



FRASER AND NEAVE, LIMITED

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

RESULTS FOR THE 2ND QUARTER ENDED 31 MARCH 2019 Financial Statements and Dividend Announcement

The Directors are pleased to make the following announcement of the unaudited results for the 2nd Quarter ended 31 March 2019.

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

	2nd Quarter to 31/3/2019 \$'000	2nd Quarter to 31/3/2018 \$'000 (Restated)*	Change %	6 Months to 31/3/2019 \$'000	6 Months to 31/3/2018 \$'000 (Restated)*	Change %
Revenue	467,351	452,076	3.4	931,767	914,613	1.9
Cost of sales	(317,249)	(313,228)	1.3	(626,231)	(632,628)	(1.0)
Gross profit	150,102	138,848	8.1	305,536	281,985	8.4
Other income/(expenses) (net)	3,145	(4,364)	NM	4,749	(4,320)	NM
Operating expenses						
- Distribution	(41,528)	(41,932)	(1.0)	(80,255)	(80,227)	-
- Marketing	(44,665)	(42,478)	5.1	(83,545)	(82,945)	0.7
- Administration	(30,309)	(30,514)	(0.7)	(61,737)	(61,429)	0.5
	(116,502)	(114,924)	1.4	(225,537)	(224,601)	0.4
Trading profit	36,745	19,560	87.9	84,748	53,064	59.7
Share of joint venture companies' losses	(673)	(407)	65.4	(1,355)	(780)	73.7
Share of associated companies' profits	29,530	16,797	75.8	53,193	33,790	57.4
Profit before interest and taxation ("PBIT")	65,602	35,950	82.5	136,586	86,074	58.7
Finance income	1,574	3,354	(53.1)	3,659	7,282	(49.8)
Finance cost	(4,849)	(7,547)	(35.7)	(10,560)	(15,214)	(30.6)
Net finance cost	(3,275)	(4,193)	(21.9)	(6,901)	(7,932)	(13.0)
Profit before taxation and exceptional items	62,327	31,757	96.3	129,685	78,142	66.0
Exceptional items	197	1,336	(85.3)	415	591	(29.8)
Profit before taxation	62,524	33,093	88.9	130,100	78,733	65.2
Taxation	(11,223)	(3,367)	NM	(22,928)	(8,223)	178.8
Profit after taxation	51,301	29,726	72.6	107,172	70,510	52.0
Attributable profit to:						
Shareholders of the Company	35,866	15,039	138.5	73,815	40,772	81.0
Exceptional items	110	595	(81.5)	225	153	47.1
	35,976	15,634	130.1	74,040	40,925	80.9
Non-controlling interests	15,325	14,092	8.7	33,132	29,585	12.0
	51,301	29,726	72.6	107,172	70,510	52.0

NM – Not meaningful

* Restated upon adoption of SFRS(I) 15 as detailed in paragraph 5, page 16 of this report and finalisation of the purchase price allocation in relation to our investment in Vietnam Dairy Products Joint Stock Company ("Vinamilk").

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

	Group					
	2nd Quarter to 31/3/2019 \$'000	2nd Quarter to 31/3/2018 \$'000 (Restated)*	Change %	6 Months to 31/3/2019 \$'000	6 Months to 31/3/2018 \$'000 (Restated)*	Change %
Operating expenses						
Included in operating expenses are:						
Depreciation & amortisation	(13,891)	(13,328)	4.2	(29,884)	(28,797)	3.8
Allowance for bad and doubtful debts	(76)	(176)	(56.8)	(161)	(220)	(26.8)
Allowance for inventory obsolescence	(2,234)	(295)	NM	(3,491)	(2,844)	22.7
Employee share-based expense	26	(286)	NM	(614)	(1,539)	(60.1)
Other income/(expenses) (net)						
Gain/(Loss) on disposal of fixed assets	72	(11)	NM	101	1,079	(90.6)
Foreign exchange loss	(320)	(6,796)	(95.3)	(987)	(9,549)	(89.7)
Taxation						
Over provision of prior year taxation	306	976	(68.6)	703	1,370	(48.7)
Exceptional items						
Insurance claim relating to fire	376	-	NM	574	-	NM
Write back of restructuring and re-organisation cost of operations	-	1,336	NM	20	1,336	(98.5)
Investment property written off	(179)	-	NM	(179)	-	NM
Damaged inventories relating to fire	-	-	-	-	(964)	NM
Insurance claim relating to flood	-	-	-	-	219	NM
	<u>197</u>	<u>1,336</u>		<u>415</u>	<u>591</u>	
PBIT as a percentage of revenue	<u>14.0%</u>	<u>8.0%</u>		<u>14.7%</u>	<u>9.4%</u>	

NM - Not meaningful

* Restated upon adoption of SFRS(I) 15 as detailed in paragraph 5, page 16 of this report and finalisation of the purchase price allocation in relation to our investment in Vinamilk.

1(a)(iii) ADDITIONAL INFORMATION
Group Revenue and Profit Analysis

	2nd Quarter to 31/3/2019 \$'000	2nd Quarter to 31/3/2018 \$'000 (Restated)*	6 Months to 31/3/2019 \$'000	6 Months to 31/3/2018 \$'000 (Restated)*
Revenue				
By Business Activity				
Beverages	122,121	115,089	234,720	219,718
Dairies	287,578	273,906	568,597	554,537
Printing & publishing	57,558	62,990	128,257	140,178
Others	94	91	193	180
	<u>467,351</u>	<u>452,076</u>	<u>931,767</u>	<u>914,613</u>
By Territory				
Singapore	101,004	104,423	210,792	218,348
Malaysia	180,200	182,753	363,054	362,784
Thailand	164,954	144,174	318,582	293,625
Vietnam	16	19	46	181
Others	21,177	20,707	39,293	39,675
	<u>467,351</u>	<u>452,076</u>	<u>931,767</u>	<u>914,613</u>
PBIT				
By Business Activity				
Beverages	(1,720)	(802)	(1,881)	782
Dairies	73,168	51,257	145,128	101,439
Printing & publishing	(7,454)	(8,391)	(7,100)	(6,702)
Others	1,608	(6,114)	439	(9,445)
	<u>65,602</u>	<u>35,950</u>	<u>136,586</u>	<u>86,074</u>
By Territory				
Singapore	(3,320)	(9,774)	(1,593)	(13,047)
Malaysia	9,200	10,361	25,296	24,284
Thailand	34,212	22,787	66,778	47,524
Vietnam	28,291	15,225	50,791	31,084
Others	(2,781)	(2,649)	(4,686)	(3,771)
	<u>65,602</u>	<u>35,950</u>	<u>136,586</u>	<u>86,074</u>
Attributable profit				
By Business Activity				
Beverages	(2,958)	(2,621)	(5,099)	(4,644)
Dairies	48,705	35,119	93,633	69,477
Printing & publishing	(7,245)	(7,893)	(7,675)	(6,829)
Others	(2,636)	(9,566)	(7,044)	(17,232)
	35,866	15,039	73,815	40,772
Exceptional items	110	595	225	153
	<u>35,976</u>	<u>15,634</u>	<u>74,040</u>	<u>40,925</u>

* Restated upon adoption of SFRS(I) 15 as detailed in paragraph 5, page 16 of this report and finalisation of the purchase price allocation in relation to our investment in Vinamilk.

1(a)(iv) STATEMENT OF COMPREHENSIVE INCOME

	Group			
	2nd Quarter to 31/3/2019 \$'000	2nd Quarter to 31/3/2018 \$'000 (Restated)*	6 Months to 31/3/2019 \$'000	6 Months to 31/3/2018 \$'000 (Restated)*
Profit after taxation	51,301	29,726	107,172	70,510
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit statement</u>				
Share of other comprehensive income of associated companies	(106)	2,294	(106)	2,294
Net fair value changes on available-for-sale financial assets	-	(10,126)	-	(19,316)
Currency translation differences	(9,754)	(34,035)	(4,283)	(54,328)
	(9,860)	(41,867)	(4,389)	(71,350)
<u>Items that will not be reclassified to profit statement</u>				
Remeasurement of defined benefit obligations	-	-	3	-
Changes in fair value of equity investments measured at fair value through other comprehensive income	(747)	-	(1,411)	-
	(747)	-	(1,408)	-
Other comprehensive income for the period, net of taxation	(10,607)	(41,867)	(5,797)	(71,350)
Total comprehensive income for the period	40,694	(12,141)	101,375	(840)
Total comprehensive income attributable to:				
Shareholders of the Company	21,967	(35,431)	66,459	(46,220)
Non-controlling interests	18,727	23,290	34,916	45,380
	40,694	(12,141)	101,375	(840)

* Restated upon adoption of SFRS(I) 15 as detailed in paragraph 5, page 16 of this report and finalisation of the purchase price allocation in relation to our investment in Vinamilk.

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 SHEETS

	Group		Company	
	As at 31/3/2019 \$'000	As at 30/9/2018 \$'000 (Restated)*	As at 31/3/2019 \$'000	As at 30/9/2018 \$'000
SHARE CAPITAL AND RESERVES				
Share capital	853,549	851,941	853,549	851,941
Treasury shares	-	(267)	-	(267)
Reserves	1,988,169	1,968,272	818,745	860,910
	2,841,718	2,819,946	1,672,294	1,712,584
NON-CONTROLLING INTERESTS				
	371,434	347,586	-	-
	3,213,152	3,167,532	1,672,294	1,712,584
Represented by:				
NON-CURRENT ASSETS				
Fixed assets	594,244	561,459	237	269
Investment properties	41,396	41,672	-	-
Properties held for development	18,602	18,529	-	-
Subsidiary companies	-	-	2,088,007	2,087,620
Joint venture companies	48,645	48,257	209	-
Associated companies	2,584,767	2,560,292	-	-
Intangible assets	107,628	104,430	137	147
Brands	27,741	27,704	212	212
Other investments	12,468	13,879	216,713	222,485
Other receivables	2,895	1,298	-	-
Deferred tax assets	3,915	6,609	-	-
	3,442,301	3,384,129	2,305,515	2,310,733
CURRENT ASSETS				
Inventories	249,077	242,512	-	-
Trade receivables	268,690	272,192	-	-
Other receivables	50,282	50,310	226	358
Related parties	9,213	9,607	8	9
Subsidiary companies	-	-	39,311	22,486
Joint venture companies	1,206	1,863	-	-
Associated companies	10	12	-	-
Bank fixed deposits	92,033	214,830	5,605	92,263
Cash and bank balances	233,936	315,295	14,271	108,704
	904,447	1,106,621	59,421	223,820
Deduct: CURRENT LIABILITIES				
Trade payables	178,822	160,961	-	-
Other payables	186,537	199,710	8,016	7,996
Related parties	9,728	9,121	1,265	1,265
Subsidiary companies	-	-	32,159	9,137
Associated companies	1,183	1,253	-	-
Borrowings	166,230	374,131	80,000	180,000
Provision for taxation	46,415	32,959	3,189	3,931
	588,915	778,135	124,629	202,329
NET CURRENT ASSETS/(LIABILITIES)	315,532	328,486	(65,208)	21,491
Deduct: NON-CURRENT LIABILITIES				
Other payables	10,063	12,575	-	-
Subsidiary companies	-	-	568,013	619,640
Borrowings	500,258	497,288	-	-
Provision for employee benefits	17,386	18,256	-	-
Deferred tax liabilities	16,974	16,964	-	-
	544,681	545,083	568,013	619,640
	3,213,152	3,167,532	1,672,294	1,712,584

* Restated upon adoption of SFRS(I) 15 and SFRS(I) 1 as detailed in paragraph 5, page 16 of this report.

- 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

	As at 31/3/2019	As at 30/9/2018
	\$'000	\$'000
Unsecured :	166,230	374,131
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Amount repayable after one year

	As at 31/3/2019	As at 30/9/2018
	\$'000	\$'000
Unsecured :	500,258	497,288
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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.**

	2nd Quarter to 31/3/2019 \$'000	2nd Quarter to 31/3/2018 \$'000 (Restated)*	6 Months to 31/3/2019 \$'000	6 Months to 31/3/2018 \$'000 (Restated)*
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Profit before taxation and exceptional items	62,327	31,757	129,685	78,142
Adjustments for:				
Depreciation of fixed assets	11,956	11,317	24,098	22,393
Impairment reversal of fixed assets	(9)	(25)	(19)	(61)
Fixed assets written off	72	281	126	621
Provision for employee benefits	362	399	744	788
(Gain)/Loss on disposal of fixed assets (net)	(72)	11	(101)	(1,079)
Gain on disposal of intangible assets	-	-	(1)	-
Amortisation of brands and intangible assets	1,935	2,011	5,786	6,404
Interest income	(1,574)	(3,354)	(3,659)	(7,282)
Interest expenses	4,849	7,547	10,560	15,214
Share of joint venture companies' losses	673	407	1,355	780
Share of associated companies' profits	(29,530)	(16,797)	(53,193)	(33,790)
Employee share-based expense	(26)	286	614	1,539
Fair value adjustment of financial instruments	(219)	191	200	835
Loss/(Gain) on disposal of financial instruments	69	(104)	(8)	(776)
Operating cash before working capital changes	50,813	33,927	116,187	83,728
Change in inventories	(646)	7,447	(6,565)	6,040
Change in receivables	35,194	13,904	(1,047)	(11,459)
Change in related parties, joint venture and associated companies' balances	(19,237)	(4,983)	1,588	(7,989)
Change in payables	7,936	(13,158)	3,626	(21,307)
Currency realignment	2,224	5,996	343	10,289
Cash generated from operations	76,284	43,133	114,132	59,302
Interest income received	1,198	3,158	3,148	6,309
Interest expenses paid	(6,041)	(9,114)	(11,484)	(15,067)
Income taxes paid	(4,063)	(3,449)	(5,680)	(4,404)
Payment of employee benefits	(1,358)	(915)	(1,641)	(1,023)
Net cash from operating activities	66,020	32,813	98,475	45,117
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Dividends from associated companies	20,572	24,744	21,802	24,744
Proceeds from sale of fixed assets	98	201	190	1,396
Proceeds from sale of intangible assets	-	-	19	-
Purchase of fixed assets	(29,266)	(24,731)	(54,585)	(44,828)
Investment in an associated company	-	(125,796)	-	(203,809)
Payment for intangible assets	(3,107)	(2,045)	(9,040)	(4,115)
Investment in joint venture companies	(587)	-	(587)	-
Net cash used in investing activities	(12,290)	(127,627)	(42,201)	(226,612)

* Restated upon the finalisation of the purchase price allocation in relation to our investment in Vinamilk.

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

	2nd Quarter to 31/3/2019 \$'000	2nd Quarter to 31/3/2018 \$'000	6 Months to 31/3/2019 \$'000	6 Months to 31/3/2018 \$'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from/(Repayment of) term loans and bank borrowings	2,828	(160,343)	(205,791)	(166,081)
Purchase of shares by a subsidiary company	-	-	(624)	-
Capital contribution by non-controlling interests	1,637	-	5,476	-
Payment of dividends:				
- by subsidiary companies to non-controlling interests	(16,519)	(16,871)	(16,519)	(16,871)
- by the Company to shareholders	(43,471)	(43,443)	(43,471)	(43,443)
Net cash used in financing activities	(55,525)	(220,657)	(260,929)	(226,395)
Net decrease in cash and cash equivalents	(1,795)	(315,471)	(204,655)	(407,890)
Cash and cash equivalents at beginning of period	323,511	1,044,941	527,166	1,134,383
Effects of exchange rate changes on cash and cash equivalents	1,291	3,855	496	6,832
Cash and cash equivalents at end of period	323,007	733,325	323,007	733,325
Cash and cash equivalents at end of period comprise:				
Cash and bank deposits	325,969	736,903	325,969	736,903
Bank overdrafts	-	(648)	-	(648)
	325,969	736,255	325,969	736,255
Less: Fixed deposits relating to consideration for acquisition of subsidiary companies	(2,962)	(2,930)	(2,962)	(2,930)
Cash and cash equivalents at end of period	323,007	733,325	323,007	733,325
Analysis of acquisition of subsidiary companies				
Net assets acquired:				
Non-current assets	-	-	-	7,630
Current assets	-	-	-	6,783
Current liabilities	-	-	-	(6,864)
Cash and cash equivalents	-	-	-	231
	-	-	-	7,780
Provisional goodwill on acquisition	-	-	-	451
Consideration paid	-	-	-	8,231
Less: Deposit paid in last financial year	-	-	-	(8,000)
Cash and cash equivalents of subsidiary companies acquired	-	-	-	(231)
Cash and cash equivalents	-	-	-	-

- 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

	Group									
	Share Capital	Capital Reserve	Revenue Reserve	Exchange Reserve	Fair Value Adjustment Reserve	Share-based Payment Reserve	Dividend Reserve	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2nd Quarter ended										
31 March 2019										
Balance at 1 January 2019	853,549	18,951	1,988,568	(22,419)	(26,537)	7,395	43,471	2,862,978	367,859	3,230,837
Comprehensive income										
Share of other comprehensive income of associated companies	-	-	(29)	(75)	(2)	-	-	(106)	-	(106)
Changes in fair value of equity investments measured at fair value through other comprehensive income	-	-	-	-	(747)	-	-	(747)	-	(747)
Currency translation difference	-	-	-	(13,156)	-	-	-	(13,156)	3,402	(9,754)
Other comprehensive income for the period	-	-	(29)	(13,231)	(749)	-	-	(14,009)	3,402	(10,607)
Profit for the period	-	-	35,976	-	-	-	-	35,976	15,325	51,301
Total comprehensive income for the period	-	-	35,947	(13,231)	(749)	-	-	21,967	18,727	40,694
Contributions by and distributions to owners										
Employee share-based expense	-	-	-	-	-	244	-	244	(270)	(26)
Shares of a subsidiary company reissued pursuant to its share plans	-	(218)	1,266	-	-	(1,048)	-	-	-	-
Contribution of capital by non-controlling interests	-	-	-	-	-	-	-	-	1,637	1,637
Dividends:										
Dividends paid	-	-	-	-	-	-	(43,471)	(43,471)	(16,519)	(59,990)
Dividends proposed	-	-	(21,735)	-	-	-	21,735	-	-	-
Total transactions with owners in their capacity as owners	-	(218)	(20,469)	-	-	(804)	(21,736)	(43,227)	(15,152)	(58,379)
Balance at 31 March 2019	853,549	18,733	2,004,046	(35,650)	(27,286)	6,591	21,735	2,841,718	371,434	3,213,152

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	Share-based Payment Reserve	Dividend Reserve	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>2nd Quarter ended</u>											
<u>31 March 2018</u>											
Balance at 1 January 2018	851,941	(267)	19,416	1,916,341	(26,890)	(7,926)	7,654	43,443	2,803,712	338,268	3,141,980
Comprehensive income											
Share of other comprehensive income of associated companies	-	-	-	2,277	20	(3)	-	-	2,294	-	2,294
Net fair value changes on available-for-sale financial asset	-	-	-	-	-	(10,126)	-	-	(10,126)	-	(10,126)
Currency translation difference	-	-	-	-	(43,233)	-	-	-	(43,233)	9,198	(34,035)
Other comprehensive income for the period	-	-	-	2,277	(43,213)	(10,129)	-	-	(51,065)	9,198	(41,867)
Profit for the period	-	-	-	15,634	-	-	-	-	15,634	14,092	29,726
Total comprehensive income for the period	-	-	-	17,911	(43,213)	(10,129)	-	-	(35,431)	23,290	(12,141)
<u>Contributions by and distributions to owners</u>											
Employee share-based expense	-	-	-	-	-	-	447	-	447	(161)	286
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(748)	2,048	-	-	(1,300)	-	-	-	-
Dividends:											
Dividends paid	-	-	-	-	-	-	-	(43,443)	(43,443)	(16,871)	(60,314)
Dividends proposed	-	-	-	(21,722)	-	-	-	21,722	-	-	-
Total transactions with owners in their capacity as owners	-	-	(748)	(19,674)	-	-	(853)	(21,721)	(42,996)	(17,032)	(60,028)
Balance at 31 March 2018	851,941	(267)	18,668	1,914,578	(70,103)	(18,055)	6,801	21,722	2,725,285	344,526	3,069,811

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
<u>2nd Quarter ended 31 March 2019</u>								
Balance at 1 January 2019	853,549	-	(1,091)	736,677	46,384	2,414	43,471	1,681,404
<u>Comprehensive income</u>								
Changes in fair value of equity investments measured at fair value through other comprehensive income	-	-	-	-	20,468	-	-	20,468
Other comprehensive income for the period	-	-	-	-	20,468	-	-	20,468
Profit for the period	-	-	-	13,312	-	-	-	13,312
Total comprehensive income for the period	-	-	-	13,312	20,468	-	-	33,780
<u>Contributions by and distributions to owners</u>								
Employee share-based expense	-	-	-	-	-	581	-	581
Dividends:								
Dividends paid	-	-	-	-	-	-	(43,471)	(43,471)
Dividends proposed	-	-	-	(21,735)	-	-	21,735	-
Total transactions with owners in their capacity as owners	-	-	-	(21,735)	-	581	(21,736)	(42,890)
Balance at 31 March 2019	853,549	-	(1,091)	728,254	66,852	2,995	21,735	1,672,294
<u>2nd Quarter ended 31 March 2018</u>								
Balance at 1 January 2018	851,941	(267)	(1,099)	728,396	147,297	2,611	43,443	1,772,322
<u>Comprehensive income</u>								
Net fair value changes on available-for-sale financial assets	-	-	-	-	(22,938)	-	-	(22,938)
Other comprehensive income for the period	-	-	-	-	(22,938)	-	-	(22,938)
Profit for the period	-	-	-	12,137	-	-	-	12,137
Total comprehensive income for the period	-	-	-	12,137	(22,938)	-	-	(10,801)
<u>Contributions by and distributions to owners</u>								
Employee share-based expense	-	-	-	-	-	649	-	649
Dividends:								
Dividends paid	-	-	-	-	-	-	(43,443)	(43,443)
Dividends proposed	-	-	-	(21,722)	-	-	21,722	-
Total transactions with owners in their capacity as owners	-	-	-	(21,722)	-	649	(21,721)	(42,794)
Balance at 31 March 2018	851,941	(267)	(1,099)	718,811	124,359	3,260	21,722	1,718,727

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	Share-based Payment Reserve	Dividend Reserve	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
6 Months ended											
31 March 2019											
Balance at 30 September 2018, previously reported	851,941	(267)	18,943	2,162,297	(238,179)	(25,873)	8,910	43,444	2,821,216	348,604	3,169,820
Effects of adopting SFRS (I) 1	-	-	-	(208,671)	208,671	-	-	-	-	-	-
Effects of adopting SFRS (I) 15	-	-	-	(1,270)	-	-	-	-	(1,270)	(1,018)	(2,288)
Balance at 30 September 2018, restated	851,941	(267)	18,943	1,952,356	(29,508)	(25,873)	8,910	43,444	2,819,946	347,586	3,167,532
Effects of adopting SFRS (I) 9	-	-	-	(936)	-	-	-	-	(936)	(295)	(1,231)
Balance at 1 October 2018, restated	851,941	(267)	18,943	1,951,420	(29,508)	(25,873)	8,910	43,444	2,819,010	347,291	3,166,301
Comprehensive income											
Share of other comprehensive income of associated companies	-	-	-	(29)	(75)	(2)	-	-	(106)	-	(106)
Remeasurement of defined benefit obligations	-	-	-	3	-	-	-	-	3	-	3
Changes in fair value of equity investments measured at fair value through other comprehensive income	-	-	-	-	-	(1,411)	-	-	(1,411)	-	(1,411)
Currency translation difference	-	-	-	-	(6,067)	-	-	-	(6,067)	1,784	(4,283)
Other comprehensive income for the period	-	-	-	(26)	(6,142)	(1,413)	-	-	(7,581)	1,784	(5,797)
Profit for the period	-	-	-	74,040	-	-	-	-	74,040	33,132	107,172
Total comprehensive income for the period	-	-	-	74,014	(6,142)	(1,413)	-	-	66,459	34,916	101,375
Contributions by and distributions to owners											
Employee share-based expense	-	-	-	-	-	-	612	-	612	2	614
Treasury shares reissued pursuant to share plans	-	267	8	-	-	-	(275)	-	-	-	-
Issue of shares in the Company upon vesting of shares awarded	1,608	-	-	-	-	-	(1,608)	-	-	-	-
Purchase of shares by a subsidiary company	-	-	-	(346)	-	-	-	-	(346)	(278)	(624)
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(218)	1,266	-	-	(1,048)	-	-	-	-
Contribution of capital by non-controlling interests	-	-	-	-	-	-	-	-	-	5,476	5,476
Dividends:											
Dividends paid	-	-	-	(27)	-	-	-	(43,444)	(43,471)	(16,519)	(59,990)
Dividends proposed	-	-	-	(21,735)	-	-	-	21,735	-	-	-
Total contributions by and distributions to owners	1,608	267	(210)	(20,842)	-	-	(2,319)	(21,709)	(43,205)	(11,319)	(54,524)
Changes in ownership interests											
Change of interests in subsidiary companies	-	-	-	(546)	-	-	-	-	(546)	546	-
Total changes in ownership interests	-	-	-	(546)	-	-	-	-	(546)	546	-
Total transactions with owners in their capacity as owners	1,608	267	(210)	(21,388)	-	-	(2,319)	(21,709)	(43,751)	(10,773)	(54,524)
Balance at 31 March 2019	853,549	-	18,733	2,004,046	(35,650)	(27,286)	6,591	21,735	2,841,718	371,434	3,213,152

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	Share-based Payment Reserve	Dividend Reserve	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
6 Months ended											
31 March 2018											
Balance at 1 October 2017	849,301	(267)	19,416	2,101,244	(208,671)	1,264	9,304	43,408	2,814,999	317,108	3,132,107
Effects of adopting SFRS (I) 1	-	-	-	(208,671)	208,671	-	-	-	-	-	-
Effects of adopting SFRS (I) 15	-	-	-	(1,488)	-	-	-	-	(1,488)	(1,193)	(2,681)
Balance at 1 October 2017, restated	849,301	(267)	19,416	1,891,085	-	1,264	9,304	43,408	2,813,511	315,915	3,129,426
Comprehensive income											
Share of other comprehensive income of associated companies	-	-	-	2,277	20	(3)	-	-	2,294	-	2,294
Net fair value changes on available-for-sale financial asset	-	-	-	-	-	(19,316)	-	-	(19,316)	-	(19,316)
Currency translation difference	-	-	-	-	(70,123)	-	-	-	(70,123)	15,795	(54,328)
Other comprehensive income for the period	-	-	-	2,277	(70,103)	(19,319)	-	-	(87,145)	15,795	(71,350)
Profit for the period	-	-	-	40,925	-	-	-	-	40,925	29,585	70,510
Total comprehensive income for the period	-	-	-	43,202	(70,103)	(19,319)	-	-	(46,220)	45,380	(840)
Contributions by and distributions to owners											
Employee share-based expense	-	-	-	-	-	-	1,437	-	1,437	102	1,539
Issue of shares in the Company upon vesting of shares awarded	2,640	-	-	-	-	-	(2,640)	-	-	-	-
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(748)	2,048	-	-	(1,300)	-	-	-	-
Dividends:											
Dividends paid	-	-	-	(35)	-	-	-	(43,408)	(43,443)	(16,871)	(60,314)
Dividends proposed	-	-	-	(21,722)	-	-	-	21,722	-	-	-
Total transactions with owners in their capacity as owners	2,640	-	(748)	(19,709)	-	-	(2,503)	(21,686)	(42,006)	(16,769)	(58,775)
Balance at 31 March 2018	851,941	(267)	18,668	1,914,578	(70,103)	(18,055)	6,801	21,722	2,725,285	344,526	3,069,811

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 Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
6 months ended 31 March 2019								
Balance at 1 October 2018	851,941	(267)	(1,099)	741,673	72,624	4,268	43,444	1,712,584
<u>Comprehensive income</u>								
Changes in fair value of equity investments measured at fair value through other comprehensive income	-	-	-	-	(5,772)	-	-	(5,772)
Other comprehensive income for the period	-	-	-	-	(5,772)	-	-	(5,772)
Profit for the period	-	-	-	8,343	-	-	-	8,343
Total comprehensive income for the period	-	-	-	8,343	(5,772)	-	-	2,571
<u>Contributions by and distributions to owners</u>								
Employee share-based expense	-	-	-	-	-	610	-	610
Issue of shares in the Company upon vesting of shares awarded	1,608	-	-	-	-	(1,608)	-	-
Treasury shares reissued pursuant to share plans	-	267	8	-	-	(275)	-	-
Dividends:								
Dividends paid	-	-	-	(27)	-	-	(43,444)	(43,471)
Dividends proposed	-	-	-	(21,735)	-	-	21,735	-
Total transactions with owners in their capacity as owners	1,608	267	8	(21,762)	-	(1,273)	(21,709)	(42,861)
Balance at 31 March 2019	853,549	-	(1,091)	728,254	66,852	2,995	21,735	1,672,294
6 months ended 31 March 2018								
Balance at 1 October 2017	849,301	(267)	(1,099)	734,205	83,813	4,589	43,408	1,713,950
<u>Comprehensive income</u>								
Net fair value changes on available-for-sale financial assets	-	-	-	-	40,546	-	-	40,546
Other comprehensive income for the period	-	-	-	-	40,546	-	-	40,546
Profit for the period	-	-	-	6,363	-	-	-	6,363
Total comprehensive income for the period	-	-	-	6,363	40,546	-	-	46,909
<u>Contributions by and distributions to owners</u>								
Employee share-based expense	-	-	-	-	-	1,311	-	1,311
Issue of shares in the Company upon vesting of shares awarded	2,640	-	-	-	-	(2,640)	-	-
Dividends:								
Dividends paid	-	-	-	(35)	-	-	(43,408)	(43,443)
Dividends proposed	-	-	-	(21,722)	-	-	21,722	-
Total transactions with owners in their capacity as owners	2,640	-	-	(21,757)	-	(1,329)	(21,686)	(42,132)
Balance at 31 March 2018	851,941	(267)	(1,099)	718,811	124,359	3,260	21,722	1,718,727

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.

	<u>Number of Shares</u>	
	<u>2nd Quarter to 31/3/2019</u>	<u>1st Quarter to 31/12/2018</u>
Issued and fully paid ordinary shares:		
As at beginning of period	1,449,028,178	1,448,252,279
Issued during the period – pursuant to share plans	-	775,899
As at end of period	<u>1,449,028,178</u>	<u>1,449,028,178</u>
	<u>As at 31/3/2019</u>	<u>As at 31/3/2018</u>
The number of shares awarded conditionally under Share Plans as at the end of the period	<u>3,381,763</u>	<u>3,121,875</u>
The number of issued shares excluding treasury shares at the end of the period	<u>1,449,028,178</u>	<u>1,448,121,153</u>

The Company did not hold any treasury shares as at 31 March 2019 (31 March 2018: 131,126). The treasury shares held represents NIL% (31 March 2018: 0.01%) of the total number of issued shares (excluding treasury shares).

The Company does not have any subsidiary holdings as at 31 March 2019 and 31 March 2018.

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 1,449,028,178 as at 31 March 2019 and 1,448,121,153 as at 30 September 2018.

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.

There were no sales, transfers, cancellation and/or use of treasury shares by the Company during the three months ended 31 March 2019.

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 31 March 2019 and 31 March 2018.

There were no sales, transfers, cancellation and/or use of subsidiary holdings during the three months ended 31 March 2019.

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 2018.

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 required by the listing requirements of the Singapore Exchange, the Group has adopted the Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 October 2018. In adopting the new framework, the Group applied the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The adoption of SFRS(I)s has no material impact on the financial statements in the year of initial application, other than the election of optional exemption to reset its cumulative currency translation differences for all foreign operations to nil at the date of transition at 1 October 2017. After the date of transition, any gain or loss on disposal of foreign operations excludes the currency translation differences that arose before the date of transition.

The following are the new, amendments to and interpretations of the standards that are mandatory for application from 1 October 2018:

SFRS(I) 15	Revenue from Contracts with Customers
Amendments to SFRS(I) 15	Clarifications to FRS 115 Revenue from Contracts with Customers
SFRS(I) 9	Financial Instruments
Amendments to SFRS(I) 2	Classification and Measurement of Share-based Payment Transactions
Amendments to SFRS(I) 40	Transfers of Investment Property
SFRS(I) INT 22	Foreign Currency Transactions and Advance Consideration Illustrative Examples
Amendment to SFRS(I) 1	First-time adoption of financial reporting standards
Amendment to SFRS(I) 1- 28	Investments in associates and joint ventures
Amendments to SFRS(I) 4	Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts

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

SFRS(I) 15 Revenue from Contracts with Customers

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

The Group adopted SFRS(I) 15 using the retrospective approach with practical expedients.

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

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.**
(cont'd)

SFRS(I) 9 Financial Instruments

SFRS(I) 9 Financial Instruments replaces the existing guidance in FRS 39 Financial Instruments: Recognition and Measurement. SFRS(I) 9 includes revised guidance on the classification and measurement of financial instruments, including classification and measurement of financial assets, impairment of financial assets and hedge accounting.

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

- (i) **Classification and measurement: financial assets**
For financial assets currently held at amortised cost and at fair value, the Group continues to measure these financial assets at amortised cost and fair value under SFRS(I) 9. The adoption of SFRS(I) 9 has resulted in the reclassification of certain equity investments previously classified as available for sale financial assets at fair value to financial assets at fair value through other comprehensive income.
- (ii) **Impairment**
SFRS(I) 9 requires the Group to record expected credit losses on all its loans and receivables, either on a 12 month or lifetime basis. The Group applied the simplified approach and recorded lifetime expected losses on all trade receivables.

Upon applying SFRS(I) 1, SFRS(I) 15 and SFRS(I) 9, the comparatives have been restated. The effects on the Group's financial statements are as follows:

GROUP PROFIT STATEMENT

	2nd Quarter to 31/3/2018 \$'000	6 Months to 31/3/2018 \$'000
(Decrease)/Increase in:		
Revenue	(21,013)	(45,539)
Cost of sales	317	777
Distribution expense	(5,987)	(12,483)
Marketing expense	(15,343)	(33,833)

GROUP BALANCE SHEET

	As at 1/10/2018 \$'000	As at 30/9/2018 \$'000	As at 1/10/2017 \$'000
(Decrease)/Increase in:			
Revenue reserve	(210,877)	(209,941)	(210,159)
Exchange reserve	208,671	208,671	208,671
Non-controlling interests	(1,313)	(1,018)	(1,193)
Trade receivables	(1,231)	-	-
Other payables	2,288	2,288	2,681

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			
	2nd Quarter to 31/3/2019	2nd Quarter to 31/3/2018 (Restated)*	6 Months to 31/3/2019	6 Months to 31/3/2018 (Restated)*
Earnings per ordinary share:				
(a) Based on the weighted average number of ordinary shares on issue (cents)				
- before exceptional items	2.5	1.0	5.1	2.8
- after exceptional items	2.5	1.1	5.1	2.8
(b) On a fully diluted basis (cents)				
- before exceptional items	2.5	1.0	5.1	2.8
- after exceptional items	2.5	1.1	5.1	2.8
	\$'000	\$'000	\$'000	\$'000
Attributable profit	35,976	15,634	74,040	40,925
Change in attributable profit due to dilutive potential shares under share plans of a subsidiary company	(55)	(85)	(120)	(179)
Adjusted attributable profit	35,921	15,549	73,920	40,746

* Restated upon the finalisation of the purchase price allocation in relation to our investment in Vinamilk.

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 31/3/2019	As at 30/9/2018	As at 31/3/2019	As at 30/9/2018
Net asset value per ordinary share based on issued share capital	\$1.96	\$1.95	\$1.15	\$1.18

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 – 2nd Quarter

Group revenue increased 3.4% to \$467.4 million from \$452.1 million in the corresponding period last year. PBIT (profit before interest and taxation) of \$65.6 million increased 82.5% while APBE (attributable profit before exceptional items) more than doubled to \$35.9 million as compared to the corresponding period last year. This was mainly due to higher contributions from Dairies operations, particularly from the Group's associated company in Vietnam, Vinamilk. APBE increased 138.5%, significantly more than the increase in PAT (profit after tax) of 72.6% because of the effect of our increased share of Vinamilk's results which flows from PAT into APBE without any deductions for non-controlling interests.

Beverages

Beverages revenue increased by 6.1% as compared to the corresponding period last year. This was mainly due to growth in Soft Drinks Singapore on the back of improved sales of *100Plus* and *Seasons Iced Lemon Tea*.

Despite the improvements in revenue, PBIT losses increased to \$1.7 million as compared to the corresponding period last year. PBIT was impacted by pre-operating costs incurred for the greenfield brewery in Myanmar and higher promotion expenses and unfavourable input costs incurred by Soft Drinks Malaysia.

Dairies

Revenue increased 5.0% to \$287.6 million. Dairies Thailand recorded double digit growth on the back of successful execution of push and pull programs in all sales channels in the domestic and export markets. The increase recorded by Dairies Thailand was offset by the decrease in revenue by Dairies Singapore, mainly due to a one-off export contract last year, and Dairies Malaysia as a result of canned milk competition and higher trade promotions.

PBIT increased 42.7% to \$73.2 million from \$51.3 million for the corresponding period last year. The increase was mainly due to higher contributions from Vinamilk and stronger performances by Dairies Thailand. PBIT for Dairies Thailand increased mainly as a result of higher sales, favourable input costs and lower marketing spend in the quarter.

Printing and Publishing

Printing and Publishing revenue of \$57.6 million was 8.6% lower than the corresponding period last year mainly due to the continued decline in print volume experienced by the printing plants in Singapore and Malaysia and timing difference in textbook publication.

PBIT losses reduced to \$7.5 million as compared to \$8.4 million for the corresponding period last year mainly as a result of improved product mix and continued tight cost management.

Tax

The Group effective tax rate ("ETR") of 17.9% (2018: 10.2%) is mainly due to non-deductible expenses and the taxes imposed on profitable subsidiaries operating in high tax countries, the impact of which has been partly compensated by the share of associates' profits which are not subject to further tax in Singapore. The higher ETR in the current quarter is attributed to the reduction in tax-exempt income following the expiry of tax incentives for an overseas subsidiary.

Group Balance Sheet as at 31 March 2019

The increase in Reserves was mainly due to profits of \$74.0 million retained for the period partly offset by dividends paid and negative currency translation arising from the depreciation of the Vietnamese Dong against the Singapore Dollar on the Group's interest in Vinamilk.

Non-current assets increased by \$58.2 million or 1.7% from \$3,384.1 million to \$3,442.3 million as at 31 March 2019 mainly due to acquisition of fixed assets during the quarter and share of the Group's associated companies' profits.

Current assets decreased by \$202.2 million or 18.3% from \$1,106.6 million to \$904.4 million as at 31 March 2019 attributed mainly to a decrease in cash and bank deposits which were utilised for the repayment of borrowings and acquisition of fixed assets.

Liabilities decreased by \$189.6 million or 14.3% from \$1,323.2 million to \$1,133.6 million as at 31 March 2019 mainly due to the decrease in borrowings as a result of the repayment of loans previously taken up for the purchase of shares in Vinamilk.

Group Cash Flow Statement for Quarter Ended 31 March 2019

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

Net cash inflow from operating activities of \$66.0 million was higher than the \$32.8 million last year mainly due to an increase in cash generated from operations.

Net cash outflow from investing activities of \$12.3 million was lower than the \$127.6 million last year mainly due to the acquisition of additional shares in Vinamilk last year.

Financing activities recorded a cash outflow of \$55.5 million arising from the payment of dividends as compared to a cash outflow of \$220.7 million last year arising from the repayment of borrowings.

Group Profit Statement – 6 Months-to-Date

Group revenue increased 1.9% to \$931.8 million as compared to the corresponding period last year. The increase in revenue was mainly due to increases in Dairies Thailand and Soft Drinks Singapore mainly as a result of successful festive activations and effective marketing and branding initiatives. The increase was partly offset by challenges faced by the Printing and Publishing business.

PBIT increased 58.7% to \$136.6 million as compared to the corresponding period last year. The increase was mainly due to higher profit contribution from Vinamilk and Dairies operations in Malaysia and Thailand as a result of favourable input costs.

Group APBE and basic earnings per share before exceptional items were 81.0% and 82.1% higher at \$73.8 million and 5.1 cents respectively.

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.

Consumer sentiments in the Food & Beverage segment is expected to remain challenging with continuing competition as well as volatility in foreign currency movements and raw and packaging material prices. In Malaysia, conditions are expected to remain challenging given the intensifying competition especially in the canned milk segment and the implementation of excise duty on sugar sweetened beverages. The postponement of the imposition of excise duty on sugar sweetened beverages to 1st July 2019 instead of the initial proposed date of 1st April 2019 would allow the Group to better manage the impact on the affected product categories for the current financial year. In Thailand, prospects are expected to be better following improvements in both sweetened and unsweetened condensed milk segment. In the meantime, the Group remains focused on efforts to accelerate innovation and the development of new product offerings so as to offer consumers a more extensive portfolio of healthier beverage options. With the expiry of tax incentive on the profits of an overseas subsidiary in the current financial year, the Group will focus on strengthening its commercial strategies, improving operation efficiencies, expanding distribution network and maximising the benefits of recent capex projects to mitigate the increase in tax expenses. The Group will also continue to explore new investment opportunities to further grow its beverages and dairies businesses.

The Group will continue its on-going efforts to diversify its printing and publishing portfolio to address the challenging business landscape. Leveraging on our strength as a major international content provider, Publishing will continue to focus on international markets for growth opportunities. The recent acquisition in April 2019 of 60% stake in Print Lab Pte. Ltd., a one-stop integrated marketing and print solution provider in Singapore, forms part of our on-going diversification strategy to help mitigate the fall in volume of our traditional print business. Our first standalone children concept store under the Times Junior brand opened at Jewel Changi Airport in April 2019. Retail & Distribution will sharpen its focus on delivering refreshing concepts and merchandise to our customers.

11. If a decision regarding dividend has been made:

(a) Whether an interim ordinary dividend has been declared: Yes

(b) (i) Amount per share : 1.5 cents, tax-exempt (one-tier)

(ii) Previous corresponding period : 1.5 cents, tax-exempt (one-tier)

(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 have declared an interim dividend of 1.5 cents, tax-exempt (one-tier), to be paid on 10 June 2019 (last year: 1.5 cents, tax-exempt (one-tier)).

(e) The date on which Registrable Transfers received by the Company (up to 5.00pm) 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 pm on 23 May 2019 will be registered before entitlements to the dividend are determined.

Notice is hereby given that the share registers will be closed on 24 - 27 May 2019 for the preparation of dividend warrants.

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 January 2019 to 31 March 2019.

<u>Name of interested person</u>	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$’000
TCC Group of Companies ¹	7,050

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

13. **Subsequent event**

On 3 April 2019, Times Publishing Limited (“TPL”), a wholly-owned subsidiary of the Company, completed the acquisition of 60% of the issued share capital of Print Lab Pte. Ltd. The aggregate consideration for the sale shares is S\$24,480,000, subject to post-completion cash and debt adjustments to be made in accordance with the share purchase agreement. The consideration, of which S\$23,980,000 is payable in cash on completion and S\$500,000 is payable in cash 12 months from completion, is funded from internal resources.

14. **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.

15. **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
Hui Choon Kit
Company Secretary

30 April 2019