



# FRASER AND NEAVE, LIMITED

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

## RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2017 Financial Statements and Dividend Announcement

The Directors are pleased to make the following announcement of the unaudited results for the year ended 30 September 2017.

### 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

	30/9/2017 \$'000	30/9/2016 \$'000	Change %
Revenue	1,897,959	1,978,622	(4.1)
Cost of sales	(1,236,660)	(1,250,256)	(1.1)
Gross profit	661,299	728,366	(9.2)
Other income (net)	1,614	12,917	(87.5)
Operating expenses			
- Distribution	(174,595)	(176,754)	(1.2)
- Marketing	(271,996)	(299,640)	(9.2)
- Administration	(129,363)	(136,950)	(5.5)
	(575,954)	(613,344)	(6.1)
Trading profit	86,959	127,939	(32.0)
Share of joint venture company's loss	(668)	(540)	23.7
Share of associated companies' profit	53,921	3,186	NM
Gross income from investments	33,394	48,566	(31.2)
<b>Profit before interest and taxation ("PBIT")</b>	<b>173,606</b>	<b>179,151</b>	(3.1)
Finance income	10,671	14,779	(27.8)
Finance cost	(16,187)	(4,969)	NM
Net finance (cost)/income	(5,516)	9,810	NM
<b>Profit before fair value adjustment, taxation and exceptional items</b>	<b>168,090</b>	<b>188,961</b>	(11.0)
Fair value adjustment of investment properties	(1,724)	(1,532)	12.5
<b>Profit before taxation and exceptional items</b>	<b>166,366</b>	<b>187,429</b>	(11.2)
Exceptional items	1,177,566	735	NM
<b>Profit before taxation</b>	<b>1,343,932</b>	<b>188,164</b>	NM
Taxation	(14,707)	(22,506)	(34.7)
<b>Profit after taxation</b>	<b>1,329,225</b>	<b>165,658</b>	NM
Attributable profit to:			
Shareholders of the Company			
- Before fair value adjustment and exceptional items	99,906	108,963	(8.3)
- Fair value adjustment of investment properties	(1,728)	(1,548)	11.6
- Exceptional items	1,184,887	681	NM
	1,283,065	108,096	NM
Non-controlling interests	46,160	57,562	(19.8)
	<b>1,329,225</b>	<b>165,658</b>	NM

NM – Not meaningful

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

	<b>30/9/2017</b>	<b>Group</b>	
	<b>\$'000</b>	<b>30/9/2016</b>	<b>Change</b>
		<b>\$'000</b>	<b>%</b>
<b>Operating expenses</b>			
Included in operating expenses are:			
Depreciation & amortisation	(57,432)	(61,747)	(7.0)
Allowance for bad and doubtful debts	(1,049)	(410)	155.9
Allowance for inventory obsolescence	(8,175)	(9,204)	(11.2)
Employee share-based expenses	(5,154)	(6,057)	(14.9)
	<u>                    </u>	<u>                    </u>	
<b>Other income (net)</b>			
Gain/(Loss) on disposal of fixed assets	70	(239)	NM
Foreign exchange (loss)/gain	(7,222)	3,155	NM
	<u>                    </u>	<u>                    </u>	
<b>Taxation</b>			
Over provision of prior year taxation	1,621	7,702	(79.0)
	<u>                    </u>	<u>                    </u>	
<b>Exceptional items</b>			
Effect of change of interest in other investment	1,199,415	-	NM
Effect of change of interest in an associated company	4,671	756	NM
Reversal of provision for litigation claims	1,843	-	NM
Provision for restructuring and re-organisation costs of operations	(16,614)	(1,170)	NM
Retirement benefit plan buy-out relating to restructuring of operations	(10,612)	-	NM
Impairment loss on fixed assets relating to restructuring of operations	(1,032)	-	NM
Loss on liquidation of subsidiary and joint venture companies (net)	(105)	(144)	(27.1)
Insurance claim relating to flood	-	1,263	NM
Gain on redemption of other investment	-	30	NM
	<u>                    </u>	<u>                    </u>	
	1,177,566	735	
	<u>                    </u>	<u>                    </u>	
<b>PBIT as a percentage of revenue</b>	<u>                    </u>	<u>                    </u>	
	9.1%	9.1%	

NM - Not meaningful

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

	<b>Group</b>	
	<u>30/9/2017</u>	<u>30/9/2016</u>
	\$'000	\$'000
<b>Profit after taxation</b>	1,329,225	165,658
<b>Other comprehensive income:</b>		
<u>Items that are or may be reclassified subsequently to profit statement</u>		
Share of other comprehensive income of associated companies	(2,365)	(762)
Realisation of reserves on dilution of interest in an associated company	6,795	-
Realisation of fair value gains on change of interest/disposal of available-for-sale financial assets	(1,200,750)	(152)
Realisation of reserve on settlement of a net investment	-	(10,915)
Realisation of reserve on liquidation of a subsidiary company	-	(621)
Net fair value changes on available-for-sale financial assets	24,424	524,301
Currency translation difference	(74,384)	8,548
	<u>(1,246,280)</u>	<u>520,399</u>
<u>Items that will not be reclassified to profit statement</u>		
Remeasurement of defined benefit obligations	1,283	(2,656)
Revaluation of fixed assets	-	9,292
	<u>1,283</u>	<u>6,636</u>
Other comprehensive income for the year, net of taxation	(1,244,997)	527,035
Total comprehensive income for the year	<u>84,228</u>	<u>692,693</u>
<b>Total comprehensive income attributable to:</b>		
Shareholders of the Company	40,937	636,841
Non-controlling interests	43,291	55,852
	<u>84,228</u>	<u>692,693</u>

**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 30/9/2017 \$'000	As at 30/9/2016 \$'000 (Restated)	As at 30/9/2017 \$'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	1,969,551	1,996,438	864,916	876,012
	2,818,585	2,843,084	1,713,950	1,722,658
<b>NON-CONTROLLING INTERESTS</b>	317,108	309,460	-	-
	<u>3,135,693</u>	<u>3,152,544</u>	<u>1,713,950</u>	<u>1,722,658</u>
Represented by:				
<b>NON-CURRENT ASSETS</b>				
Fixed assets	505,643	492,793	332	393
Investment properties	40,581	42,863	-	-
Properties held for development	18,025	18,232	-	-
Subsidiary companies	-	-	1,915,824	1,123,027
Joint venture company	46,669	46,011	-	-
Associated companies	2,380,648	43,003	-	18,100
Intangible assets	93,574	95,786	167	187
Brands	27,115	27,892	212	212
Other investments	30,131	1,363,389	222,705	185,240
Other receivables	1,350	1,131	-	-
Deferred tax assets	9,677	13,267	-	-
Bank fixed deposits	2,927	2,900	-	-
	<u>3,156,340</u>	<u>2,147,267</u>	<u>2,139,240</u>	<u>1,327,159</u>
<b>CURRENT ASSETS</b>				
Inventories	247,085	247,359	-	-
Trade receivables	279,654	267,178	-	-
Other receivables	59,165	53,894	675	1,074
Related parties	7,054	4,565	1	6
Subsidiary companies	-	-	518,309	13,905
Joint venture companies	571	558	-	-
Associated companies	1	3	-	-
Bank fixed deposits	291,028	563,282	8,684	231,018
Cash and bank balances	843,953	479,347	287,584	270,726
	1,728,511	1,616,186	815,253	516,729
Assets held for sale	9,887	10,375	-	-
	<u>1,738,398</u>	<u>1,626,561</u>	<u>815,253</u>	<u>516,729</u>
<b>Deduct: CURRENT LIABILITIES</b>				
Trade payables	155,029	180,548	-	-
Other payables	202,234	211,685	7,993	7,423
Related parties	13,689	12,650	1,265	21
Subsidiary companies	-	-	328,014	6,470
Joint venture companies	11	-	-	-
Associated companies	1,583	1,565	-	-
Borrowings	785,591	12,223	360,000	-
Provision for taxation	32,990	30,851	3,148	3,972
	1,191,127	449,522	700,420	17,886
Liabilities held for sale	2,371	2,339	-	-
	<u>1,193,498</u>	<u>451,861</u>	<u>700,420</u>	<u>17,886</u>
<b>NET CURRENT ASSETS</b>	544,900	1,174,700	114,833	498,843
<b>Deduct: NON-CURRENT LIABILITIES</b>				
Other payables	13,169	2,710	-	-
Related parties	-	1,265	-	1,265
Subsidiary companies	-	-	540,123	101,894
Borrowings	517,498	124,825	-	-
Provision for employee benefits	17,807	20,671	-	-
Deferred tax liabilities	17,073	19,952	-	185
	565,547	169,423	540,123	103,344
	<u>3,135,693</u>	<u>3,152,544</u>	<u>1,713,950</u>	<u>1,722,658</u>

**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 30/9/2017</b>	<b>As at 30/9/2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Secured :	6	910
Unsecured :	785,585	11,313
	<hr/>	<hr/>
	<b>785,591</b>	<b>12,223</b>
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**Amount repayable after one year**

	<b>As at 30/9/2017</b>	<b>As at 30/9/2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Secured :	-	891
Unsecured :	517,498	123,934
	<hr/>	<hr/>
	<b>517,498</b>	<b>124,825</b>
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**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.**

	30/9/2017 \$'000	30/9/2016 \$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation and exceptional items	166,366	187,429
Adjustments for:		
Depreciation of fixed assets	44,567	46,804
Impairment of fixed assets and intangible assets	1,088	1,052
Reversal of impairment of fixed assets and intangible assets	(886)	(464)
Impairment of other investments	-	25
Fixed assets and intangible assets written off	589	430
Provision for employee benefits	329	1,526
Write back of provision for employee benefits	(462)	(140)
(Gain)/Loss on disposal of fixed assets and intangible assets	(70)	309
Amortisation of brands and intangible assets	12,865	14,943
Interest income	(10,671)	(14,779)
Interest expenses	16,187	4,969
Share of joint venture company's loss	668	540
Share of associated companies' profit	(53,921)	(3,186)
Investment income	(33,394)	(48,566)
Employee share-based expenses	5,154	6,057
Fair value adjustment of financial instruments	454	(422)
Fair value adjustment of investment properties	1,724	1,532
Loss on disposal of financial instruments	672	2,124
Operating cash before working capital changes	151,259	200,183
Change in inventories	275	7,066
Change in receivables	(7,493)	20,263
Change in related parties' and joint venture and associated companies' balances	(2,698)	(4,836)
Change in payables	(50,592)	(10,563)
Development expenditure on properties held for development	(235)	(8)
Currency realignment	129	(11,012)
Cash generated from operations	90,645	201,093
Interest income received	8,886	12,414
Interest expenses paid	(13,656)	(4,864)
Income taxes paid	(12,945)	(24,417)
Payment of employee benefits	(1,380)	(1,059)
<b>Net cash from operating activities</b>	<b>71,550</b>	<b>183,167</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends from associated companies	34,633	5,779
Investment income	33,394	48,566
Proceeds from sale of fixed assets	1,061	414
Proceeds from redemption of other investments	-	6,069
Payment of deferred consideration for prior years' acquisition of subsidiary companies	(6,071)	-
Net cash outflow on acquisition of subsidiary companies	-	(20,521)
Investment in an associated company	(51,252)	-
Purchase of other investment	(964,901)	-
Purchase of fixed assets and investment properties	(64,733)	(65,471)
Payment for intangible assets	(10,506)	(10,887)
Loan to a joint venture company	(643)	-
Deposits pledged in relation to acquisition of subsidiary companies	3,832	(2,900)
Deposits made in relation to acquisition of subsidiary companies completed after the financial year	(8,000)	-
<b>Net cash used in investing activities</b>	<b>(1,033,186)</b>	<b>(38,951)</b>

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

	<b>30/9/2017</b>	<b>30/9/2016</b>
	<b>\$'000</b>	<b>\$'000</b>
		<b>(Restated)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Proceeds from term loans and bank borrowings	1,169,532	32,594
Acquisition of non-controlling interests in subsidiary companies	(7,539)	-
Purchase of shares by a subsidiary company	(2,897)	(3,978)
Capital repayment to non-controlling interests	(70)	-
Proceeds from issue of shares by subsidiary companies to non-controlling interests	-	630
Payment of dividends:		
- by subsidiary companies to non-controlling interests	(30,615)	(33,875)
- by the Company to shareholders	(65,112)	(65,060)
<b>Net cash from/(used in) financing activities</b>	<b>1,063,299</b>	<b>(69,689)</b>
<b>Net increase in cash and cash equivalents</b>	<b>101,663</b>	<b>74,527</b>
Cash and cash equivalents at beginning of year	1,037,871	961,036
Effects of exchange rate changes on cash and cash equivalents	(5,151)	2,308
<b>Cash and cash equivalents at end of year</b>	<b>1,134,383</b>	<b>1,037,871</b>
Cash and cash equivalents at end of year comprise:		
Cash and bank deposits	1,137,908	1,045,529
Bank overdrafts	(598)	(802)
	1,137,310	1,044,727
Less: Deposits pledged in relation to acquisition of subsidiary companies	(2,927)	(6,856)
	<b>1,134,383</b>	<b>1,037,871</b>
<b>Analysis of acquisition of subsidiary companies</b>		
Net assets acquired:		
Fixed assets	-	7,345
Intangible assets	-	645
Current assets	-	1,251
Bank borrowings	-	(1,758)
Other current liabilities	-	(2,034)
Other non-current liabilities	-	(694)
Cash and cash equivalents	-	4,079
	-	8,834
Goodwill on acquisition	-	20,688
Consideration paid	-	29,522
Deferred consideration	-	(4,922)
Less: Cash and cash equivalents of subsidiary companies acquired	-	(4,079)
Net cash outflow on acquisition of subsidiary companies	-	20,521

- 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>Year ended 30 September 2017</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	-	-	-	(2,542)	199	-	-	(22)	-	(2,365)	-	(2,365)
Realisation of reserves on dilution of interest in an associated company	-	-	-	1,699	4,868	-	425	(197)	-	6,795	-	6,795
Realisation of fair value gains on change of interest in available-for-sale financial asset	-	-	-	-	-	(1,200,750)	-	-	-	(1,200,750)	-	(1,200,750)
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	24,424	-	-	-	24,424	-	24,424
Remeasurement of defined benefit obligations	-	-	-	1,198	-	-	-	-	-	1,198	85	1,283
Currency translation difference	-	-	-	-	(71,430)	-	-	-	-	(71,430)	(2,954)	(74,384)
Other comprehensive income for the year	-	-	-	355	(66,363)	(1,176,326)	425	(219)	-	(1,242,128)	(2,869)	(1,244,997)
Profit for the year	-	-	-	1,283,065	-	-	-	-	-	1,283,065	46,160	1,329,225
<b>Total comprehensive income for the year</b>	-	-	-	1,283,420	(66,363)	(1,176,326)	425	(219)	-	40,937	43,291	84,228
<b>Contributions by and distributions to owners</b>												
Employee share-based expenses	-	-	-	-	-	-	-	3,836	-	3,836	1,318	5,154
Treasury shares reissued pursuant to share plans	-	2,388	901	-	-	-	-	(3,289)	-	-	-	-
Purchase of shares by a subsidiary company	-	-	-	(1,608)	-	-	-	-	-	(1,608)	(1,289)	(2,897)
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(231)	1,604	-	-	-	(1,373)	-	-	-	-
Capital repayment to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(70)	(70)
<b>Dividends:</b>												
Dividends paid	-	-	-	(21,739)	-	-	-	-	(43,373)	(65,112)	(30,615)	(95,727)
Dividends proposed	-	-	-	(43,408)	-	-	-	-	43,408	-	-	-
<b>Total contributions by and distributions to owners</b>	-	2,388	670	(65,151)	-	-	-	(826)	35	(62,884)	(30,656)	(93,540)
<b>Changes in ownership interests</b>												
Change of interests in subsidiary companies	-	-	-	(2,552)	-	-	-	-	-	(2,552)	(4,987)	(7,539)
<b>Total changes in ownership interests</b>	-	-	-	(2,552)	-	-	-	-	-	(2,552)	(4,987)	(7,539)
<b>Total transactions with owners in their capacity as owners</b>	-	2,388	670	(67,703)	-	-	-	(826)	35	(65,436)	(35,643)	(101,079)
Balance at 30 September 2017	849,301	(267)	19,416	2,104,868	(208,709)	1,264	-	9,304	43,408	2,818,585	317,108	3,135,693



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

	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>Year ended 30 September 2016</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	-	-	-	(827)	244	-	(152)	(27)	-	(762)	-	(762)
Realisation of reserve on liquidation of a subsidiary company	-	-	-	-	(621)	-	-	-	-	(621)	-	(621)
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	-	-	-	-	(6,061)	-	-	-	-	(6,061)	(4,854)	(10,915)
Revaluation of fixed assets	-	-	9,292	-	-	-	-	-	-	9,292	-	9,292
Net fair value changes on available-for-sale financial asset	-	-	-	-	-	524,301	-	-	-	524,301	-	524,301
Remeasurement of defined benefit obligations	-	-	-	(2,434)	-	-	-	-	-	(2,434)	(222)	(2,656)
Currency translation difference	-	-	-	-	5,182	-	-	-	-	5,182	3,366	8,548
Other comprehensive income for the year	-	-	9,292	(3,261)	(1,256)	524,149	(152)	(27)	-	528,745	(1,710)	527,035
Profit for the year	-	-	-	108,096	-	-	-	-	-	108,096	57,562	165,658
<b>Total comprehensive income for the year</b>	-	-	9,292	104,835	(1,256)	524,149	(152)	(27)	-	636,841	55,852	692,693
<b>Contributions by and distributions to owners</b>												
Employee share-based expenses	-	-	-	-	-	-	-	4,654	-	4,654	1,403	6,057
Treasury shares reissued pursuant to share plans	-	3,104	814	-	-	-	-	(3,918)	-	-	-	-
Purchase of shares by a subsidiary company	-	-	-	(2,209)	-	-	-	-	-	(2,209)	(1,769)	(3,978)
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(111)	1,418	-	-	-	(1,307)	-	-	-	-
Contribution of capital by non-controlling interests	-	-	-	-	-	-	-	-	-	-	630	630
<b>Dividends:</b>												
Dividends paid	-	-	-	(21,733)	-	-	-	-	(43,327)	(65,060)	(33,875)	(98,935)
Dividends proposed	-	-	-	(43,373)	-	-	-	-	43,373	-	-	-
<b>Total contributions by and distributions to owners</b>	-	3,104	703	(65,897)	-	-	-	(571)	46	(62,615)	(33,611)	(96,226)
<b>Changes in ownership interests</b>												
Change of interests in a subsidiary company	-	-	-	809	-	-	-	-	-	809	(809)	-
<b>Total changes in ownership interests</b>	-	-	-	809	-	-	-	-	-	809	(809)	-
<b>Total transactions with owners in their capacity as owners</b>	-	3,104	703	(65,088)	-	-	-	(571)	46	(61,806)	(34,420)	(96,226)
Balance at 30 September 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

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

	<b>Company</b>							
	<b>Share Capital</b>	<b>Treasury Shares</b>	<b>Capital Reserve</b>	<b>Revenue Reserve</b>	<b>Fair Value Adjustment Reserve</b>	<b>Share- based Payment Reserve</b>	<b>Dividend Reserve</b>	<b>Total Equity</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b><u>Year ended 30 September 2017</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 assets	-	-	-	-	8,799	-	-	8,799
Other comprehensive income for the year	-	-	-	-	8,799	-	-	8,799
Profit for the year	-	-	-	45,414	-	-	-	45,414
<b>Total comprehensive income for the year</b>	-	-	-	45,414	8,799	-	-	54,213
<b><u>Contributions by and distributions to owners</u></b>								
Employee share-based expenses	-	-	-	-	-	2,191	-	2,191
Treasury shares reissued pursuant to share plans	-	2,388	901	-	-	(3,289)	-	-
<b>Dividends</b>								
Dividends paid	-	-	-	(21,739)	-	-	(43,373)	(65,112)
Dividends proposed	-	-	-	(43,408)	-	-	43,408	-
<b>Total transactions with owners in their capacity as owners</b>	-	2,388	901	(65,147)	-	(1,098)	35	(62,921)
Balance at 30 September 2017	849,301	(267)	(1,099)	734,205	83,813	4,589	43,408	1,713,950
<b><u>Year ended 30 September 2016</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	-	-	-	-	71,230	-	-	71,230
Realisation of fair value gains on disposal of available-for-sale financial asset	-	-	-	-	(152)	-	-	(152)
Other comprehensive income for the year	-	-	-	-	71,078	-	-	71,078
Profit for the year	-	-	-	83,440	-	-	-	83,440
<b>Total comprehensive income for the year</b>	-	-	-	83,440	71,078	-	-	154,518
<b><u>Contributions by and distributions to owners</u></b>								
Employee share-based expenses	-	-	-	-	-	2,902	-	2,902
Treasury shares reissued pursuant to share plans	-	3,104	814	-	-	(3,918)	-	-
<b>Dividends</b>								
Dividends paid	-	-	-	(21,733)	-	-	(43,327)	(65,060)
Dividends proposed	-	-	-	(43,373)	-	-	43,373	-
<b>Total transactions with owners in their capacity as owners</b>	-	3,104	814	(65,106)	-	(1,016)	46	(62,158)
Balance at 30 September 2016	849,301	(2,655)	(2,000)	753,938	75,014	5,687	43,373	1,722,658

**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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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>4th Quarter to 30/9/2017</b>	<b>3rd Quarter to 30/6/2017</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 30/9/2017</b>	<b>As at 30/9/2016</b>
The number of shares awarded conditionally under Share Plans at the end of the year	<u>3,142,401</u>	<u>3,310,805</u>
The number of issued shares excluding treasury shares at the end of the year	<u>1,446,946,628</u>	<u>1,445,773,703</u>

The Company held 131,126 treasury shares as at 30 September 2017 (30 September 2016: 1,304,051). The treasury shares held represents 0.01% (30 September 2016: 0.09%) of the total number of issued shares (excluding treasury shares).

The Company does not have any subsidiary holdings as at 30 September 2017 and 30 September 2016.

**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 30 September 2017 and 1,445,773,703 as at 30 September 2016.

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

There were no sales, transfers, cancellation and/or use of treasury shares by the Company during the three months ended 30 September 2017.

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

The Company does not have any subsidiary holdings as at 30 September 2017 and 30 September 2016.

There were no sales, transfers, cancellation and/or use of subsidiary holdings during the three months ended 30 September 2017.

**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	
	30/9/2017	30/9/2016
Earnings per ordinary share:		
(a) Based on the weighted average number of ordinary shares on issue (cents)		
- before fair value adjustment and exceptional items	6.9	7.5
- after fair value adjustment and exceptional items	88.7	7.5
(b) On a fully diluted basis (cents)		
- before fair value adjustment and exceptional items	6.9	7.5
- after fair value adjustment and exceptional items	88.5	7.4
	<b>\$'000</b>	<b>\$'000</b>
Attributable profit	1,283,065	108,096
Change in attributable profit due to dilutive potential shares under share plans of a subsidiary company	(207)	(297)
Adjusted attributable profit	1,282,858	107,799

**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 30/9/2017	As at 30/9/2016	As at 30/9/2017	As at 30/9/2016
Net asset value per ordinary share based on issued share capital	\$1.95	\$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 – Financial Year Ended 30 September 2017**

Group revenue of \$1,898.0 million decreased 4.1% for the year ended 30 September 2017 while PBIT (profit before interest and taxation) and attributable profit before exceptional items of \$173.6 million and \$99.9 million decreased 3.1% and 8.3% respectively compared to last year.

### **Beverages**

Overall Beverages revenue was 12.7% lower as compared to last year. Despite full year contribution from Warburg Vending, improved sales volumes from new markets like Myanmar and Indonesia and commencement of distribution of third party brands, sales revenue was adversely affected by weak consumer sentiments and price competition. On a positive note, revenue from beer distribution business increased on growth in all distribution channels and aggressive promotion activities.

Beverages reported a loss before interest and taxation of \$3.9 million. The decrease is mainly attributed to lower volumes, competitive pricing, higher raw material prices and continued investment costs in our new markets. The decrease were partly offset by contribution from Warburg Vending, acquired in July 2016.

### **Dairies**

Dairies revenue at \$1,105.3 million was slightly higher as compared to last year. Revenue in Dairies Singapore and Dairies Thailand increased due to improved export sales to new markets of Myanmar, Indonesia and Indochina. The increase was slightly mitigated by subdued consumer sentiments and increasing competition faced in Dairies Malaysia.

Dairies PBIT increased 24.2% to \$207.6 million mainly due to the increase in profit contribution from Vietnam Dairy Products Joint Stock Company (“Vinamilk”) as a result of our increased shareholding in the current financial year. Dairies Thailand’s profit contribution also increased mainly as a result of higher revenue, lower milk-based commodity costs and cost management.

### **Printing and Publishing**

Printing and Publishing recorded a decline in revenue of 4.7% to \$293.0 million this year. This was mainly due to a decline in sales volumes of book distribution due to a weak Christmas season and poor book retail sentiment. In addition, Publishing unit registered decline from lower trade directories advertisement revenue as well as shortfall in demand for textbooks within the ASEAN region. Printing unit managed to stabilize its revenue and there was maiden revenue contribution from e-commerce portal, *GoGuru*, and learning application, *Brainy Arkies*.

In spite of a decline in revenue, Printing and Publishing continued to narrow its losses before interest and taxation to \$4.5 million as compared to \$5.2 million last year. This was achieved through improvement in printing plant efficiencies and implementation of cost containment measures across the various divisions which fully offset the decline in revenue margin contribution.

### **Exceptional Items**

An exceptional gain of \$1,177.6 million was recognised in the year ended 30 September 2017. This mainly relates to the realisation of fair value adjustment reserve upon the reclassification of Vinamilk from Other Investment to Investment in Associated Company. At the annual general meeting of Vinamilk on 15 April 2017, its shareholders approved the appointment of Mr Michael Chye, a representative of Fraser and Neave, Limited (“FNL”), to the board of directors of Vinamilk (“the Vinamilk Board”). This increased our representation on the Vinamilk Board to two directors. In accordance with Singapore Financial Reporting Standards 28, Investments in Associates and Joint Ventures, FNL is deemed to have significant influence through its representation on the Vinamilk Board and will henceforth account for its investment in Vinamilk as an “Investment in Associated Company” in its financial statements. The fair value gains on the investment in Vinamilk that were previously taken to the Fair Value Adjustment Reserve have now been reclassified to the Profit Statement as an Exceptional Item.

### **Tax**

The Group effective tax rate (“ETR”) of 1.1% (2016: 12.0%) is mainly due to the non-taxable exceptional fair value gain which crystalized when Vinamilk became our associated company on 16 April 2017. Without the exceptional items, the ETR is 8.8% (2016: 12.0%) and this is mainly attributed to an increase in tax exempt income for the Group.

### **Group Balance Sheet as at 30 September 2017**

The slight decrease in Reserves was mainly due to payment of dividends partially offset by profits retained for the year.

Non-current assets increased by \$1,009.1 million or 47.0% from \$2,147.3 million to \$3,156.3 million as at 30 September 2017 mainly due to the acquisition of shares in Vinamilk and net fair value gain on the investment in Vinamilk. As noted in Exceptional Items above, FNL is deemed to have significant influence through its representation on the board of directors of Vinamilk and will henceforth account for its investment in Vinamilk as an "Investment in Associated Company" in its financial statements. As such, the investment in Vinamilk has been reclassified from Other Investment to Investment in Associated Company in its Balance Sheet as at 30 September 2017.

Current assets increased by \$111.8 million or 6.9% from \$1,626.6 million to \$1,738.4 million as at 30 September 2017 attributed mainly to:

- (i) an increase in cash and bank deposits due to borrowings taken up during the year partially offset by funds utilised for the acquisition of additional shares in Vinamilk; and
- (ii) an increase in receivables due to sales growth in Dairies Thailand and Dairies Singapore and change of business model in Beverages in Indonesia.

Liabilities increased by \$1,137.8 million or 183.1% from \$621.3 million to \$1,759.0 million as at 30 September 2017 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 trade and other payables mainly due to lower purchases made in line with the reduction of sales volume in the Beverages and Printing and Publishing businesses, lower accruals made for marketing spend and subsequent payments made for accruals outstanding as at 30 September 2016.

### **Group Cash Flow Statement – Financial Year Ended 30 September 2017**

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

Net cash inflow from operating activities of \$71.6 million was lower than the cash inflow of \$183.2 million last year mainly due to increase in cash utilised for working capital and interest expenses paid.

Net cash outflow from investing activities of \$1,033.2 million was higher than the \$39.0 million last year mainly due to the acquisition of additional shares in Vinamilk during the year partly offset by dividend income received.

Net cash inflow from financing activities of \$1,063.3 million was higher than the cash outflow of \$69.7 million last year due to borrowings taken up for the acquisition of shares in Vinamilk.

**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 both beverages and dairies sales volume to improve next year. Contribution from our associated company, Vinamilk, is expected to increase as the Group will equity account the results of Vinamilk for the full 12 months in the new financial year. We will continue to sacrifice short term profitability to invest in new markets and at the same time manage the expected cost pressures in our core markets as the benefits of restructuring initiatives in the financial year just ended take effect. The Group will continue to pursue new investment opportunities to further grow its beverage and dairy businesses.

After restructuring the Printing and Publishing business over the last 18 months, the Group expects losses to continue to narrow in the new financial year. Publishing will continue to invest in its digital business and overseas markets by leveraging on its strength in the education content segment. The Group will continue in its efforts to ensure the cost structure remains sustainable in line with the declining revenue from its print and retail business, while at the same time explore opportunities to enter into new printing segments.

**11. If a decision regarding dividend has been made:-**

**(a) Whether a final ordinary dividend has been recommended:** Yes

**(b) (i) Amount per share :** 3.0 cents

**(ii) Previous corresponding period :** 3.0 cents

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Tax-exempt (one-tier).

**(d) The date the dividend is payable.**

The Directors propose, subject to shareholders' approval at the Annual General Meeting to be held on 29 January 2018, a final dividend of 3.0 cents (last year: 3.0 cents) per share, to be paid on 14 February 2018. Taken with the interim dividend of 1.5 cents per share already paid, this will give a total distribution for the year of 4.5 cents per share (last year: 4.5 cents).

**(e) The date on which Registrable Transfers received by the Company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined.**

Registrable transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road, #02-00, Singapore 068898 up to 5.00 p.m. on 2 February 2018 will be registered before entitlements to the dividend are determined.

Notice is hereby given that the share registers will be closed on 5-6 February 2018 for the preparation of dividend warrants.

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

Not applicable.

**13. 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 financial year ended 30 September 2017.

<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)</b> \$'000
TCC Group of Companies <sup>1</sup>	17,513

<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.





**SEGMENTAL RESULTS**  
**For year ended 30 September 2016 (Restated)**

	Beverages	Dairies	Printing & Publishing	Others	Elimination	Per Consolidated Financial Statements
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating Segment</b>						
Revenue - external	571,697	1,098,960	307,592	373	-	1,978,622
Revenue - inter segment	32,660	16,656	95	141,144	(190,555)	-
<b>Total revenue</b>	<b>604,357</b>	<b>1,115,616</b>	<b>307,687</b>	<b>141,517</b>	<b>(190,555)</b>	<b>1,978,622</b>
Subsidiary companies	22,967	167,116	(5,127)	(8,451)	-	176,505
Joint venture and associated companies	-	-	(76)	2,722	-	2,646
<b>PBIT</b>	<b>22,967</b>	<b>167,116</b>	<b>(5,203)</b>	<b>(5,729)</b>	<b>-</b>	<b>179,151</b>
Finance income						14,779
Finance cost						(4,969)
<b>Profit before fair values adjustment, taxation and exceptional items</b>						<b>188,961</b>
Fair value adjustment of investment properties						(1,532)
Exceptional items						735
<b>Profit before taxation</b>						<b>188,164</b>
Taxation						(22,506)
<b>Profit after taxation</b>						<b>165,658</b>
Non-controlling interests						(57,562)
<b>Attributable profit</b>						<b>108,096</b>
Assets	367,541	1,888,761	276,054	93,662	-	2,626,018
Investment in joint venture and associated companies	-	-	17,054	71,960	-	89,014
Tax assets						13,267
Bank deposits and cash balances						1,045,529
<b>Total assets</b>						<b>3,773,828</b>
Liabilities	101,796	184,295	86,617	60,725	-	433,433
Tax liabilities						50,803
Borrowings						137,048
<b>Total liabilities</b>						<b>621,284</b>
Other segment information:						
Capital expenditure	34,747	20,269	18,277	3,065	-	76,358
Depreciation and amortisation	18,415	20,081	20,320	2,931	-	61,747
Impairment losses	342	548	187	-	-	1,077
Reversal of impairment losses	(188)	(276)	-	-	-	(464)
Attributable profit/(loss) before fair value adjustment and exceptional items	5,384	107,597	(6,033)	2,015	-	108,963
Fair value adjustment of investment properties	-	-	(1,568)	20	-	(1,548)
Exceptional items	388	(66)	(144)	503	-	681
Attributable profit/(loss)	5,772	107,531	(7,745)	2,538	-	108,096

	Singapore	Malaysia	Thailand	Vietnam	Others	Per Consolidated Financial Statements
<b>Geographical Segment</b>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue	473,075	855,812	558,919	-	90,816	1,978,622
PBIT	(10,993)	80,440	65,718	48,438	(4,452)	179,151
Non-current assets	123,223	390,321	104,935	1,363,374	60,233	2,042,086
Investment in joint venture and associated companies	-	71,960	-	-	17,054	89,014
Current assets	170,538	245,147	126,006	-	42,241	583,932
Capital expenditure	18,337	37,037	15,858	-	5,126	76,358

**15. In the review of performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments.**

Refer to No. 8.

**16. A breakdown of sales and profit after taxation (before deduction of non-controlling interests) for the continuing operations are as follows:-**

	Group		
	30/9/2017 \$'000	30/9/2016 \$'000	Change %
(a) Sales reported for first half year	946,313	972,866	(2.7)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	63,903	73,730	(13.3)
(c) Sales reported for second half year	951,646	1,005,756	(5.4)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	1,265,322	91,928	NM

**17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-**

	30/9/2017 \$'000	30/9/2016 \$'000
Ordinary	65,147	65,106

**18. SUBSEQUENT EVENT**

On 9 January 2017, the Company announced that Times Publishing Limited, a wholly-owned subsidiary of the Company, entered into a conditional agreement (the "Share Purchase Agreement") to acquire the entire issued share capital in Penguin Random House Pte. Ltd. and Penguin Books Malaysia Sdn. Bhd. The aggregate consideration for the purchase is S\$8,000,000, subject to certain post-completion cash, debt and working capital adjustments to be made in accordance with the Share Purchase Agreement. The proposed acquisition was completed on 2 October 2017.

**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive office or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX Listing Manual"), the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is related to the director, chief executive officer or substantial shareholder of the Company.

**20. 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.

BY ORDER OF THE BOARD  
Hui Choon Kit  
Group Company Secretary

8 November 2017