



# FRASER AND NEAVE, LIMITED

(Company Registration No. 189800001R)  
(Incorporated in the Republic of Singapore)

## FIRST QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

The Directors are pleased to make the following announcement of the unaudited results for the First Quarter ended 31 December 2016.

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), HALF AND FULL YEAR RESULTS

1(a) **An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

#### 1(a)(i) GROUP PROFIT STATEMENT

	1st Quarter to 31/12/2016 \$'000	1st Quarter to 31/12/2015 \$'000	Change %
Revenue	495,031	493,837	0.2
Cost of sales	(312,725)	(317,581)	(1.5)
Gross profit	182,306	176,256	3.4
Other income (net)	7,174	9,197	(22.0)
Operating expenses			
- Distribution	(47,503)	(40,369)	17.7
- Marketing	(65,062)	(62,797)	3.6
- Administration	(30,833)	(29,673)	3.9
	(143,398)	(132,839)	7.9
Trading profit	46,082	52,614	(12.4)
Share of joint venture company's loss	(20)	(57)	(64.9)
Share of associated companies' profits	311	1,061	(70.7)
Gross income from investments	-	128	NM
<b>Profit before interest and taxation ("PBIT")</b>	<b>46,373</b>	<b>53,746</b>	(13.7)
Finance income	2,781	3,627	(23.3)
Finance cost	(1,303)	(1,065)	22.3
Net finance income	1,478	2,562	(42.3)
<b>Profit before taxation and exceptional items</b>	<b>47,851</b>	<b>56,308</b>	(15.0)
Exceptional items	(1,452)	344	NM
<b>Profit before taxation</b>	<b>46,399</b>	<b>56,652</b>	(18.1)
Taxation	(5,924)	(8,887)	(33.3)
<b>Profit after taxation</b>	<b>40,475</b>	<b>47,765</b>	(15.3)
Attributable profit to:			
Shareholders of the Company	22,439	25,533	(12.1)
Exceptional items	(364)	163	NM
	22,075	25,696	(14.1)
Non-controlling interests	18,400	22,069	(16.6)
	<b>40,475</b>	<b>47,765</b>	(15.3)

NM – Not meaningful

**1(a)(ii) BREAKDOWN AND EXPLANATORY NOTES TO GROUP PROFIT STATEMENT**

	1st Quarter to 31/12/2016 \$'000	1st Quarter to 31/12/2015 \$'000	Change %
<b>Operating expenses</b>			
Included in operating expenses are:			
Depreciation & amortisation	(16,376)	(16,945)	(3.4)
Write back of bad and doubtful debts	39	117	(66.7)
Allowance for inventory obsolescence	(2,133)	(696)	NM
Employee share-based expenses	(964)	(1,492)	(35.4)
	<u>                    </u>	<u>                    </u>	
<b>Other income (net)</b>			
(Loss)/Gain on disposal of fixed assets	(55)	24	NM
Foreign exchange gain	4,386	5,250	(16.5)
	<u>                    </u>	<u>                    </u>	
<b>Taxation</b>			
Over/(Under) provision of prior year taxation	1,973	(47)	NM
	<u>                    </u>	<u>                    </u>	
<b>Exceptional items</b>			
Provision for restructuring and re-organisation costs of operations	(3,318)	-	NM
Reversal of provision for litigation claims	1,866	-	NM
Insurance claim relating to flood	-	314	NM
Gain on redemption of other investment	-	30	NM
	<u>                    </u>	<u>                    </u>	
	<u>                    </u>	<u>                    </u>	NM
<b>PBIT as a percentage of revenue</b>	<u>                    </u>	<u>                    </u>	
	9.4%	10.9%	

NM - Not meaningful

## 1(a)(iii) ADDITIONAL INFORMATION

	Revenue		PBIT	
	1st Quarter to 31/12/2016 \$'000	1st Quarter to 31/12/2015 \$'000	1st Quarter to 31/12/2016 \$'000	1st Quarter to 31/12/2015 \$'000
<b>Group revenue and profit analysis</b>				
<b>By Business Activity</b>				
Beverages	139,042	132,134	8,712	10,852
Dairies	278,567	277,277	39,436	37,463
Printing & publishing	77,331	84,311	(2,265)	2,548
Others	91	115	490	2,883
	<u>495,031</u>	<u>493,837</u>	<u>46,373</u>	<u>53,746</u>
<b>By Territory</b>				
Singapore	120,266	117,602	1,427	(1,327)
Malaysia	206,837	211,551	21,174	33,912
Thailand	146,862	143,098	25,342	21,506
Others	21,066	21,586	(1,570)	(345)
	<u>495,031</u>	<u>493,837</u>	<u>46,373</u>	<u>53,746</u>
<b>Attributable profit to shareholders of the Company</b>				
	1st Quarter to 31/12/2016 \$'000	1st Quarter to 31/12/2015 \$'000		
<b>By Business Activity</b>				
Beverages	2,185	2,841		
Dairies	20,110	18,780		
Printing & publishing	(1,615)	1,896		
Others	1,759	2,016		
	<u>22,439</u>	<u>25,533</u>		
Exceptional items	(364)	163		
	<u>22,075</u>	<u>25,696</u>		

**1(a)(iv) STATEMENT OF COMPREHENSIVE INCOME**

	<b>Group</b>	
	<b>1st Quarter to 31/12/2016 \$'000</b>	<b>1st Quarter to 31/12/2015 \$'000</b>
<b>Profit after taxation</b>	40,475	47,765
<b>Other comprehensive income:</b>		
<u>Items that may be reclassified subsequently to profit statement</u>		
Share of other comprehensive income of associated companies	133	(324)
Net fair value changes on available-for-sale financial assets	(187,205)	227,146
Realisation of fair value gains on disposal of available-for-sale financial asset	-	(152)
Realisation of reserve on settlement of a net investment	-	(10,909)
Currency translation difference	(3,065)	8,103
	(190,137)	223,864
<b>Total comprehensive income for the period</b>	<b>(149,662)</b>	<b>271,629</b>
<b>Total comprehensive income attributable to:</b>		
Shareholders of the Company	(164,697)	251,409
Non-controlling interests	15,035	20,220
	<b>(149,662)</b>	<b>271,629</b>

**1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.**

**BALANCE SHEET**

	Group		Company	
	As at 31/12/2016 \$'000	As at 30/9/2016 \$'000	As at 31/12/2016 \$'000	As at 30/9/2016 \$'000
<b>SHARE CAPITAL AND RESERVES</b>				
Share capital	849,301	849,301	849,301	849,301
Treasury shares	(267)	(2,655)	(267)	(2,655)
Reserves	1,828,020	1,996,438	861,707	876,012
	2,677,054	2,843,084	1,710,741	1,722,658
<b>NON-CONTROLLING INTERESTS</b>	319,253	309,460	-	-
	2,996,307	3,152,544	1,710,741	1,722,658
Represented by:				
<b>NON-CURRENT ASSETS</b>				
Fixed assets	493,351	490,886	378	393
Investment properties	43,137	42,863	-	-
Properties held for development	17,823	18,232	-	-
Subsidiary companies	-	-	1,585,579	1,123,027
Joint venture company	46,054	46,011	-	-
Associated companies	42,942	43,003	18,100	18,100
Intangible assets	95,521	96,764	182	187
Brands	27,265	27,892	212	212
Other investments	1,893,525	1,363,389	172,320	185,240
Other receivables	1,062	1,131	-	-
Deferred tax assets	11,053	13,267	-	-
Bank fixed deposits	2,900	2,900	-	-
	2,674,633	2,146,338	1,776,771	1,327,159
<b>CURRENT ASSETS</b>				
Inventories	226,777	247,332	-	-
Trade receivables	311,341	267,178	-	-
Other receivables	52,301	53,894	159	1,074
Related parties	4,826	4,565	4	6
Subsidiary companies	-	-	5,359	13,905
Joint venture companies	817	558	-	-
Associated companies	-	3	-	-
Bank fixed deposits	95,942	563,282	-	231,018
Cash and bank balances	255,871	479,347	42,570	270,726
	947,875	1,616,159	48,092	516,729
Assets held for sale	10,703	10,375	-	-
	958,578	1,626,534	48,092	516,729
<b>Deduct: CURRENT LIABILITIES</b>				
Trade payables	170,438	180,548	-	-
Other payables	186,523	210,973	7,435	7,423
Related parties	12,405	12,650	10	21
Subsidiary companies	-	-	1,445	6,470
Associated companies	1,342	1,565	-	-
Borrowings	68,184	12,223	-	-
Provision for taxation	33,886	30,851	4,184	3,972
	472,778	448,810	13,074	17,886
Liabilities held for sale	2,494	2,339	-	-
	475,272	451,149	13,074	17,886
<b>NET CURRENT ASSETS</b>	483,306	1,175,385	35,018	498,843
<b>Deduct: NON-CURRENT LIABILITIES</b>				
Other payables	2,900	2,900	-	-
Related parties	1,265	1,265	1,265	1,265
Subsidiary companies	-	-	99,611	101,894
Borrowings	117,404	124,825	-	-
Provision for employee benefits	20,828	20,671	-	-
Deferred tax liabilities	19,235	19,518	172	185
	161,632	169,179	101,048	103,344
	2,996,307	3,152,544	1,710,741	1,722,658

- 1(b)(ii) **Aggregate amount of Group's borrowings and debt securities.**  
**The Group's borrowings and debt securities as at the end of the financial period reported on, and comparative figures as at the end of the immediately preceding financial year:**

**Amount repayable in one year or less, or on demand**

	<b>As at 31/12/2016</b>	<b>As at 30/9/2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Secured :	344	910
Unsecured :	67,840	11,313
	<hr/>	<hr/>
	<b>68,184</b>	<b>12,223</b>
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**Amount repayable after one year**

	<b>As at 31/12/2016</b>	<b>As at 30/9/2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Secured :	144	891
Unsecured :	117,260	123,934
	<hr/>	<hr/>
	<b>117,404</b>	<b>124,825</b>
	<hr/>	<hr/>

**Details of any collateral**

Secured borrowings are generally bank overdrafts and bank loans secured on the land and buildings, plant and machinery of the borrowing companies, pledge of shares held in a subsidiary and/or a first fixed and floating charge over the assets, and assignment of all rights, benefits and title in contracts of the respective borrowing companies.

1(c) **A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**GROUP CASH FLOW STATEMENT**

	<b>1st Quarter to 31/12/2016 \$'000</b>	<b>1st Quarter to 31/12/2015 \$'000</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Profit before taxation and exceptional items	47,851	56,308
Adjustments for:		
Depreciation of fixed assets	11,346	11,504
(Impairment reversal)/Impairment of fixed assets	(268)	31
Fixed assets written off	57	53
Provision for employee benefits	411	372
Loss/(Gain) on disposal of fixed assets (net)	55	(24)
Amortisation of brands and intangible assets	5,030	5,441
Interest income	(2,781)	(3,627)
Interest expenses	1,303	1,065
Share of joint venture company's loss	20	57
Share of associated companies' profits	(311)	(1,061)
Investment income	-	(128)
Employee share-based expense	964	1,492
Fair value adjustment of financial instruments	(235)	(1,028)
Loss on disposal of financial instruments	461	2,126
Operating cash before working capital changes	63,903	72,581
Change in inventories	20,555	5,224
Change in receivables	(42,721)	(25,336)
Change in related parties' and joint venture and associated companies' balances	(1,436)	86
Change in payables	(35,916)	(21,049)
Development expenditure on properties held for development	-	(7)
Currency realignment	1,441	(9,501)
Cash generated from operations	5,826	21,998
Interest income received	3,363	2,927
Interest expenses paid	(1,516)	(1,147)
Income taxes paid	(2,268)	(3,093)
Payment of employee benefits	(92)	(67)
<b>Net cash from operating activities</b>	<b>5,313</b>	<b>20,618</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Dividends from associated companies	-	4,683
Investment income	-	128
Proceeds from sale of fixed assets	111	112
Proceeds from redemption of other investment	-	6,069
Purchase of fixed assets	(15,750)	(16,805)
Purchase of other investments	(716,812)	-
Payment for intangible assets	(3,194)	(2,758)
Loan to a joint venture company	(644)	-
<b>Net cash used in investing activities</b>	<b>(736,289)</b>	<b>(8,571)</b>

**1(c) GROUP CASH FLOW STATEMENT (cont'd)**

	<b>1st Quarter to 31/12/2016 \$'000</b>	<b>1st Quarter to 31/12/2015 \$'000</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Proceeds from term loans and bank borrowings	51,498	38,567
Acquisition of non-controlling interests in subsidiary companies	(7,539)	-
Purchase of shares by a subsidiary company	-	(209)
Proceeds from issue of shares by subsidiary companies to non-controlling interests	-	630
<b>Net cash from financing activities</b>	<b><u>43,959</u></b>	<b><u>38,988</u></b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(687,017)</b>	<b>51,035</b>
Cash and cash equivalents at beginning of period	1,037,871	961,036
Effects of exchange rate changes on cash and cash equivalents	(3,775)	3,455
<b>Cash and cash equivalents at end of period</b>	<b><u>347,079</u></b>	<b><u>1,015,526</u></b>
<b>Cash and cash equivalents at end of period comprise:</b>		
Cash and bank balances	354,713	1,020,355
Bank overdrafts	(868)	(876)
	<u>353,845</u>	<u>1,019,479</u>
Less: Fixed deposits relating to consideration for acquisition of subsidiary companies	(6,766)	(3,953)
<b>Cash and cash equivalents at end of period</b>	<b><u>347,079</u></b>	<b><u>1,015,526</u></b>



- 1(d)(i) A statement (for the issuer and Group) showing either  
(i) all changes in equity or  
(ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**STATEMENT OF CHANGES IN EQUITY**

	<b>Group</b>											
	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Exchange Reserve	Fair Value Adjustment Reserve	Hedging Reserve	Share-based Payment Reserve	Dividend Reserve	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>1st Quarter ended</b> <b>31 December 2016</b>												
Balance at 1 October 2016	849,301	(2,655)	18,746	889,151	(142,346)	1,177,590	(425)	10,349	43,373	2,843,084	309,460	3,152,544
<b>Comprehensive income</b>												
Share of other comprehensive income of associated companies	-	-	-	-	133	-	-	-	-	133	-	133
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	(187,205)	-	-	-	(187,205)	-	(187,205)
Currency translation difference	-	-	-	-	300	-	-	-	-	300	(3,365)	(3,065)
Other comprehensive income for the period	-	-	-	-	433	(187,205)	-	-	-	(186,772)	(3,365)	(190,137)
Profit for the period	-	-	-	22,075	-	-	-	-	-	22,075	18,400	40,475
<b>Total comprehensive income for the period</b>	-	-	-	22,075	433	(187,205)	-	-	-	(164,697)	15,035	(149,662)
<b>Contribution by and distributions to owners</b>												
Employee share-based expense	-	-	-	-	-	-	-	760	-	760	204	964
Treasury shares reissued pursuant to share plans	-	2,388	901	-	-	-	-	(3,289)	-	-	-	-
<b>Dividends</b>												
Additional dividends due to vesting of shares awarded	-	-	-	(35)	-	-	-	-	35	-	-	-
<b>Total contributions by and distributions to owners</b>	-	2,388	901	(35)	-	-	-	(2,529)	35	760	204	964
<b>Changes in ownership interests</b>												
Change of interests in subsidiary companies	-	-	-	(2,093)	-	-	-	-	-	(2,093)	(5,446)	(7,539)
<b>Total changes in ownership interests</b>	-	-	-	(2,093)	-	-	-	-	-	(2,093)	(5,446)	(7,539)
<b>Total transactions with owners in their capacity as owners</b>	-	2,388	901	(2,128)	-	-	-	(2,529)	35	(1,333)	(5,242)	(6,575)
<b>Balance at 31 December 2016</b>	<b>849,301</b>	<b>(267)</b>	<b>19,647</b>	<b>909,098</b>	<b>(141,913)</b>	<b>990,385</b>	<b>(425)</b>	<b>7,820</b>	<b>43,408</b>	<b>2,677,054</b>	<b>319,253</b>	<b>2,996,307</b>

**1(d)(i) STATEMENT OF CHANGES IN EQUITY (cont'd)**

	<b>Group</b>											
	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Exchange Reserve	Fair Value Adjustment Reserve	Hedging Reserve	Share-based Payment Reserve	Dividend Reserve	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>1st Quarter ended</b> <b>31 December 2015</b>												
Balance at 1 October 2015	849,301	(5,759)	8,751	849,404	(141,090)	653,441	(273)	10,947	43,327	2,268,049	288,028	2,556,077
<b>Comprehensive income</b>												
Share of other comprehensive income of associated companies	-	-	-	(82)	(74)	-	-	(168)	-	(324)	-	(324)
Realisation of fair value gains on disposal of available-for-sale financial asset	-	-	-	-	-	(152)	-	-	-	(152)	-	(152)
Realisation of reserve on settlement of a net investment	-	-	-	-	(6,058)	-	-	-	-	(6,058)	(4,851)	(10,909)
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	227,146	-	-	-	227,146	-	227,146
Currency translation difference	-	-	-	-	5,101	-	-	-	-	5,101	3,002	8,103
Other comprehensive income for the period	-	-	-	(82)	(1,031)	226,994	-	(168)	-	225,713	(1,849)	223,864
Profit for the period	-	-	-	25,696	-	-	-	-	-	25,696	22,069	47,765
<b>Total comprehensive income for the period</b>	-	-	-	25,614	(1,031)	226,994	-	(168)	-	251,409	20,220	271,629
<b>Contribution by and distributions to owners</b>												
Employee share-based expense	-	-	-	-	-	-	-	1,271	-	1,271	223	1,494
Treasury shares reissued pursuant to share plans	-	3,104	814	-	-	-	-	(3,918)	-	-	-	-
Purchase of shares by a subsidiary company	-	-	-	(116)	-	-	-	-	-	(116)	(93)	(209)
Contribution of capital by non-controlling interests	-	-	-	-	-	-	-	-	-	-	630	630
<b>Dividends</b>												
Additional dividends due to vesting of shares awarded	-	-	-	(46)	-	-	-	-	46	-	-	-
<b>Total contributions by and distributions to owners</b>	-	3,104	814	(162)	-	-	-	(2,647)	46	1,155	760	1,915
<b>Changes in ownership interests</b>												
Change of interests in a subsidiary company	-	-	-	676	-	-	-	-	-	676	(676)	-
<b>Total changes in ownership interests</b>	-	-	-	676	-	-	-	-	-	676	(676)	-
<b>Total transactions with owners in their capacity as owners</b>	-	3,104	814	514	-	-	-	(2,647)	46	1,831	84	1,915
<b>Balance at 31 December 2015</b>	849,301	(2,655)	9,565	875,532	(142,121)	880,435	(273)	8,132	43,373	2,521,289	308,332	2,829,621

**1(d)(i) STATEMENT OF CHANGES IN EQUITY (cont'd)**

	Company							
	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Fair Value Adjustment Reserve	Share- based Payment Reserve	Dividend Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>1st Quarter ended 31 December 2016</u></b>								
Balance at 1 October 2016	849,301	(2,655)	(2,000)	753,938	75,014	5,687	43,373	1,722,658
<b><u>Comprehensive income</u></b>								
Net fair value changes on available-for-sale financial asset	-	-	-	-	(12,907)	-	-	(12,907)
Other comprehensive income for the period	-	-	-	-	(12,907)	-	-	(12,907)
Profit for the period	-	-	-	484	-	-	-	484
<b>Total comprehensive income for the period</b>	-	-	-	484	(12,907)	-	-	(12,423)
<b><u>Contributions by and distributions to owners</u></b>								
Employee share-based expense	-	-	-	-	-	506	-	506
Treasury shares reissued pursuant to share plans	-	2,388	901	-	-	(3,289)	-	-
Additional dividends due to vesting of shares awarded	-	-	-	(35)	-	-	35	-
<b>Total transactions with owners in their capacity as owners</b>	-	2,388	901	(35)	-	(2,783)	35	506
<b>Balance at 31 December 2016</b>	849,301	(267)	(1,099)	754,387	62,107	2,904	43,408	1,710,741
<b><u>1st Quarter ended 31 December 2015</u></b>								
Balance at 1 October 2015	849,301	(5,759)	(2,814)	735,604	3,936	6,703	43,327	1,630,298
<b><u>Comprehensive income</u></b>								
Net fair value changes on available-for-sale financial asset	-	-	-	-	30,860	-	-	30,860
Realisation of fair value gains on disposal of available-for-sale financial asset	-	-	-	-	(152)	-	-	(152)
Other comprehensive income for the period	-	-	-	-	30,708	-	-	30,708
Loss for the period	-	-	-	(157)	-	-	-	(157)
<b>Total comprehensive income for the period</b>	-	-	-	(157)	30,708	-	-	30,551
<b><u>Contributions by and distributions to owners</u></b>								
Employee share-based expense	-	-	-	-	-	992	-	992
Treasury shares reissued pursuant to share plans	-	3,104	814	-	-	(3,918)	-	-
Additional dividends due to vesting of shares awarded	-	-	-	(46)	-	-	46	-
<b>Total transactions with owners in their capacity as owners</b>	-	3,104	814	(46)	-	(2,926)	46	992
<b>Balance at 31 December 2015</b>	849,301	(2,655)	(2,000)	735,401	34,644	3,777	43,373	1,661,841

**1(d)(ii) SHARE CAPITAL**

Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	<b>Number of Shares</b>	
	<b>1st Quarter to 31/12/2016</b>	<b>4th Quarter to 30/9/2016</b>
Issued and fully paid ordinary shares:		
As at beginning and end of period	<u>1,447,077,754</u>	<u>1,447,077,754</u>
	<b>As at 31/12/2016</b>	<b>As at 31/12/2015</b>
The number of shares awarded conditionally under Share Plans as at the end of the period	<u>3,215,826</u>	<u>2,094,221</u>
The number of issued shares excluding treasury shares at the end of the period	<u>1,446,946,628</u>	<u>1,445,773,703</u>

The Company held 131,126 treasury shares as at 31 December 2016 (31 December 2015: 1,304,051).

**1(d)(iii) The total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The Company's total number of issued shares excluding treasury shares is 1,446,946,628 as at 31 December 2016 and 1,445,773,703 as at 30 September 2016.

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

	<b>Number of shares</b>
	<b>1st Quarter to 31/12/2016</b>
As at beginning of period	1,304,051
Treasury shares reissued pursuant to share plans	(1,172,925)
As at end of period	<u>131,126</u>

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by our auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the Group and Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared with the audited financial statements for the year ended 30 September 2016.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

As disclosed in paragraph 4, the Group and Company have adopted the following new and amendments to FRS which became effective from this financial year.

FRS 114	Regulatory Deferral Accounts
Amendments to FRS 27	Equity Method in Separate Financial Statements
Amendments to FRS 16 and FRS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 16 and FRS 41	Agriculture: Bearer Plants
Amendments to FRS 111	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 110, FRS 112 and FRS 28	Investment Entities: Applying the Consolidation Exception
Amendments to FRS 1	Disclosure Initiative
Improvements to FRSs 2014:	
Amendments to FRS 105	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 107	Financial Instruments: Disclosures
Amendments to FRS 19	Employee Benefits
Amendments to FRS 34	Interim Financial Reporting

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

**6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**

- (a) based on the weighted average number of ordinary shares on issue and  
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Group	
	1st Quarter to 31/12/2016	1st Quarter to 31/12/2015
Earnings per ordinary share:		
(a) Based on the weighted average number of ordinary shares on issue (cents)		
- before exceptional items	1.6	1.8
- after exceptional items	1.5	1.8
(b) On a fully diluted basis (cents)		
- before exceptional items	1.5	1.8
- after exceptional items	1.5	1.8
	<b>\$'000</b>	<b>\$'000</b>
Attributable profit	22,075	25,696
Change in attributable profit due to potential dilutive shares under share plans of a subsidiary company	(124)	(100)
Adjusted attributable profit	21,951	25,596

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

	Group		Company	
	As at 31/12/2016	As at 30/9/2016	As at 31/12/2016	As at 30/9/2016
Net asset value per ordinary share based on issued share capital	\$1.85	\$1.97	\$1.18	\$1.19

**8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonable or cyclical factors; and  
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

**REVIEW OF PERFORMANCE**

The principal activities of the Group are:

- (i) production and sale of beverages and dairy products; and  
(ii) printing and publishing.

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

**Profit Statement – 1st Quarter**

Group revenue increased to \$495.0 million for the quarter ended 31 December 2016 compared to the corresponding period last year.

Group PBIT (profit before interest and taxation) of \$46.4 million and attributable profit before exceptional items of \$22.4 million were 13.7% and 12.1% respectively lower than last year.

**Beverages**

Overall Beverages revenue was 5.2% higher as compared to last year. In Singapore, soft drinks revenue was boosted by revenue contribution from vending business acquired in July 2016, introduction of new products, such as *Ribena* and aggressive distribution expansion in Myanmar. The beer business also contributed positively to revenue growth as a result of aggressive promotions and pre-Lunar New Year sales of *Chang* beer. However, revenue growth for Soft Drinks Malaysia was flat as festive sales, lower trade discounts and favourable pack mix were offset by weaker consumer sentiments and a weaker Ringgit (1.4% lower vs the SGD).

PBIT decreased 19.7% as compared to last year. Soft Drinks Malaysia PBIT decreased 26.6% as a result of higher raw material prices, higher promotion spend and a weaker Ringgit. In the new markets of Myanmar and Vietnam, promotional and sponsorship expenses were incurred to promote new products, support distribution growth and build brand awareness and market share. The decrease were partly offset by contribution from Warburg Vending, acquired in July 2016.

## **Dairies**

Dairies revenue at \$278.6 million was slightly higher than last year. Dairies Singapore revenue increased due to strong sales growth contributed by the yoghurt products. The introduction of *Teapot* to the Myanmar market started to gain traction and also contributed to the increase in revenue. Dairies Thailand experienced a slight increase in revenue mainly due to favourable exchange rate despite flat volume growth as a result of slower consumer spending. Dairies Malaysia revenue decreased 3.8% on the back of competitive pricing tactics from competitors and a weaker Ringgit.

Dairies PBIT increased 5.3% to \$39.4 million mainly due to favourable milk-based commodity price variance and timing of advertising and promotion spend.

## **Printing and Publishing**

Printing and Publishing completed a challenging quarter with revenue declining 8.3% from last year to \$77.3 million this year. Printing was negatively impacted by weak magazine print volume while Publishing was affected by lower demand in Singapore and from the timing of export deliveries. Book and Magazine distribution experienced lower retail orders and higher market returns.

Subsequently, Printing and Publishing incurred losses before interest and taxation of \$2.3 million, down from a prior year profit of \$2.5 million. The decrease was largely due to lower revenue and investments in E-commerce. During the quarter, Times Experience Pte. Ltd. (a wholly owned subsidiary of Times Publishing Limited) launched its first education event (Happy Sparks), an e-commerce portal (GoGuru) as well as an adaptive learning app (Brainy Arkies).

## **Tax**

The low Group effective tax rate ("ETR") of 12.8% (2015: 15.7%) is mainly due to the tax exempt profits of an overseas subsidiary and the write back of prior year tax provision. The tax provision write-back also contributed to the improved Group ETR this year.

## **Balance Sheet as at 31 December 2016**

### **The Group**

The decrease in Reserves was mainly due to fair value loss on the investment in Vinamilk in Vietnam and partly offset by profits of \$22.1 million retained for the period.

Non-current assets increased by \$528.3 million or 24.6% from \$2,146.3 million to \$2,674.6 million as at 31 December 2016 mainly due to the acquisition of an additional 5.4% stake in Vinamilk during the quarter and partly offset by fair value loss on the investment in Vinamilk.

Current assets decreased by \$668.0 million or 41.1% from \$1,626.5 million to \$958.6 million as at 31 December 2016 attributed mainly to:

- (i) a decrease in cash and bank deposits due to the acquisition of shares in Vinamilk; and
- (ii) a decrease in inventories mainly due to improved inventory control, utilisation of raw materials to support increase in revenue and completion of the local textbook order season; and partly offset by
- (iii) inventory build-up for Lunar New Year; and
- (iv) an increase in trade receivables mainly due to the introduction of new products and stock up by retailers prior to the Lunar New Year.

Liabilities increased by \$16.6 million or 2.7% from \$620.3 million to \$636.9 million as at 31 December 2016 mainly due to:

- (i) an increase in borrowings taken up for the acquisition of shares in Vinamilk; and partly offset by
- (ii) a decrease in other payables mainly due to lower accruals made for marketing spend and subsequent payments made for accruals outstanding as at 30 September 2016; and
- (iii) a decrease in trade payables due to prompt settlement of trade payables by Dairies Thailand and lower publishing spend and purchasing activities by the Printing and Publishing business.

**Group Cash Flow Statement for Quarter Ended 31 December 2016**

The cash inflows and outflows are detailed in the Group Cash Flow Statement.

Net cash inflow from operating activities of \$5.3 million was lower than the \$20.6 million last year mainly due to an increase in cash utilised for working capital.

Net cash outflow from investing activities of \$736.3 million was higher than the \$8.6 million last year mainly due to the acquisition of an additional 5.4% stake in Vinamilk in the current period.

Net cash inflow from financing activities of \$44.0 million was higher than the \$39.0 million last year due to increased borrowings taken up for the acquisition of shares in Vinamilk and partly offset by the acquisition of non-controlling interests in subsidiary companies in the current period.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group expects consumer demand in the Food & Beverage segment to remain subdued in its core markets. We continue to face downward pricing pressure from competition in our core markets in Singapore, Malaysia and Thailand while also facing upward costing pressure from high commodity prices. The Group will continue to invest in Vietnam and Myanmar for our beverage business while seeking new opportunities in the Food segment.

The operating environment for the Printing and Publishing segment will remain challenging in the near term. Publishing will continue to invest in its digital business, through the introduction of innovative and exciting online content, and strengthen its overseas markets by leveraging on its strength in the education content segment. Print business will focus on commercial and non-traditional print jobs and right sizing its print capacity to adjust to market demand. On-going efforts are also in place to strengthen the positioning of our retail outlets as a family-oriented lifestyle retailer with an emphasis on the children's sector. For the distribution business, the Company, through its subsidiary, has entered into a conditional agreement to acquire the sales and distribution offices of Penguin Random House Limited in Singapore and Malaysia with the intention to scale up the distribution business.

The Group further acquired 1.1% shares in Vinamilk subsequent to the quarter ending 31 December 2016. This takes the Group's interest in Vinamilk to 17.5%. The Group may acquire more shares in Vinamilk if opportunities arise.

**11. If no dividend has been declared (recommended), a statement to the effect.**

No dividend has been declared for the current financial period.



12. **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Particulars of interested person transactions (“IPTs”) for the period 1 October 2016 to 31 December 2016.

<u>Name of interested person</u>	<b>Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$’000</b>
TCC Group of Companies <sup>1</sup>	8,874

<sup>1</sup> This refers to the companies and entities in the TCC Group which are controlled by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi.

13. **Confirmation By the Company Pursuant to Rule 720(1) of the SGX Listing Manual**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

14. **CONFIRMATION BY THE BOARD OF DIRECTORS Pursuant to Rule 705(5) of the SGX Listing Manual**

We, Siripen Sitasuwan and Sithichai Chaikriangkrai, being two Directors of Fraser and Neave, Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company, that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the interim financial results to be false or misleading in any material respect.

On behalf of the Board

Siripen Sitasuwan  
Director

Sithichai Chaikriangkrai  
Director

BY ORDER OF THE BOARD  
Anthony Cheong Fook Seng  
Company Secretary

8 February 2017