

Power of Our ENDURING BRANDS



EST COLA. F&N NUTRISOY.
F&N MAGNOLIA.
COCO LIFE.
100PLUS. CAVENDISH.

GOLD COIN.
OYOSHI.



SEASONS.
TEAPOT.
OYOSHI.
DAY DAY.

annual
report
20
20



MAGNOLIA. GOLD
MARSHALL CAVENDISH.

F&N ALIVE
CHANG. S


FRASER AND NEAVE, LIMITED

DRINKS.
NUTRISOY.

VISION

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

MISSION

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

ABOUT US

Established in 1883, F&N is a leading Southeast Asian consumer group with expertise and prominent standing in the Food & Beverage and Publishing & Printing industries. Leveraging its strengths in marketing and distribution, research and development, brands and financial management, F&N provides key resources and sets strategic directions for its subsidiary companies across both industries.

Listed on the Singapore Stock Exchange, F&N ranks as one of the most established and successful companies in the region with an impressive array of renowned brands that enjoy strong market leadership. F&N is present in 12 countries spanning Asia Pacific, Europe and the USA, and employs over 7,700 people worldwide.

VALUES

Collaboration | Creating Values | Caring for Stakeholders

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POWER OF OUR ENDURING BRANDS

Brands are essential assets to Fraser and Neave, Limited ("F&N") as they play a vital part in delivering continual value to its business. While its brands *100PLUS*, *F&N* Sparkling Drinks and *F&N MAGNOLIA* are well recognised - Endured and Endeared - in the regional Food & Beverage market, F&N has also built up a strong range of brands that are favoured in different countries.

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#GOPAPERLESS

- 1 In line with the Group's efforts towards greater environmental conservation, we have elected for electronic transmission of our Annual Report and Sustainability Report. The electronic version of our 2020 Annual Report is available on Fraser and Neave, Limited's website (www.fraserandneave.com/investor-relations/annual-reports). Shareholders and other interested parties who wish to receive a printed copy may order it through the website (www.fraserandneave.com/contact-us/request-annual-report), e-mail (ir@fraserandneave.com) or telephone ((65) 6318 9393).
- 2 Unless specifically stated otherwise, all figures in this Annual Report are quoted in Singapore Dollars.
- 3 Due to rounding, numbers and percentages in this document may not always add up precisely to the totals or absolute figures stated.



\$1,834M REVENUE

Revenue decreased 4% on lower Soft Drinks and P&P volumes

100PLUS

No. 1

Isotonic Drink and Carbonated Soft Drink in Malaysia

100PLUS

No. 1 Isotonic Drink in Singapore

2020 IN NUMBERS

\$2.05

NET ASSET VALUE PER SHARE

up from \$2.02 in FY2019



F&N ICE MOUNTAIN

No. 1 Water brand in Singapore



CARNATION

No. 1

Evaporated Milk brand in Thailand



90+ NEW PRODUCTS

introduced across our markets



\$267M PROFIT BEFORE INTEREST & TAXATION

Earnings decreased 6% as the COVID-19 pandemic hit sales



10.4 CENTS EARNINGS PER SHARE
down from 10.6 cents in FY2019



F&N
No. 1 Sweetened Condensed Milk brand in Malaysia



F&N NUTRISOY
No. 1 Soya brand in Singapore



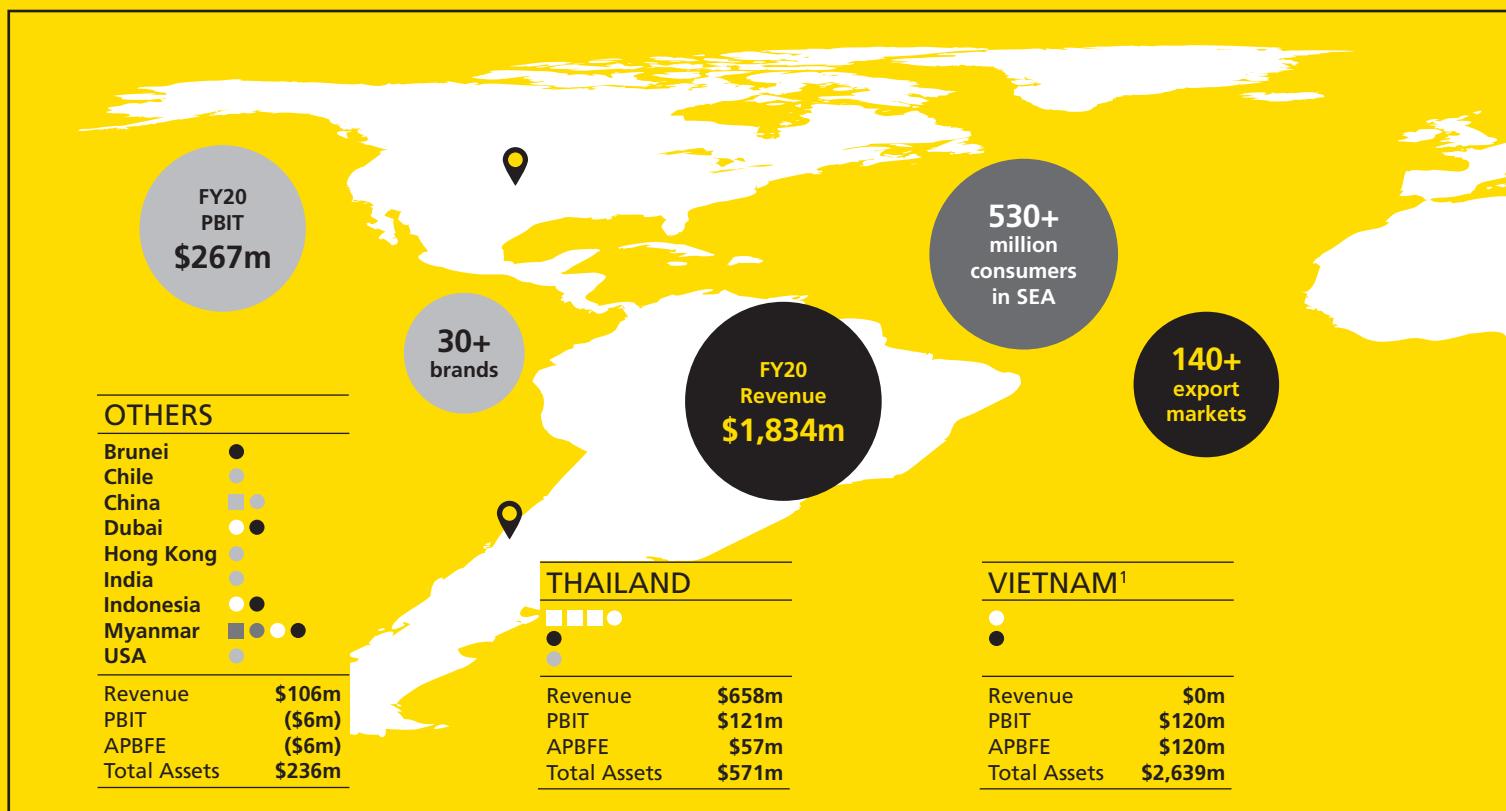
This is F&N

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

The entrepreneurial spirit, embodied by our founders, remains in today's F&N. As a soft drink company, F&N seized the opportunity and ventured into the beer brewing business in 1931 in partnership with The Heineken Company and built a very successful beer empire in Asia Pacific – through its joint venture company, Asia Pacific Breweries Limited ("APB"). In 1959, it entered the Dairies business by forming a canned milk joint venture with Beatrice Foods of Chicago, and in 2007, it acquired Nestle's liquid canned milk business in

Thailand, Malaysia, Singapore and Brunei, and accelerated its growth in the dairy business. Today, F&N is the largest canned milk producer in SEA. In 1985, the Group diversified into the Properties business. Starting with the redevelopment of its soft drinks and brewery sites in Singapore, F&N soon grew its property arm – Frasers Centrepoint Limited ("FCL", now known as Frasers Property Limited) to become one of the leading property companies in Singapore with multi-national businesses in residential, hospitality, retail, commercial and industrial properties.

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



Our Global Values serve as a compass for our actions and describe how we behave in our organisation



Collaboration
We leverage our inherent strengths and diversity to create synergies and commit to team goals



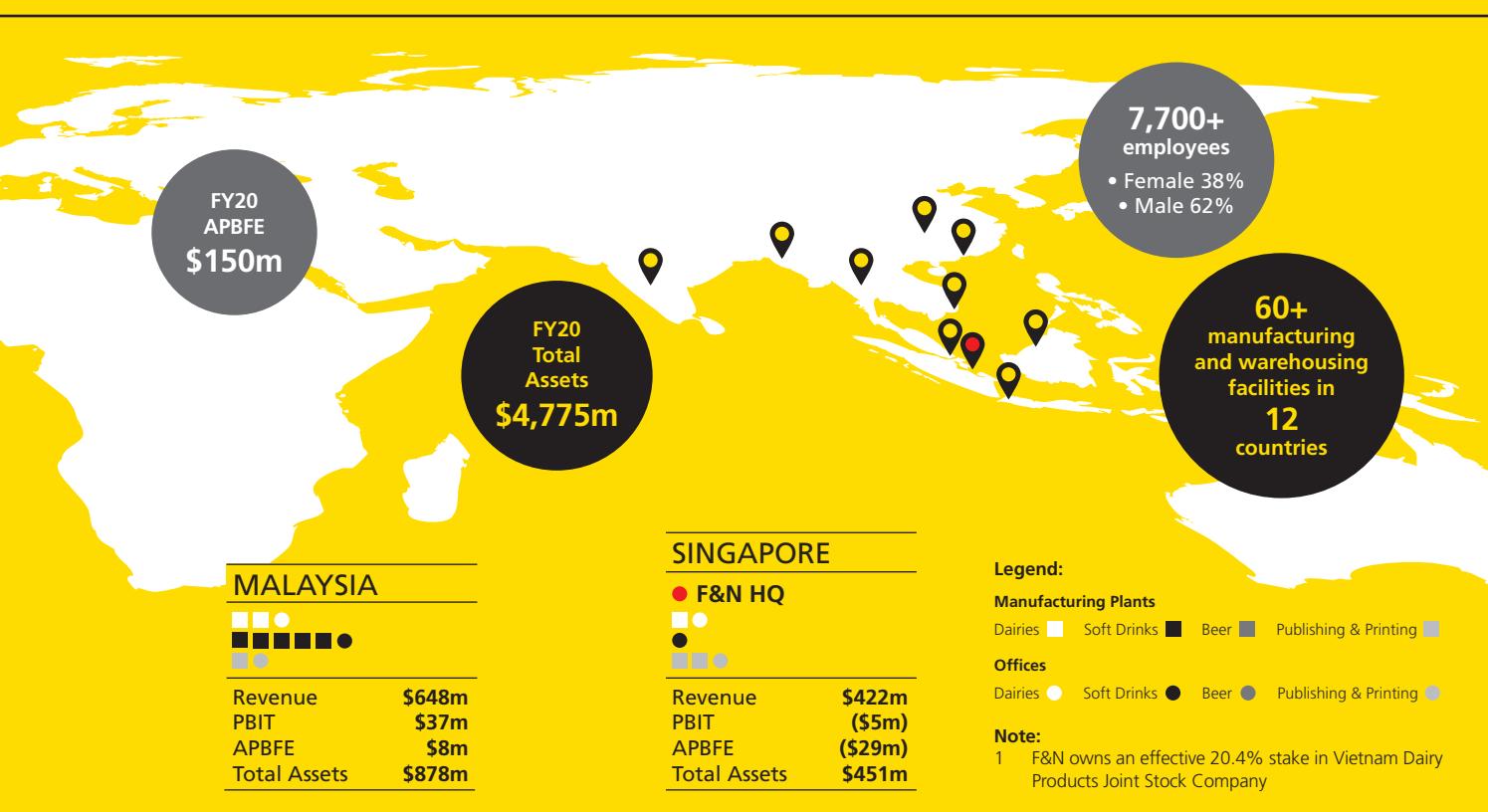
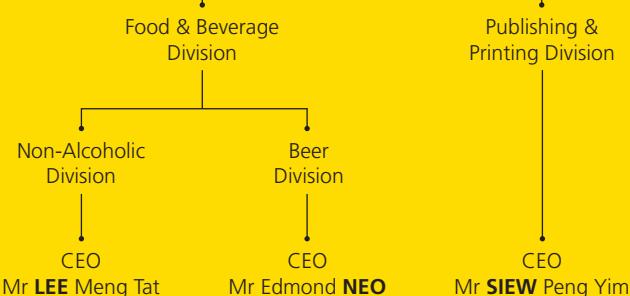
Creating Values
We are passionate about applying new ideas and grasping opportunities to make a positive impact on our organisation and the world



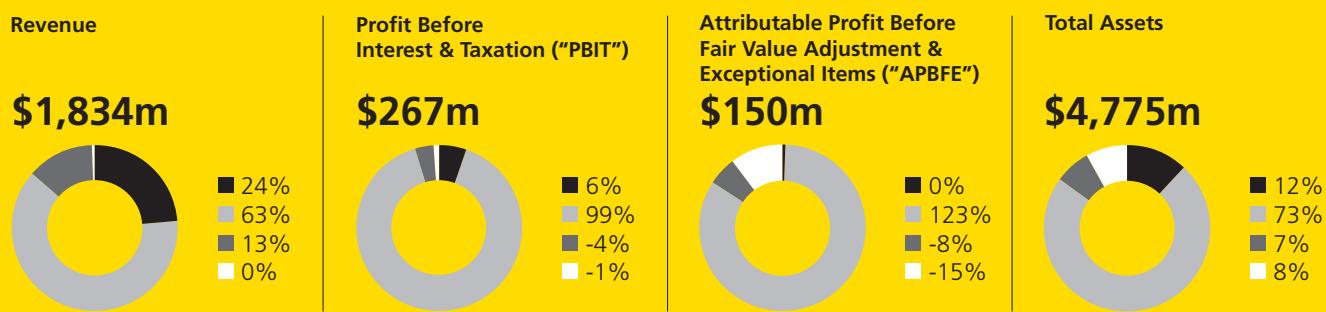
Caring for Stakeholders
We embrace our stakeholders' perspectives with good intentions and the right mindsets to create long-term, sustainable partnerships

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

Listed on the Singapore Stock Exchange, F&N ranks as one of the most established and successful companies in the region with an impressive array of renowned brands that enjoy strong market leadership. F&N is present in 12 countries spanning Asia Pacific, Europe and the USA, and employs over 7,700 people worldwide.

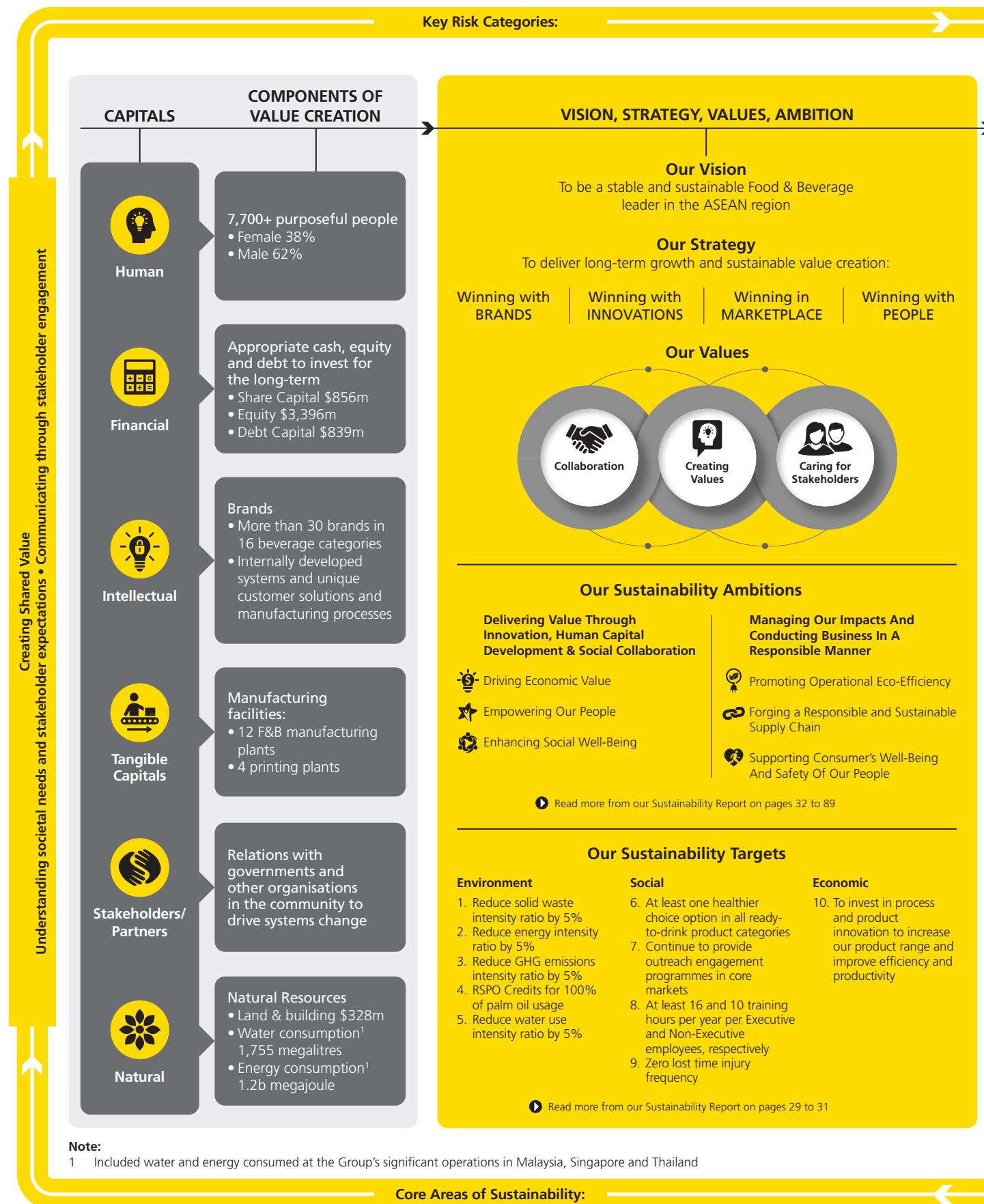


CONTRIBUTION BY SEGMENT



Legend:
 ■ Beverages □ Dairies □ Publishing & Printing □ Others

F&N Business Model





Corporate Structure



SGX Code: F99

Listed on the mainboard of the Singapore Exchange Securities Trading Limited

Number of ordinary shares outstanding: 1,450,085,578 shares

CONTRIBUTION BY SEGMENT

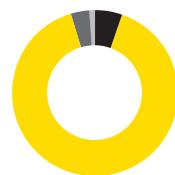
Revenue

\$1,834m



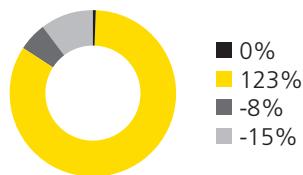
Profit Before Interest & Taxation

\$267m



Attributable Profit Before Fair Value Adjustment & Exceptional Items

\$150m



Total Assets

\$4,775m



Legend:

■ Beverages ■ Dairies ■ Publishing & Printing ■ Others

BEVERAGES & DAIRIES¹	87%²
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Subsidiary companies:

- Emerald Brewery Myanmar Limited (80.0%)
- F&N Foods Pte Ltd (100.0%)
- F&N Creameries Group (100.0%)
- Fraser & Neave Holdings Bhd Group (55.5%)

Associated company:

- Warburg Group (100.0%)
- Yoke Food Industries Group (100.0%)

Associated company:

- Vietnam Dairy Products Joint Stock Company (20.4%)

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



PUBLISHING & PRINTING¹	13%²
→ Page 52	

Subsidiary company:

- Times Publishing Group (100.0%)

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



OTHERS¹	

Associated company:

- Cocoaland Holdings Berhad (15.1%)³

Joint venture companies:

- F&N International Holdings Co., Ltd (49.0%)
- F&N Retail Connection Co., Ltd. (74.0%)

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

Notes:

1 The list highlights Key Operating Units of the F&N Group. For a detailed listing, please refer to Significant Subsidiary, Joint Venture and Associated Companies on pages 178 to 183

2 As a percentage of Group FY2020 Revenue

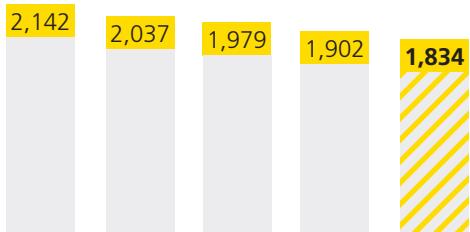
3 Held under Fraser & Neave Holdings Bhd

Corporate Information

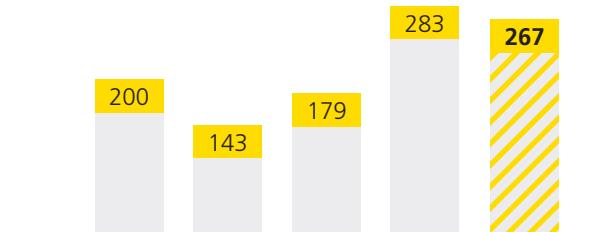
BOARD OF DIRECTORS	AUDIT COMMITTEE	REGISTERED OFFICE
<p>Mr Charoen Sirivadhanabhakdi (Chairman)</p> <p>Khunying Wanna Sirivadhanabhakdi (Vice-Chairman)</p> <p>Tengku Syed Badarudin Jamalullail (Lead Independent Director)</p> <p>Mrs Siripen Sitasuwan</p> <p>Mr Timothy Chia Chee Ming</p> <p>Mr Charles Mak Ming Ying</p> <p>Mr Chan Heng Wing</p> <p>Dr Sujitra Sombuntham</p> <p>Mr Koh Poh Tiong</p> <p>Mr Chotiphat Bijananda</p> <p>Mr Thapana Sirivadhanabhakdi</p> <p>Mr Sithichai Chaikriangkrai</p> <p>Mr Michael Chye Hin Fah (Alternate Director to Mr Thapana Sirivadhanabhakdi)</p> <p>Mr Prapakon Thongtheppairot (Alternate Director to Mr Sithichai Chaikriangkrai)</p>	<p>Mrs Siripen Sitasuwan (Chairman)</p> <p>Mr Timothy Chia Chee Ming</p> <p>Mr Sithichai Chaikriangkrai</p>	<p>438 Alexandra Road #20-00 Alexandra Point Singapore 119958 Tel: (65) 6318 9393 Fax: (65) 6271 0811</p>
BOARD EXECUTIVE COMMITTEE	NOMINATING COMMITTEE	SHARE REGISTRAR AND TRANSFER OFFICE
<p>Mr Koh Poh Tiong (Chairman)</p> <p>Mr Thapana Sirivadhanabhakdi (Vice-Chairman)</p> <p>Mr Sithichai Chaikriangkrai</p> <p>Mr Michael Chye Hin Fah</p> <p>Mr Prapakon Thongtheppairot</p>	<p>Tengku Syed Badarudin Jamalullail (Chairman)</p> <p>Mrs Siripen Sitasuwan</p> <p>Mr Thapana Sirivadhanabhakdi</p>	<p>Tricor Barbinder Share Registration Services 80 Robinson Road #02-00 Singapore 068898 Tel: (65) 6236 3333 Fax: (65) 6236 3405</p>
SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE	REMUNERATION COMMITTEE	AUDITOR
<p>Mr Koh Poh Tiong (Chairman)</p> <p>Mr Thapana Sirivadhanabhakdi</p> <p>Mr Sithichai Chaikriangkrai</p> <p>Mr Michael Chye Hin Fah</p> <p>Mr Prapakon Thongtheppairot</p>	<p>Mr Timothy Chia Chee Ming (Chairman)</p> <p>Mrs Siripen Sitasuwan</p> <p>Mr Thapana Sirivadhanabhakdi</p>	<p>KPMG LLP Partner-in-charge: Mr Quek Shu Ping (with effect from financial year 2016)</p>
	LEADERSHIP TEAM	PRINCIPAL BANKERS
	<p>Mr Lee Meng Tat Chief Executive Officer, Non-Alcoholic Beverages</p> <p>Mr Edmond Neo Chief Executive Officer, Beer</p> <p>Mr Siew Peng Yim Chief Executive Officer, Times Publishing Group</p> <p>Mr Lim Yew Hoe Chief Executive Officer, Fraser & Neave Holdings Bhd</p> <p>Mr Hui Choon Kit Chief Financial Officer and Company Secretary</p>	<p>Oversea-Chinese Banking Corporation Limited</p> <p>DBS Bank Ltd</p> <p>CTBC Bank Co. Ltd</p> <p>Crédit Agricole Corporate and Investment Bank</p> <p>Standard Chartered Bank</p>

Performance at a Glance

Revenue (\$M)



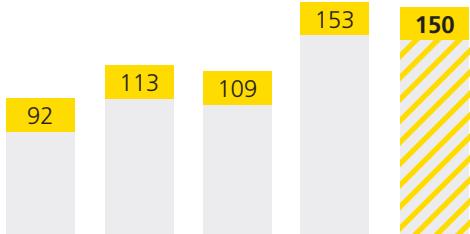
Profit Before Interest & Taxation (\$M)



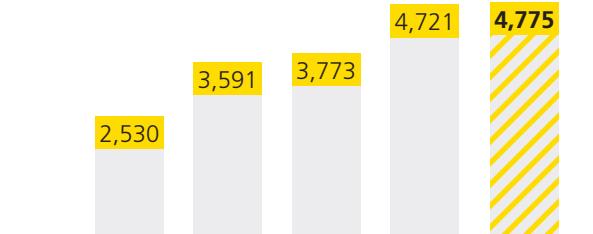
	FY 2010	FY 2013	FY 2016	FY 2019	FY 2020
Cont'd Operations	3,555	2,307	-	-	-
Discont'd Operations ²	5,697	4,344	1,979	1,902	1,834
10-Year CAGR ³				-2%	
Increase from FY2010 ³				-14%	

	FY 2010	FY 2013	FY 2016	FY 2019	FY 2020
Cont'd Operations	871	642	-	-	-
Discont'd Operations ²	1,071	785	179	283	267
Total Operations					
10-Year CAGR ³				+3%	
Increase from FY2010 ³				+34%	

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



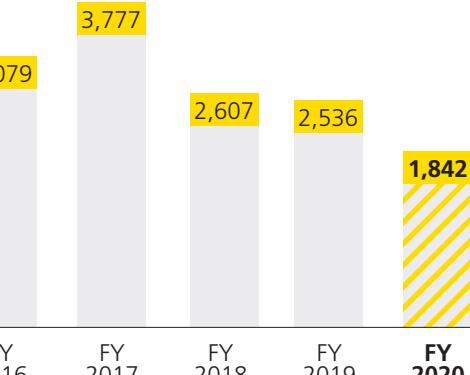
Total Assets (\$M)



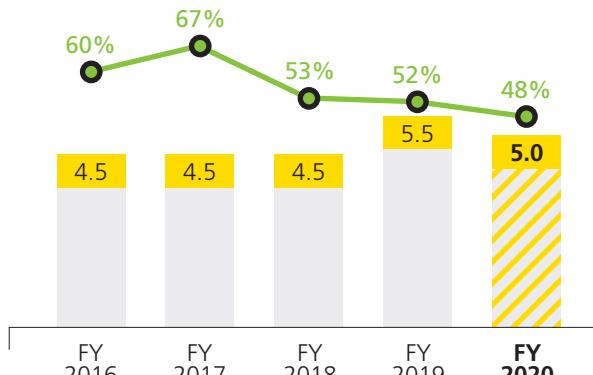
	FY 2010	FY 2013	FY 2016	FY 2019	FY 2020
Cont'd Operations	491	432	-	-	-
Discont'd Operations ²	583	545	109	153	150
10-Year CAGR ³				+5%	
Increase from FY2010 ³				+63%	

	FY 2010	FY 2013	FY 2016	FY 2019	FY 2020
Cont'd Operations	11,172	10,554	-	-	-
Discont'd Operations ²	13,702	14,145	3,773	4,721	4,775
10-Year CAGR ³				+7%	
Increase from FY2010 ³				+89%	

Market Capitalisation⁴ (\$M)



Distribution



Notes:

- 1 FY2010, FY2013 and FY2016: As previously reported; FY2019: Restated upon finalisation of purchase price allocation for the acquisition of Print Lab
- 2 Upon the disposal of Asia Pacific Breweries Limited/Asia Pacific Investment Pte Ltd ("APB/APIPL") and Myanmar Brewery Limited ("MBL"), and the distribution in-specie of Frasers Centrepoint Limited ("FCL", now known as Frasers Property Limited), their respective results have been classified as discontinued operations
- 3 Excludes discontinued operations of APB/APIPL, FCL and MBL
- 4 Based on issued shares at close of business on the first trading day after preliminary announcement of results

Group Financial Performance

5-Year Statistics

Year ended 30 September	FY2016	FY2017	FY2018	FY2019 (Restated)	FY2020
Notes					
1 Profit Statement (\$ million)					
Revenue	1,979	1,898	1,835	1,902	1,834
Profit before taxation					
- before interest	179	170	215	283	267
- before fair value adjustment & exceptional items	189	164	199	269	245
- after fair value adjustment & exceptional items	188	1,340	200	268	244
Attributable profit					
- before fair value adjustment & exceptional items	109	96	123	153	150
- after fair value adjustment & exceptional items	108	1,279	124	152	149
1 Balance Sheet (\$ million)					
Net asset value	2,843	2,815	2,817	2,933	2,969
Total assets employed	3,773	4,891	4,506	4,721	4,775
Long-term borrowings	125	517	497	820	796
Market Capitalisation (\$ million)					
at close of business on the first trading day after preliminary announcement of results	3,079	3,777	2,607	2,536	1,842
1 Financial Ratio (%)					
Return on average shareholders' equity					
- profit before fair value adjustment, taxation & exceptional items	7.4	5.8	7.1	9.3	8.3
- attributable profit before fair value adjustment & exceptional items	4.3	3.4	4.4	5.3	5.1
Gearing ratio					
- without non-controlling interests	(32.0)	5.9	12.1	14.0	18.6
- with non-controlling interests	(28.8)	5.3	10.8	12.3	16.3
1 Per Share					
Profit before fair value adjustment, taxation & exceptional items (cents)	13.1	11.4	13.8	18.5	16.9
Attributable profit (cents) (basic)					
- before fair value adjustment & exceptional items	7.5	6.7	8.5	10.6	10.4
- after fair value adjustment & exceptional items	7.5	88.4	8.5	10.5	10.3
Net asset value (\$)	1.97	1.95	1.95	2.02	2.05
Dividend					
- net (cents)	4.5	4.5	4.5	5.5	5.0
5 cover (times)	1.7	1.5	1.9	1.9	2.1
Stock Exchange Prices (\$)					
at close of business on the first trading day after preliminary announcement of results	2.13	2.61	1.80	1.75	1.27

Notes:

- 1 FY2016 – FY2018: As previously reported; FY2019: Restated upon finalisation of purchase price allocation for the acquisition of Print Lab
- 2 Attributable profit before fair value adjustment and exceptional items: Profit after taxation and non-controlling interests, but before fair value adjustment and exceptional items
- 3 Net asset value: Share capital and reserves
- 4 Gearing ratio: Sum of bank borrowings and term loans, less fixed deposits and cash and bank balances, expressed as a percentage of equity
- 5 Dividend cover: Attributable profit before fair value adjustment and exceptional items per share, divided by net dividend per share

Chairman's Statement



The Group's relentless focus on portfolio management, process capability, and cost and capital discipline has also allowed us to approach this crisis from a position of strength.

The COVID-19 pandemic presented challenges to many global companies, including F&N. Despite the unpredictable nature of this pandemic, F&N's response has remained strong. Our people have shown tremendous resilience, reacting swiftly to ensure that we continue to meet our supply obligations to our customers, and that we remain a steadfast, trusted and reliable employer, business partner and citizen. With concerted effort, we were able to operate with minimal disruption, and support the government's call to ensure a continuous supply of products to our customers.

The Group's relentless focus on portfolio management, process capability, and cost and capital discipline has also allowed us to approach this crisis from a position of strength. Our steadfast commitment to adopting responsible and sustainable business practices, as well as early adoption of digitalisation in our plans and business operations, have helped us meet the challenges posed by the COVID-19 pandemic and seize opportunities along the way to emerge stronger. Supported by our purpose-led innovation, we have been able to fortify our leadership position and deliver a set of creditable results in FY2020. I am confident that our strong brand value and experienced management team will continue to build long-term growth and lead the Group to becoming a leading owner and provider of quality and innovative products in the ASEAN region.

The Board recommends a final dividend of 3.5 cents per share for shareholders' approval at the forthcoming Annual General Meeting. If approved, the payout will be made on 10 February 2021. Including the interim dividend paid in June 2020, the total dividend for the financial year will be 5.0 cents per share. This represents a distribution of 48% of the Group Attributable Profit before fair value adjustment and exceptional items for FY2020, which is in line with our dividend policy.

In such uncertain and challenging times, I am deeply grateful to my fellow directors for their wise counsel and guidance, and their committed dedication to work together to steer the Group out of this unexpected global storm.

I would also like to thank our management and staff for their hard work, dedication and proactive response to the rapid changes around us. The COVID-19 pandemic has emphasised the importance of solid support from both shareholders and stakeholders. On behalf of the Board, I would like to thank everyone for your continued support.

Charoen Sirivadhanabhakdi
Chairman

**Supported by
our purpose-led
innovation,
we have been able
to fortify our
leadership
position and
deliver a set
of creditable
results in FY2020**

Statement from The Board Executive Committee Chairman

Our ethos is to provide high quality products and we aim to continue to deliver on our promise of "Pure Enjoyment. Pure Goodness" to consumers.



F&N delivered a relatively satisfactory full-year financial performance as we continue to navigate through the challenging environment presented by the ongoing COVID-19 pandemic. Overall, Group revenue fell 4% to \$1.83 billion while Group Profit Before Interest and Tax, before fair value adjustment and exceptional items, declined 6% to \$267.4 million. The lower earning was attributed largely to lower sales and higher raw material costs. This was despite lower gestation losses from the new brewery in Myanmar and higher contribution from our associated company, Vietnam Dairy Products Joint Stock Company. Group Attributable Profit before fair value adjustment and exceptional items declined by 2% to \$150.4 million.

Corporate and Strategic Developments

Our enduring brands are household names. Some have strong nostalgic appeal and have legacies dating back more than 130 years. Our brands have successfully made their way into the homes and hearts of consumers. Our portfolio of market-leading brands including *100PLUS*, *F&N MAGNOLIA*, *F&N FRUIT TREE Fresh*, *F&N* and *F&N SEASONS* command leading market shares and positions in the beverage and dairies categories in Singapore, Malaysia and Thailand. We offer a comprehensive range of beverages for enjoyment throughout the day.

To sharpen our competitive edge, the Group made moves to enhance our portfolio, build new capabilities and invest in new markets. We continue to make targeted efforts to strengthen our research and development capabilities to introduce new healthier product offerings in line with current lifestyle trends. Our ethos

is to provide high quality products and we aim to continue to deliver on our promise of "Pure Enjoyment. Pure Goodness" to consumers.

Our new ice cream plant in Thailand was completed during the year and is now in full operation. In December 2019, we held a ground-breaking ceremony for our factory facility in Singapore. This new purpose-built integrated facility will expand our capabilities across all aspects, from production and warehousing to research and development, and consolidate most of our beverages and dairies operations in one location. These investments will increase our efficiency and scale and enhance our ability to respond to changing consumer trends with agility and speed.

The Group continues to focus on efficient market execution of route-to-market initiatives to optimally capture opportunities in markets where we operate. Our efforts targeted collaborations with overseas companies and e-commerce platforms to increase distribution coverage to further our reach. As part of our strategy to drive sales through omni-channel, we have in early 2020 launched F&N Life, a direct-to-customer online store in Malaysia. The launch is timely, particularly during this period, as it offers greater convenience, accessibility and value to consumers.

Emerald Brewery Myanmar Limited, our greenfield brewery in Myanmar, has completed its first full year of commercial production. Its performance has exceeded our initial expectations.

Our Publishing & Printing ("P&P") business was, however, severely affected by the COVID-19 pandemic given

Our enduring brands are household names. Some have strong nostalgic appeal and have legacies dating back more than 130 years

the temporary closure of retail book outlets and printing plants in China and Malaysia. P&P was able to partly mitigate the financial impact through various cost cutting measures. Prior to the global pandemic, P&P growth progress was on track, which adds to our confidence that its fundamental growth strategy remains intact. P&P will continue to focus on its long-term strategic plans to strengthen its financial performance. This includes aligning its capabilities to accelerate its ability to innovate and revamp existing business models.

As we continue to navigate the COVID-19 pandemic and its impact, we remain focused on our strategy to deliver value and enable us to emerge stronger, including investing in digitization, doubling down on our fast-growing direct-to-consumer business, while continuing to seize growth opportunities present in our core markets in South East Asia.

Mr Koh Poh Tiong

Board Executive Committee Chairman

Board of Directors

1. Mr Charoen
Sirivadhanabhakdi ●
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1



2. Khunying Wanna
Sirivadhanabhakdi ●
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3. Tengku Syed
Badarudin
Jamalullail ●
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4. Mrs Siripen
Sitasuwan ●
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7. Mr Chan
Heng Wing ●
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8. Dr Sujitra
Sombuntham ●
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10. Mr Chotiphat
Bijananda ●
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11. Mr Thapana
Sirivadhanabhakdi ●
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12. Mr Sithichai
Chaikriangkrai ●
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13. Mr Michael
Chye Hin Fah
(Alternate Director)
→ Page 22

14. Mr Prapakon
Thongtheppairot
(Alternate Director)
→ Page 23

**MR CHAROEN
SIRIVADHANABHAKDI, 76**

**Chairman / Non-Independent
and Non-Executive Director**

Date of first appointment as a director
28 Feb 2013

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

Country of principal residence
Thailand

BOARD COMMITTEE(S) SERVED ON

- Nil

**ACADEMIC & PROFESSIONAL
QUALIFICATION(S)**

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

- Honorary Doctoral Degree in Business Administration, Eastern Asia University, Thailand
- Honorary Doctoral Degree in Management, Huachiew Chalermprakiet University, Thailand
- Honorary Doctoral Degree in Industrial Technology, Chandrakasem Rajabhat University, Thailand
- Honorary Doctoral Degree in Agricultural Business Administration, Maejo Institute of Agricultural Technology, Thailand

PRESENT DIRECTORSHIP(S)

(as at 03 Dec 2020)

Listed companies

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

Others

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

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

Listed companies

- Big C Supercenter Public Company Limited¹

Others

- Red Bull Distillery Group of Companies (Chairman)

**PRESENT PRINCIPAL COMMITMENTS
(other than Directorships)**

(as at 03 Dec 2020)

- Nil

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

- Nil

OTHERS

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

**SHAREHOLDING INTEREST IN
F&N GROUP**

- Refer to Shareholding Statistics on pages 187 to 188

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

- Spouse of Khunying Wanna Sirivadhanabhakdi (Vice-Chairman and substantial shareholder)
- Father of Mr Thapana Sirivadhanabhakdi (Director)
- Father-in-law of Mr Chotiphat Bijananda (Director)
- See "Directors' Interests in Shares or Debentures" in the Directors' Statement on page 85 for details on relationship with other substantial shareholders of F&N

Note:

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

Board of Directors

KHUNYING WANNA SIRIVADHANABHAKDI, 77
Vice-Chairman / Non-Independent and Non-Executive Director

Date of first appointment as a director
28 Feb 2013

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

Country of principal residence
Thailand

BOARD COMMITTEE(S) SERVED ON

- Nil

ACADEMIC & PROFESSIONAL QUALIFICATION(S)

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

PRESENT DIRECTORSHIP(S)

(as at 03 Dec 2020)

Listed companies

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

Others

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

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

Listed companies

- Big C Supercenter Public Company Limited¹

Others

- Nil

PRESENT PRINCIPAL COMMITMENTS

(other than Directorships)

(as at 03 Dec 2020)

- Nil

PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS

(other than Directorships)

- Nil

OTHERS

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

SHAREHOLDING INTEREST IN F&N GROUP

- Refer to Shareholding Statistics on pages 187 to 188

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

- Spouse of Mr Charoen Sirivadhanabhakdi (Chairman and substantial shareholder)
- Mother of Mr Thapana Sirivadhanabhakdi (Director)
- Mother-in-law of Mr Chotiphat Bijananda (Director)
- See "Directors' Interests in Shares or Debentures" in the Directors' Statement on page 85 for details on relationship with other substantial shareholders of F&N

ADDITIONAL INFORMATION

- Additional information on Khunying Wanna, who is seeking re-appointment as a Director at the 122nd Annual General Meeting, is provided on pages 196 to 201.

Note:

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

TENGKU SYED BADARUDIN JAMALULLAIL, 75

Lead Independent and Non-Executive Director

Date of first appointment as a director
08 Jan 2014

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

Country of principal residence
Malaysia

BOARD COMMITTEE(S) SERVED ON

- Nominating Committee (Chairman)

ACADEMIC & PROFESSIONAL QUALIFICATION(S)

- Master of Arts in Law & History, University of Cambridge, UK

PRESENT DIRECTORSHIP(S) (as at 03 Dec 2020)**Listed companies**

- Fraser & Neave Holdings Bhd (Chairman)

Others

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

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

- Hwang Capital (Malaysia) Berhad

Others

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

PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 03 Dec 2020)

- Nil

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

- Nil

SHAREHOLDING INTEREST IN F&N GROUP

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

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

- Nil

MRS SIRIPEN SITASUWAN, 72

Independent and Non-Executive Director

Date of first appointment as a director
31 May 2013

Date of last re-appointment as a director
29 Jan 2020

Country of principal residence
Thailand

BOARD COMMITTEE(S) SERVED ON

- Audit Committee (Chairman)
- Nominating Committee
- Remuneration Committee

ACADEMIC & PROFESSIONAL QUALIFICATION(S)

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

PRESENT DIRECTORSHIP(S)**(as at 03 Dec 2020)****Listed companies**

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

Others

- Nil

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

- Nil

Others

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

PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 03 Dec 2020)

- Nil

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

- Nil

SHAREHOLDING INTEREST IN F&N GROUP

- Nil

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

- Nil

Board of Directors

MR TIMOTHY CHIA CHEE MING, 70

Independent and Non-Executive Director

Date of first appointment as a director
08 Jan 2014

Date of last re-appointment as a director
29 Jan 2020

Country of principal residence
Singapore

BOARD COMMITTEE(S) SERVED ON

- Audit Committee
- Remuneration Committee (Chairman)

ACADEMIC & PROFESSIONAL QUALIFICATION(S)

- Bachelor of Science cum laude, majoring in Management, Fairleigh Dickinson University, USA

PRESENT DIRECTORSHIP(S)

(as at 03 Dec 2020)

Listed companies

- Banyan Tree Holdings Limited
- Ceylon Guardian Investment Trust PLC
- Ceylon Investment PLC
- Malaysia Smelting Corporation Berhad
- Thai Beverage Public Company Limited
- The Straits Trading Company Limited

Others

- Gabelhorn Investments Pte Ltd
- Gracefield Holdings Limited (Chairman)
- Hup Soon Global Corporation Private Limited (Chairman)
- Innoven Capital China Pte Ltd
- Innoven Capital Pte Ltd (Chairman)
- Innoven Capital Singapore Pte Ltd
- Singapore Power Limited
- Straits Investment Management Pte Ltd
- United Motor Works (Siam) Public Co Ltd (Chairman)
- Vertex Venture Holdings Ltd

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

Listed companies

- Nil

Others

- Coutts & Co Ltd
- HS Global Holdings Pte Ltd
- Parkesville Pte Ltd
- QuantuMDx Group Limited
- Rahman Hydraulic Tin Sdn Bhd
- United Motor Works (Mauritius) Ltd

PRESENT PRINCIPAL COMMITMENTS

(other than Directorships)

(as at 03 Dec 2020)

- ASEAN Business Club (Member, Advisory Council & Co-Chair, Singapore)
- Asian Civilisation Museum (Member, Advisory Board)
- Monetary Authority of Singapore (Member, Corporate Governance Advisory Committee)
- Singapore Indian Development Association (Term Trustee)

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

- Singapore Management University (Member, Board of Trustees)

SHAREHOLDING INTEREST IN F&N GROUP

- Nil

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

- Nil

MR CHARLES MAK MING YING, 68

Independent and Non-Executive Director

Date of first appointment as a director

11 Jan 2018

Date of last re-appointment as a director

29 Jan 2018

Country of principal residence

Hong Kong

BOARD COMMITTEE(S) SERVED ON

- Nil

ACADEMIC & PROFESSIONAL QUALIFICATION(S)

- Master of Business Administration, PACE University, USA
- Bachelor of Business Administration, PACE University, USA

PRESENT DIRECTORSHIP(S)

(as at 03 Dec 2020)

Listed companies

- Frasers Property Limited

Others

- BeerCo Limited

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

Listed companies

- Nil

Others

- Nil

PRESENT PRINCIPAL COMMITMENTS (other than Directorships)

(as at 03 Dec 2020)

- PACE University, USA (Board of Trustees)

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

- Morgan Stanley Asia Pacific (Vice-Chairman)
- Morgan Stanley Asia's Investment Banking Division (Senior Advisor)
- Morgan Stanley International Wealth Management (President)
- Chairman and Director of Bank Morgan Stanley AG
- Director in Morgan Stanley Asia Limited and a member of Morgan Stanley's Asia Pacific Executive Committee, the Morgan Stanley Wealth Management Committee and the International Operating Committee
- Managing Director and Head of Morgan Stanley Asia Pacific Private Wealth Management
- Executive Director and Senior Investment Adviser of Morgan Stanley's Private Wealth Management Group

SHAREHOLDING INTEREST IN F&N GROUP

- Nil

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

- Nil

ADDITIONAL INFORMATION

- Additional information on Mr Mak, who is seeking re-appointment as a Director at the 122nd Annual General Meeting, is provided on pages 196 to 201.

MR CHAN HENG WING, 73

Independent and Non-Executive Director

Date of first appointment as a director
11 Jan 2018

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

Country of principal residence
Singapore

BOARD COMMITTEE(S) SERVED ON

- Nil

ACADEMIC & PROFESSIONAL QUALIFICATION(S)

- Master of Science, Columbia Graduate School of Journalism, USA
- Master of Arts, University of Singapore, Singapore
- Bachelor of Arts (Honours), University of Singapore, Singapore

PRESENT DIRECTORSHIP(S)

(as at 03 Dec 2020)

Listed companies

- Banyan Tree Holdings Limited
- EC World REIT
- Frasers Property Limited

Others

- One Bangkok Holdings Company Limited
- Precious Quay Pte. Ltd.
- Precious Treasure Pte Ltd

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

- Nil

Others

- Nil

PRESENT PRINCIPAL COMMITMENTS (other than Directorships)

(as at 03 Dec 2020)

- China Cultural Centre in Singapore (Member, Executive Board)
- Milken Institute Asia Center (Senior Advisor)
- Ministry of Foreign Affairs: Non-resident Ambassador to Austria

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

- Nil

SHAREHOLDING INTEREST IN F&N GROUP

- Nil

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

- Nil

ADDITIONAL INFORMATION

- Additional information on Mr Chan, who is seeking re-appointment as a Director at the 122nd Annual General Meeting, is provided on pages 196 to 201.

Others

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

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

- Nil

Others

- Nil

PRESENT PRINCIPAL COMMITMENTS (other than Directorships)

(as at 03 Dec 2020)

- St. Joseph Hospital Foundation (Vice-President)
- Dermscan Asia Co., Ltd (Clinical Director)
- Thai Society of Cosmetic Dermatology and Surgery (Treasurer)
- Thai Society of Anti-Aging
- Honorary Advisory Board of Dysport
- Mae Fah Luang University (Guest Lecturer)
- Chulalongkorn University (Guest Lecturer)
- Thaniya Medical Clinic (Physician)

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

- Nil

SHAREHOLDING INTEREST IN F&N GROUP

- Nil

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

- Nil

ADDITIONAL INFORMATION

- Additional information on Dr Sujitra, who is seeking re-appointment as a Director at the 122nd Annual General Meeting, is provided on pages 196 to 201.

PRESENT DIRECTORSHIP(S)

(as at 03 Dec 2020)

Listed companies

- Nil

Board of Directors

MR KOH POH TIONG, 73

Non-Independent and
Non-Executive Director
Adviser to the Board

Date of first appointment as a director
03 Apr 2013

Date of last re-appointment as a director
29 Jan 2020

Country of principal residence
Singapore

BOARD COMMITTEE(S) SERVED ON

- Board Executive Committee (Chairman)
- Sustainability and Risk Management Committee (Chairman)

ACADEMIC & PROFESSIONAL QUALIFICATION(S)

- Bachelor of Science, University of Singapore, Singapore

PRESENT DIRECTORSHIP(S) (as at 03 Dec 2020)

Listed companies

- Bukit Sembawang Estates Limited (Chairman)
- Delfi Limited
- Raffles Medical Group Limited
- Saigon Beer-Alcohol-Beverage Corporation (Chairman)

Others

- BeerCo Limited (Chairman)
- Great Eastern General Insurance (Malaysia) Berhad
- Great Eastern Life Assurance (Malaysia) Berhad
- Singapore Kindness Movement (Chairman)
- Times Publishing Limited (Chairman)

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

Listed companies

- Ezra Holdings Limited (Chairman and Senior Advisor)
- SATS Ltd (Director)
- United Engineers Ltd (Director)

Others

- National Kidney Foundation (Chairman)
- The Great Eastern Life Assurance Company Ltd (Director)
- Yunnan Yulinquan Liquor Co., Ltd. (Chairman)

PRESENT PRINCIPAL COMMITMENTS

(other than Directorships)

(as at 03 Dec 2020)

- Nil

PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS

(other than Directorships)

- Nil

SHAREHOLDING INTEREST IN F&N GROUP

- 251,315 shares in Fraser and Neave, Limited

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

- Nil

MR CHOTIPHAT BIJANANDA, 56

Non-Independent and
Non-Executive Director

Date of first appointment as a director
19 Feb 2013

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

Country of principal residence
Thailand

BOARD COMMITTEE(S) SERVED ON

- Nil

ACADEMIC & PROFESSIONAL QUALIFICATION(S)

- Master of Business Administration, Finance, University of Missouri, USA
- Bachelor of Laws, Thammasat University, Thailand

PRESENT DIRECTORSHIP(S) (as at 03 Dec 2020)

Listed companies

- Frasers Property Limited
- Frasers Property (Thailand) Public Company Limited (formerly known as Ticon Industrial Connection Public Company Limited)
- Sermsuk Public Company Limited (2nd Vice-Chairman)
- Thai Group Holdings Public Company Limited

Others

- Asiatic House Co., Ltd.
- Big C Services Co., Ltd.
- Concept Land 5 Co., Ltd.
- Dhamma Land Property Company Limited
- DL Engineering Solutions Company Limited
- Frasers Property Australia Pty Limited
- Golden Land Property Development Public Company Limited
- Pholmankhong Business Co., Ltd.
- Pro Checker Co., Ltd (formerly known as Sinn Bualuang Capital Co., Ltd.)
- S Sofin Co., Ltd.
- Sentrics Consulting Co., Ltd.
- Sinn Bualuang Leasing Co., Ltd.
- Southeast Academic Center Company Limited
- Southeast Advisory Company Limited
- Southeast Advisory Pte. (Singapore)
- Southeast Capital Co., Ltd. (Chairman of Executive Board)
- Southeast Insurance Public Company Limited (Chairman of Executive Board)
- Southeast Joint Venture Co., Ltd.
- Southeast Life Insurance Public Company Limited (Chairman of Executive Board)
- Southeast Money Co., Ltd.
- Southeast Property Co., Ltd.
- Suansilp Pathana 1 Co., Ltd.
- TCC Assets (Thailand) Co., Ltd.
- TCC Group of Companies
- TCC Holdings (2519) Company Limited
- TCC Privilege Card Company Limited

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

Listed companies

- Nil

Others

- Nil

PRESENT PRINCIPAL COMMITMENTS (other than Directorships)

(as at 03 Dec 2020)

- Nil

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

- Nil

SHAREHOLDING INTEREST IN F&N GROUP

- Nil

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

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

MR THAPANA SIRIVADHANABHAKDI, 45

Non-Independent and Non-Executive Director

Date of first appointment as a director

19 Feb 2013

Date of last re-appointment as a director

29 Jan 2020

Country of principal residence

Thailand

BOARD COMMITTEE(S) SERVED ON

- Board Executive Committee (Vice-Chairman)
- Nominating Committee
- Remuneration Committee
- Sustainability and Risk Management Committee

ACADEMIC & PROFESSIONAL QUALIFICATION(S)

- Honorary Doctoral Degree in Science (Logistics Management), King Mongkut's Institute of Technology Ladkrabang, Thailand
- Honorary Doctoral Degree of Arts, Rajamangala University of Technology Phra Nakhon, Thailand
- Honorary Doctoral Degree in Hospitality, Rajamangala University of Technology Krungthep, Thailand
- Honorary Doctoral Degree in Community Development, Chiang Mai Rajabhat University, Thailand
- Honorary Doctoral Degree of Business Administration in Strategic Logistic and Supply Chain Management, Suan Sunandha Rajabhat University, Thailand

- Honorary Doctoral Degree of Philosophy in General Management, Ramkhamhaeng University, Thailand
- Master of Science Administration in Financial Economics, Boston University, USA
- Bachelor of Business Administration (Finance), Boston University, USA

PRESENT DIRECTORSHIP(S) (as at 03 Dec 2020)

Listed companies

- Amarin Printing and Publishing Public Company Limited (Vice-Chairman)
- Sermruk Public Company Limited (3rd Vice-Chairman)
- Thai Beverage Public Company Limited (President and CEO)
- Thai Group Holdings Public Company Limited
- The Siam Cement Public Company Limited (Independent Director)
- Univentures Public Company Limited (Vice-Chairman)

Others

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

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

Listed companies

- Berli Jucker Public Company Limited
- Golden Land Property Development Public Company Limited
- Oishi Group Public Company Limited

Others

- InterBever Malaysia Sdn. Bhd

PRESENT PRINCIPAL COMMITMENTS (other than Directorships)

(as at 03 Dec 2020)

- Thai Beverage Public Company Limited (President & Chief Executive Officer)

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

- Thai Beverage Public Company Limited (Chief Beer Product Group)

SHAREHOLDING INTEREST IN F&N GROUP

- Nil

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

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

OTHERS

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

Board of Directors

MR SITHICHAI CHAIKRANGKRAI, 66

Non-Independent and Non-Executive Director

Date of first appointment as a director
22 Feb 2013

Date of last re-appointment as a director
29 Jan 2020

Country of principal residence
Thailand

BOARD COMMITTEE(S) SERVED ON

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

ACADEMIC & PROFESSIONAL QUALIFICATION(S)

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

PRESENT DIRECTORSHIP(S) (as at 03 Dec 2020)

Listed companies

- Asset World Corp Public Company Limited
- Berli Jucker Public Company Limited
- Frasers Property Limited
- Frasers Property (Thailand) Public Company Limited
- Oishi Group Public Company Limited
- Sermsuk Public Company Limited
- Siam Food Products Public Company Limited
- Thai Beverage Public Company Limited
- Univentures Public Company Limited

Others

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

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

Listed companies

- Big C Supercenter Public Company Limited¹

Others

- Golden Land Property Development Public Company Limited

PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 03 Dec 2020)

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

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

- Nil

SHAREHOLDING INTEREST IN F&N GROUP

- Nil

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

- Nil

Note:

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

MR MICHAEL CHYE HIN FAH, 61

Alternate Director to
Mr Thapana Sirivadhanabhakdi

Date of first appointment as an
alternate director
08 Feb 2017

Country of principal residence
Singapore

BOARD COMMITTEE(S) SERVED ON

- Board Executive Committee
- Sustainability and Risk Management Committee

ACADEMIC & PROFESSIONAL QUALIFICATION(S)

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

PRESENT DIRECTORSHIP(S)

(as at 03 Dec 2020)

Listed companies

- Saigon Beer-Alcohol-Beverage Corporation
- Vietnam Dairy Products Joint Stock Company

Others

- Alliance Asia Investment Private Limited
- Alliance Strategic Investments Pte. Ltd.
- Asia Breweries Limited
- ASM International Limited
- Beer Chang International Limited
- BeerCo Limited (incorporated in Hong Kong)
- BeerCo Limited (incorporated in Singapore)
- BevCo Limited (incorporated in Hong Kong)
- BevCo Limited (incorporated in Thailand)
- Chang Beer Company Limited
- Chang Beer UK Limited
- Chang Holding Co., Ltd.
- Chang International Co., Ltd.
- DECCO 235
- F&N Retail Connection Co., Ltd.
- Grand Royal Group International Company Limited (formerly known as Myanmar Distillery Company Limited)
- Havi Food Distribution (Thailand) Co., Ltd.
- Havi Logistics (Thailand) Limited
- Heritas Capital Management Pte. Ltd.
- IMC Pan Asia Alliance Corporation
- InterBev (Singapore) Limited
- InterBev (Singapore) 2019 Limited
- InterF&B Pte. Ltd.
- International Beverage Holdings Limited
- International Beverage Holdings (Singapore) Pte. Limited

- International Beverage Holdings (UK) Limited
- International Beverage Trading (Hong Kong) Limited
- International Breweries Limited
- Inver House Distillers Limited
- Inver House Distillers (ROI) Limited
- Marketing Magic Pte. Ltd.
- Max Asia Food and Beverage (Thailand) Co., Ltd.
- Myanmar Supply Chain and Marketing Services Company Limited
- Prudence Holdings Limited
- Siam Breweries Limited
- So Water Company Limited
- Super Brands Company Pte. Ltd.
- Super Beer Brands Limited (formerly known as Beer Super Brands Limited)
- Thai Breweries Limited
- Vietnam Beverage Company Limited
- Vietnam F&B Alliance Investment Joint Stock Company
- Wellwater Limited

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

Listed companies

- Sermsuk Public Company Limited

Others

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

PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 03 Dec 2020)

- BeerCo Limited, Singapore (Chief Executive Officer)
- Thai Beverage Public Company Limited (Chief Beer Product Group)
- Vietnam Beverage Company Limited (Legal Representative/General Director)
- Vietnam F&B Alliance Investment Joint Stock Company (Legal Representative/ Chairman of Board of Management)

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

- Thai Beverage Public Company Limited (Executive Vice-President, Finance and Accounting Group, Deputy Group CFO and Chief Finance Officer – International Business)
- International Beverage Holdings Limited (Group Chief Finance Officer)
- Super Brands Company Pte. Ltd. (Executive Director)

SHAREHOLDING INTEREST IN F&N GROUP

- Nil

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

- Nil

- InterBev Investment Limited
- International Beverage Holdings Limited
- Myanmar Supply Chain and Marketing Services Co., Ltd.
- P.M.T. Mansion Co., Ltd.
- RedBull Distillery Group of Companies
- Thai Beverage Group of Companies
- Thai Beverage Training Co., Ltd.
- ThaiBev Marketing Co., Ltd.
- Traditional Trade Management Co., Ltd.

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

Listed companies

- Nil

Others

- Thai Beverage Marketing Co., Ltd.
- Times Publishing Limited

PRESENT PRINCIPAL COMMITMENTS (other than Directorships) (as at 03 Dec 2020)

- Thai Beverage Public Company Limited (Executive Vice-President – Chief Spirit Product Group, Deputy Group CFO and Chief Finance Officer – International Business)

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

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

SHAREHOLDING INTEREST IN F&N GROUP

- Nil

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

- Nil

MR PRAPAKON THONGTHEPPAIROT, 49

Alternate Director to
Mr Sithichai Chaikriangkrai

Date of first appointment as an alternate director
21 Mar 2013

Country of principal residence
Thailand

BOARD COMMITTEE(S) SERVED ON

- Board Executive Committee
- Sustainability and Risk Management Committee

ACADEMIC & PROFESSIONAL QUALIFICATION(S)

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

PRESENT DIRECTORSHIP(S) (as at 03 Dec 2020)

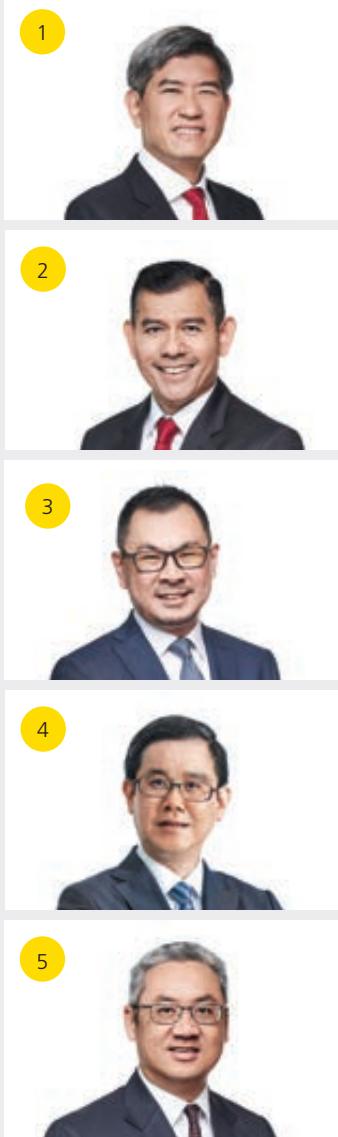
Listed companies

- Nil

Others

- Asiaeuro International Beverage (Guangdong) Co., Ltd.
- Asiaeuro International Beverage (Hong Kong) Limited
- ASM International Limited
- Food and Beverage Holding Co., Ltd.
- Grand Royal Group International Company Limited
- Green Bean Co., Ltd.

Leadership Team



1. **Mr Lee Meng Tat**
Chief Executive Officer,
Non-Alcoholic Beverages
→ Page 24
2. **Mr Edmond Neo**
Chief Executive Officer, Beer
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3. **Mr Siew Peng Yim**
Chief Executive Officer,
Times Publishing Group
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4. **Mr Lim Yew Hoe**
Chief Executive Officer,
Fraser & Neave Holdings Bhd
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5. **Mr Hui Choon Kit**
Chief Financial Officer and
Company Secretary
→ Page 25

MR LEE MENG TAT, 57

Chief Executive Officer,
Non-Alcoholic Beverages

Date of appointment

01 May 2015

Length of service in the F&N Group

17 years 10 months

JOB DESCRIPTION

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

ACADEMIC & PROFESSIONAL QUALIFICATION(S):

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

WORKING EXPERIENCE

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

OTHERS

- Council Member, Singapore Cancer Society

MR EDMOND NEO, 55

Chief Executive Officer,
Beer

Date of appointment

01 October 2016

Length of service in the F&N Group

28 years 02 months

JOB DESCRIPTION

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

ACADEMIC & PROFESSIONAL QUALIFICATION(S):

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

WORKING EXPERIENCE

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

OTHERS

- Nil

MR SIEW PENG YIM, 51

Chief Executive Officer,
Times Publishing Group

Date of appointment
01 October 2014

Length of service in the F&N Group
8 years 05 months

JOB DESCRIPTION

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

ACADEMIC & PROFESSIONAL QUALIFICATION(S):

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

WORKING EXPERIENCE

- Chief Financial Officer and Chief Operating Officer, Times Publishing Limited ("TPL")
- Chief Financial Officer, TPL
- Chief Financial Officer, Chief Operating Officer and Executive Director, HTL International Holdings Ltd
- Chief Financial Officer, HTL International Holdings Ltd
- Group Financial Controller, HTL International Holdings Ltd
- Financial Controller, Pillar Corporation Pte Ltd
- Chief Financial Officer, Excel Machine Tools Ltd
- Senior Audit Manager, PricewaterhouseCoopers

OTHERS

- Nil

MR LIM YEW HOE, 54

Chief Executive Officer,
Fraser & Neave Holdings Bhd

Date of appointment
01 December 2014

Length of service in the F&N Group
23 years 01 month

JOB DESCRIPTION

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

ACADEMIC & PROFESSIONAL QUALIFICATION(S):

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

WORKING EXPERIENCE

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

OTHERS

- Nil

MR HUI CHOON KIT, 56

Chief Financial Officer and
Company Secretary

Date of appointment
01 October 2012

Length of service in the F&N Group
20 years 08 months

JOB DESCRIPTION

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

ACADEMIC & PROFESSIONAL QUALIFICATION(S):

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

WORKING EXPERIENCE

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

OTHERS

- Member, Finance Committee, National Kidney Foundation

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**CEO Business Review****28****BEVERAGES**
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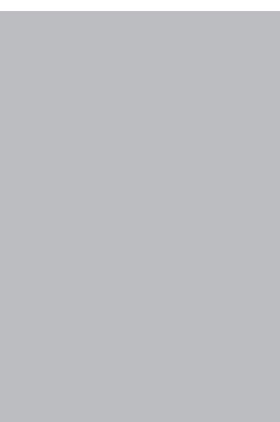
NEW MARKETS

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Dairies**40****New Markets****48****LIMITED EDITION**

Blending MAGNOLIA fresh milk with the robust brown sugar fragrance and a hint of sea salt to create the perfect balance unlike any other. Try it now!



CEO Business Review

Food & Beverage

From left to right:

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

Mr Edmond Neo
Chief Executive Officer,
Beer

YEAR IN REVIEW

Year 2020 was a year like no other. The COVID-19 pandemic has tested all assumptions and has challenged the way we operate. In an age of globalisation and interdependency, it has disrupted our supply chain and our markets, and how we deliver value for customers, consumers and communities. This pandemic has not only posed short-term economic disruption to our operating environment, but has prompted profound societal changes influencing consumer behaviour. Whatever the outcome, we remain anchored to our core strengths – our people, brands and processes. We will draw on our resilience and from our experiences to help us overcome this health crisis and emerge stronger.

COVID-19

As the pandemic bore down on us, the Group took swift action to temporarily close our offices, operating units and branches where necessary, and recalibrate operations where feasible. Everyone,

where logically possible, switched to a new paradigm of work-from-home and adopted digital technology. This was made possible due to the adaptability and commitment of our employees, discipline of the leadership, strong processes, and past investment in digital technologies. Our culture of learning and effective business continuity planning hugely supported this quick switch over. Our employees responded well to these pandemic lockdowns and various alert level restrictions. They adapted quickly to operating protocols to protect the safety of our employees and customers.

The pandemic has also accelerated our shift to digitalisation, with a clear focus on serving and getting closer to our customers and value chain partners. We successfully launched our e-commerce website in January 2020, allowing customers to transact online, and we're seeing increased customer interest and appetite for this channel. Over the last few months, business models have also



been reassessed, to identify strategic and tactical opportunities to improve effectiveness, prune avoidable costs as well as prepare for the new normal.

The strategy of the F&N Group – which is to grow regionally from our strengths in our core markets of Singapore, Malaysia and Thailand – has proven to be successful. Our F&B division provides diversification by product lines, geographies and customer types. This enhances our financial resilience and helps to deliver consistent returns through various business cycles. The delivery of our strategy, however, is underpinned by the commitment and passion of our people, and we are clear on our common purpose: to help people achieve their ambitions, as they help the Group achieve ours.

2020 FINANCIAL PERFORMANCE

Despite delivering a strong first half performance, F&B FY2020 results were adversely impacted by the COVID-19 pandemic. Lockdowns, in varying degrees, were introduced across Southeast Asia ("SEA") in the second half of this fiscal year. The regulations set during the mandatory movement control order ("MCO") in Malaysia, state of emergency declared in Thailand, as well as circuit breaker ("CB") in Singapore have had a drastic impact on our on-trade sales and consumer sentiment. We experienced good growth in our modern off-trade and e-commerce as home consumption remained high. As restrictions began to ease, we saw improvements in our businesses, from a double-digit decline in the peak of April to a single-digit decline in September. Combined with cost saving measures we took at the onset of the pandemic, we were able to mitigate the negative impact of the pandemic on our profitability and cash flow. Although the results of this financial year was not what we had targeted at the start of the fiscal year, it nevertheless reflects well on the resilience of our Food & Beverage ("F&B") business, our people and the support from our customers in what has been an extraordinary year.

FY2020 sales for the F&B division totalled \$1,603.1m, a marginal decline of 1.3% over the last fiscal year, by and large due to impacts from the COVID-19 pandemic. Owing largely to lower sales and higher commodity and manufacturing costs,

F&B FY2020 PBIT fell marginally by 0.5%, to \$280.8m from \$282.2m in the prior year.

Beverages (comprising Soft Drinks and Beer) has been impacted harder by this unprecedented crisis than Dairies. It recorded revenue of \$439.4m, a drop of 6.8% year-on-year ("yoy"). In particular, Soft Drinks Malaysia, our largest soft drinks market, in spite of successful execution of festive campaigns and new product launches, it faced the dual challenges of flooding in East Malaysia in December 2019 and adverse impact of lockdowns in the second half of fiscal year. Closures of coffee shops and eateries during the MCO in Malaysia grossly affected on-trade consumption and consumer sentiment. This in turn dragged down both soft drinks and canned milk consumption. Despite lower soft drinks volume, we continue to broadly hold, and in some categories, grow our market shares. The growth was driven by successful festive execution and introduction of new products that underscored our ability to adapt our brands to shifting consumers preferences. We continued to roll out numerous innovations across our markets in Singapore, Malaysia, Thailand and Myanmar.

In October 2019, brewed-in-Myanmar CHANG was tapped from our newly commissioned brewery of Emerald Brewery Myanmar Limited ("EBML"), a 80-20 joint venture between F&N and Sun Ace Company Corporation Limited from Myanmar. Through consumer engagement activities and growing our distribution network in key cities, EBML's stronger-than-expected beer sales helped boost Beverages overall performance.

On account of reduced gestation losses in EBML as a result of strong beer sales, Beverages FY2020 PBIT increased 0.8% to \$17.3m, from \$17.2m in the last fiscal year.

Dairies has shown more resilience against the adverse effects of this pandemic. Its FY2020 revenue grew 0.9% to \$1,163.8m, from \$1,153.3m in the prior year. Sales was bolstered by higher off-trade consumption, improved route-to-market, strong export sales, successful launches of new products, as well as favourable currency translation.

\$1,603 million
Revenue for FY2020

\$1,625 million in FY2019

\$281 million
Profit Before Interest
& Taxation for FY2020

\$282 million in FY2019

Summary of Message

- ▶ F&B FY2020 results were adversely impacted by the COVID-19 pandemic. FY2020 sales for the F&B division totalled \$1,603.1m, a marginal decline of 1.3% yoy. PBIT fell by 0.5% to \$280.8m
- ▶ Maintained market leading positions in our key categories – isotonic, tea, liquid milk, soya, water and canned milk – in Singapore, Malaysia and Thailand
- ▶ Beverages recorded revenue of \$439.4m, a drop of 6.8% yoy, impacted by lower on-premise consumption and poor consumer sentiment as a result of MCO in Malaysia. PBIT improved 0.8% to \$17.3m on reduced gestation losses in EBML as a result of stronger sales
- ▶ Dairies Thailand and Vinamilk continued to drive Dairies profitability. Dairies Malaysia was impacted by lockdowns and higher dairy-based commodity prices. Consequently, despite recording topline growth of 0.9%, Dairies PBIT fell 0.6%
- ▶ We continue to look for ways to use technology to fuel growth opportunities and create efficiencies. In FY2020, we aggressively pursued not only omni-channel retailing with the launch of F&N Life, our direct-to-customer e-commerce website, the Group also fast-tracked its adaptation of omni-channel communication where we unified messaging across all available channels

CEO Business Review

Food & Beverage

Despite savings from cost mitigating measures, higher share of profits from our associated company, Vietnam Dairy Products Joint Stock Company ("Vinamilk") and improved earnings in Dairies Thailand, Dairies FY2020 PBIT fell 0.6% to \$263.5m, from \$265.0m in the previous year, largely impacted by higher input costs.

Dairies Thailand and Vinamilk continued to drive Dairies profitability. Considering the challenging market conditions, Dairies Thailand recorded credible top-and bottom-line growth. Its growth was fuelled by successful execution of marketing and branding initiatives for domestic and Indochina markets, along with capacity expansion and favourable input costs. Similarly, the Group's higher share of profit of \$120.7m from Vinamilk also supported Dairies earnings. On the other hand, Dairies Malaysia FY2020 revenue and earnings fell in the wake of COVID-19 lockdowns, like Soft Drinks Malaysia. Although take-home channel has proven resilient, it was not enough to compensate for the closures of on-premise outlets and higher input costs in Malaysia.

Whether the impact of COVID-19 on our business is short- or long-term, the key elements of F&N's growth strategy – business expansion, geographical diversification, innovation and brand-focus – remain sound. In other words, our long-term strategic thinking is as it was before COVID-19. We recognise the need to remain agile and constantly adapt to the changing environment to protect the business in the short-term, and simultaneously mindful to protect the long-term health of our brands and businesses.

STRATEGIC PILLARS TO BUILDING A PROFITABLE AND SUSTAINABLE BUSINESS

We evaluated the possible long-term impact of the virus: on channels, our on-trade universe, the growth of e-commerce, as well as in consumer

behaviour and brand preferences. Against that, we reviewed and refined our strategy to realise our vision of becoming a dynamic and sustainable player in the ASEAN countries.

Over the years, we have successfully developed a portfolio of health-focused and purpose-led brands, that ride on our supply chain scale and our expertise in reaching consumers. Our innovations are market-led. We concentrate on brands that we know have the *right-to-win*, and we evolve the portfolio and develop channels accordingly. We also continue to make our organisational model more efficient by empowering our people and fostering engagement. Our strategic priorities remain to accelerate growth and maximise efficiencies. We strive to allocate capital with discipline and objectivity. Our progress to date gives us every confidence in our ability to navigate increasing global volatility and deliver superior sustainable profitable growth.

WINNING WITH BRANDS AND INNOVATIONS

Looking at our results, in the context of current operating environment, I am encouraged by the progress we are making. We maintained our market leading positions in our key categories – isotonic, tea, liquid milk, soya, water and canned milk – in our traditional stronghold markets, Singapore, Malaysia and Thailand.

F&N achieved this by seeking to meet consumer demands and health trends by maintaining a focus on product innovation. We expanded our range of reduced- and zero-calorie beverages and reduced the calorie content of our products. We promoted active lifestyles and provided clear labelling on packaging. These initiatives were supported by broad community engagement programmes focused on health and wellness.

We also applied our market knowledge gained over many years to guide our product mix. To that end, we have steered our portfolio in the direction of the faster-growing segments in our markets — *100PLUS* in isotonic, *F&N SEASONS* and *OYOSHII* for tea, *F&N MAGNOLIA* for milk and drinking yoghurt, and *F&N ICE MOUNTAIN* for water. In Malaysia, we introduced *100PLUS Zero*, following a successful launch in Singapore last year,

and updated the packaging for chilled milk and chilled juice range with a new and improved TetraEdge packaging. In Singapore, we rolled out a slew of new products in health and nutrition segments — *F&N MAGNOLIA* Brown Sugar & Sea Salt Milk, *F&N NUTRISOY Pandan Flavoured Soya Milk*, *F&N NUTRIWELL* Herbal Tea, and *F&N FRUIT TREE* Fresh Soursop in Reduced Sugar; and in Thailand, our first double-layered milk tablets were launched under the *F&N MAGNOLIA* brand.

While we forge ahead with our diversified portfolio, we also make sure that each brand has a distinct positioning and its go-to-market messages are all consistent. For instance, we continued with our advocacy of sport development and active lifestyles, through sponsorships and activations for *100PLUS*. We continued to support sporting events like mass runs, cycling, swimming, badminton, and even walking. Our brands collaborated with sporting bodies like Swimming Association, Singapore Badminton Association and Singapore Table Tennis Association, and sponsored school sports events in Singapore, Malaysia, Thailand, Vietnam and Myanmar.

We have also put a lot of work to ensure excellence in retail execution – both in-store and online. Our expertise in channel management ensured the optimum store coverage, product presence, price points, shelf space and merchandising. Online, we continue to invest heavily in digital marketing to drive sales and consumer engagement with our brands. This year, we sought to unify and upscale our e-commerce and digital strategy in Malaysia with the launch of our very own e-commerce store, *F&N Life*. As part of the Group's strategy to pursue omni-channel retailing, *F&N Life* looks to complement traditional physical assets with the information-rich experience of online shopping, offering greater convenience, accessibility and value to Malaysian consumers. The rollout of *F&N Life* was timely as consumers increasingly turned to e-commerce as an alternate channel to purchase their favourite F&N products during this pandemic.

We supported our innovation programs with integrated marketing campaigns, using television, radio, print and digital

100PLUS
was launched in 1983
to commemorate F&N's
centennial anniversary

**Did
you
know?**

100PLUS hydrates
43%
better than
water

More than
850,000
Singaporeans hydrated
through 100PLUS
sponsored events
in 2019

**ENDURING
BRANDS**

CEO Business Review



Did you know?

There are close to **250** products available on F&N Life

F&N Life is F&N's flagship online store

It also offers product details, nutrition values, recipes and loyalty programmes

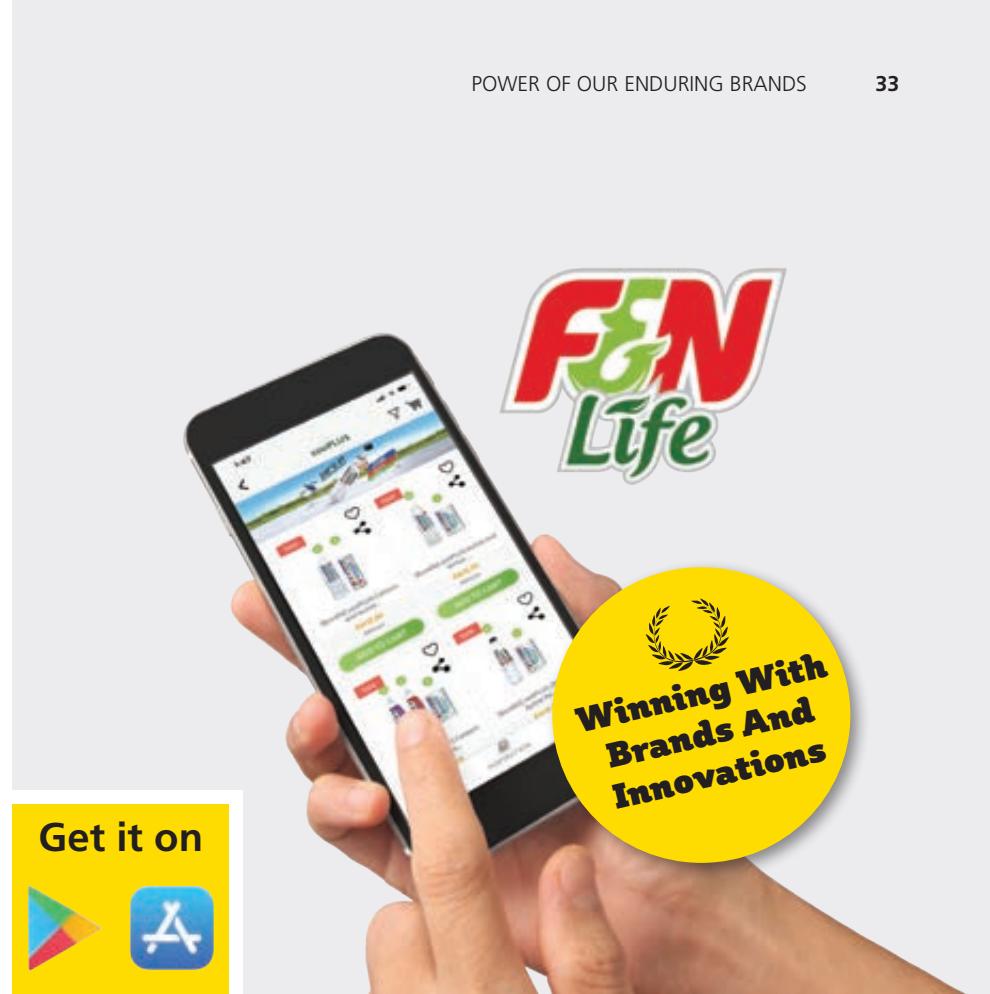
ENDURING BRANDS

assets, across a range of channels that reflect the diversity of our consumers. As social media and mobile technology continue to change the F&B retail landscape and challenge old ways of doing business, opportunities have opened up for us to interact with retailers, shoppers and consumers. F&N embraces this shift and continues to invest in digital capabilities to maximise our relevance, complemented by existing channel and marketing activities. During this unprecedented time, in addition to traditional marketing media, we have also moved some of our marketing campaign online. *100PLUS*, for instance, rolled out its STAY FIT campaign with live, virtual workout sessions with professional trainers. These home workouts served to encourage consumers to stay fit and lead active lifestyles even at home, and remind them the importance of staying hydrated during the CB and MCO period. Our Malaysian team brought the spirit of Ramadan to life by launching the GERAI RASA RAYA (Taste of Raya) campaign on F&N Life, our e-commerce store. The campaign brought families together by providing recipes for Ramadan delights, such as Ayam Rendang, Tau Fu Fah and Ais Bandung Tarik, typically found at neighbourhood bazaars that anyone can re-create at home, while also providing a platform for people to purchase their favourite F&N beverages.

Our diversified brand portfolio allows the Group to craft opportunities for these brands to be introduced in new markets, further sharpening our competitive edge. Through innovation and renovation, constant support and investment in our brands, we have been able to continue to maintain, and in cases, grow our market shares. Our success has also been, in part, due to our ability to constantly rejuvenate our brands, often successfully migrating brands into adjacent categories, evidenced by *100PLUS*. Our portfolio strategy to nurture our secondary brands has also been valuable in growing market share and managing a strategic portfolio of brands.

INFRASTRUCTURE OPTIMISATION

Today, F&N's F&B business is supported by 12 factories operating across Singapore, Malaysia, Myanmar and Thailand, placing us in good position as a leading F&B player in SEA. In this dynamic



business environment, we are constantly searching for opportunities to optimise our infrastructure. Our upgrading and expansion plans are subjected to an integrated Group review where we take into account the number of plants and production lines, to the number of distribution centres and warehouses and their locations. The ultimate objective is to better serve our consumers.

Over the years, we were able to diversify our portfolio in part due to our New Product Development Transformation programme, where we invested in new production lines to facilitate our extension into new product offerings and provide for differentiated packaging. In Malaysia and Thailand, our investments included a cold-aseptic polyethylene terephthalate filling line, a 600-bottle per minute water line and combination blow moulding and filling machine in our Shah Alam soft drinks plant; a ultra-high temperature processing line in our Kuching soft drinks plant; a new Tetra Pak Pasteuriser Line and a new evaporated line in Pulau Indah dairy plant in Malaysia; a sweetened condensed milk pouch and tube filling line and gable top filling machine in Thailand dairy plants; and a new ice cream plant in Thailand. In the coming year, upgrades to our Singapore soft drinks and dairy plant, as well as a new

integrated warehouse in Shah Alam, Malaysia will be completed. These developments have not only given us additional capacity and capabilities, it has also minimised our capability redundancies and improved efficiency, equipping our operations for future growth.

Last year, we announced that our listed entity in Malaysia, Fraser & Neave Holdings Bhd, entered into a conditional agreement to acquire a 4,454-hectare of agricultural land in Perlis, Malaysia for a cash consideration of RM156m. In April 2020, the seller rescinded the sale. We will continue to seek out and evaluate other opportunities for an integrated crop and dairy farming project whenever they arise.

OUTLOOK

In this time of global uncertainty, we are keeping a very close watch on any signs of change and are prepared to meet the challenges they bring. We stand ready to respond appropriately and quickly. Our financial approach through the years has served us well and will continue to do so. We are confident that F&N is well positioned for long-term, sustainable growth due to our financial strength, our market leadership in our focused categories and our strong belief that we have the right strategies in place to succeed.

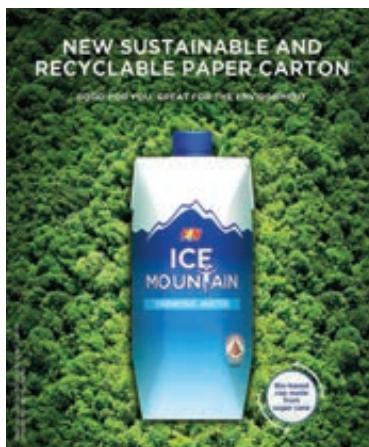
CEO Business Review



Beverages (Soft Drinks and Beer)

CORE MARKETS

- Malaysia
- Singapore
- Myanmar





CEO Business Review

BEVERAGES

(Soft Drinks and Beer)

CORE MARKETS

- Malaysia • Singapore
- Myanmar

Beverages Malaysia

FY2020 PERFORMANCE

Amidst difficult market conditions in Malaysia, our largest market for Beverages recorded weaker performance this year. While we delivered on product innovation and invested in effective in-market activities during festive periods, which fuelled top line growth in the first half of this fiscal year, the full-year performance has been impacted by the COVID-19 pandemic. As the pandemic spread in March, the various stages of nationwide lockdowns impacted on-trade sales in the second half of the year.

Beverages Malaysia FY2020 revenue declined 11.8% yoy to \$291.8m, from \$330.8m previously. Despite savings from cost mitigating measures, operating profit declined 8.8%, to \$23.1m. The lower profit was due to lower sales and higher advertising and promotional spending in support of new products.

By the end of the third fiscal quarter, Malaysia started easing certain restrictions, and we saw some retail outlets opening again. Post-MCO, we have seen domestic and export volumes recovering. Although economic activities are gradually normalising, it is still too early to conclude if such demand is sustainable.

Despite a challenging year, the Group's leading positions of its core brands *100PLUS*, *F&N SEASONS*, *OYOSHI* and *F&N NUTRISOY* in Malaysia were maintained, as Beverages Malaysia kept up marketing and branding initiatives, focusing on promoting active and healthy living. The Group is confident that our robust plan for sustainable growth will enable us to meet the challenges ahead. We will continue to lift efficiency across our entire value chain and reinvest our realised improvements into growing our business sustainably. We will remain

The new, zero sugar variant of *100PLUS*
100PLUS Zero

F&N
ICE MOUNTAIN
Sparkling Water
now in Malaysia

F&N launches
direct-to-customer
online site
F&N LIFE

100PLUS
remains Malaysia's No.1
Carbonated Soft Drink
and No.1 Isotonic Drink brand

guided by our mission to enhance quality of life and contribute to a healthier future as we deliver high quality products to all Malaysians.

ISOTONIC: *100PLUS*

100PLUS, F&N's flagship brand and Malaysia's No.1 Carbonated Soft Drink and No.1 Isotonic Drink brand, continued to cement its position as the enabler of active lifestyles through its support of a series of sports sponsorship deals. These sponsorship included supporting our national athletes, major sports events and several national sports bodies. This year, *100PLUS* extended its partnership with the Football Association of Malaysia ("FAM") for another year until 31 December 2020. *100PLUS* is a long-time supporter of football development in Malaysia, and is the official hydration provider for major football and futsal events across Malaysia. A fervent advocate of sports development and active lifestyles, *100PLUS* will continue its support and involvement in sports, including FAM-related competitions, programmes and activities in the country.

To generate excitement, *100PLUS* also rolled out limited-edition packaging in celebration of the 2020 Chinese New Year.

It also conducted above- and below-the-line activations, including holding roadshows to spread festive cheer in its annual carnivals held in four locations nationwide.

The growing awareness and demand for healthier products prompted the exclusive launch of *100PLUS Zero* in 7-Eleven, Malaysia this year to great response. This came after its very successful launch in Singapore in the previous fiscal year. As a result of overwhelming demand, we have also made *100PLUS Zero* available in general and modern trade starting August 2020.

In November 2019, *100PLUS* was able to get over 10,000 Malaysians on their feet with an active lifestyle event, *100PLUS AKTIFKAN MALAYSIAKU*. The three-part nationwide call to an active lifestyle started in Kota Kinabalu, followed by Kuala Terengganu, with its finale flag-off taking place in Kuala Lumpur at Bukit Jalil National Stadium. *100PLUS AKTIFKAN MALAYSIAKU* was a call for an active lifestyle among Malaysians and aimed to encourage more to start living an active lifestyle and giving their 100% in everything they do, fuelled by

100PLUS. The event provided sampling opportunities and successfully drove engagement and conversion.

During the nationwide lockdown due to the coronavirus, *100PLUS* held virtual workout sessions, conducted by professional trainers, to help consumers achieve a healthier mind and body. These free, online sessions, which included HIIT and dance sessions, were part of *100PLUS*' month-long campaign to increase brand visibility and top-of-mind awareness.

DIGITALISATION OF SALES AND COMMUNICATION

The digital transformation at F&N continues apace. To meet the evolving needs and purchasing habits of consumers, the Group unveiled its first direct-to-consumer e-commerce store in Malaysia, F&N Life. The rollout of this e-commerce store was timely as increasing number of consumers are opting to buy food and drink products online as a result of lockdowns and other social distancing measures due to the coronavirus outbreak. With the launch of this online store, consumers in Malaysia can now purchase all F&N's products, including those launched in this fiscal year, from F&N Life. This e-commerce store is another alternative to other e-commerce sites such as Lazada and Shopee for fast and easy access to F&N products.

Riding on this e-commerce platform, the Group rolled out a marketing campaign – GERAI RASA RAYA (Taste of Raya) – to put Malaysians in the festive spirit of Ramadan during the MCO lockdown. This campaign aimed to bring families together to recreate popular Ramadan delights at home with the help of recipes accessible on F&N Life's app and website. In addition, consumers could purchase their favourite F&N products and have them delivered free of charge, with no minimum order.

NEW PRODUCTS

This year, the Group added two new sugar-free offerings to its *OYOSHI Gold* portfolio – Kabusecha and Sencha. These 380ml green tea drinks are sugar-free, and are brewed with 100% imported authentic Japanese green tea leaves from Makinohara Plateau, Japan.

The Group also widened the offerings for its water brand – *F&N ICE MOUNTAIN*. This year, it introduced three new bubbly and delightful flavoured variants to its sparkling water range – Original, Lemon and Grapefruit. These new additions offer consumers a carbonated water that is both affordable and healthy, with no sugar and zero calories.

Since the escalation of COVID-19 outbreak, F&N Singapore stepped up with food and product donations to the local community. Recipient organisations included various local charities, medical institutions and food banks. The Group will continue to support and provide aids, donations and sponsorship as this health crisis evolves.

ISOTONIC: *100PLUS*

Singapore's No.1 isotonic brand, *100PLUS*, remains the isotonic drink of choice for consumers. It has been supporting active lifestyles over the years through sponsorship and sporting events such as the STANDARD CHARTERED SINGAPORE MARATHON, OCBC CYCLE and HSBC SINGAPORE RUGBY SEVENS.

As stringent border control and social distancing measures were enforced, digital media consumption grew. To encourage Singaporeans to stay fit and lead active lifestyles, *100PLUS*, in collaboration with the Sport Singapore ("SS"), launched the STAY FIT campaign.

Beverages Singapore

FY2020 PERFORMANCE

Despite challenging market conditions, Beverages Singapore maintained its leading market positions in its core categories – *100PLUS* in Isotonic, *F&N NUTRISOY* in Soya and *F&N ICE MOUNTAIN* in Water. F&N continued to focus on building brands and bringing healthy and innovative products to consumers as we navigated the impact of COVID-19.

All natural, premium non-GMO beans
F&N NUTRISOY
fresh soya milk with real oats & quinoa

F&N
ICE MOUNTAIN
has a new sustainable
& recyclable paper
packaging

OYOSHI Gold
added two new
sugar-free variants -
Kabusecha and Sencha

#STAYFIT
with
100PLUS

CEO Business Review

BEVERAGES (Soft Drinks and Beer)

CORE MARKETS

- Malaysia • Singapore
- Myanmar

The campaign involved live workout sessions, which included yoga, kick boxing, HIIT, etc, conducted by professional trainers and SS brand ambassadors. To reach a wider audience, *100PLUS* also worked with fitness influencers and celebrities to create fitness content on *100PLUS*'s social sites, including its own Facebook and Instagram pages. These virtual workouts also enabled *100PLUS* to stay engaged with consumers, and emphasized to them the importance of staying hydrated.

SOYA: F&N NUTRISOY

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

This year, *F&N NUTRISOY* expanded its soya range with the introduction of *F&N NUTRISOY* Real Oats & Quinoa in November 2019 and *F&N NUTRISOY* Pandan in June 2020. The launch of *F&N NUTRISOY* Real Oats & Quinoa (Reduced Sugar) was supported by nationwide marketing campaign, which has successfully created awareness and drove trial. *F&N NUTRISOY* Pandan (Reduced Sugar) was introduced as a limited-edition variant. Made with fresh soya beans and fragrant pandan leaves, this reduced-sugar variant is 25% lower in sugar compared to its regular variant. Similar to its existing fresh soya bean milk range, these new variants are vegan-friendly, high in protein, calcium and Vitamin D4, and are certified as "heart-friendly" by the Singapore Heart Foundation ("SHF").

Riding on the increasing in-home consumption trend during CB, *F&N NUTRISOY* also launched a series of culinary sessions to demonstrate the

various uses of *F&N NUTRISOY* in cooking and dessert preparation.

F&N NUTRISOY continued its partnership with SHF through its sponsorship of the foundation's two key events – GO RED FOR WOMEN 2020 and WORLD HEART DAY 2020 – to promote heart health and educate Singaporeans to lead heart healthy lifestyles. As a pledge of our support, all *F&N NUTRISOY* Fresh Soya Milk packaging bears the SHF logo.

JUICES: F&N FRUIT TREE FRESH

With more consumers opting for healthier and immunity boosting products, the Singapore Team ran a series of social media posts and put up point-of-sale materials to reinforce the message of staying healthy by consuming *F&N FRUIT TREE FRESH* daily. *F&N FRUIT TREE FRESH* is made from 100% great tasting juice and rich in vitamin C.

F&N FRUIT TREE FRESH has reformulated its reduced sugar range to meet the growing demand for healthier choice beverages. Launched in September, *F&N FRUIT TREE FRESH* Reduced Sugar juice range – Apple, Orange, Mango and Guava – is not only lower in sugar but also high in vitamin C.

A new addition to the *F&N FRUIT TREE FRESH* Reduced Sugar juice range is the new soursop variant. Made with real soursop juice, this new variant is not only low in sugar, but also high in antioxidants – vitamins A, C and E – with generous amounts of chewy nata de coco.

WATER: F&N ICE MOUNTAIN

F&N ICE MOUNTAIN is the No.1 water brand in Singapore, led by its still drinking water range. This year, *F&N ICE MOUNTAIN* further strengthened its relevance with younger consumers with the relaunch of its sparkling water range. The brand also championed sustainability with the release of its very first sustainable paper carton packaging.

In December, *F&N ICE MOUNTAIN* sparkling water updated its bottles to a more modern and premium look,

and introduced a new range of cans to its water portfolio. This was accompanied by a flavour extension of the Peach variant. A festive campaign anchored by a month-long Orchard Road pop-up was successfully executed to drive consumer awareness and trial. *F&N ICE MOUNTAIN* sparkling water maintained high visibility with consistent consumer touchpoints to drive purchase and gain market share.

In August, as a champion of sustainability, *F&N ICE MOUNTAIN* launched a new sustainable and recyclable paper carton pack version of its drinking water variant. Made with FSC certified carton paper sourced from responsibly managed forests, the new packaging also comes with a bio-based cap made from sugar cane. Halal-certified, *F&N ICE MOUNTAIN*'s new earth-friendly pack provides everyday healthy hydration for eco-conscious consumers.

TEA: F&N SEASONS

F&N SEASONS celebrated the Lunar New Year with its Sugar Free Pu-Erh Chrysanthemum Tea festive pack – a guilt-free beverage to balance out the festive snacking. Certified with Health Promotion Board's Healthier Choice logo, *F&N SEASONS* Pu-Erh Chrysanthemum Tea is a perfect blend of rich tasting pu-erh and floral notes of the finest chrysanthemums that continuously delights all Chinese tea lovers in Singapore.

FLAVOURED CARBONATED SOFT DRINKS: F&N SPARKLING DRINKS

In conjunction with the Hari Raya festivities, *F&N* launched the limited-edition *F&N* Sparkling Bandung drink. Made with the perfect combination of fragrant rose syrup and sparkling water, *F&N* Sparkling Bandung was a popular drink amongst locals to enjoy during Hari Raya. Launched in June within the convenience channel, the new product targeted both the local and younger demographic. Certified as a healthier choice product by the Health Promotion Board, *F&N* Sparkling Bandung was a great hit amongst Singaporeans.

Beer

The results of our beer division take into account our brewery in Myanmar and beer distribution in Singapore.

FY2020 PERFORMANCE

F&N's greenfield brewery, Emerald Brewery Myanmar Limited ("EBML") commenced production of the award-winning *CHANG* beer on 1 October 2019. Licensed to EBML by F&N's strategic partner, Thai Beverage Public Company Limited, this lager uses only the finest ingredients from Europe and the USA, just like *CHANG* in Thailand.

Building a strong foundation for *CHANG* was the primary focus in FY2020. To that end, in Myanmar, we concentrated on building local brand equity by rolling out a year-long campaign, TIME FOR A CHANGE, TIME FOR A *CHANG*. Using outdoor, digital and print advertising platforms to reach consumers, this 360-degree marketing campaign covered both point-of-sale advertising and off-premise advertising which included banners and posters located at local retailers and wholesalers.

In Singapore, visibility of *CHANG* continued to increase through its association with football. Building on last year's success, *CHANG* Football Moments was back for another year of football action. As the Official Broadcast sponsor of the 2019/20 English Premier League ("EPL") in Singapore, *CHANG* organised live screenings throughout the entire 38-week EPL season. When physical live-screening events became a challenge due to social distancing measures, *CHANG* Football Moments went virtual during the match between Manchester United versus Leicester City. Football fans were invited to join the pre-game virtual party alongside football legends and event hosts, as they cheered on their favourite teams over a refreshing *CHANG*. Supported by well-executed TV advertisements and strong social media presence, we were able to generate trials and improve brand visibility in Singapore.

In addition to football, *CHANG* also continually excites its consumers through innovative marketing and exciting activities based on experiential marketing initiatives. This year, it continued its brand building efforts with consumer engagement programmes focusing on Thai culinary experiences and culture to reach wider audience, effectively boosting brand awareness and consumption. In February, *CHANG* was proud to be the Official Beer Sponsor of Singapore's first-ever Chatuchak Night Market. Previously a two-hour plane ride away, Bangkok's popular Chatuchak Night Market arrived on our shores, attracting Singaporeans with over 300 F&B and street wear stalls. As part of the sponsorship, *CHANG* featured its very own *CHANG* Beer Garden, a pop-up bar that served its cold and crisp lager, as well as interactive activities such as Beer Pong for consumers. Located at The Grand Stand, *CHANG* Beer Garden was the perfect place for consumers to soak up the effervescent atmosphere and experience the vibrancy of urban Thai lifestyles with friends and family.

Visibility of *CHANG* beer was also supported by sponsorship of business conferences, exhibitions and events. To further drive volume and build brand equity in Myanmar, we ran tactical promotional campaigns.

PROTECTING THE ENVIRONMENT

We are mindful of the need to operate our business sustainably. As such, we are environmentally conscious, and continuously examine the efficiency of energy and water usage, proper treatment of effluent and reduction of packaging waste at all our brewery.

To minimise packaging waste, EBML eliminated excess packaging from its products, including downsizing paper carton boxes and removing unnecessary packaging on merchandise. Its new boiler has also significantly reduced the plant's energy consumption and carbon footprint, as it relies entirely on carbon dioxide and an inverter to generate power. These initiatives not only reduced EBML's environmental impact, it also generated cost savings.

EBML officially served its first brewed-in-Myanmar *CHANG* beer in Myanmar

#WeBrewFriendship

Building brand equity in Singapore and Myanmar via various consumer engagement programmes and marketing campaigns

#WeBrewFriendship



Protecting our environment by minimising packaging waste

CEO Business Review

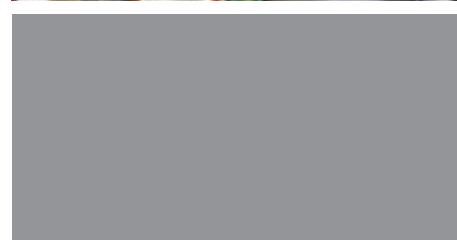


Dairies

CORE MARKETS

- Malaysia • Thailand
- Singapore • Vietnam





CEO Business Review

DAIRIES

CORE MARKETS

- Malaysia • Thailand
- Singapore • Vietnam

Dairies Malaysia

FY2020 PERFORMANCE

It was a challenging time for many businesses in Malaysia as the COVID-19 pandemic hit hard, further adding pressure onto an economy already challenged by a difficult macro environment and weak consumer sentiment. Our dairy business in Malaysia has not been spared. This year, Dairies Malaysia FY2020 revenue fell 1.2%, to \$302.7m, as varying levels of lockdown have muted on-premise consumption and impacted canned milk sales. PBIT was also adversely impacted, by 19.4% to \$22.3m, due to lower sales and higher dairy-based commodity prices.

Despite challenging market conditions, Dairies Malaysia maintained its undisputed leadership of the condensed and evaporated canned milk segment with *F&N*, *TEAPOT*, *GOLD COIN* and *CARNATION* brands. To solidify our canned milk leadership position in Malaysia, the Group continued to innovate. We believe there is scope to further deepen Dairies Malaysia's distribution coverage by tapping on unmet needs. Following our hugely successful introduction of squeezable tube for sweetened condensed milk ("SCM"), the Group continues to look at applying new packaging formats to launch more innovative products.

Dairies Malaysia has also been focused on growing its presence in the ready-to-drink milk category. Building on the tagline, "PURE ENJOYMENT. PURE GOODNESS", it continued with its targeted marketing activities to drive the growth of this segment. *F&N MAGNOLIA* and *FARMHOUSE* continue to leverage the Group's in-house technical expertise, product offerings and trusted relationships with consumers to support

Dairies Malaysia
No. 1 canned milk player
in Malaysia

Thailand's **No. 1**
flavoured SCM in
squeezable tubes

TEAPOT

CARNATION
No. 1 evaporated
milk brand in Thailand

No. 1 liquid milk
brand in Thailand

BEAR BRAND

Dairies Malaysia's ambition of building its new growth pillar.

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

On the back of effective brand building programmes and successful roll out of new products, Dairies Malaysia maintained its No. 1 canned milk position with *F&N*, *TEAPOT* and *CARNATION* brands. The stellar performance was achieved despite a slowdown in retail and consumer spending caused by the outbreak of COVID-19 pandemic.

To maintain our focus on in-home consumption, Dairies Malaysia widened its choice of condensed milk with the introduction of *TEAPOT* in two new local flavours – Gula Melaka and Pandan – in the convenient squeeze tube pack. Consumers can now enjoy the sweetness and goodness of *F&N*'s famous milky and creamy condensed milk, anytime and anywhere, especially in the safety of home, at this time of public health crisis.

This year, to give consumers the ease of drinking their favourite beverage, Dairies Malaysia rolled out a ready-to-drink teh tarik beverage. Made from freshly brewed premium black tea and *F&N*'s signature sweetened condensed and evaporated milk, *F&N Teh Tarik* brings the perfect balance of smooth

and creamy tasting milk tea that Malaysians love. Conveniently packed in 270ml PET bottle, *F&N Teh Tarik* comes in two variants – *F&N Teh Tarik Ori* and *F&N Teh Tarik Less Sweet*. To support the launch during the pandemic outbreak, Dairies Malaysia went beyond the traditional marketing outlets by utilising digital platforms to drive consumption and awareness. Emphasising the brand message that this beverage can be enjoyed at any time with friends and family, it rolled out the *MAMAK VIRTUAL TERBESAR TEH TARIK ORI F&N* campaign. The campaign presented Malaysians the opportunity to hang out with their friends at their favourite mamak stall and enjoy their favourite teh tarik during the MCO, albeit virtually in the safety and comfort of their own homes. This campaign successfully brought together, virtually, some 667 Malaysians to chill out together as they endured the MCO and celebrated the camaraderie associated with the iconic brew at their favourite mamak stall. The *MAMAK VIRTUAL TERBESAR TEH TARIK ORI F&N* virtual video conference zoomed into the Malaysia Book of Records for attracting the "Most Number of Participants in a Virtual 'Teh Tarik' Mamak Session".

LIQUID MILK: *F&N MAGNOLIA/FARMHOUSE*

One of the key events this year was the packaging renewal of *F&N*'s popular pasteurised milk and juice brands.

F&N MAGNOLIA, FARMHOUSE, F&N FRUIT TREE FRESH and SUNKIST are now packaged in a new and improved Tetra Edge packaging. Produced only in one-litre pack, the new packaging comes with larger resealable screwcap to allow for easier pour and closure. Its comfortable and easy grip provides added convenience for consumers of all ages.

Dairies Thailand

FY2020 PERFORMANCE

Our dairy business in Thailand remained one of our top PBIT contributors. Like our other business units, growth of Dairies Thailand has also been impeded by the COVID-19 pandemic. We lost volume as Thailand's nationwide COVID-19 curfew impacted on-premise consumption. The Group was able to mitigate the impact by launching new products, driving export and distribution by widening hawker and outlet coverage nationwide. Consequently, revenue increased marginally by 1.0%, to \$627.3m. In spite of higher input costs, Dairies Thailand PBIT improved 4.8% to \$124.0m, mainly due to cost-saving initiatives and favourable forex translation.

Dairies Thailand was able to maintain its No.1 canned milk position with *TEAPOT* and *CARNATION* brands. Its better-than-market performance was due to the successful rollout of innovative products that consumers love, well-executed trade programmes, as well as its unrelenting distribution expansion across the country.

Export markets of Cambodia and Laos continued to perform strongly. Despite the devastating effects of COVID-19, Dairies Thailand was able to grow export volumes, driven by higher orders for sterilised and evaporated milk. As a result of unfavourable forex translation, revenue fell. On the back of lower advertising spend, earnings from our export markets improved, despite lower revenue and higher input costs.

Dairies Thailand will continue to invest for the long-term growth in our brands, assets and people. We will continue

to focus on the execution of marketing activities and innovate to find the best solutions for our customers. Leveraging our brand strength and established distribution network, we aim to grow our position in the ready-to-drink milk segment in Thailand. We will also reinforce our leading positions in canned and sterilised milk segments through product innovation and brand renovation. In addition to driving domestic volume, we will also continue to look to increase our exports by expanding our sales and distribution networks and increasing product offerings.

CANNED MILK: *CARNATION*

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

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

Capitalising on the convenience, health and wellness trend, this year *CARNATION* introduced a reduced sugar variant of SCM, *CARNATION Plus 0% Fat*, in squeeze tube. Specially formulated to meet the needs of working adults, the *CARNATION Plus 0% Fat* SCM has 25% less sugar, is made with quality milk from New Zealand and has 65% more milk content than other SCMs in the market. The rollout of *CARNATION Plus* in January 2020 was

supported by a 360-degree campaign that included television commercials, outdoor and online advertisements, as well as roadshows, various point-of-sales activations and sampling activities.

This year, for the second consecutive year, *CARNATION* ran a four-month long lucky draw campaign, *CARNATION AROI THUENG JAI, AROI GRAI KAB NADECH*, using digital and various point-of-sales activations to reach consumers and drive top-of-mind awareness.

TEAPOT

Already Thailand's No. 1 flavoured SCM in squeezable tubes, *TEAPOT* added another two limited edition flavours to its range of convenience on-the-go squeezable tubes – *TEAPOT Matcha* and *TEAPOT Mango*. Supporting the launch was a series of marketing activities, including television commercials, digital and mobile campaigns, extensive nationwide sampling and various point-of-sales initiatives.

TEAPOT continued to build its brand equity with a new television commercial this year. Focused on its unique selling point – the only brand that contains fresh milk in its SCM squeezable tube products – this new campaign lifted its brand image and increased on-premise and in-home consumption.

In addition to traditional marketing media, *TEAPOT* also engages consumers on multiple digital channels – leveraging Facebook, Twitter, Instagram, etc – in innovative ways to produce compelling content, drive engagement and build brand equity. In its efforts to increase brand visibility and drive conversion, Dairies Thailand also continued to engage street hawkers to decorate their hawker stalls and mobile carts in *TEAPOT* livery.

This September, we have also modernised the packaging of *TEAPOT*'s range with a new logo and design so as to maximise consumer interest, attracting both existing and new customers.

CEO Business Review

DAIRIES

CORE MARKETS

- Malaysia • Thailand
- Singapore • Vietnam

LIQUID MILK:

F&N MAGNOLIA AND BEAR BRAND

Our increasing product offering in the UHT milk segment continues to allow us to meet the diverse and changing needs of our consumers. This year, consumers in Thailand were treated to several exciting new products under the *F&N MAGNOLIA* range. The first new addition was launched under the *F&N MAGNOLIA* Plus Ginkgo range – the *F&N MAGNOLIA* Plus Ginkgo Salted Caramel. This new caramel flavoured milk is a welcome addition to its existing flavours of chocolate and plain.

The launch of the new *F&N MAGNOLIA* Plus Ginkgo range was supported by a digital campaign as well as nationwide sampling activities. These campaigns drove home the health benefits of *F&N MAGNOLIA* Plus Ginkgo, which is fortified with ginkgo extract, vitamin B12 and calcium. In line with *F&N MAGNOLIA* Plus Ginkgo message of nourishing our customers, it also rolled out its first *MAGNOLIA X TUTOR ACTIVITY* campaign, a tutorial activity for high school students preparing for entrance examinations.

In June, Dairies Thailand launched the first ever *F&N MAGNOLIA* Milkies (milk tablets) in Thailand. These milk tablets are made from 100% New Zealand milk and are available in three flavours – Classic Malt, Strawberry Yogurt and Hokkaido Milk.

F&N MAGNOLIA
Milkies is made
from 100%
New Zealand milk

Dairies Singapore

FY2020 PERFORMANCE

As a major dairy manufacturer, F&N's F&B operation in Singapore plays an integral part in the food industry supply chain. During the CB lockdown, Dairies Singapore was among companies granted approval to continue operation. Throughout that time, we worked closely with authorities and business partners to ensure adequate and timely supply of F&N products to the local community. Our supply chain team worked closely with our suppliers and retailers to ensure shelves and warehouses were adequately stocked. During the CB, while on-trade consumption took a hit, we saw demand for dairy products from modern trade soar.

LIQUID MILK: F&N MAGNOLIA AND FARMHOUSE

F&N MAGNOLIA, Singapore's trusted brand of milk for over 80 years, continues to delight consumers with great tasting milk and innovative products. This May, *F&N MAGNOLIA* introduced its new, limited-edition brown sugar & sea salt flavoured milk. Blended with brown sugar and a tinge of sea salt, *F&N MAGNOLIA* has concocted a perfect balance of flavours like no other. Amazingly delightful and nourishing, *F&N MAGNOLIA* Brown Sugar & Sea Salt Flavoured Milk is high in calcium, low in fat and sugar. The timely launch of *F&N MAGNOLIA* limited-edition Brown Sugar & Sea Salt Flavoured Milk was a hit among the millennials in Singapore who sought the comfort of indulgent beverages during this CB period. Endorsed as a healthier choice product by the Health Promotion Board, this new beverage was also an instant hit with health-conscious consumers. Focusing on market-led innovations, *F&N MAGNOLIA* continues to reinforce its position as the trusted milk brand in Singapore.

FARMHOUSE brought back the limited-edition *FARMHOUSE* Peppermint Chocolate Flavoured Milk this Christmas. Available only during the festive season,

TEAPOT

modernised its
packaging with a
new logo and design

Number of new
dairy-related products
launched in Singapore

9

As at 30 September
2020, F&N owns
20.4%
of Vinamilk

this rich and creamy milk beverage featured a perfect combination of peppermint, chocolate, with fresh milk from Australia.

Dairies Vietnam

F&N operates in Vietnam through its 20.4% investment in Vinamilk and its wholly owned subsidiary, F&N Vietnam Limited Company (please refer to New Markets).

Vietnam Dairy Products Joint Stock Company

F&N's investments in Vietnam date back to February 2005, when it first took an approximately 5% stake in Vinamilk. In December 2016, the Group completed its acquisition of additional shares representing approximately 5.4% interest

through a competitive bid process. Thereafter, through further purchases from the market, the Group continued to increase its stake in Vinamilk, to 20.4% as at 30 September 2020. On account of the Group's shareholding and its appointment of a second representative to its board, the Group was deemed to have a significant influence over Vinamilk for accounting purposes in accordance with the Singapore Financial Reporting Standards (International). Consequently, effective 16 April 2017, the Group started to equity account for its share of Vinamilk's profit under the equity accounting method.

In FY2020, Vinamilk contributed \$120.7m to F&N's bottom line, accounting for 45.1% of the Group's \$267.4m profit.

Vinamilk, the largest F&B company listed on the Ho Chi Minh Stock Exchange, is primarily involved in the production, supply and distribution of dairy products including powdered, liquid and condensed milk and yoghurt, as well as beverages including soy milk, fruit juice and tea. It is present in over 50 countries around the world, and is supported by 15 dairy factories in Vietnam, Cambodia and the USA, and 12 dairy farms in Vietnam.

Dairies Ice Cream

MALAYSIA

Despite tough market conditions in FY2020, F&N continued to reinforce its position in the ice cream segment. Effective marketing campaigns, successful marketplace executions and key collaboration initiatives fuelled *F&N KING'S* and *F&N MAGNOLIA*'s popularity in Malaysia.

In January, *F&N MAGNOLIA* rolled out the limited-edition Doraemon ice cream range. In collaboration with Animation International, the popular Japanese manga inspired ice cream was launched in three new flavours – Chocolate Chip,

Vanilla and Chocolate, and Grape and Strawberry – in stick and cup formats.

In addition to introducing new products to Malaysians, F&N has made new inroads into the frozen pizza category; effectively expanding and building scale in the frozen category. Since January, F&N has collaborated with a strategic partner to distribute frozen pizzas in major supermarkets and hypermarkets in Malaysia. With the increased reliance on e-commerce expected to persist during this pandemic, F&N has leveraged *F&N Life* – F&N's e-commerce platform – to provide an alternative digital platform for consumers to purchase F&N products conveniently.

F&N has also teamed up with a regional food service customer to make available *F&N MAGNOLIA* Cups ice cream to our customers in Malaysia. Looking ahead to fiscal 2021, F&N will continue to focus on creating new opportunities and explore new channels to drive sales and increase shares.

SINGAPORE

Despite difficult market conditions, F&N has actively sought out opportunities to expand our product offerings as we continue to work to strengthen our position as a major ice cream player in Singapore.

This year, F&N continued to build upon our core ice cream brands of *F&N MAGNOLIA* and *F&N KING'S*. *F&N MAGNOLIA* Mag-A-Cone expanded its offerings with the introduction of the new *F&N MAGNOLIA* Mag-A-Cone Cookies & Cream. Bursting with an exciting combination of flavours, this new variant is generously sprinkled with crunchy cookie toppings and is served on a crispy cone for a complete taste sensation.

F&N MAGNOLIA Wafer continues to be a favourite for consumers of all ages. In July, *F&N MAGNOLIA* expanded its range of flavours with the introduction of Raspberry Ripple. Fans of *F&N MAGNOLIA* Wafer love this delectable sweet treat that comes in creamy vanilla ice cream swirled with tangy raspberry flavoured sauce.

In response to the growing popularity of grab-and-go convenience for consumers, *F&N MAGNOLIA* further expanded

its on-the-go ice cream range with the introduction of six new flavours – Strawberry, Chocolate, Vanilla, Choc Chip, Durian and Taro – to the *F&N MAGNOLIA* cup family. Conveniently packed in 70ml cup, consumers now have a wider selection of their favourite ice cream flavours to enjoy anytime, anywhere.

THAILAND

This year, *F&N MAGNOLIA* continued to roll out popular flavours in its stick and cup ice cream range. Targeting the kids' segment, *F&N MAGNOLIA* Cups extended its offerings by introducing four new flavours – Chocolate, Chocolate Chip, Vanilla and Strawberry. Conveniently packed in 70ml cups, *F&N MAGNOLIA* intends to penetrate the on-the-go market with smaller portioned ice cream at affordable prices.

F&N MAGNOLIA also added a slew of flavours to its Mag-A-Cone range. Flavours such as Blueberry, Chocolate Malt and Cotton Candy are now available in the convenient size of 70ml. *F&N MAGNOLIA* Mag-A-Cone Cookies & Cream and Mint Chocolate Chip were also added to the regular range, delighting consumers of all ages.

On the back of successful launch of Doraemon ice cream series last year, *F&N MAGNOLIA* Gotcha introduced the new Pokemon range to capture the hearts and minds of kids. Launched during the summer months, *F&N MAGNOLIA* Gotcha Pikachu, a strawberry and blueberry flavoured ice cream and *F&N MAGNOLIA* Gotcha Pokeball, a Japanese Hokkaido milk with chocolate and strawberry flavoured ice cream, both inspired by the popular Japanese anime, Pokemon, created much excitement in the market.

To further strengthen its presence in the kids' segment, *F&N MAGNOLIA* Gotcha expanded its offerings with the introduction of *F&N MAGNOLIA* Gotcha Chocolate Banana and *F&N MAGNOLIA* Gotcha Jelly Double Chocolate ice cream. These new flavours also met with good response.

CEO Business Review

**F&N
MAGNOLIA**
was founded in
1937

Nourishing generations of families and children for more than **80^{YEARS}**

Did you know?

It is one of Singapore's most **well-loved and trusted** brands



A woman with dark hair tied back, wearing a patterned dress and a yellow apron, stands behind a table with two young children. A boy on the left laughs, while a girl in the middle sips from a yellow carton of Magnolia Fresh Milk. On the table are various breakfast items: a bowl of cereal, a sandwich, a banana, bread, and a glass of milk. In the foreground, a large yellow carton of Magnolia Fresh Milk is prominently displayed. The background shows a window with a red circular badge that says "80 Years of Great mornings".

ENDURING BRANDS

ENDURING BRANDS

Did you know?

F&N NUTRISOY

was first launched as F&N SEASONS Fresh Soya Milk over 20 years ago, bringing soya milk goodness to Singaporeans

It has achieved several innovation firsts

- the first to introduce functional soya milk, and launch a high calcium variant

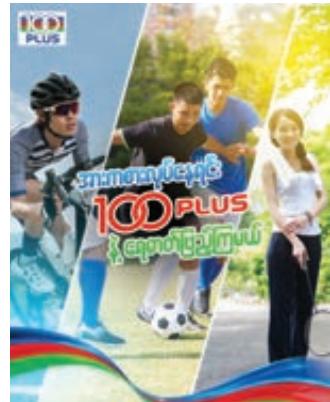
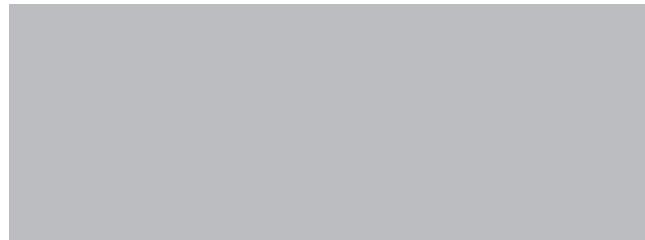
It is made of top-quality soya beans, giving a great taste coupled with nutritious goodness



CEO Business Review

New Markets

- Indonesia • Myanmar
- Thailand • Vietnam



New Markets

As the COVID-19 pandemic continues to disrupt economic activities and life around the world, growth rates in SEA are expected to contract in 2020 before rebounding in 2021. New Markets FY2020 performance has been inevitably affected, as sharp drops in domestic demand due to lockdowns and other public health safety measures negatively impacted consumer sentiments and demand.

Although restrictions on movement are starting to relax in some countries, the path to normalcy is still uncertain, and economic recovery is expected to be very gradual. Despite the challenges, efforts have been made in seeding new export markets for the Group's products, in particular, *100PLUS*, our flagship brand, with a clear focus on the SEA region. F&N will continue to drive growth through investment in our brands and extend our route-to-market capabilities. Alongside our organic growth strategy, we will continue to seek acquisitions which are value enhancing or capability-enhancing.

(A) INDONESIA

Indonesia is the most populous country and the largest economy in SEA. Its 273m population, relatively young and fast-urbanising, represents both a sizeable workforce and pool of consumers. This is complemented by the country's strong annual GDP growth of 5% for over a decade. However, due to the COVID-19 pandemic, Indonesia's economy suffered its sharpest downturn since the 1998 Asian financial crisis. Many businesses across the country were hard hit and some were forced to shut down or down-size operations, leaving millions of locals unemployed. The re-building process will not be easy, but we are confident that its huge domestic market, fueled by a

growing middle-class population, combined with sound fiscal and monetary policies will lift the country out of this crisis stronger.

F&N's subsidiary, Yoke Foods Industries Sdn Bhd ("YFI"), continued to expand the Group's footprint in the country and make progress on enhancing its route-to-market capabilities. This financial year, YFI added *F&N* canned milk to its range of ready-to-drink products, cushioning the impact from lower soft drinks sales which has been affected by the COVID-19 pandemic. The increasing popularity of milk tea outlets across Indonesia has allowed F&N to boost our sales through strategic collaborations with key market players. Today, through targeted brand marketing initiatives and expansion of hawker sector coverage, *F&N* canned milk brand is one of the most recognised dairy brands in Indonesia.

F&N canned milk continues to be active and visible in food and beverage events like SIAL InterFOOD, Food & Hotel Indonesia and regional food shows. Together with our partners, we made concerted efforts to connect and engage consumers via social media platforms and support live-cooking demonstrations by celebrity chefs. Weekend cooking demonstrations and sampling in malls and supermarkets have also drove trial and repeat purchases.

To date, our range of products – *100PLUS*, *F&N* canned milk, *DAY DAY* Asian soft drinks, *UNIFRESH*, *F&N* Sparkling Drinks, *SUNKIST* and *F&N SEASONS* Asian Drinks range – are available in over 20 cities – such as Jakarta, Medan, Palembang, Padang, Pekan Baru, Jambi, Lampung, Bandung, Balikpapan, Samarinda, Pontianak, and Tarakan as well as Riau islands. We continue to focus on building our brands, distribution and making products available in all key cities.

Focus on brand investment and extend route-to-market capabilities, while seeking value- or capability-enhancing acquisitions

F&N
canned milk introduced
in Indonesia

100PLUS, F&N
canned milk, **F&N**
Sparkling Drinks,
SUNKIST and **F&N**
SEASONS Asian Drinks
are available in over 20
cities in Indonesia

100PLUS
continued to strengthen its
position as the enabler
of active lifestyles
by supporting major
sporting events and
national sports bodies

CEO Business Review

NEW MARKETS

- Indonesia • Myanmar
- Thailand • Vietnam

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

(B) MYANMAR

The COVID-19 pandemic has dealt a severe blow to Myanmar's economy. The slowing economic growth threatens to reverse Myanmar's recent progress in poverty reduction, leading to the downward spiral of lower income households. If the domestic spread of the outbreak is brought under control and the global economy recovers, Myanmar's GDP growth rate is projected to bounce back.

In February, *100PLUS* appointed DKSH – a leading market expansion services provider in the fast-moving consumer goods sector – to distribute and sell F&N's market leading brands, *100PLUS*, *F&N SEASONS* and *F&N Sparkling Drinks*. As a strategic partner, DKSH provides full-service solution to drive sales for F&N. The new partnership seeks to broaden and deepen F&N's presence, to reach a broader base of consumers in Myanmar. Leveraging DKSH's extensive distribution network,

we have significantly reduced our route-to-market complexities and transited from a multi-distributor model to single-distributor. This partnership allowed us to focus on our core competencies of building strong brands and producing delicious beverages for consumers in Myanmar.

Throughout the year, *100PLUS* reinforced its image as the enabler of active lifestyles by continuing its support for major sporting events and national sports bodies, such as the *100PLUS ACTIVE RUN*, *YOMA YANGON INTERNATIONAL MARATHON*, Myanmar Football Federation ("MFF") and Myanmar National League events. This year, *100PLUS* and MFF jointly set up the 'MFF *100PLUS* U14 Super Cup 2019', an official football tournament to select and develop youths for the Myanmar football league.

F&N continued to strengthen our presence in the canned milk market as we focused our efforts in relevant food service channels such as tea and coffee shop operators in Yangon, Myanmar. This year, F&N successfully sought a new alliance with tea shop operator to exclusively provide *TEAPOT* condensed and evaporated milk to all its tea shops in Yangon. This new partnership increases *TEAPOT*'s on-premise presence, which has led to sales growth this year.

Responding to local demand, F&N introduced *TEAPOT* Gold in large-size pouch format in July. This larger pack size is designed for larger tea shop outlets and factories who rely heavily on *TEAPOT*'s sweetened creamer in their daily productions.

(C) THAILAND (SOFT DRINK)

Thailand's fast-moving-consumer-goods ("FMCG") industry faced challenges this year due to the ongoing pandemic. As COVID-19 drastically impacted Thailand's economy, consumer's purchasing power were inadvertently affected. Consumers are extremely cautious in their spending, prioritising healthier alternatives and essential products. Until Thai and global economies recover and consumer re-orient their way of life and spending, FMCG and beverage industries will continue to face recovery challenges, even in 2021.

During this challenging period, *100PLUS* continued to strengthen its unique positioning as healthy carbonated soft drinks, at point of purchase and sweat spot channels so to drive sales and to present active and healthy lifestyles. Due to the ongoing health crisis, many sport sponsorship and events have been postponed. Despite that, *100PLUS*, as the hydration drink of choice, was able to continue to sponsor numerous sport-related events throughout the year – KAOKONLAKAO 2019-2020 RUN, BURIRAM MARATHON 2020, AMARIN SAVE THE SEA, ATIRA WOMEN'S RUN and ULTRA PARK RUN THAILAND – generating trial and sustaining brand awareness.

100PLUS also returned for the second consecutive year as the exclusive isotonic drink and sponsor of HAPPY AND HEALTHY BIKE LANE, a world-class outdoor cycling track, drawing more than 600,000 amateur and professional cyclists annually.

Since F&N Sarsi's return to Thailand's carbonated soft drink market in August 2018, the Group has continued to expand its coverage into key convenience store channels. This much-loved beverage is now available in over 1,700 Family Mart

100PLUS

was the exclusive isotonic drink and sponsor of HAPPY AND HEALTHY BIKE LANE event in Thailand

Joined forces with a full-service distributor to expand our reach in Vietnam and Myanmar

stores and Mini Big C supermarkets, and HORECA and traditional trade channels.

(D) VIETNAM:

F&N VIETNAM LIMITED COMPANY

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

This year, FNV entered into a partnership with DKSH Vietnam, a leading market expansion services provider in the FMCG sector, to distribute our products, including our flagship brand, *100PLUS*, in Vietnam. Committed to driving go-to-market executions, FNV will leverage DKSH's extensive distribution network to drive sales and strengthen the Group's presence in Vietnam, an attractive market with over 90m population.

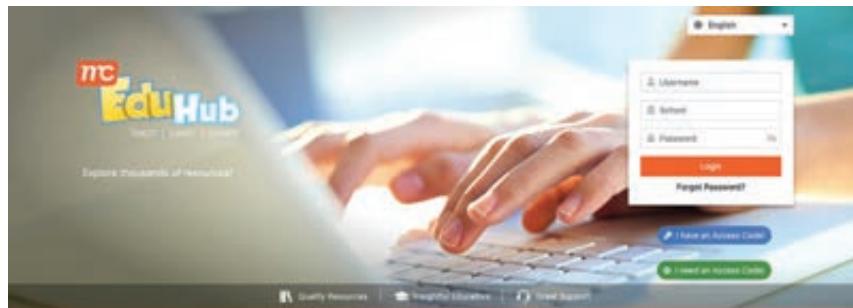
100PLUS continued to strengthen its brand position as the drink of choice for those who lead active lifestyles. From November to January, *100PLUS* created buzz online with its WIN YOUR DAY WITH *100PLUS* campaign. *100PLUS* used this campaign to raise brand

awareness and drive trial, reinforcing *100PLUS* as the isotonic drink for active individuals. Supported by advertisements on social media platforms, influencer marketing and on-ground activations, the campaign successfully increased *100PLUS*'s share of voice by three times.

Following its first successful marketing campaign, *100PLUS* rolled out a three-month long campaign, STAY HYDRATED STAY HEALTHY WITH *100PLUS*, at selected sports venues and facilities like football fields, tennis courts, private gyms, as well as major supermarkets across Ho Chi Minh city. Targeted at young and active individuals, *100PLUS* booths were set up at these locations with eye-catching posters in a bid to educate and engage consumers on the benefits of consuming *100PLUS*. They were also treated to samples of *100PLUS* Original and Lemon Lime flavours as they participated in sporting activities.

This year, as the enabler of active lifestyles, *100PLUS* also supported major sports and lifestyle events in key cities of Vietnam such as TECHCOMBANK INTERNATIONAL MARATHON 2019, HCMC MARATHON 2020, VIETNAM MARTIAL ARTS FESTIVAL 2020, DANANG INTERNATIONAL MARATHON 2020, COLOR MY RUN 2020, RUN MY SAI GON VIRTUAL CHALLENGE 2020 and THE CITY WARRIOR VITUAL RUN 2020.

CEO Business Review



Publishing & Printing

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PUBLISHING & PRINTING

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CEO Business Review

Publishing & Printing

Mr Siew Peng Yim
Chief Executive Officer,
Times Publishing Group



Year in Review

The impact from COVID-19 pandemic and the associated lockdowns have placed an unprecedented burden on the global economy. Much like many other businesses globally, our Publishing and Printing ("P&P") business has also not been spared from this wave of disruption. This year, while some of our businesses have held up well and compensated for challenges in other businesses that have been harder hit, P&P revenue dropped 17.1%, to \$230.0m from \$277.4m. Despite cash flow management and rapid cost reduction, P&P recorded a loss of \$10.5m, down from a loss of \$1.4m last year which has been normalised for a one-off gain of \$10.7m from the sale of non-core asset.

COVID-19

At the onset of COVID-19, P&P took broad and decisive actions in adopting numerous protocols to prioritise the health and safety of our stakeholders, and preserve cash including containing discretionary spending, disciplined allocation of capital expenditure and vigilant oversight of receivables. As restrictions and lockdowns were enforced across our markets, we promptly activated business continuity plans. We temporarily shut down our offices and retail stores, arranged for non-essential staff to work from home to ensure the business could carry on its activities during lockdowns. Staff in essential departments implemented the strictest measures so as to continue to work in the office, in rotations, applying the authorities' recommendations. We turned to video-conferencing technologies for meetings to minimise the risk of infection across teams and premises. We continue to maintain heightened hygiene and security measures across the Group.

This year, P&P faced challenging market conditions, ranging from COVID-19 related instituted lockdowns and movement restrictions to school and border closures. The financial impact on each of our businesses as a consequence of these unprecedented measures in our markets has been significant, albeit at varying degrees. While our Education Publishing and Printing businesses have held up well, our Distribution and Retail businesses have been hard hit. As we entered the final quarter of FY2020, regional economies started to ease COVID-19 restrictions, and we began to see signs of recovery in some parts of our businesses.

Despite disruptions caused by the pandemic, the fundamental strengths of P&P remain unchanged. We have clear strategies in place, diverse geographical footprint and incredibly deep talent pool. We have also laid the groundwork to accelerate e-commerce and digital growth. In the next 12 months, we will

continue to focus on expanding our education solutions by leveraging our digital solutions and expanding into growth countries.

Publishing

Our Publishing business is represented by Marshall Cavendish ("MC"), a global media group with interests that range from education, general interest and business information.

Publishing: Education

Mass closures of schools and universities, social and geopolitical instability have impacted our domestic and international educational publishing sales. As the educational community made concerted efforts to move to online learning, Marshall Cavendish Education ("MCE") responded quickly with the launch of its digital platform – MC EduHub. MC EduHub is a multi-functional content repository that hosts teaching and learning content developed by MCE and many other educational content providers. Along with our sound pedagogical content aligned to the official syllabuses of multiple countries, MC EduHub has become the perfect platform for teachers and students to access content that span subject strands such as English, Maths and Science. We are encouraged by the strong enrolment rate of over 100,000 subscribers during the three-month free trial.

Content creation remains a key driver of our education business. Over the next three years, we will continue our focus on building digital resources that combine in-house expertise with third-party content. We will continue to intensify our efforts to broaden our strategic partnerships with EduTech firms and accelerate the digitisation of content to meet increasing market demand.

\$230 million
Revenue for FY2020

\$277 million in FY2019

(\$10 million)
Loss Before Interest & Taxation for FY2020

PBIT of \$9 million in FY2019

Summary of Message

- ▶ P&P global businesses in Publishing, Printing and Retail were impacted by COVID-19 pandemic
- ▶ P&P revenue dropped 17.1% to \$230.0m. Due to lower sales, P&P recorded a loss of \$10.5m, down from a loss of \$1.4m last year which has been normalised for a one-off gain of \$10.7m from sale of non-core asset
- ▶ Proactive cost saving measures and a healthy balance sheet helped P&P reduce the impact of COVID-19
- ▶ Marshall Cavendish Education responded quickly to the shift in online learning with the launch of its digital platform – MC EduHub
- ▶ MC EduHub saw strong enrolment rate during the three-month trial period
- ▶ P&P will continue to focus on expanding our education solutions by leveraging our digital solutions and expanding into growth countries

CEO Business Review

Publishing & Printing

In Hong Kong, with the cancellation of many book fairs and events such as Hong Kong Book Fair 2020, STEM competition and teacher workshops, our team moved them online using various social media platforms.

To promote the rollout of the Junior Secondary Mathematics textbook series, for instance, the team held a series of MATHFIX workshops on YouTube.

In February 2020, we also launched the first MCEHK flagship online store in HKTV Mall, providing parents and students an alternative channel to purchase our products.

Print

The COVID-19 pandemic has significantly impacted sales of our printing facilities in Singapore, China and Malaysia. Faced with this unprecedented crisis, our Print unit was able to create new opportunities with the SMART PARTNERSHIP. Launched in 2019, this initiative rides on partnerships with overseas printers to export spare printing capacity in response to changing market conditions. Through this partnership, we secured sizable jobs from printers in the US and China. Leveraging our multi-site print locations, P&P was able to provide vital business continuity alternatives to many of customers and business partners. This initiative has partly mitigated the decline in traditional commercial print sales.

Print Lab, an integrated marketing and print solutions provider which we acquired in 2019, has continued to demonstrate resilience through the pandemic. In addition to providing the normal suite of products and services for its long-term clients in the fast-moving-consumer-group industry, transportation and telecommunications industries, Print Lab also quickly designed and sourced for masks, face shields and acrylic divider shields to support its clients in the hotel, F&B and luxury retail industries. Despite lower sales, Print Lab remained profitable and compensated for challenges in other parts of the Print business.

Going forward, we will strengthen our strategy to diversify revenue sources from printing of traditional books and magazines to sustainable packaging printing and distribution for food and beverage industry and high-end luxury brands, as well as offering of digital solution, print management, logistics and fulfilment solutions. We will also actively grow the SMART PARTNERSHIP initiative, which has proven to be highly effective in optimising our printing capacity. While driving topline growth, we will also continue with cost management initiatives and productivity improvements.

Retail and Distribution

Retail and Distribution were among the business units most impacted by the COVID-19 pandemic. Like most of the other retail businesses, sales from our physical stores declined when the Movement Control Order ("MCO") in Malaysia and Circuit Breaker ("CB") measures in Singapore kicked in. The temporary closures of our stores

in Singapore and Malaysia hurt sales. While the lifting of MCO and CB saw gradual normalisation of retail operations, shopper traffic has remained volatile.

This health crisis has accelerated our strategy of developing a more customer-focused omni-channel retail offering. As consumer shopping behaviour changes, we have been able to adapt and focus on creating multiple digital and physical consumer touchpoints so that customers can access our products easily. Although we have seen a drop-off in the brick-and-mortar shopping, online sales from our e-commerce store, GoGuru was up more than three-fold. Apart from growing GoGuru, we have also increased our digital presence by participating in third-party marketplaces such as Lazada, Qoo10 and Shopee.

Our efforts to diversify earnings have also yielded positive outcomes. We believe that the combination of a differentiated product offering, presented in a well fitted store, are major drivers of footfall to our stores. As the leading retailer of English language books and complementary products, P&P was able to seek out complementary third-party brands and give consumers additional options in ranging and price. P&P is now the distributors of Hallmark cards and gifts, as well as Crayola and Smiggle's products in Singapore, Malaysia and Hong Kong.

At the same time, we are excited to integrate the newly launched Office and Schools Solution, a procurement solution that offers a comprehensive range of office supplies and services, into our Distribution unit. We aim to maximise the potential of our well-established distribution network and infrastructure with minimal investment through diversification of product offerings.

Accelerated adoption of online learning

MC EduHub, MCE HK

Adopted omni-channel retail offering by making available a range of digital consumer touchpoints

GOGURU, LAZADA, QOO10, SHOPEE

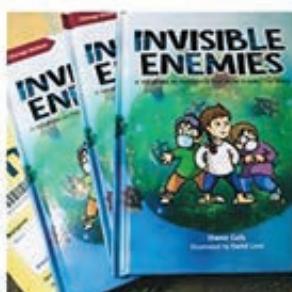
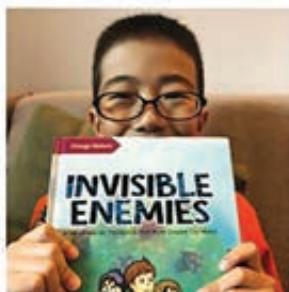
P&P is the distributor of Hallmark cards and gifts, Crayola and Smiggle's products in Singapore, Malaysia and Hong Kong

Launched digital initiatives on social media platforms in support of our customers and event brands

MATHFIX Workshops

An initiative that rides on partnerships with overseas printers to export spare printing capacity

SMART PARTNERSHIP



Investor Relations

Effective And Open Communication

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

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

Regular Dialogues With The Investment Community

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

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

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

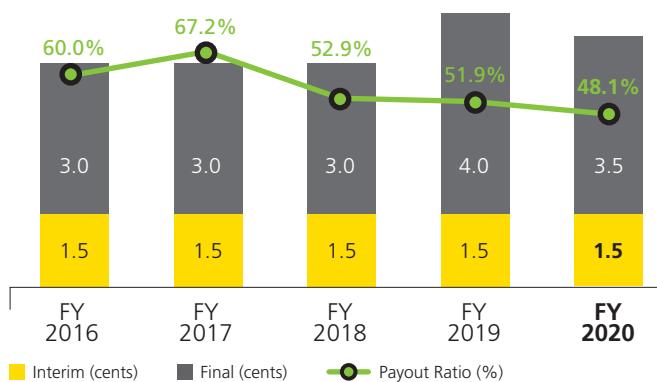
Awards

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

Dividend

The Group maintained a healthy track record of generous shareholder distributions. For the financial year ended 30 September 2020, the directors have recommended a final dividend of 3.5 cents per share, which together with the interim dividend of 1.5 cents paid earlier brings total dividend

for the year to 5.0 cents per share. In line with the Group's dividend policy, the proposed payout represents a distribution of 48.1% of the Group Attributable Profit before fair value adjustment and exceptional items.



Financial Calendar: FY2021

Date	Event
21 January 2021	• Annual General Meeting
04 February 2021 (after close of trading) (tentative)	• 1 st Quarter Business Updates
10 May 2021 (after close of trading) (tentative)	• Announcement of 2 nd Quarter Results • Declaration of Interim Dividend
05 August 2021 (after close of trading) (tentative)	• 3 rd Quarter Business Updates
05 November 2021 (after close of trading) (tentative)	• Announcement of Full Year Results • Declaration of Final Dividend

For general enquiries on F&N, please contact:

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 (65) 6271 7936
 jenniferyu@fngroup.com.sg
 fraserandneave.com



Share Registrar and Transfer Office

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



Capital Resources

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

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

As at 30 Sep 2020, the Group's borrowings, net of cash, increased to \$553.1m, from \$409.4m a year ago. The higher net borrowings were due to increased working capital requirements as a result of COVID-19 pandemic, one-off payment for pension buyout in the UK, additional 0.4% investment in Vinamilk and the later timing of receipt of Vinamilk's September 2020 interim dividend. Consequently, the Group's net gearing increased to 0.16 times of total equity. Cash generative businesses, ample funding sources and adequate debt headroom continue to put F&N in a good position to tap further growth opportunities.

As a result of higher borrowings, interest cost for FY2020 increased from \$21.7m in the prior year to \$24.8m.

SOURCE OF FUNDING

Besides cash flow from its businesses, the Group also relies on the debt capital markets, the equity market and bilateral banking facilities for its funding. As at 30 Sep 2020, the Group has a total \$1.1b in banking facilities and \$2.5b in Debt Issuance Programmes to meet its funding requirements.

AVAILABLE BANK LINES AS AT 30 SEP 2020

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

The Group adopts the philosophy of engaging the banks as its core business partners. It has very strong support from its relationship banks across all segments of the Group's businesses. Total banking facilities (utilised and unutilised) extended to the Group as at 30 Sep 2020 amounted to \$1.1b. The principal bankers of the Group provided 64.0% of these banking facilities. All banking relationships for the Group are maintained by Corporate Treasury in Singapore.

DEBT CAPITAL MARKETS

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

MATURITY PROFILE OF GROUP DEBT (EXCLUDES FINANCE LEASES)

Time to maturity	\$'million
< 1 year	42.7
1-2 years	396.6
2-5 years	299.6
> 5 years	99.7
Total	838.6

The Group is not expecting any refinancing issues for borrowings maturing within one year amounting to \$42.7m. These borrowings can be repaid with the Group's existing cash balances or refinanced with existing revolving credit facilities.

INTEREST RATE PROFILE AND DERIVATIVES

The Group manages its interest cost by maintaining a mix of fixed and floating rate borrowings. On a portfolio basis, 94% of the Group's borrowings are in fixed rates with an average fixed rate tenor of 3.1 years as at 30 Sep 2020. The fixed rate borrowings consist largely of the fixed rate notes issued under F&N Treasury Pte Ltd's Debt Issuance Programme and bilateral bank term loans that have been hedged with interest rate swaps. The remaining 6% of the Group's borrowings are in floating rates as at 30 Sep 2020.

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

The Group makes use of interest rate derivatives for the purpose of hedging interest rate risks and managing its portfolio of fixed and floating rate borrowings from time to time. The Group does not engage in trading of interest rate derivatives. The Group's total interest rate derivatives and the mark to market values as at 30 Sep 2020 are disclosed in the financial statement in Note 35.

GEARING AND NET INTEREST COVER

The Group aims to keep its net gearing ratio below 0.80 times of total equity and maintain a net debt to EBITDA of below 3 times. As at 30 Sep 2020, the Group has net gearing of 0.16 times of total equity and a net debt to EBITDA of 1.56 times. Total interest expense for the year amounted to \$24.8m. The total interest income credited to profit statement for the year was \$2.8m. The interest coverage ratio for FY2020 was at 10.79 times.

FOREIGN CURRENCY RISKS AND DERIVATIVES

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

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

The Group's foreign currency contracts and derivatives and mark-to-market values as at 30 Sep 2020 are disclosed in the financial statement in Note 35. The Group does not hedge the foreign currency risks of its investments in overseas subsidiaries, joint venture and associated companies. Such investments are long-term in nature and therefore not feasible and economical to hedge. The Group only hedges dividends payable from its overseas subsidiaries, joint ventures and associated companies.

Enterprise-Wide Risk Management

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

The Sustainability & Risk Management Committee ("SRMC") assists the Board in overseeing the Group's risk management framework and policies. The primary responsibilities of the SRMC are to:

- provide guidance on key risks, taking into account the Group's risk appetite and risk tolerance,
- ensure that the Management (business division heads and business unit heads) maintains an effective and adequate risk management framework, and
- ensure the Management integrates environmental, social and governance-related risks ("ESG") into their ERM processes. The Board believes that ERM must work hand-in-hand with sustainable business practices to connect risks, strategy and decision-making to make the Group more resilient and competitive.

RISK MANAGEMENT PROCESS

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

The Management has the primary responsibility for identifying and evaluating risks, as well as monitoring and reporting to the Board the status and effectiveness of risks mitigation measures and strategy implementation. The Management conducts such risk assessment and reviews control measures regularly.

The key risks of various business units are consolidated for review by Chief Executive Officers ("CEOs") of the Group's business divisions and circulated to the SRMC three times a year. The F&N Audit Committee reviews these key risks and recommendations from SRMC, and then advises the Board annually.

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

To facilitate the reporting and monitoring of risks, F&N Group uses a web-based Corporate Risk Scorecard ("CRS") system, a common platform which enables business units to report risks and risk status consistently and cohesively. The CRS records risks, mitigating measures, timelines for action items and risk ratings. Key risk indicators, upon which risk ratings are measured against the probability of occurrence, are also reviewed. The Group also streamlines the use of risk scorecards and upgrades the CRS system.

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

At the end of each financial year, the CEOs, the Heads of Finance and other key management personnel who are responsible in each of the Group's business divisions, and the CFO provide assurance to the Board, Audit Committee and SRMC on the adequacy and effectiveness of the Group's risk management system and internal controls. These assurances for FY2020 are disclosed on Page 76 of this report.

KEY RISKS IN FINANCIAL YEAR 2020

As at 30 September 2020, the key risks have been identified and mitigation plans developed. The proportion of risks that were rated as "very significant" and "high" have been reduced substantially after taking into account the mitigating measures.

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

Strategic – Covid-19 Pandemic and Business Risks

The Company's crisis management steering committee ("CMSC") closely monitors development of the COVID-19 pandemic and its impact on the Group. Where risks are identified, Management, in consultation with CMSC, formulates and implements action plans. Such action plans are reported to the Board Executive Committee by Management. The Group has implemented

several measures to minimise the impact of Covid-19 on the businesses of the Group. These measures included enabling employees to work from home and remote access to office email to ensure the day-to-day operation of the Group remain active and at the same time remain in contact with the stakeholders through online meetings and email communications. In addition, meetings of the Board of Directors and the Board Committees are conducted virtually, utilising the available technology. The Board has also conducted cash flow planning and stress-tested the sustainability of income and asset pools. You may read more about our efforts on Covid-19 which are published on <https://fraserandneave.com/investor-relations/our-response-to-covid-19>.

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

The key risks facing the Group include:

- (i) changing regulatory and consumer trends and the impact F&N products have on the environment; and
- (ii) competition from digital technology

From end-2021, drinks with high sugar or saturated fat content are required to display a Nutri-Grade label. These colour-coded nutrition labels, with descending grades ranging from A to D – from A (dark green) representing the lowest sugar and fat contents, B (light green), C (orange) and to D (red) representing the highest amount of sugar and fat contents – aim to help consumers better gauge how healthy pre-packaged beverages are at a glance.

The Group fully supports the government in the war against diabetes and to provide nutrition facts label on the packaging to allow consumers to make informed food choices based on their individual diet requirements. As one of the leading F&B companies in Southeast Asia, the Group has a shared responsibility to help consumers cut down on sugar and calories. We believe that education is ultimately the best way for consumers to make informed choices and drive consumers to choose healthier food options. The Group continues to work on the development of the soft drink category, focusing on the expansion of sugar-free and sugar-reduced products.

In F&N, we are committed to improving the environment through finding new innovative ways to reduce waste and extend shelf-life to cut food waste (refer to F&N

Sustainability report pages 66 to 68 on the Group's initiatives). F&N is constantly looking at alternative and sustainable packaging solutions. The effectiveness of these sustainable packaging is regularly assessed in conjunction with changing consumers preferences.

The Group periodically reviews its business model and strategies to ensure its continued relevance to its stakeholders. At the onset of the COVID-19 pandemic, the Group adopted digital measures to ensure it could continue operations and keep people in touch while following COVID-19 related distancing measures. In addition to traditional channels, the Group stepped up its efforts to connect with customers on digital and e-commerce platforms – in F&B, the Group strengthened its e-commerce presence with the launch of F&N Life, an online store; in P&P, the Group embedded a recommendation engine in GoGuru, P&P's online e-commerce platform to cross-sell complementary products to customers. P&P also launched the 'Assisted Buy Programme' in Waterway Point Times bookstore to allow in-store customers to easily search and purchase products not found in the store but available on GoGuru. To support self-directed learning and home-based learning on its e-learning platforms, and also to cater for the sudden increase in demand for digital material, P&P expanded its interactive Digital Resources library and stepped up the conversion of print to eBook – with the aim of targeting and engaging young learners.

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

- Reputational – Food Safety Risks**
Food safety remains a key risk to the F&B business division due to the potential reputational impact on the Group. In addition to
- (i) close monitoring of food safety issues worldwide,
 - (ii) upholding the strict requirements stipulated under the various food safety standards and certifications,
 - (iii) putting in place a robust process to mitigate the risk of food contamination, and

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

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

Reputational – Social Media and Communications Risks

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

Currency Risks

Owing to its international activities, the Group is exposed to currency risks. These financial risks occur in connection with the purchase of raw materials and equipment, and sale of products, which are transacted in different currencies.

While foreign currency risks are reduced through natural hedging, the Group also hedges committed cash flows, in accordance with the Group Treasury policy. Such policy is reviewed regularly to ensure it reflects the current needs, objectives and strategy of the business.

Operational – Risks associated with Business Interruption

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

The Group continues to have regular engagement with all employees on cybersecurity matters to help maintain awareness. This year, additional mandatory e-learnings covering topics such as ransomware and password control have been introduced. Mock phishing exercises were also conducted to assess the cyber awareness of staff.

As part of the Crisis Management maintenance programme, the Group continues to conduct call notification exercises, walk-through/desktop exercises, mock product recalls, IT disaster recovery exercises and business continuity simulation exercises. All employees involved in crisis management have been trained on key aspects of crisis management.

Operational – People Risks

People are the most important asset of the Company. The Group recognises the importance of identifying and growing its talent pool to successfully transform its business. Team building workshops and competency-based trainings are organised periodically. As a recognition of the Group's continuing efforts in improving workplace safety and health for its employees, most of its operations in Singapore have been awarded with Singapore's bizSAFE certificates. Plants have been surveyed to identify potential fire hazards and non-compliance of fire safety standards. F&N also promotes healthy work living by supporting activities such as mass run, inter-company badminton tournament, health screenings, and health and wellness talks.

Country Risks

The Group recognises the importance of maintaining a consistent and cohesive ERM programme across the 12 countries where it has a presence. It continues to reinforce risk and BCP awareness throughout the Group.

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

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

RISK CULTURE

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

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

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

F&N is listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") and adheres closely to the principles and provisions of the Code of Corporate Governance 2018 (the "Code"). The Company is guided in its corporate governance practices by the principles of the Code, and continues to strive towards maintaining accountability, high standards of corporate governance and corporate transparency. Where there are any deviations from the provisions of the Code, appropriate explanations have been provided.

This report is arranged according to the principles listed in the Code. Principles 1 to 5 deal with board matters, Principles 6 to 8 with remuneration matters, Principles 9 to 10 with accountability and audit, Principles 11 to 12 with shareholder rights and engagement and Principle 13 with managing stakeholders relationships.

A. BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The board of directors of the Company (the "Board") is entrusted with and committed to, oversight of the business performance and affairs of the Group. The Board also sets good principles of ethics and values for the Group, sets appropriate tone-from-the-top and desired organisational culture, ensures proper accountability within the Group and seeks to ensure that obligations to shareholders and other stakeholders are understood and met.

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

The Board has been working closely with management in monitoring the challenges posed by the COVID-19 pandemic. Detailed disclosures on the issues reviewed by the Board in the face of the COVID-19 pandemic (including changes to business fundamentals, the significant risks facing the Group as a result of the pandemic and the acceleration of digitisation efforts within the Group), can be found in the Enterprise Wide Risk Management Report on pages 60 and 61 of the Annual Report and the Company's Sustainability Report 2020 which can be downloaded at <https://www.fraserandneave.com/investor-relations/corporate-sustainability>.

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

In addition, the Lead Independent Director can call and lead meetings of the independent Directors and/or other non-executive Directors when necessary and appropriate without the presence of management to provide a forum for the frank exchange of any concerns which may be difficult to raise in management's presence. The Lead Independent Director provides feedback to the Chairman of the Board as appropriate. Regular meetings of independent Directors were held during the year under review.

As at 30 September 2020, the Board comprises 12 Directors, all of whom are non-executive Directors. They are:

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

A. BOARD MATTERS (cont'd)

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

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

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

Delegation of Authority on certain Board Matters

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

Each Board Committee is governed by clear written terms of reference (the “**Terms of Reference**”) setting out their composition, authorities and duties (including reporting back to the Board), which have been approved by the Board. The determination, amendment or alteration of the Terms of Reference of any Board Committee is a matter reserved for the Board’s approval.

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

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

Conflicts of Interest

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

Board Executive Committee

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

The Board Exco is made up of the following members:

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

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

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2020

A. BOARD MATTERS (cont'd)

Meetings of the Board and Board Committees

The Board and its various Board Committees meet regularly, and also as required by business needs or if their members deem it necessary or appropriate to do so. Directors attend and actively participate in Board and Board Committee meetings. For the financial year ended 30 September 2020, the Board met four times. A table showing the attendance record of the directors at meetings of the Board and Board Committees as well as at the general meeting of shareholders during the financial year ended 30 September 2020 is set out on page 64 of this Annual Report.

The Directors are also given direct access to the management team of the Group's business divisions¹ through presentations at Board and Board Committee meetings. Where required or requested by Board members, site visits and meetings with personnel from the Group's business divisions are also arranged in order for Directors to have an intimate understanding of the key business operations of each division. The Company's Constitution provides for Board members who are unable to attend physical meetings to participate through telephone conference, video conference or any other forms of electronic or instantaneous communication facilities.

Note:

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

The number of Board meetings, Board Committee meetings and general meetings of shareholders held in the financial year ended 30 September 2020 and the attendance of Directors at these meetings are as follows:

	Board	Board Exco	Audit Committee	Sustainability and Risk Management Committee	Remuneration Committee	Nominating Committee	General Meetings
Meetings held for the financial year ended 30 September 2020	4	3	5	3	2	2	1
Mr Charoen Sirivadhanabhakdi	4/4	-	-	-	-	-	0/1
Khunying Wanna Sirivadhanabhakdi	4/4	-	-	-	-	-	0/1
Tengku Syed Badarudin Jamalullail	4/4	-	-	-	-	2/2	1/1
Mrs Siripen Sitasuwan	4/4	-	5/5	-	2/2	2/2	1/1
Mr Timothy Chia Chee Ming	3/4	-	5/5	-	2/2	-	1/1
Mr Charles Mak Ming Ying	4/4	-	-	-	-	-	1/1
Mr Chan Heng Wing	4/4	-	-	-	-	-	1/1
Dr Sujitra Sombuntham	4/4	-	-	-	-	-	1/1
Mr Koh Poh Tiong	4/4	3/3	-	3/3	-	-	1/1
Mr Chotiphat Bijananda	4/4	-	-	-	-	-	0/1
Mr Thapana Sirivadhanabhakdi	4/4	3/3	-	3/3	2/2	2/2	1/1
Mr Sithichai Chaikriangkrai	4/4	3/3	5/5	3/3	-	-	1/1
Mr Michael Chye Hin Fah (Alternate Director)	-	3/3	-	3/3	-	-	1/1
Mr Prapakon Thongtheppairot (Alternate Director)	-	3/3	-	3/3	-	-	1/1

Orientation and Training for Directors

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

A. BOARD MATTERS (cont'd)

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

Access to Information

The Company recognises the importance of providing the Board with complete, accurate and relevant information on a timely basis. This is to give the Board and Board Committees sufficient time to critically evaluate and consider issues relevant to the Company and its businesses and operations. This also allows our Directors to effectively carry out their duties and discharge their oversight function. In particular, management provides the Board with detailed Board papers specifying relevant information and commercial rationale for each proposal for which Board approval is sought. Such information includes relevant financial statements, management accounts, financial forecasts, risk analyses and assessments, mitigation strategies, feasibility studies and key commercial issues for the Board's attention and consideration. Reports on major operational matters, business development activities, financial performance, potential investment opportunities and budgets are also circulated to the Board.

During the course of the year under review, the Board was promptly informed of the Company's COVID-19 business continuity plan which was implemented to ensure appropriate systems and procedures within the Group to specifically address the impact of the pandemic on business operational risks.

The Company's crisis management steering committee closely monitored developments on the COVID-19 situation within the Group and coordinated the escalation of information regarding any impact and mitigation measures to the Board.

The Board was also regularly updated on relevant legal and regulatory requirements in light of the rapidly evolving COVID-19 situation.

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

The Board also has separate and independent access to the Company's management and the Company Secretary.

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

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

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

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2020

A. BOARD MATTERS (cont'd)

Principle 2: Board Composition and Guidance

The Board and Board Committees are of an appropriate size and possess an appropriate balance and mix of skills, experience and knowledge. The Board is diversified in terms of age, gender and nationality. The Board comprises highly qualified and effective members who are responsible for providing overall entrepreneurial leadership and setting strategic objectives for the long-term success of the Group.

Provision 2.2 of the Code provides that independent directors should make up a majority of the Board where the Chairman of the Board is not independent. As at 30 September 2020, the F&N Board, which is chaired by a non-independent Chairman, comprises 12 non-executive Directors, of whom six (i.e. half) are independent. While the Company is working towards adjusting its Board composition with a view to complying with Provision 2.2 of the Code, it is cognisant that it is also in the interest of the Group to preserve the balance and mix of skills, experience and knowledge offered by the current Board, which is appropriate for the nature and scope of the Group's current operations. The Board is already entirely made up of non-executive Directors, which serves to reinforce management accountability and which is adequate to ensure that there is an appropriate balance or power within the Board even though independent Directors do not make up a majority. In addition, each of the NC, Remuneration Committee and Audit Committee comprise a majority of and are chaired by independent Directors, and there is a Lead Independent Director who can address shareholders where they have concerns for which contact through the Chairman is inappropriate. Matters requiring the Board's approval are discussed robustly with participation from each member of the Board and decisions are made collectively without any individual or select group of individuals dominating the decision-making process, and Directors are required to take the necessary actions to resolve any conflict of interest they might have, including recusing themselves from meetings or discussions or abstaining from voting on matters in which they are interested or conflicted. In view of the foregoing, the NC and the Board are of the view that the Board has an appropriate level of independence through the collective weight of the current independent Directors on the Board and on the Board Committees, and that the Board procedures and codes of conduct which are already in place are sufficient, to ensure that the Board makes decisions in the best interests of the Company, which is in line with the intent of Principle 2 of the Code.

The Directors complete a declaration of independence annually which is reviewed by the NC. The NC determines annually and as and when circumstances require, if a Director is independent. Based on the Director's declarations of independence and having regard to the circumstances set out in Provision 2.1 of the Code and taking into account Rule 210(5)(d) of the Listing Rules, the NC and the Board have determined that there are six independent Directors on the Board.

Based on their declarations of independence none of the independent Directors has any relationship with the Company, its related corporations¹, its substantial shareholders² or the officers of the Company that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company. In particular, none of the independent Directors is or has been employed by the Company or any of its related corporations in the current or any of the past three financial years or has an immediate family³ member who is employed or has been employed by the Company or any of its related corporations in the current or any of the past three financial years, and whose remuneration is or was determined by the Remuneration Committee of the Company.

With respect to the year under review, the NC considered, in particular, the appointment of Mr Timothy Chia Chee Ming as an independent non-executive director of Thai Beverage Public Company Limited ("ThaiBev") with effect from 31 January 2020 and was satisfied that this appointment did not affect his continued ability to exercise strong objective judgement and to be independent in the expression of his views and in his participation in the deliberation and decision making of the Board and Board Committees of which he is a member. ThaiBev is a substantial shareholder of the Company.

Notes:

- 1 The Code states that "related corporation" in relation to a company shall have the same meaning as currently defined under the Companies Act i.e. a corporation that is the company's holding company, subsidiary or fellow subsidiary.
- 2 Under the Code, the term "substantial shareholder" refers to a shareholder who has an interest or interests in one or more voting shares (excluding treasury shares) in the company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all voting shares (excluding treasury shares) in the company, in line with the definition set out in section 2 of the SFA.
- 3 Under the Listing Rules, the term "immediate family" refers to the person's spouse, child, adopted child, step-child, sibling and parent.

A. BOARD MATTERS (cont'd)

The six independent Directors on the F&N Board help to uphold good corporate governance at the Board level and their presence facilitates the exercise of objective independent judgment on corporate affairs. Their participation and input also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, always taking into account the long-term interests of F&N and its shareholders. As at 30 September 2020, none of the independent Directors have served on the Board for more than nine years continuously.

The NC undertakes an annual review of the size and composition of the Board to ensure alignment with the needs of the Group. The NC is of the view that the current size and composition of the F&N Board helps avoid groupthink, foster constructive debate, facilitates effective decision-making and is appropriate for the scope and nature of the Group's operations. Taking into account the requirements of the Group's businesses and the need to avoid undue disruptions from changes to the Board and Board Committees, the NC is of the view that the current size of the Board is not so large as to be unwieldy or as to interfere with efficient decision-making. No individual or group dominates the Board's decision-making process. The NC is of the view that there is an appropriate balance of expertise and skills amongst the Directors as they collectively bring with them a broad range of complementary competencies and experience.

The Company has also adopted a Board Diversity Policy which sets out the approach which the Company takes towards diversity on its Board. The Board Diversity Policy recognises that a diverse Board would be beneficial to the Company as it would allow for the harnessing of a variety of skills, industry and business experiences, gender, age, ethnicity, cultural, educational and geographical background and other distinguishing qualities of members of the Board. The policy also provides that the NC will review and assess the structure and composition of the Board and recommend to the Board such adjustments as it may deem necessary in order to complement the Company's objective and strategies, including under the Board Diversity Policy. Although there were no Board composition changes during the financial year ended 30 September 2020, the Company remains committed to implementing the Board Diversity Policy and any progress made towards the implementation of such policy will be disclosed in future Corporate Governance Reports, as appropriate. The current Board composition reflects the Company's commitment to Board diversity, especially in terms of female representation (25%), geographical background and experience (Singapore, Thailand and Malaysia) and diverse age range (45 to 77 years).

The Board views diversity at the Board level as an essential element for driving value in decision-making and proactively seeks as part of its diversity policy to maintain an appropriate balance of expertise, skills and attributes among the Directors. This is reflected in the diversity of backgrounds and competencies of our Directors, whose competencies range from banking, finance and accounting to relevant industry knowledge, entrepreneurial and management experience, and familiarity with regulatory requirements and risk management. This is beneficial to the Company and its management as decisions by, and discussions with, the Board are enriched by the broad range of views and perspectives and the breadth of experience of our Directors.

Amidst the COVID-19 pandemic, the diversity of backgrounds and competencies on the Board has enabled the Company to better navigate the global crisis by considering issues more holistically.

Principle 3: Chairman and Chief Executive Officer

The Chairman of the Company and the Chief Executive Officers ("CEOs") of each of the Group's business divisions are separate persons to ensure an appropriate balance and separation of power, increased accountability, and greater capacity of the Board for independent decision making. The Chairman, who is non-executive, is not related to any of the CEOs of the Group's business divisions. There is no business relationship between him and any of these CEOs. Likewise, none of the CEOs are related to each other, and neither is there any other business relationship between or among them. The division of responsibilities between the Chairman and the CEOs are clearly demarcated. Having clarity of their respective responsibilities and separating the respective roles avoids concentration of power, ensures a degree of checks and balances, increases accountability and ensures greater capacity of the Board for independent decision making.

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

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2020

A. BOARD MATTERS (cont'd)

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

Lead Independent Director

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

Principle 4: Board Membership

Nominating Committee

The Nominating Committee is made up of the following Directors:

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

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

The NC is guided by written Terms of Reference, which are approved by the Board. The Terms of Reference clearly set out the authority and duties of the NC. The responsibilities of the NC include reviewing the structure, size, composition and independence of the Board and its Board Committees. The NC also identifies the balance of skills, qualification, experience and diversity required for the Board to discharge its responsibilities effectively and nominates candidates to meet the needs and requirements of the Group. Apart from the foregoing, the NC also reviews and makes recommendations to the Board on the succession plans for the Directors, the Board Chairman and the key management personnel (including the chief executive officers of each of the Group's business divisions).

Independence

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

Directors are expected to disclose any relationships with the Company, its related corporations, its substantial shareholders or its officers which may affect their independence, as and when they arise. In particular, the Directors are given an independence declaration form each year, under which they are asked to assess their own independence, with specific references to the relevant provisions in the Listing Rules, the Code and its accompanying Practice Guidance.

A. BOARD MATTERS (cont'd)

For the financial year ended 30 September 2020, the NC has performed a review of the independence of the Directors as at 30 September 2020 and following its assessment, has determined the status of each Director as follows:

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

Notes:

- 1 Each of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi are directly or indirectly interested in not less than five percent (5%) of the total voting shares in the Company through their interests in TCC Assets Limited ("TCCA") and ThaiBev. As at 30 September 2020, TCCA has a direct interest of 59.17% in the Company and ThaiBev, through its indirect wholly-owned subsidiary InterBev Investment Limited, holds a 28.44% interest in the Company. Mr Charoen Sirivadhanabhakdi is married to Khunying Wanna Sirivadhanabhakdi.
- 2 Mr Koh Poh Tiong is also an adviser to the Board, and has received compensation for provision of services other than Director's fees.
- 3 Mr Chotiphat Bijananda is the son-in-law of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi and is a director of TCCA.
- 4 Mr Thapana Sirivadhanabhakdi being a son of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is an immediate family member of a substantial shareholder of the Company.
- 5 Mr Sithichai Chaikriangkrai is a Director, Senior Executive Vice-President and Group Chief Financial Officer of ThaiBev.

Process and Criteria for New Directors and Re-Appointment

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

The NC reviews all nominations for appointments and re-appointments to the Board and to Board Committees (including Alternate Directors), and submits its recommendations for approval by the Board, taking into account an appropriate mix of core competencies for the Board to fulfil its roles and responsibilities and the need for progressive renewal of the Board.

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

Review of Director's Time Commitments

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

Instead of prescribing a maximum number of directorships and/or other principal commitments that each Director may have, the NC adopts a holistic assessment of each Director's individual capacity and circumstances to carry out his or her duties, taking into consideration not only the number of other board and principal commitments held by each Director, but also the nature and complexity of such commitments.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2020

A. BOARD MATTERS (cont'd)

In determining whether each Director is able to devote sufficient time to discharge his or her duties as a director of the Company, the NC considers the attendance and contributions by each Director to and during meetings of the Board and relevant Board Committees and their personal capabilities are holistically assessed and taken into account. Based on attendance at Board and Board Committee meetings during the year, the NC is of the view that all the Directors were able to participate in a substantial number of meetings, devote sufficient time and attention to the affairs of the Company and adequately discharge their duties. The NC is therefore satisfied that during the year, where a Director had a significant number of other company board representations and/or other principal commitments, the Director was able to carry out and had been adequately carrying out his duties as a Director of the Company.

Alternate Directors

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

Key Information regarding Directors

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

Principle 5: Board Performance

The Board, with the assistance of the NC, has approved the objective performance criteria and implemented a formal process for annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board.

The assessment is designed to provide an evaluation of the current effectiveness of the Board and to support the Chairman and the Board in proactively considering what can enhance the readiness of the Board to address emerging strategic priorities of the Group.

All Directors are required to assess the performance of the Board and the Board Committees. The assessment covers areas such as Board processes, managing the Company's performance, effectiveness of the Board and the Board Committees and Director development. As part of this process, Directors are requested to complete an evaluation questionnaire which includes questions on (i) how the Board plays an effective role and adds value on critical issues, (ii) how the Board operates to deliver impact and value, and (iii) the evaluation of the Board Committees. Directors can also provide input on issues which do not fall under these categories, for instance, addressing specific areas where improvements can be made.

The Board has also implemented a formal process for assessing the contribution by each individual Director to the effectiveness of the Board.

Feedback and comments received from the Directors are reviewed by the NC.

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

B. REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

Remuneration Committee ("RC")

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

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

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

Remuneration Action Framework

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

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

The RC may from time to time, and where necessary or required, engage external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and management. Among other things, this helps the Company to stay competitive in its remuneration packages. During the financial year ended 30 September 2020, Korn Ferry Hay Group Pte Ltd was appointed as remuneration consultant. The Company does not have any relationship with Korn Ferry Hay Group Pte Ltd which would affect its independence and objectivity.

Principle 7: Level and Mix of Remuneration

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

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

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2020

B. REMUNERATION MATTERS (cont'd)

Long-Term Incentive Plans

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

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

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

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

Under the Share Plans, the Company grants share-based awards ("**Base Awards**") which are conditional upon pre-determined performance targets being met. These targets are set by the RC in its absolute discretion for the performance conditions to be met over the performance period. The first grant of Base Awards under the RSP 2019 was made on 28 August 2020. The performance periods for the RSP and the PSP are two and three years respectively. For the RSP 2019, the performance period is one year.

The pre-set targets under the RSP and RSP 2019 were the achievement of Net Revenue, Profit Before Interest and Tax, Attributable Profit Before Fair Value Adjustment and Exceptional Items and/or Return On Capital Employed. For the PSP, the pre-set targets were based on Return On Invested Capital, Total Shareholders' Return Relative to Straits Times Index and Absolute Total Shareholders' Return as a multiple of Cost of Equity.

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

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

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

B. REMUNERATION MATTERS (cont'd)

Principle 8: Disclosure on Remuneration

Remuneration of Directors and Key Management Personnel

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

Directors of the Company as at 30 September 2020	Remuneration \$	Director Fee %	Adviser Fee %	Allowances %	Total %
Mr Charoen Sirivadhanabhakdi	- ¹	-	-	-	-
Khunying Wanna Sirivadhanabhakdi	- ¹	-	-	-	-
Tengku Syed Badarudin Jamalullail	137,000 ²	100.0	-	-	100.0
Mrs Siripen Sitasawan	175,000	100.0	-	-	100.0
Mr Timothy Chia Chee Ming	142,000	100.0	-	-	100.0
Mr Charles Mak Ming Ying	79,000	100.0	-	-	100.0
Mr Chan Heng Wing	81,000	100.0	-	-	100.0
Dr Sujitra Sombuntham	81,000	100.0	-	-	100.0
Mr Koh Poh Tiong	2,130,474 ^{3,4}	8.0	85.9	6.1	100.0
Mr Chotiphat Bijananda	79,000	100.0	-	-	100.0
Mr Thapana Sirivadhanabhakdi	159,000 ⁴	100.0	-	-	100.0
Mr Sithichai Chaikriangkrai	154,000	100.0	-	-	100.0
Mr Michael Chye Hin Fah (Alternate Director)	46,000	100.0	-	-	100.0
Mr Prapakon Thongtheppairot (Alternate Director)	46,000	100.0	-	-	100.0

Notes:

- 1 Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi waived payment of Directors' fees due to them.
- 2 Includes the payment of \$20,000 being the basic fee for serving as the Lead Independent Director.
- 3 Includes payment of \$1,829,000 being fees for services provided as adviser to the Board, and \$130,474 being car allowance paid pursuant to this appointment.
- 4 The Directors, who are also directors of Times Publishing Limited ("TPL"), have agreed to waive payment of directors' fees due to them from TPL for the year ended 30 September 2020.

Key Management Personnel of the Group as at 30 September 2020	Fee %	Salary %	Bonus %	Allowances & Benefits %	Others %	Long-Term Incentives ¹ %	Total %
Between \$1,000,000 and \$1,249,999							
Lee Meng Tat	-	70.0	19.0	4.0	-	7.0	100.0
Lim Yew Hoe	-	51.0	13.0	29.0	-	7.0	100.0
Between \$750,000 and \$999,999							
Hui Choon Kit	-	69.0	16.0	6.0	-	9.0	100.0
Between \$500,000 and \$749,999							
See Kwan Kit Jennifer	-	66.0	17.0	6.0	-	11.0	100.0
Siew Peng Yim	-	72.0	15.0	9.0	-	4.0	100.0
Total:							\$4,505,195

Note:

- 1 The value of the long-term incentives was calculated based on the closing share price of F&N shares of \$1.29 on 28 August 2020.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2020

B. REMUNERATION MATTERS (cont'd)

No termination, retirement and post-employment benefits were granted to Directors and the above mentioned key management personnel.

There are no employees within the Group who are substantial shareholders of the Company, or are immediate family members of a Director or a substantial shareholder of the Company, and whose remuneration exceeds \$100,000 during the year.

Directors' Fees

The remuneration of non-executive Directors takes into account their level and quality of contribution and their respective responsibilities, including attendance and time spent at Board meetings and Board Committee meetings. Directors are paid a basic fee and attendance fees for attending Board meetings. Non-executive Directors who perform services through Board Committees are paid additional basic and attendance fees for such services. No Director decides his own fees. Directors' fees are reviewed annually to benchmark such fees against the amounts paid by other major listed companies. The Company's Board fee structure during the year is as set out below. The Board fee structure remains unchanged from that in the preceding financial year i.e. financial year ended 30 September 2019.

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

Shareholders' approval will be sought at the 122nd AGM of the Company on 21 January 2021, for the payment of Directors' fees proposed for the financial year ending 30 September 2021 up to \$2,000,000, the same amount for which approval was sought and obtained at the 121st AGM of the Company.

C. ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

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

Accountability

F&N prepares its financial statements in accordance with the Singapore Financial Reporting Standards (International) ("SFRS (I)") prescribed by the Accounting Standards Council. The Board is responsible for presenting a balanced and understandable assessment of the Group's performance, position and prospects and the Board provides shareholders with financial statements and business updates in compliance with the requirements under the Listing Rules.

The Board releases its financial results through announcements, press releases and presentation packs to the SGX-ST. In communicating and disseminating its results, the Board aims to present a balanced and clear assessment of the Company's performance, position and prospects. The Company has announced on 30 April 2020 that it will cease to announce quarterly financial statements and will instead adopt half-yearly reporting of its financial statements beginning from the date of release of the Company's first half financial statements for the period ended 31 March 2020.

C. ACCOUNTABILITY AND AUDIT (cont'd)

In view of the COVID-19 situation, and in order to keep the investing public informed of material developments concerning the Group during this period, F&N has released regular updates by way of press releases and voluntary business updates which detail the impact of the pandemic on the Group's business operations and performance.

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

Sustainability and Risk Management Committee and Audit Committee

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

Internal Controls

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

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

Risk Management Systems

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

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

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

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

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

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2020

C. ACCOUNTABILITY AND AUDIT (cont'd)

The SRMC comprises the following members:

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

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

The Board has received relevant assurances from:

(a) Financial Records and Financial Statements

the CEOs, and the chief financial officers or financial controllers ("Heads of Finance") of each of the Group's business divisions and the Chief Financial Officer of the Company ("CFO") that, as at 30 September 2020, the financial records of the Group have been properly maintained and the financial statements for the year ended 30 September 2020 give a true and fair view of the Group's operations and finances;

(b) System of Internal Controls

the CEOs, the Heads of Finance and other key management personnel who are responsible in each of the Group's business divisions, and the CFO that, as at 30 September 2020, the system of internal controls in place for the Group is adequate and effective to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations; and

(c) Risk Management Systems

the CEOs, the Heads of Finance and other key management personnel who are responsible in each of the Group's business divisions, and the CFO that, as at 30 September 2020, the risk management system in place for the Group is adequate and effective to address risks which the Group considers relevant and material to its operations.

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, reviews performed by management, the AC and SRMC and assurance from the CEOs, the Heads of Finance and other key management personnel who are responsible in each of the Group's business divisions, and the CFO, the Board is of the view that, as at 30 September 2020, the Group's internal controls were adequate and effective to address financial, operational, compliance and information technology risks, which the Group considers relevant and material to its operations.

Based on the enterprise-wide risk management framework adopted by the Company, reviews performed by the SRMC and assurance from the CEOs, the Heads of Finance and other key management personnel who are responsible in each of the Group's business divisions, and the CFO, the Board is of the view that, as at 30 September 2020, the Group's risk management system was adequate and effective to address risks which the Group considers relevant and material to its operations.

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

The AC concurs with the Board's view that as at 30 September 2020, the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective to address risks which the Group considers relevant and material to its operations.

C. ACCOUNTABILITY AND AUDIT (cont'd)

Principle 10: Audit Committee

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

The AC is guided by written Terms of Reference endorsed by the Board which clearly sets out its authority and duties. It is duly authorised to investigate any matter within such Terms of Reference, and has full access to and the co-operation of management, as well as the full discretion to invite any Director or executive officer to attend its meetings. Under the Terms of Reference of the AC, a former partner or director of the Company's existing auditing firm or auditing corporation shall not act as a member of the AC (i) within a period of 2 years commencing on the date of his ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case (ii) for so long as he has any financial interest in the auditing firm or auditing corporation.

The AC comprises the following three members:

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

The AC is made up of non-executive Directors, the majority of whom, including its Chairman, are independent Directors. The members of the AC, including the Chairman are appropriately qualified and have recent and/or relevant accounting and related financial management expertise or experience. Their collective wealth of experience and expertise in accounting and financial management enables them to discharge their responsibilities competently.

The AC has reasonable resources to enable it to discharge its functions effectively. None of the members of the AC were previous partners or directors of the Company's auditor, KPMG LLP ("KPMG"), and none of the members of the AC hold any financial interest in KPMG.

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

- Reviewing the financial statements and related SGX-ST announcements, including the external auditors' report for the full-year and significant financial reporting issues and assessments, to safeguard the integrity in financial reporting, and to ensure compliance with the requirements of the SFRS (I). In the review of the financial statements, the significant matters referred to in Table A were reviewed by the AC and discussed with management and external auditors.
- Assessing the impact of the COVID-19 pandemic and ensuring adequate cash flow to sustain the Group's operations on an ongoing basis.
- Reviewing and approving the internal and external audit plans to ensure the adequacy of the audit scope, including reviewing and approving adjustments to the annual internal audit plan to prioritise and address risks and constraints arising during the COVID-19 pandemic.
- Recommending, for the approval of the Board, the financial results and related SGX-ST announcements.
- Reviewing the independence, adequacy and effectiveness, scope and results of the Group's internal audit function, including the adequacy of internal audit resources and its appropriate standing within the Group.
- Assessing the independence and objectivity of the external auditors and the quality of the work carried out by the external auditors, using ACRA's Audit Quality Indicators Disclosure Framework as a basis.
- Reviewing the assurance from the CEOs and the CFOs or FCs of each of the Group's significant business divisions and the Chief Financial Officer of the Company on the financial records and financial statements.
- Reviewing with internal and external auditors, the scope and results of the audit reports and their recommendations, and monitoring the timely and proper implementation of any required corrective or improvement measures.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2020

C. ACCOUNTABILITY AND AUDIT (cont'd)

- Reviewing and evaluating with internal and external auditors, and reporting to the Board at least annually on the adequacy and effectiveness of internal control systems, including financial, operational, compliance and information technology controls and together with SRMC, risk management systems.
- Reviewing the whistle-blowing policy and any whistle-blowing investigations within the Group and ensuring appropriate follow-up actions, if required.

Table A

Significant matters	How the AC reviewed these matters
Impairment of fixed assets and investment in subsidiaries	<p>The AC considered the approach and methodology used by management in determining the recoverable amount of fixed assets and investment in subsidiaries.</p> <p>The AC was satisfied that the approach and methodology used by management in this process was appropriate.</p> <p>Impairment of fixed assets and investment in subsidiaries were also areas of focus for the external auditors who have included this item as a key audit matter in their audit report for the financial year ended 30 September 2020.</p>
Impairment of goodwill and intangible assets (including brands)	<p>The AC considered the approach and methodology used by management in determining the recoverable amount of goodwill and intangible assets (including brands).</p> <p>The AC was satisfied that the approach and methodology used by management in this process was appropriate.</p> <p>Impairment of goodwill and intangible assets (including brands) were also areas of focus for the external auditors who have included this item as a key audit matter in their audit report for the financial year ended 30 September 2020.</p>

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

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

C. ACCOUNTABILITY AND AUDIT (cont'd)

During the year, the AC conducted a review of the adequacy, effectiveness, scope and results of audit by KPMG, and their cost effectiveness, as well as the independence and objectivity of KPMG. It also reviewed all non-audit services provided by KPMG, and the aggregate amount of audit fees paid/payable to them. For details of fees paid/payable to KPMG in respect of audit and non-audit services, please refer to Note 4 of the Notes to the Financial Statements on page 126. The AC is satisfied that neither their independence nor their objectivity was put at risk, and that they were able to meet the audit requirements and statutory obligations of the Company. The AC is also satisfied with the aggregate amount of audit fees paid to KPMG. Accordingly, the AC has recommended the re-appointment of KPMG at the AGM of the Company. In recommending the re-appointment of the auditors, the AC considered and evaluated a variety of factors including the audit engagement partner to be assigned to the audit, the number and experience of supervisory and professional staff to be assigned to the audit and the size and complexity of the Group, its business and operations.

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

Whistle-Blowing Policy

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

- (a) financial or professional misconduct;
- (b) improper conduct, dishonest or unethical behaviour;
- (c) any irregularity or non-compliance with laws/regulations or the Company's procedures, policies and codes of conduct including but not limited to those relating to financial reporting, accounting, audit and/or internal controls;
- (d) violence at the workplace, or any conduct that may threaten health and safety;
- (e) conflicts of interest;
- (f) corruption or bribery;
- (g) mismanagement of the Company's resources;
- (h) conduct that may cause loss (whether financial or otherwise) to the Company;
- (i) sexual harassment; and
- (j) any other improprieties or matters that may adversely affect shareholders' interests in, and assets of, the Company and its reputation.

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

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2020

C. ACCOUNTABILITY AND AUDIT (cont'd)

Internal Audit

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

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

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

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

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

D. SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

F&N believes in treating all shareholders fairly and equitably. It is committed to keeping all its shareholders and other stakeholders informed, in a timely and consistent manner, of its corporate activities, including changes (if any) in the Company or its businesses which are likely to materially affect the price or value of its shares or are likely to influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell its shares, in a timely and consistent manner.

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

Conduct of Shareholder Meetings

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

The Company's Constitution allows (i) each shareholder who is not a relevant intermediary (as defined in the Companies Act) the right to appoint up to two proxies and (ii) each shareholder who is a relevant intermediary to appoint more than two proxies to attend and vote on their behalf in shareholders' meetings. A copy of the Notice of AGM is sent to all shareholders. As for the Annual Report and the Company's letter to shareholders in relation to certain resolutions being tabled at the AGM ("Letter to Shareholders"), in line with the Group's sustainability strategy, these documents are made available for download from the Company's corporate website. Printed copies of the Annual Report and Letter to Shareholders are available on request.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT (cont'd)

At general meetings, the Company sets out separate resolutions on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where resolutions are “bundled”, the Company explains the reasons and material implications for doing in the notice calling for the general meeting. Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed.

Board members and senior management are present at each shareholders' meeting to respond to questions from shareholders. In general, all Directors are expected to attend general meetings of shareholders, unless they are unable to attend due to exigencies. The Company's independent auditor is also present to address queries about the conduct of audit and the preparation and content of the independent auditor's report.

For greater transparency, F&N has implemented electronic poll voting since its 2010 AGM. This entails shareholders being invited to vote on each of the resolutions by poll, using an electronic voting system (instead of voting by hand), thereby allowing all shareholders present or represented at the meeting to vote on a one share, one vote basis. The voting results of all votes cast for, or against, each resolution is then screened at the meeting and announced to the SGX-ST after the meeting. An independent external party is appointed as scrutineer for the electronic voting process to count and validate the votes at general meetings.

Provision 11.4 of the Code provides for a company's constitution to allow for absentia voting at general meetings of shareholders. F&N's Constitution currently does not, however, permit shareholders to vote at general meetings in absentia (such as via mail, email or fax). As the authentication of shareholder identity and other related security and integrity issues still remain a concern, the Company has decided for the time being, not to implement voting in absentia. F&N will consider implementing the relevant amendments to the Constitution if the Board is of the view that there is a demand for such alternative methods of voting, and after the Company has evaluated and put in place the necessary security processes to facilitate in absentia voting, and prevention measures against errors, fraud and other irregularities. In line with Principle 11 of the Code, shareholders nevertheless have the opportunity to communicate their views on matters affecting the Company even when they are not in attendance at general meetings as each shareholder is allowed to appoint up to two proxies to vote on his behalf at the meeting through proxy forms sent in advance. Institutional shareholders are allowed to appoint multiple proxies, so indirect investors who hold shares through nominee companies or custodian banks or through a CPF agent bank may be appointed as proxies to attend, speak and vote at AGMs.

Beginning from the 2020 AGM, F&N has published minutes of general meetings of shareholders on its corporate website as soon as practicable after the relevant general meeting. Such minutes will record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and management, which are addressed at the AGM.

2021 AGM

In view of the current COVID-19 situation in Singapore, the 2021 AGM will be convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the meeting in advance of the AGM, addressing of substantial and relevant questions at, or prior to, the AGM and voting by appointing the Chairman of the meeting as proxy at the AGM, will be put in place for the AGM.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2020

D. SHAREHOLDER RIGHTS AND ENGAGEMENT (cont'd)

Principle 12: Engagement with Shareholders

The Company prides itself on its high standards of disclosure and corporate transparency. F&N is committed to providing fair, relevant, comprehensive and timely information regarding the Group's performance and progress to shareholders and the investment community to enable them to make informed investment decisions. The Group's dedicated Investor Relations ("IR") team is tasked with and focuses on facilitating communications between the Company and its shareholders, as well as with the investment community. F&N has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

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

The Company makes available all its briefing materials to analysts and the media. In line with F&N's investor relations policy, such information, financial information, annual reports and all announcements of the Company are made available to the SGX-ST and on the Company's website at <https://www.fraserandneave.com>, with contact details for investors to channel their comments and queries.

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

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

Principle 13: Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Stakeholder Engagement

The Company strives to build and maintain strong relationships based on trust and respect with all stakeholders including the investment community, employees, distributors and trade customers, consumers, suppliers, regulators and the broader community. The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. The Company also maintains a corporate website to communicate and engage with stakeholders.

In order to facilitate the Company's planning and strategy for sustainable value, the Company utilises various platforms and proactively engages with various stakeholders, including employees, suppliers, consumers and the investment community to gather feedback on the sustainability issues most important to them. Information received via these platforms is then used by the Company to develop a materiality matrix that identifies and prioritises the Company's strategy and key areas of focus in relation to the management of stakeholder relationships for the year under review.

For more information on the Company's stakeholder engagement please refer to the Company's Sustainability Report 2020 which can be downloaded at <https://www.fraserandneave.com/investor-relations/corporate-sustainability>.

Please also refer to the Enterprise Wide Risk Management Report on pages 60 and 61 of the Annual Report and the Company's Sustainability Report 2020 for further details on how the Company has adapted and responded to its stakeholders on the various issues arising in connection with the COVID-19 pandemic.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT (cont'd)

Code of Business Conduct

The Company has adopted a Code of Business Conduct, with the key objectives of providing clear guidelines on ethics and relationships, in order to safeguard the reputation and interests of the Group and stakeholders of the Company. The Code of Business Conduct sets out the policies and procedures dealing with various issues such as conflicts of interests, dealings with government officials, the maintenance of records and reports, equal employment opportunities and sexual harassment.

The Code of Business Conduct governs the conduct of employees and is disseminated and distributed to all employees for compliance, and where applicable, is made available to other stakeholders of the Group such as suppliers, business associates and customers. In addition, Directors, officers and employees are required to observe and maintain high standards of integrity in carrying out their roles and responsibilities, and to comply with relevant and applicable laws and regulations, as well as with Company policies.

Dealings in Securities

The Company has established a procedure for dealings in the securities of the Company, which sets out the implications of insider trading and guidance on such dealings, including the prohibition on dealings with the Company's securities on short-term considerations.

In compliance with the best practices in Listing Rule 1207 sub-Rule (19) of the Listing Rules, the Group issues reminders to its Directors, officers and relevant employees on the restrictions in dealings in listed securities of the Group during the period commencing one month before the announcement of the Group's half-year and full-year financial statements, and ending on the date of such announcements. Similar reminders are also sent to Directors, officers and relevant employees on the restrictions in dealings in listed securities of the Group during the period commencing two weeks before the announcement of the Group's voluntary business updates for the first and third quarters of each financial year, and ending on the date of such announcements.

Apart from the foregoing, Directors, officers and relevant employees are also reminded not to trade in listed securities of the Group at any time while in possession of unpublished price or trade sensitive information and to refrain from dealing in the Group's securities on short-term considerations.

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Directors' Statement

The directors have pleasure in presenting their statement together with the audited financial statements of Fraser and Neave, Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 30 September 2020.

1. DIRECTORS

The directors of the Company in office at the date of this statement are:

Mr Charoen Sirivadhanabhakdi	(Chairman)
Khunying Wanna Sirivadhanabhakdi	(Vice-Chairman)
Tengku Syed Badarudin Jamalullail	
Mrs Siripen Sitasawan	
Mr Timothy Chia Chee Ming	
Mr Charles Mak Ming Ying	
Mr Chan Heng Wing	
Dr Sujitra Sombuntham	
Mr Koh Poh Tiong	
Mr Chotiphat Bijananda	
Mr Thapana Sirivadhanabhakdi	
Mr Sithichai Chaikriangkrai	
Mr Michael Chye Hin Fah (Alternate Director to Mr Thapana Sirivadhanabhakdi)	
Mr Prapakon Thongtheppairot (Alternate Director to Mr Sithichai Chaikriangkrai)	

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of, nor at any time during, the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of an acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed in this statement.

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

(a) The following directors who held office at the end of the financial year had, according to the register required to be kept under Section 164 of the Companies Act (Chapter 50 of Singapore), interest in the shares in, or debentures of, the Company and its related corporations (other than wholly-owned subsidiaries) as stated below:

Name of Director	Direct Interest		Deemed Interest	
	As at 1 Oct 2019	As at 30 Sep 2020	As at 1 Oct 2019	As at 30 Sep 2020
Charoen Sirivadhanabhakdi				
Fraser and Neave, Limited				
• Ordinary Shares	-	-	1,270,503,884 ⁽¹⁾	1,270,503,884⁽¹⁾
Frasers Property Limited				
• Ordinary Shares	-	-	2,541,007,768 ⁽¹⁾	2,541,007,768⁽¹⁾
Frasers Property Treasury Pte. Ltd.				
• S\$700,000,000 5.00% Subordinated Perpetual Securities (Series 5)	-	-	S\$300,000,000	-
Fraser & Neave Holdings Bhd				
• Ordinary Shares	-	-	203,470,910	203,470,910
TCC Assets Limited				
• Ordinary Shares	25,000	25,000	-	-

Directors' Statement

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

Name of Director	Direct Interest		Deemed Interest	
	As at 1 Oct 2019	As at 30 Sep 2020	As at 1 Oct 2019	As at 30 Sep 2020
Khunying Wanna Sirivadhanabhakdi				
Fraser and Neave, Limited				
• Ordinary Shares	-	-	1,270,503,884 ⁽¹⁾	1,270,503,884⁽¹⁾
Frasers Property Limited				
• Ordinary Shares	-	-	2,541,007,768 ⁽¹⁾	2,541,007,768⁽¹⁾
Frasers Property Treasury Pte. Ltd.				
• S\$700,000,000 5.00%				
Subordinated Perpetual Securities (Series 5)	-	-	S\$300,000,000	-
Fraser & Neave Holdings Bhd				
• Ordinary Shares	-	-	203,470,910	203,470,910
TCC Assets Limited				
• Ordinary Shares	25,000	25,000	-	-
Tengku Syed Badarudin Jamalullail				
Fraser & Neave Holdings Bhd				
• Ordinary Shares	2,062,000	2,062,000	-	-
Chan Heng Wing				
Frasers Property Treasury Pte. Ltd.				
• S\$5,000,000,000 Multicurrency Debt Issuance Programme (Series 3)	-	-	-	S\$250,000
Koh Poh Tiong				
Fraser and Neave, Limited				
• Ordinary Shares	251,315	251,315	-	-
Frasers Property Limited				
• Ordinary Shares	385,660	385,660	-	-
Frasers Property Treasury Pte. Ltd.				
• S\$700,000,000 5.00%				
Subordinated Perpetual Securities (Series 5)	S\$250,000	-	-	-

⁽¹⁾ Each of Charoen Sirivadhanabhakdi and his spouse, Khunying Wanna Sirivadhanabhakdi, owns 50% of the issued share capital of TCC Assets Limited ("TCCA"), and is therefore deemed to be interested in all of the shares in the Company in which TCCA has an interest. Both the Company and Frasers Property Limited ("FPL") are direct subsidiaries of TCCA.

Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi also jointly hold a 51% direct interest in Siriwana Co., Ltd. ("Siriwana"). Siriwana holds an aggregate of approximately 45.26% interest in Thai Beverage Public Company Limited ("ThaiBev").

Further, Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi jointly hold a 100% direct interest in MM Group Limited ("MM Group"). MM Group holds a 100% direct interest in each of Maxtop Management Corp. ("Maxtop"), Risen Mark Enterprise Ltd. ("RM") and Golden Capital (Singapore) Limited ("GC"). Maxtop holds a 17.23% direct interest in ThaiBev; RM holds a 3.32% direct interest in ThaiBev; and GC holds a 0.06% direct interest in ThaiBev.

ThaiBev holds a 100% direct interest in International Beverage Holdings Limited, which in turns holds a 100% direct interest in InterBev Investment Limited ("IBIL"). Each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is therefore deemed to be interested in all the shares in the Company in which IBIL has an interest.

Directors' Statement

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

- (b) There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 October 2020.
- (c) By virtue of Section 4 of the Securities and Futures Act, Chapter 289, each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is deemed to have interests in the shares of the subsidiaries held by the Company and in the shares of the subsidiaries held by FPL.
- (d) Except as disclosed in this statement, no director who held office at the end of the financial year had any interest in shares in, or debentures of, the Company, or its related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

4. SHARE PLANS

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

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

Share Grants under the Share Plans

Under the Share Plans, the Company grants a base number of conditional share awards (the "Base Awards") to eligible participants annually. The Base Awards represent the right to receive fully paid ordinary shares of the Company, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met over the relevant performance periods. The Remuneration Committee, as the administrator of the Share Plans, has absolute discretion in granting the Base Awards. The first grant of Base Awards pursuant to the F&N RSP 2019 was made on 28 August 2020. The performance periods for the Restricted Share Plan and the Performance Share Plan are two and three years respectively. For the F&N RSP 2019, the performance period is one year.

Depending on the level of achievement of the pre-determined targets over the respective performance periods for the Restricted Share Plan and the Performance Share Plan, an achievement factor will be applied to the relevant Base Awards to determine the final number of shares to be awarded at the end of the respective performance periods. The achievement factor ranges from 0% to 150% for the Restricted Share Plan and the F&N RSP 2019, and 0% to 200% for the Performance Share Plan. Accordingly, the actual number of shares to be awarded pursuant to the Share Plans will range from: 0% to 150% of the Base Awards for the Restricted Share Plan and the F&N RSP 2019, and from 0% to 200% of the Base Awards for the Performance Share Plan (the "Final Awards").

In respect of the Restricted Share Plan, the first tranche at 50% of the relevant Final Awards will be vested to participants after the end of the two-year performance period and followed by the balance which will be vested in equal instalments over the next two years. In respect of the Performance Share Plan, 100% of the relevant Final Awards will be vested to the participants after the end of the three-year performance period. In respect of the F&N RSP 2019, Final Awards will be vested in equal instalments over three years after the end of the one-year performance period.

During the financial year:

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

Directors' Statement

4. SHARE PLANS (cont'd)

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

The first grant of awards under the Restricted Share Plan and Performance Share Plan was made in December 2009 for Financial Year 2009/10 and the first grant of awards under the F&N RSP 2019 was made on 28 August 2020 during the financial year. The details of the shares awarded under the Share Plans in aggregate are as follows:

(i) Restricted Share Plan

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

* Cancelled due to resignations.

(ii) Performance Share Plan

Shares	Grant Date	Balance as at 1.10.2019 or Grant Date if later	Achievement Factor	Balance as at 30.9.2020
Year 8	28.12.2016	67,538	(67,538)	-
Year 9	28.12.2017	78,000	-	78,000
Year 10	21.12.2018	127,000	-	127,000
		272,538	(67,538)	205,000

(iii) F&N Restricted Share Plan 2019

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

* Cancelled due to resignations.

Directors' Statement

4. SHARE PLANS (cont'd)

(b) Fraser & Neave Holdings Bhd ("F&NHB") Restricted Share Plan ("F&NHB RSP") and F&NHB Performance Share Plan ("F&NHB PSP") (collectively, the "Share Grant Plans")

The Share Grant Plans were approved by Bursa Malaysia Securities Berhad on 20 December 2011 and subsequently approved by the shareholders of F&NHB at its Extraordinary General Meeting held on 13 January 2012.

Under the F&NHB RSP and F&NHB PSP, F&NHB grants a base number of conditional share awards (the "F&NHB Base Awards") to eligible participants annually. The F&NHB Base Awards represent the right to receive fully paid shares of F&NHB, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met. The Remuneration Committee of F&NHB, as administrator of the Share Grant Plans, has absolute discretion in the granting of shares under the F&NHB RSP and F&NHB PSP.

Depending on the achievement of pre-determined targets over a two-year performance period for the F&NHB RSP and three-year performance period for the F&NHB PSP, the final number of F&NHB RSP shares and F&NHB PSP shares to be awarded could range between 0% to 150% of the initial grant of the F&NHB RSP Base Awards and 0% to 200% of the initial grant of F&NHB PSP Base Awards, respectively (the "F&NHB Final Awards"). To date, no F&NHB Base Awards have been granted under the F&NHB PSP.

At the end of the two-year performance period, 50% of the F&NHB RSP shares under the F&NHB Final Awards will be vested to the participants. The balance will be vested in equal instalments over a period of two years.

All of the F&NHB PSP shares under the F&NHB Final Awards will be vested to the participants at the end of the three-year performance period.

During the financial year, no awards have been granted to the directors of F&NHB.

The first grant of the F&NHB RSP was made in March 2012. The details of the shares awarded under the F&NHB RSP are as follows:

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

* Cancelled due to resignations.

(c) Other than those disclosed in this paragraph 4, no shares of the Company or any corporation in the Group were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or any corporation in the Group, whether granted before or during that financial year.

(d) Other than those reported in this paragraph 4, there were no unissued shares of the Company or any corporation in the Group under options as at the end of the financial year to which this statement relates.

Directors' Statement

5. AUDIT COMMITTEE

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act (Chapter 50 of Singapore), the SGX-ST Listing Manual and the Code of Corporate Governance 2018. These functions include, *inter alia*, the following:

- (a) reviewing the financial statements and related financial results announcements, including the independent auditors' report for the full-year and significant financial reporting issues and assessments, to safeguard the integrity in financial reporting, and to ensure compliance with the requirements of the Singapore Financial Reporting Standards (International);
- (b) reviewing and approving the internal and external audit plans to ensure the adequacy of the audit scope;
- (c) recommending, for the approval of the Board, the financial results and related financial results announcements;
- (d) reviewing the independence, adequacy and effectiveness, scope and results of the Group's internal audit function, including the adequacy of internal audit resources and its appropriate standing within the Group;
- (e) reviewing with internal and external auditors, the scope and results of the audit report and their recommendations, and monitoring the timely and proper implementation of any required corrective or improvement measures; and
- (f) reviewing and evaluating with internal and external auditors, and reporting to the Board at least annually on the adequacy and effectiveness of internal control systems, including financial, operational and compliance and information technology controls and together with the Sustainability and Risk Management Committee, risk management systems.

Further details regarding the Audit Committee are disclosed in the Corporate Governance Report.

The Audit Committee has nominated KPMG LLP for re-appointment by the shareholders as independent auditors at the forthcoming Annual General Meeting.

6. INDEPENDENT AUDITORS

The independent auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

7. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2020 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended 30 September 2020; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board

SIRIPEN SITASUWAN
Director

SITHICHAI CHAIKRIANGKRAI
Director

11 November 2020

Independent Auditors' Report

MEMBERS OF THE COMPANY
FRASER AND NEAVE, LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Fraser and Neave, Limited ('the Company') and its subsidiaries ('the Group'), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 30 September 2020, the consolidated statement of changes in equity of the Group and the statement of changes in equity of the Company and the consolidated profit statement, consolidated statement of comprehensive income, and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 94 to 183.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ('the Act') and Singapore Financial Reporting Standards (International) ('SFRS(I)s') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 September 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of fixed assets and investments in subsidiaries

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

The key audit matter	How the matter was addressed in our audit
<p>Fixed assets constitute 16.2% of the Group's total assets and investment in subsidiaries constitute 87.3% of the Company's total assets as at 30 September 2020.</p> <p>When there are indicators of impairment noted in a business segment, the Group will estimate the recoverable amount of the fixed assets and investment in subsidiaries at the Company level based on discounted future cash flows expected to be generated from the business segment. The net present value of the forecast cash flows is derived from profit forecasts which include key assumptions such as sales growth rates and gross profit margins for the next 5 years, and discount rate as well as terminal growth rate.</p> <p>The assessment of management's judgements in arriving at these key assumptions is a key focus area of our audit.</p>	<p>Our procedures included, among others, assessing the appropriateness of the methodology used in determining the recoverable amount of the fixed assets and investment in subsidiaries.</p> <p>We also assessed the reasonableness of the key assumptions used in the 5-year profit forecasts by comparing sales growth rates and gross profit margins to past performance and future plans. We also compared the discount rates applied to cost of capital of comparable listed companies and compared the terminal growth rate to macroeconomic indicators. We evaluated the sensitivity of the profit forecasts by considering the downside scenarios against reasonably plausible changes to the key assumptions, including considerations of the impact of the COVID-19 pandemic.</p> <p>Our findings – We found the methodology used to be appropriate and key assumptions applied in the impairment testing to be appropriate.</p>

Independent Auditors' Report

MEMBERS OF THE COMPANY
FRASER AND NEAVE, LIMITED

Impairment of goodwill and intangible assets (including brands)

(Refer to Note 2.12, Note 2.13, Note 2.18, Note 18, Note 19 and Note 22 to the financial statements)

The key audit matter

As at 30 September 2020, the Group has goodwill of \$93.5 million mainly relating to the printing and publishing group and beverages group, and intangible assets (including brands) of \$67.5 million mainly relating to brands owned by the Group.

The Group will estimate the recoverable amount of goodwill and intangible assets with finite useful life with indicators of impairment based on discounted future cash flows expected to be generated from the respective operating unit. The net present value of the forecast cash flows is derived from profit forecasts which include key assumptions such as sales growth and gross profit margins for the next 3 to 5 years, discount rate and terminal growth rate for the operating units which the goodwill and intangible assets are allocated to.

As there are judgements and estimation involved in the preparation of the discounted future cash flows and determination of certain key inputs, this is a key focus area in our audit.

How the matter was addressed in our audit

We assessed the determination of the operating units that goodwill is allocated to based on our understanding of the nature of the Group's business.

For goodwill and intangible assets with finite useful life with indicators of impairment, our procedures included, among others, assessing the appropriateness of the methodology used in determining the recoverable amount of the goodwill and intangible assets. We assessed the reasonableness of the key assumptions used in the 3 to 5 year profit forecasts, by comparing sales growth rates and gross profit margins to past performance and future plans. We also compared the discount rates applied to the cost of capital of comparable listed companies and compared the terminal growth rate to macroeconomic indicators. We evaluated the sensitivity of the profit forecasts by considering the downside scenarios against reasonably plausible changes to the key assumptions, including considerations of the impact of the COVID-19 pandemic.

Our findings – We found the methodology used to be appropriate and key assumptions applied in the impairment testing to be appropriate.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report except for the Shareholding Statistics which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Shareholding Statistics, if we conclude that there is a material statement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Independent Auditors' Report

MEMBERS OF THE COMPANY
FRASER AND NEAVE, LIMITED

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Quek Shu Ping.

KPMG LLP

Public Accountants and
Chartered Accountants

Singapore
11 November 2020

Profit Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

Balance Sheets

AS AT 30 SEPTEMBER 2020

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

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

Statements of Changes in Equity

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

Statements of Changes in Equity

Notes	THE GROUP											
	Share Capital (\$'000)	Treasury Shares (\$'000)	Capital Reserve (\$'000)	Revenue Reserve (\$'000)	Exchange Reserve (\$'000)	Fair Value Adjustment Reserve (\$'000)	Hedging Reserve (\$'000)	Share-based Payment Reserve (\$'000)	Dividend Reserve (\$'000)	Total (\$'000)	Non-controlling Interests (\$'000)	Total Equity (\$'000)
YEAR ENDED 30 SEPTEMBER 2019 (restated)												
Balance at 30 September 2018, previously reported	851,941	(267)	18,943	2,162,297	(238,179)	(25,873)	-	8,910	43,444	2,821,216	348,604	3,169,820
Effects of adopting SFRS(I) 1	-	-	-	(208,671)	208,671	-	-	-	-	-	-	-
Effects of adopting SFRS(I) 15	-	-	-	(4,374)	(44)	-	-	-	-	(4,418)	(1,018)	(5,436)
Balance at 30 September 2018, restated	851,941	(267)	18,943	1,949,252	(29,552)	(25,873)	-	8,910	43,444	2,816,798	347,586	3,164,384
Effects of adopting SFRS(I) 9	-	-	-	(405)	-	-	-	-	-	(405)	(295)	(700)
Balance at 1 October 2018, restated	851,941	(267)	18,943	1,948,847	(29,552)	(25,873)	-	8,910	43,444	2,816,393	347,291	3,163,684
<u>Comprehensive income</u>												
Share of other comprehensive income of associated companies	-	-	-	145	(39)	(3)	-	-	-	103	-	103
Realisation of reserve upon disposal of asset	-	-	(9,548)	9,548	-	-	-	-	-	-	-	-
Fair value changes on derivative financial instruments	-	-	-	-	-	-	(1,447)	-	-	(1,447)	-	(1,447)
Fair value changes on equity investments measured at fair value through other comprehensive income	-	-	-	-	-	(6,223)	-	-	-	(6,223)	-	(6,223)
Remeasurement of defined benefit obligations	-	-	-	(26)	-	-	-	-	-	(26)	(813)	(839)
Currency translation difference	-	-	-	-	51,269	-	-	-	-	51,269	4,349	55,618
Other comprehensive income for the year	-	-	(9,548)	9,667	51,230	(6,226)	(1,447)	-	-	43,676	3,536	47,212
Profit for the year	-	-	-	152,409	-	-	-	-	-	152,409	59,720	212,129
Total comprehensive income for the year	-	-	(9,548)	162,076	51,230	(6,226)	(1,447)	-	-	196,085	63,256	259,341
<u>Contributions by and distributions to owners</u>												
Employee share-based expense	-	-	-	-	-	-	-	1,926	-	1,926	287	2,213
Issue of shares in the Company upon vesting of shares awarded	11	1,608	-	-	-	-	-	(1,608)	-	-	-	-
Treasury shares reissued pursuant to share plans	11	-	267	8	-	-	-	(275)	-	-	-	-
Purchase of shares by a subsidiary company	-	-	-	(920)	-	-	-	-	-	(920)	(738)	(1,658)
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(217)	1,259	-	-	-	(1,042)	-	-	-	-
Capital contribution by non-controlling interests	9	-	-	-	-	-	-	-	-	-	15,082	15,082
Dividends:	9	-	-	(21,762)	-	-	-	(43,444)	(65,206)	(30,954)	(96,160)	
Dividends paid	-	-	-	(57,961)	-	-	-	57,961	-	-	-	-
Total contributions by and distributions to owners	1,608	267	(209)	(79,384)	-	-	-	(999)	14,517	(64,200)	(16,323)	(80,523)
<u>Changes in ownership interests</u>												
Change of interests in subsidiary companies	-	-	-	(552)	-	-	-	-	-	(552)	552	-
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	-	5,052	5,052
Recognition of put option granted to non-controlling interests	-	-	(13,956)	-	-	-	-	-	-	(13,956)	-	(13,956)
Changes in carrying value of put option granted to non-controlling interests	-	-	(487)	-	-	-	-	-	-	(487)	-	(487)
Total changes in ownership interests	-	-	(14,443)	(552)	-	-	-	-	-	(14,995)	5,604	(9,391)
Total transactions with owners in their capacity as owners	1,608	267	(14,652)	(79,936)	-	-	-	(999)	14,517	(79,195)	(10,719)	(89,914)
Balance at 30 September 2019	853,549	-	(5,257)	2,030,987	21,678	(32,099)	(1,447)	7,911	57,961	2,933,283	399,828	3,333,111

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

Statements of Changes in Equity

Notes	THE COMPANY								Total Equity (\$'000)
	Share Capital (\$'000)	Treasury Shares (\$'000)	Capital Reserve (\$'000)	Revenue Reserve (\$'000)	Fair Value Adjustment Reserve (\$'000)	Share- based Payment Reserve (\$'000)	Dividend Reserve (\$'000)	Total Equity (\$'000)	
YEAR ENDED 30 SEPTEMBER 2020									
Balance at 1 October 2019	853,549	-	(1,091)	722,593	57,939	3,953	57,961	1,694,904	
<u>Comprehensive income</u>									
Fair value changes on equity investments measured at fair value through other comprehensive income	-	-	-	-	(1,502)	-	-	(1,502)	
Other comprehensive income for the year	-	-	-	-	(1,502)	-	-	(1,502)	
Profit for the year	-	-	-	10,346	-	-	-	10,346	
Total comprehensive income for the year	-	-	-	10,346	(1,502)	-	-	8,844	
<u>Contributions by and distributions to owners</u>									
Employee share-based expense	-	-	-	-	-	3,231	-	3,231	
Issue of shares in the Company upon vesting of shares awarded	11	2,321	-	-	-	-	(2,321)	-	-
Dividends:	9	-	-	(21,793)	-	-	(57,961)	(79,754)	
Dividends paid	-	-	-	(50,753)	-	-	50,753	-	
Total transactions with owners in their capacity as owners	2,321	-	-	(72,546)	-	910	(7,208)	(76,523)	
Balance at 30 September 2020	855,870	-	(1,091)	660,393	56,437	4,863	50,753	1,627,225	
YEAR ENDED 30 SEPTEMBER 2019									
Balance at 1 October 2018	851,941	(267)	(1,099)	741,673	72,624	4,268	43,444	1,712,584	
<u>Comprehensive income</u>									
Fair value changes on equity investments measured at fair value through other comprehensive income	-	-	-	-	(14,685)	-	-	(14,685)	
Other comprehensive income for the year	-	-	-	-	(14,685)	-	-	(14,685)	
Profit for the year	-	-	-	60,643	-	-	-	60,643	
Total comprehensive income for the year	-	-	-	60,643	(14,685)	-	-	45,958	
<u>Contributions by and distributions to owners</u>									
Employee share-based expense	-	-	-	-	-	1,568	-	1,568	
Issue of shares in the Company upon vesting of shares awarded	11	1,608	-	-	-	-	(1,608)	-	-
Treasury shares reissued pursuant to share plans	11	-	267	8	-	-	(275)	-	-
Dividends:	9	-	-	(21,762)	-	-	(43,444)	(65,206)	
Dividends paid	-	-	-	(57,961)	-	-	57,961	-	
Total transactions with owners in their capacity as owners	1,608	267	8	(79,723)	-	(315)	14,517	(63,638)	
Balance at 30 September 2019	853,549	-	(1,091)	722,593	57,939	3,953	57,961	1,694,904	

Cash Flow Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

Cash Flow Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

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

1. GENERAL

Fraser and Neave, Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited. The registered office of the Company is located at 438 Alexandra Road, #20-00 Alexandra Point, Singapore 119958. TCC Assets Limited incorporated in the British Virgin Islands is the immediate and ultimate holding company.

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

The principal activities of the Group are:

- (a) production and sale of beverages and dairy products; and
- (b) printing and publishing.

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

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

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

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

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

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

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

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.1 Basis of Preparation (cont'd)

SFRS(I) 16 Leases

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. SFRS(I) 16 replaces existing lease accounting guidance, including SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Group and the Company applied SFRS(I) 16 on 1 October 2019, using the modified retrospective approach, with no restatement of comparative information. The Group and the Company applied the practical expedient to grandfather the definition of a lease on transition. That means that SFRS(I) 16 were applied to all contracts entered into before 1 October 2019 and identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT 4.

The Group as lessee

The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under SFRS(I) 16, the Group recognises ROU assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet. On transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the respective lessee entities' incremental borrowing rates applicable to the leases as at 1 October 2019. ROU assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

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

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

The Group as lessor

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.1 Basis of Preparation (cont'd)

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

Group Balance Sheet

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

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

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

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

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.2 Basis of Consolidation and Business Combinations

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

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

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

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

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

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

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

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

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

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

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

Transactions with non-controlling interests

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

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

Transactions with non-controlling interests (cont'd)

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

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

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

2.3 Joint Arrangements

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

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

(a) Joint operations

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

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

(b) Joint venture companies

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

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

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

The Group's share of the operating results and exceptional items of joint venture companies are shown separately in the profit statement. The Group's share of other comprehensive income ("OCI") is recognised in OCI. Net assets of the joint venture companies are included in the consolidated financial statements under the equity method based on their latest audited financial statements except where their financial periods do not end on 30 September, then management accounts to 30 September are used.

The joint venture is equity accounted for until the date on which the Group ceases to have joint control over the joint venture.

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

A list of the significant joint arrangements is shown in Note 38.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.4 Associated Companies

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

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

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

The Group's share of the operating results, exceptional items and fair value adjustment of investment properties of associated companies are shown separately in the profit statement. The Group's share of OCI is recognised in OCI. Net assets of the associated companies are included in the consolidated financial statements under the equity method based on their latest audited financial statements except where their financial periods do not end on 30 September, then management accounts to 30 September are used.

An associated company is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associated company. Upon loss of significant influence over the associated company, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in the profit statement.

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

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

2.5 Revenue Recognition

Sale of Goods and Services

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

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

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

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.5 Revenue Recognition (cont'd)

Others

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

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

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

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

2.6 Provisions

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

2.7 Taxation

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

(a) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill, the initial recognition of assets or liabilities that affects neither accounting nor taxable profit, and differences relating to investments in subsidiary, joint venture and associated companies to the extent that the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at or substantively enacted at the balance sheet date.

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.7 Taxation (cont'd)

(c) Sales tax

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

- (i) Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.8 Fixed Assets

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

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

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

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

Capital Work-in-Progress includes fixed assets under construction and advance payments and progress payments made for fixed assets and are not depreciated until each stage of development is completed and becomes operational.

The carrying amounts of fixed assets are reviewed for impairment when events or circumstances indicate that the carrying value may not be recoverable.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.9 Investment Properties

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

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

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

2.10 Properties Held for Development

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

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

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

2.11 Borrowing Costs

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

2.12 Intangible Assets

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

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

Internally generated intangible assets arising from research are not capitalised and the expenditure is charged to the profit statement when it is incurred. Deferred development costs arising from deferred expenditure are recognised when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditure during the development.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.12 Intangible Assets (cont'd)

Intangible assets are tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value might be impaired. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

- (a) Development costs of published products are expensed as incurred, except for development costs which can reasonably be expected to be recovered from related future revenues.

The development costs are then amortised in accordance with their estimated economic useful lives, upon completion of published products as follows:

	Education	General and Reference
1st year	33% - 50%	50%
2nd year	33% - 50%	30%
3rd year	34%	20%

At each balance sheet date, the Group assesses whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated.

- (b) Goodwill on acquisition is identified as being the excess of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree, over the net fair value of the acquiree's identifiable assets and liabilities. In instances where the latter amount exceeds the former, the excess is recognised as a gain in the profit statement on the acquisition date.

Positive goodwill is carried at cost less any accumulated impairment loss. Goodwill is subjected to impairment test annually or more frequently if events or changes in circumstances indicate that the carrying value might be impaired.

- (c) Other intangible assets are amortised on a straight-line basis in accordance with their estimated economic useful lives as follows:

Intangible assets	Useful lives
Imprints	5.0%
Co-publishing rights	21.7%
Non-contractual customers	10.0%
Customer relationships	6.7% to 20.0%
Publishing rights	12.5%
Licensing rights	2.0% to 20.0%
Distribution rights	6.7% to 10.0%
Software	12.5% to 33.3%

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.13 Brands

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

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

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

2.14 Inventories

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

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

2.15 Financial Assets

(a) Classification

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

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

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

Financial assets are not reclassified subsequent to their initial recognition unless its business model for managing those assets changes.

(i) *Financial assets at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost mainly comprise of cash and cash equivalents, trade and other receivables, amount due from related parties, joint venture and associated companies.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.15 Financial Assets (cont'd)

(a) Classification (cont'd)

(ii) *Financial assets at FVOCI*

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by investment basis. The Group's equity investments are classified as FVOCI.

(iii) *Financial assets at FVTPL*

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(b) Recognition and derecognition

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

Purchases and sales of investments are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or when all risks and rewards of ownership have been substantially transferred.

(c) Initial measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit statement.

(d) Subsequent measurement

(i) *Financial assets at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit statement. Any gain or loss on derecognition is recognised in profit statement.

(ii) *Financial assets at FVOCI*

These assets are subsequently measured at fair value. The Group has elected to recognise changes in fair value of equity securities not held for trading in OCI as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/losses" in OCI. Where the Group has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit statement following the derecognition of the investment. Dividends from equity investments are recognised in profit statement as "dividend income".

(iii) *Financial assets at FVTPL*

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit statement.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.15 Financial Assets (cont'd)

(e) Impairment

The Group assesses on a forward looking basis the expected credit loss ("ECL") associated with its financial assets carried at amortised cost and contract assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances of the Group are measured on either of the following bases:

- (i) 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected credit life of the instrument is less than 12 months); or
- (ii) Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

For trade receivables and contract assets, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

The Group applies the general approach of 12-month ECL at initial recognition for all other financial assets.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- (i) significant financial difficulty of the borrower;
- (ii) a breach of contract such as a default;
- (iii) the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- (iv) it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (v) the disappearance of an active market for a security because of financial difficulties.

2.16 Financial Liabilities

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

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.16 Financial Liabilities (cont'd)

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Other financial liabilities comprise trade payables, other payables, amounts due to subsidiary, joint venture, associated companies and related parties, borrowings and bank overdrafts, and put liability to acquire non-controlling interests. Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit statement.

Gains and losses are recognised in the profit statement when the liabilities are derecognised as well as through the amortisation process. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

2.17 Derivative Financial Instruments and Hedge Accounting

The Group and the Company use derivative financial instruments to hedge against risks associated with foreign currency and interest rate fluctuations. Foreign exchange forward contracts are used to hedge its risks associated primarily with foreign currency fluctuations. Interest rate swap contracts are used to hedge its risks associated with interest rate fluctuations. It is the Group's policy not to trade in derivative financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Any directly attributable transaction costs are recognised in the profit statement as incurred. The changes in fair value of any derivative instrument that do not qualify for hedge accounting are recognised directly in the profit statement.

The fair value of forward foreign currency contracts is calculated by reference to current forward foreign exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

Derivative instruments that qualify for hedge accounting are classified either as cash flow hedge or fair value hedge.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedge item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the criteria for hedge accounting are accounted for as cash flow hedges.

Cash flow hedges are hedges of the exposure to the variability of cash flow that is attributable to a particular risk associated with a recognised asset or liability that could affect the profit statement.

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in hedging reserve within equity limited to the cumulative change in fair value of the hedged item, while the ineffective portion is recognised in the profit statement.

Amounts taken to hedging reserve are transferred to the profit statement when the hedged transaction affects the profit statement, such as when the hedged financial income or financial expense is recognised or when a forecast sale or purchase occurs. When the hedged item is the cost of a non-financial asset or liability, the amounts taken to hedging reserve are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in hedging reserve are transferred to the profit statement. If the hedging instrument expires or is sold, terminated, or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in hedging reserve remain in hedging reserve until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the profit statement.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.18 Impairment of Non-Financial Assets

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

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

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

2.19 Discontinued Operations and Assets and Liabilities Held for Sale

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

Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the assets (or all the assets and liabilities in the group) are measured in accordance with the applicable SFRS(l)s. Upon classification as held for sale, non-current assets and disposal groups are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in the profit statement.

Any impairment loss on initial classification and subsequent measurement is recognised as expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in the profit statement.

All income and expenses from discontinued operations are reported separately from income and expenses from continuing activities in the profit statement.

2.20 Treasury Shares

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.21 Employee Benefits

(a) Defined benefit plans

The cost of providing benefits under the defined benefit plans are determined by the project unit credit method. The liability recognised in the balance sheet is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality bonds that are denominated in the currency in which the benefits will be paid and have tenures approximating that of the related post-employment benefit obligations. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in OCI in the period when they arise.

Past service costs are recognised immediately in the profit statement.

(b) Defined contribution plans under statutory regulations

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

(c) Equity compensation plans

Employees of the Group receive remuneration in the form of share awards as consideration for services rendered.

Equity-settled transactions

The fair value of the employee services received in exchange for the grant of the awards is recognised as an expense in the profit statement with a corresponding increase in the employee share-based payment reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the awards on the date of grant. At each balance sheet date, the number of share awards that are expected to be vested are estimated. The impact of the revision of the original estimates is recognised as an expense and as a corresponding adjustment to equity over the remaining vesting period, unless the revision to the original estimates is due to market conditions. No adjustment is made if the revision or actual outcome differs from the original estimates due to market conditions.

When the awards are released, the share-based payment reserve is credited to share capital if new shares are issued. If treasury shares purchased are re-issued to employees, the share-based payment reserve is credited to treasury shares with gain/loss on reissuance taken to capital reserve.

(d) Accrued annual leave

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

2.22 Leases

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

(a) Lessee

A finance lease which effectively transfers to the Group substantially all the risks and benefits incidental to ownership of the leased item is capitalised at the lower of the fair value of the leased item and the present value of the minimum lease payments at the inception of the lease term and disclosed as fixed asset. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit statement. Contingent rents, if any, are expensed in the periods in which they are incurred.

A lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item is classified as an operating lease. Operating lease payments are recognised as an expense in the profit statement on a straight-line basis over the lease term.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.22 Leases (cont'd)

(b) Lessor

A lease whereby the lessor effectively retains substantially all the risks and benefits of ownership of the leased item is classified as an operating lease. Properties leased out under operating leases are included in investment properties and are stated at revalued amounts and not depreciated. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Contingent rents, if any, are recorded as income in the periods in which they are earned.

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

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

(a) Lessee

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

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

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

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

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

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.22 Leases (cont'd)

(a) Lessee (cont'd)

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

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

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

Short-term leases and leases of low-value assets

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

(b) Lessor

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

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

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

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

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

2.23 Government Grants

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

2.24 Exceptional Items

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.25 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and the Company; or
- (b) a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability.

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

2.26 Functional and Foreign Currencies

(a) Functional currency

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

(b) Foreign currency transactions

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. Currency translation differences on equity investments held at FVTPL, are reported as part of the fair value gain or loss. Currency translation differences on equity investments classified as financial assets at FVOCI, are included in the fair value adjustment reserve within equity.

Currency translation differences arising from events which are treated as exceptional are dealt with as exceptional items in the profit statement.

(c) Foreign currency translations

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) profit statement items are translated into presentation currency at exchange rates ruling at the dates of the transactions;
- (ii) assets and liabilities are translated into presentation currency at exchange rates ruling at the balance sheet date; and
- (iii) exchange differences arising from translation of foreign subsidiary, joint venture and associated companies are recognised in OCI under exchange reserve as a separate component of the shareholders' funds.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.26 Functional and Foreign Currencies (cont'd)

(c) Foreign currency translations (cont'd)

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

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

2.27 Significant Accounting Estimates and Judgements

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

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date are discussed below.

(i) Impact of COVID-19

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

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

Impairment assessment and asset valuations

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

Solvency and liquidity

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.27 Significant Accounting Estimates and Judgements (cont'd)

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

(ii) Impairment of non-financial and financial assets

Goodwill and brands

Goodwill and brands are tested for impairment at least on an annual basis. This requires an estimation of the value-in-use of the CGUs to which the goodwill and brands are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU, including the impact arising from COVID-19, and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the goodwill and brands at balance sheet date is disclosed in Note 18 and Note 22 respectively.

Investment in joint venture and associated companies

The Group assesses at each reporting date whether there is any objective evidence that investment in joint venture and associated companies are impaired. Where there is objective evidence of impairment, the recoverable amount is estimated based on the higher of the value-in-use and the fair value less costs to sell. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows to be generated by the joint venture and associated companies including the impact arising from COVID-19, and also to choose a suitable discount rate in order to calculate the present value of those cash flows which reflects the risk profile of the investee and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the recoverable amount of the investee. The carrying amount of the investment in joint venture and associated companies at balance sheet date have been disclosed in the balance sheet.

Financial assets at amortised cost

The Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for grouping of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information, which is based on assumptions for the future movement of different economic drivers with consideration on the impact of COVID-19. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's financial assets at amortised cost is disclosed in Note 24 and 35(c).

(iii) Taxes

The Group has exposure to taxes in numerous jurisdictions. Significant judgment is involved in determining the provision for taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of taxation and deferred taxation at balance sheet date are disclosed in the balance sheet.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (cont'd)

2.27 Significant Accounting Estimates and Judgements (cont'd)

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

(iv) *Depreciation of fixed assets*

Fixed assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these fixed assets to be within 2 to 99 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the fixed assets at balance sheet date is disclosed in the balance sheet.

(b) Critical judgements made in applying accounting policies

Management is of the opinion that the instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimates.

3. REVENUE

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

(a) Disaggregation of revenue from contracts with customers:

	Operating Segments				
	Beverages (\$'000)	Dairies (\$'000)	Printing & Publishing (\$'000)	Others (\$'000)	Total (\$'000)
Year ended 30 September 2020					
Primary geographical markets					
Singapore	112,262	171,942	137,149	-	421,353
Malaysia	293,581	331,315	22,984	329	648,209
Thailand	-	657,710	399	-	658,109
Others	33,511	2,805	69,514	-	105,830
	439,354	1,163,772	230,046	329	1,833,501
Major products/service lines					
Sale of goods	439,354	1,163,772	122,456	-	1,725,582
Sale of services	-	-	96,037	39	96,076
Others	-	-	11,553	290	11,843
	439,354	1,163,772	230,046	329	1,833,501
Timing of transfer of goods or services					
At a point in time	439,354	1,163,772	217,945	329	1,821,400
Over time	-	-	12,101	-	12,101
	439,354	1,163,772	230,046	329	1,833,501

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

3. REVENUE (cont'd)

(a) Disaggregation of revenue from contracts with customers: (cont'd)

	Operating Segments				
	Beverages (\$'000)	Dairies (\$'000)	Printing & Publishing (\$'000)	Others (\$'000)	Total (\$'000)
Year ended 30 September 2019*					
Primary geographical markets					
Singapore	120,612	165,278	165,348	-	451,238
Malaysia	336,495	335,440	35,981	398	708,314
Thailand	-	649,272	290	-	649,562
Others	14,181	3,295	75,747	-	93,223
	471,288	1,153,285	277,366	398	1,902,337
Major products/service lines					
Sale of goods	471,288	1,153,285	161,250	-	1,785,823
Sale of services	-	-	106,933	43	106,976
Others	-	-	9,183	355	9,538
	471,288	1,153,285	277,366	398	1,902,337
Timing of transfer of goods or services					
At a point in time	471,288	1,153,285	260,692	398	1,885,663
Over time	-	-	16,674	-	16,674
	471,288	1,153,285	277,366	398	1,902,337

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

(b) Contract balances

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

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

The contract liabilities primarily relate to the advance consideration received from customers and progress billings issued in excess of the Group's rights to the consideration. Contract liabilities are recognised as revenue when the Group fulfils its performance obligation under the contract.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

THE GROUP

2020 (\$'000)	2019 (\$'000)
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3. REVENUE (cont'd)

(b) Contract balances (cont'd)

Significant changes in the contract liabilities are explained as follows:

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

4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS

(a) Included in other income (net):

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

(b) Net finance cost:

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

5. SEGMENT INFORMATION

The Group's operating businesses are organised and managed separately according to the nature of activities. The Group's operating segments are namely beverages, dairies, printing and publishing and others. The Group operates in the following key geographical areas, namely Singapore, Malaysia, Thailand, Vietnam and other countries.

Year ended 30 September 2020

The following table presents financial information regarding operating segments:

Operating Segment	Beverages (\$'000)	Dairies (\$'000)	Printing & Publishing (\$'000)	Others (\$'000)	Elimination (\$'000)	Per Consolidated Financial Statements (\$'000)
Revenue - external	439,354	1,163,772	230,046	329	-	1,833,501
Revenue - inter-segment	2,096	162	424	104,086	(106,768)	-
Total revenue	441,450	1,163,934	230,470	104,415	(106,768)	1,833,501
Subsidiary companies	17,327	142,781	(10,496)	(7,613)	-	141,999
Joint venture and associated companies	-	120,714	-	4,693	-	125,407
PBIT	17,327	263,495	(10,496)	(2,920)	-	267,406
Finance income						2,830
Finance cost						(24,788)
Profit before fair value adjustment, taxation and exceptional items						245,448
Fair value adjustment of investment properties						(413)
Exceptional items						(621)
Profit before taxation						244,414
Taxation						(36,722)
Profit after taxation						207,692
Non-controlling interests						(58,482)
Attributable profit						149,210
Assets	516,143	728,999	275,127	129,255	-	1,649,524
Investment in joint venture and associated companies	-	2,638,523	149	196,535	-	2,835,207
Tax assets						4,516
Cash and bank deposits						285,479
Total assets						4,774,726
Liabilities	89,192	220,489	103,377	53,224	-	466,282
Tax liabilities						74,202
Borrowings						838,589
Total liabilities						1,379,073
Other segment information:						
Capital expenditure	53,603	52,103	17,931	874	-	124,511
Depreciation and amortisation	30,064	30,967	23,791	3,102	-	87,924
Impairment losses	73	117	360	-	-	550
Reversal of impairment losses	(101)	(108)	(55)	-	-	(264)
Attributable (loss)/profit before fair value adjustment and exceptional items	(183)	184,645	(12,020)	(22,045)	-	150,397
Fair value adjustment of investment properties	-	-	(18)	(219)	-	(237)
Exceptional items	-	410	(1,010)	(350)	-	(950)
Attributable (loss)/profit	(183)	185,055	(13,048)	(22,614)	-	149,210

The following information are based on the geographical location of the Group's customers, which are essentially in the same location as the business operation and are as follows:

Geographical Information	Singapore (\$'000)	Malaysia (\$'000)	Thailand (\$'000)	Vietnam (\$'000)	Others (\$'000)	Per Consolidated Financial Statements (\$'000)
Total revenue	421,353	648,209	658,109	106	105,724	1,833,501
PBIT	(4,690)	37,137	121,635	119,739	(6,415)	267,406
Non-current assets	160,409	461,234	192,829	102	161,654	976,228
Investment in joint venture and associated companies	-	77,257	119,278	2,638,523	149	2,835,207
Current assets	204,190	259,821	163,520	236	45,529	673,296
Capital expenditure	24,463	60,817	26,225	2	13,004	124,511

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

5. SEGMENT INFORMATION (cont'd)

Year ended 30 September 2019 (restated)

The following table presents financial information regarding operating segments:

Operating Segment*	Beverages (\$'000)	Dairies (\$'000)	Printing & Publishing (\$'000)	Others (\$'000)	Elimination (\$'000)	Per Consolidated Financial Statements (\$'000)
Revenue - external	471,288	1,153,285	277,366	398	-	1,902,337
Revenue - inter-segment	3,059	36	84	113,922	(117,101)	-
Total revenue	474,347	1,153,321	277,450	114,320	(117,101)	1,902,337
Subsidiary companies	17,189	154,122	9,635	(11,214)	-	169,732
Joint venture and associated companies	-	110,927	(365)	2,934	-	113,496
PBIT	17,189	265,049	9,270	(8,280)	-	283,228
Finance income					6,968	
Finance cost					(21,663)	
Profit before fair value adjustment, taxation and exceptional items					268,533	
Fair value adjustment of investment properties					(1,370)	
Exceptional items					1,106	
Profit before taxation					268,269	
Taxation					(56,140)	
Profit after taxation					212,129	
Non-controlling interests					(59,720)	
Attributable profit					152,409	
Assets	482,988	667,626	271,696	84,431	-	1,506,741
Investment in joint venture and associated companies	-	2,591,097	149	199,327	-	2,790,573
Tax assets						2,884
Cash and bank deposits						420,333
Total assets						4,720,531
Liabilities	108,910	222,642	108,912	43,373	-	483,837
Tax liabilities						73,899
Borrowings						829,684
Total liabilities						1,387,420
Other segment information:						
Capital expenditure	85,494	70,168	17,586	2,816	-	176,064
Depreciation and amortisation	18,719	24,413	16,916	953	-	61,001
Impairment losses	110	10	89	-	-	209
Reversal of impairment losses	(136)	(219)	-	-	-	(355)
Attributable (loss)/profit before fair value adjustment and exceptional items	(875)	181,245	6,185	(33,509)	-	153,046
Fair value adjustment of investment properties	-	-	(1,370)	-	-	(1,370)
Exceptional items	-	566	348	(181)	-	733
Attributable (loss)/profit	(875)	181,811	5,163	(33,690)	-	152,409

The following information are based on the geographical location of the Group's customers, which are essentially in the same location as the business operation and are as follows:

Geographical Information*	Singapore (\$'000)	Malaysia (\$'000)	Thailand (\$'000)	Vietnam (\$'000)	Others (\$'000)	Per Consolidated Financial Statements (\$'000)
Total revenue	451,238	708,314	649,562	115	93,108	1,902,337
PBIT	6,856	51,724	121,840	109,185	(6,377)	283,228
Non-current assets	137,221	442,809	167,901	61	144,291	892,283
Investment in joint venture and associated companies	-	76,723	122,604	2,591,097	149	2,790,573
Current assets	168,815	254,376	153,669	260	37,338	614,458
Capital expenditure	23,039	32,003	52,649	18	68,355	176,064

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

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

THE GROUP

	2020 (\$'000)	2019 (\$'000)
		(restated)

6. GROSS INCOME FROM INVESTMENTS

Dividend income	285	470
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7. EXCEPTIONAL ITEMS

Insurance claim relating to fire	739	1,019
Provision for restructuring and re-organisation costs of operations	(1,010)	(910)
Share of exceptional items of a joint venture company	(350)	-
Gain on disposal of investment property	-	1,176
Investment property written off	-	(179)
	(621)	1,106

8. TAXATION

Based on profit for the year:

Singapore tax	7,528	7,359
Overseas tax		
- current year	25,113	33,322
- withholding tax	7,528	3,592
Deferred tax		
- current year	4,005	5,555
	44,174	49,828
(Over)/Under provision in preceding years		
- current income tax	(7,405)	6,025
- deferred tax	(47)	287
	36,722	56,140

THE GROUP

	2020 %	2019 %
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A reconciliation of the statutory tax rate to the Group's effective tax rate applicable to profit for the year is as follows:

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

8. TAXATION (cont'd)

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

For the year of assessment ("YA") 2020 certain subsidiary companies have transferred loss items of \$11,398,000 (YA 2019: \$13,207,000) to offset against the taxable income of other companies in the Group. Tax benefits of \$219,000 (YA 2019: \$164,000) were recognised on the tax losses utilised under the group relief system. Tax benefits of \$6,685,000 (YA 2019: \$5,736,000) arising from the utilisation of group relief are not recognised as they are subject to compliance with the relevant tax legislation governing group relief and agreement of the Inland Revenue Authority of Singapore.

9. DIVIDENDS

	THE GROUP & THE COMPANY	
	2020 (\$'000)	2019 (\$'000)
Interim paid of 1.5 cents per share (2019: 1.5 cents per share)	21,793	21,762
Final proposed of 3.5 cents per share (2019: 4.0 cents per share)	50,753	57,961
	72,546	79,723

The final dividend is proposed by the Directors after the balance sheet date and subject to the approval of shareholders at the next annual general meeting of the Company.

10. EARNINGS PER SHARE

(a) Basic Earnings Per Share

Basic earnings per share is computed by dividing the Group attributable profit to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

10. EARNINGS PER SHARE (cont'd)

(b) Diluted Earnings Per Share

Diluted earnings per share is computed by dividing the Group adjusted attributable profit to shareholders of the Company by the adjusted weighted average number of ordinary shares in issue during the year.

For diluted earnings per share, the Group attributable profit to shareholders of the Company is adjusted for changes in subsidiary companies attributable profit resulting from dilutive potential shares under share plans of a subsidiary company. The reconciliation of the Group adjusted attributable profit to shareholders of the Company used to compute diluted earnings per share is as follows:

	THE GROUP	
	2020 (\$'000)	2019 (\$'000)
	(restated)	
Group attributable profit to shareholders of the Company before fair value adjustment and exceptional items	150,397	153,046
Change in attributable profit due to dilutive potential shares under share plans of a subsidiary company	(184)	(175)
Group adjusted attributable profit to shareholders of the Company before fair value adjustment and exceptional items	150,213	152,871
Group attributable profit to shareholders of the Company after fair value adjustment and exceptional items	149,210	152,409
Change in attributable profit due to dilutive potential shares under share plans of a subsidiary company	(188)	(176)
Group adjusted attributable profit to shareholders of the company after fair value adjustment and exceptional items	149,022	152,233
The weighted average number of ordinary shares is adjusted to assume exercise of all dilutive potential shares under share plans of the Company. The reconciliation of the weighted average number of ordinary shares used to compute diluted earnings per share is as follows:		
	----- Number of Shares -----	
Weighted average number of ordinary shares used to compute basic earnings per share	1,449,909,345	1,448,877,007
Adjustment for dilutive potential shares under share plans of the Company	4,140,625	3,245,688
Weighted average number of ordinary shares used to compute diluted earnings per share	1,454,049,970	1,452,122,695
Earnings Per Share (Fully diluted)		
- before fair value adjustment and exceptional items	10.3 cts	10.5 cts
- after fair value adjustment and exceptional items	10.2 cts	10.5 cts

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

11. SHARE CAPITAL, TREASURY SHARES AND RESERVES

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

The holders of ordinary shares (except for treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

The Company has the following employee share plans under which share awards conditional on the achievement of pre-determined targets have been granted.

- (i) Fraser and Neave, Limited Restricted Share Plan
- (ii) Fraser and Neave, Limited Performance Share Plan
- (iii) F&N Restricted Share Plan 2019

(b) Treasury shares

Balance at beginning of year	-	-	(131,126)	(267)
Reissued during the year:				
- Reissued pursuant to share plans	-	-	131,126	-
- Transferred from share-based payment reserve	-	-	-	275
- Gain on reissuance of treasury shares	-	-	-	(8)
	-	-	131,126	267
Balance at end of year	-	-	-	-

Treasury shares relate to ordinary shares of the Company that is held by the Company.

The Company did not acquire shares in the Company through purchases on the Singapore Exchange during the financial years ended 30 September 2020 and 2019.

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

(c) Reserves

	THE GROUP	THE COMPANY		
	2020 (\$'000)	2019 (\$'000)	2020 (\$'000)	2019 (\$'000)
(restated)				

The reserves comprise the following:

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

Capital reserve of the Company comprises the net loss on reissuance of treasury shares. The capital reserve of the Group comprises statutory reserve, asset revaluation reserve of subsidiary companies, the net loss on reissuance of treasury shares and put option liability arising from acquisition of subsidiary companies.

Fair value adjustment reserve comprises the cumulative fair value changes, net of tax, of equity investments designated at FVOCI until they are disposed or impaired.

Hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments related to hedged transactions that have not yet occurred.

Share-based payment reserve represents the share plans granted to employees and is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of share plans and is reduced by the shares awarded.

Dividend reserve relates to proposed final dividend of 3.5 cents (2019: 4.0 cents) per share.

Exchange reserve comprises the exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

12. FIXED ASSETS

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

12. FIXED ASSETS (cont'd)

	THE GROUP						
	Freehold Land (\$'000)	Leasehold Land (\$'000)	Building (\$'000)	Plant & Machinery (\$'000)	Capital Work-in-Progress (\$'000)	Other Assets (\$'000)	Total (\$'000)
For the year ended 30 September 2019							
At cost							
Balance at beginning of year	40,493	65,415	288,813	655,339	36,624	203,250	1,289,934
Currency realignment	436	561	4,300	8,294	457	1,815	15,863
Additions	-	-	151	3,333	146,742	8,770	158,996
Acquisition of subsidiary companies	-	-	-	1,352	-	429	1,781
Disposals	(683)	-	(7,477)	(1,177)	-	(8,416)	(17,753)
Write off	-	-	-	(3,684)	(938)	(4,193)	(8,815)
Reclassification	-	35	4,769	33,577	(40,029)	1,648	-
Reclassified to investment properties	-	-	10,800	-	-	-	10,800
Reclassified to intangible assets	-	-	-	-	(194)	(106)	(300)
Balance at end of year	40,246	66,011	301,356	697,034	142,662	203,197	1,450,506
Accumulated depreciation and impairment							
Balance at beginning of year	777	13,171	100,398	464,288	-	149,841	728,475
Currency realignment	(2)	73	1,265	5,210	-	1,211	7,757
Depreciation charge	-	1,095	6,040	26,032	-	16,240	49,407
Impairment charge	-	-	-	105	-	15	120
Reversal of impairment charge	-	-	-	(183)	-	(172)	(355)
Disposals	-	-	(5,050)	(1,028)	-	(8,326)	(14,404)
Write off	-	-	-	(3,518)	-	(4,025)	(7,543)
Reclassification	-	-	(69)	(131)	-	200	-
Reclassified to intangible assets	-	-	-	-	-	(91)	(91)
Balance at end of year	775	14,339	102,584	490,775	-	154,893	763,366
Net book value	39,471	51,672	198,772	206,259	142,662	48,304	687,140

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

12. FIXED ASSETS (cont'd)

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

- (a) Other assets comprise motor vehicles and forklift, postmix and vending machines, fixture and fittings and computer equipment.
- (b) The Group's carrying amount of assets held under finance leases at 30 September 2019 amounted to \$268,000.
- (c) During the financial year ended 30 September 2019, a change in use led to a building being transferred from investment property. The deemed cost of the building is its fair value of \$10,800,000 as at the date of change in use.
- (d) Details of right-of-use assets are disclosed in Note 27(a).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

13. INVESTMENT PROPERTIES

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

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

The following amounts are recognised in the profit statement:

Rental income from investment properties:

- Minimum lease payments	133	855
Direct operating expenses arising from rental generating properties	209	236

(c) Completed investment properties are stated at fair value which has been determined based on valuations performed at balance sheet date. Valuations are performed by accredited independent valuers with recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued.

The valuations are based on open market values on the as-is basis and were prepared primarily using the Investment and Comparison Method. In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

Independent professional valuations were carried out by the following valuers:

Valuers	Country
Roma Appraisals Ltd	Hong Kong
Henry Butcher Malaysia Sdn Bhd	Malaysia

14. PROPERTIES HELD FOR DEVELOPMENT

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

15. SUBSIDIARY COMPANIES

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

MARKET VALUE

Quoted shares	2,152,755	2,342,664
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The Company increased its shareholdings in F&N Global Marketing Pte. Ltd. through capital injections amounting to \$5,000,000 in the financial year ended 30 September 2020 (2019: InterF&B Pte. Ltd. and F&N Investments Pte Ltd through capital injections amounting to \$76,380,000 and \$66,000,000 respectively). There was no change to the Company's effective ownership interest in these subsidiary companies.

During the financial year, an impairment loss of \$54,812,000 (2019: \$7,276,000) was recognised on the cost of investment of a subsidiary company to bring its carrying value to its recoverable value. The recoverable amount of the subsidiary company had been determined based on the higher of the fair value less cost to sell and the value-in-use. The value-in-use calculations were determined using 5 year cash flow projections approved by management. The pre-tax discount rate applied to the cash flow projections was 6.3% (2019: 8.6%) and the terminal growth rate was 2.0% (2019: 2.0%).

The amounts owing by subsidiary companies are unsecured, not repayable within the next 12 months and are interest free.

The amounts owing to subsidiary companies disclosed under non-current liabilities are unsecured, not repayable within the next 12 months, non-trade in nature, interest free except for amounts of \$755,000,000 (2019: \$698,000,000) which bear interest between 2.6% to 3.9% (2019: 2.6% to 3.9%) per annum, and to be settled in cash.

The amounts owing from and to subsidiary companies disclosed under current assets and current liabilities are unsecured, non-trade in nature, have no fixed repayment term, interest free except for amounts receivable of \$34,540,000 (2019: \$Nil) which bears interest of 1.0% (2019: Nil%) per annum, and to be settled in cash.

The Company provides for 12-month ECLs for all amounts due from subsidiary companies based on an assessment of qualitative and quantitative factors that are indicative of the risk of default. The amounts due from subsidiary companies are considered to have low credit risk and the amount of the allowance is insignificant.

Details of the significant subsidiary companies are included in Note 38.

(a) Acquisition of subsidiary companies

On 3 April 2019, Times Publishing Limited, a wholly-owned subsidiary company of the Group, completed the acquisition of 60% shareholding interest in Print Lab Pte. Ltd. and its subsidiary company ("PLPL"). Upon acquisition, PLPL became subsidiary companies of the Group. A provisional goodwill of \$19,666,000 was recognised on the acquisition based on the difference between the consideration and the fair value of the identifiable assets and liabilities at the date of the acquisition, subject to completion of the Purchase Price Allocation exercise ("PPA"). The consideration was arrived at on a "willing-buyer-willing-seller" basis, taking into consideration, *inter alia*, the net asset value and earnings of PLPL.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

15. SUBSIDIARY COMPANIES (cont'd)

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

In accordance with SFRS(I) 3 *Business Combinations*, the fair value of the identifiable assets and liabilities was determined provisionally for the acquisition as of 30 September 2019. Additional information was obtained as part of the process of finalising the PPA during the 12 month period allowed under SFRS(I) 3 and this resulted in certain aspects of the PPA being revised to reflect the finalisation of the allocation process. The impact of these revisions on the acquired assets is as follows:

	As previously reported 30 September 2019 (\$'000)	Adjustment (\$'000)	Revised as at 30 September 2019 (\$'000)
Non-current assets	1,781	2,950	4,731
Current assets	8,643	-	8,643
Borrowings	(219)	-	(219)
Other current liabilities	(2,541)	-	(2,541)
Other non-current liabilities	(119)	(502)	(621)
Non-controlling interests	(4,073)	(979)	(5,052)
Cash and cash equivalents	2,637	-	2,637
Total identifiable net assets at fair value	6,109	1,469	7,578
Goodwill arising from acquisition	19,666	(1,469)	18,197
Consideration paid	25,775	-	25,775
Deferred consideration	(500)	-	(500)
Less: Cash and cash equivalents in subsidiary companies acquired	(2,637)	-	(2,637)
Net cash outflow on acquisition of subsidiary companies	22,638	-	22,638

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

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

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

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

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

15. SUBSIDIARY COMPANIES (cont'd)

(c) Subsidiary company with material NCI

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

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

16. JOINT VENTURE COMPANIES

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

16. JOINT VENTURE COMPANIES (cont'd)

- (a) The following table summarises the financial information of FNRC, FNIH and VCSB based on their respective financial statements for the periods ended 30 September as follows:

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

- (b) The following table summarises the carrying amount and share of loss of the joint venture company held by the Group that is not individually material as follows:

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

- (c) On 11 November 2011, the Group had through its non-wholly owned subsidiary, Fraser & Neave Holdings Bhd ("F&NHB"), entered into a conditional subscription cum shareholders' agreement ("SSA") with Frasers Property Holdings (Malaysia) Pte. Ltd. ("FPHM") to form a joint venture, VCSB for the purpose of carrying out a proposed mixed development on the land held under PN 3679 for Lot No. 35 and PN 3681 for Lot No. 37, Seksyen 13, Bandar Petaling Jaya, Daerah Petaling, Selangor. The Group and FPHM had both granted shareholder's loans to VCSB pursuant to the SSA. On 2 October 2019, the principal amount of shareholder's loan of \$41,838,000 was converted to 126,820 redeemable non-cumulative convertible preference shares at issue price of RM1,000 each.
- (d) The amounts owing from joint venture companies classified under current assets are unsecured, trade and non-trade in nature, interest free, repayable upon demand and to be settled in cash. The Group provides for 12-month ECLs for all amounts due from joint venture companies based on an assessment of qualitative and quantitative factors that are indicative of the risk of default. The amounts due from joint venture companies are considered to have low credit risk and the amount of the allowance is insignificant.
- (e) There is no share of capital commitments and contingent liabilities of the joint venture companies as at 30 September 2020 and 2019.

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

17. ASSOCIATED COMPANIES

	THE GROUP	
	2020 (\$'000)	2019 (\$'000)
Vietnam Dairy Products Joint Stock Company ("Vinamilk")	2,638,522	2,591,097
Other associated company	30,080	29,578
	2,668,602	2,620,675
MARKET VALUE		
Quoted shares	2,785,216	2,737,900
(a) The following table summarises the financial information of Vinamilk based on its consolidated financial statements for the periods ended 30 September prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies as follows:		
<u>Summarised statement of comprehensive income</u>		
Revenue	3,106,292	2,857,660
Profit before taxation	732,141	678,246
Taxation	(136,023)	(125,361)
Profit after taxation	596,118	552,885
Other comprehensive income	96,616	6,834
Total comprehensive income	692,734	559,719
Attributable to:		
Non-controlling interests	96,856	5,322
Shareholders of Vinamilk	595,878	554,397
	692,734	559,719
<u>Summarised balance sheet</u>		
Non-current assets	3,161,202	3,115,289
Current assets	1,861,612	1,290,064
Current liabilities	(1,073,215)	(683,197)
Non-current liabilities	(462,388)	(436,577)
Net assets	3,487,211	3,285,579
Attributable to:		
Non-controlling interests	131,160	34,562
Shareholders of Vinamilk	3,356,051	3,251,017
	3,487,211	3,285,579

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

17. ASSOCIATED COMPANIES (cont'd)

- (b) The following table summarises the carrying amount and share of profit and other comprehensive income of the associated company held by the Group that is not individually material as follows:

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

- (c) The amounts due from/to associated companies classified under current assets and current liabilities are unsecured, trade and non-trade in nature, interest free, repayable upon demand and to be settled in cash. The Group provides for 12-month ECLs for all amounts due from associated companies based on an assessment of qualitative and quantitative factors that are indicative of the risk of default. The amounts due from associated companies are considered to have low credit risk and the amount of the allowance is insignificant.

- (d) There is no share of contingent liabilities of the associated companies as at 30 September 2020 and 2019.

Details of the significant associated companies are included in Note 38.

18. INTANGIBLE ASSETS

	THE GROUP			THE COMPANY
	Goodwill (\$'000)	Deferred Development Costs (\$'000)	Other Intangible Assets (\$'000)	Other Intangible Assets and Total (\$'000)
For the year ended 30 September 2020				
At cost				
Balance at beginning of year	99,487	30,895	54,698	185,080
Currency realignment	27	17	(3)	41
Additional expenditure	-	14,189	1,974	16,163
Reclassified from fixed assets	-	-	223	223
Write off	-	(10,568)	-	(10,568)
Balance at end of year	99,514	34,533	56,892	190,939
Accumulated amortisation and impairment				
Balance at beginning of year	5,979	12,939	34,914	53,832
Currency realignment	(2)	(28)	(33)	(63)
Amortisation charge	-	10,471	3,067	13,538
Impairment charge	-	557	-	557
Reclassified from fixed assets	-	-	3	3
Write off	-	(10,568)	-	(10,568)
Write back	-	(55)	-	(55)
Balance at end of year	5,977	13,316	37,951	57,244
Net book value	93,537	21,217	18,941	133,695
				652

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

18. INTANGIBLE ASSETS (cont'd)

	THE GROUP			THE COMPANY	
	Goodwill (\$'000)	Deferred Development Costs (\$'000)	Other Intangible Assets (\$'000)	Total (\$'000)	Other Intangible Assets and Total (\$'000)
For the year ended 30 September 2019 (restated)					
At cost					
Balance at beginning of year	81,225	25,090	53,350	159,665	200
Currency realignment	65	110	26	201	12
Additional expenditure	-	13,552	3,516	17,068	115
Acquisition of subsidiary companies*	18,197	-	2,950	21,147	-
Reclassified from fixed assets	-	-	300	300	-
Disposal for the year	-	-	(772)	(772)	-
Write off	-	(7,857)	(4,672)	(12,529)	-
Balance at end of year	99,487	30,895	54,698	185,080	327
Accumulated amortisation and impairment					
Balance at beginning of year	5,983	12,078	37,174	55,235	53
Currency realignment	(4)	113	22	131	-
Amortisation charge	-	8,516	2,943	11,459	99
Impairment charge	-	89	-	89	-
Reclassified from fixed assets	-	-	91	91	-
Disposal for the year	-	-	(644)	(644)	-
Write off	-	(7,857)	(4,672)	(12,529)	-
Balance at end of year	5,979	12,939	34,914	53,832	152
Net book value	93,508	17,956	19,784	131,248	175

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

* In accordance with SFRS(I) 3 *Business Combinations*, the management has assessed the fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition. Accordingly, provisional goodwill recognised last year has now been adjusted to reflect their fair values.

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FOR THE YEAR ENDED 30 SEPTEMBER 2020

19. IMPAIRMENT TESTS FOR INTANGIBLE ASSETS

(a) Goodwill

The carrying value of the Group's goodwill arising from acquisitions of subsidiary companies was assessed for impairment during the financial year.

	(\$'000)	Basis on which recoverable values are determined	Terminal growth rate	Pre-tax discount rate
Carrying value of capitalised goodwill based on CGUs				
As at 30 September 2020				
Subsidiary companies:				
Printing and Publishing Group	34,435	Value-in-use and Fair value less cost to sell	0% - 1.0%	6.0% - 8.1%
Dairies Group	330	Value-in-use	1.0%	7.1%
Beverages Group	<u>58,772</u>	Value-in-use	0% - 3.5%	6.3% - 10.8%
	<u>93,537</u>			
As at 30 September 2019 (restated)				
Subsidiary companies:				
Printing and Publishing Group	34,390	Value-in-use and Fair value less cost to sell	0% - 1.0%	7.0% - 9.9%
Dairies Group	330	Value-in-use	1.0%	8.8%
Beverages Group	<u>58,788</u>	Value-in-use	0% - 2.0%	6.9% - 9.8%
	<u>93,508</u>			

Goodwill is allocated for impairment testing purposes to the individual entity which is also the CGU. The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management covering 3 to 5 year period. Cash flows beyond these periods are extrapolated using the estimated growth rates stated in the table above. The fair value less cost to sell calculations are based on quoted market prices obtained from active markets or using the net carrying amount adjusted for the unrecognised fair value changes to the properties.

The terminal growth rate used does not exceed the long term average growth rate of the respective industry and country in which the entity operates.

The discount rates applied to the cash flow projections reflect management's estimates of the risks specific to the respective CGUs at the date of assessment.

There was no impairment loss recognised in the profit statement during the current financial year and the previous financial year.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

19. IMPAIRMENT TESTS FOR INTANGIBLE ASSETS (cont'd)

(b) Deferred development costs

The carrying value of deferred development costs was assessed for impairment during the financial year.

An impairment loss of \$557,000 (2019: \$89,000) was recognised in the profit statement as the carrying value was assessed to be in excess of its recoverable value due to shift in market demand for certain products.

The recoverable amount of the deferred development costs has been determined based on value-in-use calculations using 5 year cash flow projection approved by management. The pre-tax discount rate applied to the cash flow projections is 6.0% to 6.1% (2019: 7.0%) and the terminal growth rate is 0% (2019: 0%).

(c) Other intangible assets

The carrying value of other intangible assets was assessed for impairment during the financial year.

There was no impairment loss recognised in the profit statement during the current financial year and the previous financial year.

A reasonable change to the assumptions used by the management to determine the impairment required, particularly the discount rate and terminal growth rate, would not significantly affect the results.

20. OTHER INVESTMENTS

	THE GROUP		THE COMPANY	
	2020 (\$'000)	2019 (\$'000)	2020 (\$'000)	2019 (\$'000)
At fair value through other comprehensive income ("FVOCI")				
Quoted equity investments	6,133	7,642	206,284	207,786
Unquoted equity investment	14	14	14	14
Total	6,147	7,656	206,298	207,800

Equity investments designated at FVOCI

The Group and the Company designated the investments shown below as equity investments at FVOCI because these equity investments represent investments that the Group and the Company intend to hold for long-term strategic purposes.

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

Year Ended 30 September 2019

Vietnam Dairy Products Joint Stock Company	-	-	200,144	6,877
Tsit Wing International Holdings Ltd	5,638	463	5,638	463
Ovato Limited	2,004	-	2,004	-
Others	14	7	14	-
	7,656	470	207,800	7,340

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	THE GROUP	THE COMPANY		
	2020 (\$'000)	2019 (\$'000)	2020 (\$'000)	2019 (\$'000)
21. CASH AND BANK DEPOSITS				
Bank fixed deposits	67,100	126,358	5,137	8,605
Cash and bank balances	218,379	293,975	3,485	6,813
	285,479	420,333	8,622	15,418

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

22. BRANDS

At cost

Balance at beginning of year	41,667	41,588	8,647	8,647
Currency realignment	(119)	79	-	-
Balance at end of year	41,548	41,667	8,647	8,647

Accumulated amortisation and impairment

Balance at beginning of year	14,154	13,884	8,435	8,435
Currency realignment	(95)	135	-	-
Amortisation charge	135	135	-	-
Balance at end of year	14,194	14,154	8,435	8,435
Net book value	27,354	27,513	212	212

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

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

The terminal growth rate used does not exceed the long term average growth rate of the respective industry and country in which the CGU operates.

The discount rate applied to the cash flow projections reflect managements' estimates of the risks specific to the respective CGUs at the date of assessment.

The pre-tax discount rates applied to the cash flow projections was 6.3% - 8.4% (2019: 6.9% - 9.8%) and terminal growth rates applied was 1.0% - 3.5% (2019: 1.0% - 2.0%).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

23. INVENTORIES

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

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

24. TRADE RECEIVABLES, OTHER RECEIVABLES AND RELATED PARTIES

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

Current amounts due from related parties are trade and non-trade related, unsecured, interest free, repayable upon demand and to be settled in cash. The Group provides for 12-month ECLs for all amounts due from related parties based on an assessment of qualitative and quantitative factors that are indicative of the risk of default. The amounts due from related parties are considered to have low credit risk and the amount of the allowance is insignificant.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

24. TRADE RECEIVABLES, OTHER RECEIVABLES AND RELATED PARTIES (cont'd)

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping various customer segments that have similar loss patterns. The Group calibrates the matrix to adjust historical credit loss experience with forward-looking information such as forecast of economic conditions. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

Summarised below is the information about the credit risk exposure on the Group's trade receivables:

	THE GROUP		
	Gross carrying amount (\$'000)	Impairment loss allowance (\$'000)	Net carrying amount (\$'000)
Year Ended 30 September 2020			
Current (not past due)	217,806	(222)	217,584
1 to 30 days	35,711	(72)	35,639
31 to 60 days	8,373	(158)	8,215
61 to 90 days	2,180	(67)	2,113
91 to 120 days	3,821	(1,881)	1,940
more than 120 days	14,551	(8,219)	6,332
	282,442	(10,619)	271,823
Year Ended 30 September 2019			
Current (not past due)	211,215	(172)	211,043
1 to 30 days	43,189	(79)	43,110
31 to 60 days	13,116	(133)	12,983
61 to 90 days	2,203	(44)	2,159
91 to 120 days	2,534	(42)	2,492
more than 120 days	7,859	(2,621)	5,238
	280,116	(3,091)	277,025

The movements in allowance for impairment on trade receivables are as follows:

	THE GROUP	
	2020 (\$'000)	2019 (\$'000)
Balance at beginning of year	3,091	2,914
Impairment charge	8,547	606
Write back	(234)	(309)
Acquisition of subsidiary companies	-	37
Write off	(777)	(163)
Currency realignment	(8)	6
Balance at end of year	10,619	3,091

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FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

The Group has applied cash flow hedge accounting for interest rate swap arrangements for which the associated floating rate loans have the same critical terms and which have been assessed to be effective hedges. The interest on these interest rate swaps and loans are settled on a half yearly basis.

26. TRADE PAYABLES, OTHER PAYABLES AND RELATED PARTIES

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

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

- (a) Current amounts due to related parties are trade and non-trade related, unsecured, interest free, repayable upon demand and to be settled in cash.
- (b) Included in the Group's current other payables is an amount of \$Nil (2019: \$3,006,000) relating to deferred consideration payable for acquisition of subsidiary companies.
- (c) As part of the acquisition of PLPL in the last financial year, TPL has entered into an agreement which, among other things, provides the right for TPL to acquire the remaining 40% share capital of PLPL and the right for the non-controlling interests of PLPL to require TPL to acquire the remaining 40% shares, subject to satisfaction of certain conditions by 30 September 2023.

27. LEASE LIABILITIES

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

(a) The Group as a lessee

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

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

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

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

27. LEASE LIABILITIES (cont'd)

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

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

Extension options

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

(b) The Group as a lessor

Operating lease

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

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

Less than 1 year	229
1 to 2 years	38
Total	<u>267</u>

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FOR THE YEAR ENDED 30 SEPTEMBER 2020

27. LEASE LIABILITIES (cont'd)

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

Finance lease

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

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

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

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

Lease Liabilities

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

28. BORROWINGS

	Notes	2020 (\$'000)	2019 (\$'000)	THE GROUP
Repayable within one year:				
Unsecured				
Bank loans	(a)	7,041	-	
Term loans	(b)	35,660	9,133	
Secured				
Finance leases	(f)	-	93	
		42,701	9,226	
Repayable after one year:				
Unsecured				
Term loans	(b)	795,888	820,249	
Secured				
Finance leases	(f)	-	209	
	(d)	795,888	820,458	
Total		838,589	829,684	
Fair value	(c)	846,138	833,102	
Notes				
(a)	The Group's unsecured bank loans bore interest at 0.93% (2019: Nil%) per annum.			
(b)	The Group's unsecured term loans bore interest at rates ranging from 1.35% to 3.80% (2019: 2.33% to 5.20%) per annum during the year. As at 30 September 2020 and 2019, term loans include medium term notes issued by certain subsidiary companies.			
(c)	The carrying amount of bank borrowings approximate fair value as they bear interest at rates which approximate the current incremental borrowing rate for similar types of lending and borrowing arrangements except for term loans of \$459,389,000 (2019: \$499,854,000) which have a fair value of \$466,938,000 (2019: \$503,272,000). They are classified as a Level 1 and Level 3 instrument under the fair value hierarchy. For the loans and borrowings classified as Level 3 instrument, the fair value is derived using the discounted cash flows method using a rate based on the current market rate of borrowings of the respective entities at the reporting date.			
(d)	Maturity of non-current borrowings is as follows:			
	Between 1 and 2 years	396,588	31,834	
	Between 2 and 5 years	299,628	689,002	
	After 5 years	99,672	99,622	
		795,888	820,458	

Notes to the Financial Statements

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

28. BORROWINGS (cont'd)

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

Borrowings

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

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

29. PROVISION FOR EMPLOYEE BENEFITS

Defined benefit plan	18,414	20,167
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(a) Defined Contribution Plan

The Group makes contributions to several post employment benefit plans. Most of these plans are defined contribution plans whereby contributions are made to approved provident and superannuation funds in Singapore, Malaysia and Hong Kong.

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

(b) Defined Benefit Plan

The defined benefit plans in Malaysia, Thailand and Indonesia do not have separately funded assets. They provide a lump sum benefit at normal retirement age.

The defined benefit plan in the United Kingdom is a funded, defined benefit pension plan where the assets are held in a separate trustee-administrated fund. On 13 December 2019, the Trustees of the United Kingdom pension plan have purchased a bulk annuity policy in respect of all known members of the pension plan. Completion of the buy-out is expected to take place in the 21-month period from the date of settlement.

The following table summarise the components of the benefit liability:

Benefit liability

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(b) Defined Benefit Plan (cont'd)

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

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

	THE GROUP	
	2020 (\$'000)	2019 (\$'000)
<i>Changes in present value of defined benefit obligations are as follows:</i>		
Balance at beginning of year	44,298	39,312
<u>Included in profit statement</u>		
Interest cost	550	1,184
Current service cost	1,909	1,012
Past service (credit)/cost	(46)	1,360
	2,413	3,556
<u>Included in other comprehensive income</u>		
Remeasurements:		
- actuarial gain arising from change in demographic assumptions	(6)	(624)
- actuarial loss arising from change in financial assumptions	919	5,458
- experience adjustments	(384)	613
	529	5,447
Retirement benefit plan buy-out	(27,622)	-
Benefits paid	(1,897)	(2,987)
Currency realignment	619	(929)
Others	74	(101)
Balance at end of year	18,414	44,298
<i>Changes in fair value of plan assets are as follows:</i>		
Balance at beginning of year	24,131	21,126
<u>Included in profit statement</u>		
Interest income	-	548
<u>Included in other comprehensive income</u>		
Remeasurements on return on plan assets	-	4,043
Contributions by employer	-	645
Retirement benefit plan buy-out	(24,966)	-
Benefits paid	-	(1,156)
Currency realignment	835	(1,075)
Balance at end of year	-	24,131
Actual return on plan assets	-	4,591
<i>The proportion of fair value of plan assets at the end of the year is analysed as follows:</i>		
Other assets	-	24,131
<i>The major assumptions used by the qualified independent actuaries were:</i>		
Future salary growth	4.0% to 7.0%	4.0% to 7.0%
Discount rate	1.3% to 8.0%	1.3% to 8.2%

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(b) Defined Benefit Plan (cont'd)

Sensitivity analysis

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

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

(c) Share Plans

Fraser and Neave Limited Restricted Share Plan ("RSP")

The RSP is a share-based incentive plan for senior executives and key senior management, which was approved by shareholders of the Company at an Extraordinary General Meeting held on 22 January 2009.

Information regarding the RSP

- (i) Depending on the level of achievement of pre-determined targets over a two-year performance period for the RSP, the final number of RSP shares to be awarded could range between 0% to 150% of the initial grant of the RSP shares.
- (ii) Based on meeting stated performance conditions over a two-year performance period, 50% of the RSP share awards will vest. The balance will vest equally over the subsequent two years upon fulfillment of service requirements.

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

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

* Cancelled due to resignations.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(c) Share Plans (cont'd)

Fraser and Neave Limited Restricted Share Plan ("RSP") (cont'd)

The expense recognised in profit statement granted under the RSP during the financial year is \$1,930,000 (2019: \$1,605,000).

The estimated fair value of shares granted during the financial year ended 30 September 2019 ranges from \$1.51 to \$1.59. The fair value of equity-settled contingent award of shares are determined using Monte Carlo Valuation Model, which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility of returns. The inputs to the model used are as follows:

	2019
Dividend yield (%)	2.7
Expected volatility (%)	14.9
Risk-free interest rate (%)	2.0
Expected life (years)	2.0 to 4.0
Share price at date of grant (\$)	1.68

Fraser and Neave Limited Performance Share Plan ("PSP")

The PSP is a share-based incentive plan for senior executives and key senior management, which were approved by shareholders of the Company at an Extraordinary General Meeting held on 22 January 2009.

Information regarding the PSP

- (i) Depending on the level of achievement of pre-determined targets over a three-year performance period, the final number of PSP shares awarded could range between 0% to 200% of the initial grant of the PSP shares.
- (ii) PSP share awards will vest based on meeting stated performance conditions over a three-year performance period.

Information with respect to the number of shares granted under the PSP is as follows:

Shares	Grant Date	Balance as at 1.10.2019 or Grant Date if later	Achievement Factor	Balance as at 30.9.2020
Year 8	28.12.2016	67,538	(67,538)	-
Year 9	28.12.2017	78,000	-	78,000
Year 10	21.12.2018	127,000	-	127,000
		<hr/>	272,538	(67,538)
			<hr/>	205,000

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

The estimated fair value of shares granted during the financial year ended 30 September 2019 is \$0.52. The fair value of equity-settled contingent award of shares are determined using Monte Carlo Valuation Model, which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility of returns. The inputs to the model used are as follows:

	2019
Dividend yield (%)	2.7
Expected volatility (%)	14.9
Cost of equity (%)	9.1
Risk-free interest rate (%)	2.0
Expected life (years)	3.0
Share price at date of grant (\$)	1.68

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(c) Share Plans (cont'd)

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

The F&N RSP 2019 replaced the RSP and PSP, which expired on 21 January 2019. The expiry of the RSP and PSP will not affect awards granted prior to expiry of these share plans and which are pending final release. The first grant of Base Awards pursuant to the F&N RSP 2019 was made on 28 August 2020.

Information regarding the F&N RSP 2019

- (i) Depending on the level of achievement of pre-determined targets over a one-year performance period for the F&N RSP 2019 , the final number of F&N RSP 2019 shares to be awarded could range between 0% to 150% of the initial grant of the F&N RSP 2019 shares.
- (ii) Based on meeting stated performance conditions over a one-year performance period, the share awards will vest equally over three years upon fulfillment of service requirements.

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

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

* Cancelled due to resignations.

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

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

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(c) Share Plans (cont'd)

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

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

Information regarding the F&NHB RSP

- (i) Depending on the achievement of pre-determined targets over a two-year performance period, the final number of F&NHB RSP shares awarded could range between 0% to 150% of the initial grant of the F&NHB RSP shares.
- (ii) Based on meeting stated performance conditions over a two-year performance period, 50% of the F&NHB RSP awards will vest. The balance will vest equally over the subsequent two years with fulfillment of service requirements.

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

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

* Cancelled due to resignations.

The estimated fair value of shares granted during the year ranges from RM31.62 to RM33.06 (2019: RM15.51 to RM21.43). The fair value of equity-settled contingent award of shares are determined using Monte Carlo Valuation Model, which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility of returns. The inputs to the model used are as follows:

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

F&NHB Performance Share Plan ("F&NHB PSP")

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

Information regarding the F&NHB PSP

- (i) Depending on the achievement of pre-determined targets over a three-year performance period, the final number of PSP shares awarded could range between 0% to 200% of the initial grant of the PSP shares.
- (ii) PSP share awards will vest based on meeting stated performance conditions over a three-year performance period.

As at 30 September 2020, no shares has been granted under F&NHB PSP.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

30. DEFERRED TAX ASSETS AND LIABILITIES

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

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

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

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

Deferred tax liabilities of \$478,000 (2019: \$520,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the undistributed earnings of \$2,564,000 (2019: \$2,763,000) at 30 September 2020 of certain of the Group's subsidiary companies as the Group has determined that the undistributed earnings of its subsidiary companies will not be distributed in the foreseeable future.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

	THE GROUP	
	2020 (\$'000)	2019 (\$'000)
30. DEFERRED TAX ASSETS AND LIABILITIES (cont'd)		
Deferred tax assets have not been recognised in respect of the following items:		
Deductible temporary differences	57,303	56,019
Tax losses	138,966	114,658
	196,269	170,677
Tax losses of \$40,016,000 (2019: \$41,708,000) start to expire in 2029. The remaining tax losses and the deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.		
31. FUTURE COMMITMENTS		
Commitments not provided for in the financial statements:		
(a) Commitments in respect of contracts placed		
Fixed assets	37,192	76,677
Intangible assets	183	-
	37,375	76,677
(b) Other amounts approved by directors but not contracted for		
Fixed assets	29,568	76,107
Intangible assets	1,055	-
	30,623	76,107
	67,998	152,784
32. LEASE COMMITMENTS		
	THE GROUP	
	2019 (\$'000)	
Operating Leases		
Lease commitments under non-cancellable operating leases where the Group is a lessee:		
Payable within one year	15,987	
Payable between one and five years	14,043	
Payable after five years	22,057	
	52,087	
Operating lease expense for the year	19,889	

The operating leases do not contain any escalation clauses and do not provide for contingent rents. Lease terms do not contain restrictions on the Group activities concerning dividends, additional debts or entering into other leasing agreements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

32. LEASE COMMITMENTS (cont'd)

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

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

33. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

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

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

(b) Transactions with Joint Arrangements and Associated Companies

Sales	5,177	2,116
Receipt of corporate service fee	-	43
Finance income	5	1,917
Purchases	<hr/>	<hr/>

34. CONTINGENT LIABILITIES

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. FINANCIAL RISK MANAGEMENT

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

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

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

(a) Foreign Currency Risk

The Group and the Company have exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from normal trading and investment activities. Where exposures are certain, it is the Group's and Company's policy to hedge these risks as they arise. For those exposures less certain in their timing and extent, it is the Group's and the Company's policy to cover 50% to 90% of anticipated exposures for a maximum period of 12 months forward. The Group and the Company use foreign currency forward exchange contracts to manage these foreign exchange risks.

At 30 September 2020, the Group had entered into foreign currency forward exchange buy contracts amounting to \$27,455,000 (2019: \$23,619,000) and sell contracts amounting to \$12,300,000 (2019: \$11,773,000). The fair value adjustments of the buy contracts and sell contracts are gains of \$99,000 (2019: losses of \$145,000) and \$210,000 (2019: losses of \$38,000) respectively.

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

The fair values of foreign currency forward exchange contracts have been calculated using rates quoted by the Group's and Company's bankers to terminate the contracts at the balance sheet date.

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

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Foreign Currency Risk (cont'd)

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

The following table demonstrates the sensitivity of the Group and the Company's total equity and the Group and the Company's profit before tax to a reasonably possible 10% strengthening of the Australian Dollar, United States Dollar, Vietnamese Dong, Hong Kong Dollar, Thai Baht, Malaysian Ringgit and Chinese Renminbi exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

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

A 10% weakening of the above currencies at the balance sheet date would have had the equal but opposite effect on the respective functional currencies of the Group entities as the amounts shown above, on the basis that all other variables remain constant.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity Risk

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

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

The table below analyses the maturity profile of the Group's and Company's financial liabilities and derivative financial instruments based on contractual undiscounted cash flows.

	Contractual Cash Flows				
	Carrying amount (\$'000)	Total cash flows (\$'000)	Less than 1 year (\$'000)	Between 1 and 5 years (\$'000)	Over 5 years (\$'000)
The Group					
Year Ended 30 September 2020					
Non-derivative Financial Liabilities					
Trade payables	161,122	161,122	161,122	-	-
Other payables	193,155	193,155	177,670	15,485	-
Lease liabilities	39,436	48,635	15,278	15,323	18,034
Borrowings	838,589	897,403	61,916	729,912	105,575
Related parties	4,891	4,891	4,891	-	-
Associated companies	398	398	398	-	-
	1,237,591	1,305,604	421,275	760,720	123,609
Derivative Financial Instruments					
Interest rate swaps	14,777	14,777	-	14,777	-
Forward currency contracts	(309)	(309)	(309)	-	-
	14,468	14,468	(309)	14,777	-
	1,252,059	1,320,072	420,966	775,497	123,609
Year Ended 30 September 2019					
Non-derivative Financial Liabilities					
Trade payables	182,475	182,475	182,475	-	-
Other payables	240,468	240,468	216,351	24,117	-
Borrowings	829,684	926,801	32,287	785,189	109,325
Related parties	7,222	7,222	7,222	-	-
Associated companies	1,186	1,186	1,186	-	-
	1,261,035	1,358,152	439,521	809,306	109,325
Derivative Financial Instruments					
Interest rate swaps	1,447	1,447	-	1,447	-
Forward currency contracts	183	183	183	-	-
	1,630	1,630	183	1,447	-
	1,262,665	1,359,782	439,704	810,753	109,325

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity Risk (cont'd)

	Contractual Cash Flows			
Carrying amount (\$'000)	Total cash flows (\$'000)	Less than 1 year (\$'000)	Between 1 and 5 years (\$'000)	Over 5 years (\$'000)
The Company				
Year Ended 30 September 2020				
Non-derivative Financial Liabilities				
Other payables	12,426	12,426	12,426	-
Subsidiary companies	838,193	894,669	105,589	686,922
Lease liabilities	4,733	4,863	2,447	2,416
Related parties	220	220	220	-
	855,572	912,178	120,682	689,338
				102,158
Derivative Financial Instruments				
Forward currency contracts	(5)	(5)	(5)	-
	855,567	912,173	120,677	689,338
				102,158
Year Ended 30 September 2019				
Non-derivative Financial Liabilities				
Other payables	10,812	10,812	10,812	-
Subsidiary companies	788,634	863,835	25,414	732,363
Related parties	1,593	1,593	1,593	-
	801,039	876,240	37,819	732,363
				106,058
Derivative Financial Instruments				
Forward currency contracts	6	6	6	-
	801,045	876,246	37,825	732,363
				106,058

(c) Credit Risk

At the balance sheet date, the Group's and the Company's total exposure to credit risk in the event that the counterparties fail to perform their obligations is represented by the carrying amount of each class of financial assets recognised in the balance sheets, including derivatives with positive fair values.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and business segment profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the balance sheet date is as follows:

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Credit Risk (cont'd)

Credit risk concentration profile (cont'd)

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

The Group and the Company have no significant concentration of credit risk. The Group and the Company have policies in place to monitor its credit risk. Sales of products and services are made to customers with an appropriate credit history. Contractual deposits are collected and scheduled progress payments are received from the buyers when due.

Cash and fixed deposits are placed in banks and financial institutions which are regulated. The Group limits its credit risk exposure in respect of investments by only investing in liquid securities and only with counterparties that have a sound credit rating. Management considers that its cash and fixed deposits and investments have low credit risk and does not expect any counterparty to fail to meet its obligations. As such, the Group considers these assets are subject to immaterial credit loss.

Information regarding financial assets that are either past due or impaired and ageing analysis is disclosed in Note 24. Management believes that no additional credit risk beyond that provided for is inherent in the Group's trade and other receivables.

With respect to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Group's total credit risk exposure for foreign exchange contracts are limited to the fair value adjustments of these contracts. It is the Group's and the Company's policy to enter into financial instruments with a diversity of credit worthy counterparties. The Group and the Company do not expect to incur material credit losses on their financial assets or other financial instruments.

The Group and the Company do not have significant exposure to any individual customer or counterparty.

(d) Interest Rate Risk

The Group and the Company's exposure to market risk for changes in interest rates relate primarily to debt obligation with financial institutions. The Group and the Company's policy is to manage interest cost using a mix of fixed and variable rate debts, and interest rate economic effect of converting borrowings from fixed rates to variable rates or vice versa.

Under the interest rate swaps, the Group agree with other parties to exchange, at specified intervals mainly half yearly, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Interest Rate Risk (cont'd)

The Group held the following instruments to hedge exposures to changes in interest rates:

	Carrying amount			Change in fair value used for calculating hedge ineffectiveness			Weighted average hedged rate	Maturity date		
	Contractual notional amount (\$'000)	Liabilities (\$'000)	Line item in the Balance Sheet	Hedging instrument (\$'000)	Hedge items (\$'000)	Hedge ineffectiveness recognised in Profit Statement (\$'000)				
THE GROUP										
Year Ended 30 September 2020										
<u>Cashflow hedge</u>										
Interest rate swap										
to hedge										
floating rate borrowings										
300,000	(14,777)		Non-current Other Payables	(14,777)	14,777	-	1.68%	June and August 2024		
Year Ended 30 September 2019										
<u>Cashflow hedge</u>										
Interest rate swap										
to hedge										
floating rate borrowings										
300,000	(1,447)		Non-current Other Payables	(1,447)	1,447	-	1.68%	June and August 2024		

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

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

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. The other financial instruments of the Group and the Company that are not included in the above table are non-interest bearing and are therefore not subject to interest rate risk.

The Group and the Company are in a net finance cost position for the year ended 30 September 2020 and 2019.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Interest Rate Risk (cont'd)

Sensitivity analysis for interest rate risk

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

(e) Market Price Risk

The Group and the Company are exposed to market price risk and the risk of impairment in the value of investments held. The Group and the Company manage the risk of impairment by evaluation of investment opportunities, continuously monitoring the performance of investments held and assessing market risk relevant to which the investments operate.

Sensitivity analysis for quoted investment risk

If prices for equity investments at fair value through OCI increase by 10% with all other variables including tax rate being held constant, the impact on fair value adjustment reserve will be as follows:

	THE GROUP	THE COMPANY		
	2020 (\$'000)	2019 (\$'000)	2020 (\$'000)	2019 (\$'000)
Fair value adjustment reserve	613	764	20,628	20,779

There will be no impact to profit before tax.

A 10% decrease in the underlying equity prices would have had the equal but opposite effect as the amounts shown above. The analysis is performed on the same basis as for 2019 and assumes that all other variables remain constant.

(f) Fair Values

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

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

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

(ii) *Trade receivables and trade payables*

The carrying amounts of receivables and payables approximate fair value because these are subject to normal trade credit terms.

(iii) *Amounts due from/to related companies*

The carrying amounts of amounts due from/to related companies in current assets and current liabilities approximate fair value due to their short term nature. For amounts due to related companies included in long term liabilities, no disclosure of the fair value has been made, as it is not practicable to determine the fair value with sufficient reliability since these balances have no fixed terms of repayment.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair Values (cont'd)

(iv) *Other investments*

Market value of quoted investment is determined by reference to stock exchange quoted prices.

Certain unquoted investments do not have quoted market prices in an active market nor are there other methods of reasonably estimating the fair value readily available. It is not practicable to determine fair value with sufficient reliability without incurring excessive costs.

(v) *Bank borrowings and term loans*

The fair value of fixed rate bank borrowings and term loans are disclosed in Note 28. The carrying values of bank borrowings, and term loans maturing within one year and the floating rate bank borrowings and term loans approximate their fair value.

(vi) *Assets and liabilities measured at fair value*

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

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

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

	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Total (\$'000)
The Group				
Year Ended 30 September 2020				
Financial Assets				
Other investments (Note 20)				
- Quoted equity investments at FVOCI	6,133	-	-	6,133
Derivative financial instruments (Note 25)	-	629	-	629
	6,133	629	-	6,762
Non-Financial Asset				
Investment properties (Note 13)	-	-	17,075	17,075
Financial Liability				
Derivative financial instruments (Note 25)	-	15,097	-	15,097
Year Ended 30 September 2019				
Financial Assets				
Other investments (Note 20)				
- Quoted equity investments at FVOCI	7,642	-	-	7,642
Derivative financial instruments (Note 25)	-	85	-	85
	7,642	85	-	7,727
Non-Financial Asset				
Investment properties (Note 13)	-	-	17,501	17,501
Financial Liability				
Derivative financial instruments (Note 25)	-	1,715	-	1,715

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair Values (cont'd)

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

	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Total (\$'000)
The Company				
Year Ended 30 September 2020				
Financial Assets				
Other investments (Note 20)				
- Quoted equity investments at FVOCI	206,284	-	-	206,284
Derivative financial instruments (Note 25)	-	5	-	5
	206,284	5	-	206,289
Year Ended 30 September 2019				
Financial Asset				
Other investments (Note 20)				
- Quoted equity investments at FVOCI	207,786	-	-	207,786
Financial Liability				
Derivative financial instruments (Note 25)	-	6	-	6

There have been no transfers between Level 1, Level 2 and Level 3 for the Group and the Company during the financial year ended 30 September 2020 and 2019.

The fair value of quoted investments categorised within Level 1 of the fair value hierarchy is determined directly by reference to the quoted market price at the balance sheet date.

The fair value of derivatives categorised within Level 2 of the fair value hierarchy are valued using a valuation technique with market observable inputs. These include forward pricing and swap models, using present value calculations. The models incorporate various inputs such as foreign exchange spot and forward rates.

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

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

Description	Fair value as at 30.9.2019 (\$'000)	Valuation techniques	Unobservable inputs	Range
Investment Properties	17,501	Investment Approach Direct Comparison Approach	Discount rate Market value	7.25% 0% to 27%

The investment properties categorised under Level 3 of the fair value hierarchy are generally sensitive to the various unobservable inputs tabled above. A significant movement of each input would result in significant change to the fair value of the properties.

The reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy for investment properties is set out in Note 13.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. FINANCIAL RISK MANAGEMENT (cont'd)

(g) Classification of Financial Instruments

Set out below is a comparison by category of carrying amounts of all the Group's and the Company's financial instruments that are carried in the financial statements:

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. FINANCIAL RISK MANAGEMENT (cont'd)

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

	Assets at amortised cost (\$'000)	Fair value through profit and loss (\$'000)	Derivatives designated as a hedge (\$'000)	Fair value through other comprehensive income (\$'000)	Liabilities at amortised cost (\$'000)	Non-financial assets/liabilities (\$'000)	Total (\$'000)
The Group							
Year Ended 30 September 2019 (restated)							
Assets							
Fixed assets	-	-	-	-	-	687,140	687,140
Investment properties	-	-	-	-	-	17,501	17,501
Properties held for development	-	-	-	-	-	18,490	18,490
Joint venture companies	55,628	-	-	-	-	115,432	171,060
Associated companies	14	-	-	-	-	2,620,675	2,620,689
Intangible assets	-	-	-	-	-	131,248	131,248
Brands	-	-	-	-	-	27,513	27,513
Other investments	-	-	-	7,656	-	-	7,656
Other receivables	33,174	85	-	-	-	35,732	68,991
Deferred tax assets	-	-	-	-	-	2,884	2,884
Inventories	-	-	-	-	-	262,130	262,130
Trade receivables	277,025	-	-	-	-	-	277,025
Related parties	7,871	-	-	-	-	-	7,871
Cash and bank deposits	420,333	-	-	-	-	-	420,333
	794,045	85	-	7,656	-	3,918,745	4,720,531
Liabilities							
Trade payables	-	-	-	-	182,475	-	182,475
Other payables	-	268	1,447	-	240,468	30,604	272,787
Associated companies	-	-	-	-	1,186	-	1,186
Related parties	-	-	-	-	7,222	-	7,222
Borrowings	-	-	-	-	829,684	-	829,684
Provision for taxation	-	-	-	-	-	54,275	54,275
Provision for employee benefits	-	-	-	-	-	20,167	20,167
Deferred tax liabilities	-	-	-	-	-	19,624	19,624
	-	268	1,447	-	1,261,035	124,670	1,387,420

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

35. FINANCIAL RISK MANAGEMENT (cont'd)

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

	Assets at amortised cost (\$'000)	Fair value through profit and loss (\$'000)	Fair value through other comprehensive income (\$'000)	Liabilities at amortised cost (\$'000)	Non- financial assets/ liabilities (\$'000)	Total (\$'000)
The Company						
Year Ended 30 September 2020						
Assets						
Fixed assets	-	-	-	-	5,288	5,288
Subsidiary companies	49,869	-	-	-	2,172,837	2,222,706
Joint venture companies	-	-	-	-	38,965	38,965
Associated companies	4	-	-	-	-	4
Intangible assets	-	-	-	-	652	652
Brands	-	-	-	-	212	212
Other investments	-	-	206,298	-	-	206,298
Other receivables	4,407	5	-	-	650	5,062
Related parties	735	-	-	-	-	735
Cash and bank deposits	8,622	-	-	-	-	8,622
	63,637	5	206,298	-	2,218,604	2,488,544
Liabilities						
Other payables	-	-	-	12,426	1,424	13,850
Subsidiary companies	-	-	-	838,193	-	838,193
Related parties	-	-	-	220	-	220
Lease liabilities	-	-	-	4,733	-	4,733
Provision for taxation	-	-	-	-	4,296	4,296
Deferred tax liabilities	-	-	-	-	27	27
	-	-	-	855,572	5,747	861,319
Year Ended 30 September 2019						
Assets						
Fixed assets	-	-	-	-	1,101	1,101
Subsidiary companies	12,000	-	-	-	2,222,649	2,234,649
Joint venture companies	-	-	-	-	38,965	38,965
Associated companies	5	-	-	-	-	5
Intangible assets	-	-	-	-	175	175
Brands	-	-	-	-	212	212
Other investments	-	-	207,800	-	-	207,800
Other receivables	174	-	-	-	683	857
Related parties	807	-	-	-	-	807
Cash and bank deposits	15,418	-	-	-	-	15,418
	28,404	-	207,800	-	2,263,785	2,499,989
Liabilities						
Other payables	-	6	-	10,812	955	11,773
Subsidiary companies	-	-	-	788,634	-	788,634
Related parties	-	-	-	1,593	-	1,593
Provision for taxation	-	-	-	-	2,964	2,964
Deferred tax liabilities	-	-	-	-	121	121
	-	6	-	801,039	4,040	805,085

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

36. CAPITAL MANAGEMENT

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

The Group monitors its cashflow, debt maturity profile, cost of funds, overall liquidity position and gearing ratio on a continuous basis. The Group's policy is to keep gearing ratio at not more than 80% of total equity.

The gearing ratio is calculated as net borrowings divided by total equity. Net borrowings is calculated as borrowings less cash and bank deposits. Total equity is calculated as shareholders' fund plus non-controlling interests.

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

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

37. NEW ACCOUNTING STANDARDS AND INTERPRETATION

The Group and the Company have not adopted the following new SFRS(I)s and amendments to SFRS(I)s that have been issued as at balance sheet date but are not yet effective:

Description	Effective for annual periods beginning on or after
Various	<i>Amendments to References to the Conceptual Framework in SFRS(I) standards</i>
	1 January 2020
	<i>Amendments to illustrative examples, implementation guidance and SFRS(I) practice statements</i>
	1 January 2020
Amendments to SFRS(I) 3	<i>Definition of a Business</i>
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8	<i>Definition of Material</i>
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7	<i>Interest Rate Benchmark Reform</i>
SFRS(I) 17	<i>Insurance Contracts</i>
Amendments to SFRS(I) 3	<i>Reference to the Conceptual Framework</i>
Amendments to SFRS(I) 1-16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to SFRS(I) 1-37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to SFRS(I)s 2018–2020	
Amendment to SFRS(I) 1	<i>First-Time Adoption of Singapore Financial Reporting Standards (International)</i>
Amendment to SFRS(I) 9	<i>Financial Instruments</i>
Amendment to Illustrative Examples accompanying SFRS(I) 16	<i>Leases</i>
Amendment to SFRS(I) 1-41	<i>Agriculture</i>
Amendments to SFRS(I) 1-1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to SFRS(I) 10 and SFRS(I) 1-28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
	To be determined

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

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FOR THE YEAR ENDED 30 SEPTEMBER 2020

38. SIGNIFICANT SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES

		Effective Shareholding		Principal Activities
		2020	2019	
SUBSIDIARY COMPANIES OF THE COMPANY				
Country of Incorporation and Place of Business: Singapore				
(A)	Fraser & Neave (Singapore) Pte. Limited	100.0%	100.0%	Provision of Management and Technical Services
(A)	F&N Investments Pte Ltd	100.0%	100.0%	Investment Holding
(A)	F&N Foods Pte Ltd	100.0%	100.0%	Manufacture and Wholesale of Beverages and Dairy Products
(A)	F&N Global Marketing Pte. Ltd.	100.0%	100.0%	Sale and Manufacture of Concentrates, Sub-liscence of Brands and Related Intellectual Property Businesses
(A)	F&N Dairy Investments Pte Ltd	100.0%	100.0%	Investment Holding
(A)	F&N Interflavine Pte. Ltd.	100.0%	100.0%	Provision of Contract Manufacturing Services
(A)	InterF&B Pte. Ltd.	100.0%	100.0%	Investment Holding
(A)	Times Publishing Limited	100.0%	100.0%	Investment Holding
(A)	F&NBev Manufacturing Pte. Ltd.	100.0%	100.0%	Investment Holding
(A)	F&N Treasury Pte. Ltd.	100.0%	100.0%	Provision of Treasury and Financial Services
(A)	F&N Creameries (S) Pte. Ltd. <i>(Held by a subsidiary company)</i>	100.0%	100.0%	Distribution of Ice Cream
(A)	Warburg Vending Pte Ltd <i>(Held by a subsidiary company)</i>	100.0%	100.0%	Vending Machine Operator, Wholesale of Other Machinery and Equipment
(A)	Warburg Engineering Pte. Ltd. <i>(Held by a subsidiary company)</i>	100.0%	100.0%	Dormant
(A)	Warburg Vending Services Pte. Ltd. <i>(Held by a subsidiary company)</i>	100.0%	100.0%	Dormant
(A)	F&N Myanmar Investments Pte. Ltd.	100.0%	100.0%	Investment Holding
Country of Incorporation and Place of Business: Hong Kong				
(B)	Fraser & Neave Investments (Hong Kong) Limited	100.0%	100.0%	Dormant
Country of Incorporation and Place of Business: Malaysia				
(B)	Fraser & Neave Holdings Bhd	55.5%	55.5%	Investment Holding
(B)	Tiger Tavern Sdn. Bhd.	100.0%	100.0%	Dormant
(B)	Magnolia - PDL Dairies (1993) Sdn. Bhd.	100.0%	100.0%	Investment Holding
(B)	F&N Services (F&B) Sdn Bhd	100.0%	100.0%	Technical Application and Brand Marketing Support Services
(B)	Yoke Food Industries Sdn Bhd <i>(Held by a subsidiary company)</i>	100.0%	100.0%	Manufacture, Export and Distribution of Soft Drinks
(B)	Warburg Vending Malaysia Sdn. Bhd. <i>(Held by a subsidiary company)</i>	100.0%	100.0%	Vending Machine Operator

(A) Audited by KPMG LLP Singapore.

(B) Audited by KPMG in the respective countries.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

		Effective Shareholding		Principal Activities
		2020	2019	
SUBSIDIARY COMPANIES OF THE COMPANY (cont'd)				
Country of Incorporation and Place of Business: Thailand				
(B)	F&N United Limited <i>(Held by a subsidiary company)</i>	95.0%	95.0%	Manufacture and Distribution of Dairy Products
Country of Incorporation and Place of Business: Indonesia				
(D)	PT. F&N Indonesia <i>(Held by subsidiary companies)</i>	100.0%	100.0%	Dormant
Country of Incorporation and Place of Business: Vietnam				
(B)	F&N Vietnam Limited Liability Company <i>(Held by a subsidiary company)</i>	100.0%	100.0%	Distribution of Non-alcoholic Beverages and Provision of Management Services
Country of Incorporation and Place of Business: Myanmar				
(B)	F&N Myanmar Services Limited <i>(Held by a subsidiary company)</i>	100.0%	100.0%	Provision of Management Services
(B)	Emerald Brewery Myanmar Limited <i>(Held by a subsidiary company)</i>	80.0%	79.9%	Brewing and Distribution of Beer
SUBSIDIARY COMPANIES OF F&N CREAMERIES GROUP				
Country of Incorporation and Place of Business: Malaysia				
(B)	F&N Ice Cream Manufacturing (M) Sdn Bhd	100.0%	100.0%	Manufacture and Distribution of Ice Cream
(B)	F&N Creameries (M) Sdn Bhd	100.0%	100.0%	Distribution and Sale of Ice Cream
(B)	F&N Ice Cream Manufacturing (Sarawak) Sdn Bhd	100.0%	100.0%	Dormant
SUBSIDIARY COMPANY OF YOKE FOOD INDUSTRIES GROUP				
Country of Incorporation and Place of Business: Indonesia				
(B)	PT Yoke Food Industries Indonesia	100.0%	100.0%	Distribution of Soft Drinks
SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP				
Country of Incorporation and Place of Business: Malaysia				
(B)	Fraser & Neave (Malaya) Sdn Bhd	55.5%	55.5%	Sale of Soft Drinks and Dairy Products, Provision of Management Services and Property Investment Holding

(B) Audited by KPMG in the respective countries.

(D) Not required to be audited under the laws of the country of incorporation.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

		Effective Shareholding		Principal Activities
		2020	2019	
SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP (cont'd)				
Country of Incorporation and Place of Business: Malaysia (cont'd)				
(B)	F&N Beverages Marketing Sdn Bhd	55.5%	55.5%	Distribution and Sale of Soft Drinks and Dairy Products
(B)	F&N Beverages Manufacturing Sdn Bhd	55.5%	55.5%	Manufacture and Sale of Soft Drinks
(B)	F&N Dairies (Malaysia) Sdn Bhd	55.5%	55.5%	Dormant
(B)	Premier Milk (Malaya) Sdn Bhd	55.5%	55.5%	Dormant
(B)	Lettricia Corporation Sdn Bhd	38.8%	38.8%	Property Development
(B)	Elsinburg Holdings Sdn Bhd	55.5%	55.5%	Dormant
(B)	Nuvak Company Sdn Bhd	55.5%	55.5%	Property Development
(B)	Greenclipper Corporation Sdn Bhd	55.5%	55.5%	Property Development
(B)	Utas Mutiara Sdn Bhd	55.5%	55.5%	Property Investment Holding
(B)	Borneo Springs Sdn Bhd	55.5%	55.5%	Manufacture and Sale of Mineral Water, Drinking Water and Rental of Dispensers
(B)	F&N Dairies Manufacturing Sdn Bhd	55.5%	55.5%	Manufacture and Sale of Dairy Products
(B)	F&N Properties Sdn Bhd	55.5%	55.5%	Provision of Property Management Services
(B)	F&N Capital Sdn Bhd	55.5%	55.5%	Provision of Treasury and Financial Services
(B)	Tropical League Sdn Bhd	55.5%	55.5%	Property Development
(B)	F&N AgriValley Sdn Bhd	55.5%	55.5%	Dormant
Country of Incorporation and Place of Business: Singapore				
(A)	F&N Dairies Distribution (Singapore) Pte Ltd	55.5%	55.5%	Distribution of Dairy Products
Country of Incorporation and Place of Business: Thailand				
(B)	F&N Dairies (Thailand) Limited	55.5%	55.5%	Manufacture, Distribution and Sale of Dairy Products
Country of Incorporation and Place of Business: British Virgin Islands				
(B)	Lion Share Management Limited	55.5%	55.5%	Dormant
Country of Incorporation and Place of Business: Brunei				
(B)	F&N Marketing (B) Sdn Bhd	55.5%	55.5%	Sale of Soft Drinks and Dairy Products
Country of Incorporation and Place of Business: United Arab Emirates				
(C)	Fraser and Neave MENA DWC-LLC	55.5%	-	Dormant

(A) Audited by KPMG LLP Singapore.

(B) Audited by KPMG in the respective countries.

(C) Audited by other firms of auditors.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

		Effective Shareholding		Principal Activities
		2020	2019	
SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP				
Country of Incorporation and Place of Business: Singapore				
(A) Marshall Cavendish International Private Limited		100.0%	100.0%	Investment Holding
(A) Marshall Cavendish International (Asia) Private Limited		100.0%	100.0%	Publishing of Trade Books
(A) Marshall Cavendish Education Pte. Ltd.		100.0%	100.0%	Publishing of Education Books
(A) Marshall Cavendish Business Information Private Limited		100.0%	100.0%	Publishing of Trade Directory and Business Information
(D) Educational Technologies Private Limited		100.0%	100.0%	Dormant
(A) Marshall Cavendish Institute Pte. Ltd.		100.0%	100.0%	Publishing of Education Books
(A) Pansing Distribution Private Limited		100.0%	100.0%	Distribution of Books and Magazines
(D) Times Graphics Private Limited		100.0%	100.0%	Dormant
(A) Times Printers Private Limited		100.0%	100.0%	Commercial Printing
(A) Times Distribution Pte. Ltd.		100.0%	100.0%	Distribution of Books and Magazines
(A) Print Lab Pte. Ltd.		60.0%	60.0%	Commercial Printing
(A) Alliance Graphics Pte. Ltd.		60.0%	60.0%	Commercial Printing
(D)(1) Mint Lab LLP		48.0%	-	Provision of Advertising and Creative Agency Services
Country of Incorporation: Singapore				
Place of Business: Singapore and Malaysia				
(A) Times Experience Pte. Ltd.		100.0%	100.0%	Retail of Books, Stationery, Magazines and Periodicals
Country of Incorporation and Place of Business: Malaysia				
(B) Marshall Cavendish (Malaysia) Sdn. Bhd.		100.0%	100.0%	Publishing of Education, Business Information and Trade Books
(B) STP Distributors (M) Sendirian Berhad		100.0%	100.0%	Dormant
(B) Pansing Marketing Sdn Bhd		100.0%	100.0%	Distribution of Books and Magazines
(B) Times Offset (Malaysia) Sdn Bhd		100.0%	100.0%	Commercial Printing
(B) Pansing Distribution Sdn Bhd		100.0%	100.0%	Distribution of Books and Magazines
(B) Times Distribution (M) Sdn Bhd		100.0%	100.0%	Distribution of Books and Magazines
Country of Incorporation: Hong Kong				
Place of Business: Hong Kong/Thailand				
(B) Far East Publications Limited		100.0%	100.0%	Distribution of Home Library Reference Books
Country of Incorporation and Place of Business: Thailand				
(B)(1) Marshall Cavendish International (Thailand) Co., Ltd		49.0%	49.0%	Dormant

(A) Audited by KPMG LLP Singapore.

(B) Audited by KPMG in the respective countries.

(D) Not required to be audited under the laws of the country of incorporation.

(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

		Effective Shareholding		Principal Activities
		2020	2019	
SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)				
	Country of Incorporation and Place of Business: Hong Kong			
(B)	Everbest Printing Holdings Limited	100.0%	100.0%	Investment Holding
(B)	Everbest Printing Investment Limited	100.0%	100.0%	Investment Holding and Commercial Printing
(B)	Everbest Printing Company Limited	100.0%	100.0%	Commercial Printing
(B)	Marshall Cavendish Business Information (HK) Limited	100.0%	100.0%	Publishing of Trade Directory and Business Information
(B)	Times Publishing (Hong Kong) Limited	100.0%	100.0%	Publishing of Education Books and Distribution of Magazines
(B)	Educational Technologies Limited	100.0%	100.0%	Publishing and Selling of Home Library Reference Books
	Country of Incorporation and Place of Business: China			
(B)	Everbest Printing (Guangzhou) Company Limited	100.0%	100.0%	Commercial Printing
(D)	Marshall Cavendish (Beijing) Co. Ltd <i>(All the above companies, incorporated in China, accounting year ends on 31 December)</i>	100.0%	100.0%	Book Production Services
	Country of Incorporation and Place of Business: India			
(C)	Direct Educational Technologies India Pvt. Ltd. <i>(Accounting year ends on 31 March)</i>	100.0%	100.0%	Distribution of Home Library Reference Books
	Country of Incorporation and Place of Business: Australia			
(D)	Musicway Corporation Pty Ltd	100.0%	100.0%	Distribution of Lifestyle Accessories and Storage Products
(D)	Marshall Cavendish (Australia) Pty. Limited	100.0%	100.0%	Investment Holding
	Country of Incorporation and Place of Business: United Kingdom			
(B)	Marshall Cavendish Limited	100.0%	100.0%	Investment Holding
	Country of Incorporation and Place of Business: United States of America			
(D)	Marshall Cavendish Corporation	100.0%	100.0%	Publishing of Library Reference Books
	Country of Incorporation and Place of Business: Chile			
(C)	Marshall Cavendish Education Chile SpA <i>(Accounting year ends on 31 December)</i>	100.0%	100.0%	Publishing of Education Books

(B) Audited by KPMG in the respective countries.

(C) Audited by other firms of auditors.

(D) Not required to be audited under the laws of the country of incorporation.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

		Effective Shareholding		
		2020	2019	Principal Activities
JOINT VENTURE COMPANIES OF FRASER AND NEAVE, LIMITED GROUP				
Country of Incorporation and Place of Business: Thailand				
(B)	F&N International Holdings Co., Ltd	49.0%	49.0%	Investment Holding
(B)	F&N Retail Connection Co., Ltd	74.0%	74.0%	Investment Holding
JOINT VENTURE COMPANY OF FRASER & NEAVE HOLDINGS GROUP				
Country of Incorporation and Place of Business: Malaysia				
(B)	Vacaron Company Sdn Bhd	27.7%	27.7%	Property Development
JOINT VENTURE COMPANY OF TIMES PUBLISHING GROUP				
Country of Incorporation and Place of Business: China				
(C)	Shanxi Xinhua Times Packaging Printing Co., Ltd <i>(Accounting year ends on 31 December)</i>	51.0%	51.0%	Commercial Printing and Packaging
ASSOCIATED COMPANY OF FRASER AND NEAVE, LIMITED GROUP				
Country of Incorporation and Place of Business: Vietnam				
(B)	Vietnam Dairy Products Joint Stock Company <i>(Accounting year ends on 31 December)</i>	20.4%	20.0%	Manufacture and Distribution of Dairy Products and Beverages
ASSOCIATED COMPANY OF FRASER & NEAVE HOLDINGS GROUP				
Country of Incorporation and Place of Business: Malaysia				
(C)	Cocoaland Holdings Berhad <i>(Accounting year ends on 31 December)</i>	15.1%	15.1%	Investment Holding
ASSOCIATED COMPANIES OF TIMES PUBLISHING GROUP				
Country of Incorporation and Place of Business: China				
(D)	Beijing Universal Times Culture Development Co., Ltd. <i>(Accounting year ends on 31 December)</i>	40.0%	40.0%	Dormant
Country of Incorporation and Place of Business: Nigeria				
(D)	Transworld Times Press (Africa) Limited <i>(Accounting year ends on 31 December)</i>	40.0%	40.0%	Dormant

(B) Audited by KPMG in the respective countries.

(C) Audited by other firms of auditors.

(D) Not required to be audited under the laws of the country of incorporation.

Particulars of Group Properties

The main properties as at 30 September 2020 and their net book values are indicated below:
("F&N" refers to Fraser and Neave Group and "TPL" refers to Times Publishing Group)

			Land (\$'000)	Building (\$'000)
(A) CLASSIFIED AS FIXED ASSETS (Note 12 to the Financial Statements)				
FREEHOLD				
Singapore				
TPL	- 0.4	hectares industrial property at Times Centre, 1 New Industrial Road	6,100	3,087
Peninsular Malaysia				
F&N	- 12.8	hectares industrial property at No. 1, Jalan Bukit Belimbing 26/38, Persiaran Kuala Selangor, Section 26, Shah Alam, Selangor	12,162	23,225
	- 5.2	hectares warehouse and carpark at Lot 3-2, Lion Industrial Park, Shah Alam, Selangor	3,849	-
	- 2.3	hectares industrial property at 3724 to 3726, Jalan Sungai Nyior, Butterworth, Pulau Pinang	1,556	510
	- 2.7	hectares industrial property at 217, Jalan Lahat, Ipoh, Perak	928	962
	- 2.2	hectares industrial property at Batu 4 3/4, Jalan Tampoi, Johor Bahru, Johor	2,525	847
	- 0.6	hectares industrial property at Lot 6, Jalan Tampoi, Johor Bahru, Johor	346	42
	- 0.1	hectares office premise at No. 3, Jalan Metro Pudu 1, Fraser Business Park, Off Jalan Yew, Kuala Lumpur	-	3,755
	- 0.4	hectares industrial property at Seksyen 26, Shah Alam, Selangor	538	431
	- 2.0	hectares industrial property at Lot 7399 & 8081, Jalan Mempaga, Mukim Sabai, Karak, Pahang	761	4,095
	- 0.3	hectares office premise at Level 1, 5, 6 & 7, Kompleks Metro Pudu, No. 1, Jalan Metro Pudu 2, Fraser Business Park, Off Jalan Yew, Kuala Lumpur	-	3,642
	- Other properties		308	75
TPL	- 1.7	hectares industrial property at Lot 46, Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam, Selangor	1,269	1,529
East Malaysia				
F&N	- 1.1	hectares industrial property at No. 94, Batu 11, Jalan Matang, Kuching, Sarawak	1,443	397
Thailand				
F&N	- 9.2	hectares industrial property at 668 Moo 4 Rojana Industrial Park Zone 2, U-thai, Phra Nakhon Si Ayutthaya 13210	7,334	48,229
Total Freehold				39,119 90,826
LEASEHOLD				
Singapore				
F&N	- 0.1	hectares industrial property at 51 Quality Road (Lease expires year 2044)	-	13
	- 0.1	hectares industrial property at 53 Loyang Way (Lease expires year 2052)	-	3,085
TPL	- 2.1	hectares industrial property at 16 & 18 Tuas Avenue 5 (Lease expires year 2043)	-	9,706
	- 0.5	hectares industrial property at 438 Ang Mo Kio Industrial Park 1 (Lease expires year 2038)	-	10,032

Particulars of Group Properties

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

Particulars of Group Properties

		Land (\$'000)	Building (\$'000)
(B) CLASSIFIED AS COMPLETED INVESTMENT PROPERTIES (Note 13 to the Financial Statements)			
Peninsular Malaysia			
F&N	- A building comprising office (LG to 5th Floor) at Kompleks Metro Pudu, No. 1, Jalan Metro Pudu 2, Fraser Business Park, Off Jalan Yew, Kuala Lumpur Freehold, lettable area - 4,702 sqm		- 15,678
Hong Kong			
TPL	- Shop unit at Houston Centre, 63 Mody Road Tsim Sha Tsui, Kowloon Leasehold (Lease expires year 2053), lettable area - 68 sqm	1,273	124
TOTAL PROPERTIES (CLASSIFIED AS INVESTMENT PROPERTIES)		1,273	15,802

(C) CLASSIFIED AS PROPERTIES HELD FOR DEVELOPMENT (Note 14 to the Financial Statements)

		Stage of Completion %	Estimated Date of Completion	Effective Group Interest %
Peninsular Malaysia				
F&N	- Freehold land of approximately 3,787 sqm at Fraser Business Park, Off Jalan Yew, Kuala Lumpur			55
	- Freehold land of approximately 188,182 sqm for a residential property development at Lot 609, Mukim Hulu Semenyih, District of Hulu Langat, Selangor			55
	- Freehold land of approximately 57,105 sqm for a residential property development at Lot 1954, Mukim Hulu Semenyih, District of Hulu Langat, Selangor			55
	- Freehold land of approximately 12,759 sqm for a commercial property development at Lot 47261, Jalan Balau 1, Jalan Dato Sulaiman, Jalan Tebrau, Mukim Bandar, Johor Bahru			55

Shareholding Statistics

AS AT 3 DECEMBER 2020

Class of Shares - Ordinary shares
 Voting Rights - One vote per share

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%*
1 - 99	141	1.79	4,724	0.00
100 - 1,000	1,409	17.88	1,212,633	0.08
1,001 - 10,000	4,768	60.49	21,179,182	1.46
10,001 - 1,000,000	1,549	19.65	69,803,915	4.82
1,000,001 and above	15	0.19	1,357,885,124	93.64
TOTAL	7,882	100.00	1,450,085,578	100.00

TOP TWENTY SHAREHOLDERS (as shown in the Register of Members and Depository Register)

No.	Shareholder's Name	Shareholdings	%*
1	DBS NOMINEES PTE LTD	436,609,598	30.11
2	UNITED OVERSEAS BANK NOMINEES PTE LTD	430,604,711	29.69
3	INTERBEV INVESTMENT LIMITED	412,423,822	28.44
4	CITIBANK NOMINEES SINGAPORE PTE LTD	46,660,678	3.22
5	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	10,665,255	0.73
6	UOB KAY HIAN PTE LTD	5,750,380	0.40
7	RAFFLES NOMINEES (PTE) LIMITED	5,181,901	0.36
8	PHAY THONG HUAT PTE LTD	1,799,000	0.12
9	PHILLIP SECURITIES PTE LTD	1,380,776	0.09
10	HSBC (SINGAPORE) NOMINEES PTE LTD	1,344,402	0.09
11	DBSN SERVICES PTE LTD	1,137,321	0.08
12	OCBC NOMINEES SINGAPORE PTE LTD	1,111,560	0.08
13	YEO WEI HUANG	1,109,000	0.08
14	THIA CHENG SONG	1,100,000	0.08
15	THE TITULAR ROMAN CATHOLIC ARCHBISHOP OF KUALA LUMPUR	1,006,720	0.07
16	CHOO MEILEEN	906,065	0.06
17	CHEE SWEE CHENG & CO PTE LTD	846,610	0.06
18	JACK INVESTMENT PTE LTD	828,800	0.06
19	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	805,675	0.06
20	OCBC SECURITIES PRIVATE LTD	741,375	0.05
TOTAL		1,362,013,649	93.93

Shareholding Statistics

AS AT 3 DECEMBER 2020

SUBSTANTIAL SHAREHOLDERS (as shown in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	No. of Shares	%*	No. of Shares	%*
TCC Assets Limited	858,080,062	59.17	-	-
InterBev Investment Limited	412,423,822	28.44	-	-
International Beverage Holdings Limited ⁽¹⁾	-	-	412,423,822	28.44
Thai Beverage Public Company Limited ⁽²⁾	-	-	412,423,822	28.44
Siriwana Co., Ltd. ⁽³⁾	-	-	412,423,822	28.44
MM Group Limited ⁽⁴⁾	-	-	412,423,822	28.44
Maxtop Management Corp. ⁽⁴⁾	-	-	412,423,822	28.44
Risen Mark Enterprise Ltd. ⁽⁴⁾	-	-	412,423,822	28.44
Golden Capital (Singapore) Limited ⁽⁴⁾	-	-	412,423,822	28.44
Charoen Sirivadhanabhakdi ⁽⁵⁾	-	-	1,270,503,884	87.62
Khunying Wanna Sirivadhanabhakdi ⁽⁵⁾	-	-	1,270,503,884	87.62

To the best of the Company's knowledge and based on records of the Company as at 3 December 2020, approximately 12%* of the issued shares of the Company are held in the hands of the public and this complies with Rule 723 of the Listing Manual.

Notes:

* Percentage is based on 1,450,085,578 shares as at 3 December 2020. There are no treasury shares as at 3 December 2020. Shareholding percentage discrepancies (if any) are due to rounding.

(1) International Beverage Holdings Limited ("IBHL") holds a 100% direct interest in InterBev Investment Limited ("IBIL") and is therefore deemed to be interested in all of the shares of Fraser and Neave, Limited ("F&N") in which IBIL has an interest.

(2) Thai Beverage Public Company Limited ("ThaiBev") holds a 100% direct interest in IBHL, which in turn holds a 100% direct interest in IBIL. ThaiBev is therefore deemed to be interested in all of the shares of F&N in which IBIL has an interest.

(3) Siriwana Co., Ltd. ("Siriwana") holds approximately an aggregate of 45.26% direct interest in ThaiBev.

- ThaiBev holds a 100% direct interest in IBHL; and
- IBHL holds a 100% direct interest in IBIL.

Siriwana is therefore deemed to be interested in all of the shares of F&N in which IBIL has an interest.

(4) MM Group Limited ("MM Group") holds a 100% direct interest in each of Maxtop Management Corp. ("Maxtop"), Risen Mark Enterprise Ltd. ("RM") and Golden Capital (Singapore) Limited ("GC");

- Maxtop holds a 17.23% direct interest in ThaiBev;
- RM holds a 3.32% direct interest in ThaiBev;
- GC holds a 0.06% direct interest in ThaiBev;
- ThaiBev holds a 100% direct interest in IBHL; and
- IBHL holds a 100% direct interest in IBIL.

MM Group is therefore deemed to be interested in all of the shares of F&N in which IBIL has an interest.

(5) Each of Charoen Sirivadhanabhakdi and his spouse, Khunying Wanna Sirivadhanabhakdi, owns 50% of the issued share capital of TCC Assets Limited ("TCCA"), and is therefore deemed to be interested in all of the shares of F&N in which TCCA has an interest. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi also jointly hold:

- a 51% direct interest in Siriwana. Siriwana holds an aggregate of approximately 45.26% interest in ThaiBev; and
- a 100% direct interest in MM Group. MM Group holds a 100% direct interest in each of Maxtop, RM and GC. Maxtop holds a 17.23% direct interest in ThaiBev; RM holds a 3.32% direct interest in ThaiBev; and GC holds a 0.06% direct interest in ThaiBev.

ThaiBev holds a 100% direct interest in IBHL, which in turn holds a 100% direct interest in IBIL. Each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is therefore deemed to be interested in all of the shares of F&N in which IBIL has an interest.

Interested Person Transactions

Particulars of interested person transactions ("IPTs") for the period from 1 October 2019 to 30 September 2020 as required under Rule 907 of the SGX Listing Manual are set out below.

Name of interested person/Nature of relationship	Aggregate value of all IPTs conducted during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (\$'000)	Aggregate value of all IPTs conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) (\$'000)
Companies and entities in the TCC Group which are regarded as associates (as defined in the SGX Listing Manual) of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi, who are the Chairman and Vice-Chairman of the Board of Directors respectively, and the controlling shareholders of the Company		
- Sale of products and provision of services	Nil	1,654
- Provision of management and support services	1,077	Nil
- Reimbursement and recovery of advertising and promotional expenses	9,318	Nil
- Purchase of products and obtaining of services	Nil	8,557
- Obtaining of marketing and consulting services	1,376	Nil
- Lease and sub-letting of office space	Nil	7,696
- Provision of guarantee for investment in joint venture companies	128,956	Nil

MATERIAL CONTRACTS (RULE 1207(8) OF THE SGX LISTING MANUAL)

There were no material contracts entered into by the Company or any of its subsidiaries involving the interests of any director or controlling shareholder of the Company during the financial year under review, save as disclosed above and in this Annual Report.

Notice of Annual General Meeting

FRASER AND NEAVE, LIMITED

(Company Registration No. 189800001R)
(Incorporated in Singapore)

NOTICE IS HEREBY GIVEN that the 122nd Annual General Meeting of FRASER AND NEAVE, LIMITED (the “**Company**”) will be convened and held by way of electronic means on Thursday, 21 January 2021 at 9.30 a.m. (Singapore time) for the following purposes:

ROUTINE BUSINESS

1. To receive and adopt the Directors’ statement and audited financial statements for the year ended 30 September 2020 and the auditors’ report thereon.
2. To approve a final tax-exempt (one tier) dividend of 3.5 cents per share in respect of the year ended 30 September 2020.
3. To pass the following resolutions on the recommendation of the Nominating Committee and endorsement of the Board of Directors in respect of appointment of Directors¹:
 - (a) “That Khunying Wanna Sirivadhanabhakdi, who will retire by rotation pursuant to article 117 of the Constitution of the Company and who, being eligible, has offered herself for re-election, be and is hereby re-appointed as a Director of the Company.”

Subject to her re-appointment, Khunying Wanna will be re-appointed as Vice-Chairman of the Board of Directors.

 - (b) “That Mr Charles Mak Ming Ying, who will retire by rotation pursuant to article 117 of the Constitution of the Company and who, being eligible, has offered himself for re-election, be and is hereby re-appointed as a Director of the Company.”
 - (c) “That Mr Chan Heng Wing, who will retire by rotation pursuant to article 117 of the Constitution of the Company and who, being eligible, has offered himself for re-election, be and is hereby re-appointed as a Director of the Company.”
 - (d) “That Dr Sujitra Sombuntham, who will retire by rotation pursuant to article 117 of the Constitution of the Company and who, being eligible, has offered herself for re-election, be and is hereby re-appointed as a Director of the Company.”
4. To approve Directors’ fees of up to S\$2,000,000 payable by the Company for the year ending 30 September 2021 (last year: up to S\$2,000,000).
5. To re-appoint KPMG LLP as the auditors of the Company and to authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolutions, which will be proposed as Ordinary Resolutions:

6. “That authority be and is hereby given to the Directors of the Company to:
 - (a) (i) issue shares of the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

 - (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

¹ Detailed information on the Directors who are proposed to be re-appointed can be found under the sections titled “Board of Directors”, “Corporate Governance” and “Additional Information on Directors Seeking Re-appointment” in the 2020 Annual Report of the Company.

Notice of Annual General Meeting

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
 - (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the “SGX-ST”)) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares,
 - and, in sub-paragraph (1) above and this sub-paragraph (2), “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST;
 - (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
 - (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”
7. “That authority be and is hereby given to the Directors of the Company to allot and issue such number of ordinary shares of the Company as may be required to be delivered pursuant to the vesting of awards granted under the F&N Restricted Share Plan (the “RSP”) and/or the F&N Performance Share Plan (the “PSP”), provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, pursuant to the RSP and the PSP, shall not exceed 10% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time, and in this Resolution, “subsidiary holdings” has the meaning given to it in the Listing Manual of the Singapore Exchange Securities Trading Limited.”
8. “That authority be and is hereby given to the Directors of the Company to:
- (a) grant awards in accordance with the provisions of the F&N Restricted Share Plan 2019 (the “RSP 2019”); and
 - (b) allot and issue such number of ordinary shares of the Company as may be required to be delivered pursuant to the vesting of awards granted under the RSP 2019,
- provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, pursuant to the RSP 2019, shall not exceed 8% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time, and in this Resolution, “subsidiary holdings” has the meaning given to it in the Listing Manual of the Singapore Exchange Securities Trading Limited.”
9. “That authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of ordinary shares of the Company as may be required to be allotted and issued pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme.”

Notice of Annual General Meeting

10. "That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("Chapter 9") of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Company's Letter to Shareholders dated 28 December 2020 (the "Letter"), with any party who is of the class of interested persons described in the Appendix to the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions (the "IPT Mandate");
- (b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- (c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution."

11. "That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "Companies Act"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("Shares") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) market purchase(s) on the Singapore Exchange Securities Trading Limited (the "SGX-ST") transacted through the trading system of the SGX-ST and/or any other securities exchange on which the Shares may for the time being be listed and quoted ("Other Exchange"); and/or
 - (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
 - (i) the date on which the next Annual General Meeting of the Company is held;
 - (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and
 - (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;
- (c) in this Resolution:

"Average Closing Price" means the average of the closing market prices of a Share over the five consecutive market days on which the Shares are transacted on the SGX-ST or, as the case may be, Other Exchange, immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs during the relevant five-day period and the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase;

Notice of Annual General Meeting

"date of the making of the offer" means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the off-market purchase;

"Maximum Percentage" means that number of issued Shares representing 7% of the issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

"Maximum Price" in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed 105% of the Average Closing Price of the Shares; and

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution."

BY ORDER OF THE BOARD

Hui Choon Kit
Company Secretary

28 December 2020

NOTES:

1. The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Notice will accordingly be sent to members by electronic means via publication on the Company's website at the URL <https://www.fraserandneave.com/investor-relations/annual-reports> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of this Notice will also be sent by post to members.
2. Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at or before the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the accompanying Company's announcement dated 28 December 2020. This announcement may be accessed at the Company's website at the URL <https://www.fraserandneave.com/investor-relations/annual-reports> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** The accompanying proxy form for the Annual General Meeting may be downloaded from the Company's website at the URL <https://www.fraserandneave.com/investor-relations/annual-reports> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of the proxy form will also be sent by post to members.
4. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

Notice of Annual General Meeting

5. CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 11 January 2021.
6. The Chairman of the Meeting, as proxy, need not be a member of the Company.
7. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged at the office of the share registrar of the Company, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road #11-02, Singapore 068898; or
 - (b) if submitted electronically, be submitted via email to the share registrar of the Company at sg.is.FNLproxy@sg.tricorglobal.com, in either case not less than 72 hours before the time appointed for holding the Annual General Meeting.

A member who wishes to submit an instrument of proxy can either use the printed copy of the proxy form which is sent to him/her/it by post or download a copy of the proxy form from the Company's website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email.

8. The 2020 Annual Report and the Letter to Shareholders dated 28 December 2020 (in relation to the proposed renewal of the mandate for interested person transactions and the proposed renewal of the share purchase mandate) have been published and may be accessed at the Company's website as follows:
 - (a) the 2020 Annual Report may be accessed at the URL <https://www.fraserandneave.com/investor-relations/annual-reports> by clicking on the hyperlink for "Full Report 2020"; and
 - (b) the Letter to Shareholders dated 28 December 2020 may be accessed at the URL <https://www.fraserandneave.com/investor-relations/annual-reports> by clicking on the hyperlink for "Letter to Shareholders" under "Annual Report 2020".

The above documents may also be accessed on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Members may request for printed copies of these documents by completing and submitting the Request Form accompanying the printed copies of this Notice and the proxy form sent by post to members.

EXPLANATORY NOTES:

- (a) The Ordinary Resolution proposed in item 6 above is to authorise the Directors of the Company from the date of the Annual General Meeting until the next Annual General Meeting to issue shares and/or make or grant instruments that might require shares to be issued, and to issue shares in pursuance of such instruments, up to a limit of 50% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) with a sub-limit of 20% for issues other than on a *pro rata* basis, calculated as described in the Resolution. As at 3 December 2020 (the "**Latest Practicable Date**"), the Company had no treasury shares and no subsidiary holdings.
- (b) The Ordinary Resolution proposed in item 7 above is to authorise the Directors of the Company to issue ordinary shares of the Company pursuant to the vesting of awards granted pursuant to the F&N Restricted Share Plan (the "**RSP**") and the F&N Performance Share Plan (the "**PSP**"), provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, pursuant to the RSP and the PSP, shall not exceed 10% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time. The RSP and the PSP expired on 21 January 2019. The expiry of the RSP and the PSP did not, however, affect awards granted prior to such expiry, whether such awards had been released (whether fully or partially) or not.

Notice of Annual General Meeting

- (c) The Ordinary Resolution proposed in item 8 above is to authorise the Directors of the Company to offer and grant awards and to issue ordinary shares of the Company pursuant to the F&N Restricted Share Plan 2019 (the "**RSP 2019**"), provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, pursuant to the RSP 2019, shall not exceed 8% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time. The committee administering the RSP 2019 currently does not intend, in any given year, to grant awards under the RSP 2019 which would comprise more than 0.8% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time (the "**Yearly Limit**"). However, if the Yearly Limit is not fully utilised in any given year, the balance of the unutilised portion of the Yearly Limit may be carried over and used by the Company to make grants of awards in subsequent years for the duration of the RSP 2019, subject to the overall maximum limit of 8%.
- (d) The Ordinary Resolution proposed in item 9 above is to authorise the Directors of the Company to allot and issue ordinary shares of the Company pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme to eligible members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.
- (e) The Ordinary Resolution proposed in item 10 above is to renew the mandate to enable the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9 of the Listing Manual, or any of them, to enter into certain interested person transactions with specified classes of interested persons, as described in the Appendix to the Letter to Shareholders dated 28 December 2020 (the "**Letter**"). Please refer to the Letter for more details.
- (f) The Ordinary Resolution proposed in item 11 above is to renew the mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares, on the terms and subject to the conditions set out in the Resolution.

The Company intends to use internal resources or external borrowings or a combination of both to finance the purchase or acquisition of its ordinary shares. The amount of financing required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

Purely for illustrative purposes only, the financial effects of an assumed purchase or acquisition of (i) 29,001,711 ordinary shares on the Latest Practicable Date, representing 2% of the issued ordinary shares as at that date, and (ii) 101,505,990 ordinary shares on the Latest Practicable Date, representing 7% of the issued ordinary shares as at that date, at the maximum price of S\$1.49 for one ordinary share (being the price equivalent to 5% above the average of the closing market prices of the ordinary shares for the five consecutive market days on which the ordinary shares were traded on the Singapore Exchange Securities Trading Limited immediately preceding the Latest Practicable Date), in the case of a market purchase and an off-market purchase respectively, based on the audited financial statements of the Company and its subsidiaries for the financial year ended 30 September 2020 and certain assumptions, are set out in paragraph 3.7 of the Letter.

Please refer to the Letter for more details.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

Additional Information on Directors Seeking Re-Appointment

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT:

The following additional information on Khunying Wanna Sirivadhanabhakdi, Mr Charles Mak Ming Ying, Mr Chan Heng Wing and Dr Sujitra Sombuntham, all of whom are seeking re-appointment as Directors at the 122nd Annual General Meeting, is to be read in conjunction with their respective biographies on pages 14 to 23.

**KHUNYING WANNA
SIRIVADHANABHAKDI, 77**
(VICE-CHAIRMAN) NON-INDEPENDENT
AND NON-EXECUTIVE DIRECTOR

The Board's comments on the re-appointment

The Board has considered the Nominating Committee's recommendation and assessment of Khunying Wanna's qualifications and experience and is satisfied that she will continue to contribute relevant knowledge, skills and experience to the Board.

Working experience and occupation(s) in the past 10 years

- **2010 – 2014:**
Listed Companies:
2001 – Present
Berli Jucker Public Company Limited
(Vice-Chairman)
- 2003 – Present**
Thai Beverage Public Company Limited
(Vice-Chairman)
- Others:**
1988 – Present
Southeast Corporation Co., Ltd.
(formerly known as Southeast Group Co., Ltd.) (Vice-Chairman)
- 2004 – Present**
Beer Thip Brewery (1991) Co., Ltd.
(Chairman)
- 2004 – Present**
Sangsom Group of Companies
(Chairman)
- 2005 – Present**
TCC Land Co., Ltd. (Vice-Chairman)
- 2006 – Present**
Siriwana Co., Ltd. (Vice-Chairman)
- 2008 – Present**
TCC Corporation Limited
(Vice-Chairman)
- **2015 – 2020:**
Please refer to Khunying Wanna's biography on page 16

Additional Information on Directors Seeking Re-Appointment

MR CHARLES MAK

MING YING, 68

INDEPENDENT AND
NON-EXECUTIVE DIRECTOR

The Board has considered the Nominating Committee's recommendation and assessment of Mr Mak's qualifications and experience and is satisfied that he will continue to contribute relevant knowledge, skills and experience to the Board.

- **2010 – 2014:**
Listed Companies:

Nil

Others:

Aug 2001 – Jul 2011

Managing Director and Head of Morgan Stanley Asia Pacific Wealth Management

Aug 2011 – Sep 2012

- President of International Wealth Management with responsibilities for Morgan Stanley's wealth management franchises with Latin America, Europe, Middle East and Asia
- Chairman of Bank of Morgan Stanley in Switzerland

Oct 2012 – Sep 2013

Vice-Chairman of Morgan Stanley Asia Pacific

- **2015 – 2020:**

Please refer to Mr Mak's biography on page 18

MR CHAN

HENG WING, 73

INDEPENDENT AND
NON-EXECUTIVE DIRECTOR

The Board has considered the Nominating Committee's recommendation and assessment of Mr Chan's qualifications and experience and is satisfied that he will continue to contribute relevant knowledge, skills and experience to the Board.

- **2010 – 2014:**
Listed Companies:

2011 – 2015

Shanda Games Ltd (Director)

Others:

Mar 2008 – Jul 2010

Chief Representative of Temasek International in China

Jul 2010 – Oct 2011

Managing Director, International Relations, Temasek Holdings

- **2015 – 2020:**

Please refer to Mr Chan's biography on page 19

DR SUJITTRA

SOMBUNTHAM, 63

INDEPENDENT AND
NON-EXECUTIVE DIRECTOR

The Board has considered the Nominating Committee's recommendation and assessment of Dr Sujitra's qualifications and experience and is satisfied that she will add relevant knowledge, skills and experience to the Board.

- **2010 – 2014:**
Listed Companies:

Nil

Others:

Nil

- **2015 – 2020:**

Please refer to Dr Sujitra's biography on page 19

Additional Information on Directors Seeking Re-Appointment

**KHUNYING WANNA
SIRIVADHANABHAKDI, 77**
(VICE-CHAIRMAN) NON-INDEPENDENT
AND NON-EXECUTIVE DIRECTOR

Conflict of interest (including any competing business)

Khunying Wanna has a deemed interest in approximately 87.62% of the shares of the Company by virtue of her deemed interest in the shares of InterBev Investment Limited and her shareholding in TCC Assets Limited, both substantial shareholders of the Company.

Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to F&N

Yes

(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?

No

(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?

No

(c) Whether there is any unsatisfied judgment against him?

No

(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?

No

(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?

No

(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?

No

Additional Information on Directors Seeking Re-Appointment

**MR CHARLES MAK
MING YING, 68
INDEPENDENT AND
NON-EXECUTIVE DIRECTOR**

**MR CHAN
HENG WING, 73
INDEPENDENT AND
NON-EXECUTIVE DIRECTOR**

**DR SUJITTRA
SOMBUNTHAM, 63
INDEPENDENT AND
NON-EXECUTIVE DIRECTOR**

No

No

No

Yes

Yes

Yes

No

Additional Information on Directors Seeking Re-Appointment

**KHUNYING WANNA
SIRIVADHANABHAKDI, 77**
(VICE-CHAIRMAN) NON-INDEPENDENT
AND NON-EXECUTIVE DIRECTOR

(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?

No

(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?

No

(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?

No

(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:

(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or

No

(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or

No

(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

No

(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

No

in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?

(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?

No

Additional Information on Directors Seeking Re-Appointment

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FRASER AND NEAVE, LIMITED(Company Registration No. 189800001R)
(Incorporated in Singapore)
Proxy Form
Annual General Meeting
IMPORTANT

1. The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Notice of Annual General Meeting dated 28 December 2020 will accordingly be sent to members by electronic means via publication on the Company's website at the URL <https://www.fraserandneave.com/investor-relations/annual-reports> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of the Notice of Annual General Meeting will also be sent by post to members.
2. Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at or before the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the accompanying Company's announcement dated 28 December 2020. This announcement may be accessed on the Company's website at the URL <https://www.fraserandneave.com/investor-relations/annual-reports> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.**
4. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting.
5. CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 11 January 2021.
6. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 28 December 2020.

I/We _____ (Name) _____ (NRIC/Passport/Co Reg Number)

of _____ (Address) being a member/members of Fraser and Neave, Limited (the "**Company**"), hereby appoint the Chairman of the Meeting as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be convened and held by way of electronic means at 9.30 a.m. (Singapore time) on Thursday, 21 January 2021 and at any adjournment thereof. I/We direct the Chairman of the Meeting as my/our proxy to vote for or against or to abstain from voting on the resolutions to be proposed at the Annual General Meeting as indicated below.

NO.	RESOLUTIONS RELATING TO:	For*	Against*	Abstain*
	ROUTINE BUSINESS			
1.	To receive and adopt the Directors' statement and audited financial statements for the year ended 30 September 2020 and the auditors' report thereon.			
2.	To approve a final tax-exempt (one-tier) dividend of 3.5 cents per share in respect of the year ended 30 September 2020.			
3.	(a) To re-appoint Director: Khunying Wanna Sirivadhanabhakdi (b) To re-appoint Director: Mr Charles Mak Ming Ying (c) To re-appoint Director: Mr Chan Heng Wing (d) To re-appoint Director: Dr Sujitra Sombuntham			
4.	To approve Directors' fees of up to S\$2,000,000 payable by the Company for the year ending 30 September 2021.			
5.	To re-appoint KPMG LLP as the auditors of the Company and to authorise the Directors to fix their remuneration.			
	SPECIAL BUSINESS			
6.	To authorise the Directors to issue shares and to make or grant convertible instruments.			
7.	To authorise the Directors to allot and issue shares pursuant to the F&N Restricted Share Plan and/or the F&N Performance Share Plan.			
8.	To authorise the Directors to grant awards and to allot and issue shares pursuant to the F&N Restricted Share Plan 2019.			
9.	To authorise the Directors to allot and issue shares pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme.			
10.	To approve the proposed renewal of the mandate for interested person transactions.			
11.	To approve the proposed renewal of the share purchase mandate.			

* Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to exercise all your votes "For" or "Against" the relevant resolution, please indicate with a tick (✓) in the "For" or "Against" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with a tick (✓) in the "Abstain" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares in the "Abstain" box provided in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**

Dated this _____ day of _____ 2020/2021*.

* Delete whichever is inapplicable

Total Number of Shares Held (Note 1)	
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Signature/Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

Fold and seal here

NOTES TO PROXY FORM:

1. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument appointing the Chairman of the Meeting as proxy will be deemed to relate to all the shares held by the member.
2. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** This proxy form may be downloaded from the Company's website at the URL <https://www.fraserandneave.com/investor-relations/annual-reports> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of this proxy form will also be sent by post to members. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 11 January 2021.
4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged at the office of the share registrar of the Company, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road #11-02, Singapore 068898; or
 - (b) if submitted electronically, be submitted via email to the share registrar of the Company at sg.is.FNLproxy@sg.tricorglobal.com, in either case not less than 72 hours before the time appointed for holding the Annual General Meeting.A member who wishes to submit an instrument of proxy can either use the printed copy of the proxy form which is sent to him/her/it by post or download a copy of the proxy form from the Company's website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email.

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Affix
Postage
Stamp

THE COMPANY SECRETARY
FRASER AND NEAVE, LIMITED
c/o Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #11-02
Singapore 068898

Fold here

6. The instrument appointing the Chairman of the Meeting as proxy must be signed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject an instrument appointing the Chairman of the Meeting as proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing the Chairman of the Meeting as proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Fraser and Neave, Limited

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

www.fraserandneave.com

(Company Registration No. 189800001R)
(Incorporated in Singapore)

For an electronic version of F&N FY2020 Annual Report,
please refer to **www.fraserandneave.com/investor-relations/annual-reports**

Accompanying this report:
F&N FY2020 Sustainability Report

Only available in electronic format.
Download it at www.fraserandneave.com/investor-relations/corporate-sustainability



This annual report is printed on environmentally-friendly paper which contains wood pulp from well-managed forests using an elemental chlorine free process.