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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 2020.

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:

Name of Director	Direct Interest As at 1 Oct 2019	Direct Interest As at 30 Sep 2020	Deemed Interest As at 1 Oct 2019	Deemed Interest As at 30 Sep 2020
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$700,000,000 5.00% Subordinated Perpetual Securities (Series 5)	-	**-**	S$300,000,000	**-**
Fraser & Neave Holdings Bhd				
• Ordinary Shares	-	**-**	203,470,910	**203,470,910**
TCC Assets Limited				
• Ordinary Shares	25,000	**25,000**	-	**-**

Directors' Statement

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

	Direct Interest		Deemed Interest	
Name of Director	**As at 1 Oct 2019**	**As at 30 Sep 2020**	**As at 1 Oct 2019**	**As at 30 Sep 2020**
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$700,000,000 5.00% Subordinated Perpetual Securities (Series 5)	-	**-**	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**	-	**-**
Chan Heng Wing				
Frasers Property Treasury Pte. Ltd.				
• S$5,000,000,000 Multicurrency Debt Issuance Programme (Series 3)	-	**-**	-	**S$250,000**
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	**-**	-	**-**

(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 Co., Ltd. ("Siriwana"). Siriwana holds an aggregate of approximately 45.26% 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 2020.

(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 does 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. The first grant of Base Awards pursuant to the F&N RSP 2019 was made on 28 August 2020. 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 the F&N RSP 2019, and 0% to 200% for the Performance Share Plan. Accordingly, the actual number of shares to be awarded pursuant to the Share Plans will range from: 0% to 150% of the Base Awards for the Restricted Share Plan and the F&N RSP 2019, and from 0% to 200% of the Base Awards for the Performance Share Plan (the "Final Awards").

In respect of the Restricted Share Plan, the first tranche at 50% of the relevant Final Awards will be vested to participants after the end of the two-year performance period and followed by the balance which will be vested in equal instalments over the next two years. In respect of the Performance Share Plan, 100% of the relevant Final Awards will be vested to the participants after the end of the three-year performance period. In respect of the F&N RSP 2019, Final Awards will be vested in equal instalments over three years after the end of the one-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 F&N RSP 2019.
- No awards have been granted to directors of the Company under the F&N RSP 2019.
- No participant has received 5% or more of the total number of shares available/delivered pursuant to grants under the Share Plans.

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 and the first grant of awards under the F&N RSP 2019 was made on 28 August 2020 during the financial year. The details of the shares awarded under the Share Plans in aggregate are as follows:

(i) Restricted Share Plan

Shares	Grant Date	Balance as at 1.10.2019 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2020
Year 7	26.02.2016	300,400	(5,800)	-	(294,600)	-
Year 8	28.12.2016	345,350	(7,625)	-	(170,050)	167,675
Year 9	28.12.2017	866,900	(25,550)	333,600	(592,750)	582,200
Year 10	21.12.2018	1,460,500	(40,000)	-	-	1,420,500
		2,973,150	(78,975)*	333,600	(1,057,400)	2,170,375

* Cancelled due to resignations.

(ii) Performance Share Plan

Shares	Grant Date	Balance as at 1.10.2019 or Grant Date if later	Achievement Factor	Balance as at 30.9.2020
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
		272,538	(67,538)	205,000

(iii) F&N Restricted Share Plan 2019

Shares	Grant Date	Balance as at 1.10.2019 or Grant Date if later	Cancelled	Balance as at 30.9.2020
Year 1	28.08.2020	1,766,750	(1,500)*	1,765,250

* Cancelled due to resignations.

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")

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"). To date, no F&NHB Base Awards have been granted under the F&NHB PSP.

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.

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 1.10.2019 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2020
Year 5	05.01.2016	82,575	-	-	(82,575)	-
Year 6	22.12.2016	129,700	(3,375)	-	(64,375)	61,950
Year 7	22.12.2017	278,500	(1,650)	(17,400)	(130,550)	128,900
Year 8	21.12.2018	357,300	(16,400)	(127,300)	-	213,600
Year 9	23.12.2019	514,400	(18,500)	-	-	495,900
		1,362,475	(39,925)*	(144,700)	(277,500)	900,350

* 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.

Directors' Statement

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 2018. These functions include, *inter alia*, the following:

(a) reviewing the 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 financial results and related financial results announcements;

(d) reviewing the independence, adequacy and effectiveness, scope and results 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.

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 2020 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 2020; 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

11 November 2020

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 2020, 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 94 to 183.

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 2020 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 2.8, Note 2.18, Note 12 and Note 15 to the financial statements)

The key audit matter	***How the matter was addressed in our audit***
Fixed assets constitute 16.2% of the Group's total assets and investment in subsidiaries constitute 87.3% of the Company's total assets as at 30 September 2020. 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, including considerations of the impact of the COVID-19 pandemic. **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 2.12, Note 2.13, Note 2.18, 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 2020, the Group has goodwill of $93.5 million mainly relating to the printing and publishing group and beverages group, and intangible assets (including brands) of $67.5 million mainly relating to brands owned by the Group. The Group will estimate the recoverable amount of goodwill and intangible assets with finite useful life 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 finite useful life 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, including considerations of the impact of the COVID-19 pandemic. **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
11 November 2020

Profit Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	THE GROUP 2020 ($'000)	2019 ($'000) (restated)
REVENUE	3	**1,833,501**	1,902,337
Cost of sales		**(1,237,627)**	(1,278,646)
GROSS PROFIT		**595,874**	623,691
Other income (net)	4(a)	**23,309**	18,513
Operating expenses			
- Distribution		**(159,649)**	(163,162)
- Marketing		**(180,831)**	(179,177)
- Administration		**(136,989)**	(130,603)
		(477,469)	(472,942)
TRADING PROFIT		**141,714**	169,262
Share of results of joint venture companies		**2,131**	(445)
Share of results of associated companies		**123,276**	113,941
Gross income from investments	6	**285**	470
PROFIT BEFORE INTEREST AND TAXATION ("PBIT")		**267,406**	283,228
Finance income		**2,830**	6,968
Finance cost		**(24,788)**	(21,663)
Net finance cost	4(b)	**(21,958)**	(14,695)
PROFIT BEFORE FAIR VALUE ADJUSTMENT, TAXATION AND EXCEPTIONAL ITEMS		**245,448**	268,533
Fair value adjustment of investment properties		**(413)**	(1,370)
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS	4(c)	**245,035**	267,163
Exceptional items	7	**(621)**	1,106
PROFIT BEFORE TAXATION		**244,414**	268,269
Taxation	8	**(36,722)**	(56,140)
PROFIT AFTER TAXATION		**207,692**	212,129
ATTRIBUTABLE PROFIT TO:			
Shareholders of the Company			
- Before fair value adjustment and exceptional items		**150,397**	153,046
- Fair value adjustment of investment properties		**(237)**	(1,370)
- Exceptional items		**(950)**	733
		149,210	152,409
Non-controlling interests		**58,482**	59,720
		207,692	212,129
Earnings per share attributable to the shareholders of the Company	10		
Basic - before fair value adjustment and exceptional items		**10.4 cts**	10.6 cts
- after fair value adjustment and exceptional items		**10.3 cts**	10.5 cts
Fully diluted - before fair value adjustment and exceptional items		**10.3 cts**	10.5 cts
- after fair value adjustment and exceptional items		**10.2 cts**	10.5 cts

The Notes on pages 102 to 183 form an integral part of the Financial Statements.

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	THE GROUP	
	2020 ($'000)	2019 ($'000) (restated)
Profit after taxation	**207,692**	212,129
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit statement		
Share of other comprehensive income of associated companies	**(59)**	103
Fair value changes on derivative financial instruments	**(13,329)**	(1,447)
Currency translation difference	**(21,628)**	55,618
	(35,016)	54,274
Items that will not be reclassified to profit statement		
Fair value changes on equity investments measured at fair value through other comprehensive income	**(1,509)**	(6,223)
Remeasurement of defined benefit obligations	**(405)**	(839)
	(1,914)	(7,062)
Other comprehensive income for the year, net of taxation	**(36,930)**	47,212
Total comprehensive income for the year	**170,762**	259,341
Total comprehensive income attributable to:		
Shareholders of the Company	**113,885**	196,085
Non-controlling interests	**56,877**	63,256
	170,762	259,341

The Notes on pages 102 to 183 form an integral part of the Financial Statements.

Balance Sheets

AS AT 30 SEPTEMBER 2020

	Notes	THE GROUP 30 September 2020 ($'000)	THE GROUP 30 September 2019 ($'000) (restated)	THE COMPANY 30 September 2020 ($'000)	THE COMPANY 30 September 2019 ($'000)
SHARE CAPITAL AND RESERVES					
Share capital	11(a)	**855,870**	853,549	**855,870**	853,549
Reserves	11(c)	**2,112,668**	2,079,734	**771,355**	841,355
		2,968,538	2,933,283	**1,627,225**	1,694,904
NON-CONTROLLING INTERESTS		**427,115**	399,828	**-**	-
		3,395,653	3,333,111	**1,627,225**	1,694,904
Represented by:					
NON-CURRENT ASSETS					
Fixed assets	12	**771,571**	687,140	**5,288**	1,101
Investment properties	13	**17,075**	17,501	**-**	-
Properties held for development	14	**18,114**	18,490	**-**	-
Subsidiary companies	15	**-**	-	**2,172,844**	2,222,649
Joint venture companies	16	**166,605**	169,898	**38,965**	38,965
Associated companies	17	**2,668,602**	2,620,675	**-**	-
Intangible assets	18	**133,695**	131,248	**652**	175
Brands	22	**27,354**	27,513	**212**	212
Other investments	20	**6,147**	7,656	**206,298**	207,800
Other receivables	24	**2,272**	2,735	**249**	2
Deferred tax assets	30	**4,516**	2,884	-	-
		3,815,951	3,685,740	**2,424,508**	2,470,904
CURRENT ASSETS					
Inventories	23	**296,724**	262,130	**-**	-
Trade receivables	24	**271,823**	277,025	**-**	-
Other receivables	24	**94,899**	66,256	**4,813**	855
Related parties	24	**8,664**	7,871	**735**	807
Subsidiary companies	15	**-**	-	**49,862**	12,000
Joint venture companies	16	**1,179**	1,162	**-**	-
Associated companies	17	**7**	14	**4**	5
Cash and bank deposits	21	**285,479**	420,333	**8,622**	15,418
		958,775	1,034,791	**64,036**	29,085
Deduct: CURRENT LIABILITIES					
Trade payables	26	**161,122**	182,475	**-**	-
Other payables	26	**211,759**	247,223	**13,850**	11,773
Related parties	26	**4,891**	7,222	**220**	1,593
Subsidiary companies	15	**-**	-	**5,174**	4,376
Associated companies	17	**398**	1,186	**-**	-
Lease liabilities	27	**14,268**	-	**2,353**	-
Borrowings	28	**42,701**	9,226	**-**	-
Provision for taxation		**49,639**	54,275	**4,296**	2,964
		484,778	501,607	**25,893**	20,706
NET CURRENT ASSETS		**473,997**	533,184	**38,143**	8,379
Deduct: NON-CURRENT LIABILITIES					
Other payables	26	**30,262**	25,564	**-**	-
Subsidiary companies	15	**-**	-	**833,019**	784,258
Lease liabilities	27	**25,168**	-	**2,380**	-
Borrowings	28	**795,888**	820,458	**-**	-
Provision for employee benefits	29	**18,414**	20,167	**-**	-
Deferred tax liabilities	30	**24,563**	19,624	**27**	121
		894,295	885,813	**835,426**	784,379
		3,395,653	3,333,111	**1,627,225**	1,694,904

The Notes on pages 102 to 183 form an integral part of the Financial Statements.

Statements of Changes in Equity

THE GROUP

	Notes	Share Capital ($'000)	Capital Reserve ($'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 2020												
Balance at 1 October 2019, restated		853,549	(5,257)	2,030,987	21,678	(32,099)	(1,447)	7,911	57,961	2,933,283	399,828	3,333,111
Comprehensive income												
Share of other comprehensive income of associated companies		-	-	99	(132)	(26)	-	-	-	(59)	-	(59)
Fair value changes on derivative financial instruments		-	-	-	-	-	(13,329)	-	-	(13,329)	-	(13,329)
Fair value changes on equity investments measured at fair value through other comprehensive income		-	-	-	-	(1,509)	-	-	-	(1,509)	-	(1,509)
Remeasurement of defined benefit obligations		-	-	(224)	-	-	-	-	-	(224)	(181)	(405)
Currency translation difference		-	-	-	(20,204)	-	-	-	-	(20,204)	(1,424)	(21,628)
Other comprehensive income for the year		-	-	(125)	(20,336)	(1,535)	(13,329)	-	-	(35,325)	(1,605)	(36,930)
Profit for the year		-	-	149,210	-	-	-	-	-	149,210	58,482	207,692
Total comprehensive income for the year		-	-	149,085	(20,336)	(1,535)	(13,329)	-	-	113,885	56,877	170,762
Contributions by and distributions to owners												
Employee share-based expense		-	-	-	-	-	-	4,632	-	4,632	1,124	5,756
Issue of shares in the Company upon vesting of shares awarded	11	2,321	-	-	-	-	-	(2,321)	-	-	-	-
Purchase of shares by a subsidiary company		-	-	(1,314)	-	-	-	-	-	(1,314)	(1,054)	(2,368)
Shares of a subsidiary company reissued pursuant to its share plans		-	(88)	1,170	-	-	-	(1,082)	-	-	-	-
Capital contribution by non-controlling interests		-	-	-	-	-	-	-	-	-	1,595	1,595
Dividends:	9											
Dividends paid		-	-	(21,793)	-	-	-	-	(57,961)	(79,754)	(32,292)	(112,046)
Dividends proposed		-	-	(50,753)	-	-	-	-	50,753	-	-	-
Total contributions by and distributions to owners		2,321	(88)	(72,690)	-	-	-	1,229	(7,208)	(76,436)	(30,627)	(107,063)
Changes in ownership interests												
Change of interests in subsidiary companies		-	-	(1,132)	-	-	-	-	-	(1,132)	1,132	-
Acquisition of non-controlling interests in a subsidiary company		-	-	(20)	-	-	-	-	-	(20)	(95)	(115)
Changes in carrying value of put option granted to non-controlling interests		-	(1,042)	-	-	-	-	-	-	(1,042)	-	(1,042)
Total changes in ownership interests		-	(1,042)	(1,152)	-	-	-	-	-	(2,194)	1,037	(1,157)
Total transactions with owners in their capacity as owners		2,321	(1,130)	(73,842)	-	-	-	1,229	(7,208)	(78,630)	(29,590)	(108,220)
Balance at 30 September 2020		855,870	(6,387)	2,106,230	1,342	(33,634)	(14,776)	9,140	50,753	2,968,538	427,115	3,395,653

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 (restated)													
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		-	-	-	(208,671)	208,671	-	-	-	-	-	-	-
Effects of adopting SFRS(I) 15		-	-	-	(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		-	-	-	(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		-	-	-	152,409	-	-	-	-	-	152,409	59,720	212,129
Total comprehensive income for the year		-	-	(9,548)	162,076	51,230	(6,226)	(1,447)	-	-	196,085	63,256	259,341
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		-	-	-	-	-	-	-	-	-	-	5,052	5,052
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)	5,604	(9,391)
Total transactions with owners in their capacity as owners		1,608	267	(14,652)	(79,936)	-	-	-	(999)	14,517	(79,195)	(10,719)	(89,914)
Balance at 30 September 2019		853,549	-	(5,257)	2,030,987	21,678	(32,099)	(1,447)	7,911	57,961	2,933,283	399,828	3,333,111

Statements of Changes in Equity

THE COMPANY

	Notes	Share Capital ($'000)	Treasury Shares ($'000)	Capital Reserve ($'000)	Revenue Reserve ($'000)	Fair Value Adjustment Reserve ($'000)	Share-based Payment Reserve ($'000)	Dividend Reserve ($'000)	Total Equity ($'000)
YEAR ENDED 30 SEPTEMBER 2020									
Balance at 1 October 2019		853,549	-	(1,091)	722,593	57,939	3,953	57,961	1,694,904
Comprehensive income									
Fair value changes on equity investments measured at fair value through other comprehensive income		-	-	-	-	(1,502)	-	-	(1,502)
Other comprehensive income for the year		-	-	-	-	(1,502)	-	-	(1,502)
Profit for the year		-	-	-	10,346	-	-	-	10,346
Total comprehensive income for the year		-	-	-	10,346	(1,502)	-	-	8,844
Contributions by and distributions to owners									
Employee share-based expense		-	-	-	-	-	3,231	-	3,231
Issue of shares in the Company upon vesting of shares awarded	11	2,321	-	-	-	-	(2,321)	-	-
Dividends:	9								
Dividends paid		-	-	-	(21,793)	-	-	(57,961)	(79,754)
Dividends proposed		-	-	-	(50,753)	-	-	50,753	-
Total transactions with owners in their capacity as owners		2,321	-	-	(72,546)	-	910	(7,208)	(76,523)
Balance at 30 September 2020		855,870	-	(1,091)	660,393	56,437	4,863	50,753	1,627,225
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

The Notes on pages 102 to 183 form an integral part of the Financial Statements.

Cash Flow Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	THE GROUP	
	2020 ($'000)	2019 ($'000) (restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and exceptional items	**245,035**	267,163
Adjustments for:		
Depreciation of fixed assets	**74,251**	49,407
Amortisation of brands and intangible assets	**13,673**	11,594
Impairment of fixed assets and intangible assets	**550**	209
Reversal of impairment of fixed assets and intangible assets	**(264)**	(355)
Fixed assets written off	**256**	1,272
Property development cost written off	**357**	-
Gross income from investments	**(285)**	(470)
Provision for employee benefits	**2,439**	2,527
Write back of provision for employee benefits	**(26)**	(70)
Gain on disposal of fixed assets and intangible assets	**(223)**	(11,633)
Gain on lease termination/modification	**(157)**	-
Interest income	**(2,830)**	(6,968)
Interest expenses	**24,788**	21,663
Share of results of joint venture companies	**(2,131)**	445
Share of results of associated companies	**(123,276)**	(113,941)
Employee share-based expense	**5,372**	2,213
Fair value adjustment of investment properties	**413**	1,370
Fair value adjustment of financial instruments	**(339)**	135
Gain on disposal of financial instruments	**(163)**	(22)
Operating cash before working capital changes	**237,440**	224,539
Change in inventories	**(34,594)**	(18,114)
Change in receivables	**(24,247)**	(1,927)
Change in related parties' and joint venture and associated companies' balances	**(3,922)**	469
Change in payables	**(53,840)**	45,213
Currency realignment	**(8,394)**	7,978
Cash generated from operations	**112,443**	258,158
Interest income received	**3,064**	5,399
Interest expenses paid	**(24,735)**	(21,543)
Income taxes paid	**(34,563)**	(28,903)
Payment of employee benefits	**(1,897)**	(2,476)
Retirement benefit plan buy-out	**(11,622)**	-
Net cash from operating activities	**42,690**	210,635
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends from associated companies	**96,547**	93,695
Gross income from investments	**285**	470
Proceeds from disposal of fixed assets and intangible assets	**11,677**	15,110
Proceeds from disposal of investment property	**-**	12,948
Investments in joint venture and associated companies	**(41,747)**	(115,309)
Purchase of fixed assets	**(108,348)**	(158,996)
Payment for intangible assets	**(16,163)**	(17,068)
Net cash outflow on acquisition of subsidiary companies	**-**	(22,638)
Payment of deferred consideration for prior years' acquisition of subsidiary companies	**(3,525)**	-
Deposits pledged in relation to acquisition of subsidiary companies	**3,025**	-
Net cash used in investing activities	**(58,249)**	(191,788)

Cash Flow Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	THE GROUP	
	2020 (\$'000)	2019 (\$'000) (restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	**27,501**	442,962
Repayment of borrowings	**(15,607)**	(488,754)
Repayment of lease liabilities	**(17,396)**	-
Acquisition of non-controlling interests in a subsidiary company	**(115)**	-
Purchase of shares by a subsidiary company	**(2,368)**	(1,658)
Capital contribution by non-controlling interests	**1,595**	15,082
Payment of dividends:		
- by subsidiary companies to non-controlling interests	**(32,292)**	(30,954)
- by the Company to shareholders	**(79,754)**	(65,206)
Net cash used in financing activities	**(118,436)**	(128,528)
Net decrease in cash and cash equivalents	**(133,995)**	(109,681)
Cash and cash equivalents at beginning of year	**417,327**	527,166
Effects of exchange rate changes on cash and cash equivalents	**2,147**	(158)
Cash and cash equivalents at end of year	**285,479**	417,327
Cash and cash equivalents at end of year comprise:		
Cash and bank deposits (Note 21)	**285,479**	420,333
Less: Deposits pledged in relation to acquisition of subsidiary companies (Note 21)	**-**	(3,006)
	285,479	417,327
Analysis of acquisition of subsidiary companies		
Net assets acquired:		
Other non-current assets	**-**	4,731
Current assets	**-**	8,643
Borrowings	**-**	(219)
Other current liabilities	**-**	(2,541)
Other non-current liabilities	**-**	(621)
Non-controlling interests	**-**	(5,052)
Cash and cash equivalents	**-**	2,637
	-	7,578
Goodwill on acquisition	**-**	18,197
Consideration paid	**-**	25,775
Deferred consideration	**-**	(500)
Less: Cash and cash equivalents of subsidiary companies acquired	**-**	(2,637)
Net cash outflow on acquisition of subsidiary companies	**-**	22,638

The Notes on pages 102 to 183 form an integral part of the Financial Statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

The following Notes form an integral part of the Financial Statements on pages 94 to 101.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 11 November 2020.

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 financial statements of the Group as at and for the year ended 30 September 2020 comprise the Company and its subsidiary companies (together referred to as the "Group").

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.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). This is the first set of the Group's annual financial statements in which SFRS(I) 16 Leases has been applied. The related changes to significant accounting policies are described in Note 2.22. The financial statements are prepared on a historical cost basis except as disclosed in the accounting policies below.

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

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

The following are the new, amendments to and interpretations of the standards that are mandatory for application from 1 October 2019:

SFRS(I) 16	*Leases*
Amendments to SFRS(I) 9	*Prepayment Features with Negative Compensation*
Amendments to SFRS(I) 1-19	*Plan Amendment, Curtailment or Settlement*
Amendments to SFRS(I) 1-28	*Long Term Interests in Associates and Joint Ventures*
Annual Improvements to SFRS(I)s 2015-2017 cycle	
Amendments to SFRS(I) 3	*Business Combinations*
Amendments to SFRS(I) 11	*Joint Arrangements*
Amendments to SFRS(I) 1-12	*Income Taxes*
Amendments to SFRS(I) 1-23	*Borrowing Costs*
SFRS(I) INT 23	*Uncertainty over Income Tax Treatments*

Except for SFRS(I) 16, the adoption of the above new, amendments to and interpretations of the standards had no material impact on the financial statements of the Group and the Company.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.1 Basis of Preparation (cont'd)

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. 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 applied SFRS(I) 16 on 1 October 2019, using the modified retrospective approach, with no restatement of comparative information. The Group and the Company applied the practical expedient to grandfather the definition of a lease on transition. That means that SFRS(I) 16 were 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 previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under SFRS(I) 16, the Group recognises ROU assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet. On transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the respective lessee entities' incremental borrowing rates applicable to the leases as at 1 October 2019. ROU assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used the following practical expedients when applying SFRS(I) 16 to leases previously classified as operating leases under SFRS(I) 1-17:

- did not recognise ROU assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise ROU assets and liabilities for leases of low value assets;
- excluded initial direct costs from the measurement of the ROU asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group as lessor

SFRS(I) 16 substantially carries forward the current existing lessor accounting requirements. Accordingly, the Group continues to classify these leases as operating leases, and to account for these leases using the existing operating lease accounting model.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.1 Basis of Preparation (cont'd)

Upon applying SFRS(I) 16, the effects on the Group's balance sheet as at 1 October 2019 are as follows:

Group Balance Sheet

	As at 1 October 2019 $'000
Increase/(Decrease) in:	
Assets	
Fixed assets	50,488
Other receivables	(9)
	50,479
Liabilities	
Lease liabilities	50,735
Borrowings	(302)
Other payables	46
	50,479

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using the applicable incremental borrowing rates at 1 October 2019. The weighted-average rate applied is 3.3%.

	As at 1 October 2019 $'000
Operating lease commitments at 30 September 2019 as disclosed under SFRS(I) 1-17 in the Group's consolidated financial statements	52,087
Discounted using the incremental borrowing rate at 1 October 2019	49,784
Finance lease liabilities recognised as at 30 September 2019	302
Recognition exemption for:	
- Short-term leases	(2,380)
- Leases of low-value assets	(793)
Extension and termination options reasonably certain to be exercised	2,497
Variable lease payments	(5,996)
Others	7,321
Lease liabilities recognised as at 1 October 2019	50,735

Amendment to SFRS(I) 16 - *COVID-19-Related Rent Concessions*

The Group has early adopted Amendment to SFRS(I) 16 - *COVID-19-Related Rent Concessions* which was issued on 28 May 2020. The amendment introduces an optional practical expedient for leases in which the Group is a lessee. For leases to which the Group applies the practical expedient, the Group is not required to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group has applied the amendment retrospectively.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.2 Basis of Consolidation and Business Combinations

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

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

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

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

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

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

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

The accounting policy on goodwill on acquisition of subsidiary companies is included in Note 2.12(b).

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.

Transactions with non-controlling interests

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

Notes to the Financial Statements
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

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

Transactions with non-controlling interests (cont'd)

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

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

A list of the significant subsidiary companies is shown in Note 38.

2.3 Joint Arrangements

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

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

(a) Joint operations

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

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

(b) Joint venture companies

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

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

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

The Group's share of the operating results and exceptional items of joint venture companies are shown separately in the profit statement. The Group's share of other comprehensive income ("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 2020

2. ACCOUNTING POLICIES (cont'd)

2.4 Associated Companies

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

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

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

The Group's share of the operating results, exceptional items and fair value adjustment of investment properties of associated companies are shown separately in the profit statement. The Group's share of 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.

2.5 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.5 Revenue Recognition (cont'd)

Others

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

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

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

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

2.6 Provisions

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

2.7 Taxation

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.7 Taxation (cont'd)

(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.

2.8 Fixed Assets

Fixed assets are carried at cost less accumulated depreciation and accumulated impairment loss. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of fixed assets if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Expenditure for additions, improvements and replacements are capitalised and expenditure for maintenance and repairs are charged to the profit statement. Subsequent expenditure relating to fixed assets that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits in excess of standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured, otherwise it is recognised as an expense during the financial year in which it is incurred. The carrying amount of the replaced parts is derecognised.

An asset is derecognised upon sale or retirement and any gain or loss on derecognition of the asset is included in the profit statement. Any amount in revaluation reserve relating to that asset is transferred to revenue reserve.

Depreciation is calculated on the straight-line method to write off the cost or valuation of fixed assets less residual value over their estimated useful lives. No depreciation is charged for freehold land and capital work-in-progress. The residual values, depreciation method and useful lives are reviewed and adjusted as appropriate at each balance sheet date. The annual depreciation rates applied to write down the fixed assets over their estimated useful lives are as follows:

Leasehold land	-	Over the unexpired term of lease ranging from 10 to 99 years
Building	-	Over the shorter of the unexpired term of lease and lease term (ranging from 10 to 60 years)
Plant, machinery and equipment	-	Over the shorter of the unexpired term of lease and estimated useful lives of between 3 to 15 years
Motor vehicle and forklift	-	Over the shorter of the unexpired term of lease and estimated useful lives of between 5 to 10 years
Postmix and vending machine	-	Over the shorter of the unexpired term of lease and estimated useful lives of between 5 to 10 years
Furniture and fitting, computer equipment	-	Over the shorter of the unexpired term of lease and estimated useful lives of between 2 to 10 years

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.9 Investment Properties

Investment properties are properties that are held for long term rental yields and/or capital appreciation. Completed investment properties are initially recognised at cost, including transaction cost and subsequently measured at fair value, determined annually by independent professional valuers on balance sheet date. Changes in fair values are recognised in the profit statement in the year in which they arise.

Transfers are made to or from completed investment properties only when there is a change in use. For a transfer from completed investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to completed investment property, the property is accounted for in accordance with the accounting policy for fixed assets up to the date of change in use.

On disposal of a completed investment property, the difference between the disposal proceeds and the carrying amount is recognised in the profit statement.

2.10 Properties Held for Development

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

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

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

2.11 Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the profit statement using the effective interest method. However, borrowing costs that are directly attributable to acquisition, construction and production of qualifying assets are capitalised as part of the cost of the assets. Capitalisation of borrowing costs commences when activities to prepare the assets are in progress until the assets are ready for their intended use. Borrowing costs capitalised in development properties are determined after netting off interest income earned from progress billings received and placed on fixed deposits.

2.12 Intangible Assets

Intangible assets acquired separately are capitalised at cost. Intangible assets from a business acquisition are capitalised at fair value as at the date of acquisition. After initial recognition, an intangible asset is carried at cost less any accumulated amortisation and any accumulated impairment loss.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Amortisation charged on finite intangible assets is taken to the profit statement as amortisation expense. Intangible assets with indefinite useful lives are subjected to impairment test annually or more frequently if events or changes in circumstances indicate that the carrying value might be impaired.

Internally generated 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.12 Intangible Assets (cont'd)

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:

	Education	General and Reference
1st year	33% - 50%	50%
2nd year	33% - 50%	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.

(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	2.0% to 20.0%
Distribution rights	6.7% to 10.0%
Software	12.5% to 33.3%

Notes to the Financial Statements
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.13 Brands

Brands with finite lives are stated at cost less accumulated amortisation and accumulated impairment losses. They are assessed for impairment annually or whenever there is an indication of impairment. The useful life is also examined on an annual basis and an adjustment, where applicable, is made on a prospective basis. Amortisation is calculated to write off their cost over their estimated useful lives of up to 14 years on a straight-line method to the profit statement.

Brands with indefinite lives are stated at cost less any impairment loss. The useful life of the brand is estimated to be indefinite because based on the current market share of the brand, management believes there is no foreseeable limit to the period over which the brand is expected to generate net cash flows to the Group. The indefinite useful life is reviewed annually to determine whether it continues to be supportable. The brand is tested for impairment annually or more frequently when indicators of impairment are identified.

Internally generated brands are not capitalised and the expenditure is charged against profit in the year in which the expenditure is incurred.

2.14 Inventories

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

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

2.15 Financial Assets

(a) Classification

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

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.15 Financial Assets (cont'd)

(a) Classification (cont'd)

(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.

(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.

(c) 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 FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit statement.

(d) 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.15 Financial Assets (cont'd)

(e) Impairment

The Group assesses on a forward looking basis the expected credit loss ("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.

2.16 Financial Liabilities

Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit statement. Directly attributable transaction costs are recognised in profit statement as incurred.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.16 Financial Liabilities (cont'd)

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. Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit statement.

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.

2.17 Derivative Financial Instruments and Hedge Accounting

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 2020

2. ACCOUNTING POLICIES (cont'd)

2.18 Impairment of Non-Financial Assets

The carrying amounts of the Group's assets are reviewed at each reporting date or when annual impairment testing is required, to determine whether there is any indication of impairment. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost of disposal and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating units ("CGU") to which the asset belongs. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised whenever the carrying amount of an asset or CGU exceeds its recoverable amount. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Reversal of impairment losses previously recognised is recorded when the decrease in impairment loss can be objectively related to an event occurring after the write down. The carrying amount is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss is recognised in the profit statement. Impairment loss on goodwill is not reversed in a subsequent period.

2.19 Discontinued Operations and Assets and Liabilities Held for Sale

A component of the Group is classified as a discontinued operation when the criteria to be classified as held-for-sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations. A component is deemed to be held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or component is available for immediate sale in its present condition.

Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the assets (or all the assets and liabilities in the group) are measured in accordance with the applicable 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.

2.20 Treasury Shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.21 Employee Benefits

(a) Defined benefit plans

The cost of providing benefits under the defined benefit 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.

(b) Defined contribution plans under statutory regulations

Obligations for contributions to defined contribution plans are recognised as an expense in the profit statement as incurred.

(c) 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.

(d) Accrued annual leave

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for employee entitlements to annual leave as a result of services rendered by employees up to the balance sheet date.

2.22 Leases

The accounting policy for leases before 1 October 2019 are as follows:

(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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.22 Leases (cont'd)

(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.

The accounting policy for leases after 1 October 2019 are as follows:

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SFRS(I) 16.

(a) Lessee

The Group recognises a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group shall use it's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.22 Leases (cont'd)

(a) **Lessee** (cont'd)

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the ROU asset, or is recorded in profit statement if the carrying amount of the ROU asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) **Lessor**

The accounting policy applicable to the Group as a lessor in the comparative period were the same under SFRS(I) 16 except for sub-leases, except when the Group is an intermediate lessor.

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the ROU asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the ROU asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within "Other Receivables". Any differences between the ROU asset derecognised and the net investment in sublease is recognised in profit statement. Lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognise lease income from sublease in profit statement within "Other income". The ROU asset relating to the head lease is not derecognised.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component.

2.23 Government Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised in the profit statement over the period necessary to match them on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is recognised as deferred capital grant and is amortised to the profit statement over the expected useful life of the relevant asset by equal annual installments.

2.24 Exceptional Items

Exceptional items are items of income and expense of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the year.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.25 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and the Company; or

(b) a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the balance sheet of the Group and the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.26 Functional and Foreign Currencies

(a) Functional currency

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

(b) Foreign currency transactions

Foreign currency transactions are recorded in the functional currencies of the Company and the respective subsidiary companies at rates of exchange approximating those ruling at transaction date. Foreign currency monetary assets and liabilities at the balance sheet date are translated at the rates ruling at that date. Exchange differences are dealt with in the profit statement except where exchange differences arise on foreign currency monetary items that in substance form part of the Group's net investment in the foreign entity. These exchange differences are taken to exchange reserve as a separate component of the shareholders' funds until the disposal of the net investment at which time they are recognised in the profit statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. Currency translation differences on equity investments held at FVTPL, 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.

Notes to the Financial Statements
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.26 Functional and Foreign Currencies (cont'd)

(c) Foreign currency translations (cont'd)

On disposal of a foreign operation, the cumulative amount of exchange differences deferred in shareholders' funds relating to that foreign operation is recognised in the profit statement as a component of the gain or loss on disposal.

In the case of a partial disposal without loss of control of a subsidiary company that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit statement. For partial disposals of associated or joint venture companies that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit statement.

2.27 Significant Accounting Estimates and Judgements

Estimates and assumptions concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(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) Impact of COVID-19

On 11 March 2020, the World Health Organisation declared the Coronavirus Disease (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe. In response to the pandemic, governments from different countries around the world have implemented containment measures to varying degrees in a bid to curb the spread of the virus. As a result, there has been disruption to global trade due to restrictions for cross-border movement and reduced economic activities.

The ongoing and evolving COVID-19 pandemic has a significant impact on the global economy and the economies of the countries in which the Group operates in. There is significant uncertainty as to the duration of the pandemic and its impact on those economies. In regard to the Group, the impact and consideration of COVID-19 has been in the following areas:

Impairment assessment and asset valuations

Given the pervasiveness of COVID-19, management has considered and estimated the impact of COVID-19 in the Group's impairment assessment of goodwill and brands, investment in joint venture and associated companies and financial assets at amortised cost based on the best estimates, market conditions and information available at the end of the reporting period. Details on these areas which involve significant judgement and estimation uncertainty are further discussed below.

Solvency and liquidity

As at 30 September 2020, the Group was in a net borrowings position of $553,100,000 (2019: $409,400,000). The Group is carefully managing its operating and capital expenses in this COVID-19 operating environment. The Group maintains access to undrawn credit facilities and debt capital markets and has financial resources to meet its obligations when they fall due.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.27 Significant Accounting Estimates and Judgements (cont'd)

(a) Key sources of estimation uncertainty (cont'd)

(ii) 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, including the impact arising from COVID-19, 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 including the impact arising from COVID-19, 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, which is based on assumptions for the future movement of different economic drivers with consideration on the impact of COVID-19. 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 35(c).

(iii) 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 2020

2. ACCOUNTING POLICIES (cont'd)

2.27 Significant Accounting Estimates and Judgements (cont'd)

(a) Key sources of estimation uncertainty (cont'd)

(iv) 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	
	2020 ($'000)	2019 ($'000)
Sale of goods	**1,725,582**	1,785,823
Sale of services	**96,076**	106,976
Others	**11,843**	9,538
Total revenue	**1,833,501**	1,902,337

(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 2020					
Primary geographical markets					
Singapore	**112,262**	**171,942**	**137,149**	**-**	**421,353**
Malaysia	**293,581**	**331,315**	**22,984**	**329**	**648,209**
Thailand	**-**	**657,710**	**399**	**-**	**658,109**
Others	**33,511**	**2,805**	**69,514**	**-**	**105,830**
	439,354	**1,163,772**	**230,046**	**329**	**1,833,501**
Major products/service lines					
Sale of goods	**439,354**	**1,163,772**	**122,456**	**-**	**1,725,582**
Sale of services	**-**	**-**	**96,037**	**39**	**96,076**
Others	**-**	**-**	**11,553**	**290**	**11,843**
	439,354	**1,163,772**	**230,046**	**329**	**1,833,501**
Timing of transfer of goods or services					
At a point in time	**439,354**	**1,163,772**	**217,945**	**329**	**1,821,400**
Over time	**-**	**-**	**12,101**	**-**	**12,101**
	439,354	**1,163,772**	**230,046**	**329**	**1,833,501**

Notes to the Financial Statements
FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 2019*					
Primary geographical markets					
Singapore	120,612	165,278	165,348	-	451,238
Malaysia	336,495	335,440	35,981	398	708,314
Thailand	-	649,272	290	-	649,562
Others	14,181	3,295	75,747	-	93,223
	471,288	1,153,285	277,366	398	1,902,337
Major products/service lines					
Sale of goods	471,288	1,153,285	161,250	-	1,785,823
Sale of services	-	-	106,933	43	106,976
Others	-	-	9,183	355	9,538
	471,288	1,153,285	277,366	398	1,902,337
Timing of transfer of goods or services					
At a point in time	471,288	1,153,285	260,692	398	1,885,663
Over time	-	-	16,674	-	16,674
	471,288	1,153,285	277,366	398	1,902,337

* Reclassification of segmental information has been made to conform with current year's presentation.

(b) Contract balances

Information about contract liabilities from contracts with customers is as follows:

	THE GROUP	
	2020 ($'000)	2019 ($'000)
Contract liabilities	**29,213**	32,371

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 2020

	THE GROUP 2020 ($'000)	THE GROUP 2019 ($'000)

3. REVENUE (cont'd)

(b) Contract balances (cont'd)

Significant changes in the contract liabilities are explained as follows:

	2020 ($'000)	2019 ($'000)
Contract liabilities at the beginning of the year recognised as revenue during the year	**(32,371)**	(31,016)
Increases due to cash received, excluding amounts recognised as revenue during the year	**29,213**	32,371

4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS

(a) Included in other income (net):

	2020 ($'000)	2019 ($'000)
Wage and other subsidies	**15,668**	249
Management and support services	**1,512**	3,272
Sale of scrap items	**1,399**	2,311
Rental income	**679**	1,308
Foreign exchange gain/(loss)	**445**	(1,267)
Service fee income	**383**	568
Fair value gain/(loss) on derivatives	**494**	(164)
Subscription fee income	**271**	566
Gain on disposal of fixed assets and intangible assets	**223**	11,633

(b) Net finance cost:

	2020 ($'000)	2019 ($'000)
Finance income		
Interest income from bank and other deposits	**2,813**	5,042
Others	**17**	1,926
	2,830	6,968
Finance cost		
Interest expense from bank and other borrowings	**(23,043)**	(21,511)
Interest expense from lease liabilities	**(1,476)**	-
Others	**(269)**	(152)
	(24,788)	(21,663)
	(21,958)	(14,695)

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

	THE GROUP	
	2020 ($'000)	2019 ($'000)
(c) Profit before taxation and exceptional items have been arrived at after charging:		
Depreciation of fixed assets	**74,251**	49,407
Impairment of fixed assets	**386**	120
Impairment of intangible assets	**164**	89
Amortisation of brands	**135**	135
Amortisation of intangible assets	**13,538**	11,459
Fixed assets written off	**256**	1,272
Bad debts written off	**246**	11
Allowance for bad and doubtful trade debts	**8,547**	606
Inventory written off	**2,934**	3,829
Allowance for inventory obsolescence	**6,661**	4,760
Directors of the Company:		
Fee	**809**	819
Remuneration of members of Board committees	**541**	536
Adviser fees and allowances	**1,959**	1,956
Key executive officers:		
Remuneration	**4,086**	4,749
Provident Fund contribution	**75**	74
Employee share-based expense	**551**	249
Staff costs (exclude directors and key executives)	**241,024**	245,834
Employee share-based expense (exclude directors and key executives)	**4,821**	1,964
Defined contribution plans (exclude directors and key executives)	**23,339**	22,648
Defined benefit plans	**2,439**	2,527
Auditors' remuneration:		
Auditor of the Company	**830**	814
Member firms of the Auditor of the Company	**747**	693
Other auditors	**34**	45
Professional fees paid to:		
Auditor of the Company	**52**	103
Member firms of the Auditor of the Company	**101**	114
Other auditors	**195**	327
and crediting:		
Write back of defined benefit plans	**26**	70
Write back of allowance for bad and doubtful trade debts	**234**	309
Write back of allowance for inventory obsolescence	**416**	1,060
Reversal of impairment of fixed assets	**209**	355
Reversal of impairment of intangible assets	**55**	-

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 2020

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	439,354	1,163,772	230,046	329	-	1,833,501
Revenue - inter-segment	2,096	162	424	104,086	(106,768)	-
Total revenue	**441,450**	**1,163,934**	**230,470**	**104,415**	**(106,768)**	**1,833,501**
Subsidiary companies	17,327	142,781	(10,496)	(7,613)	-	141,999
Joint venture and associated companies	-	120,714	-	4,693	-	125,407
PBIT	**17,327**	**263,495**	**(10,496)**	**(2,920)**	**-**	**267,406**
Finance income						2,830
Finance cost						(24,788)
Profit before fair value adjustment, taxation and exceptional items						**245,448**
Fair value adjustment of investment properties						(413)
Exceptional items						(621)
Profit before taxation						**244,414**
Taxation						(36,722)
Profit after taxation						**207,692**
Non-controlling interests						(58,482)
Attributable profit						**149,210**
Assets	516,143	728,999	275,127	129,255	-	1,649,524
Investment in joint venture and associated companies	-	2,638,523	149	196,535	-	2,835,207
Tax assets						4,516
Cash and bank deposits						285,479
Total assets						**4,774,726**
Liabilities	89,192	220,489	103,377	53,224	-	466,282
Tax liabilities						74,202
Borrowings						838,589
Total liabilities						**1,379,073**
Other segment information:						
Capital expenditure	53,603	52,103	17,931	874	-	124,511
Depreciation and amortisation	30,064	30,967	23,791	3,102	-	87,924
Impairment losses	73	117	360	-	-	550
Reversal of impairment losses	(101)	(108)	(55)	-	-	(264)
Attributable (loss)/profit before fair value adjustment and exceptional items	(183)	184,645	(12,020)	(22,045)	-	150,397
Fair value adjustment of investment properties	-	-	(18)	(219)	-	(237)
Exceptional items	-	410	(1,010)	(350)	-	(950)
Attributable (loss)/profit	(183)	185,055	(13,048)	(22,614)	-	149,210

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	421,353	648,209	658,109	106	105,724	1,833,501
PBIT	(4,690)	37,137	121,635	119,739	(6,415)	267,406
Non-current assets	160,409	461,234	192,829	102	161,654	976,228
Investment in joint venture and associated companies	-	77,257	119,278	2,638,523	149	2,835,207
Current assets	204,190	259,821	163,520	236	45,529	673,296
Capital expenditure	24,463	60,817	26,225	2	13,004	124,511

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

5. SEGMENT INFORMATION (cont'd)

Year ended 30 September 2019 (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	471,288	1,153,285	277,366	398	-	1,902,337
Revenue - inter-segment	3,059	36	84	113,922	(117,101)	-
Total revenue	**474,347**	**1,153,321**	**277,450**	**114,320**	**(117,101)**	**1,902,337**
Subsidiary companies	17,189	154,122	9,635	(11,214)	-	169,732
Joint venture and associated companies	-	110,927	(365)	2,934	-	113,496
PBIT	**17,189**	**265,049**	**9,270**	**(8,280)**	**-**	**283,228**
Finance income						6,968
Finance cost						(21,663)
Profit before fair value adjustment, taxation and exceptional items						**268,533**
Fair value adjustment of investment properties						(1,370)
Exceptional items						1,106
Profit before taxation						**268,269**
Taxation						(56,140)
Profit after taxation						**212,129**
Non-controlling interests						(59,720)
Attributable profit						**152,409**
Assets	482,988	667,626	271,696	84,431	-	1,506,741
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						**4,720,531**
Liabilities	108,910	222,642	108,912	43,373	-	483,837
Tax liabilities						73,899
Borrowings						829,684
Total liabilities						**1,387,420**
Other segment information:						
Capital expenditure	85,494	70,168	17,586	2,816	-	176,064
Depreciation and amortisation	18,719	24,413	16,916	953	-	61,001
Impairment losses	110	10	89	-	-	209
Reversal of impairment losses	(136)	(219)	-	-	-	(355)
Attributable (loss)/profit before fair value adjustment and exceptional items	(875)	181,245	6,185	(33,509)	-	153,046
Fair value adjustment of investment properties	-	-	(1,370)	-	-	(1,370)
Exceptional items	-	566	348	(181)	-	733
Attributable (loss)/profit	(875)	181,811	5,163	(33,690)	-	152,409

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	6,856	51,724	121,840	109,185	(6,377)	283,228
Non-current assets	137,221	442,809	167,901	61	144,291	892,283
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

* Reclassification of segmental information has been made to conform with current year's presentation.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	THE GROUP	
	2020 ($'000)	2019 ($'000) (restated)
6. GROSS INCOME FROM INVESTMENTS		
Dividend income	**285**	470
7. EXCEPTIONAL ITEMS		
Insurance claim relating to fire	**739**	1,019
Provision for restructuring and re-organisation costs of operations	**(1,010)**	(910)
Share of exceptional items of a joint venture company	**(350)**	-
Gain on disposal of investment property	**-**	1,176
Investment property written off	**-**	(179)
	(621)	1,106
8. TAXATION		
Based on profit for the year:		
Singapore tax	**7,528**	7,359
Overseas tax		
- current year	**25,113**	33,322
- withholding tax	**7,528**	3,592
Deferred tax		
- current year	**4,005**	5,555
	44,174	49,828
(Over)/Under provision in preceding years		
- current income tax	**(7,405)**	6,025
- deferred tax	**(47)**	287
	36,722	56,140

	THE GROUP	
	2020 %	2019 %

A reconciliation of the statutory tax rate to the Group's effective tax rate applicable to profit for the year is as follows:

Singapore statutory rate	**17.0**	17.0
Effect of different tax rates of other jurisdictions	**2.5**	2.7
Effect of tax losses of subsidiary and joint venture companies not available for set-off against profits of other companies within the group	**1.0**	0.9
Income not subject to tax (tax incentive/exemption)	**(13.1)**	(8.6)
Expenses not deductible for tax purposes	**6.8**	4.9
Utilisation of previously unrecognised tax losses	**(0.3)**	(0.2)
(Over)/Under provision in prior years	**(3.0)**	2.3
Deferred tax benefits not recognised	**1.0**	0.7
Withholding tax	**3.1**	1.3
Tax benefits arising from previously unrecognised losses	**(0.1)**	(0.1)
Others	**0.1**	-
	15.0	20.9

Notes to the Financial Statements
FOR THE YEAR ENDED 30 SEPTEMBER 2020

8. TAXATION (cont'd)

As at 30 September 2020, certain Singapore subsidiary companies have unutilised tax losses carried forward of approximately $27,503,000 (2019: $28,428,000) and unabsorbed capital allowances of $Nil (2019: $Nil) available for set off against future profits. In addition, certain overseas subsidiary companies have unutilised tax losses carried forward of approximately $119,569,000 (2019: $97,234,000), unutilised investment allowances of approximately $74,009,000 (2019: $82,190,000) and unabsorbed capital allowances of $23,123,000 (2019: $22,044,000). The availability of these losses and capital allowances to set off against future profits is subject to the meeting of certain statutory requirements by those subsidiary companies in their countries of tax residence. The deferred tax benefits of these losses recognised in the financial statements are disclosed in Note 30.

For the year of assessment ("YA") 2020 certain subsidiary companies have transferred loss items of $11,398,000 (YA 2019: $13,207,000) to offset against the taxable income of other companies in the Group. Tax benefits of $219,000 (YA 2019: $164,000) were recognised on the tax losses utilised under the group relief system. Tax benefits of $6,685,000 (2019: $5,736,000) 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	
	2020 ($'000)	2019 ($'000)
Interim paid of 1.5 cents per share (2019: 1.5 cents per share)	**21,793**	21,762
Final proposed of 3.5 cents per share (2019: 4.0 cents per share)	**50,753**	57,961
	72,546	79,723

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	
	2020 ($'000)	2019 ($'000) (restated)
Group attributable profit to shareholders of the Company		
- before fair value adjustment and exceptional items	**150,397**	153,046
- after fair value adjustment and exceptional items	**149,210**	152,409
	------ **Number of Shares** ------	
Weighted average number of ordinary shares in issue	**1,449,909,345**	1,448,877,007
Earnings Per Share (Basic)		
- before fair value adjustment and exceptional items	**10.4 cts**	10.6 cts
- after fair value adjustment and exceptional items	**10.3 cts**	10.5 cts

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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	
	2020 ($'000)	2019 ($'000) (restated)
Group attributable profit to shareholders of the Company before fair value adjustment and exceptional items	**150,397**	153,046
Change in attributable profit due to dilutive potential shares under share plans of a subsidiary company	**(184)**	(175)
Group adjusted attributable profit to shareholders of the Company before fair value adjustment and exceptional items	**150,213**	152,871
Group attributable profit to shareholders of the Company after fair value adjustment and exceptional items	**149,210**	152,409
Change in attributable profit due to dilutive potential shares under share plans of a subsidiary company	**(188)**	(176)
Group adjusted attributable profit to shareholders of the company after fair value adjustment and exceptional items	**149,022**	152,233

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	**1,449,909,345**	1,448,877,007
Adjustment for dilutive potential shares under share plans of the Company	**4,140,625**	3,245,688
Weighted average number of ordinary shares used to compute diluted earnings per share	**1,454,049,970**	1,452,122,695
Earnings Per Share (Fully diluted)		
- before fair value adjustment and exceptional items	**10.3 cts**	10.5 cts
- after fair value adjustment and exceptional items	**10.2 cts**	10.5 cts

Notes to the Financial Statements
FOR THE YEAR ENDED 30 SEPTEMBER 2020

11. SHARE CAPITAL, TREASURY SHARES AND RESERVES

	THE GROUP & THE COMPANY			
	2020		2019	
	Number of Shares	**($'000)**	Number of Shares	($'000)
(a) Share capital				
Ordinary shares issued and fully paid up				
Balance at beginning of year	**1,449,028,178**	**853,549**	1,448,252,279	851,941
Shares issued pursuant to the vesting of shares awarded under Share Plans	**1,057,400**	**2,321**	775,899	1,608
Balance at end of year	**1,450,085,578**	**855,870**	1,449,028,178	853,549

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 2020	**($'000) 2020**	Number of Shares 2019	($'000) 2019
(b) Treasury shares				
Balance at beginning of year	**-**	**-**	(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	**-**	**-**	-	-

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 2020 and 2019.

The Company reissued Nil (2019: 131,126) treasury shares pursuant to its share plans at a weighted average price of $Nil (2019: $2.04) in this financial year.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

(c) Reserves

	THE GROUP		THE COMPANY	
	2020 ($'000)	2019 ($'000) (restated)	**2020 ($'000)**	2019 ($'000)
The reserves comprise the following:				
Capital Reserve	**(6,387)**	(5,257)	**(1,091)**	(1,091)
Fair Value Adjustment Reserve	**(33,634)**	(32,099)	**56,437**	57,939
Hedging Reserve	**(14,776)**	(1,447)	**-**	-
Share-based Payment Reserve	**9,140**	7,911	**4,863**	3,953
Revenue Reserve	**2,106,230**	2,030,987	**660,393**	722,593
Dividend Reserve (Note 9)	**50,753**	57,961	**50,753**	57,961
Exchange Reserve	**1,342**	21,678	**-**	-
Total reserves	**2,112,668**	2,079,734	**771,355**	841,355

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 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 3.5 cents (2019: 4.0 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 2020

12. FIXED ASSETS

	THE GROUP							
	Freehold Land ($'000)	Leasehold Land ($'000)	Building ($'000)	Plant & Machinery ($'000)	Capital Work-in-Progress ($'000)	Other Assets ($'000)	Right-of-Use Assets ($'000)	Total ($'000)
For the year ended 30 September 2020								
At cost								
Balance at beginning of year	40,246	66,011	301,356	697,034	142,662	203,197	-	1,450,506
Effects of adopting SFRS(I) 16	-	(58,656)	-	(324)	-	(29)	109,497	50,488
Balance at beginning of year, adjusted	40,246	7,355	301,356	696,710	142,662	203,168	109,497	1,500,994
Currency realignment	(353)	-	(3,171)	(6,261)	9,675	(3,040)	4,276	1,126
Additions	-	-	30,658	58,465	9,267	9,958	26,797	135,145
Derecognition	-	-	-	-	-	-	(21,189)	(21,189)
Disposals	-	-	(19,992)	(6,065)	-	(6,691)	-	(32,748)
Write off	-	-	(16)	(298)	-	(1,720)	-	(2,034)
Reclassification	-	(7,355)	30,728	43,502	(69,768)	2,893	-	-
Reclassified to intangible assets	-	-	-	-	(214)	(9)	-	(223)
Balance at end of year	39,893	-	339,563	786,053	91,622	204,559	119,381	1,581,071
Accumulated depreciation and impairment								
Balance at beginning of year	775	14,339	102,584	490,775	-	154,893	-	763,366
Effects of adopting SFRS(I) 16	-	(10,078)	-	(66)	-	(18)	10,162	-
Balance at beginning of year, adjusted	775	4,261	102,584	490,709	-	154,875	10,162	763,366
Currency realignment	(1)	-	(802)	(3,333)	-	(805)	138	(4,803)
Depreciation charge	-	-	7,615	31,335	-	15,683	19,618	74,251
Impairment charge	-	-	-	1,817	-	471	193	2,481
Reversal of impairment charge	-	-	-	(60)	-	(149)	-	(209)
Derecognition	-	-	-	-	-	-	(752)	(752)
Disposals	-	-	(10,746)	(5,801)	-	(6,506)	-	(23,053)
Write off	-	-	(15)	(267)	-	(1,496)	-	(1,778)
Reclassification	-	(4,261)	4,261	-	-	-	-	-
Reclassified to intangible assets	-	-	-	-	-	(3)	-	(3)
Balance at end of year	774	-	102,897	514,400	-	162,070	29,359	809,500
Net book value	39,119	-	236,666	271,653	91,622	42,489	90,022	771,571

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

12. FIXED ASSETS (cont'd)

THE GROUP

	Freehold Land ($'000)	Leasehold Land ($'000)	Building ($'000)	Plant & Machinery ($'000)	Capital Work-in-Progress ($'000)	Other Assets ($'000)	Total ($'000)
For the year ended 30 September 2019							
At cost							
Balance at beginning of year	40,493	65,415	288,813	655,339	36,624	203,250	1,289,934
Currency realignment	436	561	4,300	8,294	457	1,815	15,863
Additions	-	-	151	3,333	146,742	8,770	158,996
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 to investment properties	-	-	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
Accumulated depreciation and impairment							
Balance at beginning of year	777	13,171	100,398	464,288	-	149,841	728,475
Currency realignment	(2)	73	1,265	5,210	-	1,211	7,757
Depreciation charge	-	1,095	6,040	26,032	-	16,240	49,407
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
Net book value	39,471	51,672	198,772	206,259	142,662	48,304	687,140

Notes to the Financial Statements
FOR THE YEAR ENDED 30 SEPTEMBER 2020

12. FIXED ASSETS (cont'd)

	THE COMPANY		
	Other Assets ($'000)	Right-of-Use Assets ($'000)	Total ($'000)
For the year ended 30 September 2020			
At cost			
Balance at beginning of year	**1,443**	**-**	**1,443**
Additions	**68**	**6,579**	**6,647**
Disposals	**(1)**	**-**	**(1)**
Balance at end of year	**1,510**	**6,579**	**8,089**
Accumulated depreciation and impairment			
Balance at beginning of year	**342**	**-**	**342**
Depreciation charge	**254**	**2,206**	**2,460**
Disposals	**(1)**	**-**	**(1)**
Balance at end of year	**595**	**2,206**	**2,801**
Net book value	**915**	**4,373**	**5,288**
For the year ended 30 September 2019			
At cost			
Balance at beginning of year	444	-	444
Additions	999	-	999
Balance at end of year	1,443	-	1,443
Accumulated depreciation and impairment			
Balance at beginning of year	175	-	175
Depreciation charge	167	-	167
Balance at end of year	342	-	342
Net book value	1,101	-	1,101

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

(b) The Group's carrying amount of assets held under finance leases at 30 September 2019 amounted to $268,000.

(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) Details of right-of-use assets are disclosed in Note 27(a).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

13. INVESTMENT PROPERTIES

		THE GROUP	
		2020 ($'000)	2019 ($'000)
(a)	**Completed Investment Properties**		
	Balance at beginning of year	**17,501**	41,672
	Currency realignment	**(13)**	(50)
	Reclassified to fixed assets	**-**	(10,800)
	Disposals	**-**	(11,772)
	Write off	**-**	(179)
	Net fair value loss recognised in the profit statement	**(413)**	(1,370)
	Balance at end of year	**17,075**	17,501

(b) Completed investment properties comprise commercial properties that are leased mainly to third parties under operating leases (Note 27 and 32).

The following amounts are recognised in the profit statement:

	2020 ($'000)	2019 ($'000)
Rental income from investment properties:		
- Minimum lease payments	**133**	855
Direct operating expenses arising from rental generating properties	**209**	236

(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**
Roma Appraisals Ltd	Hong Kong
Henry Butcher Malaysia Sdn Bhd	Malaysia

14. PROPERTIES HELD FOR DEVELOPMENT

	THE GROUP	
	2020 ($'000)	2019 ($'000)
Balance at beginning of year	**18,490**	18,529
Currency realignment	**(19)**	(39)
Property development cost written off	**(357)**	-
Balance at end of year	**18,114**	18,490
Properties held for development comprise:		
Freehold land	**16,409**	16,424
Development costs	**1,705**	2,066
	18,114	18,490

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

15. SUBSIDIARY COMPANIES

	THE COMPANY	
	2020 ($'000)	2019 ($'000)
Quoted shares at cost	**256,353**	256,353
Unquoted shares at cost	**2,247,934**	2,242,934
Allowance for impairment	**(331,450)**	(276,638)
	2,172,837	2,222,649
Amounts owing by subsidiary companies	**7**	-
	2,172,844	2,222,649
MARKET VALUE		
Quoted shares	**2,152,755**	2,342,664

The Company increased its shareholdings in F&N Global Marketing Pte. Ltd. through capital injections amounting to $5,000,000 in the financial year ended 30 September 2020 (2019: 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 $54,812,000 (2019: $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 6.3% (2019: 8.6%) and the terminal growth rate was 2.0% (2019: 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 $755,000,000 (2019: $698,000,000) which bear interest between 2.6% to 3.9% (2019: 2.6% 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 $34,540,000 (2019: $Nil) which bears interest of 1.0% (2019: Nil%) 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

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 Purchase Price Allocation exercise ("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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

15. SUBSIDIARY COMPANIES (cont'd)

(a) Acquisition of subsidiary companies (cont'd)

In accordance with SFRS(I) 3 *Business Combinations*, the fair value of the identifiable assets and liabilities was determined provisionally for the acquisition as of 30 September 2019. Additional information was obtained as part of the process of finalising the PPA during the 12 month period allowed under SFRS(I) 3 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 2019 ($'000)	Adjustment ($'000)	Revised as at 30 September 2019 ($'000)
Non-current assets	1,781	2,950	4,731
Current assets	8,643	-	8,643
Borrowings	(219)	-	(219)
Other current liabilities	(2,541)	-	(2,541)
Other non-current liabilities	(119)	(502)	(621)
Non-controlling interests	(4,073)	(979)	(5,052)
Cash and cash equivalents	2,637	-	2,637
Total identifiable net assets at fair value	6,109	1,469	7,578
Goodwill arising from acquisition	19,666	(1,469)	18,197
Consideration paid	25,775	-	25,775
Deferred consideration	(500)	-	(500)
Less: Cash and cash equivalents in subsidiary companies acquired	(2,637)	-	(2,637)
Net cash outflow on acquisition of subsidiary companies	22,638	-	22,638

All the above fair value adjustments have been recorded with effect from the date of acquisition by revising the reported balance sheet and profit statement for the year ended 30 September 2019. The effect of the adjustments on the profit statement was an increase in administration expenses of $295,000 for the year ended 30 September 2019.

(b) Acquisition of non-controlling interest ("NCI") in a subsidiary company

On 29 January 2020, the Group through F&N Investments Pte Ltd ("FNI") acquired 0.12% of the issued share capital of Emerald Brewery Myanmar Limited ("EBML"). On completion of the acquisition, FNI's shareholdings in EBML increased from 79.88% to 80.00%. The differences between the consideration and the carrying values of the additional interests acquired has been recognised in revenue reserve within equity.

The following summarises the effect of the change in the Group's ownership in the above subsidiary company on equity attributable to owners of the Group:-

	THE GROUP 2020 ($'000)
Carrying amount of NCI acquired	95
Consideration paid to NCI	115
Decrease in equity attributable to owners of the Group	(20)

Notes to the Financial Statements
FOR THE YEAR ENDED 30 SEPTEMBER 2020

15. SUBSIDIARY COMPANIES (cont'd)

(c) Subsidiary company with material NCI

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

	Fraser & Neave Holdings Bhd 2020 ($'000)	Fraser & Neave Holdings Bhd 2019 ($'000)
NCI percentage of ownership and voting interest	**44.5%**	44.5%
Carrying amount of NCI	**394,813**	371,519
Profit after taxation allocated to NCI	**58,679**	60,197
Dividends paid to NCI	**32,292**	30,954
<u>Summarised financial information before inter-group elimination</u>		
Non-current assets	**586,886**	576,716
Current assets	**573,326**	579,203
Non-current liabilities	**(36,309)**	(59,189)
Current liabilities	**(237,134)**	(262,273)
Net assets	**886,769**	834,457
Revenue	**1,305,837**	1,344,640
Profit for the year	**134,275**	135,292
Other comprehensive income	**(8,827)**	9,811
Total comprehensive income	**125,448**	145,103
Net cash from operating activities	**112,922**	190,793
Net cash flows used in investing activities	**(37,778)**	(40,971)
Net cash flows used in financing activities	**(93,140)**	(148,214)
Net (decrease)/increase in cash and cash equivalents	**(17,996)**	1,608

16. JOINT VENTURE COMPANIES

	THE GROUP 2020 ($'000)	THE GROUP 2019 ($'000)	THE COMPANY 2020 ($'000)	THE COMPANY 2019 ($'000)
F&N Retail Connection Co., Ltd ("FNRC") and F&N International Holdings Co., Ltd ("FNIH")	**119,278**	122,604	**38,965**	38,965
Vacaron Company Sdn Bhd ("VCSB")	**47,177**	47,144	**-**	-
Other joint venture company	**150**	150	**-**	-
	166,605	169,898	**38,965**	38,965

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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	
	2020 ($'000)	2019 ($'000)	**2020 ($'000)**	2019 ($'000)
Expenses	**(4)**	(5)	**(181)**	(109)
Share of joint venture companies' profits	**4,545**	4,749	**-**	-
Profit/(loss) before interest and taxation	**4,541**	4,744	**(181)**	(109)
Interest income	**-**	4	**6**	8
Interest expense	**-**	-	**(10)**	(3,835)
Net interest	**-**	4	**(4)**	(3,827)
Profit/(loss) before taxation	**4,541**	4,748	**(185)**	(3,936)
Taxation	**-**	-	**-**	(876)
Profit/(loss) after taxation	**4,541**	4,748	**(185)**	(4,812)
Non-current assets	**242,977**	249,748	**4**	10
Cash and bank balances	**808**	324	**424**	261
Other current assets	**-**	-	**94,038**	94,146
Total liabilities	**(508)**	(6)	**(25,359)**	(109,067)
Net assets/(liabilities)	**243,277**	250,066	**69,107**	(14,650)

(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	
	2020 ($'000)	2019 ($'000)
Carrying amount of interest	**150**	150
Share of loss after taxation	**-**	(365)

(c) 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. On 2 October 2019, the principal amount of shareholder's loan of $41,838,000 was converted to 126,820 redeemable non-cumulative convertible preference shares at issue price of RM1,000 each.

(d) The amounts owing from joint venture companies classified under current assets are unsecured, trade and non-trade in nature, interest free, repayable upon 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 2020 and 2019.

Details of the significant joint venture companies are included in Note 38.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

17. ASSOCIATED COMPANIES

	THE GROUP	
	2020 ($'000)	2019 ($'000)
Vietnam Dairy Products Joint Stock Company ("Vinamilk")	**2,638,522**	2,591,097
Other associated company	**30,080**	29,578
	2,668,602	2,620,675
MARKET VALUE		
Quoted shares	**2,785,216**	2,737,900

(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:

	2020 ($'000)	2019 ($'000)
Summarised statement of comprehensive income		
Revenue	**3,106,292**	2,857,660
Profit before taxation	**732,141**	678,246
Taxation	**(136,023)**	(125,361)
Profit after taxation	**596,118**	552,885
Other comprehensive income	**96,616**	6,834
Total comprehensive income	**692,734**	559,719
Attributable to:		
Non-controlling interests	**96,856**	5,322
Shareholders of Vinamilk	**595,878**	554,397
	692,734	559,719
Summarised balance sheet		
Non-current assets	**3,161,202**	3,115,289
Current assets	**1,861,612**	1,290,064
Current liabilities	**(1,073,215)**	(683,197)
Non-current liabilities	**(462,388)**	(436,577)
Net assets	**3,487,211**	3,285,579
Attributable to:		
Non-controlling interests	**131,160**	34,562
Shareholders of Vinamilk	**3,356,051**	3,251,017
	3,487,211	3,285,579

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 2020 ($'000)	THE GROUP 2019 ($'000)
Carrying amount of interest	**30,080**	29,578
Share of profit before taxation	**3,396**	3,916
Share of taxation	**(834)**	(902)
Share of profit after taxation	**2,562**	3,014

(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 upon demand and 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 2020 and 2019.

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 2020					
At cost					
Balance at beginning of year	**99,487**	**30,895**	**54,698**	**185,080**	**327**
Currency realignment	**27**	**17**	**(3)**	**41**	**-**
Additional expenditure	**-**	**14,189**	**1,974**	**16,163**	**524**
Reclassified from fixed assets	**-**	**-**	**223**	**223**	**-**
Write off	**-**	**(10,568)**	**-**	**(10,568)**	**-**
Balance at end of year	**99,514**	**34,533**	**56,892**	**190,939**	**851**
Accumulated amortisation and impairment					
Balance at beginning of year	**5,979**	**12,939**	**34,914**	**53,832**	**152**
Currency realignment	**(2)**	**(28)**	**(33)**	**(63)**	**-**
Amortisation charge	**-**	**10,471**	**3,067**	**13,538**	**47**
Impairment charge	**-**	**557**	**-**	**557**	**-**
Reclassified from fixed assets	**-**	**-**	**3**	**3**	**-**
Write off	**-**	**(10,568)**	**-**	**(10,568)**	**-**
Write back	**-**	**(55)**	**-**	**(55)**	**-**
Balance at end of year	**5,977**	**13,316**	**37,951**	**57,244**	**199**
Net book value	**93,537**	**21,217**	**18,941**	**133,695**	**652**

Notes to the Financial Statements
FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 2019 (restated)					
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*	18,197	-	2,950	21,147	-
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	99,487	30,895	54,698	185,080	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	2,943	11,459	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	34,914	53,832	152
Net book value	93,508	17,956	19,784	131,248	175

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

* In accordance with SFRS(I) 3 *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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 2020				
Subsidiary companies:				
Printing and Publishing Group	**34,435**	**Value-in-use and Fair value less cost to sell**	**0% - 1.0%**	**6.0% - 8.1%**
Dairies Group	**330**	**Value-in-use**	**1.0%**	**7.1%**
Beverages Group	**58,772**	**Value-in-use**	**0% - 3.5%**	**6.3% - 10.8%**
	93,537			
As at 30 September 2019 (restated)				
Subsidiary companies:				
Printing and Publishing Group	34,390	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	0% - 2.0%	6.9% - 9.8%
	93,508			

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 $557,000 (2019: $89,000) was recognised 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 6.0% to 6.1% (2019: 7.0%) and the terminal growth rate is 0% (2019: 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	
	2020 ($'000)	2019 ($'000)	**2020 ($'000)**	2019 ($'000)
At fair value through other comprehensive income ("FVOCI")				
Quoted equity investments	**6,133**	7,642	**206,284**	207,786
Unquoted equity investment	**14**	14	**14**	14
Total	**6,147**	7,656	**206,298**	207,800

Equity investments designated at FVOCI

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.

	THE GROUP		THE COMPANY	
	Fair value ($'000)	**Dividend income ($'000)**	**Fair value ($'000)**	**Dividend income ($'000)**
Year Ended 30 September 2020				
Vietnam Dairy Products Joint Stock Company	**-**	**-**	**200,151**	**6,925**
Tsit Wing International Holdings Ltd	**5,714**	**285**	**5,714**	**285**
Ovato Limited	**419**	**-**	**419**	**-**
Others	**14**	**-**	**14**	**-**
	6,147	**285**	**206,298**	**7,210**
Year Ended 30 September 2019				
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	
	2020 ($'000)	2019 ($'000)	**2020 ($'000)**	2019 ($'000)

21. CASH AND BANK DEPOSITS

Bank fixed deposits	**67,100**	126,358	**5,137**	8,605
Cash and bank balances	**218,379**	293,975	**3,485**	6,813
	285,479	420,333	**8,622**	15,418

Included in the Group's bank fixed deposits is an amount of $Nil (2019: $3,006,000) relating to the portion of consideration for acquisition of a subsidiary company held as profit guarantee. The profit guarantee was released upon the achievement of pre-defined targets as set out in the sale and purchase agreement in financial year ended 30 September 2020. These fixed deposits are excluded from the Group Cash Flow Statement in FY2019.

22. BRANDS

At cost				
Balance at beginning of year	**41,667**	41,588	**8,647**	8,647
Currency realignment	**(119)**	79	**-**	-
Balance at end of year	**41,548**	41,667	**8,647**	8,647
Accumulated amortisation and impairment				
Balance at beginning of year	**14,154**	13,884	**8,435**	8,435
Currency realignment	**(95)**	135	**-**	-
Amortisation charge	**135**	135	**-**	-
Balance at end of year	**14,194**	14,154	**8,435**	8,435
Net book value	**27,354**	27,513	**212**	212

Included in the Group's brands are brands with indefinite useful life of carrying amount of $ 26,682,000 (2019: $26,706,000).

The recoverable amount of the brands have been determined based on value-in-use calculations using 3 to 5 year cash flow projections approved by management.

The terminal growth rate used does not exceed the long term average growth rate of the respective industry and country in which the 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 was 6.3% - 8.4% (2019: 6.9% - 9.8%) and terminal growth rates applied was 1.0% - 3.5% (2019: 1.0% - 2.0%).

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23. INVENTORIES

	THE GROUP	
	2020 ($'000)	2019 ($'000)
Raw materials	**151,832**	111,407
Finished goods	**110,179**	126,785
Packaging materials	**22,084**	16,325
Engineering spares, work-in-progress and other inventories	**12,629**	7,613
	296,724	262,130

The cost of inventories recognised as an expense in cost of sales during the year was $1,193,786,000 (2019: $1,198,474,000).

24. TRADE RECEIVABLES, OTHER RECEIVABLES AND RELATED PARTIES

	THE GROUP		THE COMPANY	
	2020 ($'000)	2019 ($'000)	**2020 ($'000)**	2019 ($'000)
Current				
Trade receivables	**271,823**	277,025	**-**	-
Other receivables:				
Accrued income	**3,475**	823	**300**	11
Prepayments	**9,890**	8,922	**590**	177
Deposits paid	**5,283**	5,461	**558**	8
Tax recoverable	**12,640**	16,996	**-**	-
Staff loans	**842**	1,457	**2**	11
Derivative financial instruments (Note 25)	**629**	85	**5**	-
Contract costs	**665**	1,831	**-**	-
Sundry debtors	**11,841**	21,839	**-**	-
Dividend receivable	**41,972**	142	**3,063**	142
Other receivables	**7,662**	8,700	**295**	506
	94,899	66,256	**4,813**	855
Related parties	**8,664**	7,871	**735**	807
	375,386	351,152	**5,548**	1,662
Non-current				
Other receivables:				
Prepayments	**590**	183	**-**	-
Staff loans	**117**	234	**-**	2
Tax recoverable	**1,009**	1,073	**-**	-
Deposits paid	**307**	1,245	**-**	-
Other receivables	**249**	-	**249**	-
	2,272	2,735	**249**	2
	377,658	353,887	**5,797**	1,664

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:

	THE GROUP		
	Gross carrying amount ($'000)	**Impairment loss allowance ($'000)**	**Net carrying amount ($'000)**
Year Ended 30 September 2020			
Current (not past due)	**217,806**	**(222)**	**217,584**
1 to 30 days	**35,711**	**(72)**	**35,639**
31 to 60 days	**8,373**	**(158)**	**8,215**
61 to 90 days	**2,180**	**(67)**	**2,113**
91 to 120 days	**3,821**	**(1,881)**	**1,940**
more than 120 days	**14,551**	**(8,219)**	**6,332**
	282,442	**(10,619)**	**271,823**
Year Ended 30 September 2019			
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	
	2020 ($'000)	2019 ($'000)
Balance at beginning of year	**3,091**	2,914
Impairment charge	**8,547**	606
Write back	**(234)**	(309)
Acquisition of subsidiary companies	**-**	37
Write off	**(777)**	(163)
Currency realignment	**(8)**	6
Balance at end of year	**10,619**	3,091

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25. DERIVATIVE FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
	2020 ($'000)	2019 ($'000)	**2020 ($'000)**	2019 ($'000)
Current Assets				
Forward currency contracts	**629**	85	**5**	-
Current Liabilities				
Forward currency contracts	**320**	268	**-**	6
Non-current Liabilities				
Interest rate swaps	**14,777**	1,447	**-**	-
	15,097	1,715	**-**	6

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.

26. TRADE PAYABLES, OTHER PAYABLES AND RELATED PARTIES

	THE GROUP		THE COMPANY	
	2020 ($'000)	2019 ($'000)	**2020 ($'000)**	2019 ($'000)
Current				
Trade payables	**161,122**	182,475	**-**	-
Other payables				
Accrued operating expenses	**75,394**	90,763	**227**	245
Sundry accruals	**19,092**	16,383	**501**	591
Sundry deposits	**8,083**	10,730	**-**	-
Staff costs payable	**31,920**	40,191	**4,201**	2,955
Accrual for unconsumed annual leave	**3,097**	2,460	**970**	706
Deferred income	**2,871**	178	**299**	-
Derivative financial instruments (Note 25)	**320**	268	**-**	6
Interest payable	**4,341**	4,288	**-**	-
Contract liabilities	**29,213**	32,371	**-**	-
Other payables	**37,428**	49,591	**7,652**	7,270
	211,759	247,223	**13,850**	11,773
Related parties	**4,891**	7,222	**220**	1,593
	377,772	436,920	**14,070**	13,366
Non-current				
Other payables				
Put liability to acquire non-controlling interests	**15,485**	14,443	**-**	-
Derivative financial instruments (Note 25)	**14,777**	1,447	**-**	-
Other payables	**-**	9,674	**-**	-
	30,262	25,564	**-**	-
	408,034	462,484	**14,070**	13,366

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26. TRADE PAYABLES, OTHER PAYABLES AND RELATED PARTIES (cont'd)

(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 $Nil (2019: $3,006,000) relating to deferred consideration payable for acquisition of subsidiary companies.

(c) As part of the acquisition of PLPL in the last financial year, 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 interests of PLPL to require TPL to acquire the remaining 40% shares, subject to satisfaction of certain conditions by 30 September 2023.

27. LEASE LIABILITIES

	THE GROUP		THE COMPANY	
	2020 ($'000)	2019 ($'000)	**2020 ($'000)**	2019 ($'000)
Current				
Lease liabilities	**14,268**	-	**2,353**	-
Non-current				
Lease liabilities	**25,168**	-	**2,380**	-
	39,436	-	**4,733**	-

(a) The Group as a lessee

The Group leases a number of warehouse and factory facilities with an option to renew the lease after that date. Lease payments are adjusted every five years to reflect current market rentals. The Group leases equipment for use in its back office operations and vehicles for its delivery and logistics operations. There are no externally imposed covenants on these lease arrangements.

Information about leases for which the Group and the Company is a lessee is presented below.

Right-of-use assets classified within Fixed Assets in Note 12

	THE GROUP					THE COMPANY
	Leasehold Land ($'000)	**Building ($'000)**	**Plant & Machinery ($'000)**	**Other Assets ($'000)**	**Total ($'000)**	**Other Assets and Total ($'000)**
For the year ended 30 September 2020						
Balance at beginning of year, adjusted	**75,738**	**18,176**	**2,705**	**2,716**	**99,335**	**-**
Currency realignment	**2,507**	**(169)**	**(1)**	**1,801**	**4,138**	**-**
Additions	**7,832**	**7,866**	**315**	**10,784**	**26,797**	**6,579**
Depreciation charge	**(1,855)**	**(12,601)**	**(816)**	**(4,346)**	**(19,618)**	**(2,206)**
Derecognition	**(18,433)**	**(132)**	**(1,466)**	**(406)**	**(20,437)**	**-**
Impairment charge	**-**	**(170)**	**-**	**(23)**	**(193)**	**-**
Balance at end of year	**65,789**	**12,970**	**737**	**10,526**	**90,022**	**4,373**

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FOR THE YEAR ENDED 30 SEPTEMBER 2020

27. LEASE LIABILITIES (cont'd)

(a) The Group as a lessee (cont'd)

	THE GROUP 2020 ($'000)
Amounts recognised in profit statement	
Interest expense on lease liabilities	**1,476**
Lease expense on short-term leases	**2,424**
Lease expense on low-value leases	**670**
Lease expense on variable lease payments	**5,968**

Extension options

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

(b) The Group as a lessor

Operating lease

The Group leases out its investment properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Information about the operating leases of investment property are presented in Note 13.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

Less than 1 year	**229**
1 to 2 years	**38**
Total	**267**

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FOR THE YEAR ENDED 30 SEPTEMBER 2020

27. LEASE LIABILITIES (cont'd)

(b) The Group as a lessor (cont'd)

Finance lease

During the financial year ended 30 September 2020, the Group and the Company had sub-leased an office space that has been presented as part of a right-of-use asset under fixed assets and recognised interest income on lease receivables of $2,000.

The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date. Under SFRS(I) 1-17, the Group and the Company did not have any finance leases as a lessor.

	THE GROUP & THE COMPANY 2020 ($'000)
Less than 1 year	239
1 to 2 years	239
2 to 3 years	20
Total undiscounted lease receivables	498
Unearned finance income	(14)
Net investment in lease receivables	484

(c) A reconciliation of movement of lease liabilities to cash flows arising from financing activities is as follows:

Lease Liabilities	
Balance at beginning of year, adjusted	50,735
Additions	26,857
Disposals	(20,594)
Repayment of principal and interest payments	(18,872)
Interest expense	1,476
Currency realignment	(166)
Balance at end of year	39,436

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

28. BORROWINGS

	Notes	THE GROUP 2020 ($'000)	2019 ($'000)
Repayable within one year:			
Unsecured			
Bank loans	(a)	**7,041**	-
Term loans	(b)	**35,660**	9,133
Secured			
Finance leases	(f)	**-**	93
		42,701	9,226
Repayable after one year:			
Unsecured			
Term loans	(b)	**795,888**	820,249
Secured			
Finance leases	(f)	**-**	209
	(d)	**795,888**	820,458
Total		**838,589**	829,684
Fair value	(c)	**846,138**	833,102

Notes

(a) The Group's unsecured bank loans bore interest at 0.93% (2019: Nil%) per annum.

(b) The Group's unsecured term loans bore interest at rates ranging from 1.35% to 3.80% (2019: 2.33% to 5.20%) per annum during the year. As at 30 September 2020 and 2019, 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 $459,389,000 (2019: $499,854,000) which have a fair value of $466,938,000 (2019: $503,272,000). 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 discounted cash flows 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:

	2020	2019
Between 1 and 2 years	**396,588**	31,834
Between 2 and 5 years	**299,628**	689,002
After 5 years	**99,672**	99,622
	795,888	820,458

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	THE GROUP	
	2020 ($'000)	2019 ($'000)

28. BORROWINGS (cont'd)

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

Borrowings		
Balance at beginning of year	**829,684**	871,419
Adoption of SFRS(I) 16	**(302)**	-
Balance at beginning of year, adjusted	**829,382**	871,419
Proceeds from borrowings	**27,501**	442,962
Repayment of borrowings	**(15,607)**	(488,754)
Acquisition of subsidiary companies	**-**	219
Currency realignment	**(3,002)**	4,097
Transaction costs	**315**	(259)
Balance at end of year	**838,589**	829,684

(f) Finance leases were reclassified to lease liabilities on 1 October 2019 arising from the adoption of SFRS(I) 16. The impact of adoption is disclosed in Note 2.1.

29. PROVISION FOR EMPLOYEE BENEFITS

Defined benefit plan	**18,414**	20,167

(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 and Hong Kong.

Accruals for defined contribution plans are included in Other Payables under Note 26.

(b) Defined Benefit Plan

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 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. On 13 December 2019, the Trustees of the United Kingdom pension plan have purchased a bulk annuity policy in respect of all known members of the pension plan. Completion of the buy-out is expected to take place in the 21-month period from the date of settlement.

The following table summarise the components of the benefit liability:

Benefit liability		
Present value of funded defined benefit obligation	**-**	26,699
Fair value of plan assets	**-**	(24,131)
	-	2,568
Present value of unfunded defined benefit obligation	**18,414**	17,599
Net liability arising from defined benefit obligation	**18,414**	20,167

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(b) Defined Benefit Plan (cont'd)

The weighted average duration of the defined benefit obligation as at 30 September 2020 was 9.8 years (2019: 13.7 years).

The Group expects to contribute $Nil to the defined benefit plans in the financial year ended 30 September 2021 (2020: $1,903,000).

	THE GROUP	
	2020 ($'000)	2019 ($'000)
Changes in present value of defined benefit obligations are as follows:		
Balance at beginning of year	**44,298**	39,312
Included in profit statement		
Interest cost	**550**	1,184
Current service cost	**1,909**	1,012
Past service (credit)/cost	**(46)**	1,360
	2,413	3,556
Included in other comprehensive income		
Remeasurements:		
- actuarial gain arising from change in demographic assumptions	**(6)**	(624)
- actuarial loss arising from change in financial assumptions	**919**	5,458
- experience adjustments	**(384)**	613
	529	5,447
Retirement benefit plan buy-out	**(27,622)**	-
Benefits paid	**(1,897)**	(2,987)
Currency realignment	**619**	(929)
Others	**74**	(101)
Balance at end of year	**18,414**	44,298
Changes in fair value of plan assets are as follows:		
Balance at beginning of year	**24,131**	21,126
Included in profit statement		
Interest income	**-**	548
Included in other comprehensive income		
Remeasurements on return on plan assets	**-**	4,043
Contributions by employer	**-**	645
Retirement benefit plan buy-out	**(24,966)**	-
Benefits paid	**-**	(1,156)
Currency realignment	**835**	(1,075)
Balance at end of year	**-**	24,131
Actual return on plan assets	**-**	4,591
The proportion of fair value of plan assets at the end of the year is analysed as follows:		
Other assets	**-**	24,131
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 8.0%**	1.3% to 8.2%

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(b) Defined Benefit Plan (cont'd)

Sensitivity analysis

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming if all other assumptions were held constant:

	Change in assumption	Increase/(Decrease) in defined benefit obligation: Increase in assumption ($'000)	Increase/(Decrease) in defined benefit obligation: Decrease in assumption ($'000)
The Group			
Year Ended 30 September 2020			
Future salary growth	**1%**	**1,809**	**(1,581)**
Discount rate	**1%**	**(1,604)**	**1,873**
Year Ended 30 September 2019			
Future salary growth	1%	1,647	(1,444)
Discount rate	1%	(5,339)	6,239

(c) 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 1.10.2019 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2020
Year 7	26.02.2016	300,400	(5,800)	-	(294,600)	-
Year 8	28.12.2016	345,350	(7,625)	-	(170,050)	167,675
Year 9	28.12.2017	866,900	(25,550)	333,600	(592,750)	582,200
Year 10	21.12.2018	1,460,500	(40,000)	-	-	1,420,500
		2,973,150	(78,975)*	333,600	(1,057,400)	2,170,375

* Cancelled due to resignations.

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29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(c) 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 $1,930,000 (2019: $1,605,000).

The estimated fair value of shares granted during the financial year ended 30 September 2019 ranges from $1.51 to $1.59. 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
Dividend yield (%)	2.7
Expected volatility (%)	14.9
Risk-free interest rate (%)	2.0
Expected life (years)	2.0 to 4.0
Share price at date of grant ($)	1.68

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 1.10.2019 or Grant Date if later**	**Achievement Factor**	**Balance as at 30.9.2020**
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
		272,538	(67,538)	205,000

The write back of expense recognised in profit statement granted under the PSP during the financial year is $35,000 (2019: $37,000).

The estimated fair value of shares granted during the financial year ended 30 September 2019 is $0.52. 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
Dividend yield (%)	2.7
Expected volatility (%)	14.9
Cost of equity (%)	9.1
Risk-free interest rate (%)	2.0
Expected life (years)	3.0
Share price at date of grant ($)	1.68

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29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(c) Share Plans (cont'd)

F&N Restricted Share Plan 2019 ("F&N RSP 2019")

The F&N RSP 2019 replaced the RSP and PSP, which expired on 21 January 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. The first grant of Base Awards pursuant to the F&N RSP 2019 was made on 28 August 2020.

Information regarding the F&N RSP 2019

(i) Depending on the level of achievement of pre-determined targets over a one-year performance period for the F&N RSP 2019 , the final number of F&N RSP 2019 shares to be awarded could range between 0% to 150% of the initial grant of the F&N RSP 2019 shares.

(ii) Based on meeting stated performance conditions over a one-year performance period, the share awards will vest equally over three years upon fulfillment of service requirements.

Information with respect to the number of shares granted under the F&N RSP 2019 is as follows:

Shares	Grant Date	Balance as at 1.10.2019 or Grant Date if later	Cancelled	Balance as at 30.9.2020
Year 1	28.08.2020	1,766,750	(1,500)*	1,765,250

* Cancelled due to resignations.

The expense recognised in profit statement granted under the F&N RSP 2019 during the financial year is $1,336,000.

The estimated fair value of shares granted during the financial year ended 30 September 2020 ranges from $1.17 to $1.27. The fair value of equity-settled contingent award of shares are determined using Black-Scholes Valuation Model. The inputs to the model used are as follows:

	2020
Dividend yield (%)	**4.3**
Expected volatility (%)	**25.4**
Risk-free interest rate (%)	**0.3 to 0.4**
Expected life (years)	**0.3 to 2.3**
Share price at date of grant ($)	**1.29**

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29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(c) Share Plans (cont'd)

F&NHB Restricted Share Plan ("F&NHB RSP")

The F&NHB RSP is a share-based incentive plan for senior executives and key senior management, which was approved by shareholders of F&NHB at an Extraordinary General Meeting held on 13 January 2012.

Information regarding the F&NHB RSP

(i) Depending on the achievement of pre-determined targets over a two-year performance period, the final number of F&NHB RSP shares awarded could range between 0% to 150% of the initial grant of the F&NHB RSP shares.

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

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

Shares	Grant Date	Balance as at 1.10.2019 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2020
Year 5	05.01.2016	82,575	-	-	(82,575)	-
Year 6	22.12.2016	129,700	(3,375)	-	(64,375)	61,950
Year 7	22.12.2017	278,500	(1,650)	(17,400)	(130,550)	128,900
Year 8	21.12.2018	357,300	(16,400)	(127,300)	-	213,600
Year 9	23.12.2019	514,400	(18,500)	-	-	495,900
		1,362,475	(39,925)*	(144,700)	(277,500)	900,350

* Cancelled due to resignations.

The estimated fair value of shares granted during the year ranges from RM31.62 to RM33.06 (2019: RM15.51 to RM21.43). 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:

	2020	2019
Dividend yield (%)	**2.3**	2.3
Expected volatility (%)	**13.3**	16.4
Risk-free interest rate (%)	**3.0 to 3.1**	3.6 to 3.8
Expected life (years)	**2.0 to 4.0**	2.0 to 4.0
Share price at date of grant (RM)	**34.66**	31.34

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 2020, no shares has been granted under F&NHB PSP.

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30. DEFERRED TAX ASSETS AND LIABILITIES

	THE GROUP				THE COMPANY	
	Balance Sheet		Profit Statement		Balance Sheet	
	2020 ($'000)	2019 ($'000) (restated)	**2020 ($'000)**	2019 ($'000) (restated)	**2020 ($'000)**	2019 ($'000)
Deferred tax liabilities						
Differences in depreciation	**33,261**	20,777	**2,997**	2,736	**89**	121
Provisions, expenses and income taken in a different period	**2,433**	1,791	**711**	1,160	**-**	-
Fair value adjustments	**1,062**	1,140	**63**	(26)	**-**	-
Unabsorbed losses and capital allowances	**38**	-	**(231)**	-	**-**	-
Other deferred tax liabilities	**257**	(446)	**(48)**	(75)	**-**	-
Gross deferred tax liabilities	**37,051**	23,262	**3,492**	3,795	**89**	121
Less: Deferred tax assets						
Employee benefits	**(1,999)**	(783)	**(165)**	217	**-**	-
Unabsorbed losses and capital allowances	**(1,499)**	(2,095)	**789**	(1,827)	**-**	-
Provisions, expenses and income taken in a different period	**(699)**	(760)	**79**	56	**-**	-
Other deferred tax assets	**(8,291)**	-	**1,932**	-	**(62)**	-
Gross deferred tax assets	**(12,488)**	(3,638)	**2,635**	(1,554)	**(62)**	-
Net deferred tax liabilities	**24,563**	19,624	**6,127**	2,241	**27**	121

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

Employee benefits	**(1,475)**	(2,319)	**(220)**	(193)	**-**	-
Differences in depreciation	**(57)**	10,519	**(419)**	(374)	**-**	-
Unabsorbed losses and capital allowances	**(7,615)**	(402)	**(260)**	2,337	**-**	-
Provisions, expenses and income taken in a different period	**4,922**	(1,090)	**(1,057)**	(253)	**-**	-
Tax effect on revaluation surplus	**(1)**	(1)	**-**	-	**-**	-
Investment allowances	**(248)**	(9,591)	**(32)**	2,048	**-**	-
Fair value adjustments	**(42)**	-	**(181)**	36	**-**	-
Net deferred tax assets	**(4,516)**	(2,884)	**(2,169)**	3,601	**-**	-

Deferred tax liabilities of $955,000 (2019: $1,509,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the unremitted earnings of $5,614,000 (2019: $8,871,000) at 30 September 2020.

Deferred tax liabilities of $478,000 (2019: $520,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the undistributed earnings of $2,564,000 (2019: $2,763,000) at 30 September 2020 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

30. DEFERRED TAX ASSETS AND LIABILITIES (cont'd)

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

	THE GROUP 2020 ($'000)	THE GROUP 2019 ($'000)
Deductible temporary differences	**57,303**	56,019
Tax losses	**138,966**	114,658
	196,269	170,677

Tax losses of $40,016,000 (2019: $41,708,000) 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.

31. FUTURE COMMITMENTS

Commitments not provided for in the financial statements:

	THE GROUP 2020 ($'000)	THE GROUP 2019 ($'000)
(a) Commitments in respect of contracts placed		
Fixed assets	**37,192**	76,677
Intangible assets	**183**	-
	37,375	76,677
(b) Other amounts approved by directors but not contracted for		
Fixed assets	**29,568**	76,107
Intangible assets	**1,055**	-
	30,623	76,107
	67,998	152,784

32. LEASE COMMITMENTS

	THE GROUP 2019 ($'000)
Operating Leases	
Lease commitments under non-cancellable operating leases where the Group is a lessee:	
Payable within one year	15,987
Payable between one and five years	14,043
Payable after five years	22,057
	52,087
Operating lease expense for the year	19,889

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

FOR THE YEAR ENDED 30 SEPTEMBER 2020

32. LEASE COMMITMENTS (cont'd)

	THE GROUP
	2019 ($'000)
Lease commitments under non-cancellable operating leases where the Group is a lessor:	
Receivable within one year	544
Receivable between one and five years	174
	718

On 1 October 2019, the Group has adopted SFRS(I) 16 and recognised right-of-use asset for these leases, except for short-term and low-value leases, as disclosed in Note 2.22 and Note 27.

33. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following were the significant related party transactions entered into between the Group and related parties based on agreed fees or terms between the parties.

	THE GROUP	
	2020 ($'000)	2019 ($'000)
(a) Transactions with TCC Group of Companies [(i)]		
Sales	**25,559**	26,210
Advertising & promotion support	**8,992**	5,769
Service fee and other income	**1,890**	1,616
Purchases	**(35,693)**	(32,769)
Marketing expense	**(7,911)**	(9,963)
Logistic expense	**(4,311)**	(4,102)
Insurance premium expense	**(1,598)**	(1,588)
Management fee expense	**(100)**	(668)
Rental and other expenses	**(6,295)**	(4,688)

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

	THE GROUP	
	2020 ($'000)	2019 ($'000)
(b) Transactions with Joint Arrangements and Associated Companies		
Sales	**5,177**	2,116
Receipt of corporate service fee	**-**	43
Finance income	**5**	1,917
Purchases	**(1,829)**	(2,483)

34. CONTINGENT LIABILITIES

The Company issued corporate guarantees to the extent of $2,892,707,000 (2019: $3,019,971,000) for the purpose of assisting its subsidiary and joint venture companies to obtain external borrowings. Of the $2,892,707,000 (2019: $3,019,971,000) corporate guarantees given by the Company, $808,209,000 (2019: $917,610,000) has been utilised by its subsidiary and joint venture companies as security for their borrowings.

Notes to the Financial Statements
FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. FINANCIAL RISK MANAGEMENT

The Group and the Company are exposed to financial risks, including primarily the effects of changes in currency exchange rates and interest rates and use derivatives and other instruments in connection with their risk management activities. The Group and the Company do not hold or issue derivative financial instruments for trading purposes.

The Group has established processes to monitor and control hedging transactions in a timely and accurate manner.

These policies are reviewed regularly by the Audit Committee to ensure that the Group's policies and guidelines are adhered to. The Group's accounting policies in relation to derivatives are set out in Note 2.

(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 2020, the Group had entered into foreign currency forward exchange buy contracts amounting to $27,455,000 (2019: $23,619,000) and sell contracts amounting to $12,300,000 (2019: $11,773,000). The fair value adjustments of the buy contracts and sell contracts are gains of $99,000 (2019: losses of $145,000) and $210,000 (2019: losses of $38,000) respectively.

At 30 September 2020, the Company had entered into foreign currency forward exchange sell contracts amounting to $826,000 (2019: $854,000). The fair value adjustments of the sell contracts is a gain of $5,000 (2019: loss of $6,000).

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 major foreign currencies exposure of the Group and the Company are as follows:

	Australian Dollar ($'000)	United States Dollar ($'000)	Hong Kong Dollar ($'000)	Chinese Renminbi ($'000)	Malaysian Ringgit ($'000)
The Group					
Year Ended 30 September 2020					
Other investments	**419**	**-**	**5,714**	**-**	**-**
Receivables	**1,383**	**44,225**	**14**	**6,531**	**8,560**
Cash and bank deposits	**1,061**	**26,405**	**807**	**-**	**11,595**
Payables	**(6,004)**	**(17,130)**	**(342)**	**-**	**(14,623)**
Borrowings	**-**	**(7,041)**	**-**	**-**	**-**
Net statement of financial position exposure	**(3,141)**	**46,459**	**6,193**	**6,531**	**5,532**
Forward exchange contracts	**14,074**	**10,693**	**-**	**-**	**-**
Net exposure	**10,933**	**57,152**	**6,193**	**6,531**	**5,532**
Year Ended 30 September 2019					
Other investments	2,003	-	5,638	-	-
Receivables	1,747	48,969	203	6,500	20,443
Cash and bank deposits	1,665	38,636	1,686	-	8,790
Payables	(5,155)	(32,338)	(295)	-	(12,989)
Net statement of financial position exposure	260	55,267	7,232	6,500	16,244
Forward exchange contracts	11,723	3,390	-	-	-
Net exposure	11,983	58,657	7,232	6,500	16,244

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Foreign Currency Risk (cont'd)

	Australian Dollar ($'000)	Vietnamese Dong ($'000)	Hong Kong Dollar ($'000)	Malaysian Ringgit ($'000)	Thai Baht ($'000)
The Company					
Year Ended 30 September 2020					
Other investments	**419**	**200,151**	**5,714**	**-**	**-**
Receivables	**-**	**3,063**	**-**	**12**	**1,460**
Cash and bank deposits	**-**	**-**	**-**	**191**	**-**
Payables	**-**	**-**	**-**	**(72)**	**(220)**
Net statement of financial position exposure	**419**	**203,214**	**5,714**	**131**	**1,240**
Forward exchange contracts	**-**	**-**	**-**	**-**	**(822)**
Net exposure	**419**	**203,214**	**5,714**	**131**	**418**
Year Ended 30 September 2019					
Other investments	2,003	200,144	5,638	-	-
Receivables	-	3,084	142	7	1,674
Cash and bank deposits	-	-	-	261	-
Payables	-	-	(48)	(235)	(328)
Net statement of financial position exposure	2,003	203,228	5,732	33	1,346
Forward exchange contracts	-	-	-	-	(860)
Net exposure	2,003	203,228	5,732	33	486

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 Australian Dollar, United States Dollar, Vietnamese Dong, Hong Kong Dollar, Thai Baht, Malaysian Ringgit and Chinese Renminbi exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	2020		2019	
	Equity ($'000)	**Profit ($'000)**	Equity ($'000)	Profit ($'000)
The Group				
Australian Dollar	**42**	**1,051**	200	998
United States Dollar	**-**	**5,715**	-	5,866
Hong Kong Dollar	**571**	**48**	564	159
Chinese Renminbi	**-**	**653**	-	650
Malaysian Ringgit	**-**	**553**	-	1,624
The Company				
Australian Dollar	**42**	**-**	200	-
Vietnamese Dong	**20,015**	**306**	20,015	308
Hong Kong Dollar	**571**	**-**	564	9
Malaysian Ringgit	**-**	**13**	-	3
Thai Baht	**-**	**42**	-	49

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 2020

35. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity Risk

The Group's and the Company's exposure to liquidity risk arises in the general funding of the Group's and the Company's business activities. It includes the risks of being able to fund business activities in a timely manner.

The Group adopts a prudent approach to managing its liquidity risk. The Group maintains sufficient cash and marketable securities, and have available funding through diverse sources of committed and uncommitted credit facilities from various banks.

The table below analyses the maturity profile of the Group's and Company's financial 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 2020					
Non-derivative Financial Liabilities					
Trade payables	**161,122**	**161,122**	**161,122**	**-**	**-**
Other payables	**193,155**	**193,155**	**177,670**	**15,485**	**-**
Lease liabilities	**39,436**	**48,635**	**15,278**	**15,323**	**18,034**
Borrowings	**838,589**	**897,403**	**61,916**	**729,912**	**105,575**
Related parties	**4,891**	**4,891**	**4,891**	**-**	**-**
Associated companies	**398**	**398**	**398**	**-**	**-**
	1,237,591	**1,305,604**	**421,275**	**760,720**	**123,609**
Derivative Financial Instruments					
Interest rate swaps	**14,777**	**14,777**	**-**	**14,777**	**-**
Forward currency contracts	**(309)**	**(309)**	**(309)**	**-**	**-**
	14,468	**14,468**	**(309)**	**14,777**	**-**
	1,252,059	**1,320,072**	**420,966**	**775,497**	**123,609**
Year Ended 30 September 2019					
Non-derivative Financial Liabilities					
Trade payables	182,475	182,475	182,475	-	-
Other payables	240,468	240,468	216,351	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	-	-
	1,261,035	1,358,152	439,521	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	-
	1,262,665	1,359,782	439,704	810,753	109,325

Notes to the Financial Statements
FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity Risk (cont'd)

	Carrying amount ($'000)	Contractual Cash Flows: Total cash flows ($'000)	Less than 1 year ($'000)	Between 1 and 5 years ($'000)	Over 5 years ($'000)
The Company					
Year Ended 30 September 2020					
Non-derivative Financial Liabilities					
Other payables	**12,426**	**12,426**	**12,426**	**-**	**-**
Subsidiary companies	**838,193**	**894,669**	**105,589**	**686,922**	**102,158**
Lease liabilities	**4,733**	**4,863**	**2,447**	**2,416**	**-**
Related parties	**220**	**220**	**220**	**-**	**-**
	855,572	**912,178**	**120,682**	**689,338**	**102,158**
Derivative Financial Instruments					
Forward currency contracts	**(5)**	**(5)**	**(5)**	**-**	**-**
	855,567	**912,173**	**120,677**	**689,338**	**102,158**
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

(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 2020 ($'000)	2020 % of total	2019 ($'000)	2019 % of total
By Geographical Segment:				
Singapore	**91,056**	**34%**	98,713	36%
Malaysia	**98,600**	**36%**	99,548	36%
Thailand	**60,660**	**22%**	59,449	21%
Others	**21,507**	**8%**	19,315	7%
	271,823	**100%**	277,025	100%

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Credit Risk (cont'd)

Credit risk concentration profile (cont'd)

	THE GROUP			
	2020		2019	
	($'000)	**% of total**	($'000)	% of total
By Business Segment:				
Beverages	**66,314**	**24%**	69,566	25%
Dairies	**140,643**	**52%**	136,688	49%
Printing & Publishing	**64,866**	**24%**	70,771	26%
	271,823	**100%**	277,025	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.

(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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Interest Rate Risk (cont'd)

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								
Year Ended 30 September 2020								
Cashflow hedge								
Interest rate swap to hedge floating rate borrowings	**300,000**	**(14,777)**	**Non-current Other Payables**	**(14,777)**	**14,777**	**-**	**1.68%**	**June and August 2024**
Year Ended 30 September 2019								
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

At the reporting date, the interest rate profile of interest-bearing financial instruments, was as follows:

	THE GROUP Nominal amount		THE COMPANY Nominal amount	
	2020 ($'000)	2019 ($'000)	**2020 ($'000)**	2019 ($'000)
Fixed rate instruments				
Cash and bank deposits	**90,016**	139,514	**8,376**	12,616
Other financial assets	**497**	-	**35,037**	-
Borrowings	**(490,280)**	(501,026)	**-**	-
Lease liabilities	**(46,690)**	-	**(4,863)**	-
Other financial liabilities	**-**	-	**(755,000)**	(698,000)
Effect of interest rate swaps	**(300,000)**	(300,000)	**-**	-
	(746,457)	(661,512)	**(716,450)**	(685,384)
Floating rate instruments				
Cash and bank deposits	**5,890**	37,001	**-**	-
Other financial assets	**-**	41,838	**-**	-
Borrowings	**(349,293)**	(330,000)	**-**	-
Effect of interest rate swaps	**300,000**	300,000	**-**	-
	(43,403)	48,839	**-**	-

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 table 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 2020 and 2019.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Interest Rate Risk (cont'd)

Sensitivity analysis for interest rate risk

It is estimated that a ten basis points (bps) increase in interest rate, with all other variables held constant, would decrease the Group's profit before tax by approximately $43,000 (2019: increase by $49,000) and increase the Group's hedging reserve by approximately $1,193,000 (2019: $1,439,000). A decrease of a ten bps in interest rate would have an equal but opposite effect. The analysis is performed on the same basis for 2019.

(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	
	2020 ($'000)	2019 ($'000)	**2020 ($'000)**	2019 ($'000)
Fair value adjustment reserve	**613**	764	**20,628**	20,779

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 2019 and assumes that all other variables remain constant.

(f) Fair Values

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

(i) Cash and bank deposits, other receivables and other payables

The carrying amounts of these items in current assets and current liabilities approximate fair value due to their short term nature.

(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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair Values (cont'd)

(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 28. The carrying values of bank borrowings, and term loans maturing within one year and the floating rate bank borrowings and term loans approximate their fair value.

(vi) Assets and liabilities measured at fair value

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - Inputs for the asset or liability that are not based on observable market data

The following table shows the analysis of financial assets and liabilities carried at fair value and their levels in the fair value hierarchy:

	Level 1 ($'000)	Level 2 ($'000)	Level 3 ($'000)	Total ($'000)
The Group				
Year Ended 30 September 2020				
Financial Assets				
Other investments (Note 20)				
- Quoted equity investments at FVOCI	**6,133**	**-**	**-**	**6,133**
Derivative financial instruments (Note 25)	**-**	**629**	**-**	**629**
	6,133	**629**	**-**	**6,762**
Non-Financial Asset				
Investment properties (Note 13)	**-**	**-**	**17,075**	**17,075**
Financial Liability				
Derivative financial instruments (Note 25)	**-**	**15,097**	**-**	**15,097**
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

Notes to the Financial Statements
FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair Values (cont'd)

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

	Level 1 ($'000)	Level 2 ($'000)	Level 3 ($'000)	Total ($'000)
The Company				
Year Ended 30 September 2020				
Financial Assets				
Other investments (Note 20)				
- Quoted equity investments at FVOCI	**206,284**	**-**	**-**	**206,284**
Derivative financial instruments (Note 25)	**-**	**5**	**-**	**5**
	206,284	**5**	**-**	**206,289**
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

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 2020 and 2019.

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 30.9.2020 ($'000)	Valuation techniques	Unobservable inputs	Range
Investment Properties	**17,075**	**Investment Approach**	**Discount rate**	**7.25%**
		Direct Comparison Approach	**Market value**	**0% to 15%**

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%

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 2020

35. 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)	Derivatives designated as a hedge ($'000)	Fair value through other comprehensive income ($'000)	Liabilities at amortised cost ($'000)	Non-financial assets/ liabilities ($'000)	Total ($'000)
The Group							
Year Ended 30 September 2020							
Assets							
Fixed assets	-	-	-	-	-	771,571	771,571
Investment properties	-	-	-	-	-	17,075	17,075
Properties held for development	-	-	-	-	-	18,114	18,114
Joint venture companies	13,800	-	-	-	-	153,984	167,784
Associated companies	7	-	-	-	-	2,668,602	2,668,609
Intangible assets	-	-	-	-	-	133,695	133,695
Brands	-	-	-	-	-	27,354	27,354
Other investments	-	-	-	6,147	-	-	6,147
Other receivables	66,904	629	-	-	-	29,638	97,171
Deferred tax assets	-	-	-	-	-	4,516	4,516
Inventories	-	-	-	-	-	296,724	296,724
Trade receivables	271,823	-	-	-	-	-	271,823
Related parties	8,664	-	-	-	-	-	8,664
Cash and bank deposits	285,479	-	-	-	-	-	285,479
	646,677	629	-	6,147	-	4,121,273	4,774,726
Liabilities							
Trade payables	-	-	-	-	161,122	-	161,122
Other payables	-	320	14,777	-	193,155	33,769	242,021
Associated companies	-	-	-	-	398	-	398
Related parties	-	-	-	-	4,891	-	4,891
Lease liabilities	-	-	-	-	39,436	-	39,436
Borrowings	-	-	-	-	838,589	-	838,589
Provision for taxation	-	-	-	-	-	49,639	49,639
Provision for employee benefits	-	-	-	-	-	18,414	18,414
Deferred tax liabilities	-	-	-	-	-	24,563	24,563
	-	320	14,777	-	1,237,591	126,385	1,379,073

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. FINANCIAL RISK MANAGEMENT (cont'd)

(g) Classification of Financial Instruments (cont'd)

	Assets at amortised cost ($'000)	Fair value through profit and loss ($'000)	Derivatives designated as a hedge ($'000)	Fair value through other comprehensive income ($'000)	Liabilities at amortised cost ($'000)	Non-financial assets/ liabilities ($'000)	Total ($'000)
The Group							
Year Ended 30 September 2019 (restated)							
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	-	-	-	-	-	131,248	131,248
Brands	-	-	-	-	-	27,513	27,513
Other investments	-	-	-	7,656	-	-	7,656
Other receivables	33,174	85	-	-	-	35,732	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 deposits	420,333	-	-	-	-	-	420,333
	794,045	85	-	7,656	-	3,918,745	4,720,531
Liabilities							
Trade payables	-	-	-	-	182,475	-	182,475
Other payables	-	268	1,447	-	240,468	30,604	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	-	-	-	-	-	19,624	19,624
	-	268	1,447	-	1,261,035	124,670	1,387,420

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. 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 2020						
Assets						
Fixed assets	**-**	**-**	**-**	**-**	**5,288**	**5,288**
Subsidiary companies	**49,869**	**-**	**-**	**-**	**2,172,837**	**2,222,706**
Joint venture companies	**-**	**-**	**-**	**-**	**38,965**	**38,965**
Associated companies	**4**	**-**	**-**	**-**	**-**	**4**
Intangible assets	**-**	**-**	**-**	**-**	**652**	**652**
Brands	**-**	**-**	**-**	**-**	**212**	**212**
Other investments	**-**	**-**	**206,298**	**-**	**-**	**206,298**
Other receivables	**4,407**	**5**	**-**	**-**	**650**	**5,062**
Related parties	**735**	**-**	**-**	**-**	**-**	**735**
Cash and bank deposits	**8,622**	**-**	**-**	**-**	**-**	**8,622**
	63,637	**5**	**206,298**	**-**	**2,218,604**	**2,488,544**
Liabilities						
Other payables	**-**	**-**	**-**	**12,426**	**1,424**	**13,850**
Subsidiary companies	**-**	**-**	**-**	**838,193**	**-**	**838,193**
Related parties	**-**	**-**	**-**	**220**	**-**	**220**
Lease liabilities	**-**	**-**	**-**	**4,733**	**-**	**4,733**
Provision for taxation	**-**	**-**	**-**	**-**	**4,296**	**4,296**
Deferred tax liabilities	**-**	**-**	**-**	**-**	**27**	**27**
	-	**-**	**-**	**855,572**	**5,747**	**861,319**
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	174	-	-	-	683	857
Related parties	807	-	-	-	-	807
Cash and bank deposits	15,418	-	-	-	-	15,418
	28,404	-	207,800	-	2,263,785	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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

36. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios to support its business and maximise shareholders' value. No changes were made in the objectives, policies or processes during the years ended 30 September 2020 and 2019.

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	
	2020 ($'000)	2019 ($'000)	**2020 ($'000)**	2019 ($'000)
		(restated)		
Cash and bank deposits	**285,479**	420,333	**8,622**	15,418
Borrowings	**(838,589)**	(829,684)	**-**	-
Net (borrowings)/cash	**(553,110)**	(409,351)	**8,622**	15,418
Shareholders' fund	**2,968,538**	2,933,283	**1,627,225**	1,694,904
Total equity (including non-controlling interests)	**3,395,653**	3,333,111	**1,627,225**	1,694,904
Gearing ratio %				
- without non-controlling interests	**18.6**	14.0	**(0.5)**	(0.9)
- with non-controlling interests	**16.3**	12.3	**(0.5)**	(0.9)

Certain entities in the Group are required to comply with certain externally imposed capital requirements in respect of certain external borrowings. The Group and the Company are in compliance with all externally imposed capital requirements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

37. NEW ACCOUNTING STANDARDS AND INTERPRETATION

The Group and the Company have not adopted the following new SFRS(I)s and amendments to 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
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
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7	*Interest Rate Benchmark Reform*	1 January 2020
SFRS(I) 17	*Insurance Contracts*	1 January 2021
Amendments to SFRS(I) 3	*Reference to the Conceptual Framework*	1 January 2022
Amendments to SFRS(I) 1-16	*Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Amendments to SFRS(I) 1-37	*Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Annual Improvements to SFRS(I)s 2018–2020		
Amendment to SFRS(I) 1	*First-Time Adoption of Singapore Financial Reporting Standards (International)*	1 January 2022
Amendment to SFRS(I) 9	*Financial Instruments*	1 January 2022
Amendment to Illustrative Examples accompanying SFRS(I) 16	*Leases*	1 January 2022
Amendment to SFRS(I) 1-41	*Agriculture*	1 January 2022
Amendments to SFRS(I) 1-1	*Classification of Liabilities as Current or Non-current*	1 January 2023
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

The Directors expect that the adoption of the new and amendments to the standards above will have no material impact on the financial statements of the Group and the Company in the period of initial application.

Notes to the Financial Statements
FOR THE YEAR ENDED 30 SEPTEMBER 2020

38. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES

		Effective Shareholding 2020	Effective Shareholding 2019	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 Wholesale of Beverages and Dairy Products
(A)	F&N Global Marketing Pte. Ltd.	**100.0%**	100.0%	Sale and Manufacture of Concentrates, Sub-licence of Brands and Related Intellectual Property Businesses
(A)	F&N Dairy Investments Pte Ltd	**100.0%**	100.0%	Investment Holding
(A)	F&N Interflavine Pte. Ltd.	**100.0%**	100.0%	Provision of Contract Manufacturing Services
(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, Wholesale of Other Machinery and Equipment
(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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

		Effective Shareholding 2020	Effective Shareholding 2019	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**			
(B)	F&N Myanmar Services Limited *(Held by a subsidiary company)*	**100.0%**	100.0%	Provision of Management Services
(B)	Emerald Brewery Myanmar Limited *(Held by a subsidiary company)*	**80.0%**	79.9%	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
	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.
(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 2020	Effective Shareholding 2019	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)	Lettricia Corporation Sdn Bhd	**38.8%**	38.8%	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 Treasury and Financial Services
(B)	Tropical League Sdn Bhd	**55.5%**	55.5%	Property Development
(B)	F&N AgriValley Sdn Bhd	**55.5%**	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%	Dormant
	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
	Country of Incorporation and Place of Business: **United Arab Emirates**			
(C)	Fraser and Neave MENA DWC-LLC	**55.5%**	-	Dormant

(A) Audited by KPMG LLP Singapore.
(B) Audited by KPMG in the respective countries.
(C) Audited by other firms of auditors.

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

		Effective Shareholding		
		2020	2019	**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 of Education Books
(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 of Education Books
(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%**	60.0%	Commercial Printing
(A)	Alliance Graphics Pte. Ltd.	**60.0%**	60.0%	Commercial Printing
(D)(1)	Mint Lab LLP	**48.0%**	-	Provision of Advertising and Creative Agency Services
	Country of Incorporation: **Singapore** Place of Business: **Singapore and Malaysia**			
(A)	Times Experience Pte. Ltd.	**100.0%**	100.0%	Retail of Books, Stationery, Magazines and Periodicals
	Country of Incorporation and Place of Business: **Malaysia**			
(B)	Marshall Cavendish (Malaysia) Sdn. Bhd.	**100.0%**	100.0%	Publishing of 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 2020	Effective Shareholding 2019	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%	Publishing of Education Books 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**			
(C)	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 of Education Books

(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

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

		Effective Shareholding 2020	2019	Principal Activities
	JOINT VENTURE COMPANIES OF FRASER AND NEAVE, LIMITED GROUP			
	Country of Incorporation and Place of Business: **Thailand**			
(B)	F&N International Holdings Co., Ltd	**49.0%**	49.0%	Investment Holding
(B)	F&N Retail Connection Co., Ltd	**74.0%**	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%**	27.7%	Property Development
	JOINT VENTURE COMPANY OF TIMES PUBLISHING GROUP			
	Country of Incorporation and Place of Business: **China**			
(C)	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)*	**20.4%**	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.

Particulars of Group Properties

The main properties as at 30 September 2020 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	- 0.4	hectares industrial property at Times Centre, 1 New Industrial Road	6,100	3,087
	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	12,162	23,225
		- 5.2	hectares warehouse and carpark at Lot 3-2, Lion Industrial Park, Shah Alam, Selangor	3,849	-
		- 2.3	hectares industrial property at 3724 to 3726, Jalan Sungei Nyior, Butterworth, Pulau Pinang	1,556	510
		- 2.7	hectares industrial property at 217, Jalan Lahat, Ipoh, Perak	928	962
		- 2.2	hectares industrial property at Batu 4 3/4, Jalan Tampoi, Johor Bahru, Johor	2,525	847
		- 0.6	hectares industrial property at Lot 6, Jalan Tampoi, Johor Bahru, Johor	346	42
		- 0.1	hectares office premise at No. 3, Jalan Metro Pudu 1, Fraser Business Park, Off Jalan Yew, Kuala Lumpur	-	3,755
		- 0.4	hectares industrial property at Seksyen 26, Shah Alam, Selangor	538	431
		- 2.0	hectares industrial property at Lot 7399 & 8081, Jalan Mempaga, Mukim Sabai, Karak, Pahang	761	4,095
		- 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	-	3,642
		- Other properties		308	75
	TPL	- 1.7	hectares industrial property at Lot 46, Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam, Selangor	1,269	1,529
	East Malaysia				
	F&N	- 1.1	hectares industrial property at No. 94, Batu 11, Jalan Matang, Kuching, Sarawak	1,443	397
	Thailand				
	F&N	- 9.2	hectares industrial property at 668 Moo 4 Rojana Industrial Park Zone 2, U-thai, Phra Nakhon Si Ayutthaya 13210	7,334	48,229
	Total Freehold			**39,119**	**90,826**
	LEASEHOLD				
	Singapore				
	F&N	- 0.1	hectares industrial property at 51 Quality Road (Lease expires year 2044)	-	13
		- 0.1	hectares industrial property at 53 Loyang Way (Lease expires year 2052)	-	3,085
	TPL	- 2.1	hectares industrial property at 16 & 18 Tuas Avenue 5 (Lease expires year 2043)	-	9,706
		- 0.5	hectares industrial property at 438 Ang Mo Kio Industrial Park 1 (Lease expires year 2038)	-	10,032

Particulars of Group Properties

				Land ($'000)	Building ($'000)
(A)	**CLASSIFIED AS FIXED ASSETS** (cont'd) **(Note 12 to the Financial Statements)**				
	LEASEHOLD (cont'd)				
	Peninsular Malaysia				
	F&N	- 15.1	hectares industrial property at Lot 56, Jalan Sungai Pinang 4/5, Selangor Halal Hub Taman Perindustrian Pulau Indah Fasa 2, Pulau Indah, Selangor (Lease expires year 2097)	8,453	52,236
		- 2.0	hectares industrial property at Plot 183 & 184, Jalan Cyber 9, Senai, Johor (Lease expires year 2068)	1,376	3,824
		- 2.0	hectares industrial property at Plot 182, Jalan Cyber 9, Senai, Johor (Lease expires year 2073)	926	1,454
		- Other properties		326	160
	East Malaysia				
	F&N	- 2.6	hectares industrial property at 5 1/2 Mile, Jalan Tuaran, Inanam, Kota Kinabalu, Sabah (Lease expires year 2062)	603	1,332
		- 8.6	hectares industrial park land at Lot 808, Kota Kinabalu Industrial Park, Sabah (Lease expires year 2096)	8,231	153
		- 2.4	hectares industrial property at Lot 1581 Block 4, Matang Land District, Kuching, Sarawak (Lease expires year 2071)	1,253	1,547
		- 2.9	hectares industrial property at 3 1/2 Mile, Jalan Penrissen, Kuching, Sarawak (Lease expires year 2074)	1,849	6,456
		- Shop office at Lot 142, Lorong Abang Abdul Rahim 5A, Kuching, Sarawak	(Lease expires year 2784)	74	45
		- 0.4	hectares industrial property at Lot 1008, Bintawa Industrial Estate, Kuching, Sarawak (Lease expires year 2035)	6	63
	Thailand				
	F&N	- 3.5	hectares industrial property at No. 19/111 Moo 7 95 Thakarm Road, Samaedam, Bangkhuntien, Bangkok (Lease expires year 2029)	-	369
		- 21.9	hectares industrial property at 79 Moo 3, Lamlukboa, Dontum, Nakornpathom (Lease expires year 2048)	-	13,998
		- 1.2	hectares industrial property at 90 Moo 8 Mittraparp Road, Phayayen District, Amphur Pakchong, Nakornratchasima Province 30320 (Lease expires year 2037)	-	1,096
	TPL	- Warehouse at Soi Wat Kok #20/526-527, Rama II Road, Bangkok	(Lease expires year 2021)	-	4
	Myanmar				
	F&N	- 32.8	hectares industrial land at Yay Ta La Baun Village Tract, Helgu Township, Yangon (Lease expires year 2068)	19,149	29,229
	China/Hong Kong				
	TPL	- Industrial property at Nansha District, Guangzhou City, Guangdong, China	(Lease expires year 2044)	2,125	10,864
		- Offices at Seaview Estate - 10th Floor	Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	3,854	92
		- Offices at Seaview Estate - 9th Floor	Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	3,662	82
	Leasehold land recognised upon adoption of SFRS (I) 16			13,902	-
	Total Leasehold			**65,789**	**145,840**
	TOTAL PROPERTIES (CLASSIFIED AS FIXED ASSETS)			**104,908**	**236,666**

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	-	15,678
	Hong Kong			
	TPL	- Shop unit at Houston Centre, 63 Mody Road Tsim Sha Tsui, Kowloon Leasehold (Lease expires year 2053), lettable area - 68 sqm	1,273	124
	TOTAL PROPERTIES (CLASSIFIED AS INVESTMENT PROPERTIES)		**1,273**	**15,802**

			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