



FRASER AND NEAVE, LIMITED

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

RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 Financial Statements and Dividend Announcement

The Directors are pleased to make the following announcement of the unaudited results for the year ended 30 September 2020.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF HALF AND FULL YEAR RESULTS

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

1(a)(i) GROUP PROFIT STATEMENT

	30/9/2020 \$'000	30/9/2019 \$'000 (restated)*	Change %
Revenue	1,833,501	1,902,337	(3.6)
Cost of sales	(1,237,627)	(1,278,646)	(3.2)
Gross profit	595,874	623,691	(4.5)
Other income (net)	23,309	18,513	25.9
Operating expenses			
- Distribution	(159,649)	(163,162)	(2.2)
- Marketing	(180,831)	(179,177)	0.9
- Administration	(136,989)	(130,603)	4.9
	(477,469)	(472,942)	1.0
Trading profit	141,714	169,262	(16.3)
Share of results of joint venture companies	2,131	(445)	NM
Share of results of associated companies	123,276	113,941	8.2
Gross income from investments	285	470	(39.4)
Profit before interest and taxation ("PBIT")	267,406	283,228	(5.6)
Finance income	2,830	6,968	(59.4)
Finance cost	(24,788)	(21,663)	14.4
Net finance cost	(21,958)	(14,695)	49.4
Profit before fair value adjustment, taxation and exceptional items	245,448	268,533	(8.6)
Fair value adjustment of investment properties	(413)	(1,370)	(69.9)
Profit before taxation and exceptional items	245,035	267,163	(8.3)
Exceptional items	(621)	1,106	NM
Profit before taxation	244,414	268,269	(8.9)
Taxation	(36,722)	(56,140)	(34.6)
Profit after taxation	207,692	212,129	(2.1)
Attributable profit to:			
Shareholders of the Company			
- Before fair value adjustment and exceptional items	150,397	153,046	(1.7)
- Fair value adjustment of investment properties	(237)	(1,370)	(82.7)
- Exceptional items	(950)	733	NM
	149,210	152,409	(2.1)
Non-controlling interests	58,482	59,720	(2.1)
	207,692	212,129	(2.1)

NM – Not meaningful

* Restated upon the finalisation of the purchase price allocation in relation to our acquisition of Print Lab.

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

	30/9/2020	Group	Change
	\$'000	30/9/2019	%
		\$'000	
		(restated)*	
Operating expenses			
Included in operating expenses are:			
Depreciation & amortisation	(87,924)	(61,001)	44.1
Allowance for bad and doubtful debts	(8,559)	(308)	NM
Allowance for inventory obsolescence	(9,179)	(7,529)	21.9
Employee share-based expense	(5,372)	(2,213)	142.7
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Other income (net)			
Gain on disposal of fixed assets	223	11,631	(98.1)
Foreign exchange gain/(loss)	939	(1,431)	NM
	<hr/>	<hr/>	
Taxation			
Over/(Under) provision of prior year taxation	7,452	(6,312)	NM
	<hr/>	<hr/>	
Exceptional items			
Insurance claim relating to fire	739	1,019	(27.5)
Provision for restructuring and re-organisation costs of operations	(1,010)	(910)	11.0
Share of exceptional items of a joint venture company	(350)	-	NM
Gain on disposal of investment property	-	1,176	NM
Investment property written off	-	(179)	NM
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	(621)	1,106	
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PBIT as a percentage of revenue	14.6%	14.9%	

NM - Not meaningful

* Restated upon the finalisation of the purchase price allocation in relation to our acquisition of Print Lab.

1(a)(iii) STATEMENT OF COMPREHENSIVE INCOME

	Group	
	30/9/2020	30/9/2019
	\$'000	\$'000
		(restated)*
Profit after taxation	207,692	212,129
Other comprehensive income:		
<u>Items that are or may be reclassified subsequently to profit statement</u>		
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
	<u>(35,016)</u>	<u>54,274</u>
<u>Items that will not be reclassified to profit statement</u>		
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)
	<u>(1,914)</u>	<u>(7,062)</u>
Other comprehensive income for the year, net of taxation	(36,930)	47,212
Total comprehensive income for the year	<u>170,762</u>	<u>259,341</u>
Total comprehensive income attributable to:		
Shareholders of the Company	113,885	196,085
Non-controlling interests	56,877	63,256
	<u>170,762</u>	<u>259,341</u>

* Restated upon the finalisation of the purchase price allocation in relation to our acquisition of Print Lab.

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

BALANCE SHEETS

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

* Restated upon the finalisation of the purchase price allocation in relation to our acquisition of Print Lab.

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

Amount repayable in one year or less, or on demand

	As at 30/9/2020 \$'000	As at 30/9/2019 \$'000
Secured :	-	93
Unsecured :	42,701	9,133
	<u>42,701</u>	<u>9,226</u>

Amount repayable after one year

	As at 30/9/2020 \$'000	As at 30/9/2019 \$'000
Secured :	-	209
Unsecured :	795,888	820,249
	<u>795,888</u>	<u>820,458</u>

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

	30/9/2020 \$'000	30/9/2019 \$'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)	-
Deposit pledged in relation to acquisition of subsidiary companies	3,025	-
Net cash used in investing activities	(58,249)	(191,788)

* Restated upon the finalisation of the purchase price allocation in relation to our acquisition of Print Lab.

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

	30/9/2020 \$'000	30/9/2019 \$'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	285,479	420,333
Less: Deposits pledged in relation to acquisition of subsidiary companies	-	(3,006)
Cash and cash equivalents at end of year	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

* Restated upon the finalisation of the purchase price allocation in relation to our acquisition of Print Lab.

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

STATEMENT OF CHANGES IN EQUITY

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

* Restated upon the finalisation of the purchase price allocation in relation to our acquisition of Print Lab.

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

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

* Restated upon the finalisation of the purchase price allocation in relation to our acquisition of Print Lab.

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

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

1(d)(ii) SHARE CAPITAL

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

	<u>Number of Shares</u>	
	<u>6 Months to 30/9/2020</u>	<u>6 Months to 31/3/2020</u>
Issued and fully paid ordinary shares:		
As at beginning of the period	1,450,085,578	1,449,028,178
Issued during the period – pursuant to share plans	-	1,057,400
As at end of the period	<u>1,450,085,578</u>	<u>1,450,085,578</u>
	<u>As at 30/9/2020</u>	<u>As at 30/9/2019</u>
The number of shares awarded conditionally under Share Plans as at the end of the year	<u>4,140,625</u>	<u>3,245,688</u>
The number of issued shares excluding treasury shares at the end of the year	<u>1,450,085,578</u>	<u>1,449,028,178</u>

The Company did not hold any treasury shares as at 30 September 2020 (30 September 2019: Nil). The treasury shares held represents Nil% (30 September 2019: Nil%) of the total number of issued shares (excluding treasury shares).

The Company does not have any subsidiary holdings as at 30 September 2020 and 30 September 2019.

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

The Company's total number of issued shares excluding treasury shares is 1,450,085,578 as at 30 September 2020 and 1,449,028,178 as at 30 September 2019.

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares by the Company during the six months ended 30 September 2020.

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

The Company does not have any subsidiary holdings as at 30 September 2020 and 30 September 2019.

There were no sales, transfers, cancellation and/or use of subsidiary holdings during the six months ended 30 September 2020.

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

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

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group and Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared with the audited financial statements for the year ended 30 September 2019.

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

As disclosed in paragraph 4 above, the Group and Company have adopted the following new, amendments to and interpretations of SFRS(I) which became effective from this financial year.

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	
Amendment to SFRS(I) 3	<i>Business Combinations</i>
Amendment to SFRS(I) 11	<i>Joint Arrangements</i>
Amendment to SFRS(I) 1-12	<i>Income Taxes</i>
Amendment 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.

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.

The Group and the Company applied SFRS(I) 16 initially 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 and to recognise ROU assets equal to its lease liabilities as at 1 October 2019.

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.

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

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

GROUP BALANCE SHEET

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

6. **Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**
- (a) based on the weighted average number of ordinary shares on issue and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Group	
	<u>30/9/2020</u>	<u>30/9/2019 (restated)*</u>
Earnings per ordinary share:		
(a) Based on the weighted average number of ordinary shares on issue (cents)		
- before fair value adjustment and exceptional items	10.4	10.6
- after fair value adjustment and exceptional items	10.3	10.5
(b) On a fully diluted basis (cents)		
- before fair value adjustment and exceptional items	10.3	10.5
- after fair value adjustment and exceptional items	10.2	10.5
	<u>\$'000</u>	<u>\$'000</u>
Attributable profit	149,210	152,409
Change in attributable profit due to dilutive potential shares under share plans of a subsidiary company	(188)	(176)
Adjusted attributable profit	<u>149,022</u>	<u>152,233</u>

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

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

	Group		Company	
	<u>As at 30/9/2020</u>	<u>As at 30/9/2019</u>	<u>As at 30/9/2020</u>	<u>As at 30/9/2019</u>
Net asset value per ordinary share based on issued share capital	\$2.05	\$2.02	\$1.12	\$1.17

* Restated upon the finalisation of the purchase price allocation in relation to our acquisition of Print Lab.

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonable or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

REVIEW OF PERFORMANCE

The principal activities of the Group are:

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

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

Profit Statement – Financial Year Ended 30 September 2020

Revenue decreased 3.6% to \$1,833.5 million from \$1,902.3 million last year. PBIT of \$267.4 million decreased 5.6% from \$283.2 million while attributable profit before fair value adjustment and exceptional items of \$150.4 million decreased 1.7% as compared to last year.

Beverages

Overall Beverages revenue of \$439.4 million was 6.8% lower as compared to last year. COVID-19 containment measures taken by the various governments to minimise the spread of COVID-19 adversely impacted sales, especially Hari Raya festive sales. The decrease was slightly offset by revenue contribution from Emerald Brewery in Myanmar upon commencement of commercial operations.

PBIT increased 0.8% to \$17.3 million as compared to last year. Despite the impact of COVID-19 on revenue, earnings improved on the back of cost management, lower favourable input costs and lower marketing spend in new markets.

Dairies

Dairies revenue at \$1,163.8 million increased \$10.5 million as compared to last year mainly attributed to Dairies Singapore on the back of higher e-commerce sales and Dairies Thailand due to strong export sales and aided by favourable currency translation.

Despite the improvements in revenue, Dairies PBIT decreased slightly by 0.6% to \$263.5 million as compared to last year due to provision for debts and unfavourable input costs. The decrease was partly offset by a higher profit share in Vietnam Dairy Products Joint Stock Company ("Vinamilk"), the Group's associated company in Vietnam.

Printing and Publishing

Printing and Publishing ("P&P") revenue declined by 17.1% to \$230.0 million, and a corresponding loss before interest and taxation of \$10.5 million versus a PBIT of \$9.3 million for the same period last year. This was due to the COVID-19 pandemic which has significantly impacted the P&P business as there were closures of non-essential book retail outlets, print plants in China and Malaysia and the cancellation of textbook adoptions in key markets due to prolonged school closures. P&P executed various cost management initiatives to mitigate the financial impact of the closures.

Tax

The Group effective tax rate (“ETR”) of 15.0% (2019: 20.9%) compares favorably with the Singapore corporate tax rate of 17%. This can be attributed to non-taxable income and the write-back of prior year tax provision. The lower ETR this year is mainly due to the write-back of tax provision.

Group Balance Sheet as at 30 September 2020

The increase in Reserves was mainly due to profits of \$149.2 million retained for the year and partly offset by the currency translation loss arising from the depreciation of the Vietnamese Dong against the Singapore Dollar on the Group’s interest in Vinamilk.

Non-current assets increased by \$130.3 million or 3.5% from \$3,685.7 million to \$3,816.0 million as at 30 September 2020 mainly due to the acquisition of fixed assets and right-of-use assets recognised upon the adoption of SFRS(I) 16. The increase was also due to the acquisition of additional shares in Vinamilk during the year.

Current assets decreased by \$76.0 million or 7.3% from \$1,034.8 million to \$958.8 million as at 30 September 2020 mainly due to cash and bank deposits utilised for the acquisition of shares in Vinamilk. This was partly offset by the increase in raw materials held due to lower production volume and increase in other receivables mainly due to accrued dividend receivable from Vinamilk.

Liabilities decreased by \$8.3 million or 0.6% from \$1,387.4 million to \$1,379.1 million as at 30 September 2020 mainly due to the decrease in trade and other payables as a result of lower purchases in view of lower production volume. This was offset by the recognition of lease liabilities upon the adoption of SFRS(I) 16.

Group Cash Flow Statement – Financial Year Ended 30 September 2020

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

Net cash inflow due to operating activities for the year was \$42.7 million while last year generated a net cash inflow of \$210.6 million. This was mainly due to higher working capital required for the current year, timing of receipt of dividends from Vinamilk, payment of accruals made for fixed assets purchases recorded as at the end of the last financial year and payments made for retirement benefit plan buy-out in the United Kingdom.

Net cash outflow due to investing activities of \$58.2 million was lower than \$191.8 million for last year mainly due to the acquisition of Starbucks Thailand last year compared with the smaller additional investment made in Vinamilk in the current year.

Net cash outflow due to financing activities for the year was \$118.4 million, comparable to last year’s net cash outflow of \$128.5 million.

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

Not applicable.

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

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. The COVID-19 outbreak and the measures taken to contain the spread of the pandemic have created a high level of uncertainty to global economic prospects. While cognisant of our challenging operating environment, management continuously look to drive process improvements to support business strategies so as to build a stronger and more sustainable business for the future.

In our F&B business, management collaborated with strategic partners to extend distribution in Vietnam and Myanmar. Across the Group, we have also accelerated digital adoption to drive sales. In our F&B business, the Group launched F&N Life, our first direct-to customer online store for our F&B business in Malaysia. F&N Life complements other e-commerce channels like Lazada, Shopee, T-Mall and JD.COM. In P&P, we have also stepped up our digitalization initiatives with the rollout of GoGuru online bookstore and MC EduHub, a multi-functional content repository that hosts teaching and learning content developed by MCE and many other educational content providers. We have also adopted innovative marketing activities to boost customer experience and adapt to changing consumer behaviour.

While the Group's fourth quarter results may suggest that we are emerging gradually from the trough, we remain cautious in our outlook as uncertainty still surrounds the extent of this health crisis. Barring a deterioration in the pandemic situation and any unforeseen circumstances, we are optimistic that the nascent recovery will gain further traction in the near future.

As our F&B business adapts to the new "normal", our management remains positive that our strong brand portfolio will continue to effectively meet the needs of consumers. F&N's strong partnerships with our suppliers and customers, our strong balance sheet and adequate banking facilities will put us in good position to pursue opportunities that emerge from this crisis.

The recovery of our P&P business remains uneven. Action plans have been taken to mitigate further losses pending normalisation of the business environment post COVID-19 pandemic. P&P will continue to scrutinize and align capabilities, and refine business model so as to remain relevant post COVID-19.

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

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

(b) (i) Amount per share : 3.5 cents

(ii) Previous corresponding period : 4.0 cents

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

Tax-exempt (one-tier).

(d) The date the dividend is payable.

The Directors propose, subject to shareholders' approval at the Annual General Meeting to be held on 21 January 2021, a final dividend of 3.5 cents (last year: 4.0 cents) per share, to be paid on 10 February 2021. Taken with the interim dividend of 1.5 cents per share already paid, this will give a total distribution for the year of 5.0 cents per share (last year: 5.5 cents).

11. If a decision regarding dividend has been made:- (cont'd)

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

Registrable transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road, #02-00, Singapore 068898 up to 5.00 p.m. on 28 January 2021 will be registered before entitlements to the dividend are determined.

Notice is hereby given that the share registers will be closed on 29 January – 1 February 2021 for the preparation of dividend warrants.

12. If no dividend has been declared (recommended), a statement to the effect and the reason(s) for the decision.

Not applicable.

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

Particulars of interested person transactions ("IPTs") for the financial year ended 30 September 2020.

<u>Name of interested person</u>	<u>Nature of relationship</u>	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) <u>\$'000</u>
Companies and entities in the TCC Group	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.	17,907

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. **Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

SEGMENTAL RESULTS
For year ended 30 September 2020

	Beverages	Dairies	Printing & Publishing	Others	Elimination	Per Consolidated Financial Statements
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Segment						
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
Geographical Segment						
	Singapore	Malaysia	Thailand	Vietnam	Others	Per Consolidated Financial Statements
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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

SEGMENTAL RESULTS
For year ended 30 September 2019 (restated)*

	Beverages	Dairies	Printing & Publishing	Others	Elimination	Per Consolidated Financial Statements
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Segment						
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
Geographical Segment	Singapore	Malaysia	Thailand	Vietnam	Others	Per Consolidated Financial Statements
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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

* Restated upon the finalisation of the purchase price allocation in relation to our acquisition of Print Lab. Segmental information has been reclassified to conform with current year's presentation.

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

Refer to No. 8.

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

	Group		Change %
	30/9/2020 \$'000	30/9/2019 \$'000 (restated)*	
(a) Sales reported for first half year	976,686	931,767	4.8
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	105,567	107,172	(1.5)
(c) Sales reported for second half year	856,815	970,570	(11.7)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	102,125	104,957	(2.7)

* Restated upon the finalisation of the purchase price allocation in relation to our acquisition of Print Lab.

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

	30/9/2020 \$'000	30/9/2019 \$'000
Ordinary	72,546	79,723

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

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

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

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

BY ORDER OF THE BOARD
Hui Choon Kit
Company Secretary

11 November 2020