bhd
- Hwang Investment Management Berhad
- HwangDBS Investment Bank Berhad
- Asian Islamic Investment Management Sdn Bhd

PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 11 Dec 2019)
- Nil

PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)
- Nil

SHAREHOLDING INTEREST IN F&N GROUP
- 2,062,000 shares in Fraser & Neave Holdings Bhd, a subsidiary of F&N listed on Bursa Malaysia

RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY
- Nil

MRS SIRIPEN SITASUWAN, 71

INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Date of first appointment as a director
31 May 2013

Date of last re-appointment as a director
24 Jan 2017

Country of principal residence
Thailand

BOARD COMMITTEE(S) SERVED ON
- Audit Committee (Chairman)
- Nominating Committee
- Remuneration Committee

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Master of Business Administration, Wichita State University, Kansas, USA
- Bachelor of Arts (Commerce), Chulalongkorn University, Thailand
- Listed Company Director Programme, Singapore Institute of Directors, Singapore
- Director Certification Program (DCP) 2017, Thai Institute of Directors (IOD)

PRESENT DIRECTORSHIP(S) (as at 11 Dec 2019)

Listed companies
- Sermsuk Public Company Limited
- Thai Solar Energy Public Company Limited
- Thanachart Capital Public Company Limited

Others
- Nil

PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS

Listed companies
- Nil

Others
- Solaris Asset Management Co., Ltd. (Chairman)

PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 11 Dec 2019)
- Nil

PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)
- Nil

SHAREHOLDING INTEREST IN F&N GROUP
- Nil

RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY
- Nil

ADDITIONAL INFORMATION
- Additional information on Mrs Siripen, who is seeking re-appointment as a Director at the 121st Annual General Meeting, is provided on pages 200 to 205.

MR TIMOTHY CHIA CHEE MING, 69

INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Date of first appointment as a director
08 Jan 2014

Date of last re-appointment as a director
24 Jan 2017

Country of principal residence
Singapore

BOARD COMMITTEE(S) SERVED ON
- Audit Committee
- Remuneration Committee (Chairman)

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Bachelor of Science cum laude, majoring in Management, Fairleigh Dickinson University, USA

PRESENT DIRECTORSHIP(S) (as at 11 Dec 2019)

Listed companies
- Banyan Tree Holdings Limited
- Ceylon Guardian Investment Trust PLC
- Ceylon Investment PLC
- Malaysia Smelting Corporation Berhad
- The Straits Trading Company Limited

Others
- Gracefield Holdings Limited (Chairman)
- Hup Soon Global Corporation Private Limited (Chairman)
- QuantuMDx Group Limited
- Singapore Power Limited
- Straits Investment Management Pte Ltd
- United Motor Works (Siam) Public Co Ltd (Chairman)
- Vertex Venture Holdings Ltd

PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS

Listed companies
- InnoTek Limited

Others
- Coutts & Co Ltd
- EQT Funds Management Ltd
- Guan Leng Holdings Pte Ltd
- HS Global Holdings Pte Ltd
- JM Financial Singapore Pte Ltd
- Parkesville Pte Ltd
- PowerGas Limited
- Rahman Hydraulic Tin Sdn Bhd
- SP PowerAssets Limited
- SPI (Australia) Assets Pty Ltd
- United Motor Works (Mauritius) Ltd

Board of Directors

Mr Timothy Chia Chee Ming (continued)

PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 11 Dec 2019)
- ASEAN Business Club (Member, Advisory Council & Co-Chair, Singapore)
- Asian Civilisation Museum (Member, Advisory Board)
- Monetary Authority of Singapore (Member, Corporate Governance Advisory Committee)
- Singapore Indian Development Association (Term Trustee)

PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)
- Singapore Management University (Member, Board of Trustees)

SHAREHOLDING INTEREST IN F&N GROUP
- Nil

RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY
- Nil

ADDITIONAL INFORMATION
- Additional information on Mr Chia, who is seeking re-appointment as a Director at the 121st Annual General Meeting, is provided on pages 200 to 205.

MR CHARLES MAK MING YING, 67

INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Date of first appointment as a director
11 Jan 2018

Date of last re-appointment as a director
29 Jan 2018

Country of principal residence
Hong Kong

BOARD COMMITTEE(S) SERVED ON
- Nil

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Master of Business Administration, PACE University, USA
- Bachelor of Business Administration, PACE University, USA

PRESENT DIRECTORSHIP(S) (as at 11 Dec 2019)

Listed companies
- Frasers Property Limited

Others
- Nil

PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS

Listed companies
- Nil

Others
- Nil

PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 11 Dec 2019)
- Senior Advisor to Morgan Stanley Asia's Investment Banking Division
- PACE University, USA (Board of Trustees)

PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)
- Morgan Stanley Asia Pacific (Vice-Chairman)
- Morgan Stanley International Wealth Management (President)
- Chairman and Director of Bank Morgan Stanley AG
- Director in Morgan Stanley Asia Limited and a member of Morgan Stanley's Asia Pacific Executive Committee, the Morgan Stanley Wealth Management Committee and the International Operating Committee
- Managing Director and Head of Morgan Stanley Asia Pacific Private Wealth Management
- Executive Director and Senior Investment Adviser of Morgan Stanley's Private Wealth Management Group

SHAREHOLDING INTEREST IN F&N GROUP
- Nil

RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY
- Nil

MR CHAN HENG WING, 73

INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Date of first appointment as a director
11 Jan 2018

Date of last re-reappointment as a director
29 Jan 2018

Country of principal residence
Singapore

BOARD COMMITTEE(S) SERVED ON
- Nil

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Master of Science, Columbia Graduate School of Journalism, USA
- Master of Arts, University of Singapore, Singapore
- Bachelor of Arts (Honours), University of Singapore, Singapore

PRESENT DIRECTORSHIP(S) (as at 11 Dec 2019)

Listed companies
- Banyan Tree Holdings Ltd.
- EC World Asset Management Pte Ltd
- Frasers Property Limited

Others
- One Bangkok Holdings Co., Ltd.
- Precious Quay Pte. Ltd.
- Precious Treasures Pte. Ltd.

PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS

Listed companies
- Nil

Others
- Nil

PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 11 Dec 2019)
- Ministry of Foreign Affairs: Non-resident Ambassador to Austria
- Milken Institute Asia Center (Senior Advisor)

PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)
- Nil

SHAREHOLDING INTEREST IN F&N GROUP
- Nil

RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY
- Nil

DR SUJITTRA SOMBUNTHAM, 63

INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Date of first appointment as a director
11 Jan 2018

Date of last re-appointment as a director
29 Jan 2018

Country of principal residence
Thailand

BOARD COMMITTEE(S) SERVED ON
- Nil

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Medical Degree, Prince of Songkla University (First Class Honors, Valedictorian), Thailand
- Board of Internal Medicine, Chulalongkorn University, Thailand
- Diploma in Dermatology, University of London, United Kingdom
- Board of Family Medicine, The Royal College of Family Physicians of Thailand
- Certificate in Anti-Aging Medicine Specialization, World Society of Anti-Aging Medicine, European Organization of Scientific Anti-Aging Medicine
- American Board of Anti-Aging and Regenerative Medicine, USA
- Listed Entity Director Programme, Singapore Institute of Directors, Singapore

PRESENT DIRECTORSHIP(S) (as at 11 Dec 2019)
Listed companies
- Nil

Others
- Bhatra Co., Ltd.
- Dermscan Asia Co., Ltd.
- Springfield At Sea Co., Ltd.
- Springfield Beach Club Co., Ltd.
- Springfield Holding Co., Ltd.
- Springfield Royal Club Co., Ltd.
- Thaniya Co., Ltd.
- Thaniya Dental Center Co., Ltd.
- Thaniya Holding Co., Ltd.
- Thaniya Medical Center Co., Ltd.
- Thaniya Real Estate Co., Ltd.
- Thaniyakit Co., Ltd.
- Thanyaville Co., Ltd.
- Yada Development Co., Ltd.

PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS
Listed companies
- Nil

Others
- Nil

PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 11 Dec 2019)
- St. Joseph Hospital Foundation (Vice-President)
- Dermscan Asia Co., Ltd (Clinical Director)
- Thai Society of Cosmetic Dermatology and Surgery (Treasurer)
- Thai Society of Anti-Aging
- Honorary Advisory Board of Dysport
- Mae Fah Luang University (Guest Lecturer)
- Chulalongkorn University (Guest Lecturer)
- Thaniya Medical Clinic (Physician)

PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)
- Nil

SHAREHOLDING INTEREST IN F&N GROUP
- Nil

RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY
- Nil

MR KOH POH TIONG, 72

NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR ADVISER TO THE BOARD

Date of first appointment as a director
03 Apr 2013

Date of last re-appointment as a director
29 Jan 2019

Country of principal residence
Singapore

BOARD COMMITTEE(S) SERVED ON
- Board Executive Committee (Chairman)
- Sustainability and Risk Management Committee (Chairman)

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Bachelor of Science, University of Singapore, Singapore

PRESENT DIRECTORSHIP(S) (as at 11 Dec 2019)
Listed companies
- Bukit Sembawang Estates Limited (Chairman)
- Delfi Limited
- Raffles Medical Group Limited
- Saigon Beer-Alcohol-Beverage Corporation (Chairman)

Others
- Great Eastern General Insurance (Malaysia) Berhad
- Great Eastern Life Assurance (Malaysia) Berhad
- National Kidney Foundation (Chairman)
- Singapore Kindness Movement (Chairman)
- Times Publishing Limited (Chairman)
- Yunnan Yulinquan Liquor Co., Ltd. (Chairman)

PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS
Listed companies
- Ezra Holdings Limited (Chairman and Senior Advisor)
- United Engineers Ltd (Director)
- SATS Ltd (Director)

Others
- The Great Eastern Life Assurance Company Ltd (Director)

Board of Directors

Mr Koh Poh Tiong
(continued)

PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 11 Dec 2019)
- Nil

PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)
- Nil

SHAREHOLDING INTEREST IN F&N GROUP
- 251,315 shares in Fraser and Neave, Limited

RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY
- Nil

MR CHOTIPHAT BIJANANDA, 56

NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Date of first appointment as a director
19 Feb 2013

Date of last re-appointment as a director
29 Jan 2019

Country of principal residence
Thailand

BOARD COMMITTEE(S) SERVED ON
- Nil

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Master of Business Administration, Finance, University of Missouri, USA
- Bachelor of Laws, Thammasat University, Thailand

PRESENT DIRECTORSHIP(S) (as at 11 Dec 2019)
Listed companies
- Frasers Property Limited
- Frasers Property (Thailand) Public Company Limited (formerly known as TICON Industrial Connection Public Company Limited)
- Golden Land Property Development Public Company Limited
- Sermsuk Public Company Limited (2nd Vice-Chairman)
- Thai Group Holdings Public Company Limited

Others
- Asiatig House Co., Ltd.
- Big C Services Co., Ltd.
- Charm Corp Circle Co., Ltd.
- Concept Land 5 Co., Ltd.
- Dhamma Land Property Company Limited
- DL Engineering Solutions Company Limited
- Frasers Property Australia Pty Limited
- OHCHO Company Limited
- Pattana Bovornkij 4 Company Limited
- Permsub Siri 3 Company Limited
- Permsub Siri 5 Company Limited
- S Sofin Co., Ltd.
- Sinn Bualang Capital Co., Ltd.
- Sinn Bualang Leasing Co., Ltd.
- Southeast Academic Center Company Limited
- Southeast Advisory Company Limited
- Southeast Capital Co., Ltd. (Chairman of Executive Board)
- Southeast Group Co., Ltd. (President)
- Southeast Insurance Public Company Limited (Chairman of Executive Board)
- Southeast Joint Venture Co., Ltd.
- Southeast Life Insurance Public Company Limited (Chairman of Executive Board)
- Suansilp Pattana 1 Co., Ltd.
- TCC Group of Companies
- TCC Holdings (2519) Company Limited
- TCC Privilege Card Company Limited
- Tep Nimitr Thanakorn (2001) Co., Ltd.

PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS
Listed companies
- Nil

Others
- Nil

PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 11 Dec 2019)
- Nil

PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)
- Nil

SHAREHOLDING INTEREST IN F&N GROUP
- Nil

RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY
- Son-in-law of Mr Charoen Sirivadhanabhakdi (Chairman and substantial shareholder) and Khunying Wanna Sirivadhanabhakdi (Vice-Chairman and substantial shareholder)
- Brother-in-law of Mr Thapana Sirivadhanabhakdi (Director)

MR THAPANA SIRIVADHANABHAKDI, 44

NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Date of first appointment as a director
19 Feb 2013

Date of last re-appointment as a director
29 Jan 2018

Country of principal residence
Thailand

BOARD COMMITTEE(S) SERVED ON
- Board Executive Committee (Vice-Chairman)
- Nominating Committee
- Remuneration Committee
- Sustainability and Risk Management Committee

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Honorary Doctoral Degree of Arts, Rajamangala University of Technology Phra Nakhon, Thailand
- Honorary Doctoral Degree in Hospitality, Rajamangala University of Technology Krungthep, Thailand
- Honorary Doctoral Degree in Community Development, Chiang Mai Rajabhat University, Thailand
- Honorary Doctoral Degree of Business Administration in Strategic Logistic and Supply Chain Management, Suan Sunandha Rajabhat University, Thailand
- Honorary Doctoral Degree of Philosophy in General Management, Ramkhamhaeng University, Thailand

- Master of Science Administration in Financial Economics, Boston University, USA
- Bachelor of Business Administration (Finance), Boston University, USA

PRESENT DIRECTORSHIP(S) (as at 11 Dec 2019)

Listed companies

- Amarin Printing and Publishing Public Company Limited (Vice-Chairman)
- Golden Land Property Development Public Company Limited
- Oishi Group Public Company Limited (Vice-Chairman)
- Sermsuk Public Company Limited (3rd Vice-Chairman)
- Thai Beverage Public Company Limited (President and CEO)
- Thai Group Holdings Public Company Limited
- Univentures Public Company Limited (Vice-Chairman)

Others

- Adelfos Co., Ltd.
- Beer Thai (1991) Public Company Limited (Vice-Chairman)
- GMM Channel Holding Co., Ltd. (formerly GMM Channel Trading Co., Ltd.) (Executive Chairman)
- InterBev Investment Limited
- International Beverage Holdings Limited (President)
- Plantheon Co., Ltd.
- Pracharath Rak Samakkee Social Enterprise (Thailand) Co., Ltd.
- Red Bull Distillery Group of Companies (Chairman)
- South East Group of Companies (Vice-Chairman)
- TCC Group of Companies
- Thai Beverage Group of Companies
- Times Publishing Limited (Vice-Chairman)

PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS

Listed companies

- Berli Jucker Public Company Limited
- Siam Food Products Public Company Limited

Others

- InterBev Malaysia Sdn. Bhd

PRESENT PRINCIPAL COMMITMENTS (OTHER THAN DIRECTORSHIPS) (as at 11 Dec 2019)

- Thai Beverage Public Company Limited (President & Chief Executive Officer and Chief Beer Product Group)

PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)

- Nil

SHAREHOLDING INTEREST IN F&N GROUP

- Nil

RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY

- Son of Mr Charoen Sirivadhanabhakdi (Chairman and substantial shareholder) and Khunying Wanna Sirivadhanabhakdi (Vice-Chairman and substantial shareholder)
- Brother-in-law of Mr Chotiphat Bijananda (Director)

OTHERS

- Knight of the Legion of Honor (Chevalier de la Légion d'Honneur)

ADDITIONAL INFORMATION

- Additional information on Mr Thapana, who is seeking re-appointment as a Director at the 121st Annual General Meeting, is provided on pages 200 to 205.

MR SITHICHAI CHAIKRIANGKRAI, 65

NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Date of first appointment as a director
22 Feb 2013

Date of last re-appointment as a director
29 Jan 2018

Country of principal residence
Thailand

BOARD COMMITTEE(S) SERVED ON

- Audit Committee
- Board Executive Committee
- Sustainability and Risk Management Committee

ACADEMIC & PROFESSIONAL QUALIFICATION(S)

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

PRESENT DIRECTORSHIP(S) (as at 11 Dec 2019)

Listed companies

- Asset World Corp Public Company Limited
- Berli Jucker Public Company Limited
- Frasers Property Limited
- Golden Land Property Development Public Company Limited
- Oishi Group Public Company Limited
- Sermsuk Public Company Limited
- Siam Food Products Public Company Limited
- Thai Beverage Public Company Limited
- Univentures Public Company Limited

Others

- Big C Retail Holding Company Limited
- Eastern Seaboard Industrial Estate (Rayong) Company Limited
- Food and Beverage Holding Co., Ltd
- Petform (Thailand) Co., Ltd.
- TCC Assets (Thailand) Company Limited
- Thai Beverage Can Co., Ltd.
- Univentures REIT Management Co., Ltd.

PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS

Listed companies

- Big C Supercenter Public Company Limited[1]

Others

- Nil

PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 11 Dec 2019)

- Thai Beverage Public Company Limited (Senior Executive Vice-President, Group CFO)

Note:

1 Delisted from the Stock Exchange of Thailand on 28 September 2017

Board of Directors

Mr Sithichai Chaikriangkrai (continued)

PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)
- Nil

SHAREHOLDING INTEREST IN F&N GROUP
- Nil

RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY
- Nil

ADDITIONAL INFORMATION
- Additional information on Mr Sithichai, who is seeking re-appointment as a Director at the 121st Annual General Meeting, is provided on pages 200 to 205.

MR MICHAEL CHYE HIN FAH, 60

ALTERNATE DIRECTOR TO MR THAPANA SIRIVADHANABHAKDI

Date of first appointment as an alternate director
08 Feb 2017

Country of principal residence
Singapore

BOARD COMMITTEE(S) SERVED ON
- Board Executive Committee
- Sustainability and Risk Management Committee

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Bachelor of Business Studies with First Class Honours in Accounting and Finance, Massey University, New Zealand
- Master of Business Studies with Distinction in Accounting and Finance, Massey University, New Zealand
- Fellow of the Institute of Singapore Chartered Accountants
- Associate Member of the Institute of Chartered Secretaries & Administrators
- Member of the Singapore Institute of Directors
- Associate Member of Chartered Secretaries Institute of Singapore

PRESENT DIRECTORSHIP(S) (as at 11 Dec 2019)
Listed companies
- Saigon Beer-Alcohol-Beverage Corporation
- Vietnam Dairy Products Joint Stock Company

OTHERS
- Alliance Asia Investment Private Limited
- Alliance Strategic Investments Pte Ltd
- ASM International Limited
- Beer Chang International Limited
- BeerCo Limited
- BevCo Limited (Hong Kong)
- BevCo Limited
- Chang Beer UK Limited
- DECCO 235
- F&N Retail Connection Co., Ltd.
- Havi Food Distribution (Thailand) Co., Ltd
- Havi Logistics (Thailand) Limited
- Heritas Capital Management Pte Ltd
- IMC Pan Asia Alliance Corporation
- InterBev (Singapore) Limited
- InterF&B Pte Ltd
- International Beverage Holdings Limited
- International Beverage Holdings (Singapore) Pte. Limited
- International Beverage Holdings (UK) Limited
- International Beverage Trading (Hong Kong) Limited
- International Beverage Trading Limited
- International Breweries Limited
- Inver House Distillers Limited
- Marketing Magic Pte Ltd
- Max Asia Food and Beverage (Thailand) Co., Ltd
- Myanmar Distillery Company Limited
- Myanmar Supply Chain and Marketing Services Company Limited
- Prudence Holdings Limited
- So Water Company Limited
- Super Brands Company Pte Ltd
- Vietnam Beverage Company Limited
- Vietnam F&B Alliance Investment Joint Stock Company
- Wellwater Limited

PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS
Listed companies
- Sermsuk Public Company Limited

Others
- C A C Co., Ltd
- Sermsuk Beverage Co., Ltd
- Sermsuk Holdings Co., Ltd.
- Wrangyer Beverage (2008) Co. Ltd.

PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 11 Dec 2019)
- Thai Beverage Public Company Limited (Executive Vice-President, Finance and Accounting Group, Deputy Group CFO and Chief Finance Officer – International Business)
- Vietnam Beverage Company Limited (Legal Representative)
- Vietnam F&B Alliance Investment Joint Stock Company (Legal Representative / Chairman of Board of Management)

PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)
- Nil

SHAREHOLDING INTEREST IN F&N GROUP
- Nil

RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY
- Nil

MR PRAPAKON THONGTHEPPAIROT, 48

ALTERNATE DIRECTOR TO MR SITHICHAI CHAIKRIANGKRAI

Date of first appointment as an alternate director
21 Mar 2013

Country of principal residence
Thailand

BOARD COMMITTEE(S) SERVED ON

- Board Executive Committee
- Sustainability and Risk Management Committee

ACADEMIC & PROFESSIONAL QUALIFICATION(S)

- Advanced Management Programme, INSEAD, France
- Master of Science in Finance, Georgia State University, USA
- Master of Business Administration, Mercer University, USA
- Bachelor of Business Administration, Assumption University, Thailand
- Listed Company Director Programme, Singapore Institute of Directors, Singapore
- Director Certification Program (DCP) 2017, Thai Institute of Directors (IOD)

PRESENT DIRECTORSHIP(S) (as at 11 Dec 2019)

Listed companies
- Nil

Others
- Asiaeuro International Beverage (Guangdong) Co., Ltd.
- Asiaeuro International Beverage (Hong Kong) Limited
- ASM International Limited
- Food and Beverage Holding Co., Ltd.
- Grand Royal Group International Company Limited (fka, Myanmar Distillery Company Limited)
- Green Bean Co., Ltd.
- InterBev Investment Limited
- International Beverage Holdings Limited
- Myanmar Supply Chain and Marketing Services Co., Ltd.
- P.M.T. Mansion Co., Ltd.
- Thai Beverage Group of Companies
- Thai Beverage Marketing Co., Ltd.
- Thai Beverage Training Co., Ltd.
- ThaiBev Marketing Co., Ltd.

PAST DIRECTORSHIP(S) OTHER THAN F&N HELD OVER THE PRECEDING FIVE YEARS

Listed companies
- Nil

Others
- Times Publishing Limited

PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 11 Dec 2019)

- Thai Beverage Public Company Limited (Executive Vice-President - Chief Spirit Product Group, and Chief Route-to-Market)
- Thai Beverage Marketing Co., Ltd. (Chief Executive Officer)

PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS (other than Directorships)

- Held various senior executive positions in the TCC Group, namely Senior Vice-President for Finance in Thai Beverage Public Company Limited, Director in Thai Beverage Marketing Co., Ltd., Senior Executive Vice-President for Land Development and Investment Management in TCC Land Group, Senior Executive Vice-President for Corporate Services in Plantheon Group and TCC Land Group, and Senior Executive Vice-President for Finance in TCC Land Group.

SHAREHOLDING INTEREST IN F&N GROUP

- Nil

RELATIONSHIP WITH OTHER DIRECTOR, EXECUTIVE OFFICER, F&N, SUBSTANTIAL SHAREHOLDER OF F&N OR SUBSTANTIAL SHAREHOLDER OF PRINCIPAL SUBSIDIARY

- Nil

Leadership Team

Mr Lee Meng Tat
Chief Executive Officer,
Non-Alcoholic Beverages
→ Page 25

Mr Edmond Neo
Chief Executive Officer, Beer
→ Page 25

Mr Siew Peng Yim
Chief Executive Officer,
Times Publishing Group
→ Page 26

Mr Lim Yew Hoe
Chief Executive Officer,
Fraser & Neave Holdings Bhd
→ Page 26

Mr Hui Choon Kit
Chief Financial Officer and
Company Secretary
→ Page 27

Mr Vivek Chhabra
Head, Mergers and Acquisitions
→ Page 27

MR LEE MENG TAT, 56

CHIEF EXECUTIVE OFFICER, NON-ALCOHOLIC BEVERAGES

Date of appointment
01 May 2015

Length of service in the F&N Group
(as at 30 Sep 2019)
16 years 10 months

JOB DESCRIPTION

Mr Lee is responsible for overseeing and driving the growth strategies of Group's non-alcoholic beverages business, which has operations and investments in Indonesia, Malaysia, Myanmar, Singapore, Thailand and Vietnam.

ACADEMIC & PROFESSIONAL QUALIFICATION(S):

- Certificate in Corporate Governance, International Directors Programme (IDP-C), INSEAD, France
- Advanced Management Program, Harvard Business School, USA
- Master of Business Administration, Imperial College, London, UK
- Bachelor of Engineering (Mechanical), National University of Singapore, Singapore

WORKING EXPERIENCE

- Chief Executive Officer, Wildlife Reserves Singapore Group
- Chief Corporate Development Officer, Food & Beverage Division, Fraser and Neave, Limited ("F&N")
- Chief Executive Officer, China, Heineken-APB (China) Management Services Co., Ltd and Regional Director, China, Asia Pacific Breweries Ltd ("APB")
- Vice-President & Deputy Head, Education Services and Corporate General Manager (Projects), Times Publishing Ltd
- Vice-President (E-business & Operations), Fannet Online Pte Ltd
- Senior Manager, New Ventures, F&N
- Deputy General Manager, Sembawang Leisure Pte Ltd
- Deputy Director, Regional Tourism, Singapore Tourism Board
- Assistant Head, International Business Development, Singapore Economic Development Board
- Owner, Wokabout Pte Ltd
- Assistant Treasurer, Corporate Banking, DBS Bank Ltd

OTHERS

- Council Member, Singapore Cancer Society

MR EDMOND NEO, 54

CHIEF EXECUTIVE OFFICER, BEER

Date of appointment
01 October 2016

Length of service in the F&N Group
(as at 30 Sep 2019)
27 years 02 months

JOB DESCRIPTION

Mr Neo is responsible for overseeing and driving the Group's beer business.

ACADEMIC & PROFESSIONAL QUALIFICATION(S):

- Bachelor of Accountancy, National University of Singapore, Singapore
- Diploma in Marketing Management, Singapore Institute of Management, Singapore
- Heineken Executive Program, INSEAD, Fontainebleau

WORKING EXPERIENCE

- Managing Director, Chang International Co., Ltd
- General Manager, Regional Brand Development, F&N Interflavine Pte Ltd
- Director, Group Commercial, APB
- Chief Executive Officer, APB (Lanka) Ltd
- Commercial Manager, Cambodia Brewery Limited
- Assistant General Manager, Group Commercial, APB
- Regional Marketing Manager, Philips Electronics Singapore
- Senior Marketing Manager, APB
- Senior Brand Manager, DB Breweries Limited
- Senior Brand Manager, APB Singapore
- Corporate Banking Officer, Overseas Union Bank
- Auditor, Price Waterhouse

OTHERS

Nil

Leadership Team

MR SIEW PENG YIM, 51

CHIEF EXECUTIVE OFFICER, TIMES PUBLISHING GROUP

Date of appointment
01 October 2014

Length of service in the F&N Group
(as at 30 Sep 2019)
7 years 05 months

JOB DESCRIPTION

Mr Siew is responsible for overseeing and driving the growth strategies of the Group's publishing and printing businesses.

ACADEMIC & PROFESSIONAL QUALIFICATION(S):

- Bachelor of Accountancy, National University of Singapore, Singapore
- Chartered Accountant of Singapore, Institute of Singapore Chartered Accountants, Singapore

WORKING EXPERIENCE

- Chief Financial Officer and Chief Operating Officer, Times Publishing Limited ("TPL")
- Chief Financial Officer, TPL
- Chief Financial Officer, Chief Operating Officer and Executive Director, HTL International Holdings Ltd
- Chief Financial Officer, HTL International Holdings Ltd
- Group Financial Controller, HTL International Holdings Ltd

OTHERS

Nil

MR LIM YEW HOE, 53

CHIEF EXECUTIVE OFFICER, FRASER & NEAVE HOLDINGS BHD

Date of appointment
01 December 2014

Length of service in the F&N Group
(as at 30 Sep 2019)
4 years 10 months

JOB DESCRIPTION

Mr Lim is responsible for overseeing and driving the growth strategies of the Fraser & Neave Holdings Group's businesses.

ACADEMIC & PROFESSIONAL QUALIFICATION(S):

- Master of Business Administration (Banking and Finance), Nanyang Technological University
- Bachelor of Science (Estate Management), National University of Singapore

WORKING EXPERIENCE

- Chief Executive Officer, Fraser & Neave Holdings Bhd
- Managing Director, Asia Pacific Brewery (Hanoi) Limited
- Managing Director, Myanmar Brewery Limited
- General Manager, Chief Executive Officer's Office, APB
- Cluster Director, Heineken Asia Pacific Breweries (China) Pte Ltd
- General Manager, Heineken Trading Shanghai Co. Ltd
- General Manager, Shanghai Asia Pacific Breweries Co. Ltd
- Commercial Director, Shanghai Asia Pacific Breweries Co. Ltd
- Sales Director, Shanghai Asia Pacific Breweries Co. Ltd
- Commercial Manager, Myanmar Brewery Limited
- Manager, Indochina Regional Director's Office, APB
- Airport Manager, Civil Aviation Authority of Singapore
- Assistant Airport Manager, Civil Aviation Authority of Singapore

OTHERS

Nil

MR HUI CHOON KIT, 55

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Date of appointment
01 Oct 2012

Length of service in the F&N Group
(as at 30 Sep 2019)
19 years 08 months

JOB DESCRIPTION

Mr Hui is responsible for the Group Finance, Treasury, Taxation, Investor Relations and Corporate Communications, Risk Management and Sustainability, Corporate Secretariat, Group Legal and Management Services functions.

ACADEMIC & PROFESSIONAL QUALIFICATION(S):

- Master of Business Administration, Nanyang Technological University, Singapore
- Bachelor of Business, Curtin University of Technology, Australia
- Chartered Accountant of Singapore, Institute of Singapore Chartered Accountants, Singapore

WORKING EXPERIENCE

- Group Financial Controller, F&N
- Deputy Group Financial Controller/ General Manager, Corporate Communications, F&N
- General Manager, Treasury and Budget, F&N
- General Manager, Corporate Communications & Special Projects/ Budget Manager, Chairman's Office, F&N
- Deputy General Manager, Corporate Planning & Business Development/ Budget Manager, Chairman's Office, F&N
- Assistant General Manager, Corporate Planning & Business Development, F&N
- Senior Manager, New Ventures, F&N
- Manager, Corporate Finance, Schroder International Merchant Bankers Limited
- Assistant Vice-President, Investment Banking, Keppel Bank of Singapore Limited
- Executive Consultant, Ernst & Young Consultants Pte Ltd

OTHERS

- Member, Finance Committee, National Kidney Foundation

MR VIVEK CHHABRA, 60

HEAD, MERGERS AND ACQUISITIONS

Date of appointment
01 April 2015

Length of service in the F&N Group
(as at 30 Sep 2019)
4 years 06 months

JOB DESCRIPTION

Mr Chhabra is responsible for the Business Development and Mergers and Acquisitions functions.

ACADEMIC & PROFESSIONAL QUALIFICATION(S):

- Bachelor of Commerce (Honours), University of Bombay, India
- Chartered Accountant, Institute of Chartered Accountants, India

WORKING EXPERIENCE

- Head, Mergers and Acquisitions, F&N
- President, Sermsuk Public Company Limited; CEO Non-Alcoholic Beverages Thailand
- Chief Financial Officer, Non-Alcoholic Beverages, F&N
- Regional Director, South Asia and Director, Business Development, Heineken Asia Pacific Limited ("HAP")
- Director, Group Finance, HAP
- Finance Manager, Vietnam, HAP
- Finance Manager, Papua New Guinea, HAP
- Finance Manager, Britannia Industries Ltd
- Manager, International Internal Audit, Britannia Industries Ltd
- Senior Assistant Manager, Britannia Industries Ltd
- Assistant Manager, Corporate Accounts, Britannia Industries Ltd (RJR Nabisco)
- Finance Executive, Parke Davis India Limited

OTHERS

Mr Chhabra is a Member of Malaysian Institute of Accountants. He was a member of the Resource Panel for Finance (Singapore Government Parliamentary Committee) and vice-chairman of the South Asia Business Group in the Singapore Business Federation. Mr Chhabra was also the co-chairman of the International Finance Corporation sponsored Private Sector Forum in Vietnam in 1999. He has received citations from governmental bodies in Vietnam and India.

Food & Beverage

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CEO Business Review

Beverages

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New Markets

CEO Business Review

Food & Beverage

Continued commitment to our Vision 2020 growth strategy has resulted in another year of solid performance. This year, Food & Beverage ("**F&B**") growth was balanced across our divisions. Despite numerous headwinds, including the introduction of sugar tax in Malaysia and the rising input and transportation costs, we delivered another strong financial performance and progressed toward our long-term strategic goals. Our FY2019 results demonstrated the resilience of our business, the strength of our broad portfolio, the quality of our team and the strong relationships we have with our customers and partners. As we head into the final year of our current strategy cycle, F&N will continue to play to our strengths and stay with the business strategy that is working so that we are positioned to continue on this growth path.

FY2019 sales for the F&B division totalled $1,624.6m, a solid increase of 4.5% over the last fiscal year. Beverages division recorded revenue of $470.7m, a 6.5% year-on-year ("**y-o-y**") increase while Dairies division sales were $1,153.8m, a 3.6% increase over FY2018. Favourable input costs on key raw and packaging materials, and strong profits in the Group's associate company in Vietnam, Vietnam Dairy Products Joint Stock Company ("**Vinamilk**") boosted F&B FY2019 profit before interest and tax ("**PBIT**") by 22.0% to $282.2m, from $231.3m in FY2018.

$1,625 MILLION

Revenue for FY2019

$1,555 million in FY2018

DAIRIES

Despite intense market competition, Dairies continued to build on the positive momentum of last year, as our brands and products gained further traction with customers and consumers. This year, Dairies revenue grew 3.6% to $1,153.8m, up from $1,113.3m in FY2018. Dairies posted double-digit profit growth in FY2019, outpacing sales. Dairies PBIT grew 19.3%, to $275.5m.

Dairies Thailand and Dairies Malaysia largely contributed to Dairies top line growth, a testament to our ability to extract value from our matured markets. Dairies Thailand, which accounted for 38.2% of F&B revenue and 53.8% of Dairies revenue, registered an outstanding 9.9% top line growth, and reinforced its market-leading position in the canned milk segment. Coupled with lower input costs (largely lower sugar costs), earnings of Dairies Thailand improved 36.6% to $118.4m. Dairies Malaysia, where sales grew marginally, has benefitted from better export performance. Despite improved sales, aggressive pricing environment in Malaysia continued to weigh on its profitability. As a result of higher trade promotion, Dairies Malaysia PBIT fell 5.6%, to $38.2m. Dairies Malaysia accounted for 18.9% of F&B revenue and 26.6% of Dairies revenue. This year, Dairies earnings was also bolstered by Vinamilk's $110.9m earnings contribution, an increase of 17.0% over last year. The recovery of domestic consumption has fuelled Vinamilk's improved performance in this fiscal year.

BEVERAGES

The soft drinks industry in Malaysia and Singapore continued to be impacted by regulatory changes, changing consumer preferences, dampened market sentiments, competitive pricing and sales disruption. The introduction of the excise tax on sugared beverages in our largest soft drinks market, Malaysia, and the increasing health concerns over excessive sugar intake in Singapore have resulted in contractions in Singapore and Malaysia carbonates markets. Despite these challenges, our strong market position and broad portfolio of low- and no-sugar products have helped to deliver another strong financial performance. Beverages segment top line improved 6.5% from last year,

$282 MILLION

Profit Before Interest & Taxation for FY2019

$231 million in FY2018

Mr Lee Meng Tat
Chief Executive Officer,
Non-Alcoholic Beverages

Mr Edmond Neo
Chief Executive Officer,
Beer

SUMMARY OF MESSAGE

F&B revenue improved 4% to $1,624.6 million. F&B PBIT surged 22% to $282.2 million

Beverages generated turnover of $470.7 million in FY2019, accounting for 29% of F&B's turnover. Beverages' profit improved to $6.7 million, up from $0.4 million in FY2018

Dairies generated turnover of $1,153.8 million in FY2019, accounting for 71% of F&B's turnover. Earnings improved 19% to $275.5 million, accounting for 98% of F&B PBIT

F&B PBIT margin improved 250bps to 17%

Dairies remained Group's largest revenue and profit contributor

- Vinamilk full-year contribution amounted to $110.9 million
- Dairies Thailand profit improved 37%

Beverages profitability improved

- About 90% of our RTD products sold in Malaysia are healthier options and are exempted from excise duty
- Beverages Malaysia profit improved 6%
- Emerald Brewery completed first canning run on 25 September; commercial operations started on 1 October

In addition to portfolio development through acquisitions and innovations, the Group also drives growth through innovation and renovation of our products, driving efficiencies in our production processes and route-to-market

to $470.7m. The growth was driven by successful festive execution and introduction of new products that underscored our ability to keep pace with regulatory changes and adapt our brands to shifting consumers preferences. We continued to roll out numerous innovations across our markets in Singapore, Malaysia, Thailand and Myanmar: we reformulated and expanded our healthier range of *F&N* Sparkling Drinks and range of teas; for *100PLUS*, our flagship brand, we further reduced calorie count by reformulating its entire ready-to-drink ("**RTD**") range in Malaysia.

Supported by higher sales, favourable sugar costs and lower marketing spend, Beverages earnings improved to $6.7m, up from $0.4m in the prior year. The improved profitability was despite pre-operating costs of $3.7m incurred at the new plant in Myanmar. Excluding pre-operating costs, Beverages earnings would have been higher, at $10.5m.

Beverages Malaysia, our largest market for Beverages, saw earnings improved 5.7%, to $14.9m in FY2019. The higher earnings in Malaysia was due to higher sales, lower sugar cost and marketing spend. Similar to Malaysia, Beverages performances in Singapore and most of the New Markets improved, although competition remained intense and has continued to shape the pricing situation. We have responded to the pressure on profits by reining in expenses, without compromising our growth initiatives. We recorded volume and sales growth across these markets; profitability of these markets has also improved.

Last year, the Malaysian authority announced the imposition of excise duty of 40 sen per litre on sweetened beverages containing more than 5g/100ml of sugar, milk-based drinks containing more than 7g/100ml of sugar, as well as fruit and vegetable juices containing more than 12g/100ml of sugar. The excise duty came into effect on 1 July 2019. In a move to support the government initiatives for healthier living and minimise the impact of this excise tax, the Group had successfully reformulated most of its RTD products by reducing sugar content and introducing smaller pack sizes. As at the close of this fiscal year, about 90% of our RTD products sold in Malaysia are healthier options and are exempted from excise duty. These purposeful innovations have benefited our broad portfolio of brands, with core brands like

CEO Business Review

Food & Beverage

100PLUS, *F&N NUTRISOY*, *F&N ICE MOUNTAIN* and *F&N SEASONS* all recording revenue growth. We are confident that our approach to the excise duty responds to the evolving consumer trends and offers us further opportunities for growth.

CONTINUED TO STEP CHANGE OUR BUSINESS CAPABILITIES

We have also been developing new capabilities that will strengthen our platform for growth in the years ahead.

Over the past three years, we have put in capital investment in our soft drinks and dairies capabilities in Malaysia and Thailand to bolster scale, adopt cutting edge technology and facilitate integration. Our investments included a cold-aseptic filling polyethylene terephthalate ("**PET**") line, a 600-bottle per minute water line and combi blow, mould and filling machine in our Shah Alam soft drinks plant; a ultra-high temperature processing line in Kuching soft drinks plant; a sweetened condensed milk pouch and tube filling line and gable top filling machine in Thailand dairy plants; and another evaporated line in Pulau Indah dairy plant in Malaysia. This year, as part of our New Product Development Transformation programme, we invested in new production lines and upgraded the existing lines in the Shah Alam plant to facilitate our extension into new offerings and packaging formats, added a water line and warehouse in Sabah, etc. The investment is designed to step-change the speed and flexibility of our production lines whilst delivering environmental benefits through greater efficiencies. By 2021, upgrades to our Singapore and Thailand plants will be completed, and we will close the current plants as soon as the new plants are operationally ready; as well as our new soft drinks plant in East Malaysia. These capital investments will increase efficiency and strengthen our ability to respond to changing consumer trends with agility and pace by expanding our range of beverages and pack sizes.

In October 2019, we announced that our listed entity in Malaysia, Fraser & Neave Holdings Bhd ("**F&NHB**"), entered into a conditional agreement to acquire 4,454-hectare of agricultural land in Perlis, Malaysia for a cash consideration of RM156m. The Group believes that this land acquisition presents a unique opportunity for the Group to develop dairy and crop farming capabilities, and to become the first vertically-integrated dairy producer in Malaysia. The purchase comes as Malaysian authority advocates self-sufficiency in the fresh milk market. Subject to transaction completion in phase 1, F&NHB will invest RM650m (with land cost) to develop the land for crop farming, as well as a new modern dairy farm for 4,000 milking cows, for an estimated 40m litres of fresh milk. The Group looks to commence upstream milk production within 24 months of land possession. F&NHB will evaluate future expansion plans once first phase of the development stabilises. The investment in this fully-integrated farm means F&N will have full control over the selection of cows, their feed and each step of the milk processing and packaging. This will allow the Group to meet the rapidly increasing demand for high quality fresh milk, and further advances our push into the liquid milk business, a high growth dairy category in Malaysia. Besides the milk processing plant, the integrated farm will also develop a knowledge centre for dairy and crop farming, and seedling research centre. In line with the Group's push for sustainability, we will adopt sustainable farming methods, using precision technology and good practices to reduce our overall carbon footprint of the crop farm, dairy barns and other facilities. The integrated farm will include solar panel roofing, a biodigester system that converts waste into bio-gas for energy generation, and the repurposing of solid effluent as soil nutrients.

We officially re-entered the beer business this year. Emerald Brewery Myanmar Limited ("**Emerald Brewery**") began commercial operations on October 1, a year after investing US$70m ($105m) in a state-of-the-art brewery, located in Hlegu Township, Yangon. The brewery has started to produce the award-winning *CHANG* beer, and build nationwide distribution to bring this international brew to all corners of the country. With our investment in Emerald Brewery, F&N is now better positioned to capture further growth opportunities in Myanmar.

Through Emerald Brewery, F&N will contribute to Myanmar's economic and social success by investing in local manufacturing, employing local people, engaging local suppliers and distributors and supporting community investment programs. F&N's capital investment has been deployed to build a modern brewery which will deliver an annual beer production capacity of 500,000 hectolitres, to grow logistics including sales and distribution operations, as well as drive marketing and people capabilities.

SUSTAINABLE OPERATIONS

Sustainability and innovation are grounded in the operations at Emerald Brewery, with brand new machinery supplied by industry-leading Krones offering smart energy-saving features. By investing in new technology, the brewery will enjoy water, electricity and thermal energy savings for improved efficiency and productivity.

In addition, a cutting-edge Kubota Johkasou wastewater treatment system developed and manufactured in Japan has been installed at the brewery to ensure that treated wastewater meets environmental guidelines. 90% of all treated wastewater will be repurposed for gardening and brewery upkeep.

Solar energy will also be tapped to power up to 30% of all brewery operations. Emerald Brewery will also implement initiatives to reuse and recycle. Bottles that returned from the market will also be assessed for reuse to reduce waste.

Ensuring the Highest Quality of Locally-Produced *CHANG* Beer
The brewing process at Emerald Brewery follows the same approach taken at the *CHANG* beer brewery in Thailand, right down to the water treatment, recipe and ingredients used. The location of Emerald Brewery's facility was determined after extensive evaluations of water quality at 37 water port sites. This has ensured that the water used for the brewing process is high in purity and exceeds World Health Organisation parameters. Raw ingredients are being imported, with malt ordered from Europe and hops brought in from Germany and the US. Throughout the brewing process, more than 250 inspection check points will be implemented to ensure the quality of locally-produced *CHANG* beer.

Prior to the launch of brewery operations, Emerald Brewery assigned 80 team members to receive intensive training over a one-month period from the *CHANG* team in Bangkok, Thailand. This was followed by additional training programmes held in Yangon focusing on areas such as the brewing process, quality checks, and safety.

Emerald Brewery's facility will pack and distribute *CHANG* beer in five formats – 330ml and 500ml cans, 320ml and 620ml bottles and 30-litre keg. The brewery will also be able to accommodate an expansion in production capacity in the coming years.

F&N's standards for corporate ethics are being incorporated into Emerald Brewery's business practices in Myanmar. This includes strict adherence to human and workplace rights and safety, supplier guiding principles, code of business conduct and anti-bribery policies.

TARGETTED APPROACHES DELIVERED SUCCESS

In this turbulent market, we have been strategically investing in our brands and executing our commercial plans to support brand health and growth agenda. Through a multi-pronged approach focusing on innovation and acquisition, F&N continues to reshape its brand and product portfolios so that we are closely aligned with changing consumer behaviour, and are able to stay ahead of the trend curve.

(A) Innovation

We are committed to shaping our beverage portfolio to meet changing consumer demands and health trends, by reducing added sugar in our beverage range, and by broadening our product choices. We will build on our core brands — *100PLUS* (isotonic), *F&N SEASONS* and *OYOSHI/OISHI* (tea), *F&N MAGNOLIA* (milk and drinking yoghurt) and *F&N ICE MOUNTAIN* (water); and further expand our portfolio of nutritious products in growing categories, such as isotonic, tea, soya and yoghurt. To that end, a key part of the Group's strategy is understanding how the Group can make our core brands more relevant to our consumers, from a health and wellness standpoint. Our impressive results demonstrated the successful execution of this strategy – in Malaysia, *100PLUS* continues to lead in the carbonates segment; *F&N NUTRISOY* and *F&N SEASONS* remain Malaysians favourite soya drink; *F&N SEASONS* and *OYOSHI* are the No.1 RTD tea brands (Asian Drinks); in our dairy business, our canned milk brands, *F&N*, *TEAPOT* and *CARNATION*, continued to be the favourite amongst Malaysians and Thais.

This year, we have further broadened our reduced- and no-calorie sparkling and still beverages, modifying our offerings to be even more relevant to our consumers and customers. In Malaysia, to encourage healthier consumption, about 90% of our RTD products have been reformulated to limit sugar content to below 5%. The newly reformulated sugar-reduced variants included the entire *100PLUS* RTD range, most of *F&N* Sparkling Drinks and *F&N SEASONS* range, amongst others. We are also encouraging portion-control and providing "affordable options" by marketing smaller pack sizes – 250ml and 1.2L – for selected *100PLUS* flavours. We have also refreshed the sparkling portfolio with festivity

CEO Business Review

Food & Beverage

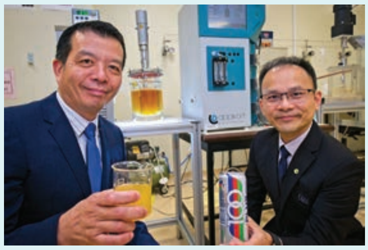

Photo credit: NTU Singapore

NTU and F&N have jointly opened a laboratory in Singapore to develop innovative products and recipes across its beverage offering. Spanning four years, the partnership will see around 30 researchers and students from NTU Singapore and F&N working together to translate food technology innovations to fast-moving consumer goods industry applications. Research projects range from enhancing food products and processes to developing biodegradable packaging solutions for the food & beverage industry.

One of the research projects is looking for ways to naturally extend the shelf-life and improve safety our products with the application of flavonoids. Organic compounds found in almost all fruits and vegetables, flavonoids have shown to keep food fresher for a longer period of time. The research team will also be looking at developing new beverages with additional health benefits, as well as developing new kinds of environmentally friendly packaging solutions.

Read more from our Sustainability Report pages 28 to 33.

flavours, such as limited-edition *100PLUS*, *F&N SEASONS* Pu-Erh Chrysanthemum Tea and *F&N* Orange Classic and *F&N* Sarsi Classic for Chinese New Year. As part of the special promotions and trade activity for Ramadan and Hari Raya festivities, we introduced the limited-edition *F&N* Lychee Pear sparkling drink, with an improved recipe that was certified a Healthier Choice product, as well as fruity variants of *100PLUS*. For Christmas, *FARMHOUSE* launched a limited-edition peppermint chocolate flavoured milk. Dairies fortified its existing brands with added nutritional benefits. *F&N NUTRISOY* added purple sweet potato to its reduced sugar fresh soya range; juicy pear bits were added to *F&N MAGNOLIA* peach flavour yoghurt smoothie; and three super vegetables (kale, broccoli and spinach) also became part of *F&N FRUIT TREE* FRESH Wonders range of no-sugar added juice drink. In Myanmar, we rolled out an extension of *100PLUS*' non-carbonated range, *100PLUS* ACTIVE Tasty Lemon. Specially formulated to suit local tastes, it facilitates energy production and aids after-sports recovery, just like its regular range. These new products generated excitement in our markets and accelerated the growth of our brands.

F&N maintains a strong multi-year innovation pipeline that will continue to drive growth in the future. We are confident of our approach to meeting regulatory challenges, and we believe that the evolution of consumer trends offers us further opportunities for growth.

We also recognise that the Group must continue to leverage resources that are available to us from outside our business, as these can catalyse innovation that gives our business a competitive advantage. This year, we entered into a long-term partnership with Nanyang Technological University's ("**NTU**") Food Science and Technology program to strengthen our research and development capabilities. This partnership offers us the opportunity to tap NTU's strengths in research excellence as well as its cutting-edge facilities to make impactful scientific discoveries that enhance our innovation pipeline and advance the quality of F&N's products. We have since embarked on research projects ranging from enhancing food products and processes to developing biodegradable packaging solutions for the F&B industry, which also furthers our sustainability efforts. We look forward to bringing these innovations to fruition in the commercial world. Also, F&N's membership of Food Industry Asia gives us valuable access to industry information and helps enhance and improve the delivery of quality beverages to our consumers.

In addition, we continued to adopt initiatives to reduce our impact on the environment, including efforts to conserve raw materials and energy; reducing greenhouse gas emissions across our businesses; recycling and conserving water; minimising waste in the production process and post-consumption; creating greater energy efficiency in our operations and using renewable energy where possible; and optimizing packaging technology to lower environmental impact, including reducing PET resin packaging of key products; and reducing our post-consumption waste by promoting environmental consciousness.

(B) Investing In Brands

We are supporting our innovation program with integrated marketing campaigns, using television, radio, print and digital assets, across a range of distribution channels, to engage more effectively with our consumers. As social media and mobile technology disrupts the F&B retail landscape and old ways of doing business, new opportunities have been created for us to interact with retailers, shoppers and consumers. F&N embraces this shift and continues to invest in digital capabilities to maximise our relevance, complemented by existing channel and marketing activities.

In addition to traditional marketing media, we engage consumers on multiple digital channels – leveraging Facebook, Twitter, Instagram, etc – in innovative ways to produce compelling content, drive engagement and build brand equity. The rollout of *OYOSHI* Sakura Strawberry Green Tea in Malaysia for example, was supported by 360-degree above- and below-the-line marketing campaign where *OYOSHI* was presented at all points of consumer contact. The successful campaign resulted in significant sales volumes of *OYOSHI* that fuelled a market share gain of 6.9-points. There was also a 2.5-month long campaign, JOM SEASONS contest, for *F&N SEASONS*, in conjunction with the introduction with the two new tea drinks. This campaign covered the entire buying cycle, from discovery to purchase to repeat customer, encompassing mobile, experiential, product, digital and social media. *100PLUS* also went beyond the traditional marketing outlets to drive consumption and build brand awareness. As a strong advocate of sports, this year, *100PLUS* scored the regional sponsorship for the AFF SUZUKI CUP 2018, Southeast Asia's most watched football tournament. As the Official Hydration Partner, *100PLUS* enjoyed regional association with the tournament through its marketing programs – including on official tournament collateral such as pitch-side advertising boards – on different platforms, across the match venues located in 11 ASEAN countries, including Singapore, Malaysia, Indonesia and Thailand. *100PLUS* also ramped up its marketing efforts, executing AFF SUZUKI CUP 2018-themed marketing using multiple digital channels and combining it with experiential marketing across its markets to drive consumer engagement and increase brand awareness.

Our innovation and marketing strategy require us to constantly look at ways we bring our products to our consumers: an enhanced, cost-efficient, route-to-market approach. As we look back on 2018/19, it is clear that not only was the structure of media channels changing, the impact of digital technology on route-to-market structure has also transformed the shopper experience, leaving the way open for many more players to enter our markets. To this end, F&N has been investing not only in digital marketing, we have also been developing our e-commerce business, to respond better to the needs of customers and consumers. We actively prioritise strategic partnerships with online retailers, working to ensure our products are well-represented on their platforms where our consumers can find and obtain them.

OUTLOOK

Political and economic uncertainty around our region will undoubtedly continue. Malaysia domestic market is expected to remain challenging, given the relatively weak consumer confidence and intense competition. This is especially in the canned milk segment where we continue to see strong pricing competition, with rising input costs adding to margin pressure. For beverages, while we have taken necessary steps, including introducing extensive portfolio of healthier options and portion control, its outlook remains uncertain. We continue to monitor market acceptance and offtake while continuing our efforts to introduce innovative products that will meet our consumers' needs. The outlook for Thailand fares better, following improvement in both sweetened condensed and evaporated milk segments. We will continue to invest in brand building to strengthen our product portfolio. Singapore, as an open economy, is expected to have muted economic growth in light of the US-China trade tensions and slowdown in global trading. Nonetheless, we have consistently demonstrated that we are a strong, agile business, operating in a resilient segment. Looking ahead to fiscal 2020, the company expects to continue to capitalize on the opportunities presented for growing our businesses, both in our core and new markets. The Group will continue to prioritise strengthening its commercial operations, route-to-market execution, accelerating innovation and improving efficiencies across its businesses. Given the uncertain external environment, the Group will continue to be vigilant and, at the same time, explore new growth opportunities that may arise.

CEO Business Review

Beverages

CORE MARKETS
Malaysia • Singapore

No. 1

IN SINGAPORE

- *100PLUS* in Isotonic
- *F&N NUTRISOY* in Soya Drinks
- *F&N ICE MOUNTAIN* in Water

No. 2

IN SINGAPORE

F&N Sparkling Drinks in Flavoured Carbonated Soft Drinks

100PLUS

Entire *100PLUS* RTD range is now reformulated to contain <5g of sugar

Endorsed by the Ministry of Health in Malaysia


No. 1
IN MALAYSIA
• 100PLUS in Carbonated Soft Drinks
• F&N SEASONS and OYOSHI in Ready-to-Drink Tea (Asian Drinks)
NEW
range of 0% sugar beverages in Singapore

CEO Business Review

Beverages
CORE MARKETS
Malaysia • Singapore

5.7%

Operating profits of Beverages Malaysia improved by 5.7% to $14.9m

>90%

>90% of our RTD products sold in Malaysia are healthier options and below the excise duty threshold

The entire RTD range of *100PLUS* in Malaysia has been reformulated to contain <5% sugar

BEVERAGES MALAYSIA

FY2019 PERFORMANCE

Despite a continuing difficult operating environment and cautious consumer spending, our core brands, *100PLUS*, *F&N SEASONS*, *OYOSHI* and *F&N* Sparkling Drinks maintained leading positions, most growing ahead of their categories. We delivered on product innovation and invested in effective in-market activities during festive periods, which fuelled top line growth. This year, Beverages Malaysia revenue grew 1.0% y-o-y, to $330.2m, on robust demand for core brands and driving volume growth. Operating profits also improved, by 5.7% to $14.9m. The better profit was due to lower sugar cost and marketing spend, in addition to higher sales.

Last year, the Malaysian authority announced the imposition of excise duty of 40 sen per litre on sweetened beverages containing more than 5g/100ml of sugar, milk-based drinks containing more than 7g/100ml of sugar, as well as fruit and vegetable juices containing more than 12g/100ml of sugar. To support the government initiative to promote healthy living and minimise the impact of the excise tax, the Group successfully reformulated most of its RTD products by reducing sugar content and introducing smaller pack sizes. As at the close of this fiscal year, about 90% of our RTD products sold are healthier options and below the excise duty threshold. Consumers' response to our reformulated products have also been positive. We are acutely aware of the need to continue to monitor the beverage market so that we can stay ahead of market trends and demands.

No.1

F&N's flagship brand, *100PLUS*, continued its reign as Malaysia's No.1 carbonated soft drinks

ISOTONIC: *100PLUS*

F&N's flagship brand, *100PLUS*, continued its reign as Malaysia's No.1 carbonated soft drinks.

100PLUS is the first isotonic drink launched in Malaysia some 36 years ago. To remain relevant to today's consumers, *100PLUS* has continually reinvented itself through innovation and renovation. In support of Malaysia Ministry of Health's ("**MOH**") initiatives to promote healthy living, *100PLUS* has reformulated its entire RTD range to contain less than 5% sugar. The Group has also responded to Malaysia MOH's call by increasing the availability of smaller pack sizes – 250ml and 1.2L – to encourage portion control and moderation in consumption. For consumers looking for an even healthier version, *100PLUS* also has a reduced sugar version – *100PLUS* Reduced Sugar. With no added artificial sweetener, *100PLUS* Reduced Sugar contains only 4g/100ml of sugar, which is within the healthier choice symbol ("**HCS**") logo guidelines.

100PLUS's continuous involvement in sports, including sponsorships of national athletes, major sports events and several national sports bodies, underscores its commitment to promoting active and healthy lifestyles. This year, *100PLUS* continued to reach out to and engage the masses by supporting sports organisations and sports events such as the Malaysia Football League, MAYBANK CHAMPIONSHIP GOLF JUNIOR CLINIC, NUTRITION MONTH MALAYSIA and STANDARD CHARTERED KUALA LUMPUR MARATHON. Beyond Malaysia, *100PLUS* welcomed the opportunity to be the official isotonic drink sponsor for the PARIS SEMI-MARATHON 2019 which took place in the streets of the French capital. The event, one of the most popular events of the sporting calendar and second largest marathon in France, attracted over 33,000 runners, which provided sampling opportunities to drive engagement and conversion. *100PLUS* was launched in France last year, making it the first carbonated isotonic drink in the country. The launch demonstrated F&N's commitment to increase the availability of *100PLUS* to meet rising demand for sports drink.

OYOSHI and *F&N SEASONS*

No. 1 Ready-To-Drink Tea (Asian Drinks) in Malaysia

TEA: *F&N SEASONS* AND *OYOSHI*

F&N continued to command Malaysia's RTD tea segment (Asian Drinks) with *F&N SEASONS* and *OYOSHI* leading the RTD tea category.

This year, like *100PLUS*, most of *F&N SEASONS* tea drinks have been reformulated to below the 5% sugar content threshold. Smaller pack sizes have also been added to the black tea and Asian drinks lineup. In addition to reducing sugar content from our existing tea range, the Group also debuted *F&N SEASONS* Apple Pomegranate Tea and *F&N SEASONS* Watermelon Lychee Tea, all low in sugar, *OYOSHI* Sakura Strawberry Green Tea, and the limited-edition unsweetened *F&N SEASONS* Pu-Erh Chrysanthemum Tea in Malaysia.

F&N SEASONS strategically utilised digital platforms in conjunction with the debut of its Apple Pomegranate and Watermelon Lychee Tea variants. The brand message it conveyed was that its tea range can be enjoyed at any time with friends and family. *F&N SEASONS*' JOM SEASONS campaign also combined digital platforms with sampling activities to extend its reach to more consumers, both on-ground and on its social media pages.

Likewise, Malaysia's favourite green tea brand, *OYOSHI*, continued to focus its brand message on the authenticity and quality of its 100% organic Japanese green tea leaves. Available in five flavours – Original, Honey Lemon, Black Tea Lemon, Lychee and Sakura Strawberry green tea flavours – *OYOSHI* ran a series of campaigns this year, including a 360-degree marketing campaign to support the launch of *OYOSHI* Sakura Strawberry. The campaign, which captured *OYOSHI*'s BEYOND DELICIOUS theme, encompassed mobile, experiential product, digital, television and social media. The successful campaign drove sales and powered market share gain. In addition to introducing new products, *OYOSHI* also supported events aimed at reinforcing its position as the authentic Japanese green tea brand. One of the biggest events this year was the Japan Expo Malaysia 2019 (JEMY 2019), the largest Japanese expo in Malaysia which saw an estimated 180,000 fans over three days. As a proud sponsor of this highly successfully event, *OYOSHI* was able to interact with consumers at *OYOSHI*'s stations, providing sampling and sales opportunities.

CARBONATED SOFT DRINKS: *F&N* SPARKLING DRINKS AND *EST COLA*

Riding on the consumer health trend, *F&N* Sparkling Drinks range, like *100PLUS* and *F&N SEASONS*, has also been actively taking part in the sugar reduction initiative. The reformulated range of *F&N* Sparkling Drinks, which includes Orange, Sarsi, Strawberry, Grape, Fruitade, Ice Cream Soda, Zappel and Ginger Ade, has sugar content of less than 5%, and has earned the Healthier Choice Logo by the Malaysia MOH. In addition to having improved recipes, most of the *F&N* Sparkling Drinks range now comes in a smaller pack size – the 1.2L pack – to encourage portion control.

F&N Sparkling Drinks also debuted a new limited-edition festive flavour for Ramadan and Hari Raya festivities – the *F&N* Lychee Pear, with an improved recipe certified with the HCS.

BEVERAGES SINGAPORE

FY2019 PERFORMANCE

Beverages Singapore gained market share and maintained its market leading positions in its core categories – *100PLUS* in Isotonic, *F&N NUTRISOY* in Soya and *F&N ICE MOUNTAIN* in Water. This was achieved despite macroeconomic headwinds such as weakening GDP growth, consumer confidence and competitive price environment.

Singapore remains one of F&N's key markets. During the year, Beverages Singapore continued its emphasis on product innovation, focusing on healthier beverages. It has expanded its portfolio with lower- or no-sugar products including *F&N NUTRISOY* No Sugar Added Fresh Soya Milk, *F&N SEASONS* Pu-Erh Chrysanthemum Tea and limited-edition *F&N* Sparkling Drinks – *F&N* Ice Cream Soda Zero and *F&N* Zappel Low Sugar – all endorsed as 'Healthier Choice' by Singapore's Health Promotion Board ("**HPB**").

5

NEW PRODUCTS launched in Malaysia

- ***F&N SEASONS* Apple Pomegranate Tea**
- ***F&N SEASONS* Watermelon Lychee Tea**
- ***OYOSHI* Sakura Strawberry Green Tea**
- ***F&N SEASONS* Pu-Erh Chrysanthemum Tea**
- ***F&N* Lychee Pear**

***F&N SEASONS* tea drinks in Malaysia have been reformulated to contain <5% sugar**

Most of *F&N* Sparkling Drinks in Malaysia have been reformulated to contain <5% sugar

No. 1

***100PLUS*, *F&N NUTRISOY* and *F&N ICE MOUNTAIN* in Singapore**

Beverages Singapore gained market share and maintained its market leading positions

CEO Business Review

Beverages
CORE MARKETS
Malaysia • Singapore

No.1

Singapore's No.1 isotonic brand, *100PLUS*, remains the isotonic drink of choice for consumers

80%

of our beverage sales in Singapore are contributed by Healthier Choice products

In October, as part of Singapore's war on diabetes, the Singapore Ministry of Health announced that a new colour-coded front-of-pack nutrition labelling will be made mandatory for pre-packaged sugar-sweetened beverages ("**SSB**") with medium-to-high sugar content, as well as a total ban on advertising of SSB with very high sugar content. F&N supports the government's initiative and commitment to encourage healthier living. Over the years, we have actively reduced the sugar content of our beverages and dairy products to deliver great tasting and healthier choices. F&N's concerted effort to reduce the sugar content in our products has contributed significantly to a steady decline of our sugar footprint over the last decade – 40% reduction over 14 years. We are continuing to drive this sugar reduction in our portfolio. Today, F&N has provided for Healthier Choice options in every RTD beverage category and 80% of our beverage sales in Singapore are contributed by Healthier Choice ("**HCS**") products. Our journey does not stop here. We continue to work closely with the HPB in our offerings of healthier products for the enjoyment by all Singaporeans. We aim to achieve our goals in three ways: 1) keeping the sugar level in our products low through reformulation, 2) increasing F&N's water portfolio, and 3) expanding sugar-free options for key variants. This enables F&N to provide our consumers healthier options in their beverages of choice, while continuing to deliver great taste and enjoyment.

ISOTONIC: *100PLUS*

Singapore's No.1 isotonic brand, *100PLUS*, remains the isotonic drink of choice for consumers. During the year, *100PLUS* continued to endorse active lifestyles through sponsorships and to extend the brand beyond sporting occasions by engaging youth in fun and social activations.

As a fervent advocate of active lifestyles, *100PLUS* continued its support of several major sporting events including the HSBC RUGBY SEVENS, OCBC CYCLE, STANDARD CHARTERED SINGAPORE MARATHON, SGX BULL CHARGE, SINGPORE KINDNESS RUN, INCOME ECO RUN, GE WOMEN RUN, SHAPE RUN, THE STRAITS TIMES RUN, THE NEW PAPER BIG WALK, SMBC SINGAPORE OPEN and the WTA FINALS SINGAPORE.

In addition, *100PLUS* reminded Singaporeans to ZERO IN ON THE MOMENT and take a break from their daily grind with *100PLUS* Zero in May. As the Official Hydration Partner of HALLYUPOPFEST 2019 for the second consecutive year, *100PLUS* surprised Hallyu or "Korean wave" fans with a *100PLUS* Zero Noraebang or Korean-style karaoke room experience. Specially designed to facilitate energy production with B Vitamins (B3, B6 & B12) as well as to aid after-sports recovery, *100PLUS* ACTIVE released a 15g sachet pack size of its powder range. Perfect for active individuals who are always on the move, *100PLUS* ACTIVE Powder is both convenient and portable, providing the same *100PLUS* goodness on-the-go.

No. 1

***F&N NUTRISOY* is Singapore's No. 1 soya drink brand**

9

NEW PRODUCTS launched in Singapore, including

- ***F&N NUTRISOY* High Calcium Reduced Sugar Fresh Soya Milk with purple sweet potato**
- ***F&N NUTRISOY* No Sugar Added Fresh Soya Milk**
- ***F&N SEASONS* Pu-Erh Chrysanthemum Tea**
- ***F&N* Ice Cream Soda Zero Sugar**
- ***F&N* Zappel Low Sugar**

No. 1

***F&N ICE MOUNTAIN* is the No. 1 water brand in Singapore**

SOYA: *F&N NUTRISOY*

F&N NUTRISOY, Singapore's No.1 soya milk brand, continued to raise visibility and awareness of its range of high calcium and low-glycemic index soya beverages amongst consumers.

This March, *F&N NUTRISOY* introduced *F&N NUTRISOY* High Calcium Reduced Sugar Fresh Soya Milk with Purple Sweet Potato. Made with real purple sweet potato and all natural non-genetically modified soya beans, this new beverage, available only for a limited period, offers a delicious and nutritious blend of soya milk and purple sweet potatoes. In support of this new addition, *F&N NUTRISOY* rolled out its PURPLE IS THE NEW SOY nationwide campaign to create awareness and drive trial. Through various customer touchpoints —outdoor activations, online advertisements, in-store roadshows, and point-of-sales materials — this four-month long campaign successfully brought incremental new users to the brand. Supported by the Singapore Heart Foundation ("**SHF**") as a heart-friendly drink, *F&N NUTRISOY* with Purple Sweet Potato is endorsed by HPB's Healthier Choice symbol.

F&N NUTRISOY launched its second zero sugar variant in May. With three times more protein and 28 times more calcium than a regular soya bean drink, the all new *F&N NUTRISOY* No Sugar Added, like its regular soya milk range, helps reduce the risk of heart diseases and promotes a healthier heart. For the product launch, above-the-line and out-of-home advertising such as bus ads, wallscapes, outdoor and in-store samplings were adopted as key consumer touchpoints. In addition, *F&N NUTRISOY* partnered with content partners SGAG & Eatbook, as well as local food channel, The MeatMen, to promote awareness.

F&N NUTRISOY continued to be a main partner of SHF to promote heart health and educate Singaporeans on how to lead a heart-healthy lifestyle. This year, *F&N NUTRISOY* continued its support through its sponsorship of SHF's two key events – GO RED FOR WOMEN 2019 and WORLD HEART DAY 2019. At these events, *F&N NUTRISOY* conducted sampling of its omega range as well as the new zero sugar fresh soya milk range. Key benefits of *F&N NUTRISOY*, especially Omega-3 which is good for the heart, were also highlighted and communicated to participants.

WATER: *F&N ICE MOUNTAIN*

F&N ICE MOUNTAIN is the No.1 water brand in Singapore, led by its still drinking water range. *F&N ICE MOUNTAIN* played an important role in providing hydration to participants of sporting events sponsored by *100PLUS*.

TEA: *F&N SEASONS*

To kickstart this year's Lunar New Year festivities, *F&N SEASONS* launched the all-new limited-edition *F&N SEASONS* Pu-Erh Chrysanthemum Tea this January. This aromatic black tea is a perfect blend of the authentic Chinese pu-erh and the sweet floral taste of chrysanthemum. Certified as a HPB Healthier Choice product, *F&N SEASONS* Pu-Erh Chrysanthemum Tea contains no added sugar and preservatives, making this the perfect guilt-free drink to enjoy after snacking on festive treats.

F&N SPARKLING DRINKS

F&N's concerted efforts at sugar reduction has resulted in the launch of more low- and zero- sugar offerings for *F&N* Sparkling Drinks flavours – *F&N* Ice Cream Soda Zero and *F&N* Zappel Low Sugar. These limited-edition flavours boast the same great indulgent tastes as the regular range, with reduced or no sugar.

As a brand synonymous with festive celebrations, *F&N* Sparkling Drinks rolled out a Chinese New Year-themed 18-can Healthier Choice Festive Pack that included the no-sugar *F&N* Orange Zero, *F&N* Sarsi Zero and *100PLUS* Zero. During Hari Raya, in addition to its existing range of Hari Raya beverages, *F&N* Sparkling Drinks also introduced the limited-edition *F&N* Ice Cream Soda Zero and *F&N* Zappel Low Sugar. Certified Healthier Choice by the HPB, the zero- and low-sugar alternatives were a great hit amongst Singaporeans.

BEER: *CHANG*

CHANG beer kept up its brand building pace internationally with exciting activities based on experiential marketing initiatives. This year, it organised transnational activities, with core objectives of engaging with consumers in key global cities, broadening *CHANG*'s following in these markets.

CHANG was the Official Broadcast sponsor of the Premier League in Singapore. Through this sponsorship, *CHANG* organised various Football Moments events. Building on last year's success, *CHANG* returned for another season of Football Moments with a series of outdoor live viewing parties at iconic locations in the city state. Through these regular football screenings, *CHANG* beer continued to drive awareness for the brand and strengthen its association with memorable moments for a mass sporting audience. These public screenings carried *CHANG*'s branding and ensured visibility across several venues in Singapore.

Effective consumer promotions, social media presence, eye-catching in-store displays and outdoor sampling at large-scale events encouraged consumer trials and improved brand visibility. One such promotion sent three winners of the Tastes of London contest to London, of which *CHANG* UK was the official beer sponsor. The strong performance of *CHANG* beer resulted in a positive volume growth for the brand, as it continued its focus on football, music and Thai culinary experiences to reach a wider audience, effectively boosting brand awareness and consumption.

CEO Business Review

Dairies

CORE MARKETS
Malaysia • Thailand
Singapore • Ice Cream

NEW

Products

- *F&N MAGNOLIA* Gotcha Range for Kids in Thailand
- Healthier Choice Symbol Beverages Endorsed by the HPB in Singapore
- Range of New Products in Malaysia and Thailand

No. 1

F&N is the No. 1 Sweetened Condensed Milk in Malaysia

No. 1

CARNATION is the No. 1 Total Evaporated Milk Brand in Thailand

No. 2

F&N MAGNOLIA is the No. 2 Liquid Milk in Singapore

No. 1

F&N KING'S **Potong is the No. 1 Potong Brand in Singapore**

CEO Business Review

Dairies
CORE MARKETS
Malaysia • Thailand
Singapore • Ice Cream

DAIRIES MALAYSIA

FY2019 PERFORMANCE

The Malaysia F&B sector continued to be characterised by sustained downward price pressure and poor consumer sentiment. Despite challenging market conditions, Dairies Malaysia maintained its undisputed leadership position in the condensed and evaporated canned milk segment with *F&N*, *TEAPOT*, *GOLD COIN* and *CARNATION* brands. This year, our sales volume in evaporated canned milk and sweetened condensed milk each grew ahead of its respective categories. Accordingly, Dairies Malaysia FY2019 revenue grew 0.9%, to $307.0m, boosted mainly by strong export volumes to halal core markets, China and the SEA region. Despite higher sales, Dairies Malaysia PBIT fell 5.6% to $38.2m due to higher trade promotion.

To reinforce our canned milk leadership position in Malaysia, the Group will continue to innovate to achieve growth. We believe that there is scope to further deepen Dairies Malaysia's distribution coverage, as well as develop new product applications and packaging to generate sales. Following our hugely successful introduction of squeezable tube for sweetened condensed milk, the Group is continuing to look at applying new packaging formats to launch more innovative products. By leveraging its strong position in the canned milk category, Dairies Malaysia will also continue to focus on growing its presence in the RTD milk category. Building on the tagline, "PURE ENJOYMENT. PURE GOODNESS", it will continue with its targeted marketing activities to drive the growth of this segment in the years ahead. Leveraging the Group's in-house technical expertise, product offerings and trusted relationships with consumers, *F&N MAGNOLIA* and *FARMHOUSE* are well-positioned to support Dairies Malaysia's ambition of building its new pillar.

CANNED MILK: *F&N/TEAPOT/GOLD COIN/ CARNATION*

Dairies Malaysia is the undisputed leader in Malaysia's condensed milk category. This year, despite intense market competition, each of Dairies Malaysia's sweetened and evaporated canned milk sales outpaced its respective segment, underscoring our ability to continue to extract value in the canned milk segment. The strong performance was due to successful product launches, effective marketing activities and increased production capacity, bolstering Dairies Malaysia's position as the clear market leader in the country.

The Group reinforced its No.1 condensed milk position with *F&N*, *GOLD COIN* and *TEAPOT* with the introduction of F&N Full Cream Condensed Milk in milk sticks and squeeze tube packaging formats. The first-of-its kind in Malaysia's full cream sweetened condensed milk segment, the new on-the-go packaging provided consumers the convenience they need to enjoy the sweetness and goodness of *F&N*'s famous milky and creamy condensed milk, anytime and anywhere. Available in three flavours – full cream, chocolate and strawberry – these new products were unveiled at the launch of F&N 135th ANNIVERSARY FIESTA, a five-day on-ground event to reward customers for their unwavering support to the F&N brand for the past 135 years.

CARNATION also introduced a new product this year – the *CARNATION* Sweetened & Condensed Creamer. The new product roll out was held in conjunction with the *CARNATION* GO GOURMET COOKING SHOWCASE campaign, where celebrity chef created delicious gourmet dishes using the new product in a series of cooking demonstrations.

LIQUID MILK: NEW GROWTH PILLAR

F&N MAGNOLIA/FARMHOUSE

F&N MAGNOLIA continued to invest in online media campaigns as well as sponsorships to increase brand awareness and drive product trial.

One of the key events this year was the renewal of *F&N MAGNOLIA*'s packaging. *F&N MAGNOLIA* revitalized its packaging design for all its liquid milk products in Malaysia. Through the years, the brand has constantly stayed relevant to consumer needs and lifestyles by providing quality fresh wholesome nutritious milk to nourish Malaysians. *F&N MAGNOLIA* aims to play a bigger part in consumers' lives through product innovation, offering milk that is great-tasting and nutritious. In line with the new packaging roll

+0.9%

Dairies Malaysia revenue grew 0.9%. Due to higher trade promotion, its PBIT fell 5.6%

No.1

The Group reinforced its No.1 condensed milk position with *F&N, GOLD COIN* and *TEAPOT* in Malaysia; sales volume grew ahead of its respective categories

Introduced *F&N* Full Cream Condensed Milk in milk sticks and squeeze tube packaging formats, the first of its kind in Malaysia

Rolled out the new *CARNATION* Sweetened & Condensed Creamer in Malaysia

Renewal of *F&N MAGNOLIA* packaging design in Malaysia

out, *F&N MAGNOLIA* collaborated with Disney for joint promotions with favourite Disney movie character collectibles that consumers love. The brand advertised through digital social media, outdoor billboards, in-store displays and sampling activations to drive brand visibility and consumer trial.

DAIRIES THAILAND

FY2019 PERFORMANCE

Dairies Thailand continued to excel as the Group's best performing unit. This year, driven by successful marketing and branding initiatives for domestic and Indochina markets, along with capacity expansion, Dairies Thailand FY2019 revenue grew 9.9%, to $620.8m. Boosted further by lower input costs and favourable translation effects, its PBIT surged 36.6%, to $118.4m. In constant currency, Dairies Thailand FY2019 PBIT grew 31.5%.

Despite the current competitive landscape, Dairies Thailand was able to maintain its leading canned milk position with *TEAPOT* and *CARNATION* brands, and continued to outperform its competitors in the condensed milk and evaporated milk categories, achieving volume share gains. The better-than market performance was due to its ability to innovate products that consumers love, supported by successful trade programmes, as well as its focus on expanding distribution across the country.

Dairies Thailand export markets of Cambodia and Laos continued to perform strongly. Higher exports from the expansion of *TEAPOT* Sweetened Beverage Creamer Squeeze Tubes to Indochina accounted for the strong performance. As a result of our intensified efforts to position *TEAPOT* as the preferred export brand, *TEAPOT* is now amongst the top canned milk brands in Cambodia and Laos.

Dairies Thailand will continue to invest for the long-term growth in our brands, assets and people. We will continue to focus on the execution of marketing activities and innovate to find the best solutions for our customers. We will leverage our brand strength and established distribution network to grow our positions in the RTD milk segment in Thailand; and reinforce our leading positions in canned and sterilized milk segments through innovation and renovation and brand support. In addition to driving domestic volume, we will also continue to look to increase our exports and seek to expand the market for our products regionally by expanding our sales and distribution networks and increasing our product offerings.

CANNED MILK: *CARNATION*

CARNATION, one of Nestle's brands licenced to F&N, remains the favourite brand in the canned milk sector in Thailand. Since securing the manufacturing, marketing and distribution rights of *CARNATION* in 2007, the brand has grown from strength to strength. Through targeted brand marketing initiatives and expansion of hawker coverage, *CARNATION* was able to grow volume and reinforce its image as the premium and preferred choice in food and beverage applications. Today, *CARNATION* is the No.1 Evaporated Milk brand in Thailand.

In 2007, the Group acquired relevant Nestle's production facilities and equipment in Thailand, along with the *TEAPOT* brand and licensing rights to some of Nestle's canned and sterilised milk brands. Nestle's trademark licence agreement was subsequently renewed in 2015 for 22 years, until 2037, for the manufacturing and distribution of Nestle's products – *CARNATION* and *BEAR BRAND* in Singapore, Thailand, Malaysia, Brunei and Laos.

This year, *CARNATION* ran a three-month long campaign, *CARNATION* AROI THUENG JAI, AROI GRAI KAB NADECH, using outdoor, digital and print advertising platforms to reach consumers. The campaign covered both point-of-purchase advertising – sampling, shelf talkers and promotion – and off-premise advertising which included decoration of pushcarts, restaurants and coffeeshops in *CARNATION* livery. Rolled out nationally from March to June 2019, the campaign resulted in double-digit volume growth during this period.

CANNED MILK: *TEAPOT*

Riding on the launch of *TEAPOT*'s popular sweetened condensed milk in squeezable tube last year, Dairies Thailand recently added another flavour to its range of convenience on-the-go squeezable tubes – *TEAPOT* Caramel with added fresh milk, the first and only caramel flavoured sweetened condensed milk in squeezable tube in Thailand. Supporting the launch was a series of marketing activities, including television commercials, digital and mobile campaigns, extensive nationwide sampling and various point-of-sales initiatives. As a result of the successful marketing campaign, *TEAPOT* gained volume and market share.

+9.9%

Dairies Thailand revenue grew 9.9%; PBIT surged 36.6%

***TEAPOT* is now amongst the top canned milk brands in Cambodia and Laos**

5

NEW PRODUCTS launched in Thailand

- ***TEAPOT* Caramel with added fresh milk**
- ***F&N MAGNOLIA* Plus Lactose-Free Plain**
- ***F&N MAGNOLIA* Plus Lactose-Free Peppermint Brownie**
- ***F&N MAGNOLIA* Plus Lactose-Free Vanilla White Chocolate**
- ***F&N MAGNOLIA* Gingko Plus Milk in Salted Caramel**

No.1

***CARNATION* is the No. 1 evaporated milk brand in Thailand**

CEO Business Review

Dairies
CORE MARKETS
Malaysia • Thailand
Singapore • Ice Cream

LIQUID MILK: *F&N MAGNOLIA* AND *BEAR BRAND*

Dairies Thailand extended its *F&N MAGNOLIA*'s offering of UHT milk to include a premium lactose-free range – *F&N MAGNOLIA* Plus Lactose Free Plain, *F&N MAGNOLIA* Plus Lactose Free Peppermint Brownie and *F&N MAGNOLIA* Plus Lactose Free Vanilla White Chocolate. *F&N MAGNOLIA* successfully ran a targeted online campaign coupled with in-store sampling to garner awareness. The Group gained a 6% of lactose free segment market share. More recently, Dairies Thailand added a new caramel flavoured milk to its *F&N MAGNOLIA* Plus Ginkgo range of malt, chocolate and plain flavoured UHT milk. Our increasing product offering in the UHT milk segment allows us to continually meet the diverse and changing needs of our consumers. We expect our focus on this segment will contribute to the sales growth of Dairies Thailand.

BEAR BRAND continued to educate consumers on the nutritional importance of folate, especially to women. This year, *BEAR BRAND* collaborated with Nestle Mom & Me in giving out *BEAR BRAND* High Folate Sterilised Milk to mothers who were in their first trimester of pregnancy. As part of the in-store promotional exercise, soon-to-be mothers were provided with product knowledge and sampling.

DAIRIES SINGAPORE

FY2019 PERFORMANCE

This year, Dairies Singapore continued to excite the market by introducing new and healthier products. It expanded its *F&N MAGNOLIA* Plus milk range with the introduction of *F&N MAGNOLIA* Plus Fresh Milk with Kurma, as well as limited-edition *F&N MAGNOLIA* Lo-Fat Higher-Cal Purple Taro Fresh Milk. *F&N MAGNOLIA* also launched a new reduced sugar yoghurt smoothie, *F&N MAGNOLIA* Summer Peach Yoghurt Smoothie with Pear Bits. *F&N FRUIT TREE* Fresh Wonders – the premium pasteurised juice range of *F&N FRUIT TREE* Fresh – launched another chia seed juice drink, *F&N FRUIT TREE* Fresh Wonders Kale, Spinach & Broccoli Juice Drink with Organic Chia Seeds in the local market. Supported by launch campaigns, these new products generated positive response and helped boost sales and market shares.

LIQUID MILK: *FARMHOUSE* AND *F&N MAGNOLIA*

In the Christmas festive season, *FARMHOUSE* launched a new limited-edition *FARMHOUSE* Peppermint Chocolate Flavoured Milk that brought a perfect combination of peppermint, chocolate and fresh milk. Available during the festive season, this new addition delighted fans with farm fresh milk from Australia with a refreshing delicious burst of cool peppermint. To create awareness and generate trials, *FARMHOUSE* rolled out a two-month long campaign supported by point-of-sales materials, online advertising, in-store sampling and PR activities.

F&N MAGNOLIA, Singapore's trusted brand of milk for over 80 years continues to delight consumers with great tasting milk, innovative products and exciting collaborations with Walt Disney. The new addition to the *F&N MAGNOLIA* Fresh Milk lineup were the *F&N MAGNOLIA* Plus Fresh Milk with Kurma, and the limited-edition *F&N MAGNOLIA* Purple Taro Fresh Milk. *F&N MAGNOLIA* continues to reinforce its position as the leading and trusted milk brand in Singapore.

YOGHURT DRINK: *F&N MAGNOLIA*

This January, *F&N MAGNOLIA* added a delicious, fat-free new flavour to its no-fat yoghurt smoothie range. *F&N MAGNOLIA* Summer Peach Yoghurt Smoothie with Pear Bits is absolutely fat-free, and made from real fruit juice with added juicy pear bits. This bio-live yoghurt contains not only live cultures, which are necessary for a healthier digestive system, it also contains calcium, a mineral essential for building strong bones. *F&N MAGNOLIA* Summer Peach Yoghurt Smoothie with Pear Bits, just like its other yoghurt smoothies, carries the HPB's Healthier Choice logo. To drive awareness, the rollout of this new flavour was supported by both digital and in-store advertising.

JUICE: *F&N FRUIT TREE FRESH*

F&N continued to respond to consumers' desire for healthier beverage options by adding another no-sugar variant to its *F&N FRUIT TREE* Fresh Wonders range. Launched in February, *F&N FRUIT TREE* Fresh Wonders Kale, Spinach & Broccoli Juice Drink with Organic Chia Seeds is made from 100% juice with no added sugar! This healthy, antioxidant-rich juice blend comprises a healthy

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NEW PRODUCTS
launched in Singapore, including

- ***F&N MAGNOLIA* Plus Kurma**
- ***F&N MAGNOLIA* Purple Taro**
- ***F&N MAGNOLIA* Summer Peach Yoghurt Smoothie with Pear Bits**
- ***F&N FRUIT TREE* Fresh Wonders Kale, Spinach & Broccoli Juice Drink**
- ***FARMHOUSE* Peppermint Chocolate Flavoured Milk**

No.1

***F&N KING'S* Potong remains the No.1 Potong brand in Singapore**

25

Ice Cream introduced 25 NEW PRODUCTS, including

- ***F&N KING'S* Potong Signature Onde Onde**
- **Range of *F&N MAGNOLIA* Justice League ice confection**
- ***F&N KING'S* Grand Mint ice cream stick**
- ***F&N MAGNOLIA* Wafer ice cream in two flavours, Blueberry and Mango**
- ***F&N MAGNOLIA* Mag-A-Cone Strawberry**
- ***F&N MAGNOLIA* Gotcha Koala, Doraemon Bell and Cool Gel Grape**

blend of three super vegetables (kale, spinach and broccoli) with organic chia seeds, the much-loved superfood.

Awarded HPB's Healthier Choice symbol, one serving of the *F&N FRUIT TREE* Fresh Wonders Kale, Spinach & Broccoli Juice Drink fulfils the recommended daily vitamin C intake and the daily requirement of 2+2 servings of fruits and vegetables. To further build awareness and drive product trial, *F&N FRUIT TREE* Fresh Wonders focused its consumer engagement initiatives on digital platforms, outdoor and sampling activities, extending its reach to more consumers both on-ground and on its social media pages.

DAIRIES ICE CREAM

MALAYSIA

On the back of successful marketplace execution, new product introductions and effective marketing campaigns, *F&N KING'S* Potong cemented its position as the leader in the potong ice cream category in Malaysia.

In March, in conjunction with the Hari Raya festivities, *F&N KING'S* unveiled the new *F&N KING'S* Potong Signature Onde Onde, an all-time favourite flavour amongst locals. *F&N MAGNOLIA* also rolled out a limited-edition superheroes ice cream range. In collaboration with Warner Brothers, three limited-edition variants from the *F&N MAGNOLIA* Justice League range were introduced. Supported by digital and strong point-of-purchase and other in-store programs, the campaign successfully elevated *F&N MAGNOLIA*'s presence in the market.

In addition to introducing new products to excite the locals, F&N also secured the contract to supply ice cream to the Malaysia Airlines ("**MAS**"), the national carrier of Malaysia. As part of the collaboration, F&N would supply delicious, bite-sized ice cream to passengers flying to Japan, Hong Kong and Australia. In addition to reaching wider customer base, the contract with MAS underscores our ability to meet stringent food safety requirements imposed by the airline.

Besides our contract with MAS, F&N has also made further inroads into the convenience sector. Through various programs, we successfully expanded our ice cream freezer placements to a convenience retail chain store, MyNews, and more than 300 petrol marts minimarts and provision shops across Malaysia.

SINGAPORE

F&N KING'S Potong remains the No.1 potong brand in Singapore. This year, *F&N KING'S* Potong captivated fans with the launch of *F&N KING'S* Potong Signature Onde Onde in March. Made with real grated coconut and infused with a delicious gula-melaka flavoured filling, *F&N KING'S* Potong once again excited taste buds with much fanfare throughout the island. Supported by roadshows, online and digital advertising and in-store sampling across major retailers in Singapore, *F&N KING'S* Potong Signature Potong Onde Onde successfully raised brand awareness and drove trials.

Another addition to the *F&N KING'S* Grand family is the *F&N KING'S* Grand Mint ice cream stick. Featuring the familiar crunchy chocolate coating and creamy ice cream core, which is synonymous with *F&N KING'S* Grand, this new introduction also comes with a touch of refreshing mint, crispy wafer bits and roasted almonds.

F&N MAGNOLIA Wafer is a classic ice cream, loved and enjoyed by Singaporeans. In October, its three popular flavours – Chocolate, Durian and Yam – were joined by two new exciting flavours – Blueberry and Mango. *F&N MAGNOLIA* Wafer ice cream is the delectable sweet treat conveniently packed for everyone's enjoyment. *F&N MAGNOLIA* brought this classic ice cream closer to home through effective advertising and roadshows in the marketplace.

F&N MAGNOLIA Mag-A-Cone also expanded its offerings with the introduction of the new *F&N MAGNOLIA* Mag-A-Cone Strawberry. *F&N MAGNOLIA* Mag-A-Cone Strawberry boasts a delicate balance of sweet and tangy tastes with the crunch of an ice cream cone, offering a delightful indulgence that is guaranteed to please ice cream fans.

THAILAND

FY2019 was another exciting year for *F&N MAGNOLIA* as it rolled out a slew of new products from its ice cream range in Thailand.

First up was the *F&N MAGNOLIA* Gotcha range. This year it extended its offerings by introducing three new cartoon character ice cream variants to capture the hearts and minds of kids. Launched during the summer months, *F&N MAGNOLIA* Gotcha introduced the *F&N MAGNOLIA* Gotcha Koala, a bubble-gum flavoured ice cream in the shape of a koala; *F&N MAGNOLIA* Doraemon Bell, a refreshing grape and strawberry flavoured ice cream inspired by the popular Japanese manga character, Doraemon; and the *F&N MAGNOLIA* Gotcha Cool Gel Grape, a new grape-flavoured ice cream. These new flavours were met by strong positive response.

In response to the increasing demand in ice cream variety, distinct tastes and consumption convenience, *F&N MAGNOLIA* further expanded its on-the-go ice cream range with the introduction of a limited-edition flavour, *F&N MAGNOLIA* Wafer Taro, and *F&N MAGNOLIA* Sundae Strawberry cup this year. These conveniently packaged ice creams are the perfect treats for all to enjoy.

CEO Business Review

New Markets

Indonesia • Myanmar
Thailand • Vietnam

NEW MARKETS

New Markets FY2019 performance across geographies were strong. Despite accelerating competition, ongoing price discounting and currency risks, each market recorded both top- and bottom-line improvements. Notwithstanding ongoing challenges, Southeast Asia ("**SEA**") region remains the focal point of F&N's march toward becoming a leading F&B player in ASEAN. Since 2015 when the Group outlined its Vision 2020 business plan, F&N has identified Indonesia, Myanmar, Thailand and Vietnam as its key new markets. It has also identified core brands to capitalise on clearly defined market opportunities and establish presence in these new markets. South East Asia's population of over 640m, with an emerging middle-class, presents a sizeable potential consumer market to F&N.

Our strategy in New Markets is to operate across categories, focusing on the highest growth categories and consumer opportunities most relevant to our core brands. We will combine organic growth with selective acquisitions that complement our strategy.

(A) INDONESIA

Indonesia is the most populous country in SEA with over 270m people. Its increasing urbanisation, rising income levels, favourable demographic patterns and changing lifestyle trends offers very attractive growth opportunities for F&N.

FY2019 PERFORMANCE

F&N's subsidiary Yoke Foods Industries Sdn Bhd ("**YFI**") continued to boost the Group's presence in Indonesia. A streamlined structure has enabled us to concentrate on building our distribution network and growing our presence. Today, our portfolio of products – *100PLUS*, *F&N* Sparkling Drinks, *UNIFRESH*, *DAYDAY* Asian soft drinks – is now available in 20 cities such as Jakarta, Medan, Palembang, Padang, Pekan Baru, Jambi, Balikpapan, Samarinda, Batam and Riau islands. Distribution is handled through our direct local network, giving the Group direct access to the vast Indonesian market and growing our market presence.

This year, the Group delivered outstanding growth numbers in Indonesia, due largely to volume growth in our core brand, *100PLUS*, where volume almost doubled from a year ago. The strong growth was mainly attributed to our unrelentless efforts in driving product availability in key cities, while collaborating closely with distributors and wholesalers. Favourable price mix, higher selling prices, lower COGs and tighter control on operating expense all contributed to improved profitability from Indonesia this year.

Indonesia will remain a key new market and a core component in our growth strategy. We are determined to pursue every opportunity to grow this important market. This will entail expanding our product range, widening our reach through expansion into other cities/regions/channels, forging partnerships and driving consumption through localised consumer engagement activities. We will continuously review our distribution structure to ensure our ability to supply products efficiently and reliably alongside the rapid development of the different trade channels in the region. Leveraging our regional business and brands, we will continue to look for opportunities to drive scale advantage.

20
CITIES
Our portfolio of products is now available in 20 cities in Indonesia

(B) MYANMAR

Despite the slowing global economy and the escalating US-China trade war, Myanmar's economy is expected to witness a slight pick-up, as the Burmese government remains committed to creating adequate conditions to attract and facilitate foreign investment to spur economic growth. As one of the fastest growing economies in Southeast Asia, Myanmar's real GDP rose 6.8% in FY17/18 and is projected to grow 7.0%[1] in the next three years. Increasing discretionary expenditure coupled with the country's growing middle-class population will present tremendous growth opportunities for the Group.

FY2019 PERFORMANCE

During the year, F&N continued to strengthen its relationship with Shwe Kan Kaw ("**SKK**") Group, the fastest-growing tea shop operator in Yangon, Myanmar. From 49 teashops a year ago, SKK Group has grown to 62 outlets, all exclusively using *TEAPOT* condensed and evaporated milk. The successful partnership gave rise to a significant increase in *TEAPOT*'s on-premise presence, which led to its sales growth this year.

100PLUS has also grown from strength to strength, to become one of the leading isotonic drinks in Myanmar. This year, the Group expanded its isotonic offerings to include *100PLUS* ACTIVE Tasty Lemon, a non-carbonated variant of *100PLUS*. Specially formulated to suit local tastes, the rollout of this refreshing isotonic beverage in March was supported by a 360-degree campaign that included television commercials, outdoor and online advertisements, as well as roadshows, various point-of-sales activations and sampling activities.

100PLUS
100PLUS **remains one of the leading isotonic drinks in Myanmar**

Note:
1 Source: World Bank

CEO Business Review

New Markets
Indonesia • Myanmar
Thailand • Vietnam

In addition to rolling out new flavour, we also introduced a new pack size for the current flavours – Berry, Orange and Original – in 380ml PET replacing the 500ml PET bottle. Designed for consumers who are always on the go, this convenient pack size was so well received that it generated strong top line growth for *100PLUS*.

Throughout the year, *100PLUS* reinforced its image as the enabler of active lifestyles by supporting major sporting events and national sports bodies, such as the AFF SUZUKI CUP, 100PLUS ACTIVE RUN and YOMA YANGON INTERNATIONAL MARATHON. This year, *100PLUS* and Sagaing United Football Club ("**SUFC**") signed a sponsorship agreement to cement *100PLUS* as the Official Hydration Sponsor of SUFC from 1 June 2019 to 31 December 2020. As part of the sponsorship, *100PLUS* receives full branding and selling rights of Myanmar Football Federation and Myanmar National League events. *100PLUS*'s logo will also be on the front of the player's jerseys. The sponsorship also gives *100PLUS* the right to use the National Team players' image on product packaging, promotional materials and various marketing activities.

(C) THAILAND (SOFT DRINK)

Thailand's fast-moving-consumer-group ("**FMCG**") industry grew 6% this year, compared to a shrinkage in 2018. Consumption rebounded across all macro-categories due to improved consumer sentiment, more celebrations and festivities which induced spending, as well as public programs such as welfare cards. Beverages, in particular, recorded double-digit growth.

While the outlook of Thailand remains positive, consumers continue to show caution with their spending due to uncertainties of the economy and rising cost of living. Public policies, growth in the domestic economy and impact from global economies will continue to play a role in the future rate of recovery of the FMCG industry.

FY2019 PERFORMANCE

F&N operates in the Thai soft drink market through its licensee, Thai Drinks, a subsidiary of Thai Beverage Public Company Limited, for the manufacture, marketing and distribution of *100PLUS* in Thailand.

100PLUS continued to strengthen its unique positioning as the healthier carbonated soft drink in Thailand with a new communication campaign, celebrity endorsements and event sponsorships. For the third consecutive year, *100PLUS* teamed up with influential Thai celebrity, Toon Bodyslam, to drive brand reach and awareness. The new communication campaign for *100PLUS* was supported by television commercials that featured the up-and-coming teen superstar, Lee Thanat, who exemplifies young Thai consumers who adopt active and healthy lifestyles.

Throughout the year, *100PLUS* sponsored numerous sports-related events such as the CROSS COUNTRY CHARITY RUN (KAO KON LA KAO) BY TOON BODYSLAM, KHAO YAI MARATHON RUN, 12TH AUGUST HALF MARATHON and AFF SUZUKI CUP 2018. *100PLUS* was also the exclusive isotonic drink and sponsor of HAPPY AND HEALTHY BIKE LANE, a world class outdoor cycling track. It also supported several sports sponsorships via the THAIBEV THAI TALENT projects in sports such as tennis, badminton, basketball, and cycling.

Since the launch of *100PLUS* in 370ml last year, *100PLUS* managed to capture and recruit new consumers. This pack size has demonstrated high growth and contributed strongly to *100PLUS*'s total volume. This year, we have also reformulated the entire range of *100PLUS* to less than 6g/100ml of sugar. The lower-sugar range drew strong consumer support and was endorsed by the Thai Food & Drug Administration with the Healthier Choice logo.

The return of *F&N* Sarsi in a retro-styled 250ml glass bottle in August 2018 generated buzz in the Thai beverage market. Riding on

***100PLUS* teamed up with influential Thai celebrity, Toon Bodyslam, for the third consecutive year, to drive brand reach and awareness**

370ml

New pack size drove sales of *100PLUS*

***100PLUS* has been reformulated to contain <6% of sugar**

the excitement surrounding the return of this much-loved beverage, we supported the launch with in-store sampling and out-of-home advertising to drive awareness and encourage trials. We also tapped social media platforms and used influencer marketing to reach younger consumers. *F&N* Sarsi also sponsored events such as THE BYRD & HEART HIGH SCHOOL, CLASS REUNION CONCERT in February. *F&N* Sarsi was so well received by Thai consumers that it gained significant share of market within a short period of time. *F&N* Sarsi is now distributed to HORECA and provision channels, and is available in over 10,000 7-Eleven stores nationwide.

(D) VIETNAM

F&N operates in Vietnam through:

1. its 20.01% investment in Vietnam Dairy Products Joint Stock Company ("**Vinamilk**") and
2. its wholly-owned subsidiary, F&N Vietnam Limited Company ("**FNV**").

Vietnam is one of the most profitable regions, accounting for 38.7% of the F&B PBIT.

The Vietnam beverage market remains attractive due to increasing purchasing power and favourable demographics. Its real GDP is projected to expand 6.8% this year, before moderating to 6.7% in 2020. The sound economic conditions are expected to drive another period of sustained growth in the Vietnamese FMCG market.

The Group incorporated F&N Vietnam Limited Liability Company in August 2016, to lay the foundation for expanded business operations beyond the functions of a representative office which was set up in June 2015. F&N Vietnam currently distributes, markets and conducts trading of non-alcoholic beverages in the country. This operation is in addition to the Group's investment in Vinamilk.

(i) Vietnam Dairy Products Joint Stock Company

F&N's investments in Vietnam date back to February 2005, when it first took an approximately 5% stake in Vinamilk. In December 2016, the Group completed its acquisition of additional shares representing approximately 5.4% interest in Vinamilk through a competitive bid process. Thereafter, through further purchases from the market, the Group continued to increase its stake in Vinamilk. As at 30 September 2019, the Group owns a 20.01% interest in Vinamilk. On account of the Group's shareholding in Vinamilk and its appointment of a second representative to its board, the Group was deemed to have a significant influence over Vinamilk for accounting purposes in accordance with the Singapore Financial Reporting Standards. Consequently, effective 16 April 2017, the Group started to equity account for its share of Vinamilk's profit under the equity accounting method.

In FY2019, Vinamilk contributed $110.9m to F&N's bottom line, accounting for 39.1% of the Group's $283.5m profit.

Vinamilk, one of the top listed companies by market value on the Ho Chi Minh Stock Exchange, is Vietnam's largest dairy company, primarily involved in the production, supply and distribution of dairy products including powdered, liquid and condensed milk and yoghurt, as well as beverages including soy milk, fruit juice and tea. Vinamilk is present in 40 countries around the world, with 13 dairy factories and 12 dairy farms in Vietnam.

(ii) F&N Vietnam Limited Company ("FNV")

Since its incorporation in 2016, FNV has been laying the foundation for the Group's business expansion in Vietnam. Extending its operations beyond a representative office, FNV has been driving go-to market executions that saw F&N's popular canned milk brands, *TEAPOT* and *F&N*, penetrating the local market via successful sales and distribution strategies.

This July, FNV brought *F&N* Sweetened Condensed Milk in squeeze tube format to Vietnam. Available in three flavours – Milk, Chocolate and Strawberry – *F&N*'s squeeze tube packaging is the first of its kind in Vietnam. Sold exclusively at Emart in Ho Chi Minh City, FNV promoted the launch of *F&N* Sweetened Condensed Milk Squeeze Tube through on-ground activations and sampling activities across 12 days.

FNV continued to leverage *100PLUS*'s healthy and active brand image to strengthen its presence at selected sports venues and facilities like football fields, tennis courts, private gyms and universities in Ho Chi Minh City and Hanoi. At these locations, *100PLUS* booths were set up with eye-catching posters in a bid to educate and engage consumers on the benefits of consuming *100PLUS*. They were also treated to samples of *100PLUS* Original, Lime and Berry flavours as they participated in sporting activities.

100PLUS also continued to raise its brand visibility as the enabler of active lifestyles by supporting major sports and lifestyle events such as VIETNAM MARTIAL ART FESTIVAL 2019, RMIT 4X4 VOLLEYBALL TOURNAMENT and DANANG INTERNATIONAL MARATHON 2019.

***F&N* Sarsi is now available in over 10,000 7-Eleven stores nationwide in Thailand**

39.1%

In FY2019, Vinamilk contributed $110.9m to F&N's bottom line, accounting for 39.1% of the Group's $283.5m profit

***F&N* Sweetened Condensed milk in squeeze tube was launched in Vietnam**

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Publishing

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Pupil's Book
MY PALS ARE HERE!
Maths 6B


times
Junior
travelmall

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PUBLISHING & PRINTING GROUP RESULTS

The Group's Publishing & Printing arm ("**P&P**") achieved full-year revenue of $277.4m, a marginal decline of 0.6% over previous year. Its marginal decline was due mainly to change in the sales mix of education publishing business and lower retail revenue due to store closures. Despite lower revenue, P&P posted earnings of $9.6m, up from $0.1m in FY2018. The better performance was driven by higher margins, prudent cost management, improving profitability from its core print business, maiden profit contribution from newly-acquired business, Print Lab Pte Ltd ("**Print Lab**"), and non-operating income from the sale of non-core assets.

Print Lab is a one-stop integrated print, creative and digital out-of-home solution provider in Singapore. It serves clients across a diverse set of industries including clients in the creative retail marketing segment, FMCG, retail, automobile and financial institutions, many of which are blue-chip companies. In April 2019, P&P acquired a 60% stake in Print Lab for a cash consideration of $24.5m. The acquisition is part of the Group's continuing strategy to diversify its print portfolio and strengthen the company's foothold in the growing integrated marketing and print solution market.

$277 MILLION

Revenue for FY2019

$279 million in FY2018

As a major international content provider, P&P continued to focus on developing quality educational content to users. To this end, this year, we expanded our non-curriculum-based education publications, developed new educational content for the pre-school market and opened new channels in our international markets to increase revenue stream. The recent endorsement by the Cambridge Assessment International Education of Marshall Cavendish Education ("**MCE**"), the first Asian-based publisher, as one of its four global endorsement partners is a fitting testament to our ability to create high quality educational content that match international standards. This endorsement provides MCE added global recognition and strengthens our position as the international content provider.

The global printing industry has witnessed major shifts in recent years as commercial printers continue to face digital disruptions. To contend with these challenges, we adopted a multi-pronged approach that included strategic partnerships and add-on acquisitions. We took a stake in Print Lab, for instance, as it complements our existing traditional printing offering. As a end-to-end solution provider, Print Lab has also boosted our customer base to include clients that serve high-growth consumer products. We have also formed multiple strategic alliances, such as with Singapore Press Holdings and SMART Partnerships, to leverage each other's strengths and capabilities. These efforts, coupled with our focus on controlling cost, have led P&P's printing business to sustain profitability.

While the climate for high-street book retailing remained trying, retail continued to be a pivotal brand touchpoints for our consumers. P&P seeks to drive top line growth by offering more non-book and children-centric range of merchandise. We also launched our first standalone multi-category concept store, *TIMES* Junior, at the Jewel Changi Airport. This new concept store has received very positive response and continued to outperformed since its opening in April. To improve store profitability, operational and inventory control were also tightened to enhance operating efficiency and cost-effectiveness.

$9.6m

P&P posted earnings of $9.6m, up from $0.1m in FY2018

MCE strengthened its position as an international education content provider

MCE is the first Asian-based publisher to be endorsed by Cambridge Assessment International Education

Acquisition of Print Lab boosted P&P customer base

$9.6 MILLION

Profit Before Interest & Taxation for FY2019

$0.1 million in FY2018

Mr Siew Peng Yim
Chief Executive Officer,
Times Publishing Group

SUMMARY OF MESSAGE

P&P revenue declined marginally to $277.4 million; profit improved to $9.6 million, from $0.1 million in the prior year

Print profitability sustained; contribution from newly-acquired business, Print Lab, also helped to lift profits

Acquisition of Print Lab strengthened our foothold in the growing integrated marketing and print solution market

Growth in digital print management portfolio through alliances with strategic partners such as SPH and SMART Partnerships

Marshall Cavendish Education defended Singapore market leadership in educational publishing

MCE joined the ranks of top publishers, and the first Asian-based publisher, to become one of the four endorsement partners by Cambridge Assessment International Education

Our distribution brands, Pansing and Times Distribution (formerly known as Penguin Random House Pte. Ltd.) provide an integrated total service that includes distribution, retail and warehousing, enabling our business partners to market and retail their products through multiple channels, locations and formats throughout the region. Acquired in FY2018, the addition of Times Distribution has brought further scale and diversification to our distribution business. Healthy inter-company competition between Times Distribution and Pansing, including the adoption of best practices to better serve our customers has also helped boost profitability of this business. Looking ahead, we will continue to scale the business organically by leveraging our strong distribution network in the region, as well as forge alliance with strategic partners and add-on acquisitions.

The initiatives we undertook over the years continued to put us in good stead. Given the uncertain external environment, we have to remain vigilant and be agile in responding to changes in the marketplace. In the next 12 months, we will continue to introduce new educational content, while Print will focus on growing new revenue streams, especially in digital and out-of-home printing services, to drive growth.

PUBLISHING

Marshall Cavendish ("**MC**"), which represents the Group's publishing business, is an international media group with interests ranging from education, general interest, business information to home reference.

Publishing: Education

This year, Marshall Cavendish Education ("**MCE**") cemented its position as Singapore's leading educational content publisher, and expanded its international presence. In Singapore, MCE was awarded tenders by the Ministry of Education for both Secondary Mother Tongue and Secondary Science. In the US, MCE successfully renewed its agreement with major publishing house, Houghton Mifflin Harcourt in 2018 for another six years. MCE US is now ready to launch the much-awaited revised MATHS IN FOCUS 2020 series, which has earned positive reviews from educators and school leaders. MCE has also made further inroads into new markets including Canada, where it secured a contract with Nelson Education for

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a Math programme, and the Philippines where it established a Leadership Academy programme with the Private Education Assistance Committee.

MCE also joined the ranks of top publishers as it became one of four Endorsement Partners with Cambridge Assessment International Education (CAIE), allowing MCE to develop resources for Cambridge schools internationally. This was the first time a publisher outside the UK was given this prestigious Cambridge endorsement.

In Hong Kong, Marshall Cavendish Education Hong Kong ("**MCE HK**") launched the new Primary Mathematics and Primary General Studies textbook series. To support the roll out, over 100 workshops were held. This year, it also partnered Chung Tai Educational Press to develop a new textbook series that would be in line with the new curriculum announced by the Hong Kong Education Bureau. In January, MCE HK licensed its Thematic STEM Education Partner Programme to a chain of learning centres in Macau.

Publishing: Others

It was an exciting year for the General and Reference ("**GR**") division of MC, having published close to 90 new books, including its first personalised books for children. High-profile titles such as *Seven Hundred Years: A History of Singapore* (commissioned by the Prime Minister's Office); From Estate to Embassy (former Ambassador K. Kesavapany) and *On Air: Untold Stories from Caldecott Hill* became the talk of the town. It was also named "Best Food Book Publisher in the World" at the 2019 Gourmand Awards held at the Macau International Book Fair, reaffirming its forte in culinary publishing. Two of GR cookbooks also picked up individual awards at the ceremony.

This year, MC tied up with Storytel, a leading international audiobook platform, to make available a range of our titles to its customers. It also licensed the popular Baby Shark titles from Smart Study (Korea) and published them in various formats such as activity books, short story collections and board books. At the same time, its support for the local literary scene continued with participation in the Singapore Writer's Festival, #Buy SingLit and the Asian Festival of Children's Content.

PRINT

While the global printing industry continues to be in a state of transition, Print has diversified into out-of-home digital and large format printing which will be the new growth areas. To this end, TPL acquired Print Lab, a young and dynamic print agency in Singapore that offers a host of printing (2D, large-format, and offset) and visual media services such as experiential marketing, interactive media and other digital platforms. The acquisition augmented its printing service to a fully-integrated solution for a broader customer base that included end customers in the retail, food and beverage and property segments.

MC HK launched new Primary Mathematics and Primary General Studies textbook series

90

GR division published 90 new books in FY2019

Printing profitability sustained despite industry challenges

Print also expanded its printing capabilities and offerings this year. Times Printers entered into a strategic partnership with Singapore Press Holdings to tap each other's strengths and capabilities in digital and offset printing and post-finishing production. It also purchased a new series of printing and post-press equipment to enhance its digital capabilities. It continues to grow its value-add services, notably the distribution and fulfilment services with customers such as Bloomberg Businessweek (International).

Print also launched "Smart Partnership", an initiative that allows us to form partnerships with overseas printers to maximise spare printing capacity in fluctuating markets. By leveraging existing infrastructure, Print can avoid incurring hefty investment in new setups.

Malaysia print plant has been successful in renewing key printing contracts with publishers while securing new ones from UK. It has also gained market presence in the US with new accounts from reputable publishers.

Additionally, Print won several awards this year. Everbest garnered three awards at the 7th China Print Awards, including the Gold Award for Case Bound Book, Silver Award for Magazine Web Printing and Bronze Award for Commercial Printing. Times Printers swept the Gold Award and the Bronze Award in the "Web Offset – Coated stock 70GSM and above" and "Web Offset – Coated stock 65GSM and below" categories at the Asian Print Awards 2019 in Thailand.

RETAIL AND DISTRIBUTION

On the retail front, an omni-channel strategy was adopted to drive traffic and sales to both our online and offline channels. By combining physical retail Times Experience Pte Ltd ("TEPL") and e-commerce GoGuru, Retail has successfully enhanced customers' shopping experience by introducing the Click-and-Collect option to its customers. Retail will continue to ramp up omni-channel marketing campaigns and create enhanced shopping experiences with Assisted Buy kiosks to promote self-discovery and easy check-out.

Times Distribution was appointed the exclusive distributor for both Amazon Publishing (publishing arm of Amazon) and PRH SEA (a newly established Southeast Asian publishing venture for Penguin Random House based in Singapore) for Singapore, Malaysia and Brunei. The appointment fortified us as the leading book distributor in the region and posited us to help bring the works of local and Asian writers to new heights.

Magazine distribution continued to retain its strategic importance to our overall market presence. This year, Hallmark awarded Pansing the licensing rights for Hallmark products in Singapore and Hong Kong. This is in addition to its existing licensed market, Malaysia where Hallmark products posted a double-digit top line growth this year.

Times Printers entered into strategic partnership with Singapore Press Holdings to collaborate on commercial print services

Malaysian print plant renewed key printing contracts

Times Distribution was appointed the exclusive distributor for Amazon Publishing and PRH SEA for Singapore, Malaysia and Brunei

Expanded Hallmark distribution into Singapore and Hong Kong

Investor Relations

EFFECTIVE AND OPEN COMMUNICATION

The F&N Group is committed to promoting effective and open communication with all stakeholders, ensuring consistency and clarity of disclosure at all times. We aim to engage with our shareholders and investment community openly and regularly in order to facilitate a mutual understanding of our respective objectives, and to provide information on our corporate strategies, trends, operational performance and financial information to the investment community.

To achieve that, F&N makes every effort to disseminate information through a broad range of communication channels and do not provide information selectively. Such commitment ensures that investors have easy access to information on the Group so that they can effectively evaluate the company and make informed investment decisions.

REGULAR DIALOGUES WITH THE INVESTMENT COMMUNITY

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

As the Group continued to make inroads into our regional expansion efforts, the Investor Relations team, together with senior management, continued to actively engage and update the investment community on the activities the Group had undertaken in the marketplace.

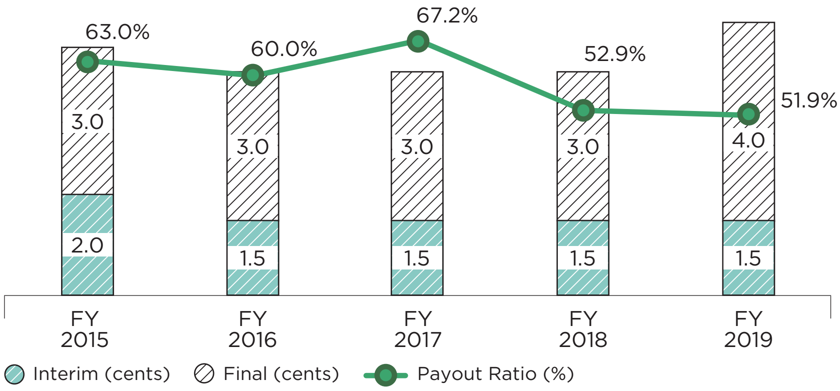
Retail investors remain an important part of our outreach efforts. In addition to annual general meetings, the Investor Relations team addresses the concerns of retail investors through email, telephone and online query form on F&N's website.

AWARDS

F&N was the 2019 runner up of the Most Transparent Company Award – Consumer Staples category at the 20th Investors' Choice Awards organised by the Securities Investors Association Singapore. The award recognises F&N's outstanding disclosure and transparency efforts to help investors make informed decisions with the publicly available information of the company's performance. The Group continues to maintain high standards of corporate governance and well-defined business practices to safeguard our shareholders' interests whilst pursuing sustainable growth in the industry.

DIVIDEND

The Group maintained a healthy track record of generous shareholder distributions. For the financial year ended 30 September 2019, the directors have recommended a final dividend of 4.0 cents per share, which together with the interim dividend of 1.5 cents paid earlier brings total dividend for the year to 5.5 cents per share. In line with the Group's dividend policy, the proposed payout represents a distribution of 51.9% of the Group Attributable Profit before fair value adjustment and exceptional items.



Financial Calendar: FY2019/2020	
Date	**Event**
29 January 2020	• Annual General Meeting
06 February 2020 (after close of trading) (tentative)	• Announcement of 1st Quarter Results
11 May 2020 (after close of trading) (tentative)	• Announcement of 2nd Quarter Results • Declaration of Interim Dividend
06 August 2020 (after close of trading) (tentative)	• Announcement of 3rd Quarter Results
11 November 2020 (after close of trading) (tentative)	• Announcement of Full-Year Results • Proposal of Final Dividend

For general enquiries on F&N, please contact:

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Share Registrar and Transfer Office

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#02-00
Singapore 068898

Tel: (65) 6236 3333
Fax: (65) 6236 3405

Capital Resources

The Group aims to maintain a prudent financial structure to ensure that it will be able to access adequate capital at favourable terms. The Group's core businesses, Food & Beverage ("**F&B**") and Publishing & Printing ("**P&P**"), are its main sources of cash flows.

Management monitors the Group's cash flow position, debt maturity profile, cost of funds, interest rate exposures and overall liquidity position on a continual basis. To ensure that the Group has adequate overall liquidity to finance its operations and investments, the Group maintains a significant amount of available banking facilities with many banks. The Group's Debt Issuance Programmes also provide F&N continued access to the debt capital markets.

As at 30 Sep 2019, the Group's borrowings, net of cash, increased to $409.4m, from $341.3m a year ago. The increased borrowings were taken on mainly to finance the Group's investment in Starbucks Coffee (Thailand) during the financial year. Consequently, the Group's net gearing increased to 0.14 times of shareholders' funds. Cash generative businesses, ample funding sources and significant debt headroom continue to put F&N in a strong position to tap further growth opportunities.

Interest cost in FY2019 was $21.7m, lower than the previous year's interest cost of $30.5m.

SOURCE OF FUNDING

Besides cash flow from its businesses, the Group also relies on the debt capital markets, the equity market and bilateral banking facilities for its funding. As at 30 Sep 2019, the Group has a total $1.1b in banking facilities and $2.5b in Debt Issuance Programmes to meet its funding requirements.

AVAILABLE BANK LINES AS AT 30 SEP 2019

The Group maintains an active relationship with a network of more than 15 banks of various nationalities, located in various countries where the Group operates. Its principal bankers are Oversea-Chinese Banking Corporation Limited, DBS Bank Ltd, CTBC Bank Co. Ltd, Crédit Agricole Corporate and Investment Bank and Standard Chartered Bank.

The Group adopts the philosophy of engaging the banks as its core business partners. It has very strong support from its relationship banks across all segments of the Group's businesses. Total banking facilities (utilised and unutilised) extended to the Group as at 30 Sep 2019 amounted to $1.1b. The principal bankers of the Group provided 65.00% of these banking facilities. All banking relationships for the Group are maintained by Corporate Treasury in Singapore.

DEBT CAPITAL MARKETS

The Group has a S$2.0b multi-currency debt issuance programme in Singapore and a RM1.5b Medium Term Note ("**MTN**") Programme in Malaysia in place to tap the debt capital markets.

MATURITY PROFILE OF GROUP DEBT (INCLUDES FINANCE LEASES)

Time to maturity	$'million
< 1 year	9.2
1-2 years	31.8
2-5 years	689.0
> 5 years	99.7
Total	829.7

The Group is not expecting any refinancing issues for borrowings maturing within one year amounting to $9.2m as these borrowings can be repaid with the Group's existing cash balances or refinanced with existing revolving credit facilities.

INTEREST RATE PROFILE AND DERIVATIVES

The Group manages its interest cost by maintaining a mix of fixed and floating rate borrowings. On a portfolio basis, 96.38% of the Group's borrowings are in fixed rates with an average fixed rate tenor of 4.0 years as at 30 Sep 2019. The fixed rate borrowings consist largely of the fixed rate notes issued under F&N Treasury Pte Ltd's Debt Issuance Programme and bilateral bank term loans that have been hedged with interest rate swaps. The remaining 3.62% of the Group's borrowings are in floating rates as at 30 Sep 2019.

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

The Group makes use of interest rate derivatives for the purpose of hedging interest rate risks and managing its portfolio of fixed and floating rate borrowings from time to time. The Group does not engage in trading of interest rate derivatives. The Group's total interest rate derivatives and the mark to market values as at 30 Sep 2019 are disclosed in the financial statement in Note 34.

GEARING AND NET INTEREST COVER

The Group aims to keep its net gearing ratio below 0.80 times. As at 30 Sep 2019, the Group has net gearing of 0.14 times of shareholders' equity. Total interest expense for the year amounted to $21.7m. The total interest income credited to profit statement for the year was $7.0m. The interest coverage ratio for FY2019 was at 13.09 times.

FOREIGN CURRENCY RISKS AND DERIVATIVES

The Group has exposure to foreign currency risks as a result of transactions denominated in foreign currencies arising from operational, financing and investment activities. Where exposures are certain, it is the Group's policy to hedge these risks. For those exposures that are less certain in their timing and extent, it is the Group's policy to cover 50% to 90% of anticipated exposures for a maximum period of 12 months forward. The Group uses foreign exchange forward contracts and certain currency derivatives to manage these foreign currency risks.

The Group does not engage in the trading of foreign currencies and foreign currency derivatives. The Group uses foreign currency contracts and derivatives solely for hedging actual underlying foreign currency requirements in accordance with hedging limits set by the Audit and the Board Committees under the Group Treasury Policy. These policies are reviewed regularly to ensure that the Group Treasury Policy are in line with its current needs, objectives and strategy of the businesses.

The Group's foreign currency contracts and derivatives and mark-to-market values as at 30 Sep 2019 are disclosed in the financial statement in Note 34. The Group does not hedge the foreign currency risks of its investments in overseas subsidiaries, joint venture and associated companies. Such investments are long-term in nature and therefore not feasible and economical to hedge. The Group only hedges dividends payable from its overseas subsidiaries, joint ventures and associated companies.

Enterprise-Wide Risk Management

The Board and senior management of Fraser and Neave, Limited, ("**F&N**" or the "**Group**") promote a strong risk management culture through having sound risk management processes and operating procedures. F&N integrates prudent risk limits with appropriate risk measurement, monitoring and reporting, and encourages open communication and escalation of concerns in a timely manner. The objective is to safeguard shareholders' interests and protect the Group's assets.

The Sustainability & Risk Management Committee ("**SRMC**") assists the Board in overseeing the Group's risk management framework and policies. The Committee provides guidance on key risks, taking into account the Group's risk appetite and risk tolerance, and ensures that Management maintains an effective and adequate risk management system.

In addition, the Committee also requires management to integrate environmental, social and governance-related risks ("**ESG**") into their Enterprise-wide Risk Management ("**ERM**") processes. The Board believes that this sustainable ERM, which connects risks, strategy and decision-making, makes the Group more resilient and competitive.

RISK MANAGEMENT PROCESS

F&N adopts a cohesive risk management system to manage risks in a holistic, structured and consistent manner. The system encompasses setting of risk appetite and risk tolerance statements, risks identification, risk impact assessment, response and recovery processes using a top-down and bottom-up approach.

Management (business division heads and business unit heads) has the primary responsibility for identifying, managing risks and reporting to the Board on the status and effectiveness of risks mitigation and strategy implementation. Management conducts risk assessment and reviews control measures on a regular basis to evaluate the adequacy and effectiveness of controls that are in place to mitigate the identified risks.

The key risks of various business units are consolidated for review by CEOs of the Group's business divisions; and subsequently circulated to the F&N SRMC at least three times a year. In addition, annually the F&N Audit Committee reviews F&N's key risk profile and advises the Board.

Each business division has a dedicated risk coordinator to conduct risk analyses with Management. Risk coordinators compile timely reports for submission to the division head and conduct briefings on risk policies and practices. The objective is to promote a culture of risk awareness, recognising that some risks may impact more than one department, division or subsidiary and could have financial, reputational, legal and/or operational impact on the Group.

To facilitate the reporting and monitoring of risks, F&N Group uses a web-based Corporate Risk Scorecard ("**CRS**") system, a common platform which enables BUs to report risks and risk status consistently and cohesively. The CRS captures risks, mitigating measures, timelines for action items and risk ratings. Risk parameters, upon which the ratings are based, are reviewed annually. The Group also streamlines the use of risk scorecards and upgrades the CRS system.

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

At the end of each financial year, Management of each business division and the Company provide assurance to the Board, Audit Committee and SRMC on the adequacy and effectiveness of the Group's risk management system and internal controls.

These assurances for FY2019 are disclosed on Page 74 of this report.

KEY RISKS IN FINANCIAL YEAR 2019

As at 30 September 2019, the key risks have been identified and mitigation plans developed. The proportion of risks that were rated as "very significant" and "high" have been reduced substantially after taking account of the mitigating measures.

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

Strategic

With increasing environmental, social and governance concerns, the Group closely tracks developments in the Food and Beverage ("**F&B**") and Publishing and Printing industries and reviews the effectiveness of its strategies.

The key risks facing the Group include:

(i) changing regulatory and consumer trend and the impact F&N products have on the environment; and

(ii) competition from digital technology and e-commerce

In Singapore, there is an increasing consumer preference for healthier food and beverage options. The change in consumer trend is further supported by the promotional and educational efforts by the Ministry of Health and Health Promotion Board to encourage healthy eating among Singaporeans. Healthier choice symbols were introduced to help Singaporeans make informed food and drinks choices and more recently, F&B industry players are encouraged to reduce the sugar content of their products.

In Malaysia, an excise tax is imposed on sweetened beverages that contain more than 5g of sugar per 100 millilitres and in Thailand, the Excise Department also announced increased taxes on sugary drinks from 1 October 2019.

As such, the Group continues to work on the development of the soft drink category, focusing on, the expansion of sugar-free and sugar-reduced products.

In F&N, we are passionate about improving the environment through finding new innovative ways to reduce waste and extend shelf life (refer to F&N Sustainability report on the Group's initiatives). F&N is looking into alternative forms of packaging. The effectiveness of these measures is regularly monitored and evaluated to address the preferences of the consumers as well as the impact such alternatives may have on the environment.

The Group continues its efforts to connect with customers on digital and social platforms. GoGuru, the Group's online bookstore, has extended its reach through multiple e-commerce channels such as Shopee mass marketplace, Lazada and Qoo10 to drive sales. The Group also periodically reviews its business models to ensure its continued relevance to customers.

Strategic – Merger & Acquisitions Risks

The Group has in place an investment approval process whereby a disciplined approach is taken to review key risks and opportunities presented by potential investments. As part of the approval process, all major investment opportunities are subject to due diligence and are evaluated by cross-functional project team. This ensures that the potential investment is in line with the Group's vision, underlying risk factors and the required return.

Reputational – Food Safety Risks

Food safety remains a key risk to the F&B business division due to the potential reputational impact on the Group. In addition to

(i) close monitoring of food safety issues worldwide,

(ii) upholding the strict requirements stipulated under the various food safety standards and certifications,

(iii) putting in place a robust process to mitigate the risk of food contamination, and

(iv) close monitoring of the status of Key Risk Indicators which track food safety risks,

Management also shares learnings on food quality and safety issues and best practices across business units.

Reputational – Social Media and Communications Risks

With the increasing use of social media as well as promotion of trending stories, new methods of monetising content, and the spread of misinformation around the world, business divisions closely monitor this medium and periodically review the effectiveness of policies and procedures that are in place.

Currency Risks

The Group operates and procures raw materials and equipment internationally and is exposed to currency risks. The hedging of committed cash flows is in accordance with the Group Treasury policy. Such policy is reviewed regularly to ensure it reflects the current needs, objectives and strategy of the business.

Operational – Risks associated with Business Interruption

Globally, the increase in cybercrime, heightened political tension, risk of terrorism, threats of epidemic diseases and unhealthy air quality reinforce the need for F&N to remain vigilant and respond promptly to unexpected changes in its operating environment.

The Group's cyber security measures are reviewed regularly to mitigate IT-related risks such as malware infection, ransomware, denial of service and unauthorised access. Cybersecurity awareness of staff is heightened through eLearning, covering topics such as ransomware and password control. The Group also conducts mock phishing exercises to reinforce lessons and keep users engaged.

As part of the Crisis Management maintenance programme, the Group conducts call notification exercises, walk-through / desktop exercises, mock product recalls, IT disaster recovery exercises and Business Continuity Plan ("**BCP**") simulation exercises. All staff in the Group involved in crisis management are trained on key aspects of crisis management.

A consultant has been engaged to provide further insight and guidance on how to conduct business continuity simulation exercise.

Operational – People Risks

People are the most important asset in the Company. The Group recognises the importance of identifying and growing its talent pool to successfully transform our business. Team building workshops and competency-based trainings are organised periodically. As a recognition of the Group's continuing efforts in improving workplace safety and health for its employees, most of its Singapore's operations have been awarded with Singapore's bizSAFE certificates. Plants are also surveyed, to identify potential fire hazards and non-compliance to fire safety standards. In addition to participating in activities organised by Health Promotion Board, F&N also actively encouraged staff to participate in sports activities organised by the Group.

Country Risks

The Group recognises the importance of maintaining a consistent and cohesive ERM programme across the 11 countries where it has a presence and continues to reinforce risk and BCP awareness throughout the Group.

It also builds good rapport with local authorities and business partners to keep abreast of political, regulatory and economic developments in countries where the Group operates.

With the construction of new factories, new insurance covers are put in place to mitigate losses during construction. The insurance programmes are also reviewed annually to consider the changing needs of the businesses and the operating environment to better mitigate losses in the event of a claim. Plant and equipment are revalued periodically to ensure adequacy of insurance coverage.

RISK CULTURE

The SRMC encourages proactive and periodic benchmarking of the Group's ERM, BCP and insurance programmes against industry best practices and standards. It considers recommendations from consultants and insurance advisers in mitigating cyber security and terrorism risks, pandemic, epidemic and adverse climate situations, to ensure that the ERM, BCP and insurance programmes remain adequate and effective.

As every member of staff has a role to play in risk management, BCP and cyber security, awareness workshops, facilitated by the business divisions and Risk Management, are organised for new staff and entities of the Group quarterly. Refresher sessions are organised when required.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2019

Fraser and Neave, Limited ("**F&N**" or the "**Company**") is committed to setting and maintaining high standards of corporate governance. To this end, F&N has in place well-defined corporate policies, business practices and internal controls to help F&N and its subsidiaries (the "**Group**") safeguard its assets and shareholders' interests whilst pursuing sustainable growth and value-enhancement strategies.

F&N is listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and adheres closely to the principles and guidelines of the Code of Corporate Governance 2012 (the "**Code**"). The Company is guided in its corporate governance practices by the principles of the Code, and continues to strive towards maintaining accountability, high standards of corporate governance and corporate transparency.

This report is arranged according to the principles listed in the Code. Principles 1 to 6 deal with board matters, Principles 7 to 9 with remuneration matters, Principles 10 to 13 with accountability and audit and Principles 14 to 16 with shareholder rights and responsibilities.

A. BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The board of directors of the Company (the "**Board**") has an appropriate balance and mix of skills, experience and knowledge and is diversified in terms of age group, gender and nationality. The Board comprises highly qualified and effective members who are responsible for providing overall entrepreneurial leadership and setting strategic objectives for the long-term success of the Group. The Board is entrusted with oversight of the business performance and affairs of the Group. The Board also sets good principles of ethics and values for the Company and seeks to ensure that obligations to shareholders and other stakeholders are understood and met.

The Board (a) reviews annual budgets, financial plans, major acquisitions and divestments, funding and investment proposals, (b) monitors the financial performance of the Group and management's performance, (c) oversees processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance, (d) assumes responsibility for corporate governance, (e) considers sustainability issues such as environmental and social factors as part of its strategic formulation and (f) ensures compliance by the Group with relevant laws and regulations.

The Board meets regularly. During Board meetings, our Directors actively participate, discuss, deliberate and appraise matters requiring attention and decision. If required, time is set aside after scheduled Board meetings for discussions amongst our Directors without the presence of management, as this facilitates a more effective check on management.

As at 30 September 2019, the Board comprises 12 Directors, all of whom are non-executive Directors. They are:

Mr Charoen Sirivadhanabhakdi	Chairman
Khunying Wanna Sirivadhanabhakdi	Vice-Chairman
Tengku Syed Badarudin Jamalullail	
Mrs Siripen Sitasuwan	
Mr Timothy Chia Chee Ming	
Mr Charles Mak Ming Ying	
Mr Chan Heng Wing	
Dr Sujittra Sombuntham	
Mr Koh Poh Tiong	
Mr Chotiphat Bijananda	
Mr Thapana Sirivadhanabhakdi	
Mr Sithichai Chaikriangkrai	

The Board has also approved the appointment of the following Alternate Directors:

Mr Michael Chye Hin Fah	(Alternate Director to Mr Thapana Sirivadhanabhakdi)
Mr Prapakon Thongtheppairot	(Alternate Director to Mr Sithichai Chaikriangkrai)

Please refer to pages 14 to 23 of this Annual Report for key information of each Director.

Delegation of Authority on certain Board Matters

In order to efficiently provide strategic oversight of F&N, the Board delegates specific areas of responsibilities to five board committees (the "**Board Committees**") namely, the Board Executive Committee, the Audit Committee, the Nominating Committee, the Remuneration Committee and the Sustainability and Risk Management Committee.

A. BOARD MATTERS (cont'd)

Each Board Committee is governed by clear terms of reference (the "**Terms of Reference**") which have been approved by the Board. The determination, amendment or alteration of the Terms of Reference of any Board Committee is a matter reserved for the Board's approval. During the financial year ended 30 September 2019, the Board approved changes to the Terms of Reference of the various Board Committees with a view to complying with the Code of Corporate Governance 2018.

Minutes of all Board Committee meetings are circulated to the Board so that directors of the Company (the "**Directors**") are aware of and kept updated as to the proceedings and matters discussed during such meetings.

The Company also adopts a framework of delegated authorisations in its Manual of Authority ("**MOA**"). The MOA defines the procedures and levels of authorisation required for specified transactions. It sets out approval limits for operating and capital expenditure as well as acquisitions and disposals of assets and investments. The MOA authorises the Board Executive Committee ("**Board Exco**") to approve certain transactions up to specified limits, beyond which the approval of the Board needs to be obtained. Below the Board and Board Exco levels, there are appropriate delegation of authority and approval sub-limits at management level, to facilitate operational efficiency. Under the MOA, certain matters such as approval of credit facilities, approval of annual capital budget and annual operating budget are matters specifically reserved for the approval of the Board. Board approval is also required for material transactions, such as major acquisitions, divestments, funding and investment proposals.

Conflicts of Interest

To address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, the Company has put in place appropriate procedures which apply in addition to the Directors' obligation to comply with disclosure obligations under the Company's Constitution and the Companies Act (Chapter 50) (the "**Companies Act**"). Directors are required to promptly declare any conflict of interest at a meeting of the Directors or by written notification to the company secretary (the "**Company Secretary**") and they are required to take such action as is necessary to effectively resolve the conflict (for instance recusing themselves by refraining from participating in meetings or discussions (or relevant segments thereof) and by abstaining from voting, on any matter in which they are interested or conflicted).

Board Executive Committee

The Board Exco assists the Board in formulating strategic development initiatives, provides direction for new investments and material financial and non-financial matters to ensure that the Group achieves its desired performance objectives and enhances long-term shareholder value. It assists the Board in enhancing its business strategies and contributes towards the strengthening of core competencies of the Group. The Board Exco also reviews and approves succession plans in respect of senior management of the Company and oversees the Company's and the Group's conduct of business and corporate governance structure.

The Board Exco is made up of the following members:

Mr Koh Poh Tiong	Chairman
Mr Thapana Sirivadhanabhakdi	Vice-Chairman
Mr Sithichai Chaikriangkrai	Member
Mr Michael Chye Hin Fah	Member
Mr Prapakon Thongtheppairot	Member

The activities and responsibilities of the other Board Committees are described in the following sections of this report.

Meetings of the Board and Board Committees

The Board and its various Board Committees meet regularly, and also as required by business needs or if their members deem it necessary or appropriate to do so. For the financial year ended 30 September 2019, the Board met five times. A table showing the attendance record of the directors at meetings of the Board and Board Committees during the financial year ended 30 September 2019 is set out on page 64 of this Annual Report.

The Directors are also given direct access to the management team of the Group's business divisions[1] through presentations at Board and Board Committee meetings. Where required or requested by Board members, site visits and meetings with personnel from the Group's business divisions are also arranged in order for Directors to have an intimate understanding of the key business operations of each division. The Company's Constitution provides for Board members who are unable to attend physical meetings to participate through telephone conference, video conference or any other forms of electronic or instantaneous communication facilities.

Note:

1 The Group's business divisions are as follows: Food & Beverage (Non-Alcoholic Beverages), Food & Beverage (Beer) and Publishing & Printing.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2019

A. BOARD MATTERS (cont'd)

The number of Board meetings and Board Committee meetings held in the financial year ended 30 September 2019 and the attendance of Directors at these meetings are as follows:

	Board	Board Exco	Audit Committee	Sustainability and Risk Management Committee	Remuneration Committee	Nominating Committee
Meetings held for the financial year ended 30 September 2019	5	5	5	3	2	2
Mr Charoen Sirivadhanabhakdi	5/5	-	-	-	-	-
Khunying Wanna Sirivadhanabhakdi	4/5	-	-	-	-	-
Tengku Syed Badarudin Jamalullail	5/5	-	-	-	-	2/2
Mrs Siripen Sitasuwan	5/5	-	5/5	-	2/2	2/2
Mr Timothy Chia Chee Ming	5/5	-	5/5	-	2/2	-
Mr Charles Mak Ming Ying	5/5	-	-	-	-	-
Mr Chan Heng Wing	4/5	-	-	-	-	-
Dr Sujittra Sombuntham	5/5	-	-	-	-	-
Mr Koh Poh Tiong	5/5	5/5	-	3/3	-	-
Mr Chotiphat Bijananda	5/5	-	-	-	-	-
Mr Thapana Sirivadhanabhakdi	5/5	5/5	-	3/3	2/2	2/2
Mr Sithichai Chaikriangkrai	5/5	5/5	5/5	3/3	-	-
Mr Michael Chye Hin Fah (Alternate Director)	-	3/5	-	2/3	-	-
Mr Prapakon Thongtheppairot (Alternate Director)	-	3/5	-	1/3	-	-

Upon appointment, each new Director is issued a formal letter of appointment setting out his or her duties and obligations as a Director of the Company including their responsibilities as fiduciaries and how to deal with conflicts of interest that may arise. A comprehensive orientation programme is also conducted to familiarise new appointees with the business activities, strategic directions, policies and corporate governance practices of the Group as well as their statutory and other duties and responsibilities as Directors. This programme allows new Directors to get acquainted with senior management, and also facilitates and fosters better rapport and communications with management. Going forward, in accordance with the amended SGX-ST Listing Rules ("**Listing Rules**"), unless the Nominating Committee ("**NC**") is of the view that training is not required because a director has other relevant experience, any new director appointed to the Board, who has no prior experience as a director of an issuer listed on the SGX-ST, must undergo mandatory training in his or her roles and responsibilities as prescribed by the SGX-ST.

Our Directors are regularly updated on the Group's businesses and the regulatory and industry-specific environments in which the entities of the Group operate. Updates on relevant legal, regulatory and technical developments and good corporate governance may be in writing or disseminated by way of briefings, presentations and/or handouts. The Board is also regularly updated on the latest key changes to any applicable legislation and changes to the Listing Rules as well as developments in accounting principles, by way of briefings held by the Company's lawyers and auditors. To ensure that Directors can fulfil their obligations and to continually improve performance of the Board, all Directors are encouraged by the Company to undergo continual professional development during the term of their appointment. Our Directors are also encouraged to be members of the Singapore Institute of Directors ("**SID**") and to receive journal updates and training from SID in order to stay abreast of relevant developments in financial, legal and regulatory requirements.

Principle 2: Board Composition and Guidance

As at 30 September 2019, the F&N Board comprises 12 non-executive Directors, of whom six are independent. Based on declarations of independence made by each of the independent Directors, none of them has any relationship with the Company, its related corporations[1], the Group's 10% shareholders[2] or the officers of the Company that could interfere or be reasonably perceived to interfere with the exercise of their independent business judgement with a view to the best interest of the Company. In particular, none of the independent Directors is or has been employed by the Company or any of its related corporations for the current or any past three financial years or has an immediate family[3] member who is employed or has been employed by the Company or any of its related corporations for the past three financial years, and whose remuneration is determined by the Remuneration Committee of the Company. The six independent Directors on the F&N Board help to uphold good corporate governance at the Board level and their presence facilitates the exercise of objective independent judgment on corporate affairs. Their participation and input also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, always taking into account the long-term interests of F&N and its shareholders. As at 30 September 2019, none of the independent Directors have served on the Board for more than nine years.

Notes:

1 The Code states that "**related corporation**" in relation to a company shall have the same meaning as currently defined under the Companies Act i.e. a corporation that is the company's holding company, subsidiary or fellow subsidiary.

2 Under the Code, the term "**10% shareholder**" refers to a person who has an interest or interests in one or more voting shares in the Company and the total votes attached to that share, or those shares, is not less than ten percent (10%) of the total votes attached to all the voting shares in the Company. "**Voting shares**" excludes treasury shares.

3 Under the Listing Rules, the term "**immediate family**" refers to the person's spouse, child, adopted child, step-child, sibling and parent.

The NC undertakes an annual review of the size and composition of the Board to ensure alignment with the needs of the Group. The NC is of the view that the current size and composition of the F&N Board facilitates effective decision-making and is appropriate for the scope and nature of the Group's operations. In line with the Code, taking into account the requirements of the Group's businesses and the need to avoid undue disruptions from changes to the Board and Board Committees, the NC is of the view that the current size of the Board is not so large as to be unwieldy or as to interfere with efficient decision-making. No individual or group dominates the Board's decision-making process.

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

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

Principle 3: Chairman and Chief Executive Officer

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

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

The Chairman encourages active and effective engagement, participation and contribution from all Directors, and facilitates constructive relations among and between them and management. With the full support of the Board, the Company Secretary and management, the Chairman facilitates and encourages the Company in its bid to promote, attain and maintain high standards of corporate governance and transparency. The Chairman also sees to it that there is overall effective communications to and with shareholders on the performance of the Group. In turn, the CEOs of the Group's business divisions are responsible for executing the Group's strategies and policies, and are accountable to the Board for the conduct and performance of the respective business operations under their charge.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2019

A. BOARD MATTERS (cont'd)

Lead Independent Director

Tengku Syed Badarudin Jamalullail, Chairman of the NC, was appointed as Lead Independent Director on 7 May 2015. As the Lead Independent Director, he serves in a lead capacity to coordinate the activities of the independent Directors when necessary and appropriate. The Lead Independent Director is available to address shareholders where they have concerns for which contact through normal channels such as the Chairman or the Chief Financial Officer of the Company is inappropriate. The Lead Independent Director also has the authority to call and lead meetings of the independent Directors when necessary and appropriate and to provide feedback to the Chairman after such meetings. A meeting of the independent Directors was held during the year.

Principle 4: Board Membership

Nominating Committee

The Nominating Committee is made up of the following Directors:

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

A majority of the members of this Board Committee, including its Chairman, are independent and non-executive Directors. The Lead Independent Director, Tengku Syed Badarudin Jamalullail is the Chairman of the NC.

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

Independence

The NC determines the independence of each Director annually and as and when circumstances require, based on the definitions set out in the Listing Rules and the guidelines of independence set out in the Code. The NC provides its views to the Board for the Board's consideration.

For the financial year ended 30 September 2019, the NC has performed a review of the independence of the Directors as at 30 September 2019 and following its assessment, has determined the status of each Director as follows:

Mr Charoen Sirivadhanabhakdi[1]	Non-Independent
Khunying Wanna Sirivadhanabhakdi[1]	Non-Independent
Tengku Syed Badarudin Jamalullail	Independent
Mrs Siripen Sitasuwan	Independent
Mr Timothy Chia Chee Ming	Independent
Mr Charles Mak Ming Ying	Independent
Mr Chan Heng Wing	Independent
Dr Sujittra Sombuntham	Independent
Mr Koh Poh Tiong[2]	Non-Independent
Mr Chotiphat Bijananda[3]	Non-Independent
Mr Thapana Sirivadhanabhakdi[4]	Non-Independent
Mr Sithichai Chaikriangkrai[5]	Non-Independent

Notes:

1 Each of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi are directly or indirectly interested in not less than ten percent (10%) of the total voting shares in the Company through their interests in TCC Assets Limited ("**TCCA**") and Thai Beverage Public Company Limited ("**ThaiBev**"). As at 30 September 2019, TCCA has a direct interest of 59.22% in the Company and ThaiBev, through its indirect wholly-owned subsidiary InterBev Investment Limited, holds a 28.46% interest in the Company. Mr Charoen Sirivadhanabhakdi is married to Khunying Wanna Sirivadhanabhakdi.

2 Mr Koh Poh Tiong is also an adviser to the Board, and has received compensation for provision of services other than Director's fees.

3 Mr Chotiphat Bijananda is the son-in-law of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi and is a director of TCCA.

4 Mr Thapana Sirivadhanabhakdi being a son of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is an immediate family member of a 10% shareholder of the Company.

5 Mr Sithichai Chaikriangkrai is a Director, Senior Executive Vice-President and Group Chief Financial Officer of ThaiBev.

A. BOARD MATTERS (cont'd)

Process and Criteria for New Directors and Re-Appointment

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

The NC reviews all nominations for appointments and re-appointments to the Board and to Board Committees, and submits its recommendations for approval by the Board, taking into account an appropriate mix of core competencies for the Board to fulfil its roles and responsibilities[1].

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

Note:

1 In line with recommendations of the Corporate Governance Code 2018, the Company has also put in place a Board Diversity policy which sets out the approach which the Company takes towards diversity on its Board.

Review of Director's Time Commitments

The NC also appraises the performance of the Board as a whole, and the contribution of each Director to the effectiveness of the Board. The NC determines annually whether Directors who hold multiple board representations are able to and have been devoting sufficient time and attention to carry out their duties and discharge their responsibilities adequately. Details of other directorships and other principal commitments of each of the Directors may be found on pages 14 to 23 of this Annual Report.

The Code recommends that the Board should fix the maximum number of listed company board representations which any Director may hold and that this should be disclosed in the Company's annual report. In determining whether each Director is able to devote sufficient time to discharge his or her duties as a director of the Company, the NC has taken cognizance of the recommendations under the Code, but is of the view that its assessment should not be restricted to the number of board representations of each Director and their other principal commitments per se. The attendance and contributions by each Director to and during meetings of the Board and relevant Board Committees and their personal capabilities are holistically assessed and taken into account by the NC. Based on attendance at Board and Board Committee meetings during the year, the NC is of the view that all the Directors were able to participate in a substantial number of meetings, devote sufficient time and attention to the affairs of the Company and adequately discharge their duties. The NC is therefore satisfied that during the year, where a Director had other listed company board representations and/or other principal commitments, the Director was able to carry out and had been adequately carrying out his duties as a Director of the Company.

Alternate Directors

The Board currently has two Alternate Directors, namely Mr Michael Chye Hin Fah who is the Alternate Director to Mr Thapana Sirivadhanabhakdi and Mr Prapakon Thongtheppairot who is the Alternate Director to Mr Sithichai Chaikriangkrai. Mr Michael Chye Hin Fah and Mr Prapakon Thongtheppairot are familiar with the affairs of the Company. The Board has considered the expertise, business and financial backgrounds of Mr Michael Chye Hin Fah and Mr Prapakon Thongtheppairot and is satisfied that they are both appropriately qualified to serve as Alternate Directors.

Key Information regarding Directors

Key information on the Directors is set out on pages 14 to 23 of this Annual Report.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2019

A. BOARD MATTERS (cont'd)

Principle 5: Board Performance

The Board has implemented a formal process for annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board. For the financial year ended 30 September 2019, an independent external consultant was appointed to facilitate the process of conducting a Board evaluation survey. The survey is designed to provide an evaluation of the current effectiveness of the Board and to support the Chairman and the Board in proactively considering what can enhance the readiness of the Board to address emerging strategic priorities of the Group.

As part of the survey, questionnaires were sent by the external consultant to the Directors to obtain feedback. The areas covered in the questionnaires included questions on: (i) how the Board plays an effective role and adds value on critical issues, (ii) how the Board operates to deliver impact and value, and (iii) the evaluation of the Board Committees.

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

Principle 6: Access to Information

The Company recognises the importance of providing the Board with accurate and relevant information on a timely basis. Management provides the Board with detailed Board papers specifying relevant information and commercial rationale for each proposal for which Board approval is sought. Such information includes relevant financial statements which are presented quarterly, management accounts, financial forecasts, risk analyses and assessments, mitigation strategies, feasibility studies and key commercial issues for the Board's attention and consideration. Reports on major operational matters, business development activities, financial performance, potential investment opportunities and budgets are also circulated to the Board.

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

The Company Secretary is responsible for, among other things, ensuring that Board procedures, the Company's Constitution and relevant rules and regulations, including requirements of the Securities and Futures Act (Chapter 289), Companies Act and Listing Rules are complied with. The Company Secretary attends all Board meetings and provides advice and guidance on corporate governance practices and processes with a view to enhancing long-term shareholder value.

The Company Secretary also facilitates and acts as a channel of communication to ensure good information flow within the Board and its various Board Committees, as well as between and with senior management. In addition, the Company Secretary solicits and consolidates Directors' feedback and evaluations from time to time, and arranges for and facilitates orientation programmes for new Directors and assists with their professional development as required. The Company Secretary is the Company's primary channel of communication with SGX-ST.

The appointment and removal of the Company Secretary is subject to the approval of the Board. Where it is necessary for the efficacious discharge of their duties, the Directors may seek and obtain independent professional advice at the Company's expense.

B. REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

Remuneration Committee ("**RC**")

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

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

The RC is guided by written Terms of Reference, which are approved by the Board. The Terms of Reference clearly set out the authority and duties of the RC. The RC's main responsibility is to assist the Board in establishing a formal and transparent process for developing policies on executive remuneration and for fixing the remuneration packages of individual directors and key management personnel. The RC reviews and recommends to the Board, remuneration packages and service terms of individual Directors and each of the CEOs of the Group's business divisions. When carrying out its duties, the RC also reviews and makes recommendations, for endorsement by the Board, on the remuneration framework which covers all other aspects of remuneration including salaries, allowances, performance bonuses, grant of share awards and incentives.

Remuneration Action Framework

The RC reviews on an annual basis, the level and mix of remuneration and benefits policies and practices of the Company, including long-term incentives. When conducting such reviews, the RC takes into account the performance of the Company and employees. It also reviews and approves the framework for salary reviews, performance bonus and incentives for key management of the Group.

The RC also aligns the CEOs' leadership, through appropriate remuneration and benefits policies and long-term incentives, with the Company's strategic objectives and key challenges. Performance targets are also set for the CEOs and their performances evaluated yearly.

The RC may from time to time, and where necessary or required, engage external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and management. Among other things, this helps the Company to stay competitive in its remuneration packages. During the financial year ended 30 September 2019, Mercer (Singapore) Pte Ltd and Korn Ferry Hay Group Pte Ltd were appointed as remuneration consultants. The Company does not have any relationship with these remuneration consultants which would affect their independence and objectivity.

Principle 8: Level and Mix of Remuneration

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

The Company's compensation framework comprises fixed remuneration, annual variable bonuses and long-term incentives. Annual variable bonuses are linked to achievement of financial and non-financial key performance indicators. The Company also uses indicators such as core values, key performance indicators, performance rating, and potential of the employees (including key management) to link remuneration to corporate and individual performance. Long-term incentive plans are in place and are conditional upon pre-determined performance targets being met. The long-term incentive plans serve to motivate and reward employees and align their interests to maximise long-term shareholder value.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2019

B. REMUNERATION MATTERS (cont'd)

Long-Term Incentive Plans

The RC administers the Company's share-based remuneration incentive plans. The F&N Restricted Share Plan ("**RSP**") and the F&N Performance Share Plan ("**PSP**") were adopted at an extraordinary general meeting of the Company held on 22 January 2009. Both the RSP and the PSP have a duration of 10 years commencing from the date of adoption on 22 January 2009 and both expired on 21 January 2019. The expiry of the RSP and the PSP on 21 January 2019 will not affect awards granted prior to expiry of these share plans and which are pending final release.

At the Annual General Meeting of the Company held on 29 January 2019, the Company adopted a new F&N Restricted Share Plan 2019 ("**F&N RSP 2019**") to replace the RSP and the PSP.

The RSP, PSP and the F&N RSP 2019 (collectively, the "**Share Plans**") seek to foster a greater ownership culture within the Group by aligning more directly the interests of key senior management and senior executives with the interest of shareholders, and for such employees to participate and share in the Group's growth and success.

The primary objectives of the Share Plans are to increase the Company's flexibility and effectiveness in its continuing efforts to attract, motivate and retain talented senior executives and to reward these executives for the performance of the Company.

Under the Share Plans, the Company grants share-based awards ("**Base Awards**") which are conditional upon pre-determined performance targets being met. These targets are set by the RC in its absolute discretion for the performance conditions to be met over the performance period. As at 30 September 2019, no Base Awards have been granted under the F&N RSP 2019. The performance periods for the RSP and the PSP are two and three years respectively. For the F&N RSP 2019, the performance period is one year. For the RSP, the targets set are the achievement of Net Revenue, Profit Before Interest and Tax, Attributable Profit Before Fair Value Adjustment and Exceptional Items and/or Return On Capital Employed. For the F&N RSP 2019, similar factors are being evaluated for the setting of targets. For the PSP, the pre-set targets are based on Return On Invested Capital, Total Shareholders' Return Relative to Straits Times Index and Absolute Total Shareholders' Return as a multiple of Cost of Equity.

The Base Awards under the Share Plans represent the right to receive fully paid ordinary shares, their equivalent cash value or a combination thereof free of charge, provided certain prescribed performance and service conditions are met. The final number of shares to be released will depend on the achievement of the pre-determined targets at the end of the relevant performance periods. If the pre-determined targets are exceeded, more shares than the Base Awards can be delivered, subject to a maximum percentage of the Base Awards.

The aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, (i) pursuant to the RSP and the PSP, shall not exceed 10% of the total number of issued ordinary shares of the Company (excluding treasury shares) and (ii) pursuant to the F&N RSP 2019, shall not exceed 8% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time. Although the 8% limit under the F&N RSP 2019 is lower than the 10% limit under the RSP and the PSP, the Company is of the view that an 8% limit will be sufficient to achieve the primary objectives of the F&N RSP 2019.

The RC currently does not intend, in any given year, to grant awards under the F&N RSP 2019 which would comprise more than 0.8% of the total number of issued ordinary shares from time to time (the "**Yearly Limit**"). However, if the Yearly Limit is not fully utilised in any given year, the balance of the unutilised Yearly Limit may be used by the Company to make grants of awards in subsequent years.

B. REMUNERATION MATTERS (cont'd)

Principle 9: Disclosure on Remuneration

Remuneration of Directors and Key Management Personnel

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

Directors of the Company as at 30 September 2019	Remuneration $	Director Fee %	Adviser Fee %	Allowances %	Total %
Mr Charoen Sirivadhanabhakdi	-[1]	-	-	-	-
Khunying Wanna Sirivadhanabhakdi	-[1]	-	-	-	-
Tengku Syed Badarudin Jamalullail	134,000[2]	100	-	-	100
Mrs Siripen Sitasuwan	174,000	100	-	-	100
Mr Timothy Chia Chee Ming	144,000	100	-	-	100
Mr Charles Mak Ming Ying	80,000	100	-	-	100
Mr Chan Heng Wing	79,000	100	-	-	100
Dr Sujittra Sombuntham	80,000	100	-	-	100
Mr Koh Poh Tiong	2,131,917[3, 4]	8.2	85.6	6.2	100
Mr Chotiphat Bijananda	80,000	100	-	-	100
Mr Thapana Sirivadhanabhakdi	162,000[4]	100	-	-	100
Mr Sithichai Chaikriangkrai	157,000	100	-	-	100
Mr Michael Chye Hin Fah (Alternate Director)	45,000	100	-	-	100
Mr Prapakon Thongtheppairot (Alternate Director)	44,000	100	-	-	100

Notes:
1 Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi waived payment of Directors' fees due to them.
2 Includes the payment of $20,000 being the basic fee for serving as the Lead Independent Director.
3 Includes payment of $1,824,000 being fees for services provided as adviser to the Board, and $131,917 being car allowance paid pursuant to this appointment.
4 The Directors, who are also directors of Times Publishing Limited ("**TPL**"), have agreed to waive payment of directors' fees due to them from TPL for the year ended 30 September 2019.

Key Management Personnel of the Group as at 30 September 2019	Fee %	Salary %	Bonus %	Allowances & Benefits %	Others %	Long-Term Incentives[1] %	Total %
Between $1,250,000 and $1,499,999							
Lee Meng Tat	-	58.0	31.0	4.0	-	7.0	100.0
Lim Yew Hoe	-	46.0	18.0	28.0	-	8.0	100.0
Between $1,000,000 and $1,249,999							
Hui Choon Kit	-	56.0	29.0	5.0	-	10.0	100.0
Between $750,000 and S$999,999							
Vivek Chhabra	-	68.0	20.0	7.0	-	5.0	100.0
Between $700,000 and $749,999							
Siew Peng Yim	-	63.0	26.0	7.0	-	4.0	100.0
Total:							**$5,195,411**

Note:
1 The value of the long-term incentives was calculated based on the closing share price of F&N shares of $1.68 on 21 December 2018.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2019

B. REMUNERATION MATTERS (cont'd)

No termination, retirement and post-employment benefits were granted to Directors and the above mentioned key management personnel (who are not Directors or the CEO of the Company).

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

Directors' Fees

The remuneration of non-executive Directors takes into account their level and quality of contribution and their respective responsibilities, including attendance and time spent at Board meetings and Board Committee meetings. Directors are paid a basic fee and attendance fees for attending Board meetings. Non-executive Directors who perform services through Board Committees are paid additional basic and attendance fees for such services. No Director decides his own fees. Directors' fees are reviewed annually to benchmark such fees against the amounts paid by other major listed companies. The Company's Board fee structure during the year is as set out below. The Board fee structure remains unchanged from that in the preceding financial year i.e. financial year ended 30 September 2018.

	Basic Fee ($)	Attendance Fee ($)
Board		
- Chairman	150,000	2,000
- Member	75,000	1,000
- Lead Independent Director	20,000	-
Audit Committee and Board Exco		
- Chairman	50,000	2,000
- Member	25,000	1,000
NC, RC and SRMC		
- Chairman	30,000	2,000
- Member	15,000	1,000

Shareholders' approval will be sought at the 121st AGM of the Company on 29th January 2020, for the payment of Directors' fees proposed for the financial year ending 30 September 2020 up to $2,000,000, the same amount for which approval was sought and obtained at the 120th AGM of the Company.

C. ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

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

In order to enable the Board to obtain adequate and timely information, management provides the Board Exco with management accounts at every meeting of this Board Committee. Minutes of all such Board Committee meetings are circulated to the Board. This is in addition to such other information as the Board may require from time to time to make a balanced and informed assessment of the Company's performance, position and prospects.

C. ACCOUNTABILITY AND AUDIT (cont'd)

Principle 11: Risk Management and Internal Controls

The Board is responsible for the governance of risks and for ensuring that management maintains a sound system of risk management and internal controls with a view to safeguarding the Company's assets and shareholders' interests.

Sustainability and Risk Management Committee and Audit Committee

During the year, the Board, through the Audit Committee and the Sustainability and Risk Management Committee, reviewed the adequacy and effectiveness of the Company's internal controls and risk management systems.

Internal Controls

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

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

Risk Management Systems

The Sustainability and Risk Management Committee ("**SRMC**") reviews and reports to the Board on the adequacy and effectiveness of the Group's risk management framework to ensure that robust risk management and internal controls systems are in place.

The Company has adopted an enterprise-wide risk management ("**ERM**") framework to enhance its risk management capabilities. An outline of the Group's ERM framework and progress report is set out on pages 60 and 61 of this Annual Report.

Key risks, mitigating measures and management actions are continually identified, reviewed and monitored as part of the ERM process. Financial and operational key risk indicators are in place to track key risk exposures. Key business risks are thoroughly assessed by management and each significant transaction is comprehensively analysed so that management understands the risks involved before it is embarked upon.

The SRMC also assists the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies, in determining environmental, social and governance factors ("**ESG Factors**") identified as material to the business, monitoring and managing of ESG Factors and overseeing standards, management processes and strategies to implement sustainability practices which are in compliance with the SGX-ST Listing Manual. The SRMC is responsible for, among other things, reviewing the Group's ERM framework, processes and procedures for identifying, measuring, reporting and mitigating key risks in the Group's businesses and operations. Together with the AC, the SRMC helps to ensure that management maintains a sound system of risk management and internal controls to safeguard the interests of shareholders and the assets of the Group. The SRMC also provides guidance to management, and renders assistance to the Board to oversee the ERM framework and for determining the nature and extent of significant risks which the Board would be willing to take in achieving the Group's strategic objectives. The meetings of the SRMC are attended by senior management of the Company's business divisions, and serve as a forum to review and discuss material risks and exposures of these businesses and their strategies to mitigate risks.

Periodic updates are provided by senior management of the Company's business divisions to the SRMC on the Group's risk profile, and on the status of key enterprise risk management and business continuity initiatives. These updates include the assessment of the Group's key risks by major business units, risk categories, and the status and changes in plans undertaken by management to manage key risks. Risk tolerance statements, which set out the nature and extent of significant risks which the Group is willing to take in achieving its strategic objectives, are monitored and reported to the SRMC.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2019

C. ACCOUNTABILITY AND AUDIT (cont'd)

The SRMC comprises the following members:

Mr Koh Poh Tiong	Chairman
Mr Thapana Sirivadhanabhakdi	Member
Mr Sithichai Chaikriangkrai	Member
Mr Michael Chye Hin Fah	Member
Mr Prapakon Thongtheppairot	Member

To assist the Company in ascertaining the adequacy and effectiveness of the Group's internal controls and risk management systems, management implements a control self-assessment exercise. Management also maps out key risks with the existing assurance processes in a comfort matrix every year. Using a comfort matrix of key risks, the material financial, operational, compliance and information technology risks of the Company have been documented and presented against strategies, policies, people, processes, systems, mechanisms and reporting processes that have been put in place.

The Board has received assurance:

(a) from the CEOs and the Chief Financial Officers ("**CFOs**") or Financial Controllers ("**FCs**") of each of the Group's significant business divisions and the Chief Financial Officer of the Company that, as at 30 September 2019, the financial records of the Group have been properly maintained and the financial statements for the year ended 30 September 2019 give a true and fair view of the Group's operations and finances;

(b) from the CEOs and the CFOs or FCs of each of the Group's business divisions and the Chief Financial Officer of the Company that, as at 30 September 2019, the system of internal controls in place for the Group is adequate and effective to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations[1]; and

(c) from the CEOs and CFOs or FCs of each of the Group's business divisions[2] and the Chief Financial Officer of the Company that, as at 30 September 2019, the risk management system in place for the Group is adequate and effective to address risks which the Group considers relevant and material to its operations.

Notes:
1 An assurance on internal controls addressing financial, operational, compliance and information technology risks in respect of Food & Beverage (Beer) is not meaningful as at 30 September 2019 as Emerald Brewery Myanmar Limited commenced operations only on 25 September 2019.
2 An assurance in respect of the adequacy and effectiveness of the risk management system in place for the Food & Beverage (Beer) business has been given by the CEO of this business division.

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, reviews performed by management, the AC and SRMC and assurance from the CEOs, the CFOs or FCs of each of the Group's business divisions and the Chief Financial Officer of the Company, the Board is of the view that, as at 30 September 2019, the Group's internal controls were adequate and effective to address financial, operational, compliance and information technology risks, which the Group considers relevant and material to its operations.

Based on the enterprise-wide risk management framework adopted by the Company, reviews performed by the SRMC and assurance from the CEOs and the CFOs or FCs of each of the Group's business divisions and the Chief Financial Officer of the Company, the Board is of the view that, as at 30 September 2019, the Group's risk management system was adequate and effective to address risks which the Group considers relevant and material to its operations.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

The AC concurs with the Board's view that as at 30 September 2019, the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective to address risks which the Group considers relevant and material to its operations.

C. ACCOUNTABILITY AND AUDIT (cont'd)

Principle 12: Audit Committee

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

The AC is guided by written Terms of Reference endorsed by the Board which clearly sets out its authority and duties. It is duly authorised to investigate any matter within such Terms of Reference, and has full access to and the co-operation of management, as well as the full discretion to invite any Director or executive officer to attend its meetings. Under the Terms of Reference of the AC, a former partner or director of the Company's existing auditing firm or auditing corporation shall not act as a member of the AC (i) within a period of 12 months commencing on the date of his ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case (ii) for so long as he has any financial interest in the auditing firm or auditing corporation.

The AC comprises the following three members:

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

The AC is made up of non-executive Directors, the majority of whom, including its Chairman, are independent Directors. The members of the AC are appropriately qualified. Their collective wealth of experience and expertise in accounting and financial management enables them to discharge their responsibilities competently. The AC has reasonable resources to enable it to discharge its functions effectively. None of the members of the AC were previous partners or directors of the Company's auditor, KPMG LLP ("**KPMG**"), and none of the members of the AC hold any financial interest in KPMG.

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

- Reviewing quarterly and full-year financial statements and related SGX-ST announcements, including the external 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 SFRS (I). In the review of the financial statements, the significant matters referred to in Table A were reviewed by the AC and discussed with management and external auditors.

- Reviewing and approving the internal and external audit plans to ensure the adequacy of the audit scope.

- Recommending, for the approval of the Board, the quarterly and annual financial results and related SGX-ST announcements.

- Reviewing the independence, adequacy and effectiveness of the Group's internal audit function, including the adequacy of internal audit resources and its appropriate standing within the Group.

- Reviewing with internal and external auditors, the scope and results of the audit reports and their recommendations, and monitoring the timely and proper implementation of any required corrective or improvement measures.

- 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, compliance and information technology controls and together with SRMC, risk management systems.

- Reviewing whistle-blowing investigations within the Group and ensuring appropriate follow-up actions, if required.

Corporate Governance
FOR THE YEAR ENDED 30 SEPTEMBER 2019

C. ACCOUNTABILITY AND AUDIT (cont'd)

Table A

Significant matters	How the AC reviewed these matters
Impairment of fixed assets and investment in subsidiaries	The AC considered the approach and methodology used by management in determining the recoverable amount of fixed assets and investment in subsidiaries. The AC was satisfied that the approach and methodology used by management in this process was appropriate. Impairment of fixed assets and investment in subsidiaries were also areas of focus for the external auditors who have included this item as a key audit matter in their audit report for the financial year ended 30 September 2019.
Impairment of goodwill and intangible assets (including brands)	The AC considered the approach and methodology used by management in determining the recoverable amount of goodwill and intangible assets (including brands). The AC was satisfied that the approach and methodology used by management in this process was appropriate. Impairment of goodwill and intangible assets (including brands) were also areas of focus for the external auditors who have included this item as a key audit matter in their audit report for the financial year ended 30 September 2019.

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

The AC reviews and approves the remuneration and terms of engagement of KPMG. The AC also makes recommendations to the Board regarding the appointment, re-appointment and removal of the Company's external auditor. Upon the Board's approval, the relevant recommendations are tabled for approval by shareholders.

During the year, the AC conducted a review of the scope and results of audit by KPMG, and their cost effectiveness, as well as the independence and objectivity of KPMG. It also reviewed all non-audit services provided by KPMG, and the aggregate amount of audit fees paid/payable to them. For details of fees paid/payable to KPMG in respect of audit and non-audit services, please refer to Note 4 of the Notes to the Financial Statements on page 132. The AC is satisfied that neither their independence nor their objectivity was put at risk, and that they were able to meet the audit requirements and statutory obligations of the Company. The AC is also satisfied with the aggregate amount of audit fees paid to KPMG. Accordingly, the AC has recommended the re-appointment of KPMG at the AGM of the Company. In recommending the re-appointment of the auditors, the AC considered and evaluated a variety of factors including the audit engagement partner to be assigned to the audit, the number and experience of supervisory and professional staff to be assigned to the audit and the size and complexity of the Group, its business and operations.

The Company has complied with Rule 712 of the Listing Rules which requires, amongst others, that a suitable auditing firm be appointed by the Company, having regard to the factors set out therein. The Company has also complied with Rule 715 of the Listing Rules which requires that the same auditing firm of the Company audits its Singapore-incorporated subsidiaries and significant associated companies, and that a suitable auditing firm be engaged for its significant foreign-incorporated subsidiaries and associated companies.

C. ACCOUNTABILITY AND AUDIT (cont'd)

Whistle-Blowing Policy

The Group has in place a Whistle-Blowing Policy ("**Policy**"). This Policy provides an independent feedback channel through which matters of concern about possible improprieties in matters of financial reporting or other matters may be raised by staff and any other person in confidence and in good faith, without fear of reprisal. Details of this Policy have been disseminated and made available to all employees. This Policy is also available on the Company's website. The improprieties that are reportable under the Whistle-Blowing Policy include:

(a) financial or professional misconduct;

(b) improper conduct, dishonest or unethical behaviour;

(c) any irregularity or non-compliance with laws/regulations or the Company's procedures, policies and codes of conduct including but not limited to those relating to financial reporting, accounting, audit and/or internal controls;

(d) violence at the workplace, or any conduct that may threaten health and safety;

(e) conflicts of interest;

(f) corruption or bribery;

(g) mismanagement of the Company's resources;

(h) conduct that my cause loss (whether financial or otherwise) to the Company;

(i) sexual harassment; and

(j) any other improprieties or matters that may adversely affect shareholders' interests in, and assets of, the Company and its reputation.

All whistle-blowing complaints are independently investigated and appropriate actions taken. The AC reviews and ensures that independent investigations and any appropriate follow-up actions are carried out.

Principle 13: Internal Audit

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

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

The IA Department operates within the framework stated in its Terms of Reference, which is approved by the AC. Under its Terms of Reference, the AC has the authority to approve the hiring, removal, evaluation and compensation of the Head of the Internal Audit function. The IA Department has unfettered access to all the Company's documents, records, properties and personnel including access to the AC. The IA Department adopts a risk-based audit methodology to develop its audit plans, and its activities are aligned to key risks of the Group. Based on risk assessments performed, greater focus and appropriate review intervals are set for higher risk activities, and material internal controls, including compliance with the Company's policies, procedures and regulatory responsibilities.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2019

C. ACCOUNTABILITY AND AUDIT (cont'd)

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

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

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

F&N believes in treating all shareholders fairly and equitably. It is committed to keeping all its shareholders and other stakeholders informed, in a timely and consistent manner, of its corporate activities, including changes (if any) in the Company or its businesses which are likely to materially affect the price or value of its shares in a timely and consistent manner.

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

Principle 15: Communication with Shareholders

The Company prides itself on its high standards of disclosure and corporate transparency. F&N is committed to providing fair, relevant, comprehensive and timely information regarding the Group's performance and progress to shareholders and the investment community to enable them to make informed investment decisions. The Group's dedicated Investor Relations ("**IR**") team is tasked with and focuses on facilitating communications between the Company and its shareholders, as well as with the investment community.

The IR team communicates regularly with shareholders and the investment community, with timely disclosures of material and other pertinent information, through regular dialogues and announcements to SGX-ST. The team conducts roadshows (together with senior management), and participates in investor seminars and conferences to keep the market and investors apprised of the Group's corporate developments and financial performance. During the year, the IR team, together with senior management, engaged with Singapore and foreign investors at investor conferences as well as one-on-one and group meetings. The aim of such engagements is to provide shareholders and investors with prompt disclosure of relevant information, to enable them to have a better understanding of the Company's businesses and performance.

The Company makes available all its briefing materials to analysts and the media. Such information, financial information, annual reports and all announcements of the Company are made available to the SGX-ST and on the Company's website at www.fraserandneave.com, with contact details for investors to channel their comments and queries.

Further details on IR's activities and responsibilities during the year can be found in the Investor Relations section of this Annual Report on page 58.

In determining dividends, the Board balances the need for a satisfactory return to shareholders against the Company's investment requirement to ensure sustainable growth in the future. Over the years, the Board has maintained a track record of generous shareholder distributions. The Board remains committed to paying approximately fifty percent (50%) of Group Attributable Profit Before Fair Value Adjustment and Exceptional Items.

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES (cont'd)

Principle 16: Conduct of Shareholder Meetings

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

The Company's Constitution allows (i) each shareholder who is not a relevant intermediary (as defined in the Companies Act) the right to appoint up to two proxies and (ii) each shareholder who is a relevant intermediary to appoint more than two proxies to attend and vote on their behalf in shareholders' meetings. A copy of the Notice of AGM is sent to all shareholders. As for the Annual Report and the Company's letter to shareholders in relation to certain resolutions being tabled at the AGM ("**Letter to Shareholders**"), in line with the Group's sustainability strategy, these documents are made available for download from the Company's corporate website. Printed copies of the Annual Report and Letter to Shareholders are available on request. At general meetings, the Company sets out separate resolutions on each substantially separate issue and shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed.

Board members and senior management are present at each shareholders' meeting to respond to any questions from shareholders. The Company's independent auditor is also present to address queries about the conduct of audit and the preparation and content of the independent auditor's report.

For greater transparency, F&N has implemented electronic poll voting since its 2010 AGM. This entails shareholders being invited to vote on each of the resolutions by poll, using an electronic voting system (instead of voting by hand), thereby allowing all shareholders present or represented at the meeting to vote on a one share, one vote basis. The voting results of all votes cast for, or against, each resolution is then screened at the meeting and announced to the SGX-ST after the meeting. The Company will continue to use the electronic poll voting system at the forthcoming AGM. As the authentication of shareholder identity and other related security and integrity issues still remain a concern, the Company has decided for the time being, not to implement voting in absentia methods such as voting via mail, e-mail or fax.

Code of Business Conduct

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

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

The Company has established a procedure for dealings in the securities of the Company, which sets out the implications of insider trading and guidance on such dealings, including the prohibition on dealings with the Company's securities on short-term considerations. In compliance with best practices in Listing Rule 1207 sub-Rule (19) of the Listing Rules, the Group issues quarterly reminders to its Directors, officers and relevant employees on the restrictions in dealings in listed securities of the Group during the period commencing (i) two weeks prior to the announcement of financial results of each of the first three quarters of the financial year, and (ii) one month before the announcement of full-year results, and ending on the date of such announcements. Directors, officers and relevant employees are also reminded not to trade in listed securities of the Group at any time while in possession of unpublished price sensitive information and to refrain from dealing in the Group's securities on short-term considerations.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2019

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	(a) Fraser and Neave, Limited ("**F&N**" or the "**Company**") has complied in all material respects with the principles and guidelines set out in the Code.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	(b) Please see above.
Board Responsibility Guideline 1.5	What are the types of material transactions which require approval from the Board?	The Company has a Manual of Authority ("**MOA**") which defines the procedures and levels of authorisation required for specified transactions. The MOA authorises the Board Executive Committee to approve certain transactions up to specified limits, beyond which the approval of the Board needs to be obtained. Under the MOA, certain matters such as the approval of credit facilities, the approval of annual capital budget and the annual operating budget are matters specifically reserved for the approval of the Board. Board approval is also required for material transactions, such as major acquisitions, divestments, funding and investment proposals.
Members of the Board Guideline 2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees?	(a) The Board proactively seeks to maintain an appropriate balance of expertise, skills and attributes among Directors. This is reflected in the diversity of backgrounds and competencies of its Directors.
	(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.	(b) The current competencies of the Board range from banking, finance and accounting to relevant industry knowledge including entrepreneurial and management experience and familiarity with regulatory requirements and risk management. The profiles of the directors can be found on pages 14 to 23 of this Annual Report.
	(c) What steps has the Board taken to achieve the balance and diversity necessary to maximize its effectiveness?	(c) The Board has delegated the Nominating Committee (the "**NC**") to annually review the size and composition of the Board with a view to maintaining an appropriate balance of expertise, skills and attributes taking into account the needs of F&N and its subsidiaries (the "**Group**"). Please also refer to Guideline 4.6 below on the process for Board succession planning.

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Guideline 4.6	Please describe the board nomination process for the Company in the last financial year for:	
	(i) selecting and appointing new directors; and	(i) The NC takes the lead in identifying, evaluating and selecting suitable candidates for appointment as Directors. In its search and selection process, the NC considers factors such as the ability of the prospective candidate to contribute to discussions, deliberations and activities of the Board and Board Committees. The NC also takes into account the existing mix of expertise, skills and attributes of the Directors so as to identify needed and/or desired competencies to supplement the Board's existing attributes.
	(ii) re-electing incumbent directors.	(ii) The NC will assess whether Directors are properly qualified for re-appointment by virtue of their skills, experience and contributions.
Guideline 1.6	(a) Are new directors given formal training? If not, please explain why.	(a) Yes.
	(b) What are the types of information and training provided to:	
	(i) new directors; and	(b)(i) New Directors are given a formal letter of appointment setting out, among other things, a Director's duties and obligations including their responsibilities as fiduciaries and, how to deal with conflicts of interest that may arise. A comprehensive orientation programme is also conducted to familiarise new appointees with the business activities, strategic directions, policies and corporate governance practices of the Group, as well as their statutory and other duties and responsibilities as Directors.
	(ii) existing directors to keep them up-to-date?	(b)(ii) Directors are regularly updated on the Group's businesses and the regulatory and industry-specific environments in which the entities of the Group operate. Updates on relevant legal, regulatory and technical developments and good corporate governance may be in writing or disseminated by way of briefings, presentations and/or handouts. Directors are also encouraged to be members of the Singapore Institute of Directors ("**SID**") and to receive journal updates and training from SID in order to stay abreast of relevant developments in financial, legal and regulatory requirements.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2019

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Guideline 4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors?	(a) The Company has not prescribed a maximum number of listed company board representations that a Director may hold.
	(b) If a maximum number has not been determined, what are the reasons?	(b) The NC is tasked with determining whether each Director is able to devote sufficient time and attention to carrying out and discharging their responsibilities to the Company adequately. The NC has taken cognizance of the recommendations of the Code but is of the view that its assessment of a Director's ability to devote sufficient time to the discharge of his or her duties as a director of the Company should not entail a restriction on the number of other board commitments or their other principal commitments.
	(c) What are the specific considerations in deciding on the capacity of directors?	(c) The attendance and contributions by each Director to and during meetings of the Board and relevant Board Committees and their personal capabilities are holistically assessed and taken into account by the NC.
Board Evaluation Guideline 5.1	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	(a) For the financial year ended 30 September 2019, an independent external consultant was appointed to facilitate the process of conducting a Board evaluation survey. The survey is designed to provide an evaluation of the current effectiveness of the Board and to support the Chairman and the Board in proactively considering what can enhance the readiness of the Board to address emerging strategic priorities of the Group. As part of the survey, questionnaires were sent by the external consultant to the Directors to obtain feedback. The areas covered in the questionnaires included questions on: (i) how the Board plays an effective role and adds value on critical issues, (ii) how the Board operates to deliver impact and value, and (iii) the evaluation of the Board Committees.
	(b) Has the Board met its performance objectives?	(b) Based on the NC's review, the Board and the various Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Independence of Directors Guideline 2.1	Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	Yes. The current F&N Board comprises 12 non-executive Directors of whom six are independent. In compliance with Guideline 2.2 of the Code, independent Directors make up half of the Board where the Chairman is not an independent director.
Guideline 2.3	(a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship. (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	(a) No. (b) Not applicable.
Guideline 2.4	Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.	No.
Disclosure on Remuneration Guideline 9.2	Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Yes.
Guideline 9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/ bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so? (b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	(a) Yes. (b) The Company has disclosed the aggregate remuneration paid to the top five key management personnel on page 71 of this Annual Report. The aggregate remuneration paid to the top five key management personnel is $5,195,411.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2019

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Guideline 9.4	Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.	No.
Guideline 9.6	(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.	(a) Executive Directors Not applicable as there are no executive directors on the F&N Board. Key Management Personnel The Remuneration Committee (the "**RC**") reviews on an annual basis, the level and mix of remuneration policies and practices of the Company, including long-term incentives. When conducting such reviews, the RC takes into account the performance of the Company and employees. The Company's compensation framework comprises fixed remuneration, annual variable bonuses and long-term incentives. Annual variable bonuses are linked to achievement of financial and non-financial key performance indicators. The Company also uses indicators such as core values, key performance indicators, performance rating, and potential of the employees (including key management) to link remuneration to corporate and individual performance. Long-term incentive plans are in place and are conditional upon pre-determined performance targets being met. The long-term incentive plans serve to motivate and reward employees and align their interests to maximise long-term shareholder value.
	(b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?	(b) The Company subscribes to linking executive remuneration to corporate and individual performance, based on bi-annual appraisals of employees and using indicators such as core values, key performance indicators, performance rating and potential of the employees. The Company has also put in place long-term share-based incentive schemes which are based on the achievement of certain pre-determined targets.
	(c) Were all of these performance conditions met? If not, what were the reasons?	(c) Yes.

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Risk Management and Internal Controls Guideline 6.1	What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	The Company recognises the importance of providing the Board with accurate and relevant information on a timely basis. Management provides the Board with detailed Board papers specifying relevant information and commercial rationale for each proposal for which Board approval is sought. Such information includes relevant financial forecasts, risk analyses, mitigation strategies, feasibility studies and key commercial issues for the Board's attention and consideration. Reports on major operational matters, business development activities, financial performance, potential investment opportunities and budgets are also circulated to the Board. Board papers and agenda items are dispatched to the Directors about a week before scheduled meetings. This is to give Directors sufficient time to review and consider the matters being tabled and/or discussed. On a quarterly basis, financial statements are presented at Board meetings. Risk-related reports are submitted to the Sustainability and Risk Management Committee ("**SRMC**") three times a year. The SRMC, comprising selected board members, assists the Board in overseeing risk management and managing environmental, social and governance factors for the Group ("**ESG Factors**").
Guideline 13.1	Does the Company have an internal audit function? If not, please explain why.	Yes.
Guideline 11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	(a) The Board's view on the adequacy and effectiveness of the Company's internal control and risk management systems is based on reviews and reports from the Audit Committee ("**AC**") and SRMC. With the assistance of internal and external auditors, the AC reviews and reports to the Board on the adequacy and effectiveness of the Company's system of internal controls including financial, operational, compliance and information technology controls. In assessing the adequacy and effectiveness of internal controls, the AC ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2019

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Guideline 11.3		The SRMC is responsible for among other things, reviewing the Group's enterprise-wide risk management framework, processes and procedures for identifying, measuring, reporting and mitigating key risks in the Group's business and operations. The SRMC also assists the Board in carrying out its responsibility in determining ESG Factors identified as material to the business.
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that:	
	(i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and	(b)(i) The Board has received assurance that, as at 30 September 2019, the financial records of the Group have been properly maintained and the financial statements for the year ended 30 September 2019 give a true and fair view of the Group's operations and finances, from the CEOs and the Chief Financial Officers ("**CFOs**") or Financial Controllers ("**FCs**") of each of the Group's significant business divisions and from the Chief Financial Officer of the Company.
	(ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	(b)(ii) The Board has received assurance that the system of internal controls in place for the Group is adequate and effective to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations, from the CEOs and the CFOs or FCs of each of the Group's business divisions and from the Chief Financial Officer of the Company[1]. The Board has received assurance that, as at 30 September 2019, the risk management system in place for the Group is adequate and effective to address risks which the Group considers relevant and material to its operations, from the CEOs and the CFOs or FCs of each of the Group's business divisions[2] and from the Chief Financial Officer of the Company. **Notes:** 1 Please refer to page 74 of this Annual Report. An assurance on internal controls addressing financial, operational, compliance and information technology risks in respect of Food & Beverage (Beer) is not meaningful as at 30 September 2019 as Emerald Brewery Myanmar Limited commenced operations only on 25 September 2019. 2 Please refer to page 74 of this Annual Report. An assurance in respect of the adequacy and effectiveness of the risk management system in place for the Food & Beverage (Beer) business has been given by the CEO of this business division.

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Guidelines for Disclosure

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Guideline 12.6	(a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.	(a) As disclosed in Note 4(c) to the Notes to the Financial Statements, the fees paid/payable to external auditors for audit and non-audit services for the financial year ended 30 September 2019 are: '$'000 **Audit fees paid/payable** - Auditor of the Company 814 - Member firms of the Auditor of the Company 693 1,507 **Non-audit fees paid/payable** - Auditor of the Company 103 - Member firms of the Auditor of the Company 114 217
	(b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.	(b) Non-audit fees amount to 13% of the total fees paid/payable to the auditor of the Company and member firms of the Auditor of the Company, and are not substantial.
Communication with Shareholders Guideline 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	(a) The Company, through its Investor Relations ("**IR**") team communicates regularly with shareholders and the investment community, with timely disclosures of material and other pertinent information, through regular dialogues and announcements to SGX-ST.
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	(b) Yes. Please refer to pages 78 and 79 of this Annual Report.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	(c) The IR team together with senior management conducts roadshows and participates in investor seminars, conferences, one-on-one and group meetings.
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	Not applicable.

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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 2019.

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
Mrs Siripen Sitasuwan
Mr Timothy Chia Chee Ming
Mr Charles Mak Ming Ying
Mr Chan Heng Wing
Dr Sujittra Sombuntham
Mr Koh Poh Tiong
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 2018**	**As at 30 Sep 2019**	**As at 1 Oct 2018**	**As at 30 Sep 2019**
Charoen Sirivadhanabhakdi				
Fraser and Neave, Limited				
• Ordinary Shares	-	**-**	1,270,503,884 (1)	**1,270,503,884 (1)**
Frasers Property Limited				
• Ordinary Shares	-	**-**	2,541,007,768 (1)	**2,541,007,768 (1)**
Frasers Property Treasury Pte. Ltd.				
• S$600,000,000 4.88% Subordinated Perpetual Securities (Series 3)	-	**-**	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)

Name of Director	Direct Interest As at 1 Oct 2018	Direct Interest As at 30 Sep 2019	Deemed Interest As at 1 Oct 2018	Deemed Interest As at 30 Sep 2019
Khunying Wanna Sirivadhanabhakdi				
Fraser and Neave, Limited				
• Ordinary Shares	-	**-**	1,270,503,884 [1]	**1,270,503,884 [1]**
Frasers Property Limited				
• Ordinary Shares	-	**-**	2,541,007,768 [1]	**2,541,007,768 [1]**
Frasers Property Treasury Pte. Ltd.				
• S$600,000,000 4.88% Subordinated Perpetual Securities (Series 3)	-	**-**	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				
• Ordinary Shares	385,660	**385,660**	-	**-**
Frasers Property 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") 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 2019.

(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 ("Restricted Share Plan"), F&N Performance Share Plan ("Performance Share Plan") and the F&N Restricted Share Plan 2019 ("F&N RSP 2019")

The Remuneration Committee administers the Company's share-based remuneration incentive plans, namely, the Restricted Share Plan, Performance Share Plan and the F&N RSP 2019, (collectively, the "Share Plans"). The Restricted Share Plan and the Performance Share Plan expired on 21 January 2019, and were replaced by the F&N RSP 2019. The expiry of the Restricted Share Plan and the Performance Share Plan will not affect awards granted prior to expiry of these share plans and which are pending final release.

Share Grants under the Share Plans

Under the Share Plans, the Company grants a base number of conditional share awards (the "Base Awards") to eligible participants annually. The Base Awards represent 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 over the relevant performance periods. The Remuneration Committee, as the administrator of the Share Plans, has absolute discretion in granting the Base Awards. For the F&N RSP 2019, no Base Awards have been granted as at 30 September 2019. The performance periods for the Restricted Share Plan and the Performance Share Plan are two and three years respectively. For the F&N RSP 2019, the performance period is one year.

Depending on the level of achievement of the pre-determined targets over the respective performance periods for the Restricted Share Plan and the Performance Share Plan, an achievement factor will be applied to the relevant Base Awards to determine the final number of shares to be awarded at the end of the respective performance periods. The achievement factor ranges from 0% to 150% for the Restricted Share Plan and 0% to 200% for the Performance Share Plan. Accordingly, the actual number of shares to be awarded pursuant to the Restricted Share Plan and the Performance Share Plan will range from 0% to 150% and from 0% to 200% respectively of the relevant Base Awards (the "Final Awards").

At the end of the two-year performance period, 50% of the number of shares under the Final Awards for the Restricted Share Plan will be vested to the participants. The balance will be vested in equal instalments over two years. All the shares under the Final Awards for the Performance Share Plan will be vested to the participants at the end of the three-year performance period.

During the financial year:

- No awards have been granted to controlling shareholders or their associates, or parent group directors or employees under the Restricted Share Plan and the Performance Share Plan.
- No awards have been granted to directors of the Company under the Restricted Share Plan and the Performance Share Plan.
- No participant has received 5% or more of the total number of shares available/delivered pursuant to grants under the Restricted Share Plan and Performance Share Plan.
- No awards were granted under the F&N RSP 2019.

Directors' Statement

4. SHARE PLANS (cont'd)

(a) F&N Restricted Share Plan ("Restricted Share Plan"), F&N Performance Share Plan ("Performance Share Plan") and the F&N Restricted Share Plan 2019 ("F&N RSP 2019") (cont'd)

The first grant of awards under the Restricted Share Plan and Performance Share Plan was made in December 2009 for Financial Year 2009/10. The details of the shares awarded under these share plans in aggregate are as follows:

(i) Restricted Share Plan

Shares	Grant Date	Balance as at 1.10.2018 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2019
Year 6	06.05.2015	221,575	(250)	-	(221,325)	-
Year 7	26.02.2016	635,800	(19,700)	-	(315,700)	300,400
Year 8	28.12.2016	943,354	(35,650)	(192,354)	(370,000)	345,350
Year 9	28.12.2017	941,200	(74,300)	-	-	866,900
Year 10	21.12.2018	1,537,500	(77,000)	-	-	1,460,500
		4,279,429	(206,900)*	(192,354)	(907,025)	2,973,150

* Cancelled due to resignations.

(ii) Performance Share Plan

Shares	Grant Date	Balance as at 1.10.2018 or Grant Date if later	Achievement Factor	Vested	Balance as at 30.9.2019
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
Year 10	21.12.2018	127,000	-	-	127,000
		356,921	(84,383)	-	272,538

(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 Plans")

The Share Grant Plans were 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 Awards") to eligible participants annually. The F&NHB Base Awards represent 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 Plans, 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 Awards and 0% to 200% of the initial grant of F&NHB PSP Base Awards, respectively (the "F&NHB Final Awards").

At the end of the two-year performance period, 50% of the F&NHB RSP shares under the F&NHB Final Awards 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 Awards will be vested to the participants at the end of the three-year performance period.

During the financial year, 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 Plans") (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 1.10.2018 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2019
Year 4	15.01.2015	98,900	(5,100)	-	(93,800)	-
Year 5	05.01.2016	181,350	(11,275)	-	(87,500)	82,575
Year 6	22.12.2016	464,600	(24,460)	(180,740)	(129,700)	129,700
Year 7	22.12.2017	469,900	(37,000)	(154,400)	-	278,500
Year 8	21.12.2018	371,700	(14,400)	-	-	357,300
		1,586,450	(92,235)*	(335,140)	(311,000)	848,075

* 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 (International);

(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 quarterly and annual financial results and related financial results announcements;

(d) reviewing the independence, 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 2019 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 2019; 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

14 November 2019

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 2019, the consolidated statement of changes in equity of the Group and the 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 98 to 187.

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 Singapore Financial Reporting Standards (International) ('SFRS(I)s') 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 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and 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 investments in subsidiaries
(Refer to Note 2.9, Note 2.19, Note 12 and Note 15 to the financial statements)

The key audit matter	***How the matter was addressed in our audit***
Fixed assets constitute 14.6% of the Group's total assets and investment in subsidiaries constitute 88.9% of the Company's total assets as at 30 September 2019. 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 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 as well as terminal growth 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 cost of capital of comparable listed companies and compared the terminal growth rate to macroeconomic indicators. 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 appropriate.

Independent Auditors' Report

Members of the Company
Fraser and Neave, Limited

Impairment of goodwill and intangible assets (including brands) (Refer to Note 2.13, Note 2.14, Note 2.19, Note 18, Note 19 and Note 22 to the financial statements)	
The key audit matter	***How the matter was addressed in our audit***
As at 30 September 2019, the Group has goodwill of $95.0 million mainly relating to the printing and publishing group and beverages group, and intangible assets (including brands) of $62.6 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 and gross profit margins for the next 3 to 5 years, discount rate and terminal growth rate for the operating units which the goodwill and intangible assets are allocated to. As there are judgements 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.	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 and compared the terminal growth rate to macroeconomic indicators. 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 appropriate.

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 statement 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 SFRS(I)s, 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.

Independent Auditors' Report

Members of the Company
Fraser and Neave, Limited

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.
- 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 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
14 November 2019

Profit Statement

for the year ended 30 September 2019

	Notes	THE GROUP 2019 ($'000)	THE GROUP 2018 ($'000) (restated)
REVENUE	3	**1,902,337**	1,834,772
Cost of sales		**(1,278,646)**	(1,251,770)
GROSS PROFIT		**623,691**	583,002
Other income (net)	4(a)	**18,513**	5,264
Operating expenses			
- Distribution		**(163,162)**	(159,590)
- Marketing		**(179,177)**	(181,351)
- Administration		**(130,308)**	(126,165)
		(472,647)	(467,106)
TRADING PROFIT		**169,557**	121,160
Share of results of joint venture companies		**(445)**	(3,568)
Share of results of associated companies		**113,941**	97,697
Gross income from investments	6	**470**	-
PROFIT BEFORE INTEREST AND TAXATION ("PBIT")		**283,523**	215,289
Finance income		**6,968**	14,628
Finance cost		**(21,663)**	(30,491)
Net finance cost	4(b)	**(14,695)**	(15,863)
PROFIT BEFORE FAIR VALUE ADJUSTMENT, TAXATION AND EXCEPTIONAL ITEMS		**268,828**	199,426
Fair value adjustment of investment properties		**(1,370)**	301
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS	4(c)	**267,458**	199,727
Exceptional items	7	**1,106**	719
PROFIT BEFORE TAXATION		**268,564**	200,446
Taxation	8	**(56,190)**	(19,786)
PROFIT AFTER TAXATION		**212,374**	180,660
ATTRIBUTABLE PROFIT TO:			
Shareholders of the Company			
- Before fair value adjustment and exceptional items		**153,193**	123,106
- Fair value adjustment of investment properties		**(1,370)**	301
- Exceptional items		**733**	155
		152,556	123,562
Non-controlling interests		**59,818**	57,098
		212,374	180,660
Earnings per share attributable to the shareholders of the Company	10		
Basic - before fair value adjustment and exceptional items		**10.6 cts**	8.5 cts
- after fair value adjustment and exceptional items		**10.5 cts**	8.5 cts
Fully diluted - before fair value adjustment and exceptional items		**10.5 cts**	8.5 cts
- after fair value adjustment and exceptional items		**10.5 cts**	8.5 cts

Statement of Comprehensive Income

for the year ended 30 September 2019

	THE GROUP	
	2019 ($'000)	2018 ($'000) (restated)
Profit after taxation	**212,374**	180,660
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit statement		
Share of other comprehensive income of associated companies	**103**	2,688
Fair value changes on derivative financial instruments	**(1,447)**	-
Fair value changes on available-for-sale financial assets	**-**	(27,221)
Currency translation difference	**55,618**	(21,221)
	54,274	(45,754)
Items that will not be reclassified to profit statement		
Fair value changes on equity investments measured at fair value through other comprehensive income	**(6,223)**	-
Remeasurement of defined benefit obligations	**(839)**	284
Revaluation of fixed assets	**-**	256
	(7,062)	540
Other comprehensive income for the year, net of taxation	**47,212**	(45,214)
Total comprehensive income for the year	**259,586**	135,446
Total comprehensive income attributable to:		
Shareholders of the Company	**196,232**	69,761
Non-controlling interests	**63,354**	65,685
	259,586	135,446

The Notes on pages 106 to 187 form an integral part of the Financial Statements.

Balance Sheets

as at 30 September 2019

	Notes	THE GROUP 30 September 2019 ($'000)	THE GROUP 30 September 2018 ($'000) (restated)	THE GROUP 1 October 2017 ($'000) (restated)	THE COMPANY 30 September 2019 ($'000)	THE COMPANY 30 September 2018 ($'000)	THE COMPANY 1 October 2017 ($'000)
SHARE CAPITAL AND RESERVES							
Share capital	11(a)	**853,549**	851,941	849,301	**853,549**	851,941	849,301
Treasury shares	11(b)	**-**	(267)	(267)	**-**	(267)	(267)
Reserves	11(c)	**2,079,881**	1,965,124	1,960,198	**841,355**	860,910	864,916
		2,933,430	2,816,798	2,809,232	**1,694,904**	1,712,584	1,713,950
NON-CONTROLLING INTERESTS		**398,947**	347,586	315,915	**-**	-	-
		3,332,377	3,164,384	3,125,147	**1,694,904**	1,712,584	1,713,950
Represented by:							
NON-CURRENT ASSETS							
Fixed assets	12	**687,140**	561,459	505,643	**1,101**	269	332
Investment properties	13	**17,501**	41,672	40,581	**-**	-	-
Properties held for development	14	**18,490**	18,529	18,025	**-**	-	-
Subsidiary companies	15	**-**	-	-	**2,222,649**	2,087,620	1,915,824
Joint venture companies	16	**169,898**	48,257	46,669	**38,965**	-	-
Associated companies	17	**2,620,675**	2,560,292	2,377,062	**-**	-	-
Intangible assets	18	**130,062**	104,430	93,574	**175**	147	167
Brands	22	**27,513**	27,704	27,115	**212**	212	212
Other investments	20	**7,656**	13,879	30,131	**207,800**	222,485	222,705
Other receivables	24	**2,735**	1,298	1,350	**2**	-	-
Deferred tax assets	29	**2,884**	6,391	9,677	**-**	-	-
Cash and bank deposits	21	**-**	-	2,927	**-**	-	-
		3,684,554	3,383,911	3,152,754	**2,470,904**	2,310,733	2,139,240
CURRENT ASSETS							
Inventories	23	**262,130**	243,262	247,085	**-**	-	-
Trade receivables	24	**277,025**	283,679	288,115	**-**	-	-
Other receivables	24	**66,256**	53,669	61,511	**855**	358	675
Related parties	24	**7,871**	9,607	7,054	**807**	9	1
Subsidiary companies	15	**-**	-	-	**12,000**	22,486	518,309
Joint venture companies	16	**1,162**	1,863	571	**-**	-	-
Associated companies	17	**14**	12	1	**5**	-	-
Cash and bank deposits	21	**420,333**	530,125	1,134,981	**15,418**	200,967	296,268
		1,034,791	1,122,217	1,739,318	**29,085**	223,820	815,253
Assets held for sale		**-**	-	9,887	**-**	-	-
		1,034,791	1,122,217	1,749,205	**29,085**	223,820	815,253
Deduct: CURRENT LIABILITIES							
Trade payables	26	**182,475**	171,477	161,821	**-**	-	-
Other payables	26	**247,223**	207,720	213,209	**11,773**	7,996	7,993
Related parties	26	**7,222**	9,121	13,689	**1,593**	1,265	1,265
Subsidiary companies	15	**-**	-	-	**4,376**	9,137	328,014
Joint venture companies	16	**-**	-	11	**-**	-	-
Associated companies	17	**1,186**	1,253	1,583	**-**	-	-
Borrowings	27	**9,226**	374,131	785,591	**-**	180,000	360,000
Provision for taxation		**54,275**	32,959	32,990	**2,964**	3,931	3,148
		501,607	796,661	1,208,894	**20,706**	202,329	700,420
Liabilities held for sale		**-**	-	2,371	**-**	-	-
		501,607	796,661	1,211,265	**20,706**	202,329	700,420
NET CURRENT ASSETS		**533,184**	325,556	537,940	**8,379**	21,491	114,833
Deduct: NON-CURRENT LIABILITIES							
Other payables	26	**25,564**	12,575	13,169	**-**	-	-
Subsidiary companies	15	**-**	-	-	**784,258**	619,640	540,123
Borrowings	27	**820,458**	497,288	517,498	**-**	-	-
Provision for employee benefits	28	**20,167**	18,256	17,807	**-**	-	-
Deferred tax liabilities	29	**19,172**	16,964	17,073	**121**	-	-
		885,361	545,083	565,547	**784,379**	619,640	540,123
		3,332,377	3,164,384	3,125,147	**1,694,904**	1,712,584	1,713,950

The Notes on pages 106 to 187 form an integral part of the Financial Statements.

Statements 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 2019													
Balance at 30 September 2018, previously reported		851,941	(267)	18,943	2,162,297	(238,179)	(25,873)	-	8,910	43,444	2,821,216	348,604	3,169,820
Effects of adopting SFRS(I) 1	2.2	-	-	-	(208,671)	208,671	-	-	-	-	-	-	-
Effects of adopting SFRS(I) 15	2.2	-	-	-	(4,374)	(44)	-	-	-	-	(4,418)	(1,018)	(5,436)
Balance at 30 September 2018, restated		851,941	(267)	18,943	1,949,252	(29,552)	(25,873)	-	8,910	43,444	2,816,798	347,586	3,164,384
Effects of adopting SFRS(I) 9	2.2	-	-	-	(405)	-	-	-	-	-	(405)	(295)	(700)
Balance at 1 October 2018, restated		851,941	(267)	18,943	1,948,847	(29,552)	(25,873)	-	8,910	43,444	2,816,393	347,291	3,163,684
Comprehensive income													
Share of other comprehensive income of associated companies		-	-	-	145	(39)	(3)	-	-	-	103	-	103
Realisation of reserve upon disposal of asset		-	-	(9,548)	9,548	-	-	-	-	-	-	-	-
Fair value changes on derivative financial instruments		-	-	-	-	-	-	(1,447)	-	-	(1,447)	-	(1,447)
Fair value changes on equity investments measured at fair value through other comprehensive income		-	-	-	-	-	(6,223)	-	-	-	(6,223)	-	(6,223)
Remeasurement of defined benefit obligations		-	-	-	(26)	-	-	-	-	-	(26)	(813)	(839)
Currency translation difference		-	-	-	-	51,269	-	-	-	-	51,269	4,349	55,618
Other comprehensive income for the year		-	-	(9,548)	9,667	51,230	(6,226)	(1,447)	-	-	43,676	3,536	47,212
Profit for the year		-	-	-	152,556	-	-	-	-	-	152,556	59,818	212,374
Total comprehensive income for the year		-	-	(9,548)	162,223	51,230	(6,226)	(1,447)	-	-	196,232	63,354	259,586
Contributions by and distributions to owners													
Employee share-based expense		-	-	-	-	-	-	-	1,926	-	1,926	287	2,213
Issue of shares in the Company upon vesting of shares awarded	11	1,608	-	-	-	-	-	-	(1,608)	-	-	-	-
Treasury shares reissued pursuant to share plans	11	-	267	8	-	-	-	-	(275)	-	-	-	-
Purchase of shares by a subsidiary company		-	-	-	(920)	-	-	-	-	-	(920)	(738)	(1,658)
Shares of a subsidiary company reissued pursuant to its share plans		-	-	(217)	1,259	-	-	-	(1,042)	-	-	-	-
Capital contribution by non-controlling interests		-	-	-	-	-	-	-	-	-	-	15,082	15,082
Dividends:	9												
Dividends paid		-	-	-	(21,762)	-	-	-	-	(43,444)	(65,206)	(30,954)	(96,160)
Dividends proposed		-	-	-	(57,961)	-	-	-	-	57,961	-	-	-
Total contributions by and distributions to owners		1,608	267	(209)	(79,384)	-	-	-	(999)	14,517	(64,200)	(16,323)	(80,523)
Changes in ownership interests													
Change of interests in subsidiary companies		-	-	-	(552)	-	-	-	-	-	(552)	552	-
Acquisition of subsidiary companies		-	-	-	-	-	-	-	-	-	-	4,073	4,073
Recognition of put option granted to non-controlling interests		-	-	(13,956)	-	-	-	-	-	-	(13,956)	-	(13,956)
Changes in carrying value of put option granted to non-controlling interests		-	-	(487)	-	-	-	-	-	-	(487)	-	(487)
Total changes in ownership interests		-	-	(14,443)	(552)	-	-	-	-	-	(14,995)	4,625	(10,370)
Total transactions with owners in their capacity as owners		1,608	267	(14,652)	(79,936)	-	-	-	(999)	14,517	(79,195)	(11,698)	(90,893)
Balance at 30 September 2019		853,549	-	(5,257)	2,031,134	21,678	(32,099)	(1,447)	7,911	57,961	2,933,430	398,947	3,332,377

The Notes on pages 106 to 187 form an integral part of the Financial Statements.

Statements 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, previously reported		849,301	(267)	19,416	2,101,244	(208,671)	1,264	9,304	43,408	2,814,999	317,108	3,132,107
Effects of adopting SFRS(I) 1	2.2	-	-	-	(208,671)	208,671	-	-	-	-	-	-
Effects of adopting SFRS(I) 15	2.2	-	-	-	(5,767)	-	-	-	-	(5,767)	(1,193)	(6,960)
Balance at 1 October 2017, restated		849,301	(267)	19,416	1,886,806	-	1,264	9,304	43,408	2,809,232	315,915	3,125,147
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
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		-	-	-	-	(29,756)	-	-	-	(29,756)	8,535	(21,221)
Other comprehensive income for the year		-	-	256	2,610	(29,552)	(27,137)	22	-	(53,801)	8,587	(45,214)
Profit for the year		-	-	-	123,562	-	-	-	-	123,562	57,098	180,660
Total comprehensive income for the year		-	-	256	126,172	(29,552)	(27,137)	22	-	69,761	65,685	135,446
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	1,949,252	(29,552)	(25,873)	8,910	43,444	2,816,798	347,586	3,164,384

The Notes on pages 106 to 187 form an integral part of the Financial Statements.

Statements of Changes in Equity

	Notes	THE COMPANY 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 2019									
Balance at 1 October 2018		851,941	(267)	(1,099)	741,673	72,624	4,268	43,444	1,712,584
Comprehensive income									
Fair value changes on equity investments measured at fair value through other comprehensive income		-	-	-	-	(14,685)	-	-	(14,685)
Other comprehensive income for the year		-	-	-	-	(14,685)	-	-	(14,685)
Profit for the year		-	-	-	60,643	-	-	-	60,643
Total comprehensive income for the year		-	-	-	60,643	(14,685)	-	-	45,958
Contributions by and distributions to owners									
Employee share-based expense		-	-	-	-	-	1,568	-	1,568
Issue of shares in the Company upon vesting of shares awarded	11	1,608	-	-	-	-	(1,608)	-	-
Treasury shares reissued pursuant to share plans	11	-	267	8	-	-	(275)	-	-
Dividends:	9								
Dividends paid		-	-	-	(21,762)	-	-	(43,444)	(65,206)
Dividends proposed		-	-	-	(57,961)	-	-	57,961	-
Total transactions with owners in their capacity as owners		1,608	267	8	(79,723)	-	(315)	14,517	(63,638)
Balance at 30 September 2019		853,549	-	(1,091)	722,593	57,939	3,953	57,961	1,694,904
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									
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

The Notes on pages 106 to 187 form an integral part of the Financial Statements.

Cash Flow Statement

for the year ended 30 September 2019

	THE GROUP	
	2019 ($'000)	2018 ($'000) (restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and exceptional items	**267,458**	199,727
Adjustments for:		
Depreciation of fixed assets	**49,407**	45,918
Amortisation of brands and intangible assets	**11,299**	12,090
Impairment of fixed assets and intangible assets	**209**	118
Reversal of impairment of fixed assets	**(355)**	(804)
Fixed assets written off	**1,272**	1,000
Provision for employee benefits	**2,527**	1,652
Write back of provision for employee benefits	**(70)**	-
Gain on disposal of fixed assets and intangible assets	**(11,633)**	(3,271)
Interest income	**(6,968)**	(14,628)
Interest expenses	**21,663**	30,491
Share of results of joint venture companies	**445**	3,568
Share of results of associated companies	**(113,941)**	(97,697)
Gross income from investments	**(470)**	-
Employee share-based expense	**2,213**	4,431
Fair value adjustment of investment properties	**1,370**	(301)
Fair value adjustment of financial instruments	**135**	173
Gain on disposal of financial instruments	**(22)**	(804)
Operating cash before working capital changes	**224,539**	181,663
Change in inventories	**(18,114)**	7,504
Change in receivables	**(1,927)**	4,734
Change in related parties' and joint venture and associated companies' balances	**469**	(6,904)
Change in payables	**45,213**	(3,504)
Currency realignment	**7,978**	5,489
Cash generated from operations	**258,158**	188,982
Interest income received	**5,399**	12,737
Interest expenses paid	**(21,543)**	(30,265)
Income taxes paid	**(28,903)**	(11,289)
Payment of employee benefits	**(2,476)**	(1,216)
Net cash from operating activities	**210,635**	158,949
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends from associated companies	**93,695**	87,146
Gross income from investments	**470**	-
Proceeds from disposal of fixed assets and intangible assets	**15,110**	4,871
Proceeds from disposal of investment property	**12,948**	-
Net cash (outflow)/inflow on acquisition of subsidiary companies and business assets	**(22,638)**	687
Investments in joint venture companies	**(115,309)**	-
Investments in an associated company	**-**	(213,182)
Purchase of other investment	**-**	(10,969)
Purchase of fixed assets	**(158,996)**	(93,187)
Payment for intangible assets	**(17,068)**	(13,369)
Net cash used in investing activities	**(191,788)**	(238,003)

Cash Flow Statement

for the year ended 30 September 2019

	THE GROUP	
	2019 ($'000)	2018 ($'000) (restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from term loans and bank borrowings	**442,962**	50,759
Repayment of term loans and bank borrowings	**(488,754)**	(485,617)
Purchase of shares by a subsidiary company	**(1,658)**	(938)
Capital contribution by non-controlling interests	**15,082**	102
Payment of dividends:		
- by subsidiary companies to non-controlling interests	**(30,954)**	(31,000)
- by the Company to shareholders	**(65,206)**	(65,165)
Net cash used in financing activities	**(128,528)**	(531,859)
Net decrease in cash and cash equivalents	**(109,681)**	(610,913)
Cash and cash equivalents at beginning of year	**527,166**	1,134,383
Effects of exchange rate changes on cash and cash equivalents	**(158)**	3,696
Cash and cash equivalents at end of year	**417,327**	527,166
Cash and cash equivalents at end of year comprise:		
Cash and bank deposits (Note 21)	**420,333**	530,125
Less: Deposits pledged in relation to acquisition of subsidiary companies (Note 21)	**(3,006)**	(2,959)
	417,327	527,166
Analysis of acquisition of subsidiary companies and business assets		
Net assets acquired:		
Intangible assets	**-**	7,135
Other non-current assets	**1,781**	892
Current assets	**8,643**	7,290
Borrowings	**(219)**	-
Other current liabilities	**(2,541)**	(8,788)
Other non-current liabilities	**(119)**	-
Non-controlling interests	**(4,073)**	-
Cash and cash equivalents	**2,637**	1,585
	6,109	8,114
Provisional goodwill/goodwill on acquisition	**19,666**	784
Consideration paid	**25,775**	8,898
Deferred consideration	**(500)**	-
Less: Deposits paid in previous financial year	**-**	(8,000)
Cash and cash equivalents of subsidiary companies and business assets acquired	**(2,637)**	(1,585)
Net cash outflow/(inflow) on acquisition of subsidiary companies and business assets	**22,638**	(687)

The Notes on pages 106 to 187 form an integral part of the Financial Statements.

Notes to the Financial Statements
for the year ended 30 September 2019

The following Notes form an integral part of the Financial Statements on pages 98 to 105.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 14 November 2019.

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. The Company provides management and administrative services to some subsidiary companies.

The financial statements of the Group as at and for the year ended 30 September 2019 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 (International) ("SFRS(I)"). These are the Group's first financial statements prepared in accordance with SFRS(I) and SFRS(I) 1 *First time Adoption of Singapore Financial Reporting Standards (International)* ("SFRS(I) 1") has been applied.

In the previous financial years, the financial statements were prepared in accordance with Financial Reporting Standards in Singapore ("FRS"). An explanation of how the transition to SFRS(I)s and application of SFRS(1) 15 and SFRS(I) 9 have affected the reported financial position, financial performance and cash flows is provided in Note 2.2.

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.

2.2 Adoption of SFRS(I)

As required by the listing requirements of Singapore Exchange, the Group has adopted SFRS(I) on 1 October 2018. In adopting the new framework, the Group is required to apply the specific transition requirements in SFRS(I) 1.

The Group and the Company have prepared financial statements that comply with SFRS(I) applicable as at 30 September 2019, together with the comparative period data for the year ended 30 September 2018, as described in the summary of significant accounting policies. On preparing the financial statements, the Group's and the Company's opening balance sheets were prepared as at 1 October 2017, the Group and the Company's date of transition to SFRS(I), subject to the mandatory exceptions and optional exemptions under SFRS(I).

Notes to the Financial Statements

for the year ended 30 September 2019

2. ACCOUNTING POLICIES (cont'd)

2.2 Adoption of SFRS(I) (cont'd)

In addition to the adoption of the new framework, the Group and the Company also concurrently applied the following new, amendments to and interpretations of the standards that are mandatory for application from 1 October 2018:

SFRS(I) 15	*Revenue from Contracts with Customers*
Amendments to SFRS(I) 15	*Clarifications to IFRS 15 Revenue from Contracts with Customers*
SFRS(I) 9	*Financial Instruments*
Amendments to SFRS(I) 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to SFRS(I) 1-40	*Transfers of Investment Property*
SFRS(I) INT 22	*Foreign Currency Transactions and Advance Consideration Illustrative Examples*
Amendment to SFRS(I) 1	*First-time adoption of financial reporting standards*
Amendment to SFRS(I) 1-28	*Investments in associates and joint ventures*
Amendments to SFRS(I) 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*

Except for SFRS(I) 15 and SFRS(I) 9, the adoption of the above new, amendments to and interpretations of the standards had no material impact on the financial statements of the Group.

The adoption of SFRS(I) does not have any material impact on the financial statements of the Company.

(a) SFRS(I) 1

SFRS(I) 1 allows first time-adopters exemption from the retrospective application of certain requirements under SFRS(I). The Group has adopted the following exemption:

(i) Cumulative currency translation differences

The Group has elected to reset its cumulative currency translation differences for all foreign operations to nil at the date of transition as at 1 October 2017. As a result, currency translation losses of $208,671,000 were reclassified 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.

(b) SFRS(I) 15

SFRS(I) 15 established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. SFRS(I) 15 superseded the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related interpretations. 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 adopted SFRS(I) 15 retrospectively and has also elected to apply the Retrospective approach and used the following practical expedients provided under SFRS(I) 15 as follows:

- For completed contracts, no restatement of contracts that begin and complete in the same annual accounting period
- For completed contracts with variable consideration, use the transaction price at the date the contract was completed
- For periods before the date of initial application, exempt from providing disclosures for remaining performance obligations
- For contracts that were modified before the beginning of the earliest period presented, an entity may reflect the aggregate effect of all contract modifications.

The Group's contracts with customers contain product sales and also consideration payable to customers. Each of these components is either recognised as revenue or operating expenses. With the adoption of SFRS(I) 15, the consideration payable to customers which were previously recognised as expenses would be required to be recognised as part of the transaction price and hence to be reclassified and netted off against revenue.

Notes to the Financial Statements

for the year ended 30 September 2019

2. ACCOUNTING POLICIES (cont'd)

2.2 Adoption of SFRS(I) (cont'd)

(c) SFRS(I) 9

SFRS(I) 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new 'expected credit loss' ("ECL") model and a new general hedge accounting model.

The Group and the Company adopted SFRS(I) 9 from 1 October 2018. In accordance with the exemption in SFRS(I) 1, the Group elected not to restate the comparative information in its FY2019 financial statements. Accordingly, the comparative information presented is presented, as previously reported, under FRS 39 *Financial Instruments: Recognition and Measurement*. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in revenue reserve as at 1 October 2018.

(i) Classification and measurement: financial assets and financial liabilities

Under SFRS(I) 9, financial assets are classified in the following categories: measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The classification of financial assets under SFRS(I) 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SFRS(I) 9 eliminates the previous FRS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

The accounting policies for financial assets under SFRS(I) 9 is disclosed in Note 2.16.

The adoption of SFRS(I) 9 does not have any significant effect on the Group's accounting policies for financial liabilities.

For equity investments that were previously classified as available-for sale under FRS 39 and which the Group and the Company intend to hold for long term for strategic purposes, the Group and the Company have designated these investments at 1 October 2018 as measured at FVOCI. Unlike FRS 39, the accumulated fair value adjustment reserve related to these investments will never be reclassified to profit statement. There is no significant impact arising from measurement of these financial assets under SFRS(I) 9.

Trade and other receivables that were classified as loans and receivables under FRS 39 are now classified at amortised cost.

(ii) Impairment

SFRS(I) 9 requires the Group and the Company to record ECLs on all its financial assets measured at amortised cost or FVOCI and financial guarantees. The Group and the Company previously recorded impairment based on the incurred loss model when there is objective evidence that a financial asset is impaired.

Upon the adoption of SFRS(I) 9, the Group recognised additional impairment on the Group's trade receivables of $700,000. The additional impairment recognised resulted in a corresponding decrease in revenue reserve and non-controlling interest of $405,000 and $295,000 respectively as at 1 October 2018.

Notes to the Financial Statements

for the year ended 30 September 2019

2. ACCOUNTING POLICIES (cont'd)

2.2 Adoption of SFRS(I) (cont'd)

The following is the reconciliation of the impact arising from initial application of SFRS(I) 1, SFRS(I) 9 and SFRS(I) 15 on the Group's Balance Sheet as at 1 October 2017, 30 September 2018 and 1 October 2018 and Profit Statement for the year ended 30 September 2018:

Group Balance Sheets

	30 September 2018 (FRS) ($'000)	SFRS(I) 1 ($'000)	SFRS(I) 15 ($'000)	30 September 2018 (SFRS(I)) ($'000)	SFRS(I) 9 ($'000)	1 October 2018 (SFRS(I)) ($'000)
SHARE CAPITAL AND RESERVES						
Share capital	851,941	-	-	851,941	-	851,941
Treasury shares	(267)	-	-	(267)	-	(267)
Revenue reserve	2,162,297	(208,671)	(4,374)	1,949,252	(405)	1,948,847
Exchange reserve	(238,179)	208,671	(44)	(29,552)	-	(29,552)
Other reserves	45,424	-	-	45,424	-	45,424
	2,821,216	-	(4,418)	2,816,798	(405)	2,816,393
NON-CONTROLLING INTERESTS	348,604	-	(1,018)	347,586	(295)	347,291
	3,169,820	-	(5,436)	3,164,384	(700)	3,163,684
NON-CURRENT ASSETS						
Fixed assets	561,459	-	-	561,459	-	561,459
Investment properties	41,672	-	-	41,672	-	41,672
Properties held for development	18,529	-	-	18,529	-	18,529
Joint venture companies	48,257	-	-	48,257	-	48,257
Associated companies	2,560,292	-	-	2,560,292	-	2,560,292
Intangible assets	104,430	-	-	104,430	-	104,430
Brands	27,704	-	-	27,704	-	27,704
Other investments	13,879	-	-	13,879	-	13,879
Other receivables	1,298	-	-	1,298	-	1,298
Deferred tax assets	6,609	-	(218)	6,391	-	6,391
	3,384,129	-	(218)	3,383,911	-	3,383,911
CURRENT ASSETS						
Inventories	242,512	-	750	243,262	-	243,262
Trade receivables	272,192	-	11,487	283,679	(700)	282,979
Other receivables	50,310	-	3,359	53,669	-	53,669
Related parties	9,607	-	-	9,607	-	9,607
Joint venture companies	1,863	-	-	1,863	-	1,863
Associated companies	12	-	-	12	-	12
Cash and bank deposits	530,125	-	-	530,125	-	530,125
	1,106,621	-	15,596	1,122,217	(700)	1,121,517
CURRENT LIABILITIES						
Trade payables	160,961	-	10,516	171,477	-	171,477
Other payables	197,422	-	10,298	207,720	-	207,720
Related parties	9,121	-	-	9,121	-	9,121
Associated companies	1,253	-	-	1,253	-	1,253
Borrowings	374,131	-	-	374,131	-	374,131
Provision for taxation	32,959	-	-	32,959	-	32,959
	775,847	-	20,814	796,661	-	796,661
NET CURRENT ASSETS	330,774	-	(5,218)	325,556	(700)	324,856
NON-CURRENT LIABILITIES						
Other payables	12,575	-	-	12,575	-	12,575
Borrowings	497,288	-	-	497,288	-	497,288
Provision for employee benefits	18,256	-	-	18,256	-	18,256
Deferred tax liabilities	16,964	-	-	16,964	-	16,964
	545,083	-	-	545,083	-	545,083
	3,169,820	-	(5,436)	3,164,384	(700)	3,163,684

Notes to the Financial Statements
for the year ended 30 September 2019

2. ACCOUNTING POLICIES (cont'd)

2.2 Adoption of SFRS(I) (cont'd)

Group Balance Sheets (cont'd)

	1 October 2017 (FRS) ($'000)	SFRS(I) 1 ($'000)	SFRS(I) 15 ($'000)	1 October 2017 (SFRS(I)) ($'000)
SHARE CAPITAL AND RESERVES				
Share capital	849,301	-	-	849,301
Treasury shares	(267)	-	-	(267)
Revenue reserve	2,101,244	(208,671)	(5,767)	1,886,806
Exchange reserve	(208,671)	208,671	-	-
Other reserves	73,392	-	-	73,392
	2,814,999	-	(5,767)	2,809,232
NON-CONTROLLING INTERESTS	317,108	-	(1,193)	315,915
	3,132,107	-	(6,960)	3,125,147
NON-CURRENT ASSETS				
Fixed assets	505,643	-	-	505,643
Investment properties	40,581	-	-	40,581
Properties held for development	18,025	-	-	18,025
Joint venture companies	46,669	-	-	46,669
Associated companies	2,377,062	-	-	2,377,062
Intangible assets	93,574	-	-	93,574
Brands	27,115	-	-	27,115
Other investments	30,131	-	-	30,131
Other receivables	1,350	-	-	1,350
Deferred tax assets	9,677	-	-	9,677
Cash and bank deposits	2,927	-	-	2,927
	3,152,754	-	-	3,152,754
CURRENT ASSETS				
Inventories	247,085	-	-	247,085
Trade receivables	279,654	-	8,461	288,115
Other receivables	59,165	-	2,346	61,511
Related parties	7,054	-	-	7,054
Joint venture companies	571	-	-	571
Associated companies	1	-	-	1
Cash and bank deposits	1,134,981	-	-	1,134,981
	1,728,511	-	10,807	1,739,318
Assets held for sale	9,887	-	-	9,887
	1,738,398	-	10,807	1,749,205
CURRENT LIABILITIES				
Trade payables	155,029	-	6,792	161,821
Other payables	202,234	-	10,975	213,209
Related parties	13,689	-	-	13,689
Joint venture companies	11	-	-	11
Associated companies	1,583	-	-	1,583
Borrowings	785,591	-	-	785,591
Provision for taxation	32,990	-	-	32,990
	1,191,127	-	17,767	1,208,894
Liabilities held for sale	2,371	-	-	2,371
	1,193,498	-	17,767	1,211,265
NET CURRENT ASSETS	544,900	-	(6,960)	537,940
NON-CURRENT LIABILITIES				
Other payables	13,169	-	-	13,169
Borrowings	517,498	-	-	517,498
Provision for employee benefits	17,807	-	-	17,807
Deferred tax liabilities	17,073	-	-	17,073
	565,547	-	-	565,547
	3,132,107	-	(6,960)	3,125,147

Notes to the Financial Statements

for the year ended 30 September 2019

2. ACCOUNTING POLICIES (cont'd)

2.2 Adoption of SFRS(I) (cont'd)

Group Profit Statement

	30 September 2018 (FRS) ($'000)	SFRS(I) 15 ($'000)	30 September 2018 (SFRS(I)) ($'000)
REVENUE	1,926,537	(91,765)	1,834,772
Cost of sales	(1,254,191)	2,421	(1,251,770)
GROSS PROFIT	672,346	(89,344)	583,002
Other income (net)	5,264	-	5,264
Operating expenses			
- Distribution	(181,212)	21,622	(159,590)
- Marketing	(250,894)	69,543	(181,351)
- Administration	(126,165)	-	(126,165)
	(558,271)	91,165	(467,106)
TRADING PROFIT	119,339	1,821	121,160
Share of results of joint venture companies	(3,568)	-	(3,568)
Share of results of associated companies	97,697	-	97,697
PROFIT BEFORE INTEREST AND TAXATION ("PBIT")	213,468	1,821	215,289
Finance income	14,628	-	14,628
Finance cost	(30,491)	-	(30,491)
Net finance cost	(15,863)	-	(15,863)
PROFIT BEFORE FAIR VALUE ADJUSTMENT, TAXATION AND EXCEPTIONAL ITEMS	197,605	1,821	199,426
Fair value adjustment of investment properties	301	-	301
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS	197,906	1,821	199,727
Exceptional items	719	-	719
PROFIT BEFORE TAXATION	198,625	1,821	200,446
Taxation	(19,568)	(218)	(19,786)
PROFIT AFTER TAXATION	179,057	1,603	180,660
ATTRIBUTABLE PROFIT TO:			
Shareholders of the Company			
- Before fair value adjustment and exceptional items	121,713	1,393	123,106
- Fair value adjustment of investment properties	301	-	301
- Exceptional items	155	-	155
	122,169	1,393	123,562
Non-controlling interests	56,888	210	57,098
	179,057	1,603	180,660
Earnings per share attributable to Shareholders of the Company			
Basic - before fair value adjustment and exceptional items	8.4 cts		8.5 cts
- after fair value adjustment and exceptional items	8.4 cts		8.5 cts
Fully diluted - before fair value adjustment and exceptional items	8.4 cts		8.5 cts
- after fair value adjustment and exceptional items	8.4 cts		8.5 cts

Notes to the Financial Statements

for the year ended 30 September 2019

2. ACCOUNTING POLICIES (cont'd)

2.3 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 2.13(b).

When an entity within the Group writes a put option with the non-controlling shareholders as part of the acquisition of a subsidiary for settlement in cash or in another financial asset, a put liability is recognised for the present value of the exercise price of the option. This creates an obligation or potential obligation for the entity to purchase its subsidiary's equity instruments (constitutes the Group's own equity in the consolidated financial statements) for cash or another financial asset.

When the non-controlling shareholders still have present access to the returns associated with the underlying ownership interests, the Group continues to recognise the non-controlling shareholders. Therefore, the present value of the option is recognised in equity. Subsequent to initial recognition of the financial liability, changes in the carrying amount of the financial liability is recognised within equity.

If the put option expires unexercised, the charge to equity will be reversed and the financial liability will be derecognised. If the put option is exercised, the charge to equity will be reversed, the financial liability will be derecognised and acquisition accounting will be applied.

Acquisition before 1 October 2017

As part of the transition to SFRS(I), the Group elected not to restate those business combinations acquired before the date of transition to SFRS(I), i.e. 1 October 2017. Goodwill arising from acquisitions before 1 October 2017 has been carried forward from the previous framework as at the date of transition.

Notes to the Financial Statements
for the year ended 30 September 2019

2. ACCOUNTING POLICIES (cont'd)

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

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.

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 38.

2.4 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 ("OCI") is recognised in OCI. 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 38.

Notes to the Financial Statements

for the year ended 30 September 2019

2. ACCOUNTING POLICIES (cont'd)

2.5 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 OCI is recognised in OCI. 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 38.

2.6 Revenue Recognition

Sale of Goods and Services

Revenue from the sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. Consideration payable is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

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 2019

2. ACCOUNTING POLICIES (cont'd)

2.7 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.

2.8 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 OCI.

(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 at or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

(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 2019

2. ACCOUNTING POLICIES (cont'd)

2.9 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.

2.10 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.

2.11 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.

Notes to the Financial Statements
for the year ended 30 September 2019

2. ACCOUNTING POLICIES (cont'd)

2.12 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.

2.13 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.

(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.

Notes to the Financial Statements

for the year ended 30 September 2019

2. ACCOUNTING POLICIES (cont'd)

2.13 Intangible Assets (cont'd)

(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% to 20.0%
Distribution rights	6.7% to 10.0%
Software	12.5% to 33.3%

2.14 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.

2.15 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.

2.16 Financial Assets

The accounting for financial assets *before* 1 October 2018 are as follows:

(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 2.18.

Notes to the Financial Statements

for the year ended 30 September 2019

2. ACCOUNTING POLICIES (cont'd)

2.16 Financial Assets (cont'd)

(a) Classification (cont'd)

(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 OCI and accumulated under fair value adjustment reserve within equity.

When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments in the fair value adjustment reserve within equity will be released through the profit statement.

(e) Determination of fair value

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

Notes to the Financial Statements

for the year ended 30 September 2019

2. ACCOUNTING POLICIES (cont'd)

2.16 Financial Assets (cont'd)

(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 2019

2. ACCOUNTING POLICIES (cont'd)

2.16 Financial Assets (cont'd)

The accounting for financial assets *after* 1 October 2018 are as follows:

(h) Classification

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- FVOCI; and
- FVTPL.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets are not reclassified subsequent to their initial recognition unless its business model for managing those assets changes.

(i) Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost mainly comprise of cash and cash equivalents, trade and other receivables, amount due from related parties, joint venture and associated companies.

(ii) Financial assets at FVOCI

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by investment basis. The Group's equity investments are classified as FVOCI.

(iii) Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(i) 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.

(j) Initial measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit statement.

Notes to the Financial Statements
for the year ended 30 September 2019

2. ACCOUNTING POLICIES (cont'd)

2.16 Financial Assets (cont'd)

(k) Subsequent measurement

(i) Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit statement. Any gain or loss on derecognition is recognised in profit statement.

(ii) Financial assets at FVOCI

These assets are subsequently measured at fair value. The Group has elected to recognise changes in fair value of equity securities not held for trading in OCI as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/losses" in OCI. Where the Group has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit statement following the derecognition of the investment. Dividends from equity investments are recognised in profit statement as "dividend income".

(iii) Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit statement.

(l) Impairment

The Group assesses on a forward looking basis the ECL associated with its financial assets carried at amortised cost and contract assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances of the Group are measured on either of the following bases:

(i) 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected credit life of the instrument is less than 12 months); or

(ii) Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

For trade receivables and contract assets, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

The Group applies the general approach of 12-month ECL at initial recognition for all other financial assets.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

(i) significant financial difficulty of the borrower;

(ii) a breach of contract such as a default;

(iii) the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

(iv) it is probable that the borrower will enter bankruptcy or other financial reorganisation; or

(v) the disappearance of an active market for a security because of financial difficulties.

Notes to the Financial Statements
for the year ended 30 September 2019

2. ACCOUNTING POLICIES (cont'd)

2.17 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 expired.

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, and put liability to acquire non-controlling interests.

2.18 Derivative Financial Instruments

The Group and the Company 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. Any directly attributable transaction costs are recognised in the profit statement as incurred. 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 limited to the cumulative change in fair value of the hedged item, 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 2019

2. ACCOUNTING POLICIES (cont'd)

2.19 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.

2.20 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 SFRS(I)s. 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.

2.21 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 2019

2. ACCOUNTING POLICIES (cont'd)

2.22 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 OCI 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.

Notes to the Financial Statements

for the year ended 30 September 2019

2. ACCOUNTING POLICIES (cont'd)

2.23 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.

2.24 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.

2.25 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.

2.26 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 2019

2. ACCOUNTING POLICIES (cont'd)

2.27 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 financial assets at FVOCI, 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 OCI 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.

Notes to the Financial Statements

for the year ended 30 September 2019

2. ACCOUNTING POLICIES (cont'd)

2.28 Significant Accounting Estimates and Judgements

Estimates and assumptions concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Key sources of estimation uncertainty

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

Financial assets at amortised cost

The Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for grouping of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's financial assets at amortised cost is disclosed in Note 24 and 34(c).

(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 2019

2. ACCOUNTING POLICIES (cont'd)

2.28 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	
	2019 ($'000)	2018 ($'000) (restated)
Sale of goods	**1,785,823**	1,724,057
Sale of services	**106,976**	101,259
Others	**9,538**	9,456
Total revenue	**1,902,337**	1,834,772

(a) Disaggregation of revenue from contracts with customers:

	Operating Segments				
	Beverages ($'000)	**Dairies ($'000)**	**Printing & Publishing ($'000)**	**Others ($'000)**	**Total ($'000)**
Year ended 30 September 2019					
Primary geographical markets					
Singapore	**120,612**	**165,278**	**165,348**	**-**	**451,238**
Malaysia	**335,951**	**335,984**	**35,981**	**398**	**708,314**
Thailand	**-**	**649,272**	**290**	**-**	**649,562**
Others	**14,181**	**3,295**	**75,747**	**-**	**93,223**
	470,744	**1,153,829**	**277,366**	**398**	**1,902,337**
Major product/service lines					
Sale of goods	**470,744**	**1,153,829**	**161,250**	**-**	**1,785,823**
Sale of services	**-**	**-**	**106,933**	**43**	**106,976**
Others	**-**	**-**	**9,183**	**355**	**9,538**
	470,744	**1,153,829**	**277,366**	**398**	**1,902,337**
Timing of transfer of goods or services					
At a point in time	**470,744**	**1,153,829**	**260,692**	**398**	**1,885,663**
Over time	**-**	**-**	**16,674**	**-**	**16,674**
	470,744	**1,153,829**	**277,366**	**398**	**1,902,337**

Notes to the Financial Statements

for the year ended 30 September 2019

3. REVENUE (cont'd)

(a) Disaggregation of revenue from contracts with customers: (cont'd)

	Operating Segments				
	Beverages ($'000)	Dairies ($'000)	Printing & Publishing ($'000)	Others ($'000)	Total ($'000)
Year ended 30 September 2018					
Primary geographical markets					
Singapore	98,450	185,972	161,993	-	446,415
Malaysia	332,920	335,310	36,149	360	704,739
Thailand	-	589,588	320	-	589,908
Others	10,636	2,423	80,651	-	93,710
	442,006	1,113,293	279,113	360	1,834,772
Major product/service lines					
Sale of goods	441,995	1,113,293	168,769	-	1,724,057
Sale of services	11	-	101,203	45	101,259
Others	-	-	9,141	315	9,456
	442,006	1,113,293	279,113	360	1,834,772
Timing of transfer of goods or services					
At a point in time	442,006	1,113,293	257,909	360	1,813,568
Over time	-	-	21,204	-	21,204
	442,006	1,113,293	279,113	360	1,834,772

(b) Contract balances

Information about contract liabilities from contracts with customers is as follows:

	THE GROUP		
	30 September 2019 ($'000)	30 September 2018 ($'000) (restated)	1 October 2017 ($'000) (restated)
Contract liabilities	**32,371**	31,016	40,082

The contract liabilities primarily relate to the advance consideration received from customers and progress billings issued in excess of the Group's rights to the consideration. Contract liabilities are recognised as revenue when the Group fulfils its performance obligation under the contract.

Notes to the Financial Statements

for the year ended 30 September 2019

3. REVENUE (cont'd)

(b) Contract balances (cont'd)

Significant changes in the contract liabilities are explained as follows:

	THE GROUP	
	2019 ($'000)	2018 ($'000) (restated)
Contract liabilities at the beginning of the year recognised as revenue during the year	**(31,016)**	(40,082)
Increases due to cash received, excluding amounts recognised as revenue during the year	**32,371**	31,016

4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS

(a) Included in other income (net):

	2019	2018
Gain on disposal of fixed assets	**11,631**	3,271
Management and support services	**3,272**	3,128
Sale of scrap items	**2,311**	1,920
Rental income	**1,308**	1,228
Service fee income	**568**	602
Subscription fee income	**566**	767
Wage credit allowance	**249**	537
Gain on disposal of derivatives	**-**	479
Foreign exchange loss	**(1,267)**	(7,808)
Fair value loss on derivatives	**(165)**	(156)

(b) Net finance cost:

	2019	2018
Finance income		
Interest income from bank and other deposits	**5,042**	12,677
Others	**1,926**	1,951
	6,968	14,628
Finance cost		
Interest expense from bank and other borrowings	**(21,511)**	(30,377)
Others	**(152)**	(114)
	(21,663)	(30,491)
	(14,695)	(15,863)

Notes to the Financial Statements
for the year ended 30 September 2019

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

	THE GROUP	
	2019 ($'000)	2018 ($'000) (restated)
(c) Profit before taxation and exceptional items have been arrived at after charging:		
Depreciation of fixed assets	**49,407**	45,918
Impairment of fixed assets	**120**	104
Impairment of intangible assets	**89**	14
Amortisation of brands	**135**	135
Amortisation of intangible assets	**11,164**	11,955
Fixed assets written off	**1,272**	1,000
Bad debts written off	**11**	-
Allowance for bad and doubtful trade debts	**606**	737
Inventory written off	**3,829**	2,346
Allowance for inventory obsolescence	**4,760**	6,855
Directors of the Company:		
Fee	**819**	752
Remuneration of members of Board committees	**536**	549
Adviser fees and allowances	**1,956**	1,953
Key executive officers:		
Remuneration	**4,749**	4,186
Provident Fund contribution	**74**	78
Employee share-based expense	**249**	406
Staff costs (exclude directors and key executives)	**245,834**	240,151
Employee share-based expense (exclude directors and key executives)	**1,964**	4,025
Defined contribution plans (exclude directors and key executives)	**22,648**	23,937
Defined benefit plans	**2,527**	1,652
Auditors' remuneration:		
Auditor of the Company	**814**	793
Member firms of the Auditor of the Company	**693**	708
Other auditors	**45**	27
Professional fees paid to:		
Auditor of the Company	**103**	136
Member firms of the Auditor of the Company	**114**	169
Other auditors	**327**	71
and crediting:		
Write back of defined benefit plans	**70**	-
Write back of allowance for bad and doubtful trade debts	**309**	935
Write back of allowance for inventory obsolescence	**1,060**	939
Reversal of impairment of fixed assets	**355**	804

Notes to the Financial Statements
for the year ended 30 September 2019

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 2019

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	470,744	1,153,829	277,366	398	-	1,902,337
Revenue - inter-segment	3,059	36	84	113,922	(117,101)	-
Total revenue	**473,803**	**1,153,865**	**277,450**	**114,320**	**(117,101)**	**1,902,337**
Subsidiary companies	6,733	164,578	9,930	(11,214)	-	170,027
Joint venture and associated companies	-	110,927	(365)	2,934	-	113,496
PBIT	**6,733**	**275,505**	**9,565**	**(8,280)**	**-**	**283,523**
Finance income						6,968
Finance cost						(21,663)
Profit before fair value adjustment, taxation and exceptional items						**268,828**
Fair value adjustment of investment properties						(1,370)
Exceptional items						1,106
Profit before taxation						**268,564**
Taxation						(56,190)
Profit after taxation						**212,374**
Non-controlling interests						(59,818)
Attributable profit						**152,556**
Assets	482,988	667,626	270,510	84,431	-	1,505,555
Investment in joint venture and associated companies	-	2,591,097	149	199,327	-	2,790,573
Tax assets						2,884
Cash and bank deposits						420,333
Total assets						**4,719,345**
Liabilities	108,910	222,642	108,912	43,373	-	483,837
Tax liabilities						73,447
Borrowings						829,684
Total liabilities						**1,386,968**
Other segment information:						
Capital expenditure	85,494	70,168	17,586	2,816	-	176,064
Depreciation and amortisation	18,719	24,413	16,621	953	-	60,706
Impairment losses	110	10	89	-	-	209
Reversal of impairment losses	(136)	(219)	-	-	-	(355)
Attributable (loss)/profit before fair value adjustment and exceptional items	(4,998)	185,368	6,332	(33,509)	-	153,193
Fair value adjustment of investment properties	-	-	(1,370)	-	-	(1,370)
Exceptional items	-	566	348	(181)	-	733
Attributable (loss)/profit	(4,998)	185,934	5,310	(33,690)	-	152,556

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	451,238	708,314	649,562	115	93,108	1,902,337
PBIT	7,151	51,724	121,840	109,185	(6,377)	283,523
Non-current assets	136,035	442,809	167,901	61	144,291	891,097
Investment in joint venture and associated companies	-	76,723	122,604	2,591,097	149	2,790,573
Current assets	168,815	254,376	153,669	260	37,338	614,458
Capital expenditure	23,039	32,003	52,649	18	68,355	176,064

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

Notes to the Financial Statements

for the year ended 30 September 2019

5. SEGMENT INFORMATION (cont'd)

Year ended 30 September 2018 (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	442,006	1,113,293	279,113	360	-	1,834,772
Revenue - inter-segment	2,882	9	142	95,636	(98,669)	-
Total revenue	**444,888**	**1,113,302**	**279,255**	**95,996**	**(98,669)**	**1,834,772**
Subsidiary companies	416	136,029	1,497	(16,782)	-	121,160
Joint venture and associated companies	-	94,836	(1,379)	672	-	94,129
PBIT	**416**	**230,865**	**118**	**(16,110)**	**-**	**215,289**
Finance income						14,628
Finance cost						(30,491)
Profit before fair value adjustment, taxation and exceptional items						**199,426**
Fair value adjustment of investment properties						301
Exceptional items						719
Profit before taxation						**200,446**
Taxation						(19,786)
Profit after taxation						**180,660**
Non-controlling interests						(57,098)
Attributable profit						**123,562**
Assets	396,584	604,780	278,288	81,411	-	1,361,063
Investment in joint venture and associated companies	-	2,532,438	523	75,588	-	2,608,549
Tax assets						6,391
Cash and bank deposits						530,125
Total assets						**4,506,128**
Liabilities	92,838	190,380	100,973	36,211	-	420,402
Tax liabilities						49,923
Borrowings						871,419
Total liabilities						**1,341,744**
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	(10,902)	167,149	(1,822)	(31,319)	-	123,106
Fair value adjustment of investment properties	-	-	300	1	-	301
Exceptional items	221	49	(312)	197	-	155
Attributable (loss)/profit	(10,681)	167,198	(1,834)	(31,121)	-	123,562

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	446,415	704,739	589,908	-	93,710	1,834,772
PBIT	(14,473)	52,178	87,591	92,719	(2,726)	215,289
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	165,527	254,671	134,687	492	36,715	592,092
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 2019

	THE GROUP 2019 ($'000)	THE GROUP 2018 ($'000) (restated)
6. GROSS INCOME FROM INVESTMENTS		
Dividend income	**470**	-
7. EXCEPTIONAL ITEMS		
Gain on disposal of investment property	**1,176**	-
Insurance claim relating to fire	**1,019**	-
Investment property written off	**(179)**	-
(Provision for)/Write back of restructuring and re-organisation costs of operations	**(910)**	1,046
Insurance claim relating to flood	**-**	219
Provision for damaged inventories relating to fire	**-**	(546)
	1,106	719
8. TAXATION		
Based on profit for the year:		
Singapore tax	**7,359**	6,604
Overseas tax		
- current year	**33,322**	9,283
- withholding tax	**3,592**	1,626
Deferred tax		
- current year	**5,605**	5,512
	49,878	23,025
Under/(Over) provision in preceding years		
- current income tax	**6,025**	(1,698)
- deferred tax	**287**	(1,541)
	56,190	19,786

A reconciliation of the statutory tax rate to the Group's effective tax rate applicable to profit for the year is as follows:

	THE GROUP 2019 %	THE GROUP 2018 % (restated)
Singapore statutory rate	**17.0**	17.0
Effect of different tax rates of other jurisdictions	**2.7**	3.0
Effect of tax losses of subsidiary and joint venture companies not available for set-off against profits of other companies within the group	**0.9**	0.8
Income not subject to tax (tax incentive/exemption)	**(8.6)**	(16.3)
Expenses not deductible for tax purposes	**4.9**	5.7
Utilisation of previously unrecognised tax losses	**(0.2)**	(0.6)
Under/(Over) provision in prior years	**2.3**	(1.6)
Deferred tax benefits not recognised	**0.7**	1.5
Withholding tax	**1.3**	0.8
Tax benefits arising from previously unrecognised losses	**(0.1)**	(0.2)
Others	**-**	(0.2)
	20.9	9.9

Notes to the Financial Statements

for the year ended 30 September 2019

8. TAXATION (cont'd)

As at 30 September 2019, certain Singapore subsidiary companies have unutilised tax losses carried forward of approximately $23,154,000 (2018: $31,009,000) and unabsorbed capital allowances of $Nil (2018: $Nil) available for set off against future profits. In addition, certain overseas subsidiary companies have unutilised tax losses carried forward of approximately $86,940,000 (2018: $88,364,000), unutilised investment allowances of approximately $82,316,000 (2018: $92,468,000) and unabsorbed capital allowances of $23,206,000 (2018: $26,107,000). 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 29.

For the year of assessment ("YA") 2019 certain subsidiary companies have transferred loss items of $13,502,000 (YA 2018: $23,500,000) to offset against the taxable income of other companies in the Group. Tax benefits of $164,000 (YA 2018: $272,000) were recognised on the tax losses utilised under the group relief system. Tax benefits of $5,736,000 (2018: $6,069,000) 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	
	2019 ($'000)	2018 ($'000)
Interim paid of 1.5 cents per share (2018: 1.5 cents per share)	**21,762**	21,757
Final proposed of 4.0 cents per share (2018: 3.0 cents per share)	**57,961**	43,444
	79,723	65,201

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.

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	
	2019 ($'000)	2018 ($'000) (restated)
Group attributable profit to shareholders of the Company		
- before fair value adjustment and exceptional items	**153,193**	123,106
- after fair value adjustment and exceptional items	**152,556**	123,562
	------ Number of Shares ------	
Weighted average number of ordinary shares in issue	**1,448,877,007**	1,447,925,399
Earnings Per Share (Basic)		
- before fair value adjustment and exceptional items	**10.6 cts**	8.5 cts
- after fair value adjustment and exceptional items	**10.5 cts**	8.5 cts

Notes to the Financial Statements
for the year ended 30 September 2019

10. EARNINGS PER SHARE (cont'd)

(b) Diluted Earnings Per Share

Diluted earnings per share is computed by dividing the Group adjusted attributable profit to shareholders of the Company by the adjusted weighted average number of ordinary shares in issue during the year.

For diluted earnings per share, the Group attributable profit to shareholders of the Company is adjusted for changes in subsidiary companies attributable profit resulting from 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:

	THE GROUP	
	2019 ($'000)	2018 ($'000) (restated)
Group attributable profit to shareholders of the Company before fair value adjustment and exceptional items	**153,193**	123,106
Change in attributable profit due to dilutive potential shares under share plans of a subsidiary company	**(175)**	(231)
Group adjusted attributable profit to shareholders of the Company before fair value adjustment and exceptional items	**153,018**	122,875
Group attributable profit to shareholders of the Company after fair value adjustment and exceptional items	**152,556**	123,562
Change in attributable profit due to dilutive potential shares under share plans of a subsidiary company	**(176)**	(232)
Group adjusted attributable profit to shareholders of the Company after fair value adjustment and exceptional items	**152,380**	123,330

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:

	------ Number of Shares ------	
Weighted average number of ordinary shares used to compute basic earnings per share	**1,448,877,007**	1,447,925,399
Adjustment for dilutive potential shares under share plans of the Company	**3,245,688**	2,971,850
Weighted average number of ordinary shares used to compute diluted earnings per share	**1,452,122,695**	1,450,897,249
Earnings Per Share (Fully diluted)		
- before fair value adjustment and exceptional items	**10.5 cts**	8.5 cts
- after fair value adjustment and exceptional items	**10.5 cts**	8.5 cts

Notes to the Financial Statements

for the year ended 30 September 2019

11. SHARE CAPITAL, TREASURY SHARES AND RESERVES

		THE GROUP & THE COMPANY			
		2019		2018	
		Number of Shares	**($'000)**	Number of Shares	($'000)
(a)	**Share capital**				
	Ordinary shares issued and fully paid up				
	Balance at beginning of year	**1,448,252,279**	**851,941**	1,447,077,754	849,301
	Shares issued pursuant to the vesting of shares awarded under Share Plans	**775,899**	**1,608**	1,174,525	2,640
	Balance at end of year	**1,449,028,178**	**853,549**	1,448,252,279	851,941

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

(iii) F&N Restricted Share Plan 2019

		Number of Shares 2019	($'000) 2019	Number of Shares 2018	($'000) 2018
(b)	**Treasury shares**				
	Balance at beginning of year	**(131,126)**	**(267)**	(131,126)	(267)
	Reissued during the year:				
	- Reissued pursuant to share plans	**131,126**	**-**	-	-
	- Transferred from share-based payment reserve	**-**	**275**	-	-
	- Gain on reissuance of treasury shares	**-**	**(8)**	-	-
		131,126	**267**	-	-
	Balance at end of year	**-**	**-**	(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 2019 and 2018.

The Company reissued 131,126 (2018: Nil) treasury shares pursuant to its share plans at a weighted average price of $2.04 (2018: $Nil) in this financial year.

Notes to the Financial Statements
for the year ended 30 September 2019

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

(c) Reserves

	THE GROUP			THE COMPANY	
	2019 ($'000)	2018 ($'000) (restated)	1 October 2017 ($'000) (restated)	**2019 ($'000)**	2018 ($'000)
The reserves comprise the following:					
Capital Reserve	**(5,257)**	18,943	19,416	**(1,091)**	(1,099)
Fair Value Adjustment Reserve	**(32,099)**	(25,873)	1,264	**57,939**	72,624
Hedging Reserve	**(1,447)**	-	-	**-**	-
Share-based Payment Reserve	**7,911**	8,910	9,304	**3,953**	4,268
Revenue Reserve	**2,031,134**	1,949,252	1,886,806	**722,593**	741,673
Dividend Reserve (Note 9)	**57,961**	43,444	43,408	**57,961**	43,444
Exchange Reserve	**21,678**	(29,552)	-	**-**	-
Total reserves	**2,079,881**	1,965,124	1,960,198	**841,355**	860,910

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, the net loss on reissuance of treasury shares and put option liability arising from acquisition of subsidiary companies.

Fair value adjustment reserve comprises the cumulative fair value changes, net of tax, of equity investments designated at FVOCI (2018: 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.

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 4.0 cents (2018: 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.

Notes to the Financial Statements

for the year ended 30 September 2019

12. FIXED ASSETS

	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 2019								
At cost								
Balance at beginning of year	40,493	65,415	288,813	655,339	36,624	203,250	1,289,934	444
Currency realignment	436	561	4,300	8,294	457	1,815	15,863	-
Additions	-	-	151	3,333	146,742	8,770	158,996	999
Acquisition of subsidiary companies	-	-	-	1,352	-	429	1,781	-
Disposals	(683)	-	(7,477)	(1,177)	-	(8,416)	(17,753)	-
Write off	-	-	-	(3,684)	(938)	(4,193)	(8,815)	-
Reclassification	-	35	4,769	33,577	(40,029)	1,648	-	-
Reclassified from investment property	-	-	10,800	-	-	-	10,800	-
Reclassified to intangible assets	-	-	-	-	(194)	(106)	(300)	-
Balance at end of year	40,246	66,011	301,356	697,034	142,662	203,197	1,450,506	1,443
Accumulated depreciation and impairment								
Balance at beginning of year	777	13,171	100,398	464,288	-	149,841	728,475	175
Currency realignment	(2)	73	1,265	5,210	-	1,211	7,757	-
Depreciation charge	-	1,095	6,040	26,032	-	16,240	49,407	167
Impairment charge	-	-	-	105	-	15	120	-
Reversal of impairment charge	-	-	-	(183)	-	(172)	(355)	-
Disposals	-	-	(5,050)	(1,028)	-	(8,326)	(14,404)	-
Write off	-	-	-	(3,518)	-	(4,025)	(7,543)	-
Reclassification	-	-	(69)	(131)	-	200	-	-
Reclassified to intangible assets	-	-	-	-	-	(91)	(91)	-
Balance at end of year	775	14,339	102,584	490,775	-	154,893	763,366	342
Net book value	39,471	51,672	198,772	206,259	142,662	48,304	687,140	1,101

Notes to the Financial Statements

for the year ended 30 September 2019

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 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	39,716	52,244	188,415	191,051	36,624	53,409	561,459	269

(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 2019 amounted to $331,000 (2018: $Nil).

(c) During the financial year ended 30 September 2019, a change in use led to a building being transferred from investment property. The deemed cost of the building is its fair value of $10,800,000 as at the date of change in use.

(d) During the financial year ended 30 September 2018, 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.

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13. INVESTMENT PROPERTIES

		THE GROUP 2019 ($'000)	THE GROUP 2018 ($'000)
(a)	**Completed Investment Properties**		
	Balance at beginning of year	**41,672**	40,581
	Currency realignment	**(50)**	528
	Reclassified (to)/from fixed assets	**(10,800)**	262
	Disposals	**(11,772)**	-
	Write off	**(179)**	-
	Net fair value (loss)/gain recognised in the profit statement	**(1,370)**	301
	Balance at end of year	**17,501**	41,672

(b) Completed investment properties comprise commercial properties that are leased mainly to third parties under operating leases (Note 31).

The following amounts are recognised in the profit statement:

	2019 ($'000)	2018 ($'000)
Rental income from investment properties:		
- Minimum lease payments	**855**	1,017
Direct operating expenses arising from rental generating properties	**236**	238

(c) 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 2019 ($'000)	THE GROUP 2018 ($'000)
Balance at beginning of year	**18,529**	18,025
Currency realignment	**(39)**	504
Balance at end of year	**18,490**	18,529
Properties held for development comprise:		
Freehold land	**16,424**	16,458
Development costs	**2,066**	2,071
	18,490	18,529

Notes to the Financial Statements

for the year ended 30 September 2019

15. SUBSIDIARY COMPANIES

	THE COMPANY	
	2019 ($'000)	2018 ($'000)
Quoted shares at cost	**256,353**	256,353
Unquoted shares at cost	**2,242,934**	2,100,554
Allowance for impairment	**(276,638)**	(269,362)
	2,222,649	2,087,545
Amounts owing by subsidiary companies (unsecured)	**-**	75
	2,222,649	2,087,620
MARKET VALUE		
Quoted shares	**2,342,664**	2,537,329

During the financial year, the Company increased its shareholdings in InterF&B Pte. Ltd. and F&N Investments Pte Ltd through capital injections amounting to $76,380,000 and $66,000,000 respectively. There was no change to the Company's effective ownership interest in these subsidiary companies.

During the financial year, an impairment loss of $7,276,000 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 8.6% and the terminal growth rate was 2.0%.

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 $698,000,000 (2018: $540,000,000) which bear interest between 2.6% to 3.9% (2018: 2.5% 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 receivable of $Nil (2018: $18,000,000) which bears interest of Nil% (2018: 2.1%) per annum, and to be settled in cash.

The Company provides for 12-month ECLs for all amounts due from subsidiary companies based on an assessment of qualitative and quantitative factors that are indicative of the risk of default. The amounts due from subsidiary companies are considered to have low credit risk and the amount of the allowance is insignificant.

Details of the significant subsidiary companies are included in Note 38.

(a) Acquisition of subsidiary companies and business assets

Printing and Publishing

(i) 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.

Notes to the Financial Statements

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15. SUBSIDIARY COMPANIES (cont'd)

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

***Printing and Publishing** (cont'd)*

(i) In accordance with FRS 103 *Business Combinations*, the fair value of the identifiable assets and liabilities was determined provisionally for the acquisition as of 30 September 2018. Additional information was obtained as part of the process of finalising the Purchase Price Allocation exercise ("PPA") during the 12 month period allowed under FRS 103 and this resulted in certain aspects of the PPA being revised to reflect the finalisation of the allocation process. The impact of these revisions on the acquired assets is as follows:

	As previously reported 30 September 2018 ($'000)	Adjustment ($'000)	Revised as at 30 September 2018 ($'000)
Intangible assets	-	334	334
Other non-current assets	63	-	63
Current assets	507	-	507
Current liabilities	(1,924)	-	(1,924)
Cash and cash equivalents	1,354	-	1,354
Total identifiable net assets at fair value	-	334	334
Goodwill arising from acquisition	667	(334)	333
Consideration paid	667	-	667
Less: Cash and cash equivalents in business assets acquired	(1,354)	-	(1,354)
Net cash inflow on acquisition of business assets	(687)	-	(687)

All the above fair value adjustments have been recorded with effect from the date of acquisition by revising the 30 September 2018 reported balance sheet. There is no impact on the profit statement for the year ended 30 September 2018 due to the above fair value adjustments.

(ii) On 3 April 2019, Times Publishing Limited, a wholly-owned subsidiary company of the Group, completed the acquisition of 60% shareholding interest in Print Lab Pte. Ltd. and its subsidiary company ("PLPL"). Upon acquisition, PLPL became subsidiary companies of the Group. A provisional goodwill of $19,666,000 was recognised on the acquisition based on the difference between the consideration and the fair value of the identifiable assets and liabilities at the date of the acquisition, subject to completion of the PPA. The consideration was arrived at on a "willing-buyer-willing-seller" basis, taking into consideration, *inter alia*, the net asset value and earnings of PLPL.

The fair value of the identifiable assets and liabilities as at the date of acquisition were as follows:

	Fair Value as at Date of Acquisition ($'000)
Non-current assets	1,781
Current assets	8,643
Borrowings	(219)
Other current liabilities	(2,541)
Other non-current liabilities	(119)
Non-controlling interests	(4,073)
Cash and cash equivalents	2,637
Total identifiable net assets at fair value	6,109
Provisional goodwill arising from acquisition	19,666
Consideration paid	25,775
Deferred consideration	(500)
Less: Cash and cash equivalents in subsidiary companies acquired	(2,637)
Net cash outflow on acquisition of subsidiary companies	22,638

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15. SUBSIDIARY COMPANIES (cont'd)

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

Printing and Publishing (cont'd)

(ii) The contribution to the Group's revenue and profit after tax by the acquired subsidiary companies were $11,537,000 and $787,000 respectively for the 6 months ended 30 September 2019. If the acquisition had occurred on 1 October 2018, management estimated that the Group's revenue and profit after tax would have been increased by $23,433,000 and $2,049,000 respectively.

Transaction costs related to the acquisitions of $453,000 have been recognised under "Administrative expenses" in the Group's profit statement for the year ended 30 September 2019.

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

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

	Fraser & Neave Holdings Bhd	
	2019 ($'000)	2018 ($'000) (restated)
NCI percentage of ownership and voting interest	**44.5%**	44.5%
Carrying amount of NCI	**371,519**	339,134
Profit after taxation allocated to NCI	**60,197**	57,195
Dividends paid to NCI	**30,954**	31,000
<u>Summarised financial information before inter-group elimination</u>		
Non-current assets	**576,716**	560,615
Current assets	**579,203**	545,328
Non-current liabilities	**(59,189)**	(60,845)
Current liabilities	**(262,273)**	(282,882)
Net assets	**834,457**	762,216
Revenue	**1,344,640**	1,292,124
Profit for the year	**135,292**	129,017
Other comprehensive income	**9,811**	(623)
Total comprehensive income	**145,103**	128,394
Net cash from operating activities	**190,793**	181,459
Net cash flows used in investing activities	**(40,971)**	(53,617)
Net cash flows used in financing activities	**(148,214)**	(90,069)
Net increase in cash and cash equivalents	**1,608**	37,773

16. JOINT VENTURE COMPANIES

	THE GROUP		THE COMPANY	
	2019 ($'000)	2018 ($'000)	**2019 ($'000)**	2018 ($'000)
F&N Retail Connection Co., Ltd ("FNRC") and F&N International Holdings Co., Ltd ("FNIH")	**122,604**	-	**38,965**	-
Vacaron Company Sdn Bhd ("VCSB")	**47,144**	47,734	**-**	-
Other joint venture company	**150**	523	**-**	-
	169,898	48,257	**38,965**	-

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16. JOINT VENTURE COMPANIES (cont'd)

(a) The following table summarises the financial information of FNRC, FNIH and VCSB based on their respective financial statements for the periods ended 30 September as follows:

	FNRC and FNIH		VCSB	
	2019 ($'000)	2018 ($'000)	**2019 ($'000)**	2018 ($'000)
Expenses	**(5)**	-	**(109)**	(190)
Share of joint venture companies' profits	**4,749**	-	**-**	-
Profit/(loss) before interest and taxation	**4,744**	-	**(109)**	(190)
Interest income	**4**	-	**8**	10
Interest expense	**-**	-	**(3,835)**	(3,892)
Net interest	**4**	-	**(3,827)**	(3,882)
Profit/(loss) before taxation	**4,748**	-	**(3,936)**	(4,072)
Taxation	**-**	-	**(876)**	(306)
Profit/(loss) after taxation	**4,748**	-	**(4,812)**	(4,378)
Non-current assets	**249,748**	-	**10**	895
Cash and bank balances	**324**	-	**261**	350
Other current assets	**-**	-	**94,146**	94,343
Other current liabilities	**(6)**	-	**(109,067)**	(105,446)
Net assets/(liabilities)	**250,066**	-	**(14,650)**	(9,858)
Group's share of net assets/(liabilities)	**122,604**	-	**(7,325)**	(4,929)
Goodwill	**-**	-	**3**	3
Shareholder's loan	**-**	-	**54,466**	52,660
Carrying amount of the investment	**122,604**	-	**47,144**	47,734

(b) The following table summarises the carrying amount and share of loss of the joint venture company held by the Group that is not individually material as follows:

	THE GROUP	
	2019 ($'000)	2018 ($'000)
Carrying amount of interest	**150**	523
Share of loss after taxation	**(365)**	(1,379)

(c) **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") 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% (2018: 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 2019 was $54,466,000 (2018: $52,660,000).

(d) The amounts owing from joint venture companies classified under current assets are unsecured, trade and non-trade in nature, interest free, repayable on demand and to be settled in cash. The Group provides for 12-month ECLs for all amounts due from joint venture companies based on an assessment of qualitative and quantitative factors that are indicative of the risk of default. The amounts due from joint venture companies are considered to have low credit risk and the amount of the allowance is insignificant.

(e) There is no share of capital commitments and contingent liabilities of the joint venture companies as at 30 September 2019 and 2018.

Details of the significant joint venture companies are included in Note 38.

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17. ASSOCIATED COMPANIES

	THE GROUP	
	2019 ($'000)	2018 ($'000)
Vietnam Dairy Products Joint Stock Company ("Vinamilk")	**2,591,097**	2,532,438
Other associated company	**29,578**	27,854
	2,620,675	2,560,292
MARKET VALUE		
Quoted shares	**2,737,900**	2,856,478

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

	2019	2018
Summarised statement of comprehensive income		
Revenue	**2,857,660**	2,674,671
Profit before taxation	**678,246**	585,942
Taxation	**(125,361)**	(104,111)
Profit after taxation	**552,885**	481,831
Other comprehensive income	**6,834**	42,950
Total comprehensive income	**559,719**	524,781
Attributable to:		
Non-controlling interests	**5,322**	27,744
Shareholders of Vinamilk	**554,397**	497,037
	559,719	524,781
Summarised balance sheet		
Non-current assets	**3,115,289**	2,937,667
Current assets	**1,290,064**	1,056,599
Current liabilities	**(683,197)**	(406,285)
Non-current liabilities	**(436,577)**	(451,804)
Net assets	**3,285,579**	3,136,177
Attributable to:		
Non-controlling interests	**34,562**	28,801
Shareholders of Vinamilk	**3,251,017**	3,107,376
	3,285,579	3,136,177
Group's share of net assets	**650,528**	621,786
Goodwill on acquisition	**1,940,569**	1,910,652
Carrying amount of the investment	**2,591,097**	2,532,438

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17. ASSOCIATED COMPANIES (cont'd)

(b) The following table summarises the carrying amount and share of profit and other comprehensive income of the associated company held by the Group that is not individually material as follows:

	THE GROUP	
	2019 ($'000)	2018 ($'000)
Carrying amount of interest	**29,578**	27,854
Share of profit before taxation	**3,916**	3,795
Share of taxation	**(902)**	(934)
Share of profit after taxation	**3,014**	2,861

(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. The Group provides for 12-month ECLs for all amounts due from associated companies based on an assessment of qualitative and quantitative factors that are indicative of the risk of default. The amounts due from associated companies are considered to have low credit risk and the amount of the allowance is insignificant.

(d) There is no share of contingent liabilities of the associated companies as at 30 September 2019 and 2018.

Details of the significant associated companies are included in Note 38.

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 2019					
At cost					
Balance at beginning of year	**81,225**	**25,090**	**53,350**	**159,665**	**200**
Currency realignment	**65**	**110**	**26**	**201**	**12**
Additional expenditure	**-**	**13,552**	**3,516**	**17,068**	**115**
Acquisition of subsidiary companies	**19,666**	**-**	**-**	**19,666**	**-**
Reclassified from fixed assets	**-**	**-**	**300**	**300**	**-**
Disposal for the year	**-**	**-**	**(772)**	**(772)**	**-**
Write off	**-**	**(7,857)**	**(4,672)**	**(12,529)**	**-**
Balance at end of year	**100,956**	**30,895**	**51,748**	**183,599**	**327**
Accumulated amortisation and impairment					
Balance at beginning of year	**5,983**	**12,078**	**37,174**	**55,235**	**53**
Currency realignment	**(4)**	**113**	**22**	**131**	**-**
Amortisation charge	**-**	**8,516**	**2,648**	**11,164**	**99**
Impairment charge	**-**	**89**	**-**	**89**	**-**
Reclassified from fixed assets	**-**	**-**	**91**	**91**	**-**
Disposal for the year	**-**	**-**	**(644)**	**(644)**	**-**
Write off	**-**	**(7,857)**	**(4,672)**	**(12,529)**	**-**
Balance at end of year	**5,979**	**12,939**	**34,619**	**53,537**	**152**
Net book value	**94,977**	**17,956**	**17,129**	**130,062**	**175**

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18. INTANGIBLE ASSETS (cont'd)

	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 (restated)					
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 *	784	-	7,135	7,919	-
Reclassified from fixed assets	-	-	964	964	-
Write off	-	(11,770)	(3)	(11,773)	-
Balance at end of year	81,225	25,090	53,350	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	75,242	13,012	16,176	104,430	147

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

* In accordance with FRS 103 *Business Combinations*, the management has assessed the fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition. Accordingly, provisional goodwill recognised last year has now been adjusted to reflect their fair values.

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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 2019				
Subsidiary companies:				
Printing and Publishing Group	**35,859**	**Value-in-use and Fair value less cost to sell**	**0% - 1.0%**	**7.0% - 9.9%**
Dairies Group	**330**	**Value-in-use**	**1.0%**	**8.8%**
Beverages Group	**58,788**	**Value-in-use and Fair value less cost to sell**	**0% - 2.0%**	**6.9% - 9.8%**
	94,977			
As at 30 September 2018 (restated)				
Subsidiary companies:				
Printing and Publishing Group	16,087	Value-in-use and Fair value less cost to sell	0%	6.3% - 9.3%
Dairies Group	331	Value-in-use	1.0%	8.3%
Beverages Group	58,824	Value-in-use and Fair value less cost to sell	0% - 2.0%	6.5% - 9.5%
	75,242			

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 $89,000 (2018: $14,000) 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 7.0% (2018: 7.3%) and the terminal growth rate is 0% (2018: 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	
	2019 ($'000)	2018 ($'000)	**2019 ($'000)**	2018 ($'000)
At fair value through other comprehensive income ("FVOCI")				
Quoted equity investments	**7,642**	-	**207,786**	-
Unquoted equity investment	**14**	-	**14**	-
Available-for-sale financial assets				
Quoted equity investments				
At fair value	**-**	13,865	**-**	222,471
Unquoted equity investment				
At cost (less impairment loss)	**-**	14	**-**	14
Total	**7,656**	13,879	**207,800**	222,485

Equity investments designted at FVOCI

At 1 October 2018, the Group and the Company designated the investments shown below as equity investments at FVOCI because these equity investments represent investments that the Group and the Company intend to hold for long-term strategic purposes. In FY2018, these investments were classified as available-for-sale financial assets.

	THE GROUP		THE COMPANY	
	Fair value at 30 September 2019 ($'000)	**Dividend income recognised during the year ($'000)**	**Fair value at 30 September 2019 ($'000)**	**Dividend income recognised during the year ($'000)**
Vietnam Dairy Products Joint-Stock Company	**-**	**-**	**200,144**	**6,877**
Tsit Wing International Holdings Ltd	**5,638**	**463**	**5,638**	**463**
Ovato Limited	**2,004**	**-**	**2,004**	**-**
Others	**14**	**7**	**14**	**-**
	7,656	**470**	**207,800**	**7,340**

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	THE GROUP		THE COMPANY	
	2019 ($'000)	2018 ($'000)	**2019 ($'000)**	2018 ($'000)

21. CASH AND BANK DEPOSITS

Bank fixed deposits	**126,358**	214,830	**8,605**	92,263
Cash and bank balances	**293,975**	315,295	**6,813**	108,704
	420,333	530,125	**15,418**	200,967

The weighted average effective interest rate for current fixed deposits is 2.33% (2018: 2.27%).

Included in the Group's bank fixed deposits is an amount of $3,006,000 (2018: $2,959,000) 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.

22. BRANDS

At cost				
Balance at beginning of year	**41,588**	40,720	**8,647**	8,647
Currency realignment	**79**	868	**-**	-
Balance at end of year	**41,667**	41,588	**8,647**	8,647
Accumulated amortisation and impairment				
Balance at beginning of year	**13,884**	13,605	**8,435**	8,435
Currency realignment	**135**	144	**-**	-
Amortisation charge	**135**	135	**-**	-
Balance at end of year	**14,154**	13,884	**8,435**	8,435
Net book value	**27,513**	27,704	**212**	212

Included in the Group's brands are brands with indefinite useful life of carrying amount of $26,706,000 (2018: $26,762,000).

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 6.9% - 9.8% (2018: 6.5% - 9.5%) and terminal growth rates applied were 1.0% - 2.0% (2018: 1.0% - 2.0%).

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23. INVENTORIES

	THE GROUP	
	2019 ($'000)	2018 ($'000) (restated)
Raw materials	**111,407**	108,409
Finished goods	**126,785**	109,114
Packaging materials	**16,325**	17,640
Engineering spares, work-in-progress and other inventories	**7,613**	8,099
	262,130	243,262

The cost of inventories recognised as an expense in cost of sales during the year was $1,198,474,000 (2018: $1,176,842,000).

24. TRADE RECEIVABLES, OTHER RECEIVABLES AND RELATED PARTIES

	THE GROUP			THE COMPANY	
	2019 ($'000)	2018 ($'000) (restated)	1 October 2017 ($'000) (restated)	**2019 ($'000)**	2018 ($'000)
Current					
Trade receivables	**277,025**	283,679	288,115	**-**	-
Other receivables:					
Accrued income	**823**	952	1,444	**11**	339
Prepayments	**8,922**	5,348	4,999	**177**	19
Deposits paid	**5,461**	5,987	12,669	**8**	-
Tax recoverable	**16,996**	20,615	17,921	**-**	-
Staff loans	**1,457**	2,336	3,109	**11**	-
Derivative financial instruments (Note 25)	**85**	184	236	**-**	-
Contract costs	**1,831**	2,296	2,346	**-**	-
Sundry debtors	**21,839**	6,164	9,053	**-**	-
Other receivables	**8,842**	9,787	9,734	**648**	-
	66,256	53,669	61,511	**855**	358
Related parties	**7,871**	9,607	7,054	**807**	9
	351,152	346,955	356,680	**1,662**	367
Non-current					
Other receivables:					
Prepayments	**183**	-	-	**-**	-
Staff loans	**234**	468	300	**2**	-
Tax recoverable	**1,073**	366	289	**-**	-
Deposits paid	**1,245**	464	761	**-**	-
	2,735	1,298	1,350	**2**	-
	353,887	348,253	358,030	**1,664**	367

Current amounts due from related parties are trade and non-trade related, unsecured, interest free, repayable upon demand and to be settled in cash. The Group provides for 12-month ECLs for all amounts due from related parties based on an assessment of qualitative and quantitative factors that are indicative of the risk of default. The amounts due from related parties are considered to have low credit risk and the amount of the allowance is insignificant.

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

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping various customer segments that have similar loss patterns. The Group calibrates the matrix to adjust historical credit loss experience with forward-looking information such as forecast of economic conditions. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

Summarised below is the information about the credit risk exposure on the Group's trade receivables as at 30 September 2019:

	Gross carrying amount ($'000)	Impairment loss allowance ($'000)	Net carrying amount ($'000)
Current (not past due)	**211,215**	**(172)**	**211,043**
1 to 30 days	**43,189**	**(79)**	**43,110**
31 to 60 days	**13,116**	**(133)**	**12,983**
61 to 90 days	**2,203**	**(44)**	**2,159**
91 to 120 days	**2,534**	**(42)**	**2,492**
more than 120 days	**7,859**	**(2,621)**	**5,238**
	280,116	**(3,091)**	**277,025**

The movements in allowance for impairment on trade receivables are as follows:

	THE GROUP 2019 ($'000)
At 1 October 2018 per FRS 39	**2,214**
Effects of adopting SFRS(I) 9	**700**
At 1 October 2018, restated	**2,914**
Impairment charge	**606**
Write back	**(309)**
Acquisition of subsidiary companies	**37**
Write off	**(163)**
Currency realignment	**6**
At 30 September 2019	**3,091**

Comparative information under FRS 39

Trade receivables that are past due but not impaired

As at 30 September 2018, the Group has trade receivables amounting to $58,596,000 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)
Trade receivables past due:	
1 to 30 days	40,382
31 to 60 days	5,524
61 to 90 days	4,503
91 to 120 days	1,249
more than 120 days	6,938
	58,596

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24. TRADE RECEIVABLES, OTHER RECEIVABLES AND RELATED PARTIES (CONT'D)

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 2018 ($'000)	**Individually impaired** 2018 ($'000)
Trade receivables - nominal amounts	592	4,261
Less: Allowance for impairment	(592)	(1,622)
	-	2,639
Movement in allowance accounts:		
Balance at beginning of year	668	2,889
Impairment charge	353	384
Write back	(313)	(622)
Acquisition of subsidiary companies	-	149
Write off	(109)	(1,210)
Currency realignment	(7)	32
Balance at end of year	592	1,622

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	
	2019 ($'000)	2018 ($'000)	**2019 ($'000)**	2018 ($'000)
Current Assets				
Forward currency contracts	**85**	184	**-**	-
Current Liabilities				
Forward currency contracts	**268**	300	**6**	46
Non-current Liabilities				
Interest rate swaps	**1,447**	-	**-**	-
	1,715	300	**6**	46

As at 30 September 2019, the Group has applied cash flow hedge accounting for interest rate swap arrangements for which the associated floating rate loans have the same critical terms and which have been assessed to be effective hedges. The interest on these interest rate swaps and loans are settled on a half yearly basis.

Notes to the Financial Statements
for the year ended 30 September 2019

26. TRADE PAYABLES, OTHER PAYABLES AND RELATED PARTIES

	THE GROUP			THE COMPANY	
	2019 ($'000)	2018 ($'000) (restated)	1 October 2017 ($'000) (restated)	**2019 ($'000)**	2018 ($'000)
Current					
Trade payables	**182,475**	171,477	161,821	**-**	-
Other payables					
Accrued operating expenses	**90,763**	79,934	59,698	**245**	244
Sundry accruals	**16,383**	13,449	21,505	**591**	424
Sundry deposits	**10,730**	8,299	7,352	**-**	-
Staff costs payable	**40,191**	35,929	43,891	**2,955**	-
Accrual for unconsumed annual leave	**2,460**	2,473	2,609	**706**	-
Deferred income	**178**	320	783	**-**	-
Derivative financial instruments (Note 25)	**268**	300	799	**6**	46
Interest payable	**4,288**	4,169	3,943	**-**	199
Contract liabilities	**32,371**	31,016	40,082	**-**	-
Other payables	**49,591**	31,831	32,547	**7,270**	7,083
	247,223	207,720	213,209	**11,773**	7,996
Related parties	**7,222**	9,121	13,689	**1,593**	1,265
	436,920	388,318	388,719	**13,366**	9,261
Non-current					
Other payables					
Put liability to acquire non-controlling interests	**14,443**	-	-	**-**	-
Derivative financial instruments (Note 25)	**1,447**	-	-	**-**	-
Other payables	**9,674**	12,575	13,169	**-**	-
	25,564	12,575	13,169	**-**	-
	462,484	400,893	401,888	**13,366**	9,261

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

(b) Included in the Group's current other payables is an amount of $3,006,000 (2018: $2,900,000) relating to deferred consideration payable for acquisition of subsidiary companies.

(c) In connection with the completion of the acquisition of PLPL, TPL has entered into an agreement which, among other things, provides the right for TPL to acquire the remaining 40% share capital of PLPL and the right for the non-controlling interest of PLPL to require TPL to acquire the remaining 40% shares, subject to satisfaction of certain conditions by 30 September 2023.

Notes to the Financial Statements

for the year ended 30 September 2019

27. BORROWINGS

		THE GROUP		THE COMPANY	
	Notes	**2019 ($'000)**	2018 ($'000)	**2019 ($'000)**	2018 ($'000)
Repayable within one year:					
Unsecured					
Bank loans	(a)	**-**	309,648	**-**	180,000
Term loans	(b)	**9,133**	64,483	**-**	-
Secured					
Finance leases		**93**	-	**-**	-
		9,226	374,131	**-**	180,000
Repayable after one year:					
Unsecured					
Term loans	(b)	**820,249**	497,288	**-**	-
Secured					
Finance leases		**209**	-	**-**	-
	(d)	**820,458**	497,288	**-**	-
Total		**829,684**	871,419	**-**	180,000
Fair value	(c)	**833,102**	863,262	**-**	180,000

Notes

(a) As at 30 September 2018, the Group's unsecured bank loans bore interest at rates ranging from 1.83% to 5.14% per annum. As at 30 September 2018, the Company's unsecured bank loans bore interest at rates ranging from 2.27% to 2.29% per annum.

(b) The Group's unsecured term loans bore interest at rates ranging from 2.33% to 5.20% (2018: 2.35% to 5.20%) per annum during the year. As at 30 September 2019 and 2018, term loans include medium term notes issued by certain subsidiary companies.

(c) The carrying amount of bank borrowings 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 term loans of $499,854,000 (2018: $569,884,000) which have a fair value of $503,272,000 (2018: $561,727,000). 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 the DCF method using a rate based on the current market rate of borrowings of the respective entities at the reporting date.

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

Between 1 and 2 years	**31,834**	8,553	**-**	-
Between 2 and 5 years	**689,002**	389,163	**-**	-
After 5 years	**99,622**	99,572	**-**	-
	820,458	497,288	**-**	-

Notes to the Financial Statements
for the year ended 30 September 2019

27. BORROWINGS (cont'd)

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

	THE GROUP	
	2019 ($'000)	2018 ($'000)
Borrowings		
Balance at beginning of year	**871,419**	1,302,491
Cash flows	**(45,792)**	(434,858)
Acquisition of subsidiary companies	**219**	-
Currency realignment	**4,097**	3,572
Transaction costs	**(259)**	214
Balance at end of year	**829,684**	871,419

28. PROVISION FOR EMPLOYEE BENEFITS

Defined benefit plan	**20,167**	18,186
Long service leave/severance allowance/gratuity	**-**	70
	20,167	18,256

(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 26.

(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 table summarise the components of the benefit liability:

Benefit liability		
Present value of funded defined benefit obligation	**26,699**	24,939
Fair value of plan assets	**(24,131)**	(21,126)
	2,568	3,813
Present value of unfunded defined benefit obligation	**17,599**	14,373
Net liability arising from defined benefit obligation	**20,167**	18,186

The weighted average duration of the defined benefit obligation as at 30 September 2019 was 13.7 years (2018: 13.7 years).

The Group expects to contribute $1,903,000 to the defined benefit plans in the financial year ended 30 September 2020 (2019: $679,000).

Notes to the Financial Statements

for the year ended 30 September 2019

28. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(b) Defined Benefit Plan (cont'd)

	THE GROUP	
	2019 ($'000)	2018 ($'000)
Changes in present value of defined benefit obligations are as follows:		
Balance at beginning of year	**39,312**	38,811
Included in profit statement		
Interest cost	**1,184**	1,192
Current service cost	**1,012**	1,059
Past service cost/(credit)	**1,360**	(58)
	3,556	2,193
Included in other comprehensive income		
Remeasurements:		
- actuarial (gain)/loss arising from change in demographic assumptions	**(624)**	573
- actuarial loss/(gain) arising from change in financial assumptions	**5,458**	(613)
- experience adjustments	**613**	(89)
	5,447	(129)
Benefits paid	**(2,987)**	(1,536)
Currency realignment	**(929)**	(27)
Others	**(101)**	-
Balance at end of year	**44,298**	39,312
Changes in fair value of plan assets are as follows:		
Balance at beginning of year	**21,126**	21,074
Included in profit statement		
Interest income	**548**	541
Included in other comprehensive income		
Remeasurements on return on plan assets	**4,043**	191
Contributions by employer	**645**	679
Benefits paid	**(1,156)**	(999)
Currency realignment	**(1,075)**	(360)
Balance at end of year	**24,131**	21,126
Actual return on plan assets	**4,591**	732
The proportion of fair value of plan assets at the end of the year is analysed as follows:		
Equity instruments	**-**	9,925
Debt instruments	**-**	7,588
Other assets	**24,131**	3,613
	24,131	21,126
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	**1.3% to 8.2%**	2.5% to 5.2%

Notes to the Financial Statements

for the year ended 30 September 2019

28. 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 2019			
Future salary growth	**1%**	**1,647**	**(1,444)**
Discount rate	**1%**	**(5,339)**	**6,239**
Year Ended 30 September 2018			
Future salary growth	1%	1,186	(1,041)
Discount rate	1%	(4,464)	5,178

(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 1.10.2018 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2019
Year 6	06.05.2015	221,575	(250)	-	(221,325)	-
Year 7	26.02.2016	635,800	(19,700)	-	(315,700)	300,400
Year 8	28.12.2016	943,354	(35,650)	(192,354)	(370,000)	345,350
Year 9	28.12.2017	941,200	(74,300)	-	-	866,900
Year 10	21.12.2018	1,537,500	(77,000)	-	-	1,460,500
		4,279,429	(206,900)*	(192,354)	(907,025)	2,973,150

* Cancelled due to resignations.

Notes to the Financial Statements

for the year ended 30 September 2019

28. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Plans (cont'd)

Fraser and Neave Limited Restricted Share Plan ("RSP") *(cont'd)*

The expense recognised in profit statement granted under the RSP during the financial year is $1,605,000 (2018: $2,197,000).

The estimated fair value of shares granted during the year ranges from $1.51 to $1.59 (2018: $2.37 to $2.47). 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:

	2019	2018
Dividend yield (%)	**2.7**	2.0
Expected volatility (%)	**14.9**	14.6
Risk-free interest rate (%)	**2.0**	1.7
Expected life (years)	**2.0 to 4.0**	2.0 to 4.0
Share price at date of grant ($)	**1.68**	2.57

Fraser and Neave Limited Performance Share Plan ("PSP")

The PSP is a share-based incentive plan for senior executives and key senior management, which were approved by shareholders of the Company at an Extraordinary General Meeting held on 22 January 2009.

Information regarding the PSP

(i) Depending on the 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 1.10.2018 or Grant Date if later**	**Achievement Factor**	**Balance as at 30.9.2019**
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
Year 10	21.12.2018	127,000	-	127,000
		356,921	(84,383)	272,538

The write back of expense recognised in profit statement granted under the PSP during the financial year is $37,000 (2018: expense of $121,000).

The estimated fair value of shares granted during the year is $0.52 (2018: $2.10). The fair value of equity-settled contingent award of shares are determined using Monte Carlo Valuation Model, which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility of returns. The inputs to the model used are as follows:

	2019	2018
Dividend yield (%)	**2.7**	2.0
Expected volatility (%)	**14.9**	14.6
Cost of equity (%)	**9.1**	9.9
Risk-free interest rate (%)	**2.0**	1.7
Expected life (years)	**3.0**	3.0
Share price at date of grant ($)	**1.68**	2.57

Notes to the Financial Statements

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28. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Plans (cont'd)

F&N Restricted Share Plan 2019 ("F&N RSP 2019")

The RSP and PSP, which have a duration of 10 years commencing from 22 January 2009 expired on 21 January 2019 and were replaced by the F&N RSP 2019. The expiry of the RSP and PSP will not affect awards granted prior to expiry of these share plans and which are pending final release. As at 30 September 2019, no shares has been granted under F&N RSP 2019.

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 1.10.2018 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2019
Year 4	15.01.2015	98,900	(5,100)	-	(93,800)	-
Year 5	05.01.2016	181,350	(11,275)	-	(87,500)	82,575
Year 6	22.12.2016	464,600	(24,460)	(180,740)	(129,700)	129,700
Year 7	22.12.2017	469,900	(37,000)	(154,400)	-	278,500
Year 8	21.12.2018	371,700	(14,400)	-	-	357,300
		1,586,450	(92,235)*	(335,140)	(311,000)	848,075

* Cancelled due to resignations.

The estimated fair value of shares granted during the year ranges from RM15.51 to RM21.43 (2018: RM15.52 to RM17.21). 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:

	2019	2018
Dividend yield (%)	**2.3**	2.7
Expected volatility (%)	**16.4**	11.6
Risk-free interest rate (%)	**3.6 to 3.8**	3.2 to 3.6
Expected life (years)	**2.0 to 4.0**	2.0 to 4.0
Share price at date of grant (RM)	**31.34**	26.38

Notes to the Financial Statements

for the year ended 30 September 2019

28. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Plans (cont'd)

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 2019, no shares has been granted under F&NHB PSP.

29. DEFERRED TAX ASSETS AND LIABILITIES

	THE GROUP				THE COMPANY	
	Balance Sheet		Profit Statement		Balance Sheet	
	2019 ($'000)	2018 ($'000) (restated)	**2019 ($'000)**	2018 ($'000) (restated)	**2019 ($'000)**	2018 ($'000)
Deferred tax liabilities						
Differences in depreciation	**20,325**	16,981	**2,786**	548	**121**	-
Provisions, expenses and income taken in a different period	**1,791**	1,277	**1,160**	133	**-**	-
Fair value adjustments	**1,140**	900	**(26)**	(229)	**-**	-
Other deferred tax liabilities	**(446)**	616	**(75)**	(539)	**-**	-
Gross deferred tax liabilities	**22,810**	19,774	**3,845**	(87)	**121**	-
Less: Deferred tax assets						
Employee benefits	**(783)**	(1,084)	**217**	(46)	**-**	-
Unabsorbed losses and capital allowances	**(2,095)**	(157)	**(1,827)**	(240)	**-**	-
Provisions, expenses and income taken in a different period	**(760)**	(1,181)	**56**	(51)	**-**	-
Fair value adjustments	**-**	(388)	**-**	-	**-**	-
Gross deferred tax assets	**(3,638)**	(2,810)	**(1,554)**	(337)	**-**	-
Net deferred tax liabilities	**19,172**	16,964	**2,291**	(424)	**121**	-

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

	THE GROUP Balance Sheet 2019	2018	Profit Statement 2019	2018	THE COMPANY Balance Sheet 2019	2018
Employee benefits	**(2,319)**	(1,935)	**(193)**	(275)	**-**	-
Differences in depreciation	**10,519**	10,645	**(374)**	(126)	**-**	-
Unabsorbed losses and capital allowances	**(402)**	(2,711)	**2,337**	1,343	**-**	-
Provisions, expenses and income taken in a different period	**(1,090)**	(1,158)	**(253)**	341	**-**	-
Tax effect on revaluation surplus	**(1)**	-	**-**	-	**-**	-
Investment allowances	**(9,591)**	(11,194)	**2,048**	3,108	**-**	-
Fair value adjustments	**-**	(38)	**36**	4	**-**	-
Net deferred tax assets	**(2,884)**	(6,391)	**3,601**	4,395	**-**	-

Notes to the Financial Statements

for the year ended 30 September 2019

29. DEFERRED TAX ASSETS AND LIABILITIES (cont'd)

Deferred tax liabilities of $1,509,000 (2018: $446,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the unremitted earnings of $8,871,000 (2018: $2,620,000) at 30 September 2019.

Deferred tax liabilities of $520,000 (2018: $440,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the undistributed earnings of $2,763,000 (2018: $2,782,000) at 30 September 2019 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	
	2019 ($'000)	2018 ($'000)
Deductible temporary differences	**55,706**	55,608
Tax losses	**99,800**	104,842
	155,506	160,450

Tax losses of $41,474,000 (2018: $43,197,000) start to expire in 2029. 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.

30. FUTURE COMMITMENTS

Commitments not provided for in the financial statements:		
(a) Commitments in respect of contracts placed		
Fixed assets	**76,677**	86,766
(b) Other amounts approved by directors but not contracted for		
Fixed assets	**76,107**	46,194
	152,784	132,960

31. LEASE COMMITMENTS

Operating Leases

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

Payable within one year	**15,987**	13,068
Payable between one and five years	**14,043**	13,549
Payable after five years	**22,057**	23,331
	52,087	49,948
Operating lease expense for the year	**19,889**	21,357

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.

Notes to the Financial Statements
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	THE GROUP	
	2019 ($'000)	2018 ($'000)

31. LEASE COMMITMENTS (cont'd)

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

	2019 ($'000)	2018 ($'000)
Receivable within one year	**544**	1,059
Receivable between one and five years	**174**	741
	718	1,800

32. 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.

(a) Transactions with TCC Group of Companies [i]

	2019 ($'000)	2018 ($'000)
Sales	**26,210**	21,024
Advertising & promotion support	**5,769**	7,103
Service fee and other income	**1,616**	2,760
Purchases	**(32,769)**	(31,779)
Marketing expense	**(9,963)**	(11,566)
Logistic expense	**(4,102)**	(1,215)
Insurance premium expense	**(1,588)**	(1,389)
Management fee expense	**(668)**	(876)
Rental and other expenses	**(4,688)**	(4,072)

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

(b) Transactions with Joint Arrangements and Associated Companies

	2019 ($'000)	2018 ($'000)
Sales	**2,116**	17
Receipt of corporate service fee	**43**	37
Finance income	**1,917**	1,946
Purchases	**(2,483)**	(4,500)

33. CONTINGENT LIABILITIES

The Company issued corporate guarantees to the extent of $3,019,971,000 (2018: $2,730,511,000) for the purpose of assisting its subsidiary and joint venture companies to obtain external borrowings. Of the $3,019,971,000 (2018: $2,730,511,000) corporate guarantees given by the Company, $917,610,000 (2018: $700,000,000) has been utilised by its subsidiary and joint venture companies as security for their borrowings.

Notes to the Financial Statements
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34. FINANCIAL RISK MANAGEMENT

The Group and the Company are exposed to financial risks, including primarily the effects of changes in currency exchange rates and interest rates and use derivatives and other instruments in connection with their risk management activities. The Group and the Company do not hold or issue derivative financial instruments for trading purposes.

The Group has established processes to monitor and control hedging transactions in a timely and accurate manner.

These policies are reviewed regularly by the Audit Committee to ensure that the Group's policies and guidelines are adhered to. The Group's accounting policies in relation to derivatives are set out in Note 2.

(a) Foreign Currency Risk

The Group and the Company have exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from normal trading and investment activities. Where exposures are certain, it is the Group's and Company's policy to hedge these risks as they arise. For those exposures less certain in their timing and extent, it is the Group's and the Company's policy to cover 50% to 90% of anticipated exposures for a maximum period of 12 months forward. The Group and the Company use foreign currency forward exchange contracts to manage these foreign exchange risks.

At 30 September 2019, the Group had entered into foreign currency forward exchange buy contracts amounting to $23,619,000 (2018: $30,200,000) and sell contracts amounting to $11,773,000 (2018: $11,298,000). The fair value adjustments of the buy contracts and sell contracts are losses of $145,000 (2018: $58,000) and $38,000 (2018: $58,000) respectively.

At 30 September 2019, the Company had entered into foreign currency forward exchange sell contracts amounting to $854,000 (2018: $1,223,000). The fair value adjustments of the sell contracts is a loss of $6,000 (2018: $46,000).

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.

The Group's and the Company's exposure to foreign currencies are as follows:

	Australia Dollar ($'000)	Sterling Pound ($'000)	United States Dollar ($'000)	Chinese Renminbi ($'000)	Singapore Dollar ($'000)
The Group					
Year Ended 30 September 2019					
Receivables	**1,747**	**1,698**	**33,963**	**6,500**	**5,545**
Cash and bank deposits	**1,665**	**1,732**	**38,636**	**-**	**3,257**
Payables	**(5,155)**	**(16,717)**	**(19,263)**	**-**	**(992)**
Net statement of financial position exposure	**(1,743)**	**(13,287)**	**53,336**	**6,500**	**7,810**
Forward exchange contracts	**11,723**	**82**	**3,390**	**-**	**-**
Net exposure	**9,980**	**(13,205)**	**56,726**	**6,500**	**7,810**
Year Ended 30 September 2018					
Receivables	2,033	2,208	23,685	6,525	175
Cash and bank deposits	2,016	2,548	14,840	1	3,453
Payables	(5,064)	(18,386)	(27,465)	-	(1,223)
Net statement of financial position exposure	(1,015)	(13,630)	11,060	6,526	2,405
Forward exchange contracts	9,351	(315)	10,781	-	-
Net exposure	8,336	(13,945)	21,841	6,526	2,405

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34. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Foreign Currency Risk (cont'd)

	Thai Baht ($'000)	United States Dollar ($'000)	Malaysia Ringgit ($'000)	Vietnamese Dong ($'000)	Hong Kong Dollar ($'000)
The Company					
Year Ended 30 September 2019					
Receivables	**1,674**	**-**	**7**	**3,084**	**142**
Cash and bank deposits	**-**	**167**	**261**	**-**	**-**
Payables	**(328)**	**(24)**	**(235)**	**-**	**(48)**
Net statement of financial position exposure	**1,346**	**143**	**33**	**3,084**	**94**
Forward exchange contracts	**(860)**	**-**	**-**	**-**	**-**
Net exposure	**486**	**143**	**33**	**3,084**	**94**
Year Ended 30 September 2018					
Receivables	1,491	36	473	1	-
Cash and bank deposits	-	72	357	-	-
Payables	(297)	(204)	-	-	-
Net statement of financial position exposure	1,194	(96)	830	1	-
Forward exchange contracts	(1,268)	-	-	-	-
Net exposure	(74)	(96)	830	1	-

The following table demonstrates the sensitivity of the Group and the Company's total equity and the Group and the Company's profit before tax to a reasonably possible 10% strengthening of the Australia Dollar, Sterling Pound, United States Dollar, Vietnamese Dong, Hong Kong Dollar, Singapore Dollar, Thai Baht, Malaysia Ringgit and Chinese Renminbi exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	2019		2018	
	Equity ($'000)	Profit ($'000)	Equity ($'000)	Profit ($'000)
The Group				
Australia Dollar	**200**	**998**	732	834
Sterling Pound	**-**	**(1,320)**	-	(1,394)
United States Dollar	**-**	**5,673**	-	2,184
Hong Kong Dollar	**564**	**159**	654	204
Singapore Dollar	**-**	**781**	-	241
Chinese Renminbi	**-**	**650**	-	653
The Company				
Australia Dollar	**200**	**-**	732	-
United States Dollar	**-**	**14**	-	(10)
Vietnamese Dong	**20,015**	**308**	20,861	-
Hong Kong Dollar	**564**	**9**	654	-
Malaysia Ringgit	**-**	**3**	-	83
Thai Baht	**-**	**49**	-	(7)

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.

Notes to the Financial Statements

for the year ended 30 September 2019

34. 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 liabilities and 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 2019					
Non-derivative Financial Liabilities					
Trade payables	**182,475**	**182,475**	**182,475**	**-**	**-**
Other payables	**233,227**	**233,227**	**209,110**	**24,117**	**-**
Borrowings	**829,684**	**926,801**	**32,287**	**785,189**	**109,325**
Related parties	**7,222**	**7,222**	**7,222**	**-**	**-**
Associated companies	**1,186**	**1,186**	**1,186**	**-**	**-**
	1,253,794	**1,350,911**	**432,280**	**809,306**	**109,325**
Derivative Financial Instruments					
Interest rate swaps	**1,447**	**1,447**	**-**	**1,447**	**-**
Forward currency contracts	**183**	**183**	**183**	**-**	**-**
	1,630	**1,630**	**183**	**1,447**	**-**
	1,255,424	**1,352,541**	**432,463**	**810,753**	**109,325**
Year Ended 30 September 2018 (restated)					
Non-derivative Financial Liabilities					
Trade payables	171,477	171,477	171,477	-	-
Other payables	182,055	182,055	169,480	12,575	-
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	-	-
	1,235,325	1,310,976	742,379	455,511	113,086
Derivative Financial Instruments					
Forward currency contracts	116	116	116	-	-
	1,235,441	1,311,092	742,495	455,511	113,086

Notes to the Financial Statements
for the year ended 30 September 2019

34. 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					
1 October 2017 (restated)					
Non-derivative Financial Liabilities					
Trade payables	161,821	153,360	153,360	-	-
Other payables	177,974	177,974	164,805	13,169	-
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	-	-
	1,658,167	1,740,850	1,138,578	485,436	116,836
Derivative Financial Instruments					
Forward currency contracts	563	563	563	-	-
	1,658,730	1,741,413	1,139,141	485,436	116,836
The Company					
Year Ended 30 September 2019					
Non-derivative Financial Liabilities					
Other payables	**10,812**	**10,812**	**10,812**	**-**	**-**
Subsidiary companies	**788,634**	**863,835**	**25,414**	**732,363**	**106,058**
Related parties	**1,593**	**1,593**	**1,593**	**-**	**-**
	801,039	**876,240**	**37,819**	**732,363**	**106,058**
Derivative Financial Instruments					
Forward currency contracts	**6**	**6**	**6**	**-**	**-**
	801,045	**876,246**	**37,825**	**732,363**	**106,058**
Year Ended 30 September 2018					
Non-derivative Financial Liabilities					
Other payables	7,865	7,865	7,865	-	-
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	-	-
	817,907	895,624	215,210	566,545	113,869
Derivative Financial Instruments					
Forward currency contracts	46	46	46	-	-
	817,953	895,670	215,256	566,545	113,869

Notes to the Financial Statements
for the year ended 30 September 2019

34. 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			
	2019		2018	
	($'000)	**% of total**	($'000)	% of total
By Geographical Segment:				
Singapore	**98,713**	**36%**	95,346	33%
Malaysia	**99,548**	**36%**	109,244	39%
Thailand	**59,449**	**21%**	61,856	22%
Others	**19,315**	**7%**	17,233	6%
	277,025	**100%**	283,679	100%
By Business Segment:				
Beverages	**69,566**	**25%**	69,112	25%
Dairies	**136,688**	**49%**	145,999	51%
Printing & Publishing	**70,771**	**26%**	68,556	24%
Others	**-**	**-**	12	0%
	277,025	**100%**	283,679	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 considers that its cash and fixed deposits and investments have low credit risk and does not expect any counterparty to fail to meet its obligations. As such, the Group considers these assets are subject to immaterial credit loss.

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.

Notes to the Financial Statements

for the year ended 30 September 2019

34. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Interest Rate Risk

The Group and the Company's exposure to market risk for changes in interest rates relate primarily to debt obligation with financial institutions. The Group and the Company's policy is to manage interest cost using a mix of fixed and variable rate debts, and interest rate economic effect of converting borrowings from fixed rates to variable rates or vice versa.

Under the interest rate swaps, the Group agree with other parties to exchange, at specified intervals mainly half yearly, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

As at 30 September 2019, the Group held the following instruments to hedge exposures to changes in interest rates:

		Carrying amount		Change in fair value used for calculating hedge ineffectiveness				
	Contractual notional amount ($'000)	Liabilities ($'000)	Line item in the Balance Sheet	Hedging instrument ($'000)	Hedge items ($'000)	Hedge ineffectiveness recognised in Profit Statement ($'000)	Weighted average hedged rate	Maturity date
THE GROUP								
Cashflow hedge								
Interest rate swap to hedge floating rate borrowings	300,000	(1,447)	Non-current Other Payables	(1,447)	1,447	-	1.68%	June and August 2024

The following table sets out the carrying amount, by maturity, of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	Floating rates	Fixed rates		
	($'000)	Less than 1 year ($'000)	Between 1 to 5 years ($'000)	After 5 years ($'000)
The Group				
Year Ended 30 September 2019				
Assets				
Cash and bank deposits	**37,001**	**222,972**	**-**	**-**
Liabilities				
Borrowings	**30,000**	**9,133**	**690,929**	**99,622**
Other financial liabilities	**1,447**	**-**	**-**	**-**
Year Ended 30 September 2018				
Assets				
Cash and bank deposits	2,726	417,508	-	-
Liabilities				
Borrowings	300,347	74,043	397,457	99,572

Notes to the Financial Statements

for the year ended 30 September 2019

34. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Interest Rate Risk (cont'd)

	Floating rates	Fixed rates		
	($'000)	Less than 1 year ($'000)	Between 1 to 5 years ($'000)	After 5 years ($'000)
The Company				
Year Ended 30 September 2019				
Assets				
Cash and bank deposits	**-**	**12,616**	**-**	**-**
Liabilities				
Other financial liabilities	**-**	**-**	**598,000**	**100,000**
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

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 2019 and 2018.

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 before tax by approximately $56,000 (2018: $2,976,000) and the Company's profit before tax by approximately $Nil (2018: $1,800,000). 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 2018.

(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 equity investments at fair value through OCI 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	
	2019 ($'000)	2018 ($'000)	**2019 ($'000)**	2018 ($'000)
Fair value adjustment reserve	**764**	1,386	**20,779**	22,247

There will be no impact to profit before 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 2018 and assumes that all other variables remain constant.

Notes to the Financial Statements

for the year ended 30 September 2019

34. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair Values

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

(i) Cash and bank deposits, other receivables and other payables

The carrying amounts of these items in current assets and current liabilities approximate fair value due to their short term nature. The carrying amount of non-current fixed deposits approximates their fair values as these fixed deposits bear interest rate at the market prevailing interest for similar type of fixed deposits instrument at the end of the reporting period.

(ii) Trade receivables and trade payables

The carrying amounts of receivables and payables approximate fair value because these are subject to normal trade credit terms.

(iii) Amounts due from/to related companies

The carrying amounts of amounts due from/to related companies in current assets and current liabilities approximate fair value due to their short term nature. For amounts due to related companies included in long term liabilities, no disclosure of the fair value has been made, as it is not practicable to determine the fair value with sufficient reliability since these balances have no fixed terms of repayment.

(iv) Other investments

Market value of quoted investment is determined by reference to stock exchange quoted prices.

Certain unquoted investments do not have quoted market prices in an active market nor are there other methods of reasonably estimating the fair value readily available. It is not practicable to determine fair value with sufficient reliability without incurring excessive costs.

(v) Bank borrowings and term loans

The fair value of fixed rate bank borrowings and term loans are disclosed in Note 27. 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

Notes to the Financial Statements

for the year ended 30 September 2019

34. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair Values (cont'd)

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

The following table shows an analysis of assets and liabilities financial instruments carried at fair value by level of fair value hierarchy:

	Level 1 ($'000)	Level 2 ($'000)	Level 3 ($'000)	Total ($'000)
The Group				
Year Ended 30 September 2019				
Financial Assets				
Other investments (Note 20)				
- Quoted equity investments at FVOCI	**7,642**	**-**	**-**	**7,642**
Derivative financial instruments (Note 25)	**-**	**85**	**-**	**85**
	7,642	**85**	**-**	**7,727**
Non-Financial Asset				
Investment properties (Note 13)	**-**	**-**	**17,501**	**17,501**
Financial Liability				
Derivative financial instruments (Note 25)	**-**	**1,715**	**-**	**1,715**
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 Asset				
Investment properties (Note 13)	-	-	41,672	41,672
Financial Liability				
Derivative financial instruments (Note 25)	-	300	-	300
The Company				
Year Ended 30 September 2019				
Financial Asset				
Other investments (Note 20)				
- Quoted equity investments at FVOCI	**207,786**	**-**	**-**	**207,786**
Financial Liability				
Derivative financial instruments (Note 25)	**-**	**6**	**-**	**6**
Year Ended 30 September 2018				
Financial Asset				
Other investments (Note 20)				
- Quoted available-for-sale financial assets	222,471	-	-	222,471
Financial Liability				
Derivative financial instruments (Note 25)	-	46	-	46

Notes to the Financial Statements

for the year ended 30 September 2019

34. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair Values (cont'd)

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

There have been no transfers between Level 1, Level 2 and Level 3 for the Group and the Company during the financial year ended 30 September 2019 and 2018.

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 30.9.2019 ($'000)	Valuation techniques	Unobservable inputs	Range
Investment Properties	**17,501**	**Investment Approach**	**Discount rate**	**7.25%**
		Direct Comparison Approach	**Market value**	**0% to 27%**

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%

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.

The reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy for investment properties is set out in Note 13.

Notes to the Financial Statements

for the year ended 30 September 2019

34. FINANCIAL RISK MANAGEMENT (cont'd)

(g) Classification of Financial Instruments

Set out below is a comparison by category of carrying amounts of all the Group's and the Company's financial instruments that are carried in the financial statements:

	Assets at amortised cost ($'000)	Fair value through profit and loss ($'000)	Fair value through other comprehensive income ($'000)	Liabilities at amortised cost ($'000)	Non-financial assets/ liabilities ($'000)	Total ($'000)
The Group						
Year Ended 30 September 2019						
Assets						
Fixed assets	-	-	-	-	687,140	687,140
Investment properties	-	-	-	-	17,501	17,501
Properties held for development	-	-	-	-	18,490	18,490
Joint venture companies	55,628	-	-	-	115,432	171,060
Associated companies	14	-	-	-	2,620,675	2,620,689
Intangible assets	-	-	-	-	130,062	130,062
Brands	-	-	-	-	27,513	27,513
Other investments	-	-	7,656	-	-	7,656
Other receivables	33,032	85	-	-	35,874	68,991
Deferred tax assets	-	-	-	-	2,884	2,884
Inventories	-	-	-	-	262,130	262,130
Trade receivables	277,025	-	-	-	-	277,025
Related parties	7,871	-	-	-	-	7,871
Cash and bank balances	420,333	-	-	-	-	420,333
	793,903	85	7,656	-	3,917,701	4,719,345
Liabilities						
Trade payables	-	-	-	182,475	-	182,475
Other payables	-	1,715	-	233,227	37,845	272,787
Associated companies	-	-	-	1,186	-	1,186
Related parties	-	-	-	7,222	-	7,222
Borrowings	-	-	-	829,684	-	829,684
Provision for taxation	-	-	-	-	54,275	54,275
Provision for employee benefits	-	-	-	-	20,167	20,167
Deferred tax liabilities	-	-	-	-	19,172	19,172
	-	1,715	-	1,253,794	131,459	1,386,968

Notes to the Financial Statements
for the year ended 30 September 2019

34. 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 2018 (restated)						
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	20,520	184	-	-	34,263	54,967
Deferred tax assets	-	-	-	-	6,391	6,391
Inventories	-	-	-	-	243,262	243,262
Trade receivables	283,679	-	-	-	-	283,679
Related parties	9,607	-	-	-	-	9,607
Cash and bank balances	530,125	-	-	-	-	530,125
	898,466	184	13,879	-	3,593,599	4,506,128
Liabilities						
Trade payables	-	-	-	171,477	-	171,477
Other payables	-	300	-	182,055	37,940	220,295
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	-	1,235,325	106,119	1,341,744

Notes to the Financial Statements

for the year ended 30 September 2019

34. 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						
1 October 2017 (restated)						
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	31,432	236	-	-	31,193	62,861
Deferred tax assets	-	-	-	-	9,677	9,677
Inventories	-	-	-	-	247,085	247,085
Trade receivables	288,115	-	-	-	-	288,115
Related parties	7,054	-	-	-	-	7,054
Cash and bank balances	1,137,908	-	-	-	-	1,137,908
Assets held for sale	3,142	-	-	-	6,745	9,887
	1,517,574	236	30,131	-	3,354,018	4,901,959
Liabilities						
Trade payables	-	-	-	161,821	-	161,821
Other payables	-	799	-	177,974	47,605	226,378
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	-	1,660,538	115,475	1,776,812

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34. FINANCIAL RISK MANAGEMENT (cont'd)

(g) Classification of Financial Instruments (cont'd)

	Assets at amortised cost ($'000)	Fair value through profit and loss ($'000)	Fair value through other comprehensive income ($'000)	Liabilities at amortised cost ($'000)	Non-financial assets/ liabilities ($'000)	Total ($'000)
The Company						
Year Ended 30 September 2019						
Assets						
Fixed assets	-	-	-	-	1,101	1,101
Subsidiary companies	12,000	-	-	-	2,222,649	2,234,649
Joint venture companies	-	-	-	-	38,965	38,965
Associated companies	5	-	-	-	-	5
Intangible assets	-	-	-	-	175	175
Brands	-	-	-	-	212	212
Other investments	-	-	207,800	-	-	207,800
Other receivables	32	-	-	-	825	857
Related parties	807	-	-	-	-	807
Cash and bank balances	15,418	-	-	-	-	15,418
	28,262	-	207,800	-	2,263,927	2,499,989
Liabilities						
Other payables	-	6	-	10,812	955	11,773
Subsidiary companies	-	-	-	788,634	-	788,634
Related parties	-	-	-	1,593	-	1,593
Provision for taxation	-	-	-	-	2,964	2,964
Deferred tax liabilities	-	-	-	-	121	121
	-	6	-	801,039	4,040	805,085

	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
Cash and bank balances	200,967	-	-	-	-	200,967
	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

Notes to the Financial Statements
for the year ended 30 September 2019

35. 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 2019 and 2018.

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	
	2019 ($'000)	2018 ($'000) (restated)	1 October 2017 ($'000) (restated)	**2019 ($'000)**	2018 ($'000)
Cash and bank deposits	**420,333**	530,125	1,137,908	**15,418**	200,967
Borrowings	**(829,684)**	(871,419)	(1,303,089)	**-**	(180,000)
Net (borrowings)/cash	**(409,351)**	(341,294)	(165,181)	**15,418**	20,967
Shareholders' fund	**2,933,430**	2,816,798	2,809,232	**1,694,904**	1,712,584
Total equity (including non-controlling interests)	**3,332,377**	3,164,384	3,125,147	**1,694,904**	1,712,584
Gearing ratio %					
- without non-controlling interests	**14.0**	12.1	5.9	**(0.9)**	(1.2)
- with non-controlling interests	**12.3**	10.8	5.3	**(0.9)**	(1.2)

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.

36. NEW ACCOUNTING STANDARDS AND INTERPRETATION

The Group and the Company have not adopted the following new SFRS(I)s, amendments to and interpretations of the SFRS(I)s that have been issued as at balance sheet date but are not yet effective:

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) 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
Amendments to SFRS(I) 1- 19	*Plan Amendments, Curtailment or Settlement*	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*	1 January 2019
Various	*Amendments to References to the Conceptual Framework in SFRS(I) standards*	1 January 2020
	Amendments to Illustrative examples, implementation guidance and SFRS(I) practice statements	1 January 2020
Amendments to SFRS(I) 3	*Definition of a Business*	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8	*Definition of Material*	1 January 2020
SFRS(I) 17	*Insurance Contracts*	1 January 2021

Notes to the Financial Statements

for the year ended 30 September 2019

36. NEW ACCOUNTING STANDARDS AND INTERPRETATION (cont'd)

Except for 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 of the Group and Company in the period of initial application. The nature of the impending changes in accounting policy on adoption of SFRS(I) 16 are described below.

SFRS(I) 16 *Leases*

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. SFRS(I) 16 replaces existing lease accounting guidance, including SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Group and the Company plan to apply SFRS(I) 16 initially on 1 October 2019, using the modified retrospective approach. Therefore, the cumulative effect of adoption of SFRS(I) 16 will be recognised as an adjustment to the opening balance of revenue reserve at 1 October 2019, with no restatement of comparative information. The Group and the Company plan to apply the practical expedient to grandfather the definition of a lease on transition. This means that SFRS(I) 16 will be applied to all contracts entered into before 1 October 2019 and identified as leases in accordance with SFRS(I)1-17 and SFRS(I) INT 4.

The Group as lessee

The Group expects to measure lease liabilities by applying a single discount rate to their portfolio of leases with reasonably similar characteristics. Furthermore, the Group is likely to apply the practical expedient to recognise amounts of ROU assets equal to their lease liabilities at 1 October 2019. For lease contracts that contain the option to renew, the Group is expected to use hindsight in determining the lease term.

The Group's operating lease commitments amounted to approximately $52,087,000 as at 30 September 2019. Under SFRS(I) 16, remaining lease payments under the operating leases will be recognised at their present value discounted using appropriate discount rates. In addition, the nature of expenses will now change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of ROU assets and interest expense on lease liabilities. The Group is in the process of quantifying the adjustments required in the adoption of the standard.

The Group as lessor

SFRS(I) 16 substantially carries forward the current existing lessor accounting requirements. Accordingly, the Group continues to classify their leases as operating leases, and to account for these leases using the existing operating lease accounting model.

37. SUBSEQUENT EVENT

On 8 October 2019, F&NHB, a subsidiary company of the Company, announced that its direct wholly-owned subsidiary company, F&N AgriValley Sdn Bhd had on the same date entered into a conditional sale and purchase agreement with MSM Perlis Sdn Bhd, a direct wholly-owned subsidiary company of MSM Malaysia Holdings Berhad, to acquire 9 pieces of leasehold land in Mukim Chuping, Daerah Perlis in the state of Perlis, Malaysia, measuring in total approximately 4,453.92 hectares, for a total cash consideration of RM156 million (approximately S$51 million). Further details of the proposed acquisition are set out in the said 8 October 2019 announcement and the 11 October 2019 announcement by F&NHB.

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for the year ended 30 September 2019

38. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES

		Effective Shareholding		
		2019	2018	**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%	Provision of Management and Technical 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)	F&N Global Marketing Pte. Ltd. *(formerly Asia Dairies (S) Pte Ltd)*	**100.0%**	100.0%	Sale of Concentrate and Sub-licence of Brands
(A)	F&N Dairy Investments Pte Ltd	**100.0%**	100.0%	Investment Holding
(A)	F&N Interflavine Pte. Ltd.	**100.0%**	100.0%	Manufacture of Concentrate
(A)	InterF&B Pte. Ltd.	**100.0%**	100.0%	Investment Holding
(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%	Dormant
(A)	Warburg Vending Services Pte. Ltd. *(Held by a subsidiary company)*	**100.0%**	100.0%	Dormant
(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%**	100.0%	Vending Machine Operator

(A) Audited by KPMG LLP Singapore.

(B) Audited by KPMG in the respective countries.

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for the year ended 30 September 2019

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

		Effective Shareholding 2019	2018	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**			
(D)	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**			
(C)	F&N Myanmar Services Limited *(Held by a subsidiary company)*	**100.0%**	100.0%	Provision of Management Services
(C)	Emerald Brewery Myanmar Limited *(Held by a subsidiary company)* *(All the above companies, incorporated in Myanmar, accounting year ends on 31 March. With effect from 1 October 2019, the accounting year ends on 30 September)*	**79.9%**	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 Sale 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
	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) Audited by KPMG in the respective countries.
(C) Audited by other firms of auditors.
(D) Not required to be audited under the laws of the country of incorporation.

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

		Effective Shareholding 2019	Effective Shareholding 2018	Principal Activities
	SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP (cont'd)			
	Country of Incorporation and Place of Business: **Malaysia** (cont'd)			
(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%	Manufacture 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	**38.8%**	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%	Manufacture and Sale of Mineral Water, Drinking Water and Rental of Dispensers
(B)	F&N Dairies Manufacturing Sdn Bhd	**55.5%**	55.5%	Manufacture 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
(B)	F&N AgriValley Sdn Bhd	**55.5%**	-	Dormant
	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%	Manufacture, 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

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

		Effective Shareholding 2019	Effective Shareholding 2018	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
(D)	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
(D)	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.	**100.0%**	100.0%	Distribution of Books and Magazines
(A)	Print Lab Pte. Ltd.	**60.0%**	-	Commercial Printing
(A)	Alliance Graphics Pte Ltd	**60.0%**	-	Commercial Printing
	Country of Incorporation: **Singapore** Place of Business: **Singapore and Malaysia**			
(A)	Times Experience Pte. Ltd.	**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	**100.0%**	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%	Dormant

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

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

		Effective Shareholding 2019	Effective Shareholding 2018	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)	Marshall Cavendish (Beijing) Co. Ltd *(All the above companies, incorporated in China, accounting year ends on 31 December)*	**100.0%**	100.0%	Book Production Services
	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**			
(D)	Musicway Corporation Pty Ltd	**100.0%**	100.0%	Distribution of Lifestyle Accessories and Storage Products
(D)	Marshall Cavendish (Australia) Pty. Limited	**100.0%**	100.0%	Investment Holding
	Country of Incorporation and Place of Business: **United Kingdom**			
(B)	Marshall Cavendish Limited	**100.0%**	100.0%	Investment Holding
	Country of Incorporation and Place of Business: **United States of America**			
(D)	Marshall Cavendish Corporation	**100.0%**	100.0%	Publishing of Library Reference Books
	Country of Incorporation and Place of Business: **Chile**			
(C)	Marshall Cavendish Education Chile SpA *(Accounting year ends on 31 December)*	**100.0%**	100.0%	Publishing - Education

(B) Audited by KPMG in the respective countries.
(C) Audited by other firms of auditors.
(D) Not required to be audited under the laws of the country of incorporation.

Notes to the Financial Statements
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38. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2019	Effective Shareholding 2018	Principal Activities
	JOINT VENTURE COMPANIES OF FRASER AND NEAVE, LIMITED GROUP			
	Country of Incorporation and Place of Business: **Thailand**			
(B)(2)	F&N International Holdings Co., Ltd	**49.0%**	-	Investment Holding
(B)(2)	F&N Retail Connection Co., Ltd	**74.0%**	-	Investment Holding
	JOINT VENTURE COMPANY OF FRASER & NEAVE HOLDINGS GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(B)	Vacaron Company Sdn Bhd	**27.7%**	27.8%	Property Development
	JOINT VENTURE COMPANY OF TIMES PUBLISHING GROUP			
	Country of Incorporation and Place of Business: **China**			
(C)(2)	Shanxi Xinhua Times Packaging Printing Co., Ltd *(Accounting year ends on 31 December)*	**51.0%**	51.0%	Commercial Printing and Packaging
	ASSOCIATED COMPANY OF FRASER AND NEAVE, LIMITED GROUP			
	Country of Incorporation and Place of Business: **Vietnam**			
(B)	Vietnam Dairy Products Joint Stock Company *(Accounting year ends on 31 December)*	**20.0%**	20.0%	Manufacture and Distribution of Dairy Products and Beverages
	ASSOCIATED COMPANY OF FRASER & NEAVE HOLDINGS GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(C)	Cocoaland Holdings Berhad *(Accounting year ends on 31 December)*	**15.1%**	15.1%	Investment Holding
	ASSOCIATED COMPANIES OF TIMES PUBLISHING GROUP			
	Country of Incorporation and Place of Business: **China**			
(D)	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**			
(D)	Transworld Times Press (Africa) Limited *(Accounting year ends on 31 December)*	**40.0%**	40.0%	Dormant

(B) Audited by KPMG in the respective countries.
(C) Audited by other firms of auditors.
(D) Not required to be audited under the laws of the country of incorporation.
(2) Company is treated as a joint venture company by virtue of shared control.

Particulars of Group Properties

The main properties as at 30 September 2019 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	3,363
	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	12,172	23,940
		- 5.2	hectares industrial park land at Lot 3-2, Lion Industrial Park, Shah Alam, Selangor	3,853	-
		- 2.3	hectares industrial property at 3724 to 3726, Jalan Sungei Nyior, Butterworth, Pulau Pinang	1,557	530
		- 2.7	hectares industrial property at 217, Jalan Lahat, Ipoh, Perak	929	1,038
		- 2.2	hectares industrial property at Batu 4 3/4, Jalan Tampoi, Johor Bahru, Johor	2,528	881
		- 0.6	hectares industrial property at Lot 6, Jalan Tampoi, Johor Bahru, Johor	346	43
		- 0.1	hectares office premise at No. 3, Jalan Metro Pudu 1, Fraser Business Park, Off Jalan Yew, Kuala Lumpur	-	3,860
		- 0.4	hectares industrial property at Seksyen 26, Shah Alam, Selangor	538	259
		- 2.0	hectares industrial property at Lot 7399 & 8081, Jalan Mempaga, Mukim Sabai, Karak, Pahang	761	4,214
		- 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	-	3,736
		- Other properties		308	51
	TPL	- 1.2	hectares industrial property at Lot 46, Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam, Selangor	1,271	1,601
	East Malaysia				
	F&N	- 1.1	hectares industrial property at No. 94, Batu 11, Jalan Matang, Kuching, Sarawak	1,445	414
	Thailand				
	F&N	- 9.2	hectares industrial property at 668 Moo 4 Rojana Industrial Park Zone 2, U-thai, Phra Nakhon Si Ayutthaya 13210	7,663	47,802
	Total Freehold			**39,471**	**91,732**
	LEASEHOLD				
	Singapore				
	F&N	- 2.0	hectares industrial property at 214 Pandan Loop (Lease expires year 2040)	-	9,354
		- 0.1	hectares industrial property at 51 Quality Road (Lease expires year 2044)	-	19
		- 0.1	hectares industrial property at 53 Loyang Way (Lease expires year 2029)	3,182	-
	TPL	- 1.9	hectares industrial property at 16 & 18 Tuas Avenue 5 (Lease expires year 2043)	-	10,168
		- 0.7	hectares industrial property at 438 Ang Mo Kio Industrial Park 1 (Lease expires year 2038)	-	10,608

Particulars of Group Properties

(A) CLASSIFIED AS FIXED ASSETS (cont'd)
(Note 12 to the Financial Statements)

				Land ($'000)	Building ($'000)
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)	8,571	49,076
	-	2.0	hectares industrial property at Plot 183 & 184, Jalan Cyber 9, Senai, Johor (Lease expires year 2068)	1,405	3,907
	-	2.0	hectares industrial property at Plot 182, Jalan Cyber 9, Senai, Johor (Lease expires year 2073)	945	1,483
	-	Other properties		347	128
East Malaysia					
F&N	-	2.6	hectares industrial property at 5 1/2 Mile, Jalan Tuaran, Inanam, Kota Kinabalu, Sabah (Lease expires year 2062)	617	1,539
	-	8.6	hectares industrial park land at Lot 808, Kota Kinabalu Industrial Park, Sabah (Lease expires year 2096)	8,347	-
	-	2.4	hectares industrial property at Lot 1581 Block 4, Matang Land District, Kuching, Sarawak (Lease expires year 2071)	1,269	1,603
	-	2.9	hectares industrial property at 3 1/2 Mile, Jalan Penrissen, Kuching, Sarawak (Lease expires year 2074)	1,946	6,030
	-	Shop office at Lot 142, Lorong Abang Abdul Rahim 5A, Kuching, Sarawak	(Lease expires year 2784)	74	47
	-	0.4	hectares industrial property at Lot 1008, Bintawa Industrial Estate, Kuching, Sarawak (Lease expires year 2035)	10	76
Thailand					
F&N	-	3.5	hectares industrial property at No. 19/111 Moo 7 95 Thakarm Road, Samaedam, Bangkhuntien, Bangkok (Lease expires year 2029)	-	358
	-	1.2	hectares industrial property at 90 Moo 8 Mittraparp Road, Phayayen District, Amphur Pakchong, Nakornratchasima Province 30320 (Lease expires year 2037)	-	1,216
TPL	-	Warehouse at Soi Wat Kok #20/526-527, Rama II Road, Bangkok	(Lease expires year 2021)	-	7
Myanmar					
F&N	-	13.3	hectares industrial land at Yay Ta La Baun Village Tract, Helgu Township, Yangon (Lease expires year 2068)	15,162	-
China/Hong Kong					
TPL	-	Industrial property at Nansha District, Guangzhou City, Guangdong, China	(Lease expires year 2044)	2,102	11,243
	-	Offices at Seaview Estate - 10th Floor	Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	3,947	94
	-	Offices at Seaview Estate - 9th Floor	Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	3,748	84
Total Leasehold				**51,672**	**107,040**
TOTAL PROPERTIES (CLASSIFIED AS FIXED ASSETS)				**91,143**	**198,772**

Particulars of Group Properties

			Land ($'000)	Building ($'000)
(B)	**CLASSIFIED AS COMPLETED INVESTMENT PROPERTIES (Note 13 to the Financial Statements)**			
	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	-	16,091
	Hong Kong			
	TPL	- Shop unit at Houston Centre, 63 Mody Road Tsim Sha Tsui, Kowloon Leasehold (Lease expires year 2053), lettable area - 68 sqm	1,274	136
	TOTAL PROPERTIES (CLASSIFIED AS INVESTMENT PROPERTIES)		**1,274**	**16,227**

			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.	-	-	55
		- Freehold land of approximately 188,182 sqm for a residential property development at Lot 609, Mukim Hulu Semenyih, District of Hulu Langat, Selangor.	-	-	55
		- Freehold land of approximately 57,105 sqm for a residential property development at Lot 1954, Mukim Hulu Semenyih, District of Hulu Langat, Selangor.	-	-	55
		- 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.	-	-	55

Shareholding Statistics

as at 11 December 2019

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

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%*
1 - 99	132	1.73	4,232	0.00
100 - 1,000	1,391	18.25	1,207,876	0.08
1,001 - 10,000	4,643	60.91	20,365,127	1.41
10,001 - 1,000,000	1,444	18.94	67,785,115	4.68
1,000,001 and above	13	0.17	1,359,665,828	93.83
TOTAL	**7,623**	**100.00**	**1,449,028,178**	**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	441,655,620	30.48
2	INTERBEV INVESTMENT LIMITED	412,423,822	28.46
3	UNITED OVERSEAS BANK NOMINEES PTE LTD	391,383,680	27.01
4	CITIBANK NOMINEES SINGAPORE PTE LTD	45,717,509	3.16
5	DB NOMINEES (SINGAPORE) PTE LTD	39,332,196	2.71
6	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	10,602,455	0.73
7	UOB KAY HIAN PTE LTD	5,941,100	0.41
8	RAFFLES NOMINEES (PTE) LIMITED	5,316,781	0.37
9	PHAY THONG HUAT PTE LTD	1,799,000	0.12
10	DBSN SERVICES PTE LTD	1,784,921	0.12
11	PHILLIP SECURITIES PTE LTD	1,472,492	0.10
12	HSBC (SINGAPORE) NOMINEES PTE LTD	1,229,532	0.09
13	THE TITULAR ROMAN CATHOLIC ARCHBISHOP OF KUALA LUMPUR	1,006,720	0.07
14	YEO WEI HUANG	955,000	0.07
15	THIA CHENG SONG	950,000	0.07
16	CHOO MEILEEN	906,065	0.06
17	OCBC NOMINEES SINGAPORE PTE LTD	877,060	0.06
18	CHEE SWEE CHENG & CO PTE LTD	846,610	0.06
19	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	748,954	0.05
20	OCBC SECURITIES PRIVATE LTD	709,675	0.05
TOTAL		**1,365,659,192**	**94.25**

Shareholding Statistics

as at 11 December 2019

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	59.22	-	-
InterBev Investment Limited	412,423,822	28.46	-	-
International Beverage Holdings Limited (1)	-	-	412,423,822	28.46
Thai Beverage Public Company Limited (2)	-	-	412,423,822	28.46
Siriwana Company Limited (3)	-	-	412,423,822	28.46
MM Group Limited (4)	-	-	412,423,822	28.46
Maxtop Management Corp. (4)	-	-	412,423,822	28.46
Risen Mark Enterprise Ltd. (4)	-	-	412,423,822	28.46
Golden Capital (Singapore) Limited (4)	-	-	412,423,822	28.46
Charoen Sirivadhanabhakdi (5)	-	-	1,270,503,884	87.68
Khunying Wanna Sirivadhanabhakdi (5)	-	-	1,270,503,884	87.68

To the best of the Company's knowledge and based on records of the Company as at 11 December 2019, approximately 12%* of the issued 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 1,449,028,178 shares as at 11 December 2019. There are no treasury shares as at 11 December 2019.

(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 2018 to 30 September 2019 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	2,706
- Provision of management and support services	804	449
- Reimbursement and recovery of advertising and promotional expenses	9,673	Nil
- Purchase of products and obtaining of services	Nil	16,440
- Obtaining of marketing services	758	Nil
- Lease of office/industrial space	Nil	10,717
- Sale of fixed assets	10,725	Nil
- Investment in joint venture companies	487,849	Nil

Note:

(1) This refers to the companies and entities in the TCC Group which are regarded as associates (as defined in the SGX Listing Manual) of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi.

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

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

Notice of Annual General Meeting

FRASER AND NEAVE, LIMITED
(Company Registration No. 189800001R)
(Incorporated in Singapore)

NOTICE OF ANNUAL GENERAL MEETING

Date : Wednesday, 29 January 2020

Place : Grand Ballroom
Level 2, InterContinental Singapore
80 Middle Road
Singapore 188966

NOTICE IS HEREBY GIVEN that the 121st Annual General Meeting of FRASER AND NEAVE, LIMITED (the "**Company**") will be held at the Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966 on Wednesday, 29 January 2020 at 9.30 a.m. for the following purposes:

ROUTINE BUSINESS

1. To receive and adopt the Directors' statement and audited financial statements for the year ended 30 September 2019 and the auditors' report thereon.

2. To approve a final tax-exempt (one tier) dividend of 4.0 cents per share in respect of the year ended 30 September 2019.

3. To pass the following resolutions on the recommendation of the Nominating Committee and endorsement of the Board of Directors in respect of appointment of Directors[1]:

   (a) "That Mrs Siripen Sitasuwan, who will retire by rotation pursuant to article 117 of the Constitution of the Company and who, being eligible, has offered herself for re-election, be and is hereby re-appointed as a Director of the Company."

   Subject to her re-appointment, Mrs Siripen, who is considered an independent Director, will be re-appointed as Chairman of the Audit Committee and a Member of each of the Remuneration and Nominating Committees.

   (b) "That Mr Timothy Chia Chee Ming, who will retire by rotation pursuant to article 117 of the Constitution of the Company and who, being eligible, has offered himself for re-election, be and is hereby re-appointed as a Director of the Company."

   Subject to his re-appointment, Mr Chia, who is considered an independent Director, will be re-appointed as Chairman of the Remuneration Committee and a Member of the Audit Committee.

   (c) "That Mr Thapana Sirivadhanabhakdi, who will retire by rotation pursuant to article 117 of the Constitution of the Company and who, being eligible, has offered himself for re-election, be and is hereby re-appointed as a Director of the Company."

   Subject to his re-appointment, Mr Thapana will be re-appointed as Vice-Chairman of the Board Executive Committee and a Member of each of the Nominating, Remuneration and Sustainability and Risk Management Committees.

   (d) "That Mr Sithichai Chaikriangkrai, who will retire by rotation pursuant to article 117 of the Constitution of the Company and who, being eligible, has offered himself for re-election, be and is hereby re-appointed as a Director of the Company."

   Subject to his re-appointment, Mr Sithichai will be re-appointed as a Member of each of the Audit, Board Executive and Sustainability and Risk Management Committees.

4. To approve Directors' fees of up to S$2,000,000 payable by the Company for the year ending 30 September 2020 (last year: up to S$2,000,000).

5. To re-appoint KPMG LLP as the auditors of the Company and to authorise the Directors to fix their remuneration.

[1] Detailed information on the Directors who are proposed to be re-appointed can be found under the sections titled "Board of Directors", "Corporate Governance" and "Additional Information on Directors Seeking Re-appointment" in the 2019 Annual Report of the Company.

Notice of Annual General Meeting

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolutions, which will be proposed as Ordinary Resolutions:

6. "That authority be and is hereby given to the Directors of the Company to:

   (a) (i) issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

   provided that:

   (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

   (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

   (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

   (ii) any subsequent bonus issue, consolidation or subdivision of shares,

   and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

   (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

   (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

7. "That authority be and is hereby given to the Directors of the Company to allot and issue such number of ordinary shares of the Company as may be required to be delivered pursuant to the vesting of awards granted under the F&N Restricted Share Plan (the "**RSP**") and/or the F&N Performance Share Plan (the "**PSP**"), provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, pursuant to the RSP and the PSP, shall not exceed 10% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time, and in this Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the Singapore Exchange Securities Trading Limited."

Notice of Annual General Meeting

8. "That authority be and is hereby given to the Directors of the Company to:

   (a) grant awards in accordance with the provisions of the F&N Restricted Share Plan 2019 (the "**F&N RSP 2019**"); and

   (b) allot and issue such number of ordinary shares of the Company as may be required to be delivered pursuant to the vesting of awards granted under the F&N RSP 2019,

   provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, pursuant to the F&N RSP 2019, shall not exceed 8% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time, and in this Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the Singapore Exchange Securities Trading Limited."

9. "That authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of ordinary shares of the Company as may be required to be allotted and issued pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme."

10. "That:

    (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Company's Letter to Shareholders dated 6 January 2020 (the "**Letter**"), with any party who is of the class of interested persons described in the Appendix to the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions (the "**IPT Mandate**");

    (b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and

    (c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution."

11. "That:

    (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**Shares**") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

        (i) market purchase(s) on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") transacted through the trading system of the SGX-ST and/or any other securities exchange on which the Shares may for the time being be listed and quoted ("**Other Exchange**"); and/or

        (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

    and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

Notice of Annual General Meeting

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held;

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and

(iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of a Share over the five consecutive market days on which the Shares are transacted on the SGX-ST or, as the case may be, Other Exchange, immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period;

"**date of the making of the offer**" means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the off-market purchase;

"**Maximum Percentage**" means that number of issued Shares representing 7% of the issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed 105% of the Average Closing Price of the Shares; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution."

BY ORDER OF THE BOARD

Hui Choon Kit
Company Secretary

6 January 2020

Notice of Annual General Meeting

NOTES:

1. (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies must be deposited at the office of the share registrar of the Company, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road #11-02, Singapore 068898, not less than 72 hours before the time appointed for holding the Annual General Meeting.

EXPLANATORY NOTES:

(a) The Ordinary Resolution proposed in item 6 above is to authorise the Directors of the Company from the date of the Annual General Meeting until the next Annual General Meeting to issue shares and/or make or grant instruments that might require shares to be issued, and to issue shares in pursuance of such instruments, up to a limit of 50% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) with a sub-limit of 20% for issues other than on a *pro rata* basis, calculated as described in the Resolution. As at 11 December 2019 (the "**Latest Practicable Date**"), the Company had no treasury shares and no subsidiary holdings.

(b) The Ordinary Resolution proposed in item 7 above is to authorise the Directors of the Company to issue ordinary shares of the Company pursuant to the vesting of awards granted pursuant to the F&N Restricted Share Plan (the "**RSP**") and the F&N Performance Share Plan (the "**PSP**"), provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, pursuant to the RSP and the PSP, shall not exceed 10% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time. The RSP and the PSP expired on 21 January 2019. The expiry of the RSP and the PSP did not, however, affect awards granted prior to such expiry, whether such awards had been released (whether fully or partially) or not.

(c) The Ordinary Resolution proposed in item 8 above is to authorise the Directors of the Company to offer and grant awards and to issue ordinary shares of the Company pursuant to the F&N Restricted Share Plan 2019 (the "**F&N RSP 2019**"), provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, pursuant to the F&N RSP 2019, shall not exceed 8% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time. The committee administering the F&N RSP 2019 currently does not intend, in any given year, to grant awards under the F&N RSP 2019 which would comprise more than 0.8% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time (the "**Yearly Limit**"). However, if the Yearly Limit is not fully utilised in any given year, the balance of the unutilised portion of the Yearly Limit may be carried over and used by the Company to make grants of awards in subsequent years for the duration of the F&N RSP 2019, subject to the overall maximum limit of 8%.

(d) The Ordinary Resolution proposed in item 9 above is to authorise the Directors of the Company to allot and issue ordinary shares of the Company pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme to eligible members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

(e) The Ordinary Resolution proposed in item 10 above is to renew the mandate to enable the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9 of the Listing Manual, or any of them, to enter into certain interested person transactions with specified classes of interested persons, as described in the Appendix to the Letter to Shareholders dated 6 January 2020 (the "**Letter**"). Please refer to the Letter for more details.

Notice of Annual General Meeting

(f) The Ordinary Resolution proposed in item 11 above is to renew the mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares, on the terms and subject to the conditions set out in the Resolution.

The Company intends to use internal resources or external borrowings or a combination of both to finance the purchase or acquisition of its ordinary shares. The amount of financing required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

Purely for illustrative purposes only, the financial effects of an assumed purchase or acquisition of (i) 28,980,563 ordinary shares on the Latest Practicable Date, representing 2% of the issued ordinary shares as at that date, and (ii) 101,431,972 ordinary shares on the Latest Practicable Date, representing 7% of the issued ordinary shares as at that date, at the maximum price of S$1.79 for one ordinary share (being the price equivalent to 5% above the average of the closing market prices of the ordinary shares for the five consecutive market days on which the ordinary shares were traded on the Singapore Exchange Securities Trading Limited immediately preceding the Latest Practicable Date), in the case of a market purchase and an off-market purchase respectively, based on the audited financial statements of the Company and its subsidiaries for the financial year ended 30 September 2019 and certain assumptions, are set out in paragraph 3.7 of the Letter.

Please refer to the Letter for more details.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.

Additional Information on Directors Seeking Re-Appointment

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT:

The following additional information on Mrs Siripen Sitasuwan, Mr Timothy Chia Chee Ming, Mr Thapana Sirivadhanabhakdi and Mr Sithichai Chaikriangkrai, all of whom are seeking re-appointment as Directors at the 121st Annual General Meeting, is to be read in conjunction with their respective biographies on pages 14 to 23.

	MRS SIRIPEN SITASUWAN, 71 **INDEPENDENT AND NON-EXECUTIVE DIRECTOR**
The Board's comments on the re-appointment	Mrs Siripen Sitasuwan has continued to discharge her duties as an independent director well. Her background in finance and her track record in managing a large corporation would continue to benefit the Board.
Working experience and occupation(s) in the past 10 years	**2009-2013:** **Listed Companies:** Nil **Others**: 2008-2017 Solaris Asset Management Co., Ltd (Chairman) **2014-2019:** Please refer to Mrs Siripen's biography on page 17

Additional Information on Directors Seeking Re-Appointment

MR TIMOTHY CHIA CHEE MING, 69 INDEPENDENT AND NON-EXECUTIVE DIRECTOR	MR THAPANA SIRIVADHANABHAKDI, 44 NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR	MR SITHICHAI CHAIKRIANGKRAI, 65 NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR
Mr Timothy Chia Chee Ming has continued to discharge his duties as an independent director well. He brings with him wide regional business experience which will benefit Board deliberations.	Mr Thapana Sirivadhanabhakdi has continued to discharge his duties well. His experience in regional beverages business will bring tested insights to Board deliberations.	Mr Sithichai Chaikriangkrai has continued to discharge his duties well. His experience in accounting and finance will enable him to contribute positively to the Board.
2009-2013: **Listed Companies:** 2006-2011 Singapore Post Limited (Director) 2006-2013 Fraser and Neave, Limited (Director) 2014-2014 InnoTek Limited (Director) **Others:** 1990-2015 Guan Leng Holdings Pte Ltd (Director) 2004-2018 Parkesville Pte Ltd (Director) 2006-2016 United Motor Works (Mauritius) Limited (Director) 2007-2009 Nichiyu Asia Pte Ltd (Director) 2007-2009 HSG Investments Pte Ltd (Director) 2008-2014 SPI (Australia) Assets Pty Ltd (Director) 2009-2011 UBS AG (Director) 2005-2012 SP PowerGrid Limited (Director) 2010-2015 EQT Fund Management Ltd (Senior Advisor) 2012-2012 United Motor Work (1927) Pte Ltd (Director) 2012-2014 PowerGas Limited (Director) 2012-2016 Coutts & Co Ltd. (Chairman, Asia) 2013-2014 JM Financial Singapore Pte Ltd (Senior Advisor) 2016-2017 HS Global Holdings Pte Ltd (Director) **2014-2019:** Please refer to Mr Chia's biography on page 17	**2009-2013:** **Listed Companies:** 2001-2017 Berli Jucker Public Company Limited (Director) 2007-2015 Siam Food Products Public Company Limited (Vice-Chairman) **Others:** 2006-2016 InterBev Malaysia Sdn. Bhd (Director) **2014-2019:** Please refer to Mr Thapana's biography on page 20	**2009-2013:** **Listed Companies:** 2003-2010 Thai Beverage Public Company Limited (Director and Senior Vice-President, Group Finance) 2010-2016 Thai Beverage Public Company Limited (Director and Executive Vice-President, Group Finance) 2016-Present Thai Beverage Public Company Limited (Director and Senior Executive Vice-President, Group Chief Financial Officer) **2014-2019:** Please refer to Mr Sithichai's biography on page 21

Additional Information on Directors Seeking Re-Appointment

	MRS SIRIPEN SITASUWAN, 71 INDEPENDENT AND NON-EXECUTIVE DIRECTOR
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to F&N	Yes
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No

Additional Information on Directors Seeking Re-Appointment

MR TIMOTHY CHIA CHEE MING, 69 INDEPENDENT AND NON-EXECUTIVE DIRECTOR	MR THAPANA SIRIVADHANABHAKDI, 44 NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR	MR SITHICHAI CHAIKRIANGKRAI, 65 NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR
No	No	No
Yes	Yes	Yes
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No

Additional Information on Directors Seeking Re-Appointment

	MRS SIRIPEN SITASUWAN, 71 INDEPENDENT AND NON-EXECUTIVE DIRECTOR
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:	
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

Additional Information on Directors Seeking Re-Appointment

MR TIMOTHY CHIA CHEE MING, 69 INDEPENDENT AND NON-EXECUTIVE DIRECTOR	MR THAPANA SIRIVADHANABHAKDI, 44 NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR	MR SITHICHAI CHAIKRIANGKRAI, 65 NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No

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FRASER AND NEAVE, LIMITED
(Company Registration No. 189800001R)
(Incorporated in Singapore)

Proxy Form
Annual General Meeting

IMPORTANT
1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy Fraser and Neave, Limited shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 6 January 2020.

I/We ______________________________ (Name) ____________________ (NRIC/Passport/Co Reg Number)

of ____ (Address)

being a member/members of Fraser and Neave, Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

or failing him/them, the Chairman of the Annual General Meeting ("**AGM**"), as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the AGM of the Company to be held at 9.30 a.m. on Wednesday, 29 January 2020 at the Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated below. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they may on any other matter arising at the AGM.

NO.	RESOLUTIONS RELATING TO:	No. of Votes For*	No. of Votes Against*
	ROUTINE BUSINESS		
1.	To receive and adopt the Directors' statement and audited financial statements for the year ended 30 September 2019 and the auditors' report thereon.		
2.	To approve a final tax-exempt (one-tier) dividend of 4.0 cents per share in respect of the year ended 30 September 2019.		
3.	(a) To re-appoint Director: Mrs Siripen Sitasuwan		
	(b) To re-appoint Director: Mr Timothy Chia Chee Ming		
	(c) To re-appoint Director: Mr Thapana Sirivadhanabhakdi		
	(d) To re-appoint Director: Mr Sithichai Chaikriangkrai		
4.	To approve Directors' fees of up to S$2,000,000 payable by the Company for the year ending 30 September 2020.		
5.	To re-appoint KPMG LLP as the auditors of the Company and to authorise the Directors to fix their remuneration.		
	SPECIAL BUSINESS		
6.	To authorise the Directors to issue shares and to make or grant convertible instruments.		
7.	To authorise the Directors to allot and issue shares pursuant to the F&N Restricted Share Plan and/or the F&N Performance Share Plan.		
8.	To authorise the Directors to grant awards and to allot and issue shares pursuant to the F&N Restricted Share Plan 2019.		
9.	To authorise the Directors to allot and issue shares pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme.		
10.	To approve the proposed renewal of the mandate for interested person transactions.		
11.	To approve the proposed renewal of the share purchase mandate.		

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (√) within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please indicate the number of shares in the boxes provided.

Dated this __________ day of __________ 2020.

Total Number of Shares held (Note 1)	

____
Signature/Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

Fold and seal here

NOTES TO PROXY FORM:

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy or proxies will be deemed to relate to all the shares held by the member.
2. (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the office of the share registrar of the Company, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road #11-02, Singapore 068898, not less than 72 hours before the time appointed for holding the Annual General Meeting.
5. Completion and return of the instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Annual General Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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Affix
Postage
Stamp

THE COMPANY SECRETARY
FRASER AND NEAVE, LIMITED
c/o Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #11-02
Singapore 068898

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design & production by **Q-Plus Design**

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(Company Registration No. 189800001R)
(Incorporated in Singapore)

For an electronic version of F&N FY2019 Annual Report, please refer to **www.fraserandneave.com/investor-relations/annual-reports**

Accompanying this report:
F&N FY2019 Sustainability Report

Only available in electronic format.
Download it at www.fraserandneave.com/investor-relations/corporate-sustainability

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