FRASER AND NEAVE, LIMITED

2015 ANNUAL REPORT

Inside Cover

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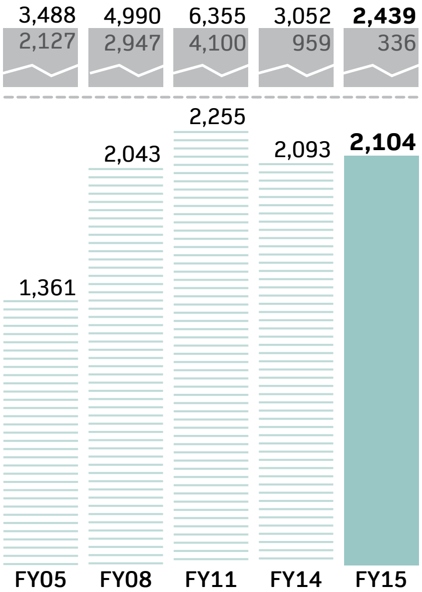
Performance at a Glance

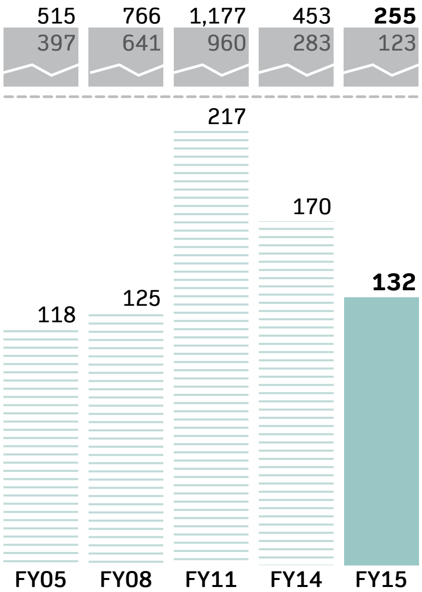
Revenue ($m)



10-year CAGR ▲4%[3]

Increase from FY2005 ▲55%[3]

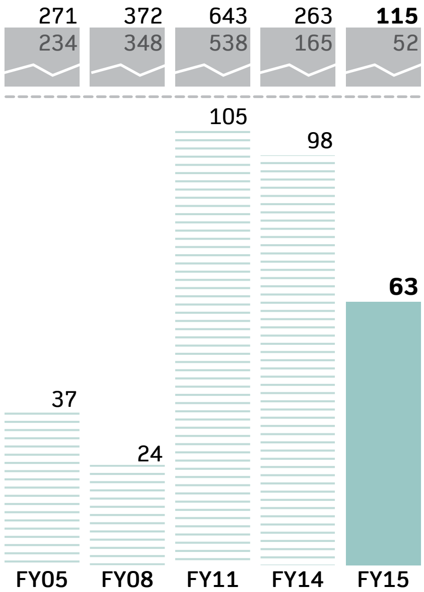
Profit Before Interest & Taxation ($m)



10-year CAGR ▲1%[3]

Increase from FY2005 ▲12%[3]

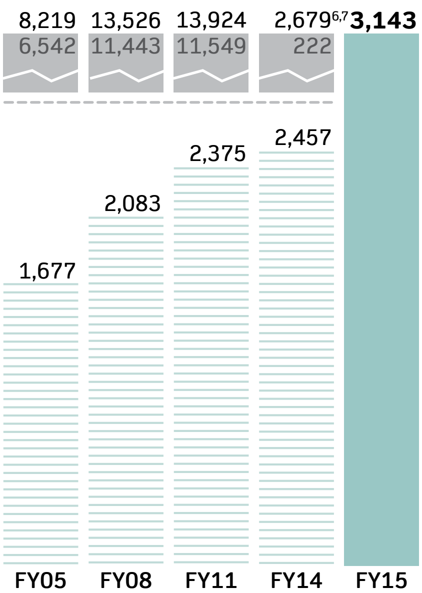
Attributable Profit Before Fair Value Adjustment and Exceptional Items ($m)



10-year CAGR ▲6%[3]

Increase from FY2005 ▲71%[3]

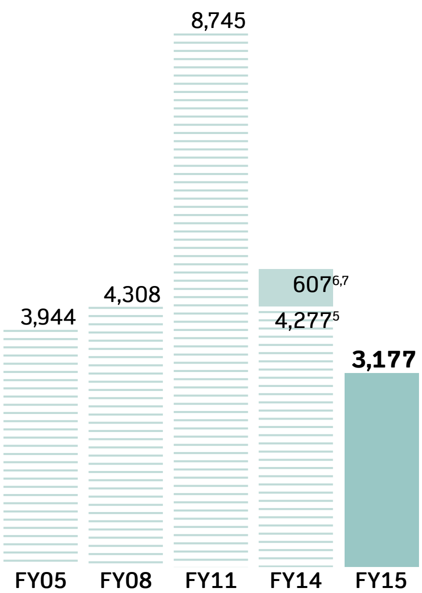
Total Assets ($m)



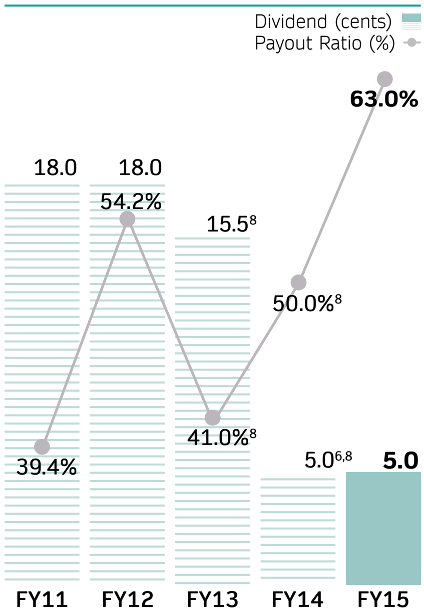
10-year CAGR ▲6%[3]

Increase from FY2005 ▲87%[3]

Market Capitalisation[4] ($m)

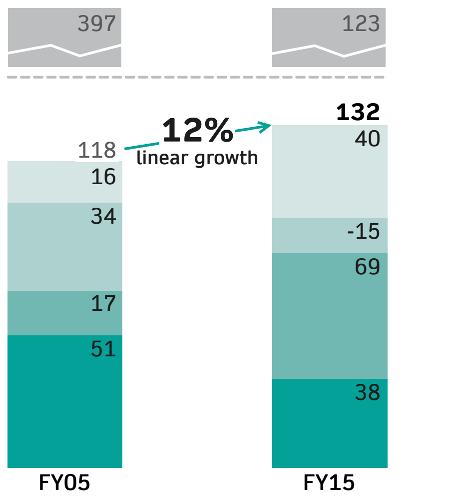


Distribution

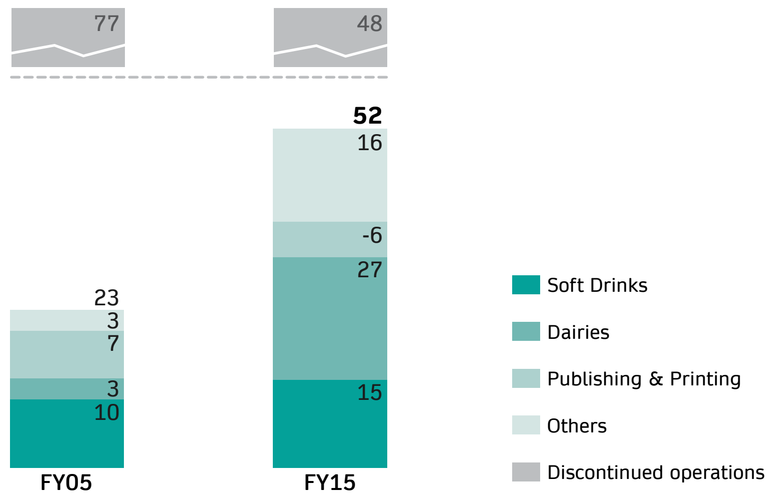


Continuing operations Discontinued operations (APB/APIPL, FCL and MBL) Capital distribution

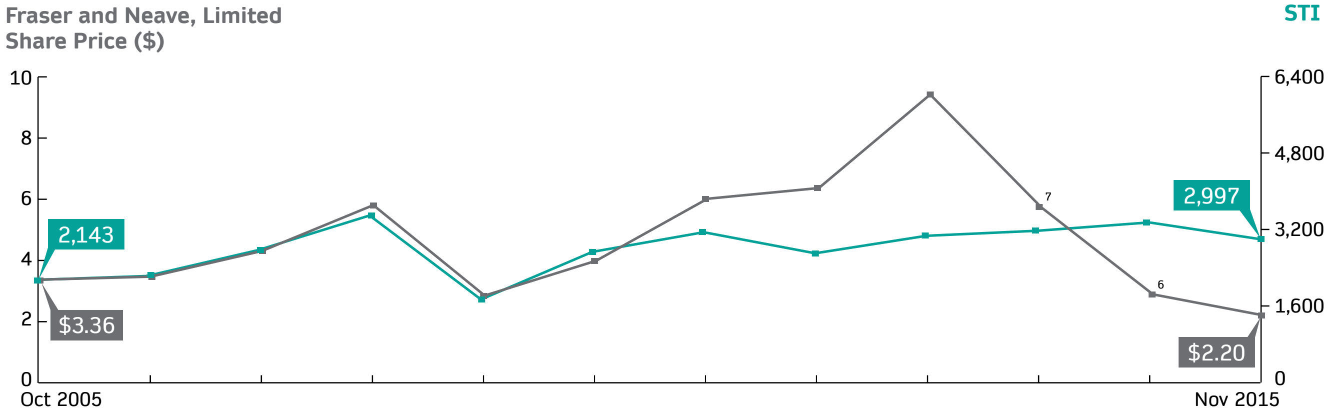
Profit Before Interest and Taxation By Business Segment ($m)



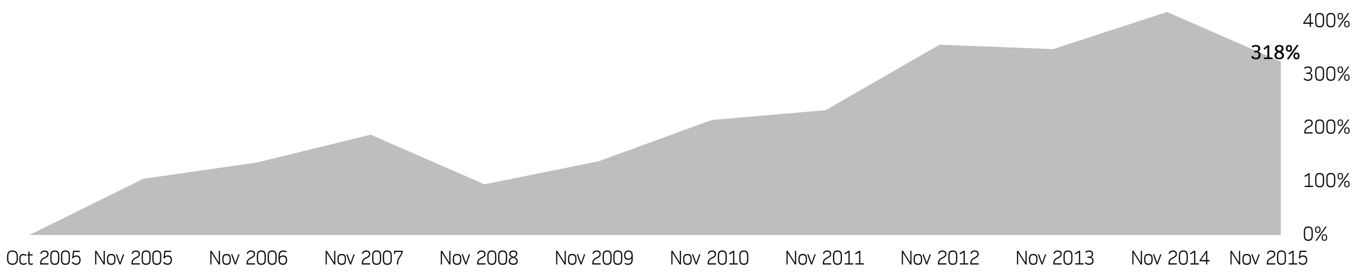
Share of Profit Before Interest and Taxation (%)



Share Price Performance and STI



Cumulative Total Shareholder Return (Oct 2005 - Nov 2015): 318%



Notes:

1 FY05, FY08 and FY11: As previously reported; FY14: Restated for FRS111
2 Results of Asia Pacific Breweries Limited/Asia Pacific Investment Pte Ltd (''APB/APIPL''), Frasers Centrepoint Limited (“FCL”) and Myanmar Brewery Limited (“MBL”) for FY05 – FY11 have been reclassified as discontinued operations. FCL FY14 results and MBL FY14 and FY15 results are presented separately as discontinued operations in the Group Financial Statements on pages 94-180
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
5 In January 2014, the Group completed the relisting of its property arm, FCL by undertaking an *in-specie* distribution of all FCL shares to F&N shareholders. F&N shareholders received, without cash outlay, two FCL shares for each F&N share owned. Shares of FCL were listed by way of introduction on the Main Board of the SGX on 9 January 2014
6 In April 2014, the Group distributed $607m (or $0.42 per share) to shareholders in a capital reduction exercise
7 In July 2013, the Group distributed $4.7b (or $3.28 per share) to shareholders in a capital reduction exercise
8 Excludes capital distribution of $3.28 per share in FY13 and $0.42 per share in FY14

Global Presence

Soft Drinks

- Indonesia
- Malaysia
- Myanmar
- Singapore
- Thailand
- Vietnam

Manufacturing Plants:

- Pahang, Malaysia
- Sabah, Malaysia
- Sarawak, Malaysia (2)
- Selangor, Malaysia

Dairies

- Malaysia
- Singapore
- Thailand
- Vietnam[1]

Manufacturing Plants:

- Klang, Malaysia
- Singapore
- Ayutthaya, Thailand
- Nakhon Ratchasima, Thailand

Ice Cream

- Malaysia
- Singapore
- Thailand

Manufacturing Plants:

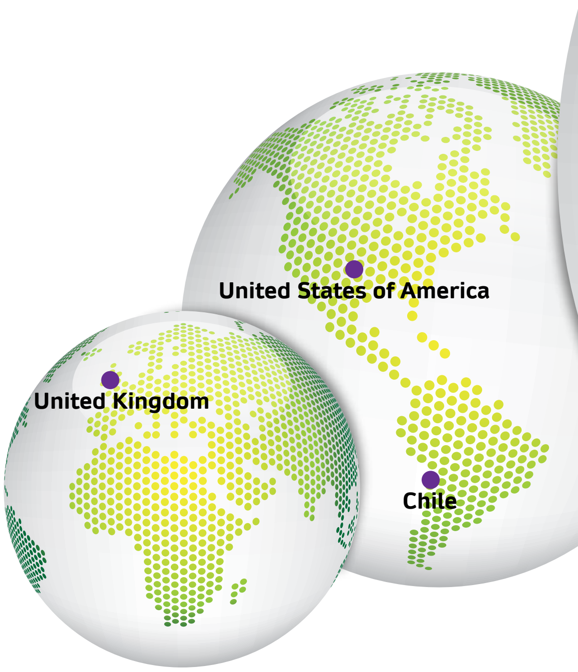
- Selangor, Malaysia
- Bangkok, Thailand

Publishing & Printing

- Australia
- Chile
- China
- Hong Kong
- Malaysia
- Singapore
- Thailand
- United States of America
- United Kingdom

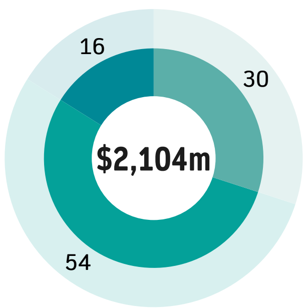
Manufacturing Plants:

- Guangzhou, China
- Shanxi, China
- Selangor, Malaysia
- Singapore

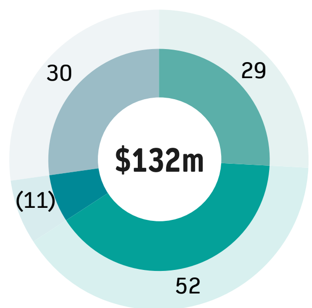


Note:
1 11.04% stake in Vinamilk

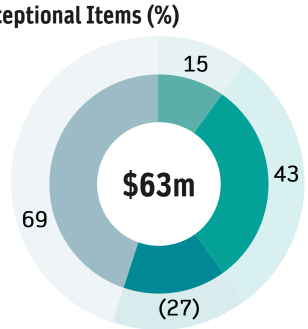
Revenue (%)



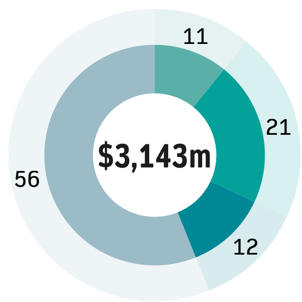
Profit Before Interest and Taxation (%)



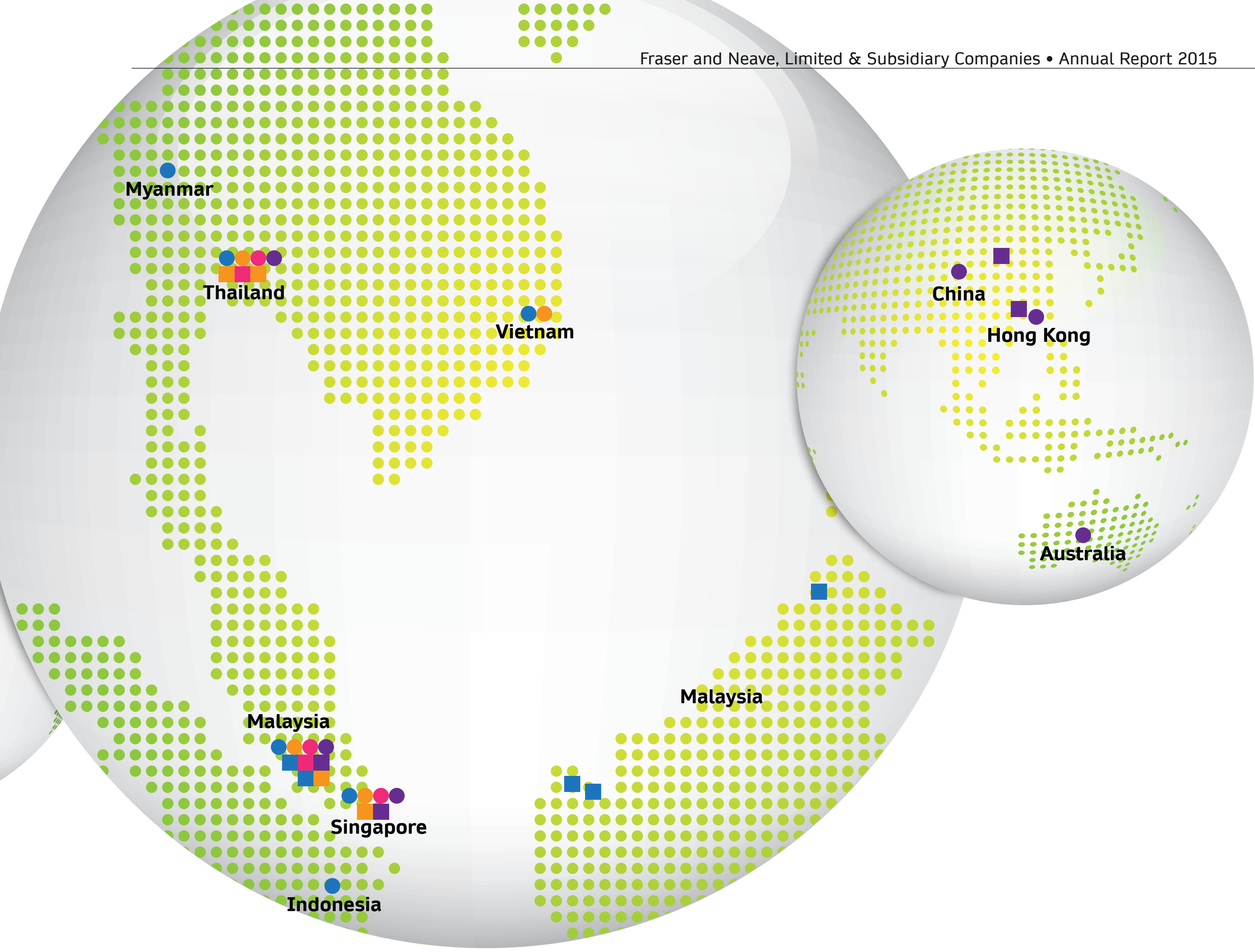
Attributable Profit Before Fair Value Adjustment and Exceptional Items (%)



Total Assets (%)

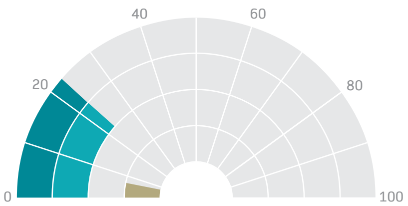


Soft Drinks Dairies Publishing & Printing Others



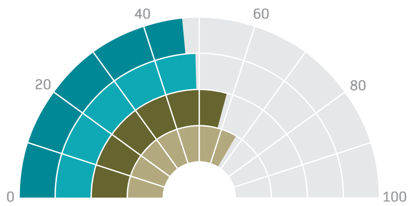
Revenue and Profit Before Interest and Taxation by Geographical Segment

Singapore



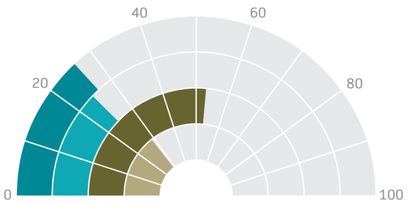
$473m	$475m	($8m)	$11m
23%	23%	(6%)	6%

Malaysia



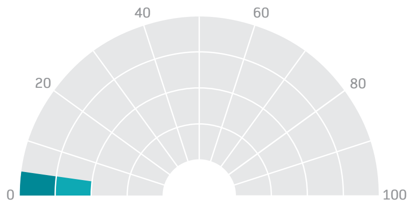
$987m	$1,024m	$76m	$114m
47%	49%	57%	67%

Other ASEAN



$546m	$497m	$69m	$48m
26%	24%	53%	29%

Outside ASEAN



$98m	$97m	($5m)	($3m)
4%	4%	(4%)	(2%)

Revenue
- FY2015 ($2,104m)
- FY2014 ($2,093m)

Profit Before Interest and Taxation
- FY2015 ($132m)
- FY2014 ($170m)

Notes:
1 Other ASEAN: Myanmar, Thailand, Vietnam and Indonesia
2 Outside ASEAN: China, Taiwan, India, Australia, Europe and USA

Key Brands

Satisfying Moments

RESTORE your body's natural balance through constant hydration with ***F&N ICE MOUNTAIN***. Don't forget to drink at least 8 glasses of water a day!

NOURISH your mornings with the nutritious ***F&N MAGNOLIA*** milk, full of the goodness of calcium and protein.

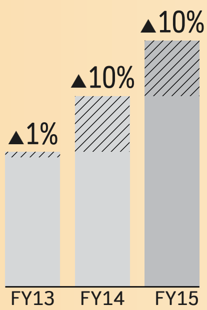
For breakfast, **SAVOUR** ***F&N NUTRISOY***, made from the highest grade of non-genetically modified soya beans and enriched with calcium for strong bones and teeth.

6:00 AM

8:00 AM

F&N ICE MOUNTAIN

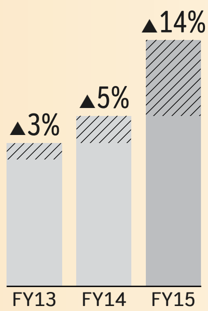
Number **1** Singapore



Volume Growth

F&N MAGNOLIA Milk

Number **3** Singapore

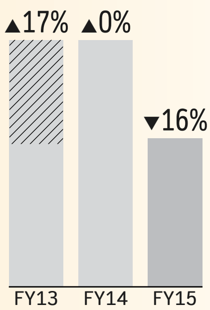


Volume Growth

F&N NUTRISOY

Number **1** Singapore

Number **1** Malaysia



Volume Growth

HYDRATE with ***100PLUS***. Whether you're beating the mid-day heat or replenishing lost fluids, ***100PLUS*** is your beverage of choice.

ENJOY your mornings with a cup of full-bodied coffee or tea enhanced with ***F&N*** canned milk.

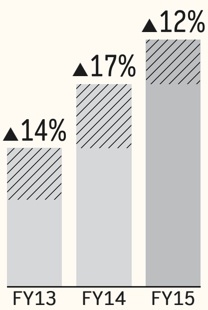
10:00 AM

1:00 PM

F&N Canned Milk

Number **1 Malaysia**

Number **1 Thailand**



Volume Growth

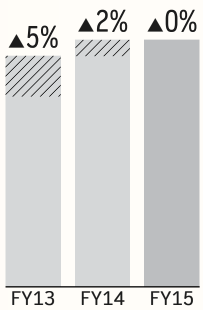
100PLUS

Number **1 Singapore**

Number **1 Myanmar**

Number **1 Malaysia**

Number **2 Thailand**



Volume Growth

Key Brands

Satisfying Moments

MAINTAIN a healthy digestive system with ***F&N MAGNOLIA*** Yoghurt Smoothie, made with non-fat yoghurt and real fruit juice.

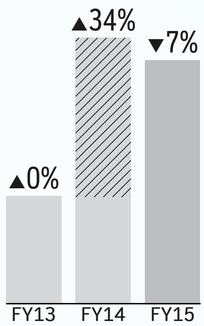
OUTDO yourself to go further and achieve more! Replenish lost fluids after your workout with ***100PLUS***.

3:00 PM

6:00 PM

F&N MAGNOLIA Yoghurt Smoothie

Number **2** Singapore



Volume Growth

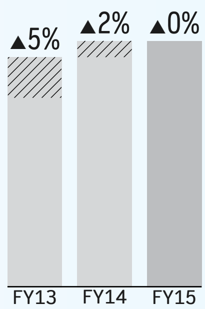
100PLUS

Number **1** Singapore

Number **1** Myanmar

Number **1** Malaysia

Number **2** Thailand

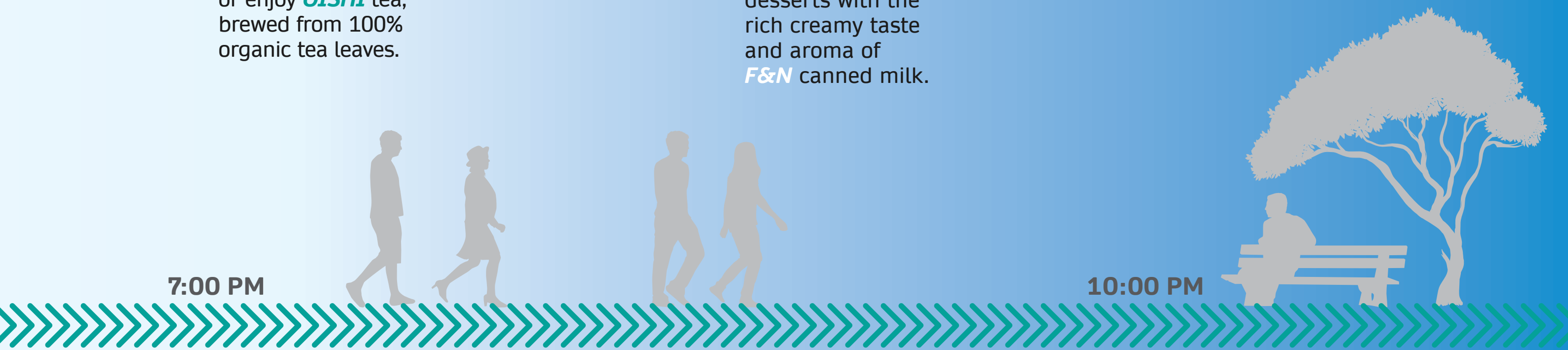


Volume Growth

CHILL OUT over dinner with friends and family, indulge in some 'me-time' with ***F&N SEASONS*** range of teas and Asian drinks brewed from natural ingredients, or enjoy ***OISHI*** tea, brewed from 100% organic tea leaves.

PERFECT your desserts with the rich creamy taste and aroma of ***F&N*** canned milk.

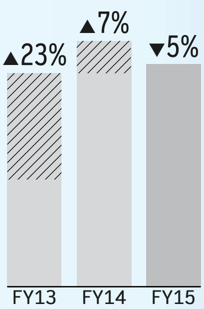
UNWIND at the end of the day with the crisp, refreshing taste of ***CHANG***.



F&N SEASONS

Number **1 Malaysia**

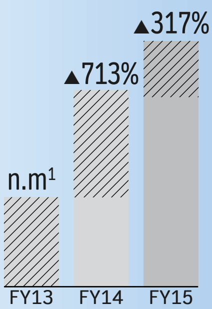
Number **3 Singapore**



Volume Growth

OISHI

Number **1 Thailand**



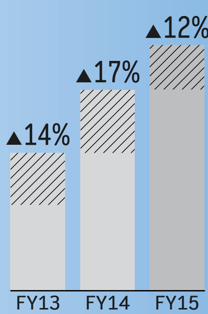
Volume Growth

[1] F&N started distributing ***OISHI*** in FY13

F&N Canned Milk

Number **1 Malaysia**

Number **1 Thailand**



Volume Growth

* F&N started distributing ***CHANG*** in October 2015

Corporate Profile

Established in 1883, Fraser and Neave, Limited ("F&N") is a leading Southeast Asia 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, 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 11 countries spanning Asia Pacific, Europe and the USA, and employs over 7,890 people worldwide.

For more information on F&N, please visit www.fraserandneave.com.

Our Vision

To be a stable and sustainable leader in Southeast Asia

Vision 2020

Together with our strategic partner Thai Beverage Plc Limited ("ThaiBev"), our aim is to increase the size and scale of the ThaiBev F&N Group by leveraging each other's strengths. Vision 2020 is the strategic roadmap to help us realise our ambition of becoming a stable and sustainable leader in Southeast Asia ("SEA"). The roadmap centres on the Group building a solid platform for overseas expansion, focusing on SEA, via a two-pronged approach:

- Strengthening market positions in Singapore, Malaysia and Thailand: Leveraging both F&N and ThaiBev's portfolio of brands, as well as distribution and bottling systems, one of the largest and most extensive in SEA.
- Overseas expansion: Using its operations in Singapore, Malaysia and Thailand as the platform, F&N intends to replicate its successful business models in other ASEAN countries, in particular Vietnam, Myanmar and Indonesia in the next three years. The Group aims to establish itself as one of the top three food and beverage players in key markets outside of Singapore, Malaysia and Thailand.

The Five Strategic Imperatives of Vision 2020

Reach

To strengthen and build our route-to-market in priority markets, and to be the most trusted and preferred beverage partner

Diversity

To diversify revenue and earnings through geographic expansion and product diversification.
- Existing markets: Singapore, Malaysia and Thailand
- New markets: Myanmar, Indonesia, Vietnam and Philippines

Growth

To be the leading beverage company in SEA, differentiated through innovation by developing beverages that meet consumers' evolving needs and preferences

Brands

To be amongst the top three players in our markets. The Group's core brands for non-alcoholic beverages are:
- *100PLUS*
- *F&N NUTRISOY*
- *F&N MAGNOLIA*
- *EST*
- *OISHI*

Professionalism

To be the employer of choice

Group Financial Performance

5-YEAR STATISTICS

Note	Year ended 30 September	FY2011	FY2012	FY2013	FY2014	FY2015
1, 2	**Profit Statement ($ million)**					
	Revenue	6,355	5,543	4,344	3,052	**2,439**
	Profit before taxation					
	- before interest	1,177	952	785	453	**255**
	- before impairment, fair value adjustment & exceptional items	1,123	868	763	452	**255**
	- after exceptional items	1,438	1,239	907	354	**225**
	Attributable profit					
3	- before fair value adjustment & exceptional items	643	472	545	263	**115**
	- after exceptional items	898	838	5,430	147	**633**
1	**Balance Sheet ($ million)**					
4	Net asset value	6,843	7,603	8,505	1,605[8]	**2,268**
	Total assets employed	13,924	14,651	14,145	2,679[8]	**3,143**
	Long-term borrowings	3,216	2,972	2,583	119[8]	**98**
	Market Capitalisation ($ million) at close of business on the first trading day after preliminary announcement of results	8,745	13,355	8,361[7]	4,277[8,9]	**3,177**
1, 2	**Financial Ratio (%)**					
	Return on average shareholders' equity					
	- profit before impairment, fair value adjustment & exceptional items	17.3	12.0	9.5	8.9	**13.2**
3	- attributable profit before fair value adjustment & exceptional items	9.9	6.5	6.8	5.2	**6.0**
5	Gearing ratio					
	- without non-controlling interests	34.5	29.7	17.6	(13.6)	**(38.1)**
	- with non-controlling interests	30.8	27.3	16.9	(10.9)	**(33.8)**
1, 2	**Per Share**					
	Profit before impairment, fair value adjustment, taxation and exceptional items (cents)	79.8	61.1	52.9	31.3	**17.6**
	Attributable profit (cents) (basic)					
	- before fair value adjustment & exceptional items	45.7	33.2	37.8	18.2	**8.0**
	- after exceptional items	63.8	59.0	376.8	10.2	**43.7**
4	Net asset value ($)	4.85	5.32	5.90	1.11	**1.57**
	Dividend					
	- net (cents)	18.0	18.0	15.5[10]	5.0[10]	**5.0**
6	- cover (times)	2.5	1.8	2.4	3.6	**1.6**
	Stock Exchange Prices ($) at close of business on the first trading day after preliminary announcement of results	6.20	9.35	5.80[7]	2.96[8,9]	**2.20**

Notes:

1 FY2011 - FY2013: As previously reported; FY2014: Restated for FRS 111

2 Results of Asia Pacific Breweries Limited/Asia Pacific Investment Pte Ltd ("APB/APIPL"), Frasers Centrepoint Limited ("FCL") and Myanmar Brewery Limited ("MBL") for FY2011 – FY2013 have been reclassified as discontinued operations. FCL FY2014 results and MBL FY2014 and FY2015 results are presented separately as discontinued operations in the Group Financial Statements on pages 94-180

3 Attributable profit before fair value adjustment and exceptional items: Profit after taxation and non-controlling interests, but before fair value adjustment and exceptional items

4 Net asset value: Share capital and reserves

5 Gearing ratio: Sum of bank borrowings and term loans, less fixed deposits and cash and bank balances, expressed as a percentage of equity

6 Dividend cover: Attributable profit before fair value adjustment and exceptional items per share, divided by net dividend per share

7 In July 2013, the Group distributed $4.7b (or $3.28 per share) to shareholders in a capital reduction exercise

8 In January 2014, the Group completed the relisting of its property arm, FCL by undertaking an *in-specie* distribution of FCL shares to F&N shareholders. F&N shareholders received, without cash outlay, two FCL shares for each F&N share owned. Shares of FCL were listed by way of introduction on the Mainboard of SGX on 9 January 2014

9 In April 2014, the Group distributed $607m (or $0.42 per share) to shareholders in a capital reduction exercise

10 Excludes capital distribution of $3.28 per share in FY2013 and $0.42 per share in FY2014

Message from Our Chairman

CHAROEN SIRIVADHANABHAKDI
Chairman

> I am pleased to report that the Group delivered a set of credible results for the year under review amidst challenging operating conditions.

Overview

I would like to begin my Statement by congratulating Singapore on its 50th year of nation building. The Company has benefitted greatly from the dynamic growth of Singapore since its independence in 1965. We are proud to be a part of the Singapore landscape. For more than 130 years, our enduring brands have been household names with strong nostalgic appeal, successfully making their way into the homes and hearts of our consumers.

Corporate and Strategic Developments

In January 2015, our Malaysian listed subsidiary, Fraser & Neave Holdings Bhd ("**F&NHB**") extended its licence agreements with Société Des Produits Nestlé S.A. and Nestec S.A. for another 22 years to January 2037. The extended tenure will enable us to plan, invest and exploit opportunities to offer a complementary portfolio of canned milk products, which includes our own *F&N*, *GOLD COIN* and *TEAPOT* brands.

To achieve quantum leap growth, F&NHB has initiated a major strategic initiative to realign its operations in Malaysia to create greater synergy by leveraging on the combined strengths of our people, brands and network of business partners and distributors.

During the year, we completed the sale of our 55 per cent stake in Myanmar Brewery Limited ("**MBL**") at US$560 million. This was more than double the original offer of US$246 million from our former joint venture partner, Myanma Economic Holdings Limited. The sale resulted in a net gain of $542 million. The key task now is for us to strategically reinvest the sale proceeds towards realising the goals of Vision 2020, set in late 2014, to build a stable and sustainable food and beverage business in ASEAN countries.

For Publishing & Printing ("**P&P**"), we took steps to build and develop key strategic partnerships, cementing our position as the leading Singapore Maths publisher in key territories like the Americas, Southeast Asia, the Middle East and the United Kingdom. We also restructured our Printing operations to adapt to the competitive printing landscape and drive long-term sustainability.

I am pleased to report that the Group delivered a set of credible results for the year under review amidst challenging operating conditions.

SUMMARY OF KEY POINTS

Group revenue grew 1% to $2,104 million, driven by strong performance of our Dairies business

REVENUE GREW

1%

in FY2015

Expanding into new growth markets of Vietnam, Myanmar and Thailand (Soft Drinks), as well as new growth product categories

NEW MARKETS:

Vietnam
Myanmar
Thailand
(Soft Drinks)

Message from Our Chairman

Results for FY2015

Despite a sharp fall in the Malaysian ringgit, Group sales from the continuing operations grew marginally to $2,104 million, mainly buoyed by improved distribution coverage and penetration in Dairies Thailand.

Group Profit Before Interest and Taxation, Fair Value Adjustment and Exceptional Items contracted by 22 per cent to $132 million; being largely impacted by lower contribution from Soft Drinks and losses from P&P. In addition, substantial strategic investments were made for brand building, new products and entry into new markets which will bear fruit in the years to come.

Group Attributable Profit, including discontinued operations of MBL, was $633 million after an exceptional charge, fair value loss and gain from divestment of MBL. Group Attributable Profit in the previous year was $147 million.

PROFIT BEFORE INTEREST & TAXATION

$132M

-22% from FY2014
(Excluding a one-off valuation gain of $25m recorded in FY2014, PBIT fell 11%)

> "Vision 2020 was launched in late 2014 to provide a blueprint for F&N to partner Thai Beverage Public Company Limited ("ThaiBev") to build market positions, harness combined strengths of each other to widen and strengthen our leading position in the ASEAN region."

01 *100PLUS* brand ambassadors Oscar and Pelé

01

The Group ended the financial year with a strong balance sheet and total cash of $966 million. This will allow us to seize opportunities for long-term growth and pursue strategic partnerships in the region should these arise.

Dividends

The Board recommends a final dividend of 3 cents per share. Taken with the interim dividend paid in June, total dividend for the year will be 5 cents per share – the same as last year. The total dividend represents a payout of 63 per cent of the Group's Attributable Profit Before Fair Value Adjustment and Exceptional Items which is higher than our policy of paying up to 50 per cent of this figure.

Vision 2020

Vision 2020 was launched in late 2014 to provide a blueprint for F&N to partner Thai Beverage Public Company Limited ("**ThaiBev**") to build market positions, harness combined strengths of each other to widen and strengthen our leading position in the ASEAN region. This is to be achieved by driving growth, enhancing diversity in revenue, developing core brands, strengthening route-to-market and fostering professionalism throughout the organisation.

During the year, we made great strides towards integration of the businesses of ThaiBev and F&N. The Company launched *100PLUS* in Thailand through Thai Drinks Co. Ltd, a subsidiary of ThaiBev and it was well received. ThaiBev has established *OISHI* as the best-selling green tea in Thailand. We also started distribution of *OISHI* green tea in Singapore and Malaysia to expedite the expansion in the fast growing ready-to-drink green tea market. We see substantial opportunities in the huge ASEAN tea market. Plans are also in place to penetrate these markets with our portfolio of *F&N SEASONS* flavoured teas and *OISHI* green tea. Since October 2015, we have been distributing *CHANG* Beer in Singapore. Our synergistic partnership with ThaiBev will continue to be an important enabler to broaden our product portfolio, deepen our reach into existing core markets and expand into new markets.

We will also seek opportunities to grow our geographical footprint beyond the existing core markets, particularly Myanmar, Vietnam, Indonesia and the Philippines. Our regional offices in Myanmar and Vietnam have laid the foundation to increase our presence and penetration in these markets in the near future. During the year, we have launched *100PLUS* in Vietnam; and *F&N SEASONS* teas in Myanmar, in addition to our existing range of *100PLUS* products.

Looking Forward

As we enter the new financial year, there are some signs of volatility in currency exchange rates and uncertainty in consumer sentiments. Management will continue to closely monitor and respond to these developments while seeking to take advantage of opportunities that may arise.

DIVIDEND

$0.05 PER SHARE

Same as FY2014
This represents a payout of 63%, higher than our policy of paying up to 50% of Attributable Profit Before Fair Value Adjustment and Exceptional Items

Acknowledgements

We are very privileged to have a Board with an extensive and broad range of skills and expertise, and I would like to convey my gratitude for their guidance and commitment. I also thank Management and Staff for their enthusiasm, commitment and dedication.

My appreciation also goes to our shareholders, customers, suppliers and business partners for your ongoing trust and support and I look forward to continuing our journey together towards achieving Vision 2020.

In closing, I am confident that amidst the uncertainties in the economic outlook, a clear and purposeful business strategy will stand us in good stead to bring the Company forward and generate sustainable long-term returns for all shareholders.

Charoen Sirivadhanabhakdi
Chairman

"Our synergistic partnership with ThaiBev will continue to be an important enabler to broaden our product portfolio, deepen our reach into existing core markets and expand into new markets."

Board of Directors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1. Mr Charoen Sirivadhanabhakdi
2. Khunying Wanna Sirivadhanabhakdi
3. Tengku Syed Badarudin Jamalullail
4. Mr Timothy Chia Chee Ming
5. Mr Koh Poh Tiong
6. Mrs Siripen Sitasuwan
7. Mr Chotiphat Bijananda
8. Mr Thapana Sirivadhanabhakdi
9. Mr Sithichai Chaikriangkrai
10. Mr Prapakon Thongtheppairot

Mr Charoen Sirivadhanabhakdi, 71

Role : Chairman
: Non-Executive and Non-Independent Director
Date of first appointment as a director : 28 Feb 2013
Date of last re-election as a director : 30 Jan 2015
Length of service as a director
(as at 30 Sep 2015) : 2 years 07 months

Board committee(s) served on:
Nil

Academic & Professional Qualification(s):
- Honorary Doctorate Degree in Business Administration, Sasin Graduate Institute of Business Administration of 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 Directorships (as at 30 Sep 2015)
Listed companies
- Berli Jucker Public Company Limited (Chairman)
- Frasers Centrepoint Limited (Chairman)
- Thai Beverage Public Company Limited (Chairman)

Others
- Beer Thai (1991) Public Company Limited (Chairman)
- Red Bull Distillery Group of Companies (Chairman)
- Southeast Group Co., Ltd. (Chairman)
- TCC Holding Co., Ltd. (Chairman)
- TCC Land Co., Ltd. (Chairman)

Major Appointments (other than Directorships)
Nil

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2012 to 30 Sep 2015)
Nil

Others
Nil

Khunying Wanna Sirivadhanabhakdi, 72

Role : Vice-Chairman
: Non-Executive and Non-Independent Director
Date of first appointment as a director : 28 Feb 2013
Date of last re-election as a director : 30 Jan 2015
Length of service as a director
(as at 30 Sep 2015) : 2 years 07 months

Board committee(s) served on:
Nil

Academic & Professional Qualification(s):
- Honorary Doctoral Degree in 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 Directorships (as at 30 Sep 2015)
Listed companies
- Berli Jucker Public Company Limited (Vice Chairman)
- Frasers Centrepoint Limited (Vice Chairman)
- Thai Beverage Public Company Limited (Vice Chairman)

Others
- Beer Thip Brewery (1991) Co., Ltd. (Chairman)
- Sangsom Group of Companies (Chairman)
- TCC Holding Co., Ltd. (Vice Chairman)

Major Appointments (other than Directorships)
Nil

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2012 to 30 Sep 2015)
Nil

Others
Nil

Board of Directors

Tengku Syed Badarudin Jamalullail, 70

Role : Non-Executive and Lead Independent Director

Date of first appointment as a director : 08 Jan 2014
Date of last re-election as a director : 30 Jan 2015
Length of service as a director (as at 30 Sep 2015) : 1 year 08 months

Board Committee(s) served on:
- Nominating Committee (Chairman)

Academic & Professional Qualification(s):
- Master of Arts in Law & History, University of Cambridge, UK

Present Directorships (as at 30 Sep 2015)
Listed companies
- Fraser & Neave Holdings Bhd (Chairman)
- Hwang Capital (Malaysia) Berhad (formerly known as Hwang-DBS (Malaysia) Berhad)

Others
- Berkat Restu Sdn Bhd
- Besar Holdings Sdn Bhd
- HDM Capital Sdn Bhd
- Mega SPJ Sdn Bhd
- Vacaron Company Sdn Bhd

Major Appointments (other than Directorships)
Nil

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2012 to 30 Sep 2015)
Nil

Others
- Hwang Investment Management Berhad
- HwangDBS Commercial Bank Plc
- HwangDBS Investment Bank Berhad
- Asian Islamic Investment Management Sdn Bhd

Mr Timothy Chia Chee Ming, 65

Role : Non-Executive and Independent Director

Date of first appointment as a director : 08 Jan 2014
Date of last re-election as a director : 27 Jan 2014
Length of service as a director (as at 30 Sep 2015) : 1 year 08 months

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 Directorships (as at 30 Sep 2015)
Listed companies
- Banyan Tree Holdings Limited
- Ceylon Guardian Investment Trust PLC
- Ceylon Investment PLC
- The Straits Trading Company Limited

Others
- Gracefield Holdings Limited (Chairman)
- Guan-Leng Holdings Pte Ltd
- Hup Soon Global Corporation Limited (Chairman)
- Parkesville Pte Ltd
- Singapore Power Ltd
- United Motor Works (Mauritius) Ltd
- United Motor Works (Siam) Public Co Ltd (Chairman)

Major Appointments (other than Directorships)
- Coutts & Co Ltd (Chairman – Asia)
- EQT Funds Management Ltd (Senior Advisor)
- Singapore Management University (Member, Board of Trustees)

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2012 to 30 Sep 2015)
- Fraser and Neave, Limited*
- InnoTek Limited**

Others
- JM Financial Singapore Pte Ltd
- PowerGas Limited
- SP PowerAssets Limited
- SP PowerGrid Limited
- SPI (Australia) Assets Pty Ltd
- United Motor Works (1927) Pte Ltd

* Held office from 26 Jan 2006 to 26 Feb 2013. Current directorship commenced on 08 Jan 2014
** Held office from 26 Feb 2014 to 10 Mar 2014

Mr Koh Poh Tiong, 68

Role : Non-Executive and Non-Independent Director
: Adviser to the Board
Date of first appointment as a director : 03 Apr 2013
Date of last re-election as a director : 27 Jan 2014
Length of service as a director
(as at 30 Sep 2015) : 2 years 05 months

Board committee(s) served on:
- Board Executive Committee (Chairman)
- Food & Beverage Committee (Chairman)
- Risk Management Committee

Academic & Professional Qualification(s):
- Bachelor of Science, University of Singapore, Singapore

Present Directorships (as at 30 Sep 2015)
Listed companies
- Ezra Holdings Limited (Chairman and Senior Advisor)
- Petra Foods Limited
- Raffles Medical Group Ltd
- SATS Ltd
- United Engineers Ltd

Others
- National Kidney Foundation (Chairman)
- Singapore Kindness Movement (Chairman)
- The Great Eastern Life Assurance Company Limited
- Times Publishing Limited (Chairman)
- Yunnan Yulinquan Liquor Co Ltd (Chairman)

Major Appointments (other than Directorships)
- Member, Evaluation Panel, Casino Regulatory Authority on Integrated Resorts' Tourism Performance, Ministry of Trade and Industry

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2012 to 30 Sep 2015)
Nil

Others
- PSA Corporation Ltd
- PSA International Pte Ltd

Mrs Siripen Sitasuwan, 67

Role : Non-Executive and Independent Director

Date of first appointment as a director : 31 May 2013
Date of last re-election as a director : 27 Jan 2014
Length of service as a director
(as at 30 Sep 2015) : 2 years 04 months

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

Present Directorships (as at 30 Sep 2015)
Listed companies
- Sermsuk Public Company Limited
- Thai Solar Energy Co., Ltd.
- Thanachart Capital Public Company Limited

Others
- Solaris Asset Management Co., Ltd.

Major Appointments (other than Directorships)
Nil

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2012 to 30 Sep 2015)
- Frasers Centrepoint Limited*

Others
Nil

* Held office from 07 Jan 2014 to 10 Mar 2014

Board of Directors

Mr Chotiphat Bijananda, 52

Role : Non-Executive and Non-Independent Director

Date of first appointment as a director	: 19 Feb 2013
Date of last re-election as a director	: 30 Jan 2015
Length of service as a director (as at 30 Sep 2015)	: 2 years 07 months

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 Directorships (as at 30 Sep 2015)
Listed companies
- Frasers Centrepoint Limited
- Golden Land Property Development Public Company Limited
- Sermsuk Public Company Limited (2nd Vice Chairman)

Others
- Australand Property Limited
- Australand Investments Limited
- Frasers Property Australia Pty Limited
- Frasers Property Limited
- Southeast Capital Co., Ltd. (Chairman of Executive Board)
- Southeast Group Co., Ltd. (President)
- Southeast Insurance Public Company Limited (Chairman of Executive Board)
- Southeast Life Insurance Public Company Limited (Chairman of Executive Board)
- TCC Assets Limited
- TCC Technology Co., Ltd.

Major Appointments (other than Directorships)
Nil

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2012 to 30 Sep 2015)
Nil

Others
Nil

Mr Thapana Sirivadhanabhakdi, 40

Role : Non-Executive and Non-Independent Director

Date of first appointment as a director	: 19 Feb 2013
Date of last re-election as a director	: 30 Jan 2015
Length of service as a director (as at 30 Sep 2015)	: 2 years 07 months

Board committee(s) served on:
- Board Executive Committee (Vice Chairman)
- Food & Beverage Committee
- Nominating Committee
- Remuneration Committee
- Risk Management Committee (Chairman)

Academic & Professional Qualification(s):
- 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 Directorships (as at 30 Sep 2015)
Listed companies
- Berli Jucker Public Company Limited
- Golden Land Property Development Public Company Limited
- Oishi Group Public Company Limited (Vice Chairman)
- Sermsuk Public Company Limited (3rd Vice Chairman)
- Thai Beverage Public Company Limited
- Univentures Public Company Limited (Vice Chairman)

Others
- Berli Jucker Group of Companies
- InterBev Investment Limited
- International Beverage Holdings Limited (President)
- Plantheon Group of Companies
- South East Group of Companies (Vice Chairman)
- TCC Group of Companies
- Thai Beverage Group of Companies
- Univentures Group of Companies

Major Appointments (other than Directorships)
- Thai Beverage Public Company Limited (President and Chief Executive Officer)

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2012 to 30 Sep 2015)
Siam Food Products Public Company Limited*

Others
Nil

* Held office from 2007 to 11 Aug 2015

Mr Sithichai Chaikriangkrai, 61

Role : Non-Executive and Non-Independent Director

Date of first appointment as a director : 22 Feb 2013
Date of last re-election as a director : 27 Jan 2014
Length of service as a director (as at 30 Sep 2015) : 2 years 07 months

Board committee(s) served on:
- Audit Committee
- Board Executive Committee
- Food & Beverage Committee
- 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 Directorships (as at 30 Sep 2015)

Listed companies
- Berli Jucker Public Company Limited
- Frasers Centrepoint Limited
- Golden Land Property Development 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
- Berli Jucker Group of Companies
- InterBev Investment Limited
- International Beverage Holdings Limited
- Plantheon Group of Companies
- Thai Beverage Group of Companies
- TCC Group of Companies
- Univentures Group of Companies

Major Appointments (other than Directorships)
- Thai Beverage Public Company Limited (Chief Financial Officer)

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2012 to 30 Sep 2015)

Nil

Others

Nil

Mr Prapakon Thongtheppairot, 44

Role : Non-Executive and Non-Independent Director
: Alternate Director to Mr Sithichai Chaikriangkrai

Date of first appointment as a director : 21 Mar 2013
Date of last re-election as a director : 27 Jan 2014
Length of service as a director (as at 30 Sep 2015) : 2 years 06 months

Board committee(s) served on:
- Board Executive Committee
- Food & Beverage Committee
- Risk Management Committee

Academic & Professional Qualification(s):
- 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

Present Directorships (as at 30 Sep 2015)

Listed companies

Nil

Others
- Beer Chang International Limited
- Chang International Co., Ltd.
- Dhospaak Co., Ltd.
- InterBev Investment Limited
- International Beverage Holdings Limited
- Modern Trade Management Co., Ltd.
- P.M.T. Mansion Co., Ltd.
- Thai Beverage Group of Companies
- Thai Drinks Co., Ltd.

Major Appointments (other than Directorships)
- Thai Beverage Public Company Limited (Senior Vice President - Beer Product Group)
- Fraser and Neave, Limited (Chief Executive Officer, Beer)

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2012 to 30 Sep 2015)

Nil

Others

Held various senior executive positions in the TCC Group, namely Senior Vice President for Finance in Thai Beverage Public Company Limited, Director 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

Corporate Information

BOARD OF DIRECTORS

Mr Charoen Sirivadhanabhakdi (Chairman)
Khunying Wanna Sirivadhanabhakdi (Vice Chairman)
Tengku Syed Badarudin Jamalullail
Mr Timothy Chia Chee Ming
Mr Koh Poh Tiong
Mrs Siripen Sitasuwan
Mr Chotiphat Bijananda
Mr Thapana Sirivadhanabhakdi
Mr Sithichai Chaikriangkrai
Mr Prapakon Thongtheppairot
(Alternate Director to Mr Sithichai Chaikriangkrai)

BOARD EXECUTIVE COMMITTEE

Mr Koh Poh Tiong (Chairman)
Mr Thapana Sirivadhanabhakdi (Vice Chairman)
Mr Sithichai Chaikriangkrai
Mr Prapakon Thongtheppairot

FOOD & BEVERAGE COMMITTEE

Mr Koh Poh Tiong (Chairman)
Mr Thapana Sirivadhanabhakdi
Mr Sithichai Chaikriangkrai
Mr Prapakon Thongtheppairot

RISK MANAGEMENT COMMITTEE

Mr Thapana Sirivadhanabhakdi (Chairman)
Mr Koh Poh Tiong
Mr Sithichai Chaikriangkrai
Mr Prapakon Thongtheppairot

NOMINATING COMMITTEE

Tengku Syed Badarudin Jamalullail (Chairman)
Mrs Siripen Sitasuwan
Mr Thapana Sirivadhanabhakdi

AUDIT COMMITTEE

Mrs Siripen Sitasuwan (Chairman)
Mr Timothy Chia Chee Ming
Mr Sithichai Chaikriangkrai

REMUNERATION COMMITTEE

Mr Timothy Chia Chee Ming (Chairman)
Mrs Siripen Sitasuwan
Mr Thapana Sirivadhanabhakdi

GROUP MANAGEMENT

Group Company Secretary
Mr Anthony Cheong Fook Seng

Chief Financial Officer
Mr Hui Choon Kit

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

Chief Executive Officer, Times Publishing Group
Mr Siew Peng Yim

Chief Executive Officer, Beer
Mr Prapakon Thongtheppairot

AUDITOR

Ernst & Young LLP
Partner-in-charge: Mr Christopher Wong
(with effect from financial year 2014)

PRINCIPAL BANKERS

Crédit Agricole Corporate and Investment Bank
DBS Bank Ltd
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

438 Alexandra Road
#20-00 Alexandra Point
Singapore 119958
Tel: (65) 6318 9393
Fax: (65) 6271 0811

SHARE REGISTRAR AND TRANSFER OFFICE

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

Corporate Structure

FRASER AND NEAVE, LIMITED

Listed on the Mainboard of the
Singapore Exchange Securities Trading Limited ("SGX-ST")
Stock Code: F99

Food & Beverage

Fraser & Neave Holdings Bhd

- 24 Subsidiary companies
- 1 Associated company
  Cocoaland Holdings Berhad
- 1 Joint Venture company

Other Listed & Unlisted Companies

- 12 Subsidiary companies
  Asia Dairies (S) Pte Ltd
  F&NBev Manufacturing Pte. Ltd.
  F&N Dairy Investments Pte Ltd
  F&N Foods Pte Ltd
  F&N Interflavine Pte Ltd
  F&N Services (F&B) (M) Sdn Bhd
  F&N United Ltd
  Magnolia – PDL Dairies (1993) Sdn Bhd
  Tiger Tavern Sdn Bhd
  PT F&N Indonesia
  F&N Creameries Group
  - 4 Subsidiary companies

  Yoke Food Industries Group
  - 2 Subsidiary companies

Publishing & Printing

Times Publishing Group

- 36 Subsidiary companies
- 1 Joint Operation
- 3 Associated companies
  Listed Company
  PMP Limited

Others

Other Unlisted Companies

- 6 Subsidiary companies
  F&N Investments Pte Ltd
  F&N Services (L) Bhd
  F&N Treasury Pte Ltd
  Fraser & Neave (Singapore) Pte. Limited
  Fraser & Neave Investments (HK) Ltd
  InterF&B Pte. Ltd.

CEO Business Review • Food & Beverage

PRAPAKON THONGTHEPPAIROT
Chief Executive Officer, Beer

LEE MENG TAT
Chief Executive Officer, Non-Alcoholic Beverages

"The actions we took this year were part of the Group's Vision 2020 plan, designed to take F&N one step further on the transformation journey of our company."

Contents **Page**

Business Overview

The actions we took this year were part of the Group's Vision 2020 plan, designed to take F&N one step further on the transformation journey of our company. As the market environment is rapidly changing, the Group understands that to stay ahead, we need to make significant changes. We are transforming this successful company to position it for long-term sustainable growth while continuing to deliver strong and consistent results during this transformation phase.

This year, we focused our efforts on growing our key global brands and categories in our most important markets to drive profitable growth. We have been focusing our resources – marketing and innovation – behind these power brands and key markets to grow sales and market share. Building from our positions of strength with leading market positions in Singapore, Malaysia and Thailand, we have and will continue to unlock growth opportunities in new product categories, such as tea in Soft Drinks and UHT milk in Dairies.

On top of driving intra-market growth by solidifying our leading positions in primary markets of Singapore, Malaysia and Thailand, the Group also embarked on an aggressive regionalisation plan, to support our vision of becoming a leading and sustainable food and beverage company by 2020. Riding on the Group's strong portfolio of brands, in-depth understanding of distribution channels and strong relationships with partners, the Group invested significantly behind our core brands and expanded its presence in Thailand, Myanmar and Vietnam, beginning with Soft Drinks.

Our strategy consolidates our positions in traditionally strong markets and builds brand share in the emerging markets of the future, setting us up for long-term sustainable growth.

Revenue

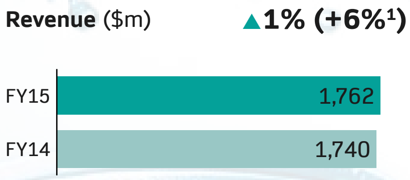
Food & Beverage ("F&B") FY2015 revenue was up 1% (6% in constant currency) to $1,762m, supported by volume growth in Dairies, despite adverse foreign exchange effect, and weaker Soft Drinks performance on cautious consumer sentiment and lost sales from floods in Malaysia.

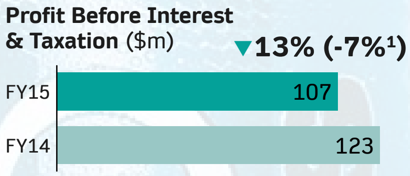
Dairies FY2015 revenue was up 2% on the back of a 6% volume growth, supported by the strong performance of Dairies Thailand where volume grew 7%. Soft Drinks FY2015 volume and revenue were flat against FY2014, despite lower soft drinks sales in Malaysia due to lost sales as a result of the flooding along the east coast of Peninsular Malaysia in the first-quarter of FY2015 ("1Q2015"), unfavourable sales mix as well as adverse foreign currency effect.

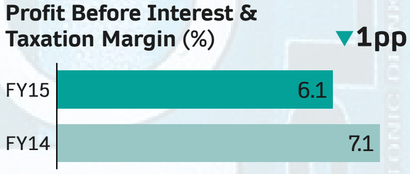
Profit

Despite a 21%-profit improvement in Dairies, F&B earnings declined 13% on higher brand investment costs to support regional expansion, higher logistics costs as a result of the flooding, higher marketing costs for new product launches, as well as translation losses from a weaker Malaysian ringgit. Excluding brand investment costs of $13m in new markets of Thailand (Soft Drinks), Myanmar, Indonesia and Vietnam, earnings had a smaller decline of 4%.

This year, Dairies delivered strong performances across all its core markets of Thailand, Malaysia and Singapore, benefitting from higher canned milk volumes across key brands and lower input costs, despite a weaker ringgit. Capitalising on its No. 1 canned milk market position to further cement consumer awareness, Dairies also fortified its leading position in the on-premise segment and in food and beverage applications. Helped by lower input costs, Dairies PBIT surged 21% to $69m (+31% in constant currency).







[1] In constant currency

CEO Business Review • Food & Beverage

The Group saw a weaker performance in Soft Drinks this year. In addition to the brand investment outlay for regional expansion, higher marketing costs for new product launches, weaker ringgit, as well as lost sales from the Malaysian floods in 1Q2015 also impeded Soft Drinks profit growth. Consequently, Soft Drinks profit fell 43%, to $38m. Excluding brand investment costs in new markets, Soft Drinks earnings slid 26%.

Developments

In January 2015, the Group, through its listed subsidiary, Fraser & Neave Holdings Bhd, secured several 22-year licensing agreements with Société Des Produits Nestlé S.A. and Nestec S.A. (collectively, "Nestlé") to manufacture and distribute *CARNATION, BEAR BRAND, BEAR BRAND Gold, IDEAL* and *MILKMAID* in the ASEAN region, including Singapore, Thailand, Malaysia and Brunei. The licenses are for a period of 11 years 7 months, with a right to extend for a term of 10 years until 31 January 2037. These extended licences granted by Nestlé allowed the Group to better plan and invest in its full portfolio of canned milk business and support the growth of our own canned milk brands in the region.

Today, F&N is a leading manufacturer of canned milk in Asia, with production facilities in Singapore, Thailand and Malaysia. The Group is also the undisputed market leader in the condensed milk and evaporated milk segments in Malaysia with market share of over 56% and 65%, respectively. Similarly in Thailand, the Group leads the evaporated milk segment with more than 73% market share, and is the dominant player in the sterilised milk segment. To cater to the growing market demand, as well as to realise the fullest potential of our canned milk business, the Group invested on a new THB300m ($12m) filling and packaging line at our manufacturing plant in Rojana, Thailand.

Similarly, Soft Drinks Malaysia is eyeing expansion in East Malaysia due to growing demand in Sabah and Sarawak. The Group would be investing over RM100m ($37m) to build a new soft drinks plant in Kota Kinabalu Industrial Park, East Malaysia. Scheduled to be operational by 2021, the new plant will double the capacity of our current plant in Kota Kinabalu, allowing the Group to scale up its soft drinks operations in East Malaysia.

On 19th August 2015, the Group completed the sale of its 55% stake in Myanmar Brewery Limited to Myanma Economic Holdings Limited for US$560m, and realised a net divestment gain of $542m, after deducting the cost of investment and relevant taxes. Proceeds from this sale will be invested to strengthen the Group's competitiveness and to achieve full business potential in our core markets. We will also deploy additional funds to support our expansion in the new markets of Myanmar, Vietnam and Indonesia.

Innovation

Innovation is in the lifeblood of F&N. In response to global trends and in anticipation of changing consumers' needs, this year, the Group launched a variety of new products, variants and packaging to rejuvenate and re-engage consumers. From *100PLUS* flavour extension to adding ginkgo to our UHT milk range, the Group has one of the strongest line-ups of innovation this year.

100PLUS Berry, the latest flavour extension for the leading isotonic beverage, was launched in June 2015. Lightly carbonated, *100PLUS* Berry is a blend of strawberries and blueberries. The early results are very promising; in the three months ended 30 September 2015, *100PLUS* Berry has contributed 3.4% to the total volume of the *100PLUS* portfolio in Malaysia.

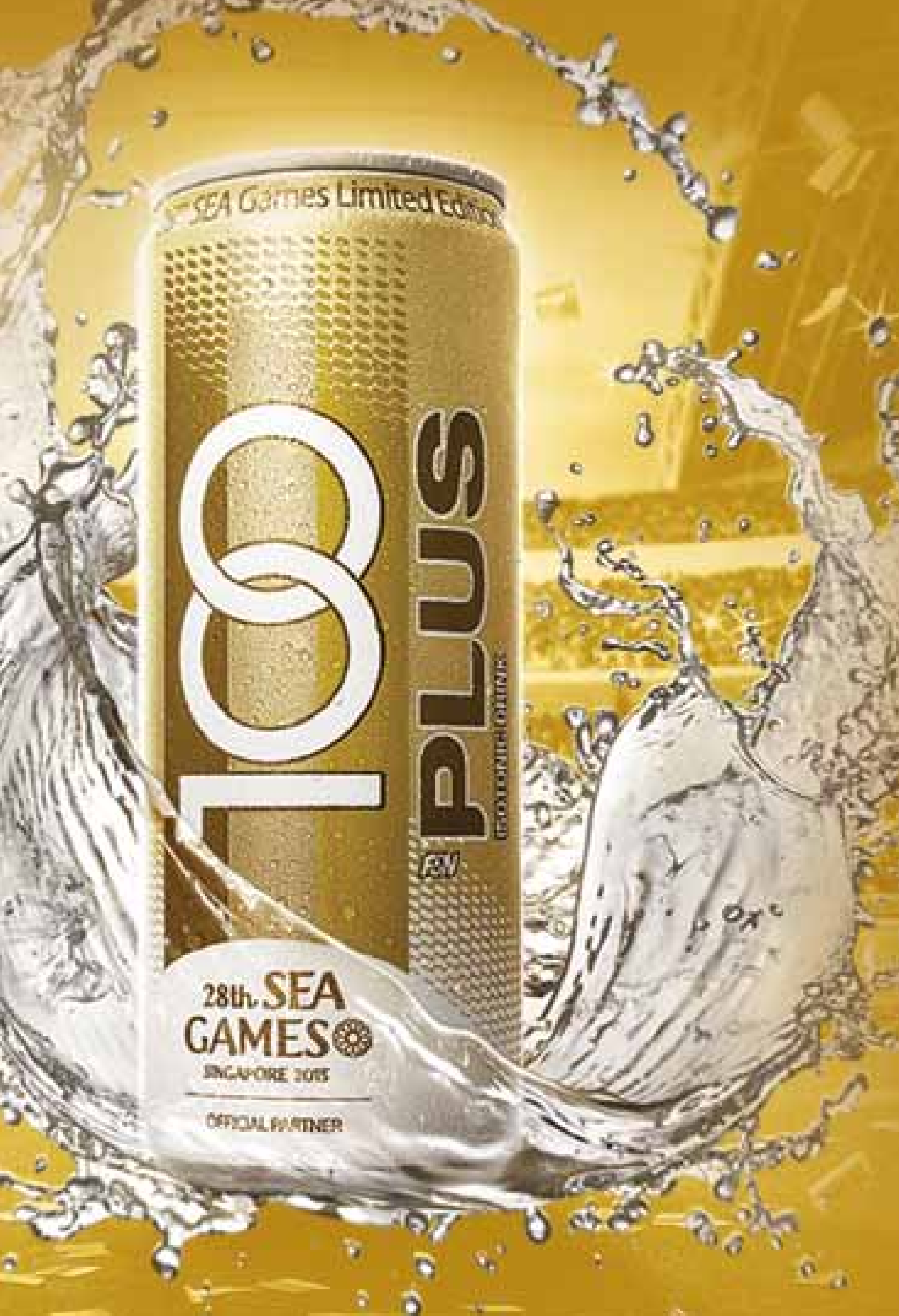
Riding on the global wave of increasing consumer consciousness and preference for healthy beverages, F&N launched its 100% coconut water, *COCO LIFE*, to very encouraging response in Singapore and Malaysia.

On the Dairies front, the Group introduced its first functional UHT milk, *F&N MAGNOLIA* Ginkgo Plus, in Thailand, the first of its kind in the market.

Our innovation is extended to product packaging too. This year, our packaging innovations included a new proprietary PET bottle for *100PLUS,* designed with a grip area

to better fit the curve of a hand, complementing active lifestyles of consumers. The new bottle is also slimmer, more environmentally friendly and uses 17% less plastic.

Packaging rejuvenation came in the form of new slim cans for *100PLUS* and *F&N* Sparkling Drinks. Characteristic of F&N's leadership in innovation, these were the first ever slim cans in Malaysia's sparkling drinks category. Flaunting a slender silhouette and trendy appearance, the taller and slimmer can is not only an attention grabber on the shelves, it is also easier to hold and fits more conveniently in small compartments.



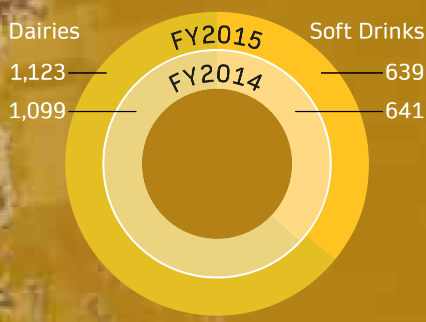
Looking Ahead

For FY2016, the Group expects consumer sentiment to remain cautious as the economic climate in Southeast Asia continues to be challenging, especially in the Group's primary markets. Malaysia is expected to face a slow-down in domestic consumption and lowered consumer confidence due to slow economic growth and inflationary pressures. In Thailand, domestic consumption could continue to be impacted in 2016 as consumer sentiments hit a 17-month low amidst slow economic growth in 2015.

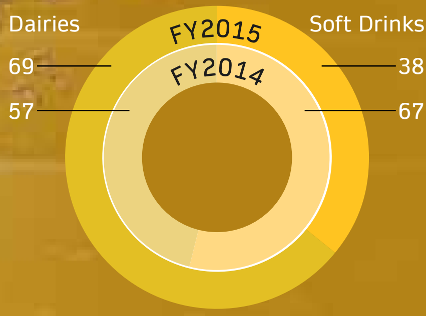
The Group will also face continual challenges from foreign exchange effects as the Singapore dollar strengthens against neighbouring currencies. However, the Group is confident that with geographic expansion into emerging markets of Myanmar, Vietnam and Indonesia, we will be able to gain sales growth and market share. While these new markets will provide additional avenues for sales growth, the brand investments will take a few years to yield returns.

F&N is confident that our strong financial position, diverse portfolio of brands, market leadership positions, well-established distribution networks and synergies extracted from working closely with Thai Beverage Public Company Limited ("ThaiBev") will put us in good stead to not only face these challenges, but to also seize growth opportunities in the region.

Revenue ($m)



Profit Before Interest & Taxation ($m)



CEO Business Review • Food & Beverage • Soft Drinks

Core Market
SINGAPORE

Market Positions

Number
1

Isotonic, Soya & Water

Number
2

Carbonated Soft Drinks

Number
3

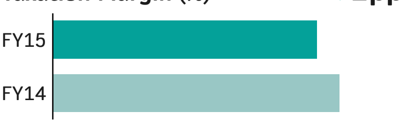
Ready-To-Drink Tea

Volume (%) ▲2.6%

Revenue (%) ▲22%

Profit Before Interest & Taxation (%) ▼8%

Profit Before Interest & Taxation Margin (%) ▼2pp



Soft Drinks Singapore saw revenue growth of 22%, driven by the success of *100PLUS*' sponsorship of the 28th SEA Games. However, faced with intense competition and increased marketing spend on new product launches of *OISHI* and *COCO LIFE*, Soft Drinks Singapore earnings fell 8%.

ISOTONIC: 100PLUS

As a home-grown brand that has become the country's leading isotonic beverage, *100PLUS* continued to cement its leadership position through branding campaigns and strategic partnerships with leading sports events.

100PLUS was the Official Isotonic Drink of the 28th SEA Games in Singapore, providing hydration to all the athletes throughout the duration of the Games. Leveraging the prominence of this regional sporting event, *100PLUS*' sponsorship enabled it to activate brand campaigns in Singapore, Malaysia, Thailand and Myanmar, countries where *100PLUS* commands a presence.

To celebrate the SEA Games, a commemorative gold can, embodying the nation's voice of support of Team Singapore and representing the colour of champions, was launched and was very well received by consumers.

In addition to supporting the biggest sporting event in the region, *100PLUS* also rolled out the second phase of "Let's Move" in conjunction with Standard Chartered Marathon Singapore 2014, the nation's biggest marathon. An integrated campaign using print, digital, out-of-home and cinema advertising depicting running – the favourite sport of Singaporeans – aimed to inspire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more to embark on active lifestyles. Accompanying the "Let's Move" campaign, sponsorships aimed at reinforcing *100PLUS*' image as the enabler for active lifestyles, such as The Straits Times Athlete of the Year Award, Safra Run and Ride, Great Eastern Women's Run, Sundown Marathon, SGX Bull Charge, OCBC Cycle and several other school and community events also garnered strong support from *100PLUS*.

Besides sponsoring sports events, *100PLUS* continued to engage sports organisations, including Sport Singapore, Singapore Sports Hub, Singapore Table Tennis Association and Singapore Swimming Association, to nurture and develop local athletes.

Soft Drinks Singapore saw revenue growth of 22%, driven by the success of *100PLUS*' sponsorship of the 28th SEA Games.

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01 Safra Run and Ride Sponsorship
02 "Let's Move" Campaign
03 The Straits Time Athlete of the Year Award Sponsorship
04 SGX Bull Charge Sponsorship
05 Singapore Swimming Association Awards Night
06 Great Eastern Women's Run Sponsorship

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CEO Business Review • Food & Beverage • Soft Drinks

Core Market SINGAPORE

SOYA: F&N NUTRISOY

As one of F&N's core brands, *F&N NUTRISOY* ramped up its efforts in FY2015 to drive brand awareness and consumption. Its "Tastes As Good As Fresh" campaign aimed to correct the common misperception that soya milk bought from hawker stalls was the freshest. Through blind taste tests conducted at roadshows, *F&N NUTRISOY* successfully changed this perception when the majority of 6,000 consumers voted for *F&N NUTRISOY* as the freshest-tasting soya milk. This on-ground activation was further amplified through radio and television advertisements.

To create more occasions for consumption, *F&N NUTRISOY* partnered with well-known chefs and created a series of dishes that can be whipped up at home, establishing itself as a healthier alternative to ingredients containing higher amounts of fat. The chefs demonstrated their recipes during primetime television programme "Hey Chef!", as well as live cooking demonstrations at roadshows.

In response to the growing demand for beverages with less or no sugar, *F&N NUTRISOY* Omega No Sugar Added was created, becoming the fastest growing variant in the Group's soya milk portfolio. To further tap the increasing demand for this range, a 475ml single-serve pack was introduced in April 2015, offering consumers the convenience of having fresh soya milk on-the-go. The addition of the 475ml-pack size has boosted the growth of the entire *F&N NUTRISOY* Omega No Sugar Added range, lifting sales by 30% as compared to FY2014.

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01 *F&N NUTRISOY*
02 *F&N SEASONS*
03 *OISHI* Green Tea advertisement in the train station
04 *OISHI* Matcha Latte
05 *F&N* Sparkling Drinks

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TEA: F&N SEASONS and OISHI

Reinforcing *F&N SEASON*'s message of taking time out of one's busy schedule to relax, the brand engaged local artistes of a popular long-running television drama series that aired during primetime evening to front its social media campaign. Together with above-the-line and in-store advertising, *F&N SEASON*S maintained its No. 3 position in the ready-to-drink tea segment.

Following the launch of *OISHI* in Malaysia in 2013, the Group introduced Thailand's leading ready-to-drink green tea brand in Singapore in March 2015 with two flavours – Green Tea Original and Green Tea Genmai, supported by a 360-degree integrated campaign. Its out-of-home advertising included branding the entire platform of one of Singapore's busiest train interchanges with visually arresting images, creating an immersive experience for the public. The visuals were extended to other busy train and bus interchanges with high footfall, outdoor bus shelters and on buses.

F&N also partnered 7-Eleven as the exclusive retail partner of *OISHI* Matcha Latte in July to create excitement and capture demand in the growing milk tea segment. This launch was supported by digital and print advertising, trade promotions and strong in-store visibility.

CARBONATED SOFT DRINKS: F&N SPARKLING DRINKS

Synonymous with all things festive, *F&N* Sparkling Drinks ran a campaign for Chinese New Year and Hari Raya Puasa. In its Chinese New Year campaign, F&N created buzz amongst consumers with its exclusive home visits by two local celebrities, as well as roadshows where more celebrities engaged the public through games. For Hari Raya Puasa, the limited edition *F&N* Pink Grapefruit was re-introduced, following the previous year's success. This re-launch was supported by consumer promotions, in-store, print, radio and outdoor advertising.

CEO Business Review • Food & Beverage • Soft Drinks

Core Market
MALAYSIA

Market Positions

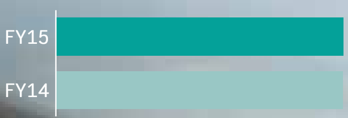
Number
1

Isotonic, Soya & Ready-To-Drink Tea

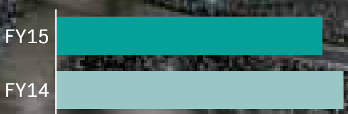
Number
2

Carbonated Soft Drinks, Asian Soft Drinks

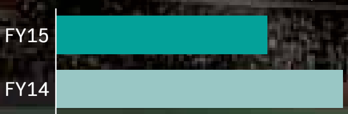
Volume (%) ▲0%



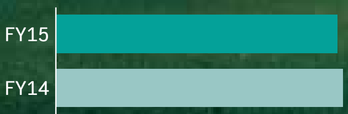
Revenue (%) ▼7% (-1%[1])



Profit Before Interest & Taxation (%) ▼26% (-21%[1])



Profit Before Interest & Taxation Margin (%) ▼2pp



[1] In constant currency

Despite more cautious consumer spending against a backdrop of economic uncertainty, lost sales from Malaysian floods in December 2014 and stiffer competition, Soft Drinks Malaysia volume was flat against FY2014. As a result of weaker ringgit and unfavourable sales mix, FY2015 revenue was down 7% (-1% in constant currency).

Adversely impacted by higher trade discounts, higher logistics and storage costs arising from the floods, higher marketing spend and weaker ringgit, earnings fell 26%.

Higher marketing costs supported several nationwide brand campaigns, new product launches like *RANGER* (to replace *RedBull*), *EST* Cola and *COCO LIFE*, and packaging rejuvenation in the form of new slim cans for *100PLUS* and *F&N* Sparkling Drinks.

ISOTONIC: 100PLUS

100PLUS was ever-present on the sports scene in our markets. This year, *100PLUS* continued to sponsor major sports events, such as the 10th edition of the *100PLUS* Malaysian Junior Open, the Outrunner race in which *100PLUS* was the first to use drones to race against man, Nike Run KL, Penang Starwalk, Maybank Malaysian Open and ATP Tennis World Tour, amongst others, positioning itself as the No. 1 isotonic drink of choice.

A major marketing coup in FY2015 was the appointment of two global football personalities, Pelé and Oscar, as *100PLUS* brand ambassadors. As the faces of the "The Great Stay Thirsty" campaign, Pelé and Oscar were featured in print and outdoor advertisements, as well as specially designed limited edition *100PLUS* cans. International media, fans and the

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Malaysian football team also had the rare opportunity to attend a talk conducted by Pelé and mingled with Oscar at a football clinic.

SOYA: F&N NUTRISOY

Riding on the success of its "Breakfast Love" campaign in the previous year, *F&N NUTRISOY* continued to promote consumption of its ready-to-drink soya as a breakfast beverage on broadcast and social media. It worked with celebrity to engage women in a popular television programme which positioned *F&N NUTRISOY* not only as a breakfast beverage, but also as an ingredient for preparing breakfast.

The "Peraduan Ceria Raya F&N" campaign featured *F&N NUTRISOY* as a beverage for improved sustenance during the fasting month for Muslims, encouraging them to begin and end their fasts with *F&N NUTRISOY*. The integrated campaign included in-store displays and on-ground activations at "break-fast" bazaars.

TEA: F&N SEASONS and OISHI

F&N SEASONS updated its packaging this year to a more contemporary image to rejuvenate the brand. As the No. 1 brand of Ice Lemon Tea in the country, its "Janji Chillax" campaign conveyed the importance of taking a break during stressful times with *F&N SEASONS*.

OISHI continued to build awareness of the quality and authenticity of Japanese green tea. A "So Delicious, So Oishi" fully integrated campaign included sampling events conducted at 100 locations across Peninsular Malaysia. To increase the number of distribution points and drive on-premise consumption, a new pack size – 300ml can – was introduced in channels which did not carry the PET bottles previously.

CARBONATED SOFT DRINKS: F&N Sparkling Drinks and EST COLA

Maintaining its relevance amongst youth, *F&N* Sparkling Drinks engaged radio deejays and celebrities to create unique F&N musical beats that were incorporated into its television commercial, and invited more than 4,000 youths to create their own F&N beats on its microsite. This consumer activation, while improving top of mind and driving consumption, also reinforced its brand association with cheerfulness, fun and enjoyment.

The cola segment has the largest market share within Malaysia's carbonated soft drinks category. To gain a foothold in this segment, and to complete its own product portfolio, Soft Drinks Malaysia introduced *EST* Cola, in June 2015. Starting with the 325ml can and 500ml bottle, *EST* Cola was distributed through our wide distribution network.

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COCONUT WATER: COCO LIFE

Riding on the wave of increasing consumer preference for healthy beverages, *COCO LIFE* was launched in May 2015 to very good response. Boasting qualities such as being made from 100% coconut water, zero cholesterol, zero preservatives and zero fat, sales volume more than doubled forecasts within a few months of its launch, and successfully captured 12% market share of the coconut juice category within a month. This was due to the strength of Soft Drinks Malaysia's network of over 7,000 distribution points ranging from petrol stations, to convenience stores, supermarkets and golf clubs. Sampling programmes to create consumer awareness were also implemented. We will continue to drive awareness and trials of *COCO LIFE*, including partnering airline AirAsia in December 2015 to bring our product to consumers onboard.

01 *100PLUS* brand ambassadors Pelé and Oscar
02 *F&N SEASONS* "Janji Chillax" Campaign
03 *OISHI* Green Tea "So Delicious, So Oishi" Campaign
04 *COCO LIFE* advertisement
05 Range of *EST* Cola

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CEO Business Review • Food & Beverage • Soft Drinks

New Market
MYANMAR

Market Position

Number
1

Isotonic

The F&N branch office was established in Yangon last year to conduct market research, coordinate sales and marketing efforts, as well as to provide support to business units and local distributors. Since the establishment of this office, the Group has seen positive sales growth in this market. First introduced in 2012, *100PLUS* has since established itself as one of the fastest-growing soft drink brands in Myanmar. This growth stemmed from aggressive on-ground activations and strategic sponsorships, focusing on sports-related campaigns targeting the younger generation.

This year, for instance, *100PLUS* extended its "Go for Gold" campaign which was first implemented in 2013 when it secured the Official Hydration Partner title of the SEA Games in Myanmar. Having created substantial brand exposure through the campaign, *100PLUS* rode on the momentum to create further buzz in 2015. It highlighted the national teams in a 12-episode television programme, using online and on-ground activations and partnership with one of the country's leading modern trade retail chains, to rally support for the Burmese athletes.

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For the second year running, *100PLUS* participated in YOMA Yangon International Marathon 2015. Through this marathon, we created trial opportunities for participants via hydration stations throughout the race route and raised the brand profile through social media and on-ground activations. With strategic partnerships such as this one, the Group aims to raise brand visibility and reinforce *100PLUS* as the enabler for active lifestyles not just for athletes, but also for all individuals.

Having successfully established its position as a strong supporter of athletes, *100PLUS* was appointed the Official Hydration Partner of various local sports associations, such as Myanmar's Ministry of Sports to promote and support a variety of sporting events, Myanmar Football Federation and Yangon United Football Club.

Riding on the success of *100PLUS*, this year, the Group introduced *F&N SEASONS* Ice Lemon Tea in Myanmar to good response. Building on the existing platform, F&N has plans to launch other brands and product categories within its portfolio in Myanmar.

01 YOMA Yangon International Marathon Sponsorship
02 "Go for Gold" Campaign
03 *F&N SEASONS* Ice Lemon Tea launched in Myanmar
04 Partnership with Myanmar television station, Skynet
05 *100PLUS* supports Myanmar's football team
06 "Go for Gold" Campaign activation for 28th SEA Games
07 *100PLUS* providing hydration to Myanmar's athletes
08 *100PLUS* supporters at Myanmar Football Federation's event

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CEO Business Review • Food & Beverage • Soft Drinks

New Market
VIETNAM

A representative office was set up in Ho Chi Minh City in June 2015 to conduct market research, coordinate sales and marketing efforts and provide support to business units and local distributors.

To drive product availability, core brand *100PLUS* was launched in 400 modern trade distribution points in Vietnam, in particular convenience stores. In-store advertisements, product displays, sampling programmes and tie-ups with retailers were introduced to drive brand awareness and sales.

In addition to driving product availability, F&N executed several strategic marketing campaigns and sponsorships to build awareness of *100PLUS* amongst the locals. Beginning in April 2015 with Color Me Run, a prominent marathon event in Ho Chi Minh City, *100PLUS* created sampling opportunities for 10,000 participants through its hydration sponsorship.

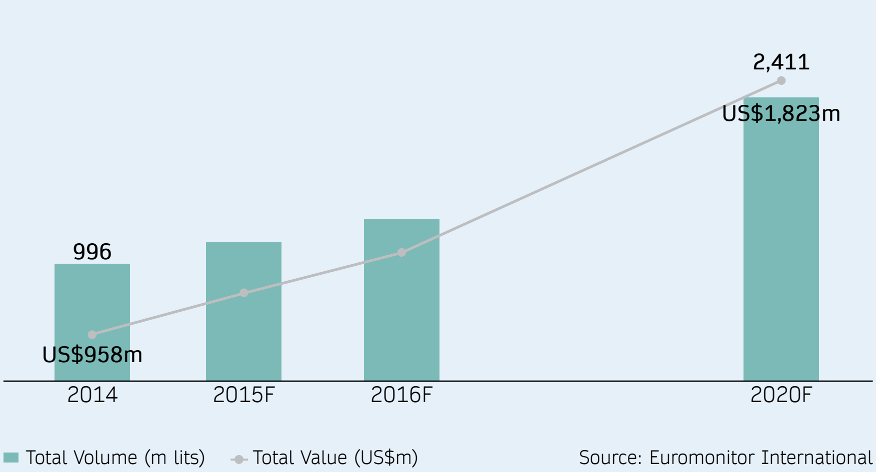
Leveraging the high profile campaign launched in Malaysia on the appointment of brand ambassadors Pelé and Oscar, Vietnamese media and local influencers were invited to attend the press conference and meet the global football celebrities in Malaysia. Headlined by a popular Vietnamese celebrity and avid footballer, this conference generated significant news coverage, with 6.2 million views across 18 major news titles in the country. An extension of the "The Great Stay Thirsty" campaign featuring Pelé and Oscar was also carried out in September in the form of a television commercial aired online and across screens in commercial buildings, supermarkets and cinemas in Vietnam.

To create greater awareness of the functional benefits of *100PLUS*, the *100PLUS* Challenge & Hydration Workshop was created to engage more than 100 participants ranging from local celebrities, journalists, leading sportsmen and fans of the brand. Through a race of obstacles and challenges, as well as a Q&A session with the Group's team of R&D scientists, the workshop generated a lot of buzz, both online and in print media, totalling 26 news titles and 10.6 million views.

In addition to Color Me Run, *100PLUS* was also the hydration partner for Vietnam's major sporting events, including the Ho Chi Minh City Journalist Association Futsal Tournament, where the 16 futsal teams donned *100PLUS* branded jerseys, and the Danang International Marathon which was attended by 5,000 runners.

The performance of *100PLUS* in Vietnam has been very encouraging thus far. In the few months ended September 2015, growth in fan base and consumer reach has been observed in both social media and offline engagements. The Group will continue to drive deeper consumer engagement through strategic partnerships and marketing activities.

Projected Market Size of Carbonated Soft Drinks and Isotonic Segments



Source: Euromonitor International

01 Ho Chi Minh City futsal tournament Sponsorship
02 Color Me Run Sponsorship
03 Vietnamese media and influencers at the press conference which unveiled Pelé and Oscar as *100PLUS* brand ambassadors
04 *100PLUS* Challenge & Hydration Workshop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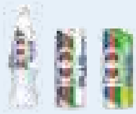
CEO Business Review • Food & Beverage • Soft Drinks

New Market
THAILAND

Market Position

Number
2



Isotonic

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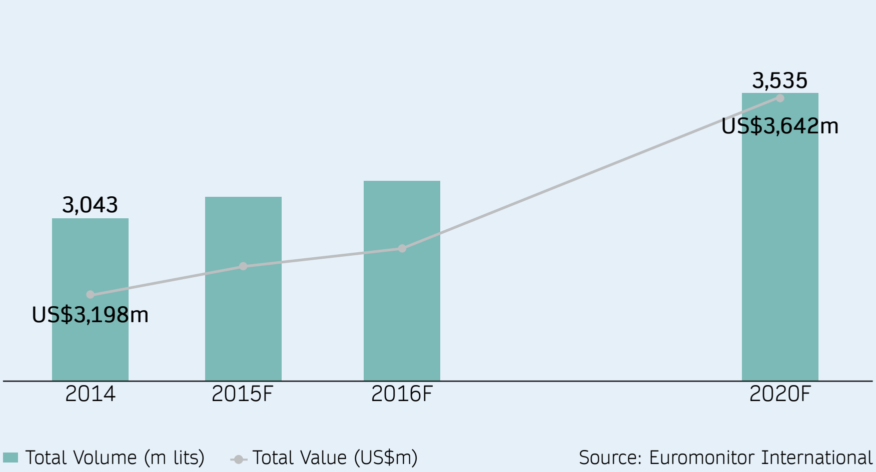
The Group officially entered Thailand in February 2015 with the launch of *100PLUS* through the appointment of Thai Drinks, a wholly owned subsidiary of Thai Beverage Public Company Limited ("ThaiBev"). Thai Drinks is F&N's appointed *100PLUS* licensee for Thailand, and is responsible for the manufacturing, marketing and distribution of *100PLUS* in Thailand. The Group plans to revolutionise Thailand's carbonated soft drinks segment by positioning *100PLUS* as a functional carbonated soft drink, a first in the country. The carbonated soft drinks segment is the largest ready-to-drink segment, by value, in the country.

The Group sees growth potential in the market and is confident that *100PLUS*, with its unique winning taste and formula, will become an alternative soft drink for health-conscious consumers in Thailand. *100PLUS* marries the functionality of rehydration and replenishment of minerals in the body with the refreshing sensation of a carbonated soft drink.

As one of the biggest brand launches in the Thai market, *100PLUS* Regular and *100PLUS* Lemon Lime – with their flavour profiles tweaked slightly to cater to local tastebuds – were introduced via a massive through-the-line advertising campaign. This campaign included giving away

Projected Market Size of Carbonated Soft Drinks and Isotonic Segments



Source: Euromonitor International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more than 10 million samples to the locals—the largest product sampling in Thailand. As at FY2015, in less than a year of its launch, *100PLUS* has captured 11% market share of the isotonic segment in Thailand.

F&N will continue to leverage the strengths of its portfolio, technical knowledge, as well as the local expertise and work with our strategic partner, ThaiBev, to build our presence and grow our market share in Thailand.

01 *100PLUS* launch campaign in Thailand
02 National Stadium BTS skytrain station in Bangkok
03 Bus shelter in Bangkok with *100PLUS* visual

CEO Business Review • Food & Beverage • Dairies

Core Market
SINGAPORE

Market Positions

Number
1

Juice

Number
2

Liquid Milk

Volume (%) ▲4%

Revenue (%) ▼2%

Profit Before Interest & Taxation (%) ▲36%

Profit Before Interest & Taxation Margin (%) ▲1pp

Despite recording a revenue decrease of 2% due to lower export sales, Dairies Singapore earnings jumped 36% on the back of lower input costs.

LIQUID MILK AND YOGHURT DRINK: F&N MAGNOLIA

As the trusted milk brand in Singapore, *F&N MAGNOLIA* extended its successful "Drink Milk Fresh" campaign, which was first launched in 2014, in May 2015. The campaign advocates the importance of drinking milk at its freshest, within three days of opening, which is in line with the recommendation of Singapore's Agri-Food and Veterinary Authority. *F&N MAGNOLIA* encouraged consumers to drink from twin 1-litre packs instead of 2-litre packs to enjoy milk at its freshest. To create further brand impact and consumer engagement, *F&N MAGNOLIA* travelled to various housing estates in its roving milk truck for consumers to exchange their empty 2-litre milk bottles for a free *F&N MAGNOLIA* 1-litre pack.

To commemorate Singapore's golden jubilee, *F&N MAGNOLIA*, with its 78 years of heritage, launched a limited edition packaging featuring an illustration of the iconic triangular pack reminiscent of the 1960s, supported by in-store activations and promotions. The brand, together with *F&N* Sparkling Drinks, were official

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partners of the local blockbuster movie “1965”. These activities helped to reinforce the brand’s image as a trusted and well-established brand.

In the yoghurt space, *F&N MAGNOLIA* Yoghurt Smoothie launched the “Best of Both Worlds” campaign to highlight its twin benefits – 100% tastier and 100% healthier – to youths, engaging them via print and social media where they could submit photographs portraying their serious and wacky sides. On-ground activation was an *F&N MAGNOLIA* photo booth where fans took pictures and shared them on social media. This campaign created immense buzz for the brand and encouraged trials amongst its target audience.

JUICE: F&N FRUIT TREE FRESH

To inject excitement in its juices portfolio, *F&N FRUIT TREE FRESH*’s “Live Juicy” campaign aimed to bring across the message of nourishing its consumers in a fun and light-hearted manner. Key visuals portrayed the freshness of ingredients, energetic juice splashes and a sense of fun. The brand also leveraged its partnership with a popular Hollywood animated movie to increase brand visibility, lifting sales at consumer roadshows by over sixfold.

F&N FRUIT TREE FRESH also promoted more ways to consume its juices by distributing recipe cards of juice concoctions, and prepared and served these concoctions to consumers at the *F&N FRUIT TREE FRESH* juice carts at roadshows.

01 “Drink Milk Fresh” campaign
02 *F&N MAGNOLIA*’s mascot and local artistes spreading the message of drinking milk at its freshest
03 “Live Juicy” campaign
04 *F&N MAGNOLIA*’s “Inside Out” milk cartons
05 ”Best of Both Worlds” campaign
06 *F&N MAGNOLIA* Yoghurt Smoothie

CEO Business Review • Food & Beverage • Dairies

Core Market
THAILAND

Market Position

Number
1

Canned Milk

Dairies Thailand, excelling as the Group's best performing unit, booked a 7% increase in volume and 10% increase in revenue, to $521m, owing mainly to higher consumer off-take particularly of its key brands *TEAPOT* and *CARNATION*, increased outlet penetration and coverage, and effective promotional and trade management activities. Lower input costs and trade discounts, as well as improved performance in its trade distribution service further boosted Dairies Thailand earnings by 34% to $41m.

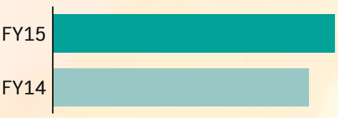
CANNED MILK: CARNATION

CARNATION maintained its No. 1 premium canned milk brand in Thailand by actively engaging trade and end-consumers. This year, building on *CARNATION*'s branding as the preferred choice of food gurus, Dairies Thailand rolled out a TV commercial fronted by a renowned chef promoting the use of *CARNATION* in famous international dishes.

To further increase brand visibility and reinforce *CARNATION*'s premium brand image, Dairies Thailand started to engage popular restaurants and coffee shops nationwide to help elevate the standards of the food outlet's dishes and drinks.

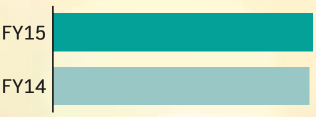
Volume (%) ▲7%

Revenue (%) ▲10% (+17%[1])



Profit Before Interest & Taxation (%) ▲34% (+42%[1])

Profit Before Interest & Taxation Margin (%) ▲1pp



[1] In constant currency

Coupled with loyalty campaigns for its key channels and attention-grabbing in-store promotional and product displays, *CARNATION* recorded double-digit volume growth in both Sweetened Condensed Milk ("SCM") and Evaporated Milk ("EVAP") categories. Market share was at a record high of 70% for EVAP and over 30% for SCM.

CANNED MILK: TEAPOT

Higher consumer off-take brought about by effective trade management and promotional campaigns has seen sustained market share for *TEAPOT*. *TEAPOT* EVAP has seen a growth in its share of the convenience channel, while *TEAPOT* SCM managed to maintain its market share despite increased price competition.

In its efforts to increase brand visibility and convert more consumers, Dairies Thailand continued to engage street hawkers to decorate their hawker stalls and mobile carts in *TEAPOT* livery. In FY2015, a record number of street hawkers were recruited nationwide through this campaign, effectively increasing the number of distributors and distribution outlets. In another marketing campaign, Dairies Thailand engaged street hawkers by offering a redemption programme where packaging labels were swapped for pre-paid

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01 *CARNATION* canned milk
02 *CARNATION* cooking demonstration
03 *TEAPOT* canned milk

03

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CEO Business Review • Food & Beverage • Dairies

Core Market THAILAND

mobile phone cards. Employing television and print advertising, this redemption campaign garnered widespread participation totalling 534,000 entries.

In August 2015, the Group embarked on a packaging revamp for *TEAPOT* to align its design across ASEAN. Beginning with Dairies Thailand, the new labels were rolled out and introduced via above- and below-the-line campaigns. This packaging revamp has also started in Dairies Malaysia in FY2016.


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LIQUID MILK: F&N MAGNOLIA

To tap into Thailand's growing UHT milk segment, the Group launched its first functional UHT milk in May 2015. *F&N MAGNOLIA* Ginkgo Plus, the first in the market to include ginkgo in milk, offers the additional benefit of improving cognitive function and enhancing memory with the addition of ginkgo extract and vitamin B12, on top of the nourishing goodness of milk. Launched in three flavours of plain, chocolate and white malt, in 180ml tetra pack sizes, an integrated marketing campaign was employed to build brand awareness. Besides successful above-the-line advertising and in-store promotions, a massive sampling exercise reaching over 1 million consumers nationwide successfully placed the brand at the No. 3 position in the 180ml-pack size segment within four months of its launch.


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01 *TEAPOT* billboard advertisement
02 Street hawker cart decked in *TEAPOT* livery
03&04 *F&N MAGNOLIA* Ginkgo Plus in-store sampling
05 *F&N MAGNOLIA* Ginkgo Plus in-store display
06 *F&N MAGNOLIA* Ginkgo Plus advertisement

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CEO Business Review • Food & Beverage • Dairies

Core Market
MALAYSIA

Market Position

Number
1

Canned Milk

Volume (%) ▲7%

Revenue (%) ▼4% (+2%[1])

Profit Before Interest & Taxation (%) ▲33% (+41%[1])

Profit Before Interest & Taxation Margin (%) ▲3pp

[1] In constant currency

Favourable sales mix coupled with effective brand building and trade management activities boosted the continuing growth of Dairies Malaysia's canned milk brands. Overall volume for its SCM and EVAP categories registered strong growth. However, due to higher trade discounts in view of lower input costs, and weaker Malaysian ringgit, Dairies Malaysia recorded a 4% decline in FY2015 revenue.

Despite the negative foreign exchange translation effects, Dairies Malaysia PBIT improved 33%, to $36m, due to lower input costs, particularly for skimmed milk powder, as well as continuous realised cost savings from improved operational efficiencies.

Building upon the rebranding success of its SCM and EVAP categories, Dairies Malaysia capitalised on its number 1 canned milk market position to further cement consumer awareness. At the same time, it consolidated its position in the on-premise segment by encouraging out-of-home consumption, whilst strengthening the frequency of in-home consumption through demonstrating food and beverage applications.

CANNED MILK: F&N

This financial year, Dairies Malaysia re-introduced *F&N* Full Cream Sweetened Condensed Milk, an integral ingredient in many beverages and dishes that Malaysians are familiar with. Addressing the gap in the full cream SCM segment, where only highly-priced imported full cream

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SCM was available previously, Dairies Malaysia became the only local company to offer Malaysians premium quality condensed milk at an affordable price. With *F&N* Full Cream Sweetened Condensed Milk, Dairies Malaysia not only expanded its product offering, but also demonstrated food and beverage applications to encourage higher consumption and drive sales.

For the purpose of brand rejuvenation, packaging labels for the *F&N* range of SCM and EVAP have been updated. A four-month nationwide campaign, which included in-store displays across 720 outlets, print, billboard and broadcast advertising, consumer and trade promotions, was conducted to drive consumer trials and promote awareness of the new packaging.

Upholding *F&N*'s leadership position in the canned milk segment while simultaneously helping to preserve Malaysia's *teh tarik* culture, Dairies Malaysia organised "Cabaran Raka Tarik F&N" for the 10th time. Held annually, this popular tea-pulling competition gathered interest and participation from all over Malaysia and reinforced *F&N* canned milk as the brand of choices for both trade and end-consumers.

Dairies Malaysia has been driving in-home consumption by positioning its range of canned milk as the ideal ingredient in dishes and beverages that can be prepared at home. On top of making available its in-house recipes, it also partnered several renowned celebrity chefs in a series of cooking workshops to demonstrate their culinary creations using *F&N, IDEAL* and *CARNATION* to inspire many others to prepare similar meals at home.

CANNED MILK: CARNATION

As the leading EVAP milk brand in Malaysia, *CARNATION* has established itself as the perfect accompaniment to a variety of savoury and sweet dishes. For the third consecutive year, the "*CARNATION* Quick Kitchen" mobile kiosk was brought back to busy train stations on weekday mornings, to offer commuters a range of hot beverages and breakfast meals prepared with *CARNATION.* This year, the mobile kiosk also ventured into 12 wet markets over the weekends from May to September 2015. Long queues formed for not just breakfast meals, but also free recipe books and heavily discounted *CARNATION* canned milk.

"Dairies Malaysia capitalised on its No. 1 canned milk market position to further cement consumer awareness."

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01 *F&N* Evaporated Milk
02 *F&N* Sweetened Condensed Milk
03 Celebrity chef cooking workshop
04 *CARNATION* canned milk advertisement
05 *CARNATION* canned milk in food applications

CEO Business Review • Food & Beverage • Dairies

Core Market MALAYSIA

LIQUID MILK: F&N MAGNOLIA

This year, Dairies Malaysia continued to focus on brand building for *F&N MAGNOLIA*, one of F&N's core brands. *F&N MAGNOLIA* Lo-Fat Hi-Cal pasteurised milk was re-introduced with a new and improved formulation – vitamin D for better calcium absorption by the body and improved bone strength. Targeted mainly at females due to its unique formulation, the product also contains 76% less fat, high calcium and nine essential vitamins for overall well-being. Supported by on-ground activation where consumers could exchange milk cartons of any brand for the new *F&N MAGNOLIA* Lo-Fat Hi-Cal in-store sampling and premiums to drive conversion, average monthly sales for this variant increased by 39% in four months ended September 2015.

In addition to exciting the ready-to-drink ("RTD") milk segment with new product launches, the Group also updated the packaging of *F&N MAGNOLIA* range with a more contemporary, visually appealing look.

In conjunction with World Milk Day 2015, *F&N MAGNOLIA* implemented its biggest on-ground nationwide campaign, "Milk Mooves Malaysia" targeting more than 40 retail malls in over a three-week period. *F&N MAGNOLIA* aimed to cultivate a culture of drinking milk by emphasising the importance of drinking milk for nutrition and growth. Incorporating experiential and engaging activities for children, a book donation drive for underprivileged children and in-store promotions with customised gifts, the campaign successfully increased its brand profile amongst consumers.

LIQUID MILK: FARMHOUSE

The UHT milk segment in Malaysia has the largest RTD milk market size, surpassing the pasteurised and sterilised milk segments. In order to tap into the UHT milk segment, as well as increase its RTD milk offering to consumers, Dairies Malaysia introduced *FARMHOUSE* UHT milk, an extension of its 100% Australian fresh milk range which is already available in Malaysia. Launched as a premium imported UHT milk in June 2015, sale of *FARMHOUSE* UHT milk sales has far exceeded expectations through successful on-ground activations.


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01 *F&N MAGNOLIA*'s "Milk Mooves Malaysia" campaign
02 *F&N MAGNOLIA*'s Lo-Fat Hi-Cal launch
03 *MEADOW GOLD*, *F&N MAGNOLIA* Gotcha, *KING*'s Potong and 1.2L tub
04 *JWEL*

CEO Business Review • Food & Beverage • Ice Cream

ICE CREAM

F&N's Ice Cream division is operational in Singapore, Malaysia and Thailand, with well-established brands *F&N MAGNOLIA*, *KING'S*, *MEADOW GOLD*, and premium brand, *JWEL*. Through constant innovation and renovation, new products and variants have been launched in the various markets this year. The Group remains strong in the value tub and Asian flavours categories, while building its share in the premium chocolate-coated stick and premium tub categories.

Singapore

Following the launch of *JWEL* in December 2013, three new flavours were added to this range of premium chocolate-coated ice cream sticks in March 2015. Part of its integrated marketing campaign which included out-of-home advertising and in-store roadshows was the distribution of 17,500 sticks of *JWEL* ice cream at the leading hypermarket chains in Singapore.

MEADOW GOLD was re-launched in 1Q2015 with four new flavours and an updated packaging to give it a more premium look. In March, sampling, games and premiums giveaways were used to build further brand awareness in both the busy business and shopping districts as well as housing estates. *KING'S* Potong, a well-established brand which offers consumers familiar Asian flavours, added a new *Cempedak* flavour to its range, and paired it with the popular Red Bean flavour in a multipack to offer drive trials and awareness.

Malaysia

JWEL was launched in December 2014 to very good response from consumers. Supported by consumer roadshows in school campuses and shopping malls, social media campaign and in-store advertising, sales spiked to hit first-year targets within six months.

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Focusing on the value tub segment, *KING'S* partnered a celebrity chef to develop 12 dessert recipes with *KING's* ice cream. The campaign included nationwide roadshows, specially designed Chinese New Year and Hari Raya festive packs, in-store media investment over a period of nine months across Malaysia and a joint promotion with the chef's cafe to promote *KING's* 1.2L tub range of ice cream.

Thailand

Similarly in Thailand, several new products were introduced this year. Two new flavours, Apple Burst and Berry Blast, were added to the *F&N MAGNOLIA* Tropical Sling range, while Sea Turtle and Whale Shark were added to the kids range under *F&N MAGNOLIA* Gotcha Marine. A new coconut flavour made with fresh coconut milk was added to the *F&N* Mag-A-Cone range.

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CEO Business Review • Publishing & Printing

"2015 was a year of transformation for Publishing & Printing. Education Publishing grew from strength to strength, expanding its products and services to the USA, UK and the Middle East."

SIEW PENG YIM
Chief Executive Officer,
Times Publishing Group

Contents **Page**

Business Overview

2015 was a year of transformation for Publishing & Printing ("P&P"). While Education Publishing grew from strength to strength, expanding its products and services to the USA, UK and the Middle East, our Printing earnings was muted by pressure on margins due to continuing difficult economic conditions and changing consumer behavior. Affected by these changes in the global print market, we responded swiftly by implementing a transformation plan across our Singapore, Malaysia and China printing operations and aligned the business with these structural changes. We put in place a wide-ranging set of cost reduction and revenue enhancement initiatives, rightsized our printing capacity to adjust our cost base, and aligned our print assets to adapt to technological changes. Consequently, Printing incurred a loss as we accelerated the depreciation rates on its print assets following this major restructuring exercise. These losses overshadowed the strong performance in the Publishing Group.

This year, Education Publishing performed well and continued to be a standout performer for P&P. This set of strong results reflected the strategic initiatives undertaken to strengthen our position as the leading Singapore Math publisher in key markets like the USA, UK, Southeast Asia and the Middle East. Through continued investments in building our talent pool and increasing marketing support, Education Publishing successfully defended our local market share in Singapore and Hong Kong, and made significant inroads into USA, UK, Middle East and other parts of Southeast Asia.

On the digital front, we are currently developing an e-commerce platform that leverages on our strength in education publishing. We see this as a key part of the Group's multi-channel strategy to deliver its full product range to consumers.

It has been a difficult year for our people as we were forced to adapt to the changing requirements of our customers and the dynamics of our markets. We have made, and will continue to make, difficult decisions to stay relevant in the long term.

The strategic priority for P&P is clear. We will continue to expand our global footprint with established brands, diversify our portfolio and continue to reshape the mix of our businesses, as well as invest in growth areas to deliver sustainable growth.

Times Publishing Limited ("TPL") would like to take this opportunity to thank Mr Denis Tay and Mr Tay Puan Siong, who stepped down from the TPL Board. Both Mr Denis Tay and Mr Tay Puan Siong were non-executive directors and had been with the TPL Group since 2001. We would like to thank both of them for their insight, guidance and intellect over many years on the Board.

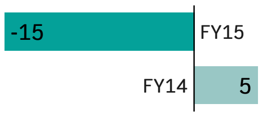
We would also like to recognise and thank our passionate and committed employees, past and present, for their hard work and support behind our strategic initiatives.

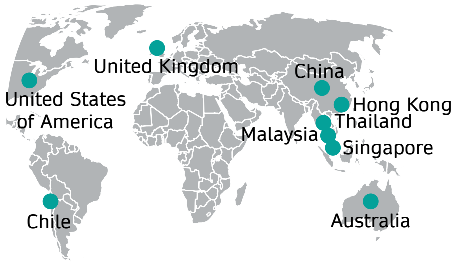
PUBLISHING

The Group's publishing business is marketed under the brand, Marshall Cavendish. As a major international content provider, Marshall Cavendish publishes extensive works that span across a spectrum of interests including Education, General Interest, Business Information and Home Reference.

Revenue ($m) ▼3%

Profit Before Interest & Taxation ($m) ▼nm





CEO Business Review • Publishing & Printing

FY2015 has been a rewarding year for MCE Hong Kong. It continued to develop its non-textbook portfolio with new initiatives in eLearning and professional development.

Education

Marshall Cavendish Education's ("MCE") regionalisation strategy continued to deliver. We successfully diversified our income streams geographically by focusing on core brands, leading us to become the publisher of choice in the region and the USA, UK and Latin America, for our core subjects of English, Mathematics and Science.

FY2015 MCE's results were achieved on successful marketing activities and new strategic partnerships to give customers a wider range of products and services. The expansion has been particularly strong for Mathematics, English and Science throughout our region, USA, the Middle East, and the UK.

One of the key initiatives to start FY2015 was the MCE Conference, which was held in the USA for the first time. The three-day conference in October successfully demonstrated the great success that Singapore's world-class curriculum has amongst international policymakers, curriculum specialists, school leaders and educators. I am pleased to report that over 4,500 schools and more than 200,000 students across all 50 USA states have now adopted our textbook programmes.

MCE continued to make its mark as an established developer and provider of quality Mathematics learning solutions. In 2015, MCE, in partnership with our distributors, Houghton Mifflin Harcourt and SingaporeMath Inc, launched the digital components of our textbook programmes, Math in Focus Digi+ and Primary Digital in the USA. In Texas, ResponsiveEd, the largest public charter school system in Texas has also approved the Math Buddies for use by its 3,400 students, after its research study showed that students using Math Buddies in Grades 2 to 4 achieved the highest Mean Growth in the Measures of Academic Growth (MAP) Assessment, as compared to other Math programmes.

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Beyond the USA, MCE also made a major impact in the UK via our strategic partnership with Oxford University Press. The Inspire Maths series has been selected for use across the UK by the Department of Education and the National Centre for Excellence in the Teaching of Mathematics.

To help MCE grow its reputation as an innovator of technological developments in education, this year, it started working with a leading USA adaptive learning technology company, Knewton, to develop a personalised adaptive Mathematics solution. This powerful adaptive learning product, when developed, will allow for more effective independent learning for students in Singapore. The first of its kind in Singapore, this initiative is supported by the Infocomm Development Authority of Singapore, and we believe it will have a significant international potential for the future.

Beyond Mathematics, MCE also revamped some of its best-selling series to meet the changing needs of the English language teaching market. Take Off with English has been enhanced with a greater emphasis on 21st century competencies, whilst the newly updated My Pals Are Here! English (International) 2nd Edition is now packed with new features to meet the growing needs of English learners in second-language markets.

In Science, MCE launched the Science Spy bi-monthly publication for Singapore's legion of budding scientists. In collaboration with the Singapore Scientist, Science Spy made its debut at the Singapore Science Festival in July 2015. As part of the effort to bring quality Science content to readers, we used our educational expertise to ensure that the content is suitable as an independent learning resource for children, and that our design complements the textbooks used by teachers.

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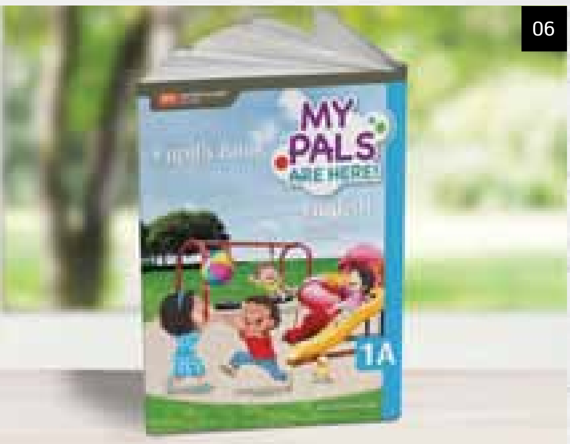

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01 Mr Chng Eng Leok, General Manager, Product Development at Marshall Cavendish Education being interviewed during the Infocomm Media 2025 event
02 Marshall Cavendish Education's General Manager, Ms. Joy Tan, explaining the new unique features of our newly revamped magazine to Minister of State, Ms. Sim Ann, at Singapore Science Festival
03 Teachers showing great interest in our new My Pals are Here! Primary Science Upper Block and Science Spy magazine
04 A student tries out the AR function in the classroom
05 Using eBook360 in the classroom of a pilot school
06 My Pals are Here!
07 Cover page of the newly revamped magazine, Science Spy, in collaboration with Singapore Scientist
08 Take Off with English Pupil's Book

CEO Business Review • Publishing & Printing

> “General and Reference (“GR”) ended the year performing to expectations with several high profile publications and events, as well as creating new strategic partnerships.”

FY2015 has been a rewarding year for MCE Hong Kong. This year, we continued to develop our non-textbook portfolio with new initiatives in eLearning and professional development. Blending new technology such as Augmented Reality (AR) into remedial lessons and images, the launch of eBook 360, and the introduction of various school-based, digital-print textbook solutions have helped built and promoted our image as a provider of holistic eLearning solutions.

Others

General and Reference (“GR”) ended the year performing to expectations with several high profile publications and events, as well as forming new partnerships.

One of such high profile publications was the reprint of Mr Lee Kuan Yew’s memoirs. The passing of Singapore’s first Prime Minister Mr Lee Kuan Yew in March 2015 resulted in higher demand for his works – both print and online. His volume set “Memoirs of Lee Kuan Yew’ autobiography also

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quickly became national bestsellers. Also outselling many titles were related publications such as *Lee Kuan Yew: The Man and His Ideas*, and political heavyweights such as *Dr Mahathir's Letters to World Leaders Volume Two* and *Lim Kit Siang: Defying the Odds*. National chart toppers in other categories included Junko's *Deco Mushi*, William Sim's *Colouring the Lion City* and Subhas Anandan's *It's Easy to Cry*.

This year, GR also benefitted from significant custom publishing projects from Ang Mo Kio Town Council, Toa Payoh Town Council, Competitive Commissions of Singapore, the People's Action Party HQ and Temasek Polytechnic.

In Cuisine, we published best-selling Japanese cookbook blogger Junko's first English versions. We hosted her first trip to Southeast Asia and partnered 8Days App in an exclusive tea party for invited guests. This was followed by bookshop events in Singapore and Bangkok.

FY2015 revenue from Business Information ("BI") was down compared to the last financial year, mainly due to the discontinuation of our Cargonews magazine division in Hong Kong. Our core directory publishing business remained resilient with overall sales flat in a challenging environment. However, profits were slightly down mainly due to lower margins because of intense competition.

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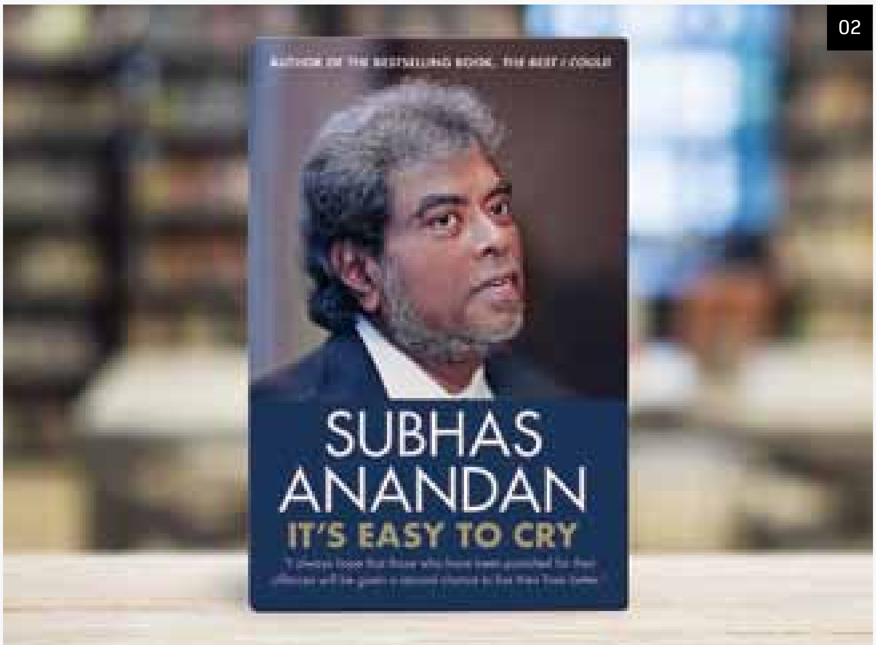

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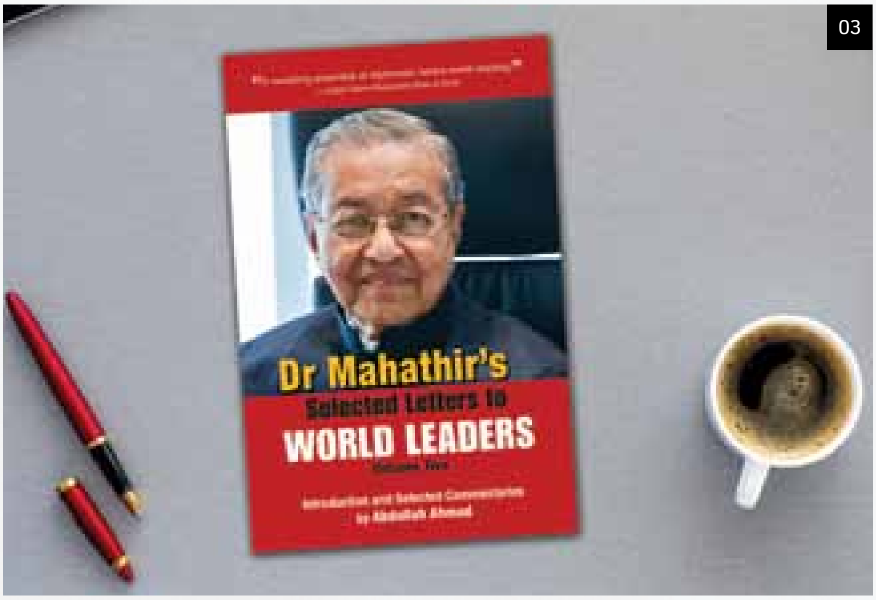

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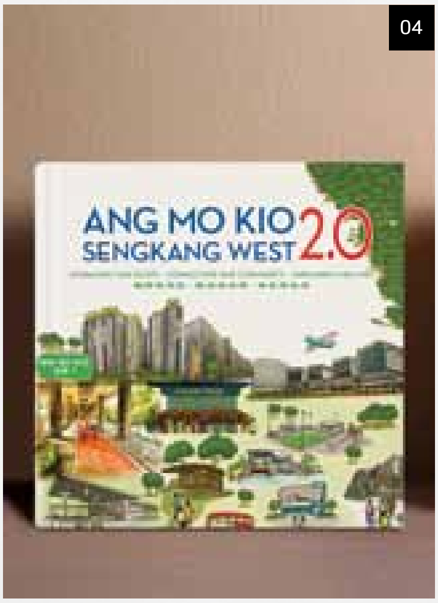

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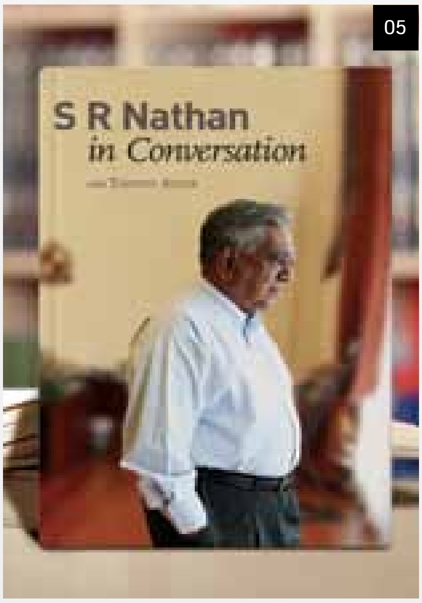

01 Singapore Hawker Classics Unveiled
02 It's Easy to Cry
03 Dr Mahathir's Selected Letters to World Leaders Volume Two
04 Ang Mo Kio Sengkang West 2.0
05 S R Nathan in Conversation with Timothy Auger

CEO Business Review • Publishing & Printing

01 Secretary-General of the National Trades Union Congress, Mr Chan Chun Sing, during his visit to Times Printers
02 Ah Boys To Frogmen book signing

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> Changes in market conditions, both in Singapore and overseas, necessitated major restructuring of our print business.

PRINT

Changes in market conditions, both in Singapore and overseas, necessitated major restructuring of our print business.

The Printing operations, particularly those in Singapore faced a persistently difficult printing environment. The challenges included falling print orders, declining printing prices and escalating manufacturing costs. The weakening of the Australian dollar has also made our printers less competitive especially as Australia is the primary market for Singapore.

Despite initiatives to diversify our printing services and products and improve operating efficiencies, the excess capacity in the print industry and threats of e-print have adversely impacted our earnings. While short print runs have gained momentum recently, we saw a double-digit reductions in long print runs. This change in market demand has resulted in excess capacity particularly for our web presses. Consequently, revenue and margins were not growing in line with inflationary costs.

As a result of these factors, we undertook a major review of the entire Printing operations. During the year, we restructured the Printing division to reduce our cost structure. The decision to rightsize both our workforce and printing capacity was to ensure that the Printing division remain competitive.

RETAIL

We continued to see challenges facing high street retail bookstores this year. Higher operating costs, general economic uncertainty and poor consumer sentiment took

its toll on the Retail division. To accommodate the changing market needs, Times Bookstores underwent a rebranding exercise, aimed to strengthen the positioning of Times Bookstores as a family-oriented lifestyle retailer with a strong emphasis on the children's sector. A key element of this involved refreshing and refining our current merchandise mix, by providing a more consumer holistic approach to books and education retailing.

As part of our efforts to revamp Times Bookstores into a more consumer-engaging store, this year, we introduced a slew of in-store activities, including an autograph-signing session by former President SR Nathan of his book SR Nathan in Conversation, a meet-the-cast session with Ah Boys To Frogmen, performance storytelling by Julia Gabriel, as well as interactive and creative learning activities for children. All these events boosted store traffic and increased sales.

Another key element in our brand re-development was the launch of a refreshing and exciting new lifestyle concept bookstore designed to further enhance our customers' in-store shopping experience. Our new lifestyle concept bookstore at Marina Square, which opened on 3 September 2015, embodies our new position as a family-oriented, children-focused lifestyle book retailer. This caters not only to the literacy needs of our consumers but also provides an inspiring haven for family fun and bonding.

Our retail priorities for the new financial year is to strengthen our relationship with our customers and business partners, and to stimulate and inspire creative learning and development, with increased consumer engagement and interaction at all our Times Bookstores.

DISTRIBUTION

While Distribution revenue from Singapore and Hong Kong registered improvement over last year, our Malaysia Distribution revenue suffered on poor consumer sentiments and difficult market conditions following the implementation of Goods and Services Tax. Earnings were also impacted by prudent provision for stock returns, lower books and magazines sales and weaker Malaysian ringgit as the cost of importing foreign magazines became higher.

Investor Relations

The F&N Group is committed to providing the investment community with accurate and complete information in a timely and consistent way. It has consistently communicated its business strategies, growth drivers and operational direction to investors and analysts on an ongoing basis via multiple communications platforms, including press releases, annual reports and website. Such commitment is to ensure investors have easy access to information on the Group so that they can effectively evaluate the company and make informed investment decisions.

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 roadshows (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.

The Group maintained a healthy track record of generous shareholder distributions. For the financial year ended 30 September 2015, the directors have recommended a final dividend of 3.0 cents per share, which together with the interim dividend of 2.0 cents paid earlier brings total dividend for the year to 5.0 cents per share. This represents a total payout of 63%, higher than the Group's dividend policy of distributing up to 50% of the Group Attributable Profit before fair value adjustment and exceptional items (from continuing operations).

Analyst coverage:
Four brokerage houses provide research coverage on F&N

CIMB Research
CLSA Limited
DBS Vickers Securities
Daiwa Capital Markets

For general enquiries on Fraser and Neave, Limited, please contact:

Ms Jennifer Yu
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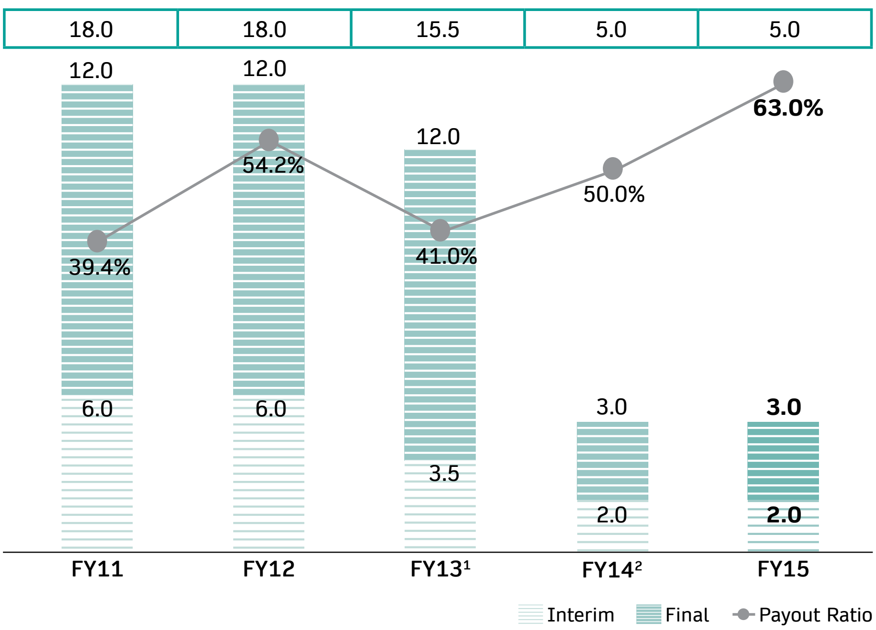
Share Registrar and Transfer Office

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

Total Dividend (Cents)



Notes:
1 Excludes capital distribution of $3.28 per share
2 Excludes capital distribution of $0.42 per share

Financial Calendar 2016

29 January	04 February	10 May	04 August	07 November
Annual General Meeting	1st Quarter Results	2nd Quarter Results; Declaration of Interim Dividend	3rd Quarter Results	Full-Year Results; Declaration of Final Dividend

Enterprise-Wide Risk Management

The objective of Enterprise-Wide Risk Management ("ERM") is to safeguard shareholders' interests and the company's assets. Fraser and Neave, Limited ("F&N" or the "Group") achieves this objective through having a sound system of risk management that encompasses all key areas of operations.

The Risk Management Committee ("RMC") was established in 2012 to assist the Board in carrying out its responsibility of overseeing the Group's risk management framework and policies.

The RMC assists the Board in determining the Group's overall risk tolerance and risk policies, providing guidance on key risks, and ensuring that management has in place an effective risk management system for the timely identification, mitigation and management of key risks that may have a material impact on the Group. In addition, the RMC also has oversight of the Group's Insurance and Business Continuity programmes.

RISK MANAGEMENT PROCESS

F&N adopts a cohesive risk management framework to manage risks in an integrated, systematic and consistent manner.

Management has the primary responsibility of identifying, controlling and minimising risks, and reporting to the Board the key risks faced by the Group. Material risks, mitigating measures, Key Risk Indicators ("KRIs") and risk ratings are reviewed by the management at least three times a year.

Specifically the Head of each business unit ("BU") is the risk owner, and is responsible for the BU's ERM programme, determining and managing the overall risk exposure of the BU, and ensuring that the risk management framework is effectively implemented.

The key risks of the various BUs are then consolidated for review at the next higher level, before they are escalated for reviews by CEOs of the Food & Beverage ("F&B") and Publishing & Printing ("P&P") business divisions, and finally to F&N RMC and F&N Board.

A risk co-ordinator is appointed in each BU to coordinate the management of the ERM programme, the updating and reporting of the risk status and risk scorecard to the Head of the BU.

Enterprise-wide risk reporting is facilitated through a web-based Corporate Risk Scorecard ("CRS") system which enables BUs within the Group to report risks and risk status using a common platform. Risks are reported and monitored via a Risk Scorecard which captures risks, mitigating measures, timelines for action items and risk ratings. Risk parameters, upon which the ratings are based, are reviewed annually.

The Group periodically reviews the identification and recording of risks, streamlines the use of Risk Scorecards and upgrades the CRS system, where appropriate.

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

At the end of each financial year, management of each business division and the Company provides assurance to the F&N Audit Committee, RMC and the Board regarding the adequacy and effectiveness of the company's risk management system and internal controls.

The assurances are disclosed on Page 73 of this report.

KEY RISKS IN FINANCIAL YEAR 2014/2015

As at 30 September 2015, the key risks of the Group have been largely mitigated. The proportion of risks that are rated as very significant risks and high risks were reduced substantially by about 40%, after taking account the mitigating measures.

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

Strategic Risks
Competition from the food and beverage players attracted to the growing Asia Pacific arena, competition from the digital media and the risks associated with mergers, acquisitions and consolidations are key challenges to F&B and P&P. The Group closely tracks these developments and reviews the effectiveness of its strategies to maintain its competitiveness.

Reputational – Food Safety Risks
Food safety risk remains as a key risk to the F&B business division. In addition to close monitoring of food safety issues worldwide, upholding the strict requirements stipulated under the various food safety standards and certifications, putting in place a robust process to mitigate the risk of food contamination, the RMC closely monitors the status of KRIs which tracked food safety risks.

Reputational – Social Media and Communications Risks
With the increasing use of social media, business divisions closely monitor this medium of communication and periodically review the response plans put in place to mitigate risks.

Country Risks – Currency and Operational Risks
The Group operates and procures raw materials internationally and is exposed to currency risks. The hedging of all committed cash flows is in accordance with the Group Treasury policy and monitored regularly. Such policy is reviewed on a regular basis, ensuring it reflects the current needs, objectives and strategy of the business.

Globally, the increase in cybercrime, heightened political tensions and threats of epidemic diseases reinforce the need for F&N to be vigilant and respond promptly to unexpected changes in the operating environment. The Group's cyber security measures are reviewed periodically to mitigate IT-related risks such as malware infection and unauthorised access.

The robustness of business continuity plans ("BCPs") are also tested and finetuned through annual call notifications, desktop and simulation exercises. The complexity and scale of the exercises are progressively stepped up in our efforts to increase awareness, preparedness and to enhance our ability to continue to operate critical business functions in times of disruptions and/or crises.

The Group recognises the importance of maintaining a consistent and cohesive ERM programme across the 11 countries where we have a presence, and continues its efforts to reinforce risk and BCP awareness throughout the Group. It continues to build on the close working relationships with local authorities and business partners to keep abreast of political, regulatory and economic developments in countries where the Group operates.

The insurance programmes are also reviewed annually to take into account the changing needs of the businesses and the operating environment to better mitigate losses in the event of a claim.

RISK CULTURE

The RMC encourages proactive and periodic benchmarking of the Group's ERM, BCP and insurance programmes against industry best practices and standards, including the ISO 22301 Business Continuity Management Systems, and takes into account recommendations from BCP consultants and insurance advisers in mitigating pandemic, epidemic and adverse climate situations, to ensure that the ERM, BCP and insurance programmes remain adequate and effective.

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

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"), are the main sources of cash flows.

Management monitors the Group's cash flow position, debt maturity profile, cost of funds, interest rates exposures and overall liquidity position on a continuous 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 a large number of banks. The Group's Medium Term Notes ("MTN") Programmes also provide F&N continued access to the debt capital markets.

In FY2015, the Group's balance sheet remained strong. It had net $708 million in cash from the disposal of Myanmar Brewery Limited, providing the Group with significant additional capital headroom. The F&B and P&P businesses will remain cash generative.

Interest cost in FY2015 was $6.3 million, 54% lower than the previous year's interest cost of $13.7 million due to lower borrowings.

Source of Funding

Besides cash flow from its businesses, the Group also relies on the debt capital markets, equity market and bilateral banking facilities for its funding. As at 30 September 2015, the Group has $0.6 billion in banking facilities and S$2.5 billion in MTN Programmes to meet its funding requirements.

Available Bank Lines as at 30 September 2015

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 DBS Bank Ltd, Oversea-Chinese Banking Corporation, Standard Chartered Bank, The Hongkong and Shanghai Banking Corporation Limited and Crédit Agricole Corporate and Investment Bank.

The Group adopts the philosophy of engaging the banks as its core business partners. It continue to receive 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 September 2015 amounted to $0.6 billion. The principal bankers of the Group provided 70% of these banking facilities. All banking relationships for the Group are maintained by Corporate Treasury in Singapore.

Debt Capital Markets

The Group has various MTN Programmes in place to tap the debt capital markets. F&N Treasury Pte Ltd has a S$2 billion MTN Programme and Fraser & Neave Holdings Bhd has a RM1.5 billion MTN Programme.

Maturity Profile of Group Debt (excludes Finance Leases)

Maturing within one year	$2.5m
Maturing between 1 and 2 years	$0.5m
Maturing between 2 and 5 years	$97.2m
Maturing after 5 years	$0.2m
	$100.4m

As at the date of this report, the Group has more than sufficient resources to repay these loans as and when they fall due without having to refinance these loans.

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, 96% of the Group's borrowings are in fixed rates with an average fixed rate tenor of 3 years as at 30 September 2015. The fixed rate borrowings consist largely of the fixed rate notes issued under Fraser & Neave Holdings Bhd's MTN Programme. The remaining 3% of the Group's borrowings are in floating rates as at 30 September 2015. 1% of borrowings are in fixed rate tenor of less than a year.

In managing the interest rate profile, the Group takes into account the interest rate outlook, expected cash flow generated from its business operations, holding period of long-term investments and any acquisition and divestments 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. It does not have any outstanding interest rate derivatives as at 30 September 2015.

Gearing And Net Interest Cover

The Group aims to keep its net gearing ratio below 80%. As at 30 September 2015, the Group has net cash of $865.1 million. Total interest incurred during the year amounted to $6.3 million. The net interest income credited to profit statement for the year was $0.2 million. The net interest cover over total interest incurred ($6.3 million) was at 21 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 September 2015 are disclosed in the financial statement in Note 37.

The Group does not hedge the foreign currency risks of its investments in overseas subsidiary, 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 subsidiary, joint venture and associated companies.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2015

Fraser and Neave, Limited ("**F&N**" or the "**Company**") and its business divisions (the "**F&N Group**" or the "**Group**") recognises the importance of strong corporate governance, and to this end, has in place sound corporate policies, business practices and internal controls to help the Company safeguard its assets and Shareholders' interests while pursuing sustainable growth and value-enhancement strategies.

F&N is listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and believes in compliance with applicable laws, rules and regulations, including the SGX-ST Listing Manual ("**Listing Manual**"), and the principles and guidelines of the Code of Corporate Governance 2012 (the "**Code**"). The Company is guided in its corporate governance practices by the principles of the Code, and continues to strive towards achieving a high standard of corporate governance and corporate transparency.

A. BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

Our Board comprises highly qualified and effective members who set the Company's values and standards (including ethical standards). The Board has oversight of the business performance and affairs of the F&N Group, and is responsible for the Group's overall entrepreneurial leadership, strategic direction, performance objectives and long-term success. The Board also reviews annual budgets, financial plans, major acquisitions and divestments, funding and investment proposals, monitors the financial performance of the Group and management's performance, and ensures compliance by the Group with relevant laws and regulations. The Board meets regularly. During Board 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.

As at 30 September 2015, the Board comprises nine Directors, all of whom are non-executive Directors (including two female directors in recognition of the importance and value of gender diversity). They are:

Mr Charoen Sirivadhanabhakdi (Chairman)
Khunying Wanna Sirivadhanabhakdi (Vice-Chairman)
Tengku Syed Badarudin Jamalullail
Mr Timothy Chia Chee Ming
Mr Koh Poh Tiong
Mrs Siripen Sitasuwan
Mr Chotiphat Bijananda
Mr Thapana Sirivadhanabhakdi
Mr Sithichai Chaikriangkrai
Mr Prapakon Thongtheppairot (Alternate Director to Mr Sithichai Chaikriangkrai)

Delegation of Authority on certain Board Matters

In order for the Board to efficiently provide strategic oversight of F&N, it delegates specific areas of responsibilities to six Board Committees namely, the Board Executive Committee, the Audit Committee, the Nominating Committee, the Remuneration Committee, the Risk Management Committee, and the Food & Beverage Committee. Each Board Committee is governed by clear terms of reference (the "**Terms of Reference**") which have been approved by the Board. Minutes of all Board Committee meetings are circulated to the Board so that Directors are aware of and kept updated as to the proceedings and matters discussed during such meetings.

The Company adopts a framework of delegated authorisations in its Manual of Authority ("**MOA**"). The MOA defines the procedures and levels of authorisation required for specified transactions. It also sets out approval limits for operating and capital expenditure as well as acquisitions and disposals of investments. The MOA also contains a schedule of matters specifically reserved to the Board for approval. These include approval of annual budgets financial plans, financial statements, business strategies and material transactions, such as major acquisitions, divestments, funding and investment proposals. 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. To address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, Directors are required to abstain from voting, on any matter in which they are interested or conflicted.

Corporate Governance
FOR THE YEAR ENDED 30 SEPTEMBER 2015

A. BOARD MATTERS (CONT'D)

Board Executive Committee ("**Board Exco**")

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 Prapakon Thongtheppairot	Member

The Board Exco assumes oversight of the business affairs of F&N, and is empowered to exercise the full powers and authority of the Board when the Board does not meet except in respect of matters that specifically require the decision of the Board or any Board Committee.

Food & Beverage ("**F&B**") Committee

The F&B Committee oversees the F&N Group's F&B business strategy. Senior management of the F&B division devises and develops strategic plans and proposals which are then presented to the F&B Committee for discussion and/or debate before they are tabled to the Board. The meetings of this Board Committee also serve as a forum for discussions on key F&B issues and matters which may impact long-term operations of the Group's F&B business divisions.

The members of the F&B Committee are:

Mr Koh Poh Tiong	Chairman
Mr Thapana Sirivadhanabhakdi	Member
Mr Sithichai Chaikriangkrai	Member
Mr Prapakon Thongtheppairot	Member

In the forthcoming financial year, with a view to facilitating closer collaboration with Thai Beverage Public Company Limited ("**ThaiBev**"), the F&B Committee will be subsumed under the auspices of the Group Steering Committee of ThaiBev.

The activities and responsibilities of the other Board Committees are described on pages 65, 68, 72 and 73 of this Annual Report.

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. For the financial year ended 30 September 2015, a total of 6 Board meetings were held.

The Directors are also given direct access to the management team of the Group's business divisions[1] 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 may also be arranged in order for Directors to have an intimate understanding of the key business operations of each division. The Company's existing 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 F&N Group comprises the following business divisions: Food & Beverage (Non-Alcoholic Beverages), Food & Beverage (Beer) and Publishing & Printing.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2015

A. BOARD MATTERS (CONT'D)

The number of Board meetings and Board Committee meetings held in the financial year ended 30 September 2015 and the attendance of Directors at these meetings are as follows:

	Board	Board Exco	Audit Committee	Risk Management Committee	Remuneration Committee	Nominating Committee[1]	F&B Committee
Meetings held for the financial year ended 30 September 2015 (for Directors as at 30 September 2015)							
Mr Charoen Sirivadhanabhakdi	6/6	-	-	-	-	-	-
Khunying Wanna Sirivadhanabhakdi	6/6	-	-	-	-	-	-
Tengku Syed Badarudin Jamalullail	6/6	-	-	-	-	Nil	-
Mr Timothy Chia Chee Ming	6/6	-	5/5	-	1/1	-	-
Mr Koh Poh Tiong	6/6	6/6	-	4/4	-	-	2/2
Mrs Siripen Sitasuwan	6/6	-	5/5	-	1/1	Nil	-
Mr Chotiphat Bijananda	5/6	-	-	-	-	-	-
Mr Thapana Sirivadhanabhakdi	6/6	5/6	-	3/4	1/1	Nil	2/2
Mr Sithichai Chaikriangkrai	6/6	6/6	5/5	4/4	-	-	2/2
Mr Prapakon Thongtheppairot (Alternate Director)	6/6	6/6	-	4/4	-	-	2/2

Note:

1 All matters during the year requiring approval of the Nominating Committee were either dealt with via circular resolutions or discussions at Board meetings.

A letter of appointment setting out, among other things, a Director's duties and obligations including their responsibilities as fiduciaries and, where appropriate, how to deal with conflicts of interest, is issued to all new Directors. A comprehensive orientation programme is also conducted to familiarise new appointees with the business activities, strategic directions, policies and corporate governance practices of the F&N Group. This programme allows new Directors to get acquainted with senior management, and also facilitates and fosters better rapport and communications with management.

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 may be in writing or disseminated by way of briefings, presentations and/or handouts. The Board has been briefed and updated on the changes to the Companies Act, Chapter 50 and the Listing Manual. 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.

Principle 2: Board Composition and Guidance

As at 30 September 2015, the F&N Board comprises nine non-executive Directors, of whom three are independent. The Company has begun reviewing its Board composition so as to work towards complying with Principle 2.2 of the Code for the financial year commencing 1 October 2016. In the interim, the three independent Directors help to uphold good corporate governance at the Board level and their presence facilitates the exercise of independent and objective 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.

Annually, a review of the size and composition of the Board is undertaken by the Nominating Committee ("**NC**") 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 is appropriate for the scope and nature of the Group's operations, and facilitates effective decision-making. In line with the Code, the NC is also of the view that the current size of the Board is not so large as to be unwieldy. In this regard, the NC also took into account the requirements of the Group's businesses and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees. No individual or group dominates the Board's decision-making process.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2015

A. BOARD MATTERS (CONT'D)

The Board proactively seeks to maintain an appropriate balance of expertise, skills and attributes among the Directors. This is also 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. 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 Directors are provided with accurate, complete and timely information and have direct and unrestricted access to management. 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 carry out their duties and discharge their oversight function more effectively.

Principle 3: Chairman and Chief Executive Officer

The Chairman 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 clear division of responsibilities. The Chairman, who is non-executive, is not related to any of the CEOs of the 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 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 Group Company Secretary, that Directors are provided with clear, complete and timely information in order to make sound, informed decisions.

The Chairman encourages active and effective engagement, participation by and contribution from all Directors, and facilitates constructive relations among and between them and management. With the full support of the Board, Group Company Secretary and management, the Chairman supports the Company in its bid to promote, attain and maintain highest standards of corporate governance and transparency. The Chairman also sees to it that there is overall effective communications 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 appropriate. The Lead Independent Director is also available to address Shareholder concerns which have not been resolved through normal channels such as the Chairman or the Chief Financial Officer of the Company.

Principle 4: Board Membership

The Nominating Committee is made up of the following Directors:

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

A majority of the members of this Board Committee, including the Chairman, are independent and non-executive Directors.

Note:
Under the Code, an "independent" Director is one who has no relationship with the Company, its related corporations, its ten percent (10%) shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the Company. Under the Code, the term "10% shareholder" refers to a person who has an interest or interests in one or more voting shares in the Company and the total votes attached to that share, or those shares, is not less than ten percent (10%) of the total votes attached to all the voting shares in the Company. "Voting shares" excludes treasury shares.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2015

A. BOARD MATTERS (CONT'D)

The NC is chaired by the Lead Independent Director and is guided by written Terms of Reference, which are approved by the Board. The Terms of Reference set out the duties and responsibilities of the NC. The NC reviews the structure, size and composition of the Board. The NC also identifies the balance of skills, knowledge and experience required for the Board to discharge its responsibilities effectively and nominates candidates to meet the needs and requirements of the Group.

Besides evaluating annually the independence of each Director (as set out in the last paragraph of this section below), the NC appraises the performance of the Board as a whole, and the contribution of each Director to the effectiveness of the Board. The NC is also required to determine whether Directors who hold multiple board representations are able to and have been devoting sufficient time to discharge their responsibilities adequately. The Code recommends that the Board should fix the maximum number of listed company board representations which any Director may hold and that this should be disclosed in the Company's annual report. Details of other directorships and other principal commitments of each of the Directors may be found on pages 16 to 21 of this Annual Report. In determining whether each Director is able to devote sufficient time to discharge his or her duties, the NC has taken cognizance of the recommendations under the Code, but is of the view that its assessment should not be restricted to the number of board representations of each Director and their other principal commitments. The contributions by each Director to and during meetings of the Board and relevant Board Committees as well as their attendance at such meetings are holistically assessed and taken into account by the NC. The NC has determined that all the Directors have devoted sufficient time and attention to the affairs of the Company and have adequately discharged their duties.

The Board currently has one Alternate Director, namely Mr Prapakon Thongtheppairot who is the Alternate Director to Mr Sithichai Chaikriangkrai. Mr Prapakon Thongtheppairot is appropriately qualified and is familiar with the affairs of the Company.

The NC reviews all nominations for appointments and re-appointments to the Board and to Board Committees, and submits its recommendations for approval by the Board, taking into account an appropriate mix of core competencies for the Board to fulfill its roles and responsibilities.

The NC takes the lead in identifying, evaluating and selecting suitable candidates for new directorships. 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 Company's existing 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.

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

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2015

A. BOARD MATTERS (CONT'D)

For the financial year ended 30 September 2015, the NC has performed a review of the independence of the Directors as at 30 September 2015 and following its assessment, has determined the status of each Director as follows:

Mr Charoen Sirivadhanabhakdi[1,2]	Non-Independent
Khunying Wanna Sirivadhanabhakdi[1,2]	Non-Independent
Tengku Syed Badarudin Jamalullail	Independent
Mr Timothy Chia Chee Ming	Independent
Mr Koh Poh Tiong[3]	Non-Independent
Mrs Siripen Sitasuwan	Independent
Mr Chotiphat Bijananda[2,4]	Non-Independent
Mr Thapana Sirivadhanabhakdi[2]	Non-Independent
Mr Sithichai Chaikriangkrai[5]	Non-Independent

Notes:

1 Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi are directly or indirectly interested in not less than ten percent (10%) of the total voting shares in the Company through their interests in TCC Assets Limited ("**TCCA**") and ThaiBev. TCCA has a direct interest of 59.41% in the Company and ThaiBev, through its indirect wholly-owned subsidiary InterBev Investment Limited, holds a 28.56% interest in the Company.

2 Mr Charoen Sirivadhanabhakdi is married to Khunying Wanna Sirivadhanabhakdi. Mr Chotiphat Bijananda is their son-in-law, and Mr Thapana Sirivadhanabhakdi is their son.

3 Mr Koh Poh Tiong is also an adviser to the Board, and has received significant compensation for provision of services other than Director's fees.

4 Mr Chotiphat Bijananda is a director of TCCA.

5 Mr Sithichai Chaikriangkrai is a Director and the Chief Financial Officer of ThaiBev.

Key Information regarding Directors

Key information on the Directors is set out on pages 16 to 21 of this Annual Report.

Principle 5: Board Performance

The Board has 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.

All Directors are required to assess the performance of the Board and the Board Committees. The assessment covers areas such as Board composition, information management, Board processes, Shareholder management, Board priorities, managing the Company's performance, effectiveness of the Board Committees, Director development and management, risk management and Director self-evaluation. Directors can also provide input on issues which do not fall under these categories, for instance, addressing specific areas where improvements can be made. Feedback and comments received from the Directors are reviewed by the NC, in consultation with the Chairman of the Board.

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.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2015

A. BOARD MATTERS (CONT'D)

Principle 6: Access to Information

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 which are presented quarterly, management accounts, financial forecasts, risk analyses, 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.

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 senior management and the Group Company Secretary.

The Group Company Secretary attends all Board meetings, ensures that Board procedures are complied with, and provides advice and guidance on corporate governance, and on legal and regulatory compliance. Under the direction of the Chairman, the Group Company Secretary facilitates and acts as a channel of communications for the smooth flow of information to and within the Board and its Board Committees, as well as between and with senior management. The Group Company Secretary also solicits and consolidates Directors' feedback and evaluation from time to time, and arranges for and facilitates orientation programmes for new Directors and assists with their professional development as required. The Group Company Secretary is the Company's primary channel of communication with SGX-ST.

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.

B. REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

Remuneration Committee (**"RC"**)

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

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

The RC's main responsibility is to assist the Board in establishing a formal and transparent process for developing policies on executive remuneration and development. Such policies are submitted to the Board and/or the Board Exco for approval. The RC also reviews remuneration packages and service terms of individual Directors and the CEOs of the Company's business divisions. When carrying out its duties, the RC reviews and makes recommendations on the remuneration framework for the Board and key management personnel, for endorsement by the Board. The RC also oversees the framework for remuneration and other terms of service for other key management of the Company.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2015

B. REMUNERATION MATTERS (CONT'D)

Periodically, the RC reviews 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 that of individual employees. It also reviews and approves the framework for salary reviews, performance bonus and incentives for key management of the Group.

The RC also periodically conducts a review of the development and succession plans for key management and the leadership pipeline for the Company. In doing so, the RC 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 2015, Carrots Consulting Pte Ltd and Hay Group Pte Ltd were appointed as remuneration consultants. The Company does not have any relationship with these consultants which would affect their independence and objectivity.

Principle 8: Level and Mix of Remuneration

In recommending the level and mix of remuneration, the RC seeks to build, motivate and retain Directors and key management. 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 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. These indicators such as core values, competencies, key result areas, performance rating, and potential of the employees (including key management) link remuneration to corporate and individual performance. Long-term incentive plans are conditional upon pre-determined performance targets being met and the long-term incentive plans serve to motivate and reward employees and align their interests to maximise long-term Shareholder value.

Long-Term Incentive Plans

The RC administers the Company's share-based remuneration incentive plans, namely, the F&N Restricted Share Plan ("**RSP**") and F&N Performance Share Plan ("**PSP**").

Through the RSP and PSP, the Company seeks to foster a greater ownership culture within the F&N 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 growth and success.

The RSP is available to a broader base of senior executives compared to the PSP. Its objectives 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 and that of the individual. The PSP applies to senior management in key positions who shoulder the responsibility of the Company's performance and who are able to drive the growth of the Company through superior performance. It serves as further motivation to key senior management in striving for excellence and delivering long-term Shareholder value.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2015

B. REMUNERATION MATTERS (CONT'D)

Under the RSP and PSP, the Company grants share-based awards ("**Base Awards**") 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 performance period for the RSP and PSP are two and three years respectively. For the RSP, the targets set are the achievement of Attributable Profit Before Exceptional Items and Return On Capital Employed. For the PSP, the pre-set targets are 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 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 performance period. 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 first grant of Base Awards was made in December 2009.

The maximum number of Company shares which can be released, when aggregated with:

(a) the total number of new Shares allotted and issued and/or to be allotted and issued, and issued Shares (including treasury shares) delivered and/or to be delivered, pursuant to awards granted under the PSP; and

(b) the total number of new Shares allotted and issued and/or to be allotted and issued, and issued Shares (including treasury shares) delivered and/or to be delivered, pursuant to awards granted under the RSP,

shall not exceed 10% of the total number of issued shares (excluding treasury shares) on the date preceding the date of the relevant Base Award. The RC currently does not intend, in any given year, to grant awards under the RSP and PSP which would comprise more than 1% 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.

Senior management participants are required to hold a minimum number of the shares released to them under the RSP and PSP to maintain a beneficial ownership stake in the Company for the duration of their employment or tenure with the Company.

Principle 9: Disclosure on Remuneration

Remuneration of Directors and Key Management Personnel

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

Directors of the Company as at 30 September 2015	Remuneration $	Director Fee %	Adviser Fee %	Allowances %	Total %
Mr Charoen Sirivadhanabhakdi	-[1]	-	-	-	-
Khunying Wanna Sirivadhanabhakdi	-[1]	-	-	-	-
Tengku Syed Badarudin Jamalullail	119,011[2]	100	-	-	100
Mr Timothy Chia Chee Ming	147,000	100	-	-	100
Mr Koh Poh Tiong	2,057,000[3]	9.8	87.3	2.9	100
Mrs Siripen Sitasuwan	174,000	100	-	-	100
Mr Chotiphat Bijananda	80,000	100	-	-	100
Mr Thapana Sirivadhanabhakdi	234,000[4]	100	-	-	100
Mr Sithichai Chaikriangkrai	180,000	100	-	-	100
Mr Prapakon Thongtheppairot (Alternate Director)	102,500[5]	100	-	-	100

Notes:

1 Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi waived payment of Directors' fees due to them.

2 Includes payment of $8,011 being a prorated portion of the basic fee of $20,000 which is due annually to the Lead Independent Director.

3 Includes payment of $1,796,000 being fees for services provided as Adviser to the Board and $60,000 being car allowance payable under his appointment as Adviser to the Board.

4 Includes payment of $37,000 being director's fees from Times Publishing Limited ("**TPL**").

5 Includes payment of $33,500 being director's fees from TPL.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2015

B. REMUNERATION MATTERS (CONT'D)

Key Management Personnel of the F&N Group as at 30 September 2015	Remuneration $	Fee %	Salary %	Bonus %	Allowances & Benefits %	Others %	Long-Term Incentive %	Total %
Dato' Ng Jui Sia[1]	1,007,720	-	67	15	8	-	10	100
Mr Anthony Cheong Fook Seng	1,077,507	-	58	27	5	-	10	100
Mr Huang Hong Peng[2]	1,132,251	-	82	0	6	-	12	100
Mr Hui Choon Kit	978,433	-	49	32	5	-	14	100
Mr Lee Meng Tat[3]	695,804	-	40	57	3	-	0	100
Mr Lim Yew Hoe[4]	1,091,154	-	38	37	25	-	0	100
Total:	5,982,869							

Notes:

1 Dato' Ng Jui Sia was appointed Adviser, Strategic Projects with effect from 1 May 2015. He was previously CEO, Non-Alcoholic Beverages until 30 April 2015.

2 Mr Huang Hong Peng was appointed CEO, Beer with effect from 1 July 2013. The cessation of his appointment was announced on 18 August 2015. Mr Prapakon Thongtheppairot was appointed CEO, Beer with effect from 19 August 2015.

3 Mr Lee Meng Tat was appointed CEO, Non-Alcoholic Beverages with effect from 1 May 2015, succeeding Dato' Ng who stepped down on 30 April 2015.

4 Mr Lim Yew Hoe was appointed CEO, Fraser & Neave Holdings Bhd ("**F&NHB**") with effect from 1 December 2014.

No termination, retirement and post-employment benefits were granted to Directors and the above mentioned key management personnel (who are not Directors or the CEO of the Company).

There are no employees within the F&N Group who are immediate family members of a Director, and whose remuneration exceeds $50,000 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 periodically 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. Save for the introduction of basic fee for the Lead Independent Director, the Board fee structure remains unchanged from that in the preceding financial year i.e. financial year ended 30 September 2014.

	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
F&B Committee[1], NC, RC and Risk Management Committee		
- Chairman	30,000	2,000
- Member	15,000	1,000

Note:

1 No fees will be payable for the F&B Committee with effect from 1 October 2015 as the Board Committee will be subsumed under the auspices of the Group Steering Committee at ThaiBev.

Shareholders' approval will be sought at the 117th AGM of the Company on 29th January 2016, for the payment of Directors' fees proposed for the financial year ending 30 September 2016 amounting to $2 million, the same amount for which approval was sought and obtained at the 116th AGM of the Company last year.

To better align with Shareholders' interests, Directors are encouraged to purchase the Company's shares from the open market and to hold the equivalent of a year's fees in such shares while they remain on the Board, subject to their compliance with applicable laws and regulations.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2015

C. ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

F&N prepares its financial statements in accordance with the Singapore Financial Reporting Standards ("**SFRS**") prescribed by the Accounting Standards Council. The Board provides Shareholders with quarterly and annual financial reports, and releases its quarterly and full-year financial results through announcements to the SGX-ST and, where appropriate, press releases and presentation packs. In communicating and disseminating its results, F&N aims to present a balanced and clear assessment of the Company's performance, position and prospects.

Management provides the Board Exco with management accounts at every meeting of this Board Committee. 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.

Principle 11: Risk Management and Internal Controls

The Company maintains a sound system of risk management and internal controls with a view to safeguarding its assets and Shareholders' interests.

The Audit Committee ("**AC**"), with the assistance of internal and external auditors, reviews and reports to the Board on the adequacy of the Company's system of controls, including financial, compliance, operational and information technology controls, established by management. In assessing the 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 F&N 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 Committee ("RMC")

The Board, through the RMC, reviews the adequacy of the Group's risk management framework to ensure that robust risk management and internal controls are in place. The Company has adopted an enterprise-wide risk management ("**ERM**") framework to enhance its risk management capabilities. 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. Apart from the ERM process, 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 RMC oversees the risk management framework and policies of the Group. It is responsible for, among other things, reviewing the Group's enterprise-wide risk management framework, processes and procedures for identifying, measuring, reporting and mitigating key risks in the Group's businesses and operations. The RMC would report material matters, findings and recommendations to the Board. Together with the AC, the RMC 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 RMC also provides guidance to management, and renders assistance to the Board for determining the nature and extent of significant risks which the Board would be willing to take in achieving the Group's strategic objectives. The meetings of the RMC are attended by the 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.

The RMC comprises the following members:

Mr Thapana Sirivadhanabhakdi	Chairman
Mr Koh Poh Tiong	Member
Mr Sithichai Chaikriangkrai	Member
Mr Prapakon Thongtheppairot	Member

Periodic updates are provided to the RMC on the Group's risk profile. 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.

Using a comfort matrix of key risks, the material financial, compliance, operational 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 management of the Company's business divisions also carry out control self-assessments in key areas of their respective businesses and operations to evaluate the adequacy and effectiveness of their risk management measures and internal controls.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2015

C. ACCOUNTABILITY AND AUDIT (CONT'D)

The Board has received assurance:

(a) from the CEOs and the CFOs or Financial Controllers ("**FCs**") of the Food & Beverage and Publishing & Printing business divisions of the Company and the CFO of the Company that the financial records of the Group have been properly maintained and the financial statements for the year ended 30 September 2015 give a true and fair view of the Group's operations and finances;

(b) from the CEOs and the CFOs or FCs of the Food & Beverage and Publishing & Printing business divisions of the Company and the CFO and Group Company Secretary of the Company that the system of internal controls in place for the Group is adequate and effective as at 30 September 2015 to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations; and

(c) from the CEOs and CFOs or FCs of the Food & Beverage and Publishing & Printing business divisions of the Company and the Group Company Secretary who oversees risk management that the risk management system in place for the Group is adequate and effective as at 30 September 2015 to address risks which the Group considers relevant and material to its operations.

Based on the system of internal controls established and maintained by the Group, work performed by internal and external auditors and reviews performed by management and various Board Committees and assurance from the CEOs and the CFOs or FCs of the Food & Beverage and Publishing & Printing business divisions of the Company and the CFO and the Group Company Secretary of the Company, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls were adequate as at 30 September 2015 to address financial, operational, compliance and information technology risks, which the Group considers relevant and material to its operations.

Based on the risk management framework established and assurance from the CEOs and the CFOs or FCs of the Food & Beverage and Publishing & Printing business divisions of the Company and the Group Company Secretary of the Company who oversees risk management, the Board is of the view that the Group's risk management system was adequate and effective as at 30 September 2015 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.

An outline of the Group's ERM framework and progress report is set out on page 59 of this Annual Report.

Principle 12: 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 and accounting practices, operational and compliance controls. Significant findings are reported to the Board.

The AC is guided by written Terms of Reference endorsed by the Board and which set out its duties and responsibilities. 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.

The AC comprises the following three members:

Mrs Siripen Sitasuwan	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 the Chairman, are independent Directors. The members of the AC are appropriately qualified. 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.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2015

C. ACCOUNTABILITY AND AUDIT (CONT'D)

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

- Reviewing quarterly and full-year financial statements and related SGX-ST 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 SFRS

- Reviewing and approving the internal and external audit plans to ensure the adequacy of the audit scope

- Recommending, for the approval of the Board, the half-year and annual financial results and related SGX-ST announcements

- Reviewing the adequacy and effectiveness of the Group's internal audit function, including the adequacy of internal audit resources and its appropriate standing within the Group

- Reviewing with internal and external auditors, the audit report and their recommendations, and monitoring the timely and proper implementation of any required corrective or improvement measures

- Reviewing and evaluating with internal and external auditors, the adequacy and effectiveness of internal control systems, including financial, operational and compliance controls

- Reviewing whistle-blowing investigations within the Group and ensuring appropriate follow-up actions, if required

The AC also meets with internal and external auditors 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 external and internal 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 on changes in accounting standards and treatment are prepared by external auditors and circulated to members of the AC periodically.

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

During the year, the AC conducted a review of the scope and results of audit by the incumbent auditors, Ernst and Young LLP and their cost effectiveness, as well as the independence and objectivity of the incumbent auditors. It also reviewed all non-audit services provided by the incumbent auditors, and the aggregate amount of audit fees paid to them. For details of fees payable to the auditors in respect of audit and non-audit services, please refer to Note 4 of the Notes to the Financial Statements on page 120. 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 the incumbent auditors.

In addition to the review of the independence and objectivity of the incumbent auditors, the AC has evaluated a proposal for the appointment of KPMG LLP as the Company's new auditors. In its evaluation, the AC reviewed, deliberated and considered factors such as the adequacy of the resources and experience of KPMG LLP, 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 as well as the size and complexity of the Group. The AC also considered that the appointment of an external auditor within the KMPG International network whose member firms are the external auditors of other listed entities within the TCC Group[1] would be consistent with the best practices of many multi-national corporations, and would be more efficient from a reporting perspective. KPMG LLP has expressed its willingness to accept the appointment. The appointment of KPMG LLP as the new auditors of the Company will be tabled for approval by Shareholders at the upcoming 117th AGM of the Company.

The Directors wish to express their appreciation for the past services rendered by Ernst & Young LLP.

The Company has complied or will comply with Rules 712 and 715 of the Listing Manual in relation to the appointment of its auditors.

Note:

1 This refers to the companies and entities which are controlled by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi. The TCC Group owns and controls a majority of the Company's shares.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2015

C. ACCOUNTABILITY AND AUDIT (CONT'D)

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 have been disseminated and made available to all employees. This Policy is also available on the Company's website. All matters which are raised are then independently investigated and appropriate actions taken. The AC ensures that independent investigations and any appropriate follow-up actions are carried out.

Principle 13: 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 Chairman of the AC and administratively, to the Group Company Secretary.

The Head of IA and most of the internal audit staff are members of the Institute of Internal Auditors, Singapore and the department has adopted and complied with the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. 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 receive 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. It adopts a risk-based audit methodology to develop its audit plans, and its activities are aligned to key risks of the F&N 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 approved internal audit plans. 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 IA Department has adequate resources and appropriate standing within the Company to perform its function effectively.

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

F&N believes in treating all Shareholders fairly and equitably. It aspires to keep all Shareholders and other stakeholders and analysts in Singapore and beyond 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.

Shareholders 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.

Principle 15: Communication with Shareholders

The Company prides itself on its high standards of disclosure and corporate transparency. F&N aims to provide 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.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2015

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES (CONT'D)

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 F&N Group's corporate developments and financial performance. During the year, the IR team, together with senior management, 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 prompt disclosure of relevant information, to enable them to have a better understanding of the Company's businesses and performance. The Company makes available all its briefing materials to analysts and the media, its financial information, its annual reports and all announcements to the SGX-ST and on its website at 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.

The Company has a policy on the payment of dividends, which is to endeavour – barring unforeseen circumstances – to pay up to fifty percent (50%) of Group Attributable Profit before fair value adjustment and exceptional items.

Principle 16: 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 existing Constitution allows all Shareholders the right to appoint up to two proxies to attend and vote on their behalf in Shareholders' meetings. A copy of each of the Annual Report and Notice of AGM are sent to all Shareholders. At general meetings, the Company sets out separate resolutions on each substantially separate issue and 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 any questions from Shareholders. The Company's external auditors are also present to address queries about the conduct of audit and the preparation and content of the auditors' 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 hands), 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 are then screened at the meeting and announced to the SGX-ST after the meeting. The Company will continue to use the electronic poll voting system at the forthcoming AGM.

Code of Business Conduct

F&N has in place a Code of Business Conduct which sets out the business practices, standards and ethical conduct expected of all employees in the course of their employment with the F&N Group. The Code of Business Conduct is disseminated and distributed to all employees for compliance, and covers such aspects of the business operations of the Group as conflicts of interest and dealings with government officials, government employees, and suppliers and customers of the Company. 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.

Listing Rule 1207 sub-Rule (19) on Dealings in Securities

In compliance with Listing Rule 1207 sub-Rule (19) of the Listing Manual, the Group issues quarterly reminders to its Directors, officers and employees on the restrictions in dealings in listed securities of the Group during the period commencing (i) two weeks prior to the announcement of financial results of each of the first three quarters of the financial year, and (ii) one month before the announcement of full-year results, and ending on the date of such announcements. Directors, officers and employees are also reminded not to trade in listed securities of the Group at any time while in possession of unpublished price sensitive information and to refrain from dealing in the Group's securities on short-term considerations.

Corporate Governance

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CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code. (b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	(a) F&N has complied in all material respects with the principles and guidelines set out in the Code. (b) Please see above.
Board Responsibility Guideline 1.5	What are the types of material transactions which require approval from the Board?	The Company has a Manual of Authority ("**MOA**") which contains a schedule of matters specifically reserved to the Board for approval. In addition to matters such as annual budgets, financial plans and business strategies, Board approval is required for material transactions, such as major acquisitions, divestments, funding and investment proposals. The MOA authorises the Board Executive Committee to approve certain transactions up to specified limits beyond which the approval of the Board needs to be obtained.
Members of the Board Guideline 2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees? (b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate. (c) What steps has the Board taken to achieve the balance and diversity necessary to maximize its effectiveness?	(a) The Board proactively seeks to maintain an appropriate balance of expertise, skills and attributes among Directors. This is reflected in the diversity of backgrounds and competencies of our Directors. (b) The current competencies of the Board range from banking, finance and accounting to relevant industry knowledge including entrepreneurial and management experience and familiarity with regulatory requirements and risk management. The Board also includes 2 female directors in recognition of the importance and value of gender diversity. The profiles of the directors can be found on pages 16 to 21 of this Annual Report ("**this Report**"). (c) The Board has delegated the Nominating Committee (the "**NC**") to annually review the size and composition of the Board with a view to maintaining an appropriate balance of expertise, skills and attributes taking into account the needs of the F&N Group (the "**Group**"). Please also refer to Guideline 4.6 below on the process for Board succession planning.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2015

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Guideline 4.6	Please describe the board nomination process for the Company in the last financial year for: (i) selecting and appointing new directors and (ii) re-electing incumbent directors.	(i) The NC takes the lead in identifying, evaluating and selecting suitable candidates, factoring in the ability of the prospective candidate to contribute to the Board, as well as taking into account the existing mix of expertise, skills and attributes of the Directors to identify needed and/or desired competencies. (ii) The NC will assess whether Directors are properly qualified for re-appointment by virtue of their skills, experience and contributions.
Guideline 1.6	(a) Are new directors given formal training? If not, please explain why. (b) What are the types of information and training provided to: (i) new directors and (ii) existing directors to keep them up-to-date?	(a) Yes. (b)(i) New Directors are given a letter of appointment setting out, among other things, a Director's duties and obligations including their responsibilities as fiduciaries and, where appropriate, how to deal with conflicts of interest, is issued to all new Directors. A comprehensive orientation programme is also conducted to familiarise new appointees with the business activities, strategic directions, policies and corporate governance practices of the F&N Group. (b)(ii) Existing 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 may be in writing or disseminated by way of briefings, presentations and/or hand outs. 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.

Corporate Governance
FOR THE YEAR ENDED 30 SEPTEMBER 2015

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Guideline 4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors?	(a) The Company has not prescribed a maximum number of listed company board representations that a Director may hold.
	(b) If a maximum number has not been determined, what are the reasons?	(b) The NC is tasked with determining whether each Director is able to adequately devote sufficient time to discharging their responsibilities to the Company. The NC has taken cognizance of the recommendations of the Code but is of the view that its assessment of a Director's ability to devote sufficient time to the discharge of his or her duties should not entail a restriction on the number of other board commitments or their other principal commitments.
	(c) What are the specific considerations in deciding on the capacity of directors?	(c) The contributions by Directors to and during meetings of the Board and relevant Board Committees as well as their attendance at such meetings are holistically assessed and taken into account by the NC.
Board Evaluation Guideline 5.1	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	(a) All Directors are required to assess the performance of the Board and the Board Committees. The assessment covers areas such as Board composition, information management, Board processes, Shareholder management, Board priorities, managing the Company's performance, effectiveness of the Board Committees, Director development and management, risk management and Director self-evaluation. Feedback and comments received from the Directors are reviewed by the NC in consultation with the Chairman of the Board.
	(b) Has the Board met its performance objectives?	(b) 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.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2015

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Independence of Directors Guideline 2.1	Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	Yes. The current F&N Board comprises nine non-executive Directors of whom three are independent. Independent directors thus comprise one-third of the Board.
Guideline 2.3	(a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship. (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	(a) No. (b) Not applicable.
Guideline 2.4	Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.	No.
Disclosure on Remuneration Guideline 9.2	Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Yes.
Guideline 9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/ bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so? (b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	(a) Yes. (b) The Company has disclosed the aggregate remuneration paid to the top six key management personnel on page 71 of their Report. The aggregate remuneration paid to the top six key management personnel is S$5,982,869.

Corporate Governance
FOR THE YEAR ENDED 30 SEPTEMBER 2015

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Guideline 9.4	Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.	No.
Guideline 9.6	(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.	(a) <u>Executive Directors</u> Not applicable as there are no executive directors on the F&N Board. <u>Key Management Personnel</u> The Remuneration Committee (the "**RC**") periodically reviews the level and mix of remuneration policies and practices of the Company. When conducting such reviews, the RC takes into account the performance of the Company and that of individual employees. 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. These indicators such as core values, competencies, key result areas, performance rating, and potential of the employees (including key management) link remuneration to corporate and individual performance. Long-term incentive plans are conditional upon pre-determined performance targets being met and the long-term incentive plans serve to motivate and reward employees and align their interests to maximise long-term Shareholder value.
	(b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?	(b) The Company subscribes to linking executive remuneration to corporate and individual performance, based on an annual appraisal of employees and using indicators such as core values, competencies, key result areas, performance rating and potential of the employees. The Company has also put in place long-term share-based incentive schemes which are based on the achievement of certain pre-determined targets.
	(c) Were all of these performance conditions met? If not, what were the reasons?	(c) Yes.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2015

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Risk Management and Internal Controls Guideline 6.1	What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	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 forecasts, risk analyses, 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. 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. On quarterly basis, financial statements are presented at Board meetings. On a quarterly basis, risk-related reports are submitted to the Risk Management Committee ("**RMC**"). The RMC, comprising selected board members assists the board in overseeing risk management for the Group.
Guideline 13.1	Does the Company have an internal audit function? If not, please explain why.	Yes.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2015

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Guideline 11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	(a) The Board's view on the adequacy and effectiveness of the Company's internal control and risk management systems is based on reviews and reports from the Audit Committee ("**AC**"). With the assistance of internal and external auditors, the AC reviews and reports on the adequacy of the Company's system of controls including financial compliance operational and information technology controls, established by management. In assessing the 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.
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	(b) Yes, assurance regarding the adequacy and effectiveness of the risk management systems has been provided by the CEOs and the CFOs or FCs of the Food & Beverage and Publishing & Printing business divisions of the Company and by the Group Company Secretary who oversees risk management.

Corporate Governance

FOR THE YEAR ENDED 30 SEPTEMBER 2015

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Guideline 12.6	(a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.	(a) As disclosed in Note 4(c) to the Notes to the Financial Statements, the fees paid / payable to external auditors for audit and non-audit services for the financial year ended 30 September 2015 are: S'$'000 **Audit fees paid / payable** - Auditor of the Company 859 - Member firms of the Auditor of the Company 841 1,700 **Non-audit fees paid / payable** - Auditor of the Company 71 - Member firms of the Auditor of the Company 235 306
	(b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.	(b) Non-audit fees amount to 18% of the total fees paid/payable to the auditor of the Company, and are not substantial.
Communication with Shareholders Guideline 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	(a) The Company, through its Investor Relations (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.
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	(b) Yes. Please refer to pages 75 and 76 of this Report.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	(c) The IR team together with senior management participates in investor seminars, conferences, one-on-one and group meetings.
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	Not applicable.

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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 2015.

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
Mr Timothy Chia Chee Ming
Mr Koh Poh Tiong
Mrs Siripen Sitasuwan
Mr Chotiphat Bijananda
Mr Thapana Sirivadhanabhakdi
Mr Sithichai Chaikriangkrai
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:

	Direct Interest		Deemed Interest	
Name of Director	**As at 1 Oct 2014**	**As at 30 Sep 2015**	**As at 1 Oct 2014**	**As at 30 Sep 2015**
Charoen Sirivadhanabhakdi				
- *Fraser and Neave, Limited*				
• Ordinary Shares	-	-	1,270,503,884 (1)	1,270,503,884 (1)
- *Frasers Centrepoint Limited*				
• Ordinary Shares	-	-	2,541,007,768 (2)(3)	2,541,007,768 (2)(3)
- *FCL Treasury Pte. Ltd.*				
• S$600,000,000 4.88% Subordinated Perpetual Securities (Series 3)	-	-	S$250,000,000 (4)	S$250,000,000
• S$700,000,000 5.00% Subordinated Perpetual Securities (Series 5)	-	-	-	S$300,000,000 (5)
- *Fraser & Neave Holdings Bhd*				
• Ordinary Shares	-	-	203,470,910 (6)	203,470,910 (6)
- *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 As at 1 Oct 2014	Direct Interest As at 30 Sep 2015	Deemed Interest As at 1 Oct 2014	Deemed Interest As at 30 Sep 2015
Khunying Wanna Sirivadhanabhakdi				
- *Fraser and Neave, Limited*				
• Ordinary Shares	-	-	1,270,503,884 (1)	1,270,503,884 (1)
- *Frasers Centrepoint Limited*				
• Ordinary Shares	-	-	2,541,007,768 (2)(3)	2,541,007,768 (2)(3)
- *FCL Treasury Pte. Ltd.*				
• S$600,000,000 4.88% Subordinated Perpetual Securities (Series 3)	-	-	S$250,000,000 (4)	S$250,000,000
• S$700,000,000 5.00% Subordinated Perpetual Securities (Series 5)	-	-	-	S$300,000,000 (5)
- *Fraser & Neave Holdings Bhd*				
• Ordinary Shares	-	-	203,470,910 (6)	203,470,910 (6)
- *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	-	-
Koh Poh Tiong				
- *Fraser and Neave, Limited*				
• Ordinary Shares	192,830	251,315	-	-
• Conditional Award of Restricted Shares (Year 2)	-	-	29,813 (7)	- (8)
- *Frasers Centrepoint Limited*				
• Ordinary Shares	385,660 (2)	385,660	-	-
- *FCL Treasury Pte Ltd*				
• S$700,000,000 5.00% Subordinated Perpetual Securities (Series 5)	-	S$250,000 (9)	-	-

(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.

Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi also jointly hold a 51% direct interest in Siriwana Company Limited, which in turn holds an approximate 45.27% direct 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.

(2) The interest arose from the completion of the distribution of the dividend *in specie* by the Company of all of the ordinary shares held by the Company in the issued share capital of Frasers Centrepoint Limited ("FCL") to the shareholders of the Company, on the basis of two ordinary shares in FCL for each share in the Company held by the shareholders of the Company and the listing of FCL on the Main Board of the Singapore Exchange Securities Trading Limited on 9 January 2014.

(3) As at 30 September 2015:

- TCCA holds 1,716,160,124 shares in FCL; and
- IBIL holds 824,847,644 shares in FCL.

Each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is therefore deemed to be interested in all of the shares in FCL in which TCCA and IBIL have an interest.

(4) TCC Prosperity Limited ("TCCP") subscribed for S$250 million in aggregate principal amount of 4.88% subordinated perpetual securities issued by FCL Treasury Pte. Ltd. (a wholly-owned subsidiary of FCL) under its S$3,000,000,000 multicurrency debt issuance programme on 24 September 2014. Each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi owns 50% of the issued share capital of TCCP, and is therefore deemed to be interested in all the perpetual securities issued by FCL Treasury Pte. Ltd. in which TCCP has an interest.

Directors' Statement

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

(5) TCCP subscribed for S$300 million in aggregate principal amount of 5.00% subordinated perpetual securities issued by FCL Treasury Pte. Ltd. (a wholly-owned subsidiary of FCL) under its S$3,000,000,000 multicurrency debt issuance programme on 9 March 2015. Each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi owns 50% of the issued share capital of TCCP, and is therefore deemed to be interested in all the perpetual securities issued by FCL Treasury Pte. Ltd. in which TCCP has an interest.

(6) The Company holds a 55.53% direct interest in Fraser & Neave Holdings Bhd.

Each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is therefore deemed to be interested in all the shares held by the Company in Fraser & Neave Holdings Bhd.

(7) The deemed interest in 29,813 shares in the Company arose from the final award of shares under the F&N Restricted Share Plan ("RSP") to be released in accordance with the RSP. Adjustments were made on 7 October 2014 following the Company's distribution to its shareholders by way of dividend *in specie* and a capital reduction undertaken by the Company during that year. As a result, Mr Koh's deemed interest in the Company increased to 58,485 shares.

(8) Shares have been released in accordance with the RSP.

(9) Mr Koh subscribed for S$250,000 in aggregate principal amount of 5.00% subordinated perpetual securities issued by FCL Treasury Pte. Ltd. (a wholly-owned subsidiary of FCL) under its S$3,000,000,000 multicurrency debt issuance programme on 9 March 2015.

(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 2015, other than as disclosed in this statement.

(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 FCL.

(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 OPTIONS AND SHARE PLANS

(a) F&N Restricted Share Plan ("RSP") and F&N Performance Share Plan ("PSP")

The Company has in place the RSP and PSP (collectively, the "Share Plans"). The Share Plans were approved by the shareholders of the Company at the Extraordinary General Meeting held on 22 January 2009. The Share Plans replaced the Fraser and Neave, Limited Executives' Share Option Scheme which had expired following the adoption of the Share Plans.

The Remuneration Committee administers the Share Plans. During the financial year, the Remuneration Committee comprised the following non-executive directors:

Mr Timothy Chia Chee Ming (Chairman)
Mrs Siripen Sitasuwan
Mr Thapana Sirivadhanabhakdi

Share Grants under RSP and PSP

Under the RSP and PSP, the Company grants a base number of conditional share awards (the "Base Award") to eligible participants annually. The Base Award represents 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. The Remuneration Committee, as the administrator of the Share Plans, has absolute discretion in granting the Base Awards.

Depending on the level of achievement of the pre-determined targets over a two-year performance period for the RSP and three-year performance period for the PSP, an achievement factor will be applied to the relevant Base Award to determine the final number of RSP shares and PSP shares to be awarded at the end of the respective performance periods (the "Final Award"). The achievement factor ranges from 0% to 150% for the RSP and 0% to 200% for the PSP.

At the end of the two-year performance period, 50% of the number of shares under the RSP Final Award will be released to the participants upon vesting. The balance will be released equally over the subsequent two years upon fulfilment of service requirements. All the shares under the PSP Final Award will be released to the participants at the end of the three-year performance period upon vesting.

Directors' Statement

4. SHARE OPTIONS AND SHARE PLANS (cont'd)

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

Share Grants under RSP and PSP (cont'd)

Senior management participants are required to hold a minimum number of shares that are released to them under the RSP and PSP for the duration of their employment or tenure with the Company.

No awards have been granted to controlling shareholders or their associates, or parent group directors or employees under the Share Plans.

No awards have been granted to directors of the Company. The awards granted to Mr Koh Poh Tiong were made during his tenure as Chief Executive Officer of the Food & Beverage Division of the Company, from 1 October 2008 through 30 September 2011.

No participant has received 5% or more of the total number of shares available/delivered pursuant to grants under the RSP and PSP.

The first grant of the RSP and PSP was made in December 2009 for Financial Year 2009/10. The details of the shares awarded under the RSP and PSP in aggregate are as follows:

(i) RSP

Shares	Grant Date	Balance as at 1.10.2014 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2015
Year 2	14.12.2010	653,295	(3,939)	-	(649,356)	-
Year 3	14.12.2011	1,043,112	(12,926)	-	(519,212)	510,974
Year 4	14.12.2012	1,736,238	(36,893)	(53,095)	(829,000)	817,250
Year 5	01.10.2014	1,070,175 @	(56,500)	-	-	1,013,675
Year 6	06.05.2015	1,064,300 #	(9,000)	-	-	1,055,300
		5,567,120 ^	(119,258)*	(53,095)	(1,997,568)	3,397,199

@ Granted in respect of financial year ended 30 September 2014.

Granted in respect of financial year ended 30 September 2015.

* Cancelled due to resignations.

^ This takes into account the adjustments made on 7 October 2014 following F&N's distribution to its shareholders by way of dividend *in specie* and a capital reduction undertaken by F&N during the financial year ended 30 September 2014.

(ii) PSP

Shares	Grant Date	Balance as at 1.10.2014 or Grant Date if later	Achievement Factor	Vested	Balance as at 30.9.2015
Year 3	14.12.2011	110,190	59,610	(169,800)	-
Year 4	14.12.2012	68,158	-	-	68,158
Year 5	01.10.2014	32,546 @	-	-	32,546
Year 6	06.05.2015	40,500 #	-	-	40,500
		251,394 ^	59,610	(169,800)	141,204

@ Granted in respect of financial year ended 30 September 2014.

Granted in respect of financial year ended 30 September 2015.

^ This takes into account the adjustments made on 7 October 2014 following F&N's distribution to its shareholders by way of dividend *in specie* and a capital reduction undertaken by F&N during the financial year ended 30 September 2014.

Directors' Statement

4. SHARE OPTIONS AND SHARE PLANS (cont'd)

(b) Share Options pursuant to the Fraser & Neave Holdings Bhd ("F&NHB") Executives' Share Option Scheme ("F&NHB 2007 Scheme")

The F&NHB 2007 Scheme was approved by the shareholders of F&NHB at its Extraordinary General Meeting held on 5 April 2007. At the end of the financial year, options to take up 131,700 unissued ordinary shares in F&NHB were outstanding under the F&NHB 2007 Scheme.

Details of the options granted to executives to subscribe for ordinary shares of RM1.00 each in F&NHB pursuant to the F&NHB 2007 Scheme are as follows:

Options	Offer Date	Balance as at 1.10.2014	Options Exercised	Balance as at 30.9.2015	Exercise Price per share/ Adjusted Exercise Price #	Exercise Period
2010	20.11.2009	25,300	(25,300)	-	RM11.34/10.47	20.08.2012 to 19.10.2014
2011	22.11.2010	725,700	(594,000)	131,700	RM14.52	22.08.2013 to 21.10.2015
		751,000	(619,300)	131,700		

The adjustments which were effective 13 December 2010 relate to F&NHB's special interim single tier dividend of RM1.10 per share.

No options were granted under the F&NHB 2007 Scheme since 2012 following the adoption of the F&NHB RSP (as defined below) and F&NHB PSP (as defined below).

The option price shall be the five-day weighted average market price of F&NHB's shares as quoted on Bursa Malaysia Securities Berhad immediately preceding the date of the offer, or the par value of the shares of F&NHB, whichever is higher.

The options may be exercised in full or in part by giving notice in writing to F&NHB in the prescribed form during the exercise period, accompanied by the remittance of the amount of the exercise price.

(c) F&NHB Restricted Share Plan ("F&NHB RSP") and F&NHB Performance Share Plan ("F&NHB PSP") (collectively, the "Share Grant Plan")

The Share Grant Plan was 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 Award") to eligible participants annually. The F&NHB Base Award represents 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 Plan, 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 Award and 0% to 200% of the initial grant of F&NHB PSP Base Award, respectively (the "F&NHB Final Award").

At the end of the two-year performance period, 50% of the F&NHB RSP shares under the F&NHB Final Award will be released to the participants upon vesting. The balance will be released equally over the subsequent two years upon fulfilment of service requirements.

All of the F&NHB PSP shares under the F&NHB Final Award will be released to the participants at the end of the three-year performance period upon vesting.

Senior management participants are required to hold a minimum number of the shares released to them under the F&NHB RSP and F&NHB PSP to maintain a beneficial ownership stake in F&NHB for the duration of their employment or tenure with F&NHB.

No awards have been granted to the directors of F&NHB.

Directors' Statement

4. SHARE OPTIONS AND SHARE PLANS (cont'd)

(c) F&NHB Restricted Share Plan ("F&NHB RSP") and F&NHB Performance Share Plan ("F&NHB PSP") (collectively, the "Share Grant Plan") (cont'd)

The first grant of the F&NHB RSP was made in March 2012. There were no grants made under the F&NHB PSP as at 30 September 2015. The details of the shares awarded under the F&NHB RSP are as follows:

Shares	Grant Date	Balance as at 1.10.2014 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2015
Year 1	15.03.2012	109,500	(850)	-	(65,425)	43,225
Year 2	07.02.2013	313,800	(4,550)	37,800	(176,300)	170,750
Year 3	12.08.2014	574,200	-	-	-	574,200
Year 4	15.01.2015	546,700	-	-	-	546,700
		1,544,200	(5,400)*	37,800	(241,725)	1,334,875

* Cancelled due to resignations.

(d) 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.

(e) 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.

5. AUDIT COMMITTEE

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act (Chapter 50 of Singapore), which include, *inter alia*, the following:

(i) reviewing quarterly and full-year financial statements of the Company and of the Group for the financial year and the independent auditor's report for the full-year prior to approval by the Board;

(ii) reviewing and approving the internal and external audit plans to ensure the adequacy of the audit scope;

(iii) reviewing the adequacy and effectiveness of the Group's internal controls;

(iv) reviewing with internal and external auditors, the audit report and their recommendations, and monitoring the timely and proper implementation of any required corrective or improvement measures;

(v) reviewing the adequacy and effectiveness of the Group's internal audit function, including the adequacy of internal audit resources and its appropriate standing within the Group;

(vi) meeting with the external and internal auditors, in each case without the presence of the Company's management to review various audit matters as well as the assistance given by the Company's management to the external and internal auditors; and

(vii) recommending to the Board regarding the appointment, re-appointment and removal of the external auditors, and reviewing and approving the remuneration and terms of engagement of the external auditors.

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

The Audit Committee has recommended to the Board of Directors the appointment of KPMG LLP as auditor of the Company in place of retiring auditor, Ernst & Young LLP, at the forthcoming Annual General Meeting.

Directors' Statement

6. AUDITOR

The retiring auditor, Ernst & Young LLP, will not be seeking re-appointment at the forthcoming Annual General Meeting. KPMG LLP has expressed its willingness to accept appointment as auditor.

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 2015 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended 30 September 2015; 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	**SITHICHAI CHAIKRIANGKRAI**
Director	Director

6 November 2015

Independent Auditor's Report

TO THE MEMBERS OF FRASER AND NEAVE, LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Fraser and Neave, Limited ("the Company") and its subsidiaries (collectively, "the Group") set out on pages 94 to 180 which comprise the balance sheets of the Group and the Company as at 30 September 2015, the statements of changes in equity of the Group and the Company and the profit statement, statement of comprehensive income and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 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 Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2015 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

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.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
6 November 2015

Profit Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Notes	THE GROUP 2015 ($'000)	2014 ($'000) (Restated)
Continuing operations			
REVENUE	3	**2,103,793**	2,093,036
Cost of sales		**(1,425,111)**	(1,434,297)
Gross profit		**678,682**	658,739
Other income (net)	4(a)	**12,749**	25,986
Operating expenses			
- Distribution		**(174,867)**	(178,783)
- Marketing		**(278,431)**	(229,319)
- Administration		**(150,962)**	(132,382)
		(604,260)	(540,484)
TRADING PROFIT		**87,171**	144,241
Share of joint venture company's loss		**(1,229)**	(351)
Share of associated companies' profit		**3,930**	2,739
Gross income from investments	6	**41,691**	22,902
PROFIT BEFORE INTEREST AND TAXATION ("PBIT")		**131,563**	169,531
Finance income		**6,479**	22,328
Finance cost		**(6,300)**	(13,690)
Net finance income	4(b)	**179**	8,638
PROFIT BEFORE FAIR VALUE ADJUSTMENT, TAXATION AND EXCEPTIONAL ITEMS		**131,742**	178,169
Fair value adjustment of investment properties		**(2,311)**	265
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS	4(c)	**129,431**	178,434
Exceptional items	7	**(27,706)**	(100,886)
PROFIT BEFORE TAXATION		**101,725**	77,548
Taxation	8	**(19,316)**	(26,563)
PROFIT FROM CONTINUING OPERATIONS AFTER TAXATION		**82,409**	50,985
Discontinued operations			
PROFIT FROM DISCONTINUED OPERATIONS, NET OF TAXATION	28(a)	**95,289**	222,317
Gain on disposal of discontinued operations	28(a)	**541,531**	-
Loss on distribution *in specie* of discontinued operations	28(a)	**-**	(17,661)
PROFIT AFTER TAXATION		**719,229**	255,641
ATTRIBUTABLE PROFIT TO:			
Shareholders of the Company			
- Before fair value adjustment and exceptional items			
Continuing operations		**63,034**	97,557
Discontinued operations		**52,409**	165,326
		115,443	262,883
- Fair value adjustment of investment properties from continuing operations		**(964)**	265
- Gain on disposal of discontinued operations		**541,531**	-
- Loss on distribution *in specie* of discontinued operations		**-**	(17,661)
- Exceptional items			
Continuing operations		**(23,394)**	(100,193)
Discontinued operations		**-**	1,798
		(23,394)	(98,395)
		632,616	147,092
Non-controlling interests			
Continuing operations		**43,733**	53,356
Discontinued operations		**42,880**	55,193
		86,613	108,549
		719,229	255,641
Earnings per share attributable to the shareholders of the Company	10		
Basic - before fair value adjustment and exceptional items [1]		**8.0 cts**	18.2 cts
- after fair value adjustment and exceptional items [2]		**43.7 cts**	10.2 cts
Fully diluted - before fair value adjustment and exceptional items [1]		**7.9 cts**	18.1 cts
- after fair value adjustment and exceptional items [2]		**43.6 cts**	10.1 cts
Earnings per share from continuing operations attributable to the shareholders of the Company	10		
Basic - before fair value adjustment and exceptional items		**4.4 cts**	6.8 cts
- after fair value adjustment and exceptional items		**2.7 cts**	(0.1) cts
Fully diluted - before fair value adjustment and exceptional items		**4.3 cts**	6.7 cts
- after fair value adjustment and exceptional items		**2.6 cts**	(0.2) cts

1 Before the gain on disposal and loss on distribution *in specie* of discontinued operations
2 After the gain on disposal and loss on distribution *in specie* of discontinued operations

The Notes on pages 102 to 180 form an integral part of the Financial Statements.

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 SEPTEMBER 2015

	THE GROUP	
	2015 ($'000)	2014 ($'000) (Restated)
Profit after taxation	**719,229**	255,641
Other comprehensive income:		
Items that may be reclassified subsequently to profit statement		
Share of other comprehensive income of associated companies	**231**	(5,014)
Realisation of reserves on disposal/liquidation of subsidiary and joint venture companies	**32,096**	(287)
Realisation of reserves on distribution *in specie* of subsidiary companies	**-**	17,661
Net fair value changes on derivative financial instruments	**-**	706
Realisation of hedging loss from derivative financial instruments	**-**	5,707
Net fair value changes on available-for-sale financial assets	**143,055**	(81,555)
Currency translation difference	**(128,450)**	(23,453)
	46,932	(86,235)
Items that will not be reclassified to profit statement		
Remeasurement of defined benefit obligations	**(1,283)**	(1,057)
Other comprehensive income for the year, net of taxation	**45,649**	(87,292)
Total comprehensive income for the year	**764,878**	168,349
Total comprehensive income attributable to:		
Shareholders of the Company		
Continuing operations	**130,370**	(79,642)
Discontinued operations	**607,023**	143,181
	737,393	63,539
Non-controlling interests	**27,485**	104,810
	764,878	168,349

Balance Sheet

AS AT 30 SEPTEMBER 2015

	Notes	THE GROUP 2015 ($'000)	THE GROUP 2014 ($'000) (Restated)	THE COMPANY 2015 ($'000)	THE COMPANY 2014 ($'000)
SHARE CAPITAL AND RESERVES					
Share capital	11	**849,301**	844,585	**849,301**	844,585
Treasury shares	11	**(5,759)**	(23)	**(5,759)**	(23)
Reserves	11	**1,424,507**	760,268	**786,756**	66,547
		2,268,049	1,604,830	**1,630,298**	911,109
NON-CONTROLLING INTERESTS		**288,028**	397,551	**-**	-
		2,556,077	2,002,381	**1,630,298**	911,109
Represented by:					
NON-CURRENT ASSETS					
Fixed assets	12	**464,388**	663,950	**-**	-
Investment properties	13	**35,018**	40,702	**-**	-
Properties held for development	14	**17,848**	21,276	**-**	-
Subsidiary companies	15	**-**	-	**961,872**	800,712
Joint venture company	16	**43,736**	49,358	**-**	-
Associated companies	17	**41,860**	49,866	**18,100**	18,100
Intangible assets	18	**78,750**	89,687	**-**	-
Brands	22	**27,481**	35,280	**212**	212
Other investments	20	**844,780**	701,613	**120,129**	100,779
Other receivables	25	**1,580**	1,295	**-**	-
Deferred tax assets	32	**18,156**	25,872	**-**	-
Bank fixed deposits	21	**3,874**	4,672	**-**	-
		1,577,471	1,683,571	**1,100,313**	919,803
CURRENT ASSETS					
Inventories	24	**253,918**	274,819	**-**	-
Trade receivables	25	**278,792**	309,187	**-**	-
Other receivables	25	**53,670**	50,437	**1,387**	855
Related parties	25	**1,742**	5,163	**-**	1
Subsidiary companies	15	**-**	-	**5,647**	8,349
Joint venture companies	16	**756**	741	**-**	-
Associated companies	17	**3,403**	5	**-**	-
Short term investments	27	**-**	1	**-**	-
Bank fixed deposits	21	**446,462**	91,003	**276,978**	266
Cash and bank balances	21	**515,243**	264,178	**261,494**	3,898
		1,553,986	995,534	**545,506**	13,369
Assets held for sale	28	**11,412**	-	**-**	-
		1,565,398	995,534	**545,506**	13,369
Deduct: CURRENT LIABILITIES					
Trade payables	29	**201,113**	198,261	**-**	-
Other payables	29	**192,845**	225,166	**10,312**	10,260
Related parties	29	**14,523**	2,888	**-**	-
Subsidiary companies	15	**-**	-	**692**	950
Associated companies	17	**1,843**	1,854	**-**	-
Borrowings	30	**2,551**	22,990	**-**	-
Provision for taxation		**31,712**	43,454	**3,138**	9,494
		444,587	494,613	**14,142**	20,704
Liabilities held for sale	28	**1,802**	-	**-**	-
		446,389	494,613	**14,142**	20,704
NET CURRENT ASSETS/(LIABILITIES)		**1,119,009**	500,921	**531,364**	(7,335)
Deduct: NON-CURRENT LIABILITIES					
Other payables	29	**3,874**	15,114	**-**	-
Related parties	29	**1,265**	1,265	**1,265**	1,265
Borrowings	30	**97,924**	118,753	**-**	-
Provision for employee benefits	31	**18,201**	19,495	**-**	-
Deferred tax liabilities	32	**19,139**	27,484	**114**	94
		140,403	182,111	**1,379**	1,359
		2,556,077	2,002,381	**1,630,298**	911,109

The Notes on pages 102 to 180 form an integral part of the Financial Statements.

Statement of Changes in Equity

		THE GROUP											
	Notes	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 2015													
Balance at 1 October 2014		844,585	(23)	8,785	290,828	(103,797)	510,386	(605)	11,322	43,347	1,604,828	397,549	2,002,377
Effects of adopting FRS 111		-	-	-	2	-	-	-	-	-	2	2	4
Balance at 1 October 2014, restated		844,585	(23)	8,785	290,830	(103,797)	510,386	(605)	11,322	43,347	1,604,830	397,551	2,002,381
Comprehensive income													
Share of other comprehensive income of associated companies		-	-	-	18	(174)	-	332	55	-	231	-	231
Realisation of reserves on disposal/liquidation of subsidiary and joint venture companies		-	-	-	-	32,096	-	-	-	-	32,096	-	32,096
Net fair value changes on available-for-sale financial assets		-	-	-	-	-	143,055	-	-	-	143,055	-	143,055
Remeasurement of defined benefit obligations		-	-	-	(1,390)	-	-	-	-	-	(1,390)	107	(1,283)
Currency translation difference		-	-	-	-	(69,215)	-	-	-	-	(69,215)	(59,235)	(128,450)
Other comprehensive income for the year		-	-	-	(1,372)	(37,293)	143,055	332	55	-	104,777	(59,128)	45,649
Profit for the year		-	-	-	632,616	-	-	-	-	-	632,616	86,613	719,229
Total comprehensive income for the year		-	-	-	631,244	(37,293)	143,055	332	55	-	737,393	27,485	764,878
Contributions by and distributions to owners													
Employee share-based expense		-	-	-	-	-	-	-	5,006	-	5,006	1,481	6,487
Issue of shares in the Company upon vesting of shares awarded	11	4,716	-	-	-	-	-	-	(4,716)	-	-	-	-
Purchase of treasury shares	11	-	(5,736)	-	-	-	-	-	-	-	(5,736)	-	(5,736)
Purchase of shares by a subsidiary company		-	-	-	(2,142)	-	-	-	-	-	(2,142)	(1,709)	(3,851)
Shares of a subsidiary company reissued pursuant to its share plans		-	-	(34)	754	-	-	-	(720)	-	-	-	-
Contribution of capital by non-controlling interests		-	-	-	-	-	-	-	-	-	-	2,870	2,870
Dividends:	9												
Dividends paid		-	-	-	(29,006)	-	-	-	-	(43,347)	(72,353)	(29,213)	(101,566)
Dividends proposed		-	-	-	(43,327)	-	-	-	-	43,327	-	-	-
Total contributions by and distributions to owners		4,716	(5,736)	(34)	(73,721)	-	-	-	(430)	(20)	(75,225)	(26,571)	(101,796)
Changes in ownership interests													
Change of interests in subsidiary companies		-	-	-	1,051	-	-	-	-	-	1,051	(1,051)	-
Disposal of a subsidiary company		-	-	-	-	-	-	-	-	-	-	(109,386)	(109,386)
Total changes in ownership interests		-	-	-	1,051	-	-	-	-	-	1,051	(110,437)	(109,386)
Total transactions with owners in their capacity as owners		4,716	(5,736)	(34)	(72,670)	-	-	-	(430)	(20)	(74,174)	(137,008)	(211,182)
Balance at 30 September 2015		849,301	(5,759)	8,751	849,404	(141,090)	653,441	(273)	10,947	43,327	2,268,049	288,028	2,556,077

Statement of Changes in Equity

THE GROUP

	Notes	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 2014													
Balance at 1 October 2013		1,441,520	(23)	3,463	6,374,386	(98,421)	592,145	(5,521)	24,129	172,982	8,504,660	373,223	8,877,883
Effects of adopting FRS 111		-	-	-	2	-	-	-	-	-	2	2	4
Balance at 1 October 2013, restated		1,441,520	(23)	3,463	6,374,388	(98,421)	592,145	(5,521)	24,129	172,982	8,504,662	373,225	8,877,887
Comprehensive income													
Share of other comprehensive income of associated companies		-	-	-	170	(4,280)	(25)	(900)	21	-	(5,014)	-	(5,014)
Realisation of reserves on distribution *in specie* of subsidiary companies		-	-	5,322	(5,322)	18,361	(179)	(521)	-	-	17,661	-	17,661
Realisation of reserves on liquidation of a subsidiary company		-	-	-	(6)	(281)	-	-	-	-	(287)	-	(287)
Net fair value changes on derivative financial instruments		-	-	-	-	-	-	630	-	-	630	76	706
Realisation of hedging loss from derivative financial instruments		-	-	-	-	-	-	5,707	-	-	5,707	-	5,707
Net fair value changes on available-for-sale financial assets		-	-	-	-	-	(81,555)	-	-	-	(81,555)	-	(81,555)
Remeasurement of defined benefit obligations		-	-	-	(1,519)	-	-	-	-	-	(1,519)	462	(1,057)
Currency translation difference		-	-	-	-	(19,176)	-	-	-	-	(19,176)	(4,277)	(23,453)
Other comprehensive income for the year		-	-	5,322	(6,677)	(5,376)	(81,759)	4,916	21	-	(83,553)	(3,739)	(87,292)
Profit for the year		-	-	-	147,092	-	-	-	-	-	147,092	108,549	255,641
Total comprehensive income for the year		-	-	5,322	140,415	(5,376)	(81,759)	4,916	21	-	63,539	104,810	168,349
Contributions by and distributions to owners													
Employee share-based expense		-	-	-	-	-	-	-	3,049	-	3,049	62	3,111
Issue of shares in the Company upon vesting of shares awarded	11	9,926	-	-	-	-	-	-	(9,926)	-	-	-	-
Capital reduction	11	(606,861)	-	-	-	-	-	-	-	-	(606,861)	-	(606,861)
Contribution of capital by non-controlling interests		-	-	-	-	-	-	-	-	-	-	7,056	7,056
Transfer of reserves due to distribution *in specie* of subsidiary companies		-	-	-	-	-	-	-	(5,951)	-	(5,951)	-	(5,951)
Dividends:	9												
Distribution *in specie*		-	-	-	(6,153,835)	-	-	-	-	-	(6,153,835)	-	(6,153,835)
Dividends paid		-	-	-	(29,304)	-	-	-	-	(172,982)	(202,286)	(54,300)	(256,586)
Dividends proposed		-	-	-	(43,347)	-	-	-	-	43,347	-	-	-
Total contributions by and distributions to owners		(596,935)	-	-	(6,226,486)	-	-	-	(12,828)	(129,635)	(6,965,884)	(47,182)	(7,013,066)
Changes in ownership interests													
Change of interests in subsidiary companies		-	-	-	2,513	-	-	-	-	-	2,513	(2,513)	-
Acquisition of subsidiary companies*		-	-	-	-	-	-	-	-	-	-	7,402	7,402
Distribution *in specie*		-	-	-	-	-	-	-	-	-	-	(38,191)	(38,191)
Total changes in ownership interests		-	-	-	2,513	-	-	-	-	-	2,513	(33,302)	(30,789)
Total transactions with owners in their capacity as owners		(596,935)	-	-	(6,223,973)	-	-	-	(12,828)	(129,635)	(6,963,371)	(80,484)	(7,043,855)
Balance at 30 September 2014		844,585	(23)	8,785	290,830	(103,797)	510,386	(605)	11,322	43,347	1,604,830	397,551	2,002,381

* In accordance with FRS 103 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.

Statement of Changes in Equity

THE COMPANY

	Notes	Share Capital ($'000)	Treasury Shares ($'000)	Capital Reserve ($'000)	Revenue Reserve ($'000)	Fair Value Adjustment Reserve ($'000)	Share-based Payment Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)
YEAR ENDED 30 SEPTEMBER 2015									
Balance at 1 October 2014		844,585	(23)	(2,814)	33,138	(15,394)	8,270	43,347	911,109
Comprehensive income									
Net fair value changes on available-for-sale financial assets		-	-	-	-	19,330	-	-	19,330
Other comprehensive income for the year		-	-	-	-	19,330	-	-	19,330
Profit for the year		-	-	-	774,799	-	-	-	774,799
Total comprehensive income for the year		-	-	-	774,799	19,330	-	-	794,129
Contributions by and distributions to owners									
Employee share-based expense		-	-	-	-	-	3,149	-	3,149
Issue of shares in the Company upon vesting of shares awarded	11	4,716	-	-	-	-	(4,716)	-	-
Purchase of treasury shares	11	-	(5,736)	-	-	-	-	-	(5,736)
Dividends:	9								
Dividends paid		-	-	-	(29,006)	-	-	(43,347)	(72,353)
Dividends proposed		-	-	-	(43,327)	-	-	43,327	-
Total transactions with owners in their capacity as owners		4,716	(5,736)	-	(72,333)	-	(1,567)	(20)	(74,940)
Balance at 30 September 2015		849,301	(5,759)	(2,814)	735,604	3,936	6,703	43,327	1,630,298
YEAR ENDED 30 SEPTEMBER 2014									
Balance at 1 October 2013		1,441,520	(23)	(2,814)	3,073,846	150	21,176	172,982	4,706,837
Comprehensive income									
Net fair value changes on available-for-sale financial assets		-	-	-	-	(15,544)	-	-	(15,544)
Other comprehensive income for the year		-	-	-	-	(15,544)	-	-	(15,544)
Loss for the year		-	-	-	(57,023)	-	-	-	(57,023)
Total comprehensive income for the year		-	-	-	(57,023)	(15,544)	-	-	(72,567)
Contributions by and distributions to owners									
Employee share-based expense		-	-	-	-	-	2,971	-	2,971
Issue of shares in the Company upon vesting of shares awarded	11	9,926	-	-	-	-	(9,926)	-	-
Capital reduction	11	(606,861)	-	-	-	-	-	-	(606,861)
Transfer of reserves due to distribution *in specie* of subsidiary companies		-	-	-	-	-	(5,951)	-	(5,951)
Dividends:	9								
Distribution *in specie*		-	-	-	(2,911,034)	-	-	-	(2,911,034)
Dividends paid		-	-	-	(29,304)	-	-	(172,982)	(202,286)
Dividends proposed		-	-	-	(43,347)	-	-	43,347	-
Total transactions with owners in their capacity as owners		(596,935)	-	-	(2,983,685)	-	(12,906)	(129,635)	(3,723,161)
Balance at 30 September 2014		844,585	(23)	(2,814)	33,138	(15,394)	8,270	43,347	911,109

The Notes on pages 102 to 180 form an integral part of the Financial Statements.

Cash Flow Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2015

	THE GROUP	
	2015 ($'000)	2014 ($'000) (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and exceptional items from continuing operations	**129,431**	178,434
Profit before taxation and exceptional items from discontinued operations	**123,526**	273,626
Profit before taxation and exceptional items	**252,957**	452,060
Adjustments for:		
Depreciation of fixed assets	**75,431**	67,759
Impairment of fixed assets, brands and intangible assets	**17,682**	2,677
Reversal of impairment of fixed assets	**(1,039)**	(865)
Impairment of other investments	**32**	30
Intangible assets written off	**-**	7
Fixed assets written off	**638**	608
Provision for employee benefits	**1,498**	2,212
Write back of provision for employee benefits	**(342)**	-
Valuation gain on interest retained in a joint venture company	**-**	(21,392)
Loss/(Gain) on disposal of fixed assets	**389**	(568)
Amortisation of brands and intangible assets	**16,445**	16,987
Interest income	**(6,479)**	(10,941)
Interest expenses	**6,300**	14,764
Share of joint venture company's loss	**1,229**	351
Share of associated companies' profit	**(3,930)**	(13,719)
Investment income	**(41,691)**	(23,027)
Profit on properties held for sale	**-**	(135,735)
Employee share-based expense	**6,935**	3,280
Fair value adjustment of financial instruments	**(2,425)**	(3,952)
Fair value adjustment of investment properties	**2,311**	(265)
Loss on disposal of financial instruments	**698**	3,478
Operating cash before working capital changes	**326,639**	353,749
Change in inventories	**(4,700)**	(24,722)
Change in receivables	**(9,792)**	(102,538)
Change in prepaid land costs	**-**	(300,205)
Change in joint venture and associated companies' balances	**(1,766)**	8,557
Change in payables	**(3,392)**	(66,083)
Progress payment received/receivable on properties held for sale	**-**	605,826
Development expenditure on properties held for development/sale	**(206)**	(208,026)
Currency realignment	**(46,033)**	(4,894)
Cash generated from operations	**260,750**	261,664
Interest income received	**6,306**	11,136
Interest expenses paid	**(6,383)**	(22,166)
Income taxes paid	**(34,230)**	(50,085)
Payment of employee benefits	**(1,603)**	(1,923)
Net cash from operating activities	**224,840**	198,626
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends from associated companies	**1,129**	15,829
Investment income	**41,691**	23,027
Proceeds from sale of fixed assets	**728**	1,578
Proceeds from sale of short term investments	**-**	101
Net cash outflow on distribution *in specie* and liquidation of subsidiary companies	**-**	(700,504)
Net cash inflow from disposal of a subsidiary company	**558,747**	-
Purchase of fixed assets and investment properties	**(56,075)**	(62,484)
Purchase of other investments	**-**	(110,024)
Net cash outflow on acquisition of subsidiary companies	**-**	(13,169)
Payment for intangible assets	**(11,768)**	(12,217)
Development expenditure on investment properties under construction	**-**	(705,772)
Investments in associated companies	**-**	(2,526)
Loan to a joint venture company	**(2,163)**	(17,001)
Repayment of loans from associated companies	**-**	8,071
Net cash from/(used in) investing activities	**532,289**	(1,575,091)

The Notes on pages 102 to 180 form an integral part of the Financial Statements.

Cash Flow Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2015

	THE GROUP 2015 ($'000)	2014 ($'000) (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans and bank borrowings	**(17,235)**	(1,067,955)
Purchase of treasury shares	**(5,736)**	-
Purchase of shares by a subsidiary company	**(3,851)**	-
Capital reduction	**-**	(606,861)
Repayment of loans by a related party	**-**	1,715,714
Proceeds from issue of shares by subsidiary companies to non-controlling interests	**2,870**	7,056
Payment of dividends:		
- by subsidiary companies to non-controlling interests	**(29,213)**	(54,300)
- by the Company to shareholders	**(72,353)**	(202,286)
Net cash used in financing activities	**(125,518)**	(208,632)
Net increase/(decrease) in cash and cash equivalents	**631,611**	(1,585,097)
Cash and cash equivalents at beginning of year	**354,326**	1,942,507
Reclassified to assets held for sale	**(101)**	-
Effects of exchange rate changes on cash and cash equivalents	**(24,800)**	(3,084)
Cash and cash equivalents at end of year	**961,036**	354,326
Cash and cash equivalents at end of year comprise:		
Cash and bank deposits (Note 21)	**961,705**	355,181
Bank overdrafts (Note 30)	**(669)**	(855)
	961,036	354,326
Analysis of acquisition, distribution *in specie* and liquidation/disposal of subsidiary companies		
Net assets acquired:		
Fixed assets	**-**	14,390
Brands	**-**	4,316
Current assets	**-**	6,354
Bank borrowings	**-**	(2,668)
Current liabilities	**-**	(3,853)
Non-current liabilities	**-**	(2,296)
Cash and cash equivalents	**-**	8,431
	-	24,674
Non-controlling interests	**-**	(7,402)
Goodwill on acquisition	**-**	4,328
Consideration paid	**-**	21,600
Less: Cash and cash equivalents of subsidiary companies acquired	**-**	(8,431)
Net cash outflow on acquisition of subsidiary companies	**-**	13,169
Net assets disposed/distributed/liquidated:		
Investment properties	**-**	(4,084,506)
Properties held for sale	**-**	(4,515,019)
Other non-current assets	**(77,659)**	(1,358,848)
Other current assets	**(60,810)**	(744,367)
Non-current liabilities	**10,867**	3,121,392
Current liabilities	**33,801**	2,089,826
Non-controlling interests	**109,386**	38,191
Cash and cash equivalents	**(149,279)**	(700,504)
	(133,694)	(6,153,835)
Realisation of reserves	**(32,801)**	(17,380)
Gain on disposal of a subsidiary company	**(541,531)**	-
Distribution *in specie* of subsidiary companies	**-**	6,153,835
Loss on distribution *in specie*/liquidation of subsidiary companies	**-**	17,380
Consideration received	**(708,026)**	-
Less: Cash of subsidiary companies disposed/distributed	**149,279**	700,504
Net cash (inflow)/outflow on disposal/distribution *in specie* and liquidation of subsidiary companies	**(558,747)**	700,504

The Notes on pages 102 to 180 form an integral part of the Financial Statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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

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 principal activities of the Group are:
(a) production and sale of beverages (includes soft drinks & beer) and dairy products; and
(b) 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.

The Company's operation is managed through a wholly-owned subsidiary company.

The financial statements of the Company and the consolidated financial statements of the Group were authorised for issue in accordance with a resolution of the Directors on 6 November 2015.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Companies Act (Chapter 50 of Singapore). 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.

On 1 October 2014, the Group and the Company adopted the following new, revised and amendments to standards that are mandatory for application from that date.

Revised FRS 27	Separate Financial Statements
Revised FRS 28	Investments in Associates and Joint Ventures
FRS 110	Consolidated Financial Statements
FRS 111	Joint Arrangements
FRS 112	Disclosures of Interests in Other Entities
Amendments to FRS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 39	Novation of Derivatives and Continuation of Hedge Accounting
Amendments to FRS 110, FRS 111 and FRS 112	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Amendments to FRS 110, FRS 112 and FRS 27	Investment Entities
Amendments to FRS 19	Defined Benefit Plans: Employee Contributions
Improvements to FRSs 2014:	
Amendment to FRS 102	Share Based Payment
Amendment to FRS 103	Business Combinations
Amendments to FRS 108	Operating Segments
Amendment to FRS 16	Property, Plant and Equipment
Amendment to FRS 24	Related Party Disclosures
Amendment to FRS 38	Intangible Assets
Amendment to FRS 113	Fair Value Measurement
Amendment to FRS 40	Investment Property

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. ACCOUNTING POLICIES (cont'd)

2.1 Basis of Preparation (cont'd)

Except for Revised FRS 28, FRS 111 and FRS 112, the adoption of the above standards had no material effect on the financial performance or position of the Group and the Company.

FRS 112 Disclosure of Interests in Other Entities

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interest in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. With the adoption of FRS 112, the Group has expanded its disclosures about its interests in subsidiary companies and non-controlling interests (see note 15), associated companies (see note 17) and joint venture companies (see note 16).

FRS 111 Joint Arrangements and Revised FRS 28 Investment in Associates and Joint Ventures

FRS 111 classifies joint arrangements either as joint operations or joint ventures. Joint operation is a joint arrangement whereby the parties have rights to the assets and obligations for the liabilities whereas joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. FRS 111 requires the determination of joint arrangement's classification to be based on the parties' rights and obligations under the arrangement, with the existence of a separate legal vehicle no longer being the key factor. FRS 111 disallows proportionate consolidation and requires joint ventures to be accounted for using the equity method. The revised FRS 28 was amended to describe the application of equity method to investments in joint ventures in addition to associates.

The change in accounting policy has been applied retrospectively. The adoption of FRS 111 resulted in the Group changing its accounting policy for its investments in joint venture companies. Upon applying FRS 111 retrospectively, the comparatives have been restated. The effects on the Group's financial statements are as follows:

	2014 ($'000)
Group Profit Statement	
(Decrease)/Increase in:	
Marketing expenses	(25)
Administration expenses	(424)
Share of joint venture company's losses	351
Taxation	98
Profit after taxation	-
Group Balance Sheet	
Increase/(Decrease) in:	
Revenue reserve	2
Non-controlling interests	2
Total equity	4
Non-current assets	
Fixed assets	(2)
Investment in joint venture company	49,358
Deferred tax assets	(211)
	49,145
Current assets	
Properties held for sale	(48,199)
Other receivables	(43)
Joint venture companies	(24,929)
Cash and bank balances	(906)
	(74,077)

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. ACCOUNTING POLICIES (cont'd)

2.1 Basis of Preparation (cont'd)

	2014 ($'000)
Current liabilities	
Related parties	(24,884)
Other payables	(52)
	(24,936)
Net current assets	(49,141)
	4
Group Cash Flow Statement	
Increase/(Decrease) in:	
Operating activities	16,657
Investing activities	(17,000)
Net change in cash and cash equivalents	(343)
Cash and cash equivalents at beginning of year	(563)
Cash and cash equivalents at end of year	(906)

2.2 Basis of Consolidation and Business Combinations

The Company's investments in subsidiary companies are stated at cost less accumulated impairment losses.

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. ACCOUNTING POLICIES (cont'd)

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

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).

Business combinations prior to 1 October 2010

Business combinations were accounted for using the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs.

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests were treated as a revaluation and recognised in equity. Any additional acquired interest did not affect previously recognised goodwill.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent measurements to the contingent consideration affected goodwill.

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, statement of changes in equity and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

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.

A list of significant subsidiary companies is shown in Note 42.

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. ACCOUNTING POLICIES (cont'd)

2.3 Joint Arrangements (cont'd)

(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 is recognised in other comprehensive income. 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 impairment losses.

A list of significant joint arrangements is shown in Note 42.

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 other comprehensive income is recognised in other comprehensive income. 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 impairment losses.

A list of significant associated companies is shown in Note 42.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. ACCOUNTING POLICIES (cont'd)

2.5 Revenue Recognition

Sale of Goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold.

Revenue from sale of goods represents the invoiced value of net sales (including excise duties and net of trade discounts).

Sale of Services

Service income is recognised upon rendering of services.

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

Income tax on the profit or loss for the year comprises current and deferred tax. Income 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 other comprehensive income.

(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.

(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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. ACCOUNTING POLICIES (cont'd)

2.7 Taxation (cont'd)

(b) Deferred tax (cont'd)

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.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- 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

- 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	- Lease term (ranging from 10 to 99 years)
Building	- Lease term (ranging from 10 to 60 years)
Plant, machinery and equipment	- 6.7% to 33%
Motor vehicle and forklift	- 10% to 20%
Postmix and vending machine	- 10% to 20%
Furniture and fitting, computer equipment and beer cooler	- 10% to 50%

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 2015

2. ACCOUNTING POLICIES (cont'd)

2.9 Investment Properties

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 are generally expensed as incurred. However, borrowing costs that are directly attributable to acquisition and construction are capitalised as part of the cost of fixed assets and development properties held for sale. Capitalisation of borrowing costs commences when activities to prepare the assets are in progress until the asset is ready for its intended use. Borrowing costs capitalised in development properties held for sale 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 goodwill and 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.

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. ACCOUNTING POLICIES (cont'd)

2.12 Intangible Assets (cont'd)

(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:

	Directories	Education	General	Reference
1st year	100%	33%	50%	33%
2nd year	-	33%	30%	27%
3rd year	-	34%	20%	20%
4th year	-	-	-	13%
5th year	-	-	-	7%

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 sum 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.

Internally generated goodwill is not capitalised.

(c) Other intangible assets comprise licenses, web-content, software, customer relationships, and publishers and distributor relationships. The licenses are amortised over a period of 10 years in accordance with their estimated economic useful lives. Customer, publisher and distributor relationships are amortised over their estimated economic useful lives of 5 and 8 years respectively.

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. ACCOUNTING POLICIES (cont'd)

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 Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

2.16 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in bank, deposits with financial institutions and bank overdrafts that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included in bank borrowings on the balance sheet.

2.17 Financial Liabilities

Financial liabilities include trade payables, other payables, payables to subsidiary, joint venture and associated companies and borrowings. 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 initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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 expires.

2.18 Employee Benefits

(a) Retirement Benefits

Provision for retirement benefits is made in accordance with:

(i) the terms of agreements concluded with various categories of employees, or

(ii) pension and retirement benefit schemes, or

(iii) defined contribution plans under statutory regulations in the country, where applicable.

Retirement Benefits in accordance with agreements

The provisions represent the present value of the amounts likely to become payable in respect of services already rendered. An independent actuarial calculation of the provision is made every three years. Internal calculation of the provision is made each intervening year on the same basis as those used for the independent actuarial calculation.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. ACCOUNTING POLICIES (cont'd)

2.18 Employee Benefits (cont'd)

(a) Retirement Benefits (cont'd)

Pension and Retirement Benefit Schemes

The cost of providing benefits under the defined benefits 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 other comprehensive income in the period when they arise.

Past service costs are recognised immediately in the profit statement.

Defined contribution plans under statutory regulations

Obligations for contributions to defined contribution plans are recognised as an expense in the profit statement as incurred.

(b) Equity Compensation Plans

Employees of the Group receive remuneration in the form of share options and 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 options or 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 options or awards on the date of grant. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable on the vesting date. It recognises the impact of the revision of original estimates, if any, in the profit statement, and a corresponding adjustment to equity over the remaining vesting period.

When the options are exercised and new ordinary shares issued, the proceeds received (net of any directly attributable transaction costs) and the corresponding share-based payment reserve is credited to share capital. For certain listed subsidiary companies which have treasury shares, the proceeds received (net of any directly attributable transaction costs) and the corresponding share option reserve is credited to the 'treasury share' account when treasury shares purchased are re-issued to the employees.

(c) 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. ACCOUNTING POLICIES (cont'd)

2.19 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 fair value through profit or loss, are reported as part of the fair value gain or loss. Currency translation differences on equity investments classified as available-for-sale financial assets, 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 average exchange rates ruling during the year;

(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 other comprehensive income under exchange reserve as a separate component of the shareholders' funds.

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 companies or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit statement.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. ACCOUNTING POLICIES (cont'd)

2.20 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.

2.21 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.

2.22 Leases

(a) As 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.

(b) As 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.

2.23 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. ACCOUNTING POLICIES (cont'd)

2.24 Financial Assets

(a) Classification

The classification of financial assets is determined at initial recognition. The Group classifies its investments in financial assets in the following categories:

(i) Financial assets at fair value through profit or loss

Derivative financial instruments whose fair value is positive are classified as financial assets at fair value through profit or loss. The accounting policy for derivative financial instruments is included in Note 2.25.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless there is intention to dispose of the assets within 12 months after the balance sheet date.

(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. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received and (b) any cumulative gain or loss recognised directly in equity is recognised in the profit statement.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

(d) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss are included in the profit statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income and accumulated under fair value adjustment reserve within equity.

When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments in the fair value adjustment reserve within equity will be released through the profit statement.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. ACCOUNTING POLICIES (cont'd)

2.24 Financial Assets (cont'd)

(e) Determination of fair value

The fair value of quoted financial assets are based on current bid prices. Unquoted investments that do not have quoted market prices in an active market nor methods of reasonably estimating the fair value, are carried at cost.

(f) Impairment

(i) Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit statement.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the profit statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversed in subsequent periods.

(iii) Available-for-sale financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the investment below its cost is considered in determining whether the investments are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the profit statement is removed from the fair value adjustment reserve within equity and recognised in the profit statement. Impairment losses recognised in the profit statement on equity investments are not reversed through the profit statement, until the equity investments are disposed of.

(g) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. ACCOUNTING POLICIES (cont'd)

2.25 Derivative Financial Instruments

The Company and the Group 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. 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, 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 2015

2. ACCOUNTING POLICIES (cont'd)

2.26 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) 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 cash-generating units 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 cash-generating unit 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.

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 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.

Investment in available-for-sale financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that any available-for-sale financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the market condition and whether there is a significant or prolonged decline in the values of these financial assets.

Where there is objective evidence of impairment for quoted available-for-sale financial assets, the difference between the cost and current fair value is recognised as impairment loss. Where there is objective evidence of impairment for unquoted available-for-sale financial assets, the recoverable value is estimated based on the amount and timing of the future cash flows. The carrying amount of the investment in available-for-sale financial assets at balance sheet date is disclosed in Note 20.

Loans and receivables

The Group assesses at each balance sheet date whether there is any objective evidence that a loan or receivable is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the loans and receivables at balance sheet date is disclosed in Note 37(g).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

2. ACCOUNTING POLICIES (cont'd)

2.26 Significant Accounting Estimates and Judgements (cont'd)

(a) Key sources of estimation uncertainty (cont'd)

(ii) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgment is involved in determining the provision for income 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 income 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.

(iii) 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.

2.27 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 FRSs. 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.

In the profit statement of the current reporting period, and of the comparative period, all income and expenses from discontinued operations are reported separately from income and expenses from continuing activities.

2.28 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 2015

2. ACCOUNTING POLICIES (cont'd)

2.29 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.

	THE GROUP	
	2015 ($'000)	2014 ($'000) (Restated)
3. REVENUE		
Sale of goods	**1,951,023**	1,930,416
Sale of services	**138,064**	148,352
Others	**14,706**	14,268
Total revenue	**2,103,793**	2,093,036
4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS		
(a) Included in other income (net):		
Valuation gain on interest retained in a joint venture company	-	21,392
Exchange gain/(loss)	**4,308**	(9,836)
Management fee income from a related party	**1,245**	8,856
(Loss)/Gain on disposal of fixed assets	**(462)**	492
Gain/(Loss) on disposal of derivatives	**13**	(547)
Fair value gain on derivatives	**2,425**	426
(b) Net finance income:		
Finance income		
Interest income from bank and other deposits	**4,434**	20,421
Others	**2,045**	1,907
	6,479	22,328
Finance expense		
Interest expense from bank and other borrowings	**(6,183)**	(13,590)
Others	**(117)**	(100)
	(6,300)	(13,690)
	179	8,638

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS (cont'd)

	THE GROUP	
	2015 ($'000)	2014 ($'000) (Restated)
(c) Profit before taxation and exceptional items have been arrived at after charging:		
Depreciation of fixed assets	**67,246**	57,729
Impairment of fixed assets	**11,140**	2,282
Impairment of other investments	**32**	30
Impairment of brands	**2,182**	-
Impairment of intangible assets	**4,360**	37
Amortisation of brands	**135**	135
Amortisation of intangible assets	**16,310**	16,724
Intangible assets written off	**-**	7
Fixed assets written off	**638**	608
Bad debts written off	**20**	3
Allowance for bad and doubtful trade debts	**2,953**	3,143
Allowance for inventory obsolescence	**10,408**	6,092
Provision for employee benefits	**1,498**	2,212
Directors of the Company:		
Fee	**645**	626
Remuneration of members of Board committees	**593**	561
Adviser fees and allowances	**1,856**	1,861
Resigned Directors of the Company:		
Fee	**-**	111
Remuneration of members of Board committees	**-**	68
Key executive officers:		
Remuneration	**6,030**	5,695
Provident Fund contribution	**89**	52
Employee share-based expense	**855**	926
Staff costs (exclude directors and key executives)	**248,872**	236,553
Defined contribution plans (exclude directors and key executives)	**23,473**	23,271
Employee share-based expense (exclude directors and key executives)	**6,080**	2,127
Auditors' remuneration:		
Auditor of the Company	**859**	709
Member firms of the Auditor of the Company	**841**	812
Other auditors	**104**	18
Professional fees paid to:		
Auditor of the Company	**71**	55
Member firms of the Auditor of the Company	**235**	28
Other auditors	**78**	1,133
and crediting:		
Write back of provision for employee benefits	**342**	-
Write back of allowance for bad and doubtful trade debts	**494**	948
Write back of allowance for inventory obsolescence	**1,191**	1,729
Reversal of impairment of fixed assets	**1,039**	865

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, Other Asean, North/South Asia and certain countries outside Asia.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

5. SEGMENT INFORMATION (cont'd)

Year ended 30 September 2015

The following table presents financial information regarding operating segments:

Operating Segment	Beverages ($'000)	Dairies ($'000)	Printing & Publishing ($'000)	Others ($'000)	Adjustment & Elimination ($'000)	Per Consolidated Financial Statements ($'000)
Revenue - external	638,595	1,123,537	340,945	716	-	2,103,793
Revenue - inter-segment	25,915	-	127	136,269	(162,311)	-
Total revenue	**664,510**	**1,123,537**	**341,072**	**136,985**	**(162,311)**	**2,103,793**
Subsidiary companies	38,171	68,800	(16,251)	38,142	-	128,862
Joint venture and associated companies	-	-	985	1,716	-	2,701
PBIT	**38,171**	**68,800**	**(15,266)**	**39,858**	-	**131,563**
Finance income						6,479
Finance cost						(6,300)
Profit before fair value adjustment, taxation and exceptional items						**131,742**
Fair value adjustment of investment properties						(2,311)
Exceptional items						(27,706)
Profit before taxation						**101,725**
Taxation						(19,316)
Profit from continuing operations after taxation						**82,409**
Profit from discontinued operations after taxation						**636,820**
Profit after taxation						**719,229**
Non-controlling interests						(86,613)
Attributable profit						**632,616**
Assets	294,976	552,842	287,534	938,186	-	2,073,538
Investments in joint venture and associated companies	-	-	18,486	67,110	-	85,596
Tax assets						18,156
Bank deposits & cash balances						965,579
Total assets						**3,142,869**
Liabilities	93,138	191,675	89,982	60,671	-	435,466
Tax liabilities						50,851
Borrowings						100,475
Total liabilities						**586,792**
Other segment information:						
Capital expenditure	19,383	13,320	16,979	1,673	16,488 *	67,843
Depreciation and amortisation	20,341	23,664	36,190	3,496	-	83,691
Impairment losses	3,187	10,405	29,970	-	-	43,562
Reversal of impairment losses	(700)	(339)	-	-	-	(1,039)
Attributable profit/(loss) from continuing operations before fair value adjustment and exceptional items	9,445	27,216	(16,877)	43,250	-	63,034
Fair value adjustment of investment properties	-	-	-	(964)	-	(964)
Exceptional items	(36)	-	(23,358)	-	-	(23,394)
Attributable profit/(loss) from continuing operations	9,409	27,216	(40,235)	42,286	-	38,676
Attributable profit from discontinued operations						593,940
Total attributable profit						632,616

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)	Other ASEAN ($'000)	North/South Asia ($'000)	Outside Asia ($'000)	Adjustment & Elimination ($'000)	Per Consolidated Financial Statements ($'000)
Total revenue	473,497	986,965	545,661	89,283	8,387	-	2,103,793
PBIT	(8,192)	75,700	69,423	(6,572)	1,204	-	131,563
Non-current assets	101,986	374,378	937,948	50,758	4,775	-	1,469,845
Investments in joint venture and associated companies	-	67,110	-	-	18,486	-	85,596
Current assets	170,863	254,388	128,406	46,766	3,270	-	603,693
Capital expenditure	15,935	24,516	4,716	6,061	127	16,488 *	67,843

Other ASEAN: Myanmar, Thailand, Vietnam and Indonesia
North/South Asia: China, Taiwan and India
Outside Asia: Australia, Europe and USA

* Adjustments relates to the sale of MBL as detailed in Note 28(a).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

5. SEGMENT INFORMATION (cont'd)

Year ended 30 September 2014 (Restated)

The following table presents financial information regarding operating segments:

Operating Segment	Beverages ($'000)	Dairies ($'000)	Printing & Publishing ($'000)	Others ($'000)	Adjustment & Elimination ($'000)	Per Consolidated Financial Statements ($'000)
Revenue - external	641,411	1,099,017	352,311	297	-	2,093,036
Revenue - inter-segment	15,381	-	195	155,032	(170,608)	-
Total revenue	**656,792**	**1,099,017**	**352,506**	**155,329**	**(170,608)**	**2,093,036**
Subsidiary companies	66,610	56,655	5,022	38,856	-	167,143
Joint venture and associated companies	-	-	458	1,930	-	2,388
PBIT	**66,610**	**56,655**	**5,480**	**40,786**	**-**	**169,531**
Finance income						22,328
Finance cost						(13,690)
Profit before fair value adjustment, taxation and exceptional items						**178,169**
Fair value adjustment of investment properties						265
Exceptional items						(100,886)
Profit before taxation						**77,548**
Taxation						(26,563)
Profit from continuing operations after taxation						**50,985**
Profit from discontinued operations after taxation						**204,656**
Profit after taxation						**255,641**
Non-controlling interests						(108,549)
Attributable profit						**147,092**
Assets	348,887	580,065	343,037	811,704	110,463 *	2,194,156
Investments in joint venture and associated companies	-	-	19,363	79,861	-	99,224
Tax assets						25,872
Bank deposits & cash balances						359,853
Total assets						**2,679,105**
Liabilities	106,580	180,689	88,700	53,240	34,834 *	464,043
Tax liabilities						70,938
Borrowings						141,743
Total liabilities						**676,724**
Other segment information:						
Capital expenditure	18,096	10,386	16,422	2,127	992,129 *	1,039,160
Depreciation and amortisation	17,854	24,270	29,379	3,085	-	74,588
Impairment losses	823	1,411	4,380	-	-	6,614
Reversal of impairment losses	(755)	(110)	-	-	-	(865)
Attributable profit from continuing operations before fair value adjustment and exceptional items	27,814	25,809	7,424	36,510	-	97,557
Fair value adjustment of investment properties	-	-	265	-	-	265
Exceptional items	-	(451)	(101,292)	1,550	-	(100,193)
Attributable profit/(loss) from continuing operations	27,814	25,358	(93,603)	38,060	-	(2,371)
Attributable profit from discontinued operations						149,463
Total attributable profit						147,092

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)	Other ASEAN ($'000)	North/South Asia ($'000)	Outside Asia ($'000)	Adjustment & Elimination ($'000)	Per Consolidated Financial Statements ($'000)
Total revenue	474,890	1,023,952	497,187	90,360	6,647	-	2,093,036
PBIT	10,586	114,207	48,314	(306)	(3,270)	-	169,531
Non-current assets	136,221	463,856	807,361	61,864	4,512	79,989 *	1,553,803
Investments in joint venture and associated companies	-	79,861	-	-	19,363	-	99,224
Current assets	172,414	279,592	102,403	51,400	4,070	30,474 *	640,353
Capital expenditure	13,499	24,889	3,851	4,772	20	992,129 *	1,039,160

Other ASEAN: Myanmar, Thailand, Vietnam and Indonesia
North/South Asia: China, Taiwan and India
Outside Asia: Australia,Europe and USA

* Adjustments relates to sale of MBL and distribution *in specie* of Frasers Centrepoint Limited as detailed in Note 28(a).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

	THE GROUP	
	2015 ($'000)	2014 ($'000) (Restated)

6. GROSS INCOME FROM INVESTMENTS

Interest income	**255**	255
Dividend income	**41,436**	22,647
	41,691	22,902

7. EXCEPTIONAL ITEMS

Gain on liquidation/disposal of subsidiary and joint venture companies	**161**	281
Impairment loss on fixed assets relating to restructuring of operations	**(25,761)**	-
(Provision)/Write back for restructuring and re-organisation cost of operations	**(2,019)**	652
Impairment loss on fixed assets relating to flood	**(87)**	-
Provision for impairment in value of an associated company	**-**	(96,395)
Corporate and debt restructuring expenses	**-**	(3,855)
Others	**-**	(1,569)
	(27,706)	(100,886)

8. TAXATION

Based on profit for the year:		
Singapore tax	**6,710**	15,901
Overseas tax		
- current year	**16,728**	16,434
- withholding tax	**3,620**	3,078
Deferred tax		
- current year	**(2,875)**	7,262
- adjustment of tax rate	**216**	-
	24,399	42,675
(Over)/Under provision in preceding years		
- current income tax	**(4,430)**	(7,973)
- withholding tax	**(1,337)**	(2,220)
- deferred tax	**684**	(5,919)
Income tax attributable to continuing operations	**19,316**	26,563
Income tax attributable to discontinued operations (Note 28(a))	**28,237**	53,712
	47,553	80,275

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

8. TAXATION (cont'd)

	THE GROUP	
	2015 %	2014 % (Restated)
A reconciliation of the statutory tax rate to the Group's effective tax rate which includes the tax effect of the capital gain tax applicable to profit for the year is as follows:		
Singapore statutory rate	**17.0**	17.0
Effect of different tax rates of other countries	**4.7**	8.0
Effect of tax losses of subsidiary and joint venture companies not available for set-off against profits of other companies within the group	**-**	0.2
Income not subject to tax (tax incentive/exemption)	**(8.7)**	(4.5)
Expenses not deductible for tax purposes	**1.7**	10.3
Utilisation of previously unrecognised tax losses in determining taxable profit	**(0.2)**	(4.8)
Over provision in prior years	**(0.9)**	(6.1)
Deferred tax benefits not recognised	**0.8**	1.7
Withholding tax	**0.4**	1.2
Other reconciliation items	**(0.1)**	0.9
	14.7	23.9

A reconciliation of the statutory tax rate to the Group's effective tax rate applicable to profit from continuing operations for the year is as follows:

	2015 %	2014 %
Singapore statutory rate	**17.0**	17.0
Effect of different tax rates of other countries	**4.5**	10.4
Effect of tax losses of subsidiary and joint venture companies not available for set-off against profits of other companies within the group	**0.2**	0.2
Income not subject to tax (tax incentive/exemption)	**(18.9)**	(21.4)
Expenses not deductible for tax purposes	**13.7**	40.8
Utilisation of previously unrecognised tax losses in determining taxable profit	**(1.4)**	(2.4)
Over provision in prior years	**(5.0)**	(20.8)
Adjustment due to change in tax rate	**0.2**	-
Deferred tax benefits not recognised	**6.4**	5.6
Withholding tax	**3.6**	4.0
Other reconciliation items	**(1.3)**	0.9
	19.0	34.3

As at 30 September 2015, certain Singapore subsidiary companies have unutilised tax losses carried forward of approximately $23,902,000 (2014: $23,902,000) and unabsorbed capital allowances of $276,000 (2014: $276,000) available for set off against future profits. In addition, certain overseas subsidiary companies have unutilised tax losses carried forward of approximately $119,066,000 (2014: $65,600,000), unutilised investment allowances of approximately $112,346,000 (2014: $150,677,000) and unabsorbed capital allowances of $14,760,000 (2014: $15,980,000). 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 32.

For the year of assessment ("YA") 2015 certain subsidiary companies have transferred loss items of $3,721,000 (YA 2014: $6,657,000) to offset against the taxable income of other companies in the Group. Tax benefits of $40,000 (YA 2014: $Nil) were recognised on the tax losses utilised under the group relief system. Tax benefits of $2,091,000 (2014: $2,075,000) 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

9. DIVIDENDS

	THE GROUP & THE COMPANY	
	2015 ($'000)	2014 ($'000)
Interim paid of 2.0 cents per share (2014: 2.0 cents per share)	**29,006**	29,304
Final proposed of 3.0 cents per share (2014: 3.0 cents per share)	**43,327**	43,347
	72,333	72,651

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.

On 8 January 2014, the Company announced the completion of the proposed demerger of its property business by effecting a distribution *in specie* of all the ordinary shares in the issued share capital of Frasers Centrepoint Limited (as disclosed in Note 28(a)). This resulted in a distribution of $6,154,000,000 and $2,911,000,000 of the Group and Company's reserves to shareholders.

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					
	Continuing Operations		Discontinued Operations		Total	
	2015 ($'000)	2014 ($'000)	**2015 ($'000)**	2014 ($'000)	**2015 ($'000)**	2014 ($'000)
		(Restated)		(Restated)		
Group attributable profit/(loss) to shareholders of the Company						
- before fair value adjustment and exceptional items [1]	**63,034**	97,557	**52,409**	165,326	**115,443**	262,883
- after fair value adjustment and exceptional items [2]	**38,676**	(2,371)	**593,940**	149,463	**632,616**	147,092
	-- No. of shares --					
Weighted average number of ordinary shares in issue	**1,446,296,429**	1,444,624,049	**1,446,296,429**	1,444,624,049	**1,446,296,429**	1,444,624,049
Earnings Per Share (Basic)						
- before fair value adjustment and exceptional items [1]	**4.4 cts**	6.8 cts	**3.6 cts**	11.4 cts	**8.0 cts**	18.2 cts
- after fair value adjustmen and exceptional items [2]	**2.7 cts**	(0.1) cts	**41.0 cts**	10.3 cts	**43.7 cts**	10.2 cts

[1] Before the gain on disposal and loss on distribution *in specie* of discontinued operations

[2] After the gain on disposal and loss on distribution *in specie* of discontinued operations

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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 exercise of all dilutive share options and potential dilutive 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					
	Continuing Operations		Discontinued Operations		Total	
	2015 ($'000)	2014 ($'000) (Restated)	**2015 ($'000)**	2014 ($'000) (Restated)	**2015 ($'000)**	2014 ($'000)
Group attributable profit to shareholders of the Company before fair value adjustment and exceptional items [1]	**63,034**	97,557	**52,409**	165,326	**115,443**	262,883
Change in attributable profit due to dilutive share options and potential dilutive shares under share plans of a subsidiary company	**(208)**	(174)	**-**	-	**(208)**	(174)
Group adjusted attributable profit to shareholders of the Company before fair value adjustment and exceptional items [1]	**62,826**	97,383	**52,409**	165,326	**115,235**	262,709
Group attributable profit/(loss) to shareholders of the Company after fair value adjustment and exceptional items [2]	**38,676**	(2,371)	**593,940**	149,463	**632,616**	147,092
Change in attributable profit due to dilutive share options and potential dilutive shares under share plans of a subsidiary company	**(205)**	(171)	**-**	-	**(205)**	(171)
Group adjusted attributable profit/(loss) to shareholders of the Company after fair value adjustment and exceptional items [2]	**38,471**	(2,542)	**593,940**	149,463	**632,411**	146,921

1 Before the gain on disposal and loss on distribution *in specie* of discontinued operations
2 After the gain on disposal and loss on distribution *in specie* of discontinued operations

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

10. EARNINGS PER SHARE (cont'd)

(b) Diluted Earnings Per Share (cont'd)

The weighted average number of ordinary shares is adjusted to assume exercise of all potential dilutive 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:

	THE GROUP					
	Continuing Operations		Discontinued Operations		Total	
	2015	2014 (Restated)	**2015**	2014 (Restated)	**2015**	2014
	-- No. of shares --					
Weighted average number of ordinary shares used to compute basic earnings per share	**1,446,296,429**	1,444,624,049	**1,446,296,429**	1,444,624,049	**1,446,296,429**	1,444,624,049
Adjustment for potential dilutive shares under share plans of the Company	**3,538,403**	4,713,714	**3,538,403**	4,713,714	**3,538,403**	4,713,714
Weighted average number of ordinary shares used to compute diluted earnings per share	**1,449,834,832**	1,449,337,763	**1,449,834,832**	1,449,337,763	**1,449,834,832**	1,449,337,763
Earnings Per Share (Fully diluted)						
- before fair value adjustment and exceptional items [1]	**4.3 cts**	6.7 cts	**3.6 cts**	11.4 cts	**7.9 cts**	18.1 cts
- after fair value adjustment and exceptional items [2]	**2.6 cts**	(0.2) cts	**41.0 cts**	10.3 cts	**43.6 cts**	10.1 cts

1 Before the gain on disposal and loss on distribution *in specie* of discontinued operations
2 After the gain on disposal and loss on distribution *in specie* of discontinued operations

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

11. SHARE CAPITAL, TREASURY SHARES AND RESERVES

(a) Share capital

	THE GROUP & THE COMPANY			
	2015		2014	
	No. of shares	**($'000)**	No. of shares	($'000)
Ordinary shares issued and fully paid up				
Balance at beginning of year	**1,444,910,386**	**844,585**	1,441,523,536	1,441,520
Issued during the year				
- pursuant to the vesting of shares awarded under Share Plans	**2,167,368**	**4,716**	3,386,850	9,926
Capital reduction				
- cash payment	**-**	**-**	-	(606,861)
Balance at end of year	**1,447,077,754**	**849,301**	1,444,910,386	844,585

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.

On 3 April 2014, the Company distributed $607 million to the shareholders through a capital reduction of $0.42 in cash for each ordinary share in the capital of the Company.

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

(b) Treasury shares

	THE GROUP & THE COMPANY			
	2015		2014	
	No. of shares	**($'000)**	No. of shares	($'000)
Balance at beginning of year	**(4,100)**	**(23)**	(4,100)	(23)
Purchased during the year	**(2,824,600)**	**(5,736)**	-	-
Balance at end of year	**(2,828,700)**	**(5,759)**	(4,100)	(23)

Treasury shares relate to ordinary shares of the Company that is held by the Company.

The Company acquired 2,824,600 shares (2014: Nil shares) in the Company through purchases on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was $5,736,000 (2014: $Nil) and this was presented as a component within shareholders' equity.

The Company did not reissue any treasury shares pursuant to its share plans in this financial year (2014: Nil shares).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

11. SHARE CAPITAL, TREASURY SHARES AND RESERVES (cont'd)

(c) Reserves

	THE GROUP		THE COMPANY	
	2015 ($'000)	2014 ($'000) (Restated)	**2015 ($'000)**	2014 ($'000)
The reserves comprise the following:				
Capital Reserve	**8,751**	8,785	**(2,814)**	(2,814)
Fair Value Adjustment Reserve	**653,441**	510,386	**3,936**	(15,394)
Hedging Reserve	**(273)**	(605)	**-**	-
Share-based Payment Reserve	**10,947**	11,322	**6,703**	8,270
Revenue Reserve	**849,404**	290,830	**735,604**	33,138
Dividend Reserve (Note 9)	**43,327**	43,347	**43,327**	43,347
Exchange Reserve	**(141,090)**	(103,797)	**-**	-
Total reserves	**1,424,507**	760,268	**786,756**	66,547

Capital reserve of the Company comprises the loss on reissuance of treasury shares. The capital reserve of the Group comprises statutory reserve, asset revaluation reserve of subsidiary companies and the loss on reissuance of treasury shares.

Fair value adjustment reserve comprises the cumulative fair value changes, net of tax, of available-for-sale financial assets 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.

Movement of hedging instruments designated as cash flow hedges are as follows:

	THE GROUP	
	2015 ($'000)	2014 ($'000)
Balance at beginning of year	**(605)**	(5,521)
Fair value gains during the year	**-**	630
Share of associated company's hedging reserve	**332**	(900)
Realisation of reserves on distribution *in specie* of subsidiary companies	**-**	(521)
Reclassification adjustments for losses included in the statement of comprehensive income	**-**	5,707
Balance at end of year	**(273)**	(605)

Share-based payment reserve represents the equity-settled options and 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 equity-settled share options and share plans, and is reduced by the expiry or exercise of the share options and shares awarded.

Dividend reserve relates to proposed final dividend of 3.0 cents (2014: 3.0 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 2015

12. FIXED ASSETS

	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 2015							
At cost							
Balance at beginning of year	45,972	43,218	313,550	661,789	29,928	266,901	1,361,358
Effects of adopting FRS 111	-	-	-	-	-	(2)	(2)
Balance at beginning of year, restated	45,972	43,218	313,550	661,789	29,928	266,899	1,361,356
Currency realignment	(5,265)	(2,929)	(23,382)	(48,245)	(4,077)	(26,251)	(110,149)
Additions	-	-	179	8,557	24,213	23,126	56,075
Disposal of subsidiary companies	-	(1,874)	(11,123)	(78,582)	(14,563)	(40,999)	(147,141)
Disposals	-	-	(18)	(2,515)	-	(13,753)	(16,286)
Write off for the year	-	-	(36)	(768)	-	(4,462)	(5,266)
Reclassification	-	-	304	23,235	(23,707)	168	-
Reclassified to intangible assets	-	-	-	-	(604)	-	(604)
Reclassified to assets held for sale	-	-	(3,794)	(7,954)	-	(268)	(12,016)
Balance at end of year	40,707	38,415	275,680	555,517	11,190	204,460	1,125,969
Accumulated depreciation and impairment							
Balance at beginning of year	907	11,956	85,464	420,727	-	178,352	697,406
Currency realignment	(147)	(715)	(4,152)	(29,682)	-	(17,599)	(52,295)
Depreciation charge for the year							
- Continuing operations	-	706	7,025	43,977	-	15,538	67,246
- Discontinued operations	-	-	-	-	-	8,185	8,185
Impairment charge for the year	-	317	3,033	31,739	-	1,899	36,988
Impairment reversal for the year	-	-	-	(205)	-	(834)	(1,039)
Disposal of subsidiary companies	-	(1,229)	(5,855)	(37,689)	-	(24,746)	(69,519)
Disposals	-	-	(8)	(2,402)	-	(12,787)	(15,197)
Write off for the year	-	-	(7)	(764)	-	(3,857)	(4,628)
Reclassification	-	-	(13)	1	-	12	-
Reclassified to assets held for sale	-	-	(1,068)	(4,275)	-	(223)	(5,566)
Balance at end of year	760	11,035	84,419	421,427	-	143,940	661,581
Net book value at end of year	39,947	27,380	191,261	134,090	11,190	60,520	464,388

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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 2014 (Restated)							
At cost							
Balance at beginning of year	45,781	39,811	305,259	651,222	13,950	340,138	1,396,161
Effects of adopting FRS 111	-	-	-	-	-	(1)	(1)
Balance at beginning of year, restated	45,781	39,811	305,259	651,222	13,950	340,137	1,396,160
Currency realignment	191	305	511	1,081	(84)	376	2,380
Additions	-	-	675	8,052	23,536	29,277	61,540
Acquisition of subsidiary companies*	-	3,102	7,120	3,198	-	970	14,390
Disposals	-	-	(80)	(8,063)	-	(10,396)	(18,539)
Write off for the year	-	-	-	(196)	-	(4,029)	(4,225)
Reclassification	-	-	65	6,495	(5,632)	(928)	-
Reclassified to intangible assets	-	-	-	-	(1,842)	(15,984)	(17,826)
Reclassified to properties held for sale	-	-	-	-	-	(65)	(65)
Distribution *in specie* of subsidiary companies	-	-	-	-	-	(72,459)	(72,459)
Balance at end of year	45,972	43,218	313,550	661,789	29,928	266,899	1,361,356
Accumulated depreciation and impairment							
Balance at beginning of year	897	11,232	78,942	392,625	-	213,356	697,052
Currency realignment	10	50	129	996	-	354	1,539
Depreciation charge for the year							
- Continuing operations	-	601	5,850	31,469	-	19,809	57,729
- Discontinued operations	-	73	560	2,920	-	6,477	10,030
Impairment charge for the year							
- Continuing operations	-	-	-	280	-	2,002	2,282
- Discontinued operations	-	-	-	358	-	-	358
Impairment reversal for the year	-	-	-	(102)	-	(763)	(865)
Disposals	-	-	(17)	(7,685)	-	(9,811)	(17,513)
Write off for the year	-	-	-	(134)	-	(3,444)	(3,578)
Reclassified to intangible assets	-	-	-	-	-	(7,754)	(7,754)
Distribution *in specie* of subsidiary companies	-	-	-	-	-	(41,874)	(41,874)
Balance at end of year	907	11,956	85,464	420,727	-	178,352	697,406
Net book value at end of year	45,065	31,262	228,086	241,062	29,928	88,547	663,950

(a) Other assets comprise motor vehicles, postmix and vending machines, beer coolers, fixture and fittings and computer equipment.

(b) The carrying amount of assets held under finance leases at 30 September 2015 amounted to $18,000 (2014: $50,000).

(c) The net book value of fixed assets pledged to financial institutions as security for borrowings are as follows:

	2015 ($'000)	2014 ($'000)
Leasehold Land	**-**	2,655
Building	**237**	6,874
Plant and machinery	**1,516**	6,429

* In accordance with FRS 103 Business Combinations, the management has assessed the fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisitiion. 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 2015

12. FIXED ASSETS (cont'd)

(d) During the financial year, the Group's subsidiary company, Times Publishing Group ("TPL"), carried out a review of the recoverable amount of its plant and machinery. An impairment loss of $25,761,000 (2014: $Nil), representing the write-down of these equipment to the recoverable amount was recognized in "Exceptional Items" as disclosed in Note 7. The recoverable amount of the printing equipment was determined based on its fair value less cost to sell.

(e) During the financial year, TPL conducted a technological review on its plant and machinery. The estimated useful lives of some machinery have been revised from 15 to 10 years. The revision in estimate has been applied on a prospective basis from 1 July 2015.

The effects of the revision on depreciation expense in current and future periods are as follows:

	THE GROUP		
	2015 ($'000)	2016 ($'000)	Later ($'000)
Increase/(Decrease) in depreciation expense	**7,484**	(1,259)	(6,225)

13. INVESTMENT PROPERTIES

		THE GROUP	
		2015 ($'000)	2014 ($'000)
(a)	**Completed Investment Properties**		
	Balance at beginning of year	**40,702**	2,911,454
	Currency realignment	**(3,373)**	4,136
	Additions	**-**	944
	Distribution *in specie* of subsidiary companies	**-**	(2,876,097)
	Net fair value (loss)/gain recognised in the profit statement	**(2,311)**	265
	Balance at end of year	**35,018**	40,702
(b)	**Investment Properties under Construction**		
	Balance at beginning of year	**-**	243,950
	Additions	**-**	964,459
	Distribution *in specie* of subsidiary companies	**-**	(1,208,409)
	Balance at end of year	**-**	-
	Total Investment Properties	**35,018**	40,702

(c) Completed investment properties comprise commercial properties that are leased mainly to third parties under operating leases (Note 34).

The following amounts are recognised in the income statement:

	2015	2014
Rental income from investment properties:		
- Minimum lease payments	**1,207**	60,150
- Contingent rent based on tenants' turnover	**422**	497
Direct operating expenses arising from rental generating properties	**204**	22,360

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

13. INVESTMENT PROPERTIES (cont'd)

(c) Independent professional valuations were carried out by the following valuers:

Valuers	**Country**
CBRE Pte Ltd	Singapore
Roma Appraisals Ltd	Hong Kong
Henry Butcher Malaysia Sdn Bhd	Malaysia

(d) Investment properties under construction are stated at fair value which has been determined based on valuations performed as 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 valuation is prepared on an ungeared basis. The fair value of investment properties under construction is determined using a combination of Market Comparison and Discounted Cash Flow Analysis and Investment, Comparable Sales and Residual Land Value Methods. In arriving at their estimates of market value, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

14. PROPERTIES HELD FOR DEVELOPMENT

	THE GROUP	
	2015 ($'000)	2014 ($'000)
Balance at beginning of year	**21,276**	20,984
Currency realignment	**(3,634)**	239
Cost incurred during the year	**206**	53
Balance at end of year	**17,848**	21,276
Properties held for development comprise:		
Freehold land	**16,070**	19,380
Development costs	**1,778**	1,896
	17,848	21,276

15. SUBSIDIARY COMPANIES

	THE COMPANY	
	2015 ($'000)	2014 ($'000)
Quoted shares at cost	**256,353**	256,353
Unquoted shares at cost	**849,602**	866,915
Allowance for impairment	**(199,165)**	(199,165)
	906,790	924,103
Amounts owing by subsidiary companies (unsecured)	**150,179**	47
Amounts owing to subsidiary companies (unsecured)	**(95,097)**	(123,438)
	961,872	800,712
MARKET VALUE		
Quoted shares	**1,201,951**	1,345,007

The amounts owing by subsidiary companies are due on loan account, not repayable within the next 12 months and are interest free except for amounts of $150,044,000 (2014: $Nil) which bear interest at an average rate of 1.57% (2014: Nil%) per annum.

The amounts owing from and to subsidiary companies disclosed under current assets and current liabilities are unsecured, non-trade in nature, interest free, no fixed repayment term and to be settled in cash.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

15. SUBSIDIARY COMPANIES (cont'd)

The carrying amounts of the amounts owing from and to subsidiary companies are largely denominated in Singapore Dollar, Malaysia Ringgit and Thai Baht.

During the financial year, an impairment loss of $Nil (2014: $172,518,000) was recognised by the Company on the cost of investment of a subsidiary company to bring its carrying value to its recoverable value.

Details of significant subsidiary companies are included in Note 42.

(a) Acquisition of subsidiary companies

Soft Drinks

On 27 August 2014, the Group through Magnolia-PDL Dairies (1993) Sdn Bhd, a wholly-owned subsidiary company, completed the acquisition of 70% shareholding interest in Yoke Food Industries Group ("YFI Group"). Upon acquisition, YFI Group became a subsidiary company of the Group. A provisional goodwill of $7,734,000 was recognised on the acquisition based on the difference between the consideration and the provisional 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 provisional goodwill arising from the acquisition is attributable to the brands, earnings and overseas growth potential of YFI Group.

In accordance with FRS 103 Business Combinations, the fair value of the identifiable assets and liabilities was determined provisionally for the acquisition of YFI Group as of 30 September 2014. Additional information was obtained as part of the process of finalising the PPA during the 12 months period allowed under FRS 103 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 2014 ($'000)	Adjustment ($'000)	Revised as at 30 September 2014 ($'000)
Fixed assets	11,510	2,880	14,390
Brands	-	4,316	4,316
Current assets	5,772	582	6,354
Bank borrowings	(2,668)	-	(2,668)
Current liabilities	(2,958)	(895)	(3,853)
Non-current liabilities	(279)	(2,017)	(2,296)
Cash and cash equivalents	8,431	-	8,431
Total identifiable net assets at fair value	19,808	4,866	24,674
Non-controlling interest	(5,942)	(1,460)	(7,402)
Goodwill arising from acquisition	7,734	(3,406)	4,328
Consideration paid	21,600	-	21,600
Less: Cash and cash equivalents in subsidiary companies acquired	(8,431)	-	(8,431)
Net cash outflow on acquisition of subsidiary companies	13,169	-	13,169

All the above fair value adjustments have been recorded with effect from the date of acquisition by revising the 30 September 2014 reported balance sheet. There is no impact on the profit statement for the year ended 30 September 2014 due to the above fair value adjustments.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

15. SUBSIDIARY COMPANIES (cont'd)

(b) Disposal of a subsidiary company

On 19 August 2015, the Company completed the disposal of its 55% interest in Myanmar Brewery Limited ("MBL") for a total consideration of US$560 million (approximately S$777 million). In accordance with FRS 105, Non-current Assets Held for Sale and Discontinued Operations, the results of MBL has been presented separately on the Group Profit Statement as Discontinued Operations.

The effects of the disposal are disclosed in Note 28(a) Discontinued Operations.

(c) Frasers Centrepoint Limited ("FCL") Distribution

On 8 January 2014, the Company completed the distribution *in specie* of all the issued shares of FCL (the "FCL Distribution"). Following the FCL Distribution, FCL ceased to be a subsidiary company of the Company. In accordance with FRS 105, Non-current Assets Held for Sale and Discontinued Operations, the results of FCL Group has been presented separately on the Group Profit Statement as Discontinued Operations.

The effects of the FCL Distribution are disclosed in Note 28(a) Discontinued Operations.

(d) Liquidation of subsidiary companies

During the financial year, the Group liquidated the following subsidiary companies:

(i) Marshall Cavendish Polska Sp. zo.o; and
(ii) Wholly Owned Subsidiary Marshall Cavendish Ukraine

The effects of the liquidation are disclosed in the Consolidated Cash Flow Statement.

(e) Subsidiary company with material non-controlling interest ("NCI")

The Group's subsidiary company that has material NCI is as follows:

	Fraser & Neave Holdings Bhd	
	2015 ($'000)	2014 ($'000)
NCI percentage of ownership and voting interest	**44.5%**	44.4%
Carrying amount of NCI	**269,479**	291,822
Profit after taxation allocated to NCI	**45,443**	44,498
Dividends paid to NCI	**28,849**	38,975
<u>Summarised financial information before inter-group elimination</u>		
Non-current assets	**485,480**	577,969
Current assets	**489,701**	486,377
Non-current liabilities	**(119,636)**	(142,999)
Current liabilities	**(249,647)**	(263,889)
Net assets	**605,898**	657,458
Revenue	**1,484,423**	1,483,223
Profit for the year	**102,394**	100,753
Other comprehensive income	**21,003**	(4,080)
Total comprehensive income	**123,397**	96,673
Net cash from operating activities	**109,026**	138,593
Net cash flows used in investing activities	**(22,632)**	(34,473)
Net cash flows used in financing activities	**(87,376)**	(99,941)
Net (decrease)/increase in cash and cash equivalents	**(982)**	4,179

Notes to the Financial Statements

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16. JOINT VENTURE COMPANIES

		THE GROUP	
		2015 ($'000)	2014 ($'000) (Restated)
(a)	Unquoted investment, at cost	**161**	195
	Share of post acquisition reserves, net	**(1,660)**	(694)
		(1,499)	(499)
	Shareholder's loan	**45,235**	49,857
		43,736	49,358

Shareholder's loan

On 11 November 2011, the Group had entered into a conditional subscription cum shareholders' agreement ("SSA") with FCL Centrepoint Pte Ltd ("FCLC") to form a joint venture, Vacaron Company Sdn Bhd ("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 FCLC have both granted shareholder's loans to VCSB in the financial year pursuant to the SSA. The loans are unsecured, bear interest at KLIBOR + 1.25% (2014: KLIBOR + 1.25%) per annum and are denominated in Malaysia Ringgit.

(b) The summarised financial information of the joint venture company held by the Group is as follows:

	2015	2014
Expenses	**(3,178)**	(898)
Loss before taxation	**(3,178)**	(898)
Taxation	**720**	196
Loss after taxation	**(2,458)**	(702)
Non-current assets	**1,031**	427
Cash and bank balances	**2,040**	1,813
Other current assets	**85,246**	96,482
Other current liabilities	**(91,321)**	(99,727)
Net liabilities	**(3,004)**	(1,005)
Proportion of the Group's ownership	**50%**	50%
Group's share of net liabilities	**(1,502)**	(503)
Goodwill	**3**	4
Shareholder's loan	**45,235**	49,857
Carrying amount of the investment	**43,736**	49,358

(c) The share of the results as stated in paragraph (b) above are based on the accounts of the joint venture company to 30 September 2015.

(d) The amounts owing from joint venture companies classified under current assets are unsecured, trade and non-trade in nature, interest free, to be settled in cash and are denominated mostly in Singapore Dollar.

(e) The Group's share of capital commitments of the joint venture company as at 30 September 2015 is $37,956,000 (2014: $6,278,000).

Details of significant joint venture company are included in Note 42.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

17. ASSOCIATED COMPANIES

	THE GROUP		THE COMPANY	
	2015 ($'000)	2014 ($'000)	**2015 ($'000)**	2014 ($'000)
Quoted investments, at cost	**112,913**	208,906	**93,783**	93,783
Share of post acquisition reserves, net	**(7,590)**	67,838	**-**	-
Allowance for impairment	**(63,463)**	(226,878)	**(75,683)**	(75,683)
	41,860	49,866	**18,100**	18,100
MARKET VALUE				
Quoted shares	**57,902**	51,385	**21,001**	20,869

(a) The amounts due from/to associated companies classified under current assets and current liabilities are unsecured, trade and non-trade in nature, interest free, to be settled in cash and are denominated mostly in Malaysia Ringgit and Chinese Renminbi.

(b) The summarised information of the associated companies held by the Group that are not individually material are as follows:

	THE GROUP	
	2015 ($'000)	2014 ($'000)
Carrying amount of interest	**41,860**	49,866
Share of profit before taxation	**5,483**	4,133
Share of taxation	**(1,553)**	(1,394)
Share of profit after taxation	**3,930**	2,739
Share of other comprehensive income	**231**	(5,014)
Share of total comprehensive income	**4,161**	(2,275)

(c) The Group's share of contingent liabilities of the associated companies as at 30 September 2015 is $147,000 (2014: $100,000).

(d) Fung Choi Media Group Limited's ("FCM") had on 15 September 2014 announced on Singapore Stock Exchange ("SGX-ST") its request for a trading suspension of its shares.

On 2 April 2015, Rawlinson & Hunter and Borrelli Walsh Limited were appointed as the Joint Provisional Liquidators of FCM. The investment in FCM was reclassified to Other Investments (Note 20) as the Group no longer had significant influence with the appointment of the liquidators.

Details of significant associated companies are included in Note 42.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

18. INTANGIBLE ASSETS

	THE GROUP				
	Goodwill ($'000)	Deferred Development Costs ($'000)	Management Contracts ($'000)	Other Intangible Assets ($'000)	Total ($'000)
For the year ended 30 September 2015					
At cost					
Balance at beginning of year	**66,545**	**65,872**	**-**	**41,933**	**174,350**
Currency realignment	**(2,308)**	**4,730**	**-**	**(2,946)**	**(524)**
Additional expenditure during the year	**-**	**10,932**	**-**	**836**	**11,768**
Reclassified from fixed assets	**-**	**-**	**-**	**604**	**604**
Write off for the year	**(4,265)**	**(8,847)**	**-**	**(153)**	**(13,265)**
Balance at end of year	**59,972**	**72,687**	**-**	**40,274**	**172,933**
Accumulated amortisation and impairment					
Balance at beginning of year	**9,662**	**47,144**	**-**	**27,857**	**84,663**
Currency realignment	**(359)**	**4,401**	**-**	**(1,927)**	**2,115**
Amortisation charge for the year	**-**	**12,970**	**-**	**3,340**	**16,310**
Impairment charge for the year	**905**	**1,253**	**-**	**2,202**	**4,360**
Write off for the year	**(4,265)**	**(8,847)**	**-**	**(153)**	**(13,265)**
Balance at end of year	**5,943**	**56,921**	**-**	**31,319**	**94,183**
Net book value	**54,029**	**15,766**	**-**	**8,955**	**78,750**
For the year ended 30 September 2014 (Restated)					
At cost					
Balance at beginning of year	68,188	71,796	67,250	23,824	231,058
Currency realignment	283	576	-	-	859
Additional expenditure during the year	-	11,687	-	530	12,217
Acquisition of subsidiary companies*	4,328	-	-	-	4,328
Distribution *in specie* of subsidiary companies	-	-	(67,250)	(185)	(67,435)
Reclassified from fixed assets	-	-	-	17,826	17,826
Write off for the year	(6,254)	(18,187)	-	(62)	(24,503)
Balance at end of year	66,545	65,872	-	41,933	174,350
Accumulated amortisation and impairment					
Balance at beginning of year	11,627	51,544	2,940	16,632	82,743
Currency realignment	24	564	-	5	593
Amortisation charge for the year					
- Continuing operations	-	13,179	-	3,545	16,724
- Discontinued operations	-	-	122	6	128
Impairment charge for the year	4,265	37	-	-	4,302
Distribution *in specie* of subsidiary companies	-	-	(3,062)	(23)	(3,085)
Reclassified from fixed assets	-	-	-	7,754	7,754
Write off for the year	(6,254)	(18,180)	-	(62)	(24,496)
Balance at end of year	9,662	47,144	-	27,857	84,663
Net book value	56,883	18,728	-	14,076	89,687

All intangible assets have finite useful lives of not more than 20 years.

* In accordance with FRS 103 Business Combinations, the management has assessed the fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisitiion. Accordingly, provisional goodwill recognised last year has now been adjusted to reflect their fair values.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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 cash generating units				
As at 30 September 2015				
Subsidiary companies:				
Printing and Publishing Group	**15,966**	**Value-in-use and Fair value less cost to sell**	**0%**	**7.0% - 7.5%**
Dairies Group	**323**	**Value-in-use**	**1.0%**	**10.2%**
Beverages Group	**37,740**	**Value-in-use and Fair value less cost to sell**	**0% - 1.0%**	**10.2%**
	54,029			
As at 30 September 2014 (Restated)				
Subsidiary companies:				
Printing and Publishing Group	15,396	Value-in-use and Fair value less cost to sell	0%	7.0% - 7.5%
Dairies Group	389	Value-in-use	1.0%	9.8%
Beverages Group	41,098	Value-in-use and Fair value less cost to sell	0%	9.8%
	56,883			

Goodwill is allocated for impairment testing purposes to the individual entity which is also the cash generating unit. 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 cash generating units at the date of assessment.

The impairment losses of $905,000 (2014: $4,265,000) were recognised in the profit statement. The recoverable amount of the goodwill has been determined based on fair value less cost to sell and 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 is 7.0% (2014: 7.5% - 19.1%) and the terminal growth rate is 0% (2014: 0%).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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 $1,253,000 (2014: $37,000) was recognised in the profit statement as the carrying value was assessed to be in excess of its recoverable value.

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 7.0% - 7.5% (2014: 7.0% - 19.0%) and the terminal growth rate is 0% (2014: 0%).

(c) Other Intangible Assets

The carrying value of other intangible assets was assessed for impairment during the financial year.

An impairment loss of $2,202,000 (2014: $Nil) was recognised in the profit statement. The recoverable amount of the other intangible aseets has been determined based on value-in-use. The value-in-use calculations were determined using 5 - 10 year cash flow projections approved by management. The pre-tax discount rate applied to the cash flow projections is 7.5% - 9.4% (2014: Nil%) and the terminal growth rate is 0% - 2.0% (2014: Nil%).

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	
	2015 ($'000)	2014 ($'000)	**2015 ($'000)**	2014 ($'000)
Quoted available-for-sale financial assets				
Equity investments				
At fair value	**844,741**	701,541	**120,115**	100,765
Unquoted available-for-sale financial assets				
Equity investments				
At cost (less impairment loss)	**39**	72	**14**	14
Total	**844,780**	701,613	**120,129**	100,779

(a) Certain unquoted investments do not have quoted market prices in an active market nor are other methods of reasonably estimating the fair values readily available. Hence it is not practicable to determine their fair value with sufficient reliability without incurring excessive costs.

(b) Market value of quoted investments are determined by reference to stock exchange quoted prices.

(c) Included in the quoted equity investments is the equity investment in FCM which was reclassified from investment in associated companies (Note 17) upon the appointment of the liquidators. The carrying value of FCM has been fully provided for.

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21. CASH AND BANK DEPOSITS

	THE GROUP		THE COMPANY	
	2015 ($'000)	2014 ($'000) (Restated)	**2015 ($'000)**	2014 ($'000)
Non-Current				
Bank fixed deposits	**3,874**	4,672	**-**	-
Current				
Bank fixed deposits	**446,462**	91,003	**276,978**	266
Cash and bank balances	**515,243**	264,178	**261,494**	3,898
	961,705	355,181	**538,472**	4,164
	965,579	359,853	**538,472**	4,164

The weighted average effective interest rate for current bank fixed deposits is 1.57% (2014: 2.52%).

The Group's non-current bank fixed deposits relates to the portion of consideration for acquisition of Yoke Food Industries Sdn Bhd and its subsidiary companies held as profit guarantee. The profit guarantee will be released upon the achievement of pre-defined targets as set out in the sale and purchase agreement.

As at 30 September 2015, cash and bank deposits held by the Group are in the following major currencies: Malaysia Ringgit - 10.2% (2014: 32.6%), Thai Baht - 4.9% (2014: 12.6%) and United States Dollar - 2.8% (2014: 6.3%).

22. BRANDS

	THE GROUP		THE COMPANY	
	2015 ($'000)	2014 ($'000) (Restated)	**2015 ($'000)**	2014 ($'000)
At cost				
Balance at beginning of year	**46,595**	42,049	**8,647**	8,647
Currency realignment	**(5,848)**	230	**-**	-
Acquisition of subsidiary companies*	**-**	4,316	**-**	-
Balance at end of year	**40,747**	46,595	**8,647**	8,647
Accumulated amortisation and impairment				
Balance at beginning of year	**11,315**	11,213	**8,435**	8,435
Currency realignment	**(366)**	(33)	**-**	-
Amortisation charge for the year	**135**	135	**-**	-
Impairment charge for the year	**2,182**	-	**-**	-
Balance at end of year	**13,266**	11,315	**8,435**	8,435
Net book value	**27,481**	35,280	**212**	212

Included in the Group's brands are brands with indefinite useful life of carrying amount of $26,136,000 (2014: $29,554,000).

The recoverable amount of the brands have been determined based on value-in-use calculations using 3 to 10 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 cash generating unit operates.

The discount rate applied to the cash flow projections reflect managements' estimates of the risks specific to the respective cash generating units at the date of assessment.

The pre-tax discount rates applied to the cash flow projections was 10.2% - 13.4% (2014: 9.8%) and terminal growth rates applied was 1.0% - 5.0% (2014: 1.0%).

* In accordance with FRS 103 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

23. PROPERTIES HELD FOR SALE

		THE GROUP	
		2015 ($'000)	2014 ($'000) (Restated)
(a)	**Development Properties Held for Sale**		
	Properties in the course of development, at cost	-	4,256,989
	Allowance for foreseeable losses	-	(49,421)
		-	4,207,568
	Development profit	-	538,140
		-	4,745,708
	Progress payments received	-	(1,122,000)
	Distribution *in specie* of subsidiary companies	-	(3,623,708)
		-	-
(b)	**Completed Properties Held for Sale**		
	Completed units, at cost	-	913,548
	Allowance for foreseeable losses	-	(22,237)
	Distribution *in specie* of subsidiary companies	-	(891,311)
	Balance at end of year	-	-
	Total Properties Held for Sale	-	-

(i) The following table provides information about agreements that are in progress at the reporting date whose revenue are recognised on a percentage of completion basis:

Aggregate amount of costs incurred and recognised to date		2,353,335
Less: Progress billings	-	(1,122,000)
	-	1,231,335

(ii) As at 30 September 2014, interest capitalised during the year was $15,508,000. The borrowing cost of loans used to finance the projects have been capitalised at interest rates of between 1.0% and 7.3% per annum.

(iii) Development properties expense recognised in the profit statement during the year ended 30 September 2014 was $424,211,000.

24. INVENTORIES

	THE GROUP	
	2015 ($'000)	2014 ($'000) (Restated)
Raw materials	**123,316**	90,989
Manufactured inventories	**88,239**	113,231
Engineering spares, work-in-progress and other inventories	**7,973**	16,779
Packaging materials	**10,927**	16,277
Goods purchased for resale	**23,463**	30,027
Containers	-	7,516
	253,918	274,819

(a) Write back of allowance for inventory obsolescence for continuing operations during the year amounted to $1,191,000 (2014: $1,729,000).

(b) The cost of inventories recognised as an expense in cost of sales for continuing operations during the year was $1,303,164,000 (2014: $1,313,252,000).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

25. TRADE RECEIVABLES, OTHER RECEIVABLES AND RELATED PARTIES

	THE GROUP		THE COMPANY	
	2015 ($'000)	2014 ($'000) (Restated)	**2015 ($'000)**	2014 ($'000)
Trade receivables	**278,792**	309,187	**-**	-
Other receivables:				
Current				
Accrued income	**2,358**	1,225	**20**	-
Prepayments	**4,570**	7,790	**160**	602
Deposits paid	**7,465**	5,224	**-**	-
Tax recoverable	**12,435**	7,567	**358**	253
Staff loans	**3,315**	3,874	**-**	-
Amount receivable from joint venture partners	**8,075**	2,649	**-**	-
Derivative financial instruments (Note 26)	**2,533**	806	**295**	-
Sundry debtors	**3,935**	5,122	**-**	-
Other receivables	**8,984**	16,180	**554**	-
	53,670	50,437	**1,387**	855
Related parties	**1,742**	5,163	**-**	1
	334,204	364,787	**1,387**	856
Non-current				
Advance project cost paid	**828**	-	**-**	-
Prepayments	**-**	304	**-**	-
Staff loans	**377**	643	**-**	-
Deposits paid	**375**	348	**-**	-
	1,580	1,295	**-**	-
	335,784	366,082	**1,387**	856

(a) As at 30 September 2015, trade receivables, other receivables and related parties held by the Group are in the following major currencies: Malaysia Ringgit - 36.7% (2014: 40.8%), Thai Baht - 16.5% (2014: 13.6%), United States Dollar - 9.2% (2014: 7.3%) and Chinese Renminbi - 4.6% (2014: 5.1%).

(b) Current amounts due from related parties are trade and non-trade related, unsecured, interest free, repayable upon demand and to be settled in cash.

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to $66,129,000 (2014: $70,835,000) that are past due at balance sheet date but not impaired. These receivables are unsecured and the aging analysis at the balance sheet date is as follows:

	THE GROUP	
	2015 ($'000)	2014 ($'000)
Trade receivables past due:		
1 to 30 days	**44,066**	51,099
31 to 60 days	**10,652**	8,777
61 to 90 days	**5,531**	4,141
91 to 120 days	**1,578**	1,809
more than 120 days	**4,302**	5,009
	66,129	70,835

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

25. TRADE RECEIVABLES, OTHER RECEIVABLES AND RELATED PARTIES (cont'd)

Trade receivables that are impaired

The Group's trade receivables that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:

	THE GROUP			
	Collectively impaired		Individually impaired	
	2015 ($'000)	2014 ($'000)	**2015 ($'000)**	2014 ($'000)
Trade receivables - nominal amounts	**141**	266	**9,064**	8,353
Less: Allowance for impairment	**(141)**	(266)	**(5,108)**	(5,701)
	-	-	**3,956**	2,652
Movement in allowance accounts:				
Balance at beginning of year	**266**	317	**5,701**	8,405
Charge for the year				
- Continuing operations	**78**	156	**2,875**	2,987
- Discontinued operations	**-**	-	**-**	281
Written back				
- Continuing operations	**(116)**	(150)	**(378)**	(798)
- Discontinued operations	**-**	-	**(11)**	(394)
Acquisition of subsidiary companies	**-**	45	**-**	-
Distribution *in specie* of subsidiary companies	**-**	-	**-**	(2,716)
Disposal of subsidiary company	**-**	-	**(399)**	-
Written off	**(68)**	(104)	**(2,211)**	(2,023)
Exchange difference	**(19)**	2	**(469)**	(41)
Balance at end of year	**141**	266	**5,108**	5,701

Receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

26. DERIVATIVE FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
	2015 ($'000)	2014 ($'000)	**2015 ($'000)**	2014 ($'000)
Assets				
Current				
Forward currency contracts	**2,533**	806	**295**	-
Liabilities				
Current				
Forward currency contracts	**338**	427	**-**	-
Net position	**2,195**	379	**295**	-

27. SHORT TERM INVESTMENTS

	THE GROUP	
	2015 ($'000)	2014 ($'000)
Quoted available-for-sale financial assets		
Equity investments at fair value	**-**	1
Total	**-**	1

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

28. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD FOR SALE

(a) Discontinued operations

Beverages - Breweries

On 29 August 2013 and 10 September 2013, the Company announced Myanma Economic Holdings Limited ("MEHL")'s intention to commence arbitration proceedings and subsequently, the receipt of notice of arbitration from MEHL, in relation to the Company's shares in Myanmar Brewery Limited ("MBL"). MEHL had sought to compel the Company to sell its 55% stake in MBL ("MBL Stake") to MEHL at US$246 million (approximately $313 million) under the terms of the joint venture agreement between the parties. On 31 October 2014, the Company announced that it had received the decision on its arbitration with MEHL. The arbitral tribunal has ruled that MEHL's valuation of US$246 million does not represent a fair value of the Company's stake in MBL and that the sale should take place at a price to be determined by an independent valuer.

On 22 July 2015, the Company received the valuation report of MBL from the independent valuer. The valuer had determined that the estimated fair value of the MBL Stake is Myanmar Kyat ("MMK") 500 billion. On 7 August 2015, the Company announced the sale of its 55% stake in MBL to MEHL for US$560 million.

Upon completion of the sale of MBL on 19 August 2015, the Group realised a net divestment gain of $542 million after deducting the cost of investment and relevant taxes. In accordance with FRS 105, Non-current Assets Held for Sale and Discontinued Operations, the results of MBL has been presented separately on the Group Profit Statement as Discontinued Operations.

Profit statement disclosures

The results of the discontinued operations for the year ended 30 September are as follows:

	THE GROUP	
	2015 ($'000)	2014 ($'000)
Revenue	**335,516**	328,015
Expenses	**(212,309)**	(220,944)
Profit before interest and taxation	**123,207**	107,071
Interest income	**319**	358
Profit from discontinued operations before taxation	**123,526**	107,429
Taxation	**(28,237)**	(23,233)
Profit from discontinued operations after taxation	**95,289**	84,196
Gain on disposal of discontinued operations	**541,531**	-
Profit after taxation	**636,820**	84,196

Cash flow statement disclosures

The cash flows attributable to the discontinued operations for the year ended 30 September are as follows:

	2015	2014
Operating cash inflows	**70,044**	102,000
Investing cash outflows	**(16,422)**	(25,779)
Financing cash outflows	**-**	(28,147)
Net cash inflows	**53,622**	48,074

Earnings per share disclosures

Earnings per share from discontinued operations attributable to the shareholders of the company:

		-- cents per share --	
- Basic	- before gain on disposal of discontinued operations	**3.6 cts**	3.2 cts
	- after gain on disposal of discontinued operations	**41.0 cts**	3.2 cts
- Diluted	- before gain on disposal of discontinued operations	**3.6 cts**	3.2 cts
	- after gain on disposal of discontinued operations	**41.0 cts**	3.2 cts

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

28. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD FOR SALE (cont'd)

(a) Discontinued operations (cont'd)

Properties

On 27 August 2013, the Directors announced the proposed demerger of its property business by effecting a distribution *in specie* (the "FCL Distribution") of all the ordinary shares in the issued share capital of Frasers Centrepoint Limited ("FCL"), a wholly owned subsidiary of the Company to shareholders of the Company, on the basis of two ordinary shares in FCL for each ordinary share of the Company and the listing of the FCL shares on the main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") by way of an Introduction.

On 13 November 2013, the shareholders of the Company approved the FCL Distribution. Prior to the quarter ended 31 December 2013, the Company subscribed for 1,806,520,790 new shares in FCL for a total subscription amount of $670 million. Subsequently, the Company announced the completion of the FCL Distribution on 8 January 2014.

Upon completion of the FCL Distrbution and in accordance with FRS 105, Non-current Assets Held for Sale and Discontinued Operations, the results of FCL Group has been presented separately on the Group Profit Statement as Discontinued Operations.

Profit statement disclosures

The results of the discontinued operations for the year ended 30 September are as follows:

	THE GROUP	
	2015 ($'000)	2014 ($'000)
Revenue	-	631,044
Expenses	-	(465,908)
Trading profit	-	165,136
Share of associated companies' profits	-	10,980
Gross income from investments	-	125
Profit before interest and taxation	-	176,241
Net interest expenses	-	(10,044)
Profit from discontinued operations before taxation and exceptional items	-	166,197
Exceptional items	-	2,403
Profit from discontinued operations before taxation	-	168,600
Taxation	-	(30,479)
Profit from discontinued operations after taxation	-	138,121
Loss on distribution *in specie* of discontinued operations	-	(17,661)
Profit after taxation	-	120,460

Cash flow statement disclosures

The cash flows attributable to the discontinued operations for the year ended 30 September are as follows:

Operating cash outflows	-	(101,748)
Investing cash outflows	-	(687,269)
Financing cash inflows	-	987,770
Net cash inflows	-	198,753

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

28. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD FOR SALE (cont'd)

(a) Discontinued operations (cont'd)

Properties (cont'd)

Earnings per share disclosures

Earnings per share from discontinued operations attributable to the shareholders of the company:

	THE GROUP	
	2015 ($'000)	2014 ($'000)
	-- cents per share --	
- Basic - before loss on distribution *in specie* of discontinued operations and exceptional items	**Nil cts**	8.2 cts
- after loss on distribution *in specie* of discontinued operations and exceptional items	**Nil cts**	7.1 cts
- Diluted - before loss on distribution *in specie* of discontinued operations and exceptional items	**Nil cts**	8.2 cts
- after loss on distribution *in specie* of discontinued operations and exceptional items	**Nil cts**	7.1 cts

(b) Assets and liabilities held for sale

On 20 August 2015, Management approved the disposal of a subsidiary company, Shanxi Xinhua Times Packaging Printing Co., Ltd ("SXTP"). As at the date of this report, the assets and liabilities of SXTP had been reclassified as held for sale.

	THE GROUP	
	2015 ($'000)	2014 ($'000)
Assets		
Fixed assets	**6,450**	-
Inventories	**1,362**	-
Trade and other receivables	**3,499**	-
Cash and bank balances	**101**	-
	11,412	-
Liabilities		
Trade and other payables	**1,802**	-

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

29. TRADE PAYABLES, OTHER PAYABLES AND RELATED PARTIES

	THE GROUP		THE COMPANY	
	2015 ($'000)	2014 ($'000) (Restated)	**2015 ($'000)**	2014 ($'000)
Current				
Trade payables	**201,113**	198,261	**-**	-
Other payables				
Accrued operating expenses	**66,859**	78,120	**71**	111
Sundry accruals	**43,111**	49,671	**1,689**	1,160
Sundry deposits	**5,493**	6,867	**-**	-
Staff costs payable	**42,547**	42,998	**-**	-
Accrual for unconsumed annual leave	**4,197**	3,755	**-**	-
Deferred income	**460**	487	**-**	-
Derivative financial instruments (Note 26)	**338**	427	**-**	-
Interest payable	**1,307**	1,385	**-**	-
Other payables	**28,533**	41,456	**8,552**	8,989
	192,845	225,166	**10,312**	10,260
Related parties	**14,523**	2,888	**-**	-
	408,481	426,315	**10,312**	10,260
Non-current				
Other payables	**3,874**	15,114	**-**	-
Related parties	**1,265**	1,265	**1,265**	1,265
	5,139	16,379	**1,265**	1,265
	413,620	442,694	**11,577**	11,525

(a) As at 30 September 2015, the trade payables, other payables and related parties held by the Group are in the following major currencies: Malaysia Ringgit - 40.7% (2014: 44.0%), Thai Baht - 21.7% (2014: 12.5%), United States Dollar - 4.7% (2014: 6.5%) and Chinese Renminbi - 2.1% (2014: 2.5%).

(b) Current amounts due to related parties are trade and non-trade related, unsecured, interest free, repayable upon demand and to be settled in cash.

(c) Non-current amounts due to related parties are non-trade related, unsecured, interest free, have no fixed term of repayment and to be settled in cash.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

30. BORROWINGS

	Weighted average effective interest rate %	Notes	THE GROUP 2015 ($'000)	THE GROUP 2014 ($'000)
Repayable within one year:				
Unsecured				
Bank loans	5.05%		**591**	853
Bank overdrafts	7.30%		**669**	855
			1,260	1,708
Term loans	6.34%	(a)	**531**	19,465
Secured				
Bank loans	2.26%	(b)	**748**	1,154
Term loans	-	(b)	**-**	647
Finance leases			**12**	16
			2,551	22,990
Repayable after one year:				
Unsecured				
Term loans	4.33%	(a)	**97,899**	116,790
Secured				
Term loans	-	(b)	**-**	1,918
Finance leases			**25**	45
		(d)	**97,924**	118,753
Total			**100,475**	141,743
Fair value		(c)	**114,629**	163,462

Notes

(a) As at 30 September 2015, term loans include medium term notes issued by certain subsidiary companies.

As at 30 September 2014, term loans include medium term notes and commercial papers issued by a subsidiary company.

(b) The secured bank loans and term loans are secured by way of pledge over certain subsidiary companies' fixed assets (Note 12).

During the financial year, the term loans secured by way of mortgages on leasehold land and building have been discharged and consequently the term loans have been classified as unsecured term loans.

(c) The carrying amounts of bank borrowings and finance leases 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 bank loans of $96,840,000 (2014: $116,790,000) which have a fair value of $110,994,000 (2014: $138,509,000).

The aggregate fair value of term loans are determined by reference to market value.

(d) Maturity of non-current borrowings is as follows:

	2015	2014
Between 1 and 2 years	**524**	656
Between 2 and 5 years	**97,232**	117,787
After 5 years	**168**	310
	97,924	118,753

(e) As at 30 September 2015, the borrowings held by the Group are in the following major currencies: Malaysia Ringgit - 99.2% (2014: 99.1%), Euro - 0.5% (2014: Nil%) and Hong Kong Dollar - 0.3% (2014: 0.9%).

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FOR THE YEAR ENDED 30 SEPTEMBER 2015

31. PROVISION FOR EMPLOYEE BENEFITS

	THE GROUP 2015 ($'000)	THE GROUP 2014 ($'000)
Defined benefit plan	**18,131**	19,424
Long service leave/severance allowance/gratuity	**70**	71
	18,201	19,495

(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, Hong Kong and Australia.

Accruals for defined contribution plans are included in Other Payables under Note 29.

(b) Defined Benefit Plan

The defined benefit plan in the United Kingdom is a funded, defined benefit pension scheme, the assets of which are held in a separate trustee-administrated fund. The defined benefit plans in Malaysia and Thailand do not have separately funded assets. They provide lump sum benefit at normal retirement age.

The following tables summarise the components of net benefit expense and benefit liability:

	2015 ($'000)	2014 ($'000)
Net benefit expense		
Current service cost	**868**	1,393
Net interest cost on benefit obligation	**289**	819
Net benefit expense	**1,157**	2,212
Actual return on plan assets	**470**	1,223
Benefit liability		
Present value of funded benefit obligation	**27,661**	26,569
Fair value of plan assets	**(22,292)**	(21,814)
Deficit of funded plans	**5,369**	4,755
Present value of unfunded benefit obligation	**12,762**	14,669
	18,131	19,424

The weighted average duration of the defined benefit obligation as at 30 September 2015 were 14.3 years (2014: 14.6 years).

The Group expects to contribute $755,000 to the defined benefit plans in 2015.

	2015 ($'000)	2014 ($'000)
Changes in present value of defined benefit plan are as follows:		
Balance at beginning of year	**41,238**	40,341
Interest cost	**1,693**	1,818
Current service cost	**868**	1,393
Benefits paid	**(2,551)**	(3,846)
Remeasurements:		
- actuarial gain and losses arising from change in demographic assumptions	**-**	58
- actuarial gain and losses arising from change in financial assumptions	**752**	1,687
- experience adjustments	**(465)**	(856)
Currency realignment	**(1,112)**	643
Balance at end of year	**40,423**	41,238

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

31. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(b) Defined Benefit Plan (cont'd)

	THE GROUP	
	2015 ($'000)	2014 ($'000)
Changes in fair value of plan assets are as follows:		
Balance at beginning of year	**21,814**	22,056
Interest income	**1,404**	999
Contributions by employer	**755**	1,246
Benefits paid	**(1,703)**	(3,169)
Remeasurements on return on plan assets (excluding interest income)	**(934)**	224
Currency realignment	**956**	458
Balance at end of year	**22,292**	21,814
The proportion of fair value of plan assets at the end of the year is analysed as follows:		
Equity instruments	**12,909**	12,559
Debt instruments	**9,323**	9,000
Other assets	**60**	255
	22,292	21,814
The major assumptions used by the qualified independent actuaries were:		
Rate of increase in salaries	**4.0% to 7.0%**	4.0% to 7.0%
Expected rate of return on assets	**6.6%**	7.0%
Discount rate	**2.7% to 5.5%**	3.7% to 5.5%

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:

		Increase/(Decrease) in defined benefit obligation	
	Change in assumption	**Increase in assumption ($'000)**	**Decrease in assumption ($'000)**
The Group			
Discount rate	1%	(4,771)	5,932
Rate of increase in salaries	1%	1,142	(1,007)

(c) Long Service Leave/Severance Allowances/Gratuity

Long service leave, severance allowances and gratuity are provided based on the number of years of service the employees have rendered at the end of each financial year as required by local legislation.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

31. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Options

The equity-based equity-settled share option scheme of the Group is:

	Approval by Shareholders
Fraser & Neave Holdings Bhd Executives' Share Option Scheme ("F&NHB 2007 Scheme")	5 April 2007

The options granted under the above scheme are for a term of no longer than 10 years from date of grant.

Information regarding F&NHB 2007 Scheme

(i) The maximum number of new ordinary shares of RM1.00 each in F&NHB which may be issued on the exercise of the options granted under the F&NHB 2007 Scheme shall not exceed 10% of the issued and paid-up share capital of F&NHB at any point of time throughout the duration of the F&NHB 2007 Scheme.

(ii) Eligible full-time executives of F&NHB group and executive directors of F&NHB with at least one year's service shall be eligible to participate in the F&NHB 2007 Scheme.

(iii) The allotment of an eligible executive shall not exceed the maximum limits for any specific job grade in any one financial year and 1,000,000 new shares of F&NHB during the tenure of the F&NHB 2007 Scheme, subject to the limits below:

(1) not more than 50% of the new shares of F&NHB available under the F&NHB 2007 Scheme shall be allocated, in aggregate, to the directors and senior management of F&NHB group; and

(2) not more than 10% of the new shares of F&NHB available under the F&NHB 2007 Scheme shall be allocated to any individual eligible executive who, either singly or collectively through persons connected to that eligible executive, holds 20% or more of the issued and paid-up share capital of F&NHB.

(iv) The option price shall be the five-day weighted average market price of F&NHB's shares as quoted on Bursa Malaysia Securities Berhad immediately preceding the date of the offer, or the par value of the shares of F&NHB, whichever is higher.

(v) The F&NHB 2007 Scheme shall be in force for a period of 10 years from the effective date of the implementation of the F&NHB 2007 Scheme.

(vi) Following approval by F&NHB shareholders on 13 January 2012, F&NHB adopted the F&NHB Restricted Share Plan ("F&NHB RSP") and F&NHB Performance Share Plan ("F&NHB PSP"). No further options have been granted under the F&NHB 2007 Scheme.

Information with respect to the number of options granted under the share option scheme is as follows:

Options	Offer Date	Balance as at 1.10.2014	Options Exercised	Balance as at 30.9.2015	Exercise Price/ Adjusted Exercise Price#	Exercise Period
2010	20.11.2009	25,300	(25,300)	-	RM11.34/10.47	20.08.2012 - 19.10.2014
2011	22.11.2010	725,700	(594,000)	131,700	RM14.52	22.08.2013 - 21.10.2015
		751,000	(619,300)	131,700		

The adjustments which were effective 13 December 2010 relate to F&NHB's special interim single tier dividend of RM1.10 per share.

No options were granted during the year.
The weighted average share price for options exercised during the year was RM17.75 (2014: RM18.05).

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FOR THE YEAR ENDED 30 SEPTEMBER 2015

31. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(e) 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	Balance as at 1.10.2014 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2015
Year 2	14.12.2010	653,295	(3,939)	-	(649,356)	-
Year 3	14.12.2011	1,043,112	(12,926)	-	(519,212)	510,974
Year 4	14.12.2012	1,736,238	(36,893)	(53,095)	(829,000)	817,250
Year 5	01.10.2014	1,070,175 @	(56,500)	-	-	1,013,675
Year 6	06.05.2015	1,064,300 #	(9,000)	-	-	1,055,300
		5,567,120 ^	(119,258)*	(53,095)	(1,997,568)	3,397,199

@ Granted in respect of financial year ended 30 September 2014.

Granted in respect of financial year ended 30 September 2015.

* Cancelled due to resignations.

^ This takes into account the adjustments made on 7 October 2014 following F&N's distribution to its shareholders by way of dividend *in specie* and a capital reduction undertaken by F&N during the financial year ended 30 September 2014.

The expense recognised in profit statement granted under the RSP during the financial year is $2,916,000 (2014: $2,756,000).

The estimated fair value of shares granted during the year ranges from $2.56 to $2.69 (2014: $2.90 to $3.03). 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:

	2015	2014
Dividend yield (%)	**2.3**	2.1
Expected volatility (%)	**21.3**	33.4
Risk-free interest rate (%)	**1.1 to 1.5**	0.4 to 1.0
Expected life (years)	**1.7 to 3.7**	1.3 to 3.3
Share price at date of grant ($)	**2.79**	3.10

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

31. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(e) Share Plans (cont'd)

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 1.10.2014 or Grant Date if later	Achievement Factor	Vested	Balance as at 30.9.2015
Year 3	14.12.2011	110,190	59,610	(169,800)	-
Year 4	14.12.2012	68,158	-	-	68,158
Year 5	01.10.2014	32,546 @	-	-	32,546
Year 6	06.05.2015	40,500 #	-	-	40,500
		251,394 ^	59,610	(169,800)	141,204

@ Granted in respect of financial year ended 30 September 2014.

Granted in respect of financial year ended 30 September 2015.

^ This takes into account the adjustments made on 7 October 2014 following F&N's distribution to its shareholders by way of dividend *in specie* and a capital reduction undertaken by F&N during the financial year ended 30 September 2014.

The expense recognised in profit statement granted under the PSP during the financial year is $234,000 (2014: $163,000).

The estimated fair value of shares granted during the year ranges from $1.32 to $2.63 (2014: $2.96 to $3.95). 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:

	2015	2014
Dividend yield (%)	**2.3**	2.1
Expected volatility (%)	**21.3**	33.4
Cost of equity (%)	**7.9**	7.5
Risk-free interest rate (%)	**1.3**	0.7
Expected life (years)	**2.7**	2.3
Share price at date of grant ($)	**2.79**	3.10

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

31. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(e) 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 RSP shares 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 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 1.10.2014 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2015
Year 1	15.03.2012	109,500	(850)	-	(65,425)	43,225
Year 2	07.02.2013	313,800	(4,550)	37,800	(176,300)	170,750
Year 3	12.08.2014	574,200	-	-	-	574,200
Year 4	15.01.2015	546,700	-	-	-	546,700
		1,544,200	(5,400)*	37,800	(241,725)	1,334,875

* Cancelled due to resignations.

The estimated fair value of shares granted during the year ranges from RM16.01 to RM16.80 (2014: RM15.36 to RM16.80). 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:

	2015	2014
Dividend yield (%)	**4.0**	3.9
Expected volatility (%)	**19.2**	12.2
Risk-free interest rate (%)	**2.9 to 3.3**	3.2 to 3.5
Expected life (years)	**1.8 to 3.8**	1.4 to 3.4
Share price at date of grant (RM)	**18.06**	17.68

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 2015, no share has been granted under F&NHB PSP.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

32. DEFERRED TAX ASSETS AND LIABILITIES

	THE GROUP				THE COMPANY	
	Balance Sheet		Profit Statement		Balance Sheet	
	2015 ($'000)	2014 ($'000) (Restated)	**2015 ($'000)**	2014 ($'000) (Restated)	**2015 ($'000)**	2014 ($'000)
Deferred tax liabilities						
Differences in depreciation	**15,956**	24,191	**(5,785)**	(445)	**-**	-
Provisions, expenses and income taken in a different period	**1,811**	2,226	**(415)**	(3,921)	**-**	-
Fair value adjustments	**2,348**	4,544	**(699)**	408	**114**	94
Other deferred tax liabilities	**409**	300	**(16)**	(228)	**-**	-
Gross deferred tax liabilities	**20,524**	31,261	**(6,915)**	(4,186)	**114**	94
Less: Deferred tax assets						
Employee benefits	**(859)**	(1,865)	**88**	(243)	**-**	-
Unabsorbed losses and capital allowances	**(5)**	(525)	**192**	746	**-**	-
Provisions, expenses and income taken in a different period	**(521)**	(1,387)	**632**	76	**-**	-
Gross deferred tax assets	**(1,385)**	(3,777)	**912**	579	**-**	-
Net deferred tax liabilities	**19,139**	27,484	**(6,003)**	(3,607)	**114**	94

Some subsidiary companies have net deferred tax assets relating to the following:

Employee benefits	**(2,081)**	(1,578)	**(79)**	(457)	**-**	-
Differences in depreciation	**10,129**	12,359	**(517)**	906	**-**	-
Unabsorbed losses and capital allowances	**5,695**	3,366	**2,201**	3,563	**-**	-
Provisions	**(8,912)**	(8,326)	**(24)**	(320)	**-**	-
Investment allowances	**(22,458)**	(31,693)	**4,136**	1,258	**-**	-
Fair value adjustments	**(529)**	-	**(1,689)**	-	**-**	-
Net deferred tax assets	**(18,156)**	(25,872)	**4,028**	4,950	**-**	-

The deferred tax charge relating to fair value adjustment in other comprehensive income during the year is $143,000 (2014: $103,000).

Deferred tax liabilities of $322,000 (2014: $51,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the unremitted earnings of $1,895,000 at 30 September 2015 (2014: $303,000).

Deferred tax liabilities of $46,000 (2014: $45,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the undistributed earnings of $456,000 at 30 September 2015 (2014: $452,000) 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 2015

33. FUTURE COMMITMENTS

	THE GROUP 2015 ($'000)	THE GROUP 2014 ($'000) (Restated)
Commitments not provided for in the financial statements:		
(a) Commitments in respect of contracts placed		
Fixed assets	**14,444**	12,247
(b) Other amounts approved by directors but not contracted for		
Fixed assets	**12,780**	20,460
Total	**27,224**	32,707

34. LEASE COMMITMENTS

Operating Leases

Lease commitments under non-cancellable operating leases where the Group is a lessee:

	2015 ($'000)	2014 ($'000) (Restated)
Payable within one year	**13,664**	16,042
Payable between one and five years	**20,642**	12,982
Payable after five years	**27,072**	28,359
	61,378	57,383
Operating lease expense for the year	**21,811**	26,161

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.

Lease commitments under non-cancellable operating leases where the Group is a lessor:

	2015 ($'000)	2014 ($'000) (Restated)
Receivable within one year	**165**	396
Receivable between one and five years	**-**	165
	165	561

Finance Leases

Lease commitments under non-cancellable finance leases where the Group is a lessee:

	THE GROUP 2015 ($'000)		THE GROUP 2014 ($'000)	
	Minimum lease payments	**Present value of payments**	Minimum lease payments	Present value of payments
Minimum lease payments due:				
Payable within one year	**14**	**12**	19	16
Payable between one and five years	**26**	**25**	48	45
Total minimum lease payments	**40**	**37**	67	61
Less: Future finance charges				
Payable within one year	**(2)**	**-**	(3)	-
Payable between one and five years	**(1)**	**-**	(3)	-
	(3)	**-**	(6)	-
	37	**37**	61	61

The finance 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 2015

35. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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	
		2015 ($'000)	2014 ($'000)
(a)	Transactions with TCC Group of Companies		
	Sales	**5,188**	2,168
	Corporate service recoveries	**1,655**	1,547
	Management fee income	**1,245**	8,856
	Interest income	**-**	1,019
	Purchases	**(32,670)**	(17,518)
	Marketing expense	**(6,794)**	-
	Insurance premium expense	**(1,285)**	(902)
	Management fee expense	**(590)**	(443)
	Rental and other expenses	**(4,355)**	(2,316)
(b)	Transactions with Joint Operation and Associated Companies		
	Sales	**1,272**	1,257
	Receipt of corporate service fees	**364**	403
	Rental income	**33**	42
	Purchases	**(5,315)**	(4,036)

36. CONTINGENT LIABILITIES

The Company issued corporate guarantees to the extent of $2,407,680,000 (2014: $2,498,192,000) for the purpose of assisting its subsidiary companies to obtain external borrowings. Of the $2,407,680,000 (2014: $2,498,192,000) corporate guarantees given by the Company, $Nil (2014: $Nil) has been utilised by its subsidiary companies as security for its borrowings.

37. 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

37. FINANCIAL RISK MANAGEMENT (cont'd)

(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 2015, the Group had entered into foreign currency forward exchange buy contracts amounting to $41,076,000 (2014: $42,288,000) and sell contracts amounting to $15,288,000 (2014: $5,920,000). The fair value adjustments of the buy contracts and sell contracts (which is the difference between the notional principal amount and market value of the contracts) are gains of $2,001,000 (2014: $278,000) and $194,000 (2014: $101,000) respectively.

At 30 September 2015, the Company had entered into foreign currency forward exchange sell contracts amounting to $3,916,000 (2014: $Nil). The fair value adjustments of the sell contracts (which is the difference between the notional principal amount and market value of the contracts) is a gain of $295,000 (2014: $Nil).

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.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's total equity and the Group's profit net of tax to a reasonably possible 10% strengthening of the Australia Dollar, Sterling Pound, United States Dollar, Vietnamese Dong, Euro, Singapore Dollar and Malaysia Ringgit exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	THE GROUP		THE COMPANY	
	Equity ($'000)	Profit ($'000)	Equity ($'000)	Profit ($'000)
Year Ended 30 September 2015				
Australia Dollar	**-**	**(678)**	**-**	**-**
Sterling Pound	**-**	**107**	**-**	**-**
United States Dollar	**-**	**3,858**	**-**	**-**
Vietnamese Dong	**83,771**	**2,346**	**11,381**	**-**
Euro	**-**	**(29)**	**-**	**-**
Singapore Dollar	**-**	**202**	**-**	**-**
Malaysia Ringgit	**-**	**(58)**	**-**	**(118)**
Year Ended 30 September 2014				
Australia Dollar	-	(1,018)	-	-
Sterling Pound	-	(81)	-	-
United States Dollar	-	590	-	142
Vietnamese Dong	69,453	29	9,436	-
Euro	-	209	-	-
Singapore Dollar	-	402	-	-
Malaysia Ringgit	-	(793)	-	46

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 2015

37. 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 assets and liabilities (including derivative financial instruments) based on contractual undiscounted cash flows.

		Cash Flows			
	Carrying amount ($'000)	Contractual Cash flow ($'000)	Less than 1 year ($'000)	Between 1 and 5 years ($'000)	Over 5 years ($'000)
The Group					
Year Ended 30 September 2015					
Financial Assets					
Trade receivables	278,792	278,792	278,792	-	-
Other receivables (excluding derivative financial instruments)	31,696	31,696	31,294	402	-
Derivative financial instruments	2,533	2,533	2,533	-	-
Related parties	1,742	1,742	1,742	-	-
Joint venture companies	45,991	45,991	756	-	45,235
Associated companies	3,403	3,403	3,403	-	-
Bank fixed deposits	450,336	454,693	450,781	3,912	-
Cash and bank balances	515,243	517,120	517,120	-	-
	1,329,736	1,335,970	1,286,421	4,314	45,235
Financial Liabilities					
Trade payables	201,113	201,113	201,113	-	-
Other payables (excluding derivative financial instruments)	184,783	184,974	181,062	3,912	-
Derivative financial instruments	338	338	338	-	-
Borrowings	100,475	114,217	7,839	106,202	176
Related parties	15,788	15,788	14,523	1,265	-
Associated companies	1,843	1,843	1,843	-	-
	504,340	518,273	406,718	111,379	176
Total net undiscounted financial assets/(liabilities)		817,697	879,703	(107,065)	45,059

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

37. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity Risk (cont'd)

	Carrying amount ($'000)	Cash Flows: Contractual Cash flow ($'000)	Cash Flows: Less than 1 year ($'000)	Cash Flows: Between 1 and 5 years ($'000)	Cash Flows: Over 5 years ($'000)
The Group					
Year Ended 30 September 2014 (Restated)					
Financial Assets					
Trade receivables	309,187	309,187	309,187	-	-
Other receivables (excluding derivative financial instruments)	30,918	30,918	30,275	139	504
Derivative financial instruments	806	806	806	-	-
Related parties	5,163	5,163	5,163	-	-
Joint venture companies	50,598	50,598	741	-	49,857
Associated companies	5	5	5	-	-
Bank fixed deposits	95,675	95,692	91,003	4,689	-
Cash and bank balances	264,178	264,178	264,178	-	-
	756,530	756,547	701,358	4,828	50,361
Financial Liabilities					
Trade payables	198,261	198,261	198,261	-	-
Other payables (excluding derivative financial instruments)	230,995	231,012	226,323	4,689	-
Derivative financial instruments	427	427	427	-	-
Borrowings	141,743	163,636	30,303	133,000	333
Related parties	4,153	4,153	2,888	1,265	-
Associated companies	1,854	1,854	1,854	-	-
	577,433	599,343	460,056	138,954	333
Total net undiscounted financial assets/(liabilities)		157,204	241,302	(134,126)	50,028

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

37. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity Risk (cont'd)

	Carrying amount ($'000)	Cash Flows: Contractual Cash flow ($'000)	Less than 1 year ($'000)	Between 1 and 5 years ($'000)	Over 5 years ($'000)
The Company					
Year Ended 30 September 2015					
Financial Assets					
Other receivables (excluding derivative financial instruments)	**574**	**574**	**574**	**-**	**-**
Derivative financial instruments	**295**	**295**	**295**	**-**	**-**
Subsidiary companies	**155,826**	**155,934**	**5,755**	**150,179**	**-**
Bank fixed deposits	**276,978**	**281,143**	**281,143**	**-**	**-**
Cash and bank balances	**261,494**	**263,295**	**263,295**	**-**	**-**
	695,167	**701,241**	**551,062**	**150,179**	**-**
Financial Liabilities					
Other payables	**10,312**	**10,312**	**10,312**	**-**	**-**
Subsidiary companies	**95,789**	**95,789**	**692**	**95,097**	**-**
Related parties	**1,265**	**1,265**	**-**	**1,265**	**-**
	107,366	**107,366**	**11,004**	**96,362**	**-**
Total net undiscounted financial assets		**593,875**	**540,058**	**53,817**	**-**
Year Ended 30 September 2014					
Financial Assets					
Subsidiary companies	8,396	8,396	8,349	47	-
Related parties	1	1	1	-	-
Bank fixed deposits	266	266	266	-	-
Cash and bank balances	3,898	3,898	3,898	-	-
	12,561	12,561	12,514	47	-
Financial Liabilities					
Other payables	10,260	10,260	10,260	-	-
Subsidiary companies	124,388	124,390	952	123,438	-
Related parties	1,265	1,265	-	1,265	-
	135,913	135,915	11,212	124,703	-
Total net undiscounted financial (liabilities)/assets		(123,354)	1,302	(124,656)	-

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

37. FINANCIAL RISK MANAGEMENT (cont'd)

(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			
	2015		2014	
	($'000)	**% of total**	($'000)	% of total
By Geographical Segment:				
Singapore	**93,810**	**33%**	93,907	30%
Malaysia	**108,411**	**39%**	135,124	44%
Other ASEAN	**52,335**	**19%**	51,910	17%
North/South Asia	**22,676**	**8%**	26,876	9%
Outside Asia	**1,560**	**1%**	1,370	0%
	278,792	**100%**	309,187	100%
By Business Segment:				
Beverages	**68,077**	**24%**	89,340	29%
Dairies	**133,265**	**48%**	136,240	44%
Printing & Publishing	**77,441**	**28%**	83,604	27%
Others	**9**	**0%**	3	0%
	278,792	**100%**	309,187	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 does not expect any counterparty to fail to meet its obligations.

Information regarding financial assets that are either past due or impaired and aging analysis is disclosed in Note 25. 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

37. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Interest Rate Risk

The Group's exposure to market risk for changes in interest rates relate primarily to debt obligation with financial institutions. The Group'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.

The following table sets out the carrying amount, by maturity, of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	Floating rates	Fixed rates		
	($'000)	Less than 1 year ($'000)	Between 1 to 5 years ($'000)	After 5 years ($'000)
The Group				
Year Ended 30 September 2015				
Assets				
Cash and bank deposits	**215**	**853,145**	**3,874**	**-**
Liabilities				
Borrowings	**3,007**	**603**	**96,865**	**-**
Other financial liabilities	**-**	**-**	**3,874**	**-**
Year Ended 30 September 2014				
Assets				
Cash and bank deposits	4,242	108,113	4,672	-
Liabilities				
Borrowings	4,626	20,282	116,835	-
Other financial liabilities	-	-	4,672	-
The Company				
Year Ended 30 September 2015				
Assets				
Cash and bank deposits	**-**	**538,319**	**-**	**-**
Year Ended 30 September 2014				
Assets				
Cash and bank deposits	-	371	-	-

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 tables are non-interest bearing and are therefore not subject to interest rate risk.

The Group and the Company are in a net finance income position for the years ended 30 September 2015 and 2014.

Sensitivity analysis for interest rate risk

It is estimated that a hundred basis points (bps) increase in interest rate, with all other variables held constant, would decrease the Group's profit after tax by approximately $23,000 (2014: $3,000). A decrease of a hundred bps in interest rate would have an equal but opposite effect. The analysis is performed on the same basis for 2014.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

37. FINANCIAL RISK MANAGEMENT (cont'd)

(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 available-for-sale investments 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	
	2015 ($'000)	2014 ($'000)	**2015 ($'000)**	2014 ($'000)
Fair value adjustment reserve	**84,285**	69,977	**11,895**	9,960

There will be no impact to profit after 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 2014 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. The carrying amount of non-current fixed deposits approximates their fair values as these fixed deposits bear interest rate at the market prevailing interest for similar type of fixed deposits instrument at the end of the reporting period.

(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.

(iv) Short term and 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 30. The carrying values of bank borrowings, and term loans maturing within one year and the floating rate borrowings and loans approximate their fair value.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

37. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair Values (cont'd)

(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 an analysis of assets and liabilities financial instruments carried at fair value by level of fair value hierarchy:

	Level 1 ($'000)	Level 2 ($'000)	Level 3 ($'000)	Total ($'000)
The Group				
Year Ended 30 September 2015				
Financial Assets				
Other investments (Note 20)				
- Quoted available-for-sale financial assets	**844,741**	**-**	**-**	**844,741**
Derivative financial instruments (Note 26)	**-**	**2,533**	**-**	**2,533**
	844,741	**2,533**	**-**	**847,274**
Non-Financial Assets				
Investment properties (Note 13)				
- Commerical	**-**	**-**	**35,018**	**35,018**
Financial Liabilities				
Derivative financial instruments (Note 26)	**-**	**338**	**-**	**338**
Year Ended 30 September 2014				
Financial Assets				
Other investments (Note 20)				
- Quoted available-for-sale financial assets	701,541	-	-	701,541
Derivative financial instruments (Note 26)	-	806	-	806
Short term investments (Note 27)				
- Quoted available-for-sale financial assets	1	-	-	1
	701,542	806	-	702,348
Non-Financial Assets				
Investment properties (Note 13)				
- Commerical	-	-	40,702	40,702
Financial Liabilities				
Derivative financial instruments (Note 26)	-	427	-	427

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

37. 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 2015				
Financial Assets				
Other investments (Note 20)				
- Quoted available-for-sale financial assets	**120,115**	**-**	**-**	**120,115**
Derivative financial instruments (Note 26)	**-**	**295**	**-**	**295**
	120,115	**295**	**-**	**120,410**
Year Ended 30 September 2014				
Financial Assets				
Other investments (Note 20)				
- Quoted available-for-sale financial assets	100,765	-	-	100,765

There have been no transfers between Level 1, Level 2 and Level 3 for the Group and the Company during the financial year ended 2015.

The fair value of quoted investments categorised within Level 1 of the fair value hierarchy is determined directly by reference to their published market bid 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 30.9.2015 ($'000)	Fair value as at 30.9.2014 ($'000)	Valuation techniques	Unobservable inputs	Range
Investment Properties	**35,018**	40,702	Investment Approach	Discount rate	7.25%
			Direct Comparison Approach	Market value	0% to 15%

The investment properties cateogorised 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

37. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair Values (cont'd)

(vi) Assets and liabilities measured at fair value (cont'd)

The following table presents the reconciliation for the investment properties measured at fair value based on unobservable inputs (Level 3):

	2015 ($'000)	2014 ($'000)
The Group		
As at 1 October	**40,702**	3,155,404
Additions	**-**	965,403
Net fair value (loss)/gain recognised in the profit statement	**(2,311)**	265
Currency realignment	**(3,373)**	4,136
Distribution *in specie* of subsidiary companies	**-**	(4,084,506)
As at 30 September	**35,018**	40,702

(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:

	Loans and receivables ($'000)	Fair Value through profit and loss ($'000)	Available-for-sale ($'000)	Liabilities at amortised cost ($'000)	Non-financial assets/ liabilities ($'000)	Total ($'000)
The Group						
Year Ended 30 September 2015						
Assets						
Fixed assets	-	-	-	-	464,388	464,388
Investment properties	-	-	-	-	35,018	35,018
Properties held for development	-	-	-	-	17,848	17,848
Joint venture companies	45,991	-	-	-	(1,499)	44,492
Associated companies	3,403	-	-	-	41,860	45,263
Intangible assets	-	-	-	-	78,750	78,750
Brands	-	-	-	-	27,481	27,481
Other investments	-	-	844,780	-	-	844,780
Other receivables	31,696	2,533	-	-	21,021	55,250
Deferred tax assets	-	-	-	-	18,156	18,156
Inventories	-	-	-	-	253,918	253,918
Trade receivables	278,792	-	-	-	-	278,792
Related parties	1,742	-	-	-	-	1,742
Bank fixed deposits	450,336	-	-	-	-	450,336
Cash and bank balances	515,243	-	-	-	-	515,243
Assets held for sale	3,600	-	-	-	7,812	11,412
	1,330,803	2,533	844,780	-	964,753	3,142,869
Liabilities						
Trade payables	-	-	-	201,113	-	201,113
Other payables	-	338	-	184,783	11,598	196,719
Associated companies	-	-	-	1,843	-	1,843
Related parties	-	-	-	15,788	-	15,788
Borrowings	-	-	-	100,475	-	100,475
Provision for taxation	-	-	-	-	31,712	31,712
Liabilities held for sale	-	-	-	1,802	-	1,802
Provision for employee benefits	-	-	-	-	18,201	18,201
Deferred tax liabilities	-	-	-	-	19,139	19,139
	-	338	-	505,804	80,650	586,792

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

37. FINANCIAL RISK MANAGEMENT (cont'd)

(g) Classification of Financial Instruments (cont'd)

	Loans and receivables ($'000)	Fair Value through profit and loss ($'000)	Available-for-sale ($'000)	Liabilities at amortised cost ($'000)	Non-financial assets/ liabilities ($'000)	Total ($'000)
The Group						
Year Ended 30 September 2014 (Restated)						
Assets						
Fixed assets	-	-	-	-	663,950	663,950
Investment properties	-	-	-	-	40,702	40,702
Properties held for development	-	-	-	-	21,276	21,276
Joint venture companies	50,598	-	-	-	(499)	50,099
Associated companies	5	-	-	-	49,866	49,871
Intangible assets	-	-	-	-	89,687	89,687
Brands	-	-	-	-	35,280	35,280
Other investments	-	-	701,613	-	-	701,613
Other receivables	30,918	806	-	-	20,008	51,732
Deferred tax assets	-	-	-	-	25,872	25,872
Inventories	-	-	-	-	274,819	274,819
Trade receivables	309,187	-	-	-	-	309,187
Related parties	5,163	-	-	-	-	5,163
Short term investments	-	-	1	-	-	1
Bank fixed deposits	95,675	-	-	-	-	95,675
Cash and bank balances	264,178	-	-	-	-	264,178
	755,724	806	701,614	-	1,220,961	2,679,105
Liabilities						
Trade payables	-	-	-	198,261	-	198,261
Other payables	-	427	-	230,995	8,858	240,280
Associated companies	-	-	-	1,854	-	1,854
Related parties	-	-	-	4,153	-	4,153
Borrowings	-	-	-	141,743	-	141,743
Provision for taxation	-	-	-	-	43,454	43,454
Provision for employee benefits	-	-	-	-	19,495	19,495
Deferred tax liabilities	-	-	-	-	27,484	27,484
	-	427	-	577,006	99,291	676,724

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

37. FINANCIAL RISK MANAGEMENT (cont'd)

(g) Classification of Financial Instruments (cont'd)

	Loans and receivables ($'000)	Fair Value through profit and loss ($'000)	Available-for-sale ($'000)	Liabilities at amortised cost ($'000)	Non-financial assets/ liabilities ($'000)	Total ($'000)
The Company						
Year Ended 30 September 2015						
Assets						
Subsidiary companies	**155,826**	**-**	**-**	**(95,097)**	**906,790**	**967,519**
Associated companies	**-**	**-**	**-**	**-**	**18,100**	**18,100**
Brands	**-**	**-**	**-**	**-**	**212**	**212**
Other investments	**-**	**-**	**120,129**	**-**	**-**	**120,129**
Other receivables	**574**	**295**	**-**	**-**	**518**	**1,387**
Bank fixed deposits	**276,978**	**-**	**-**	**-**	**-**	**276,978**
Cash and bank balances	**261,494**	**-**	**-**	**-**	**-**	**261,494**
	694,872	**295**	**120,129**	**(95,097)**	**925,620**	**1,645,819**
Liabilities						
Other payables	**-**	**-**	**-**	**10,312**	**-**	**10,312**
Subsidiary companies	**-**	**-**	**-**	**692**	**-**	**692**
Related parties	**-**	**-**	**-**	**1,265**	**-**	**1,265**
Provision for taxation	**-**	**-**	**-**	**-**	**3,138**	**3,138**
Deferred tax liabilities	**-**	**-**	**-**	**-**	**114**	**114**
	-	**-**	**-**	**12,269**	**3,252**	**15,521**
Year Ended 30 September 2014						
Assets						
Subsidiary companies	8,396	-	-	(123,438)	924,103	809,061
Associated companies	-	-	-	-	18,100	18,100
Brands	-	-	-	-	212	212
Other investments	-	-	100,779	-	-	100,779
Other receivables	-	-	-	-	855	855
Related parties	1	-	-	-	-	1
Bank fixed deposits	266	-	-	-	-	266
Cash and bank balances	3,898	-	-	-	-	3,898
	12,561	-	100,779	(123,438)	943,270	933,172
Liabilities						
Other payables	-	-	-	10,260	-	10,260
Subsidiary companies	-	-	-	950	-	950
Related parties	-	-	-	1,265	-	1,265
Provision for taxation	-	-	-	-	9,494	9,494
Deferred tax liabilities	-	-	-	-	94	94
	-	-	-	12,475	9,588	22,063

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38. UNUSUAL ITEM

In August 2013, Fraser & Neave Holdings Bhd ("F&NHB"), a subsidiary of the Company listed on Bursa Malaysia, was served with a Kuala Lumpur High Court Writ of Summons and Statement of Claim by BJC-OI Glass Pte Ltd ("BJC-OI"). BJC-OI's action against F&NHB was for damages for alleged breaches of a share purchase agreement dated 14 May 2010 (the "Share Purchase Agreement") between Berli Jucker Public Company Ltd ("BJC"), ACI International Pty Ltd ("ACI") and F&NHB for the sale by F&NHB to BJC and ACI as purchasers of the entire issued and paid-up share capital of Malaya Glass Products Sdn Bhd. BJC and ACI subsequently assigned their rights in the Share Purchase Agreement to BJC-OI.

BJC-OI was claiming for special damages of RM43 million (approximately S$17 million) as well as general and consequential damages to be determined by the court (the "Suit").

BJC-OI is a 50-50 joint venture between Thailand-listed conglomerate BJC and Owens-Illinois Singapore Pte Ltd, which is a subsidiary of NYSE-listed Owens-Illinois Inc. BJC is a subsidiary of TCC Holding Company Limited.

On 9 January 2014, F&NHB entered into a settlement agreement (the "Settlement Agreement") with BJC-OI, BJC and ACI in respect of the Suit instituted by BJC-OI against F&NHB pursuant to which F&NHB agreed to pay a total sum of US$4,973,912 (approximately RM16 million) (the "Settlement Sum") to BJC-OI and Thai Malaya Glass Co Ltd, without any admission as to any claims and/or liabilities.

The Settlement Agreement covered all claims pleaded in the Suit and/or in connection with the Share Purchase Agreement, save and except for:

(a) claims relating to Sichuan Malaya Glass Co Ltd ("SMG") as pleaded in the Suit ("SMG Claims"). SMG is one of the subsidiaries of Malaya Glass Products Sdn Bhd of which the entire issued and paid-up share capital was purchased by BJC and ACI, through BJC-OI, pursuant to the Share Purchase Agreement; and

(b) claims relating to Taxation assessment liabilities pursuant to the terms and conditions in the Share Purchase Agreement ("Tax Claims").

The other salient terms of the Settlement Agreement were, as follows:

(a) BJC, ACI and BJC-OI would assign absolutely all of their rights, benefits and obligations under the Share Purchase Agreement including the right to sue (but excluding the rights, benefits and obligations in relation to the SMG Claims and the Tax Claims) to ACI, which assignment took effect upon receipt of the Settlement Sum.

(b) F&NHB, BJC, ACI and BJC-OI expressly agreed, consented to and acknowledged that ACI's right to institute fresh proceedings against F&NHB in respect of the Share Purchase Agreement is limited to the SMG Claims as pleaded in the Suit, and BJC-OI's right to institute fresh proceedings against F&NHB in respect of the Share Purchase Agreement is limited to the Tax Claims.

(c) Upon receipt of the Settlement Sum, BJC, ACI and BJC-OI released and forever discharged F&NHB from all actions relating to all claims pleaded in the Suit and/or in connection with the Share Purchase Agreement, save and except for the SMG Claims and Tax Claims, and vice versa.

The Settlement Sum has been paid and the Suit was withdrawn on 20 January 2014.

As of the date of this report, no claims in respect of the SMG Claims and Tax Claims have been filed against F&NHB. F&NHB has made adequate provision in respect of the SMG Claims and Tax Claims.

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FOR THE YEAR ENDED 30 SEPTEMBER 2015

39. 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 shareholder value. No changes were made in the objectives, policies or processes during the years ended 30 September 2015 and 2014.

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	
	2015 ($'000)	2014 ($'000) (Restated)	**2015 ($'000)**	2014 ($'000)
Cash & bank deposits	**965,579**	359,853	**538,472**	4,164
Borrowings	**(100,475)**	(141,743)	**-**	-
Net cash	**865,104**	218,110	**538,472**	4,164
Shareholders' fund	**2,268,049**	1,604,830	**1,630,298**	911,109
Total equity (including non-controlling interests)	**2,556,077**	2,002,381	**1,630,298**	911,109

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.

40. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATION

The Group has not adopted the following relevant standards and interpretations that have been issued as at balance sheet date but are not yet effective:

Description		**Effective for annual periods beginning on or after**
FRS 114	Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 27	Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 16 and FRS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 16 and FRS 41	Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 111	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 110 and FRS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28	Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to FRS 1	Disclosure Initiative	1 January 2016
Improvements to FRSs 2014:		
Amendment to FRS 105	Non-current Assets Held for Sale and Discontinued Operations	1 January 2016
Amendment to FRS 107	Financial Instruments: Disclosures	1 January 2016
Amendment to FRS 19	Employee Benefits	1 January 2016
Amendment to FRS 34	Interim Financial Reporting	1 January 2016
FRS 115	Revenue from Contracts with Customers	1 January 2017
FRS 109	Financial Instruments	1 January 2018

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FOR THE YEAR ENDED 30 SEPTEMBER 2015

40. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATION (cont'd)

Except for FRS 115 and FRS 109, the Directors expect that the adoption of the other new and amendments to standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the following FRS are described below.

(a) FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 Revenue, FRS 11 Construction Contracts and the related interpretations when it becomes effective. The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Furthermore, extensive disclosures are required by FRS 115.

The Group is currently determining the impact of the new accounting standard.

(b) FRS 109 Financial Instruments

FRS 109 Financial Instruments replaces the existing guidance in FRS 39 Financial Instruments: Recognition and Measurement. FRS 109 includes revised guidance on the classification and measurement of financial instruments, including classification and measurement of financial assets, impairment of financial assets and hedge accounting. Retrospective application is required, but comparative information is not compulsory in the year of adoption.

The Group is currently determining the impact of the new accounting standard.

41. COMPARATIVE FIGURES

Certain comparative figures have been changed due to the adoption of FRS 111, as disclosed in Note 2.1, PPA adjustment for acquisition of YFI Group, as disclosed in Note 15(a) and the sale of MBL, as disclosed in Note 28(a). The effects of the restatement due to the adoption of FRS 111 is not significant and consequently a restated opening balance sheet as at 1 October 2013 has not been presented.

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FOR THE YEAR ENDED 30 SEPTEMBER 2015

42. SIGNIFICANT SUBSIDIARY COMPANIES, JOINT ARRANGEMENTS AND ASSOCIATED COMPANIES

		Effective Shareholding 2015	Effective Shareholding 2014	Principal Activities
	SUBSIDIARY COMPANIES OF THE COMPANY			
	Country of Incorporation and Place of Business: **Singapore**			
	Fraser & Neave (Singapore) Pte. Limited	**100.0%**	100.0%	Management Services
	F&N Investments Pte Ltd	**100.0%**	100.0%	Investment Holding
	F&N Foods Pte Ltd	**100.0%**	100.0%	Manufacture and Distribution of Dairy Products and Beverages
	Asia Dairies (S) Pte Ltd	**100.0%**	100.0%	Dormant
	F&N Dairy Investments Pte Ltd	**100.0%**	100.0%	Investment Holding
	F&N Interflavine Pte Ltd	**100.0%**	100.0%	Beverage Base Manufacturing
	InterF&B Pte. Ltd. *(Formerly International Theme Parks (Singapore) Pte Ltd)*	**100.0%**	100.0%	Dormant
	Times Publishing Limited	**100.0%**	100.0%	Investment Holding
	F&NBev Manufacturing Pte. Ltd. *(Held by a subsidiary company)*	**100.0%**	100.0%	Dormant
	F&N Treasury Pte Ltd	**100.0%**	100.0%	Provision of Treasury and Financial Services
	F&N Creameries (Singapore) Pte Ltd *(Held by a subsidiary company)*	**100.0%**	100.0%	Distribution of Ice-Cream
	Country of Incorporation and Place of Business: **Hong Kong**			
(A)	Fraser & Neave Investments (HK) Ltd	**100.0%**	100.0%	Dormant
	Country of Incorporation and Place of Business: **Malaysia**			
(A)	Fraser & Neave Holdings Bhd	**55.5%**	55.6%	Investment Holding
(A)	Tiger Tavern Sdn Bhd	**100.0%**	100.0%	Dormant
(A)	Magnolia - PDL Dairies (1993) Sdn Bhd	**100.0%**	100.0%	Investment Holding
(A)	F&N Services (F&B) (M) Sdn Bhd	**100.0%**	100.0%	Technical Application and Brand Marketing Support Services
(A)	F&N Services (L) Bhd	**100.0%**	100.0%	Dormant
(A)	Yoke Food Industries Sdn Bhd *(Held by a subsidiary company)*	**70.0%**	70.0%	Manufacture, Export and Distribution of Soft Drinks
	Country of Incorporation and Place of Business: **Thailand**			
(A)	F&N United Ltd *(Held by a subsidiary company)*	**95.0%**	95.0%	Manufacture and Distribution of Dairy Products
	Country of Incorporation and Place of Business: **Indonesia**			
(B)	PT F&N Indonesia *(Held by subsidiary companies)*	**100.0%**	100.0%	Sale and Distribution of Asian Soft Drinks

Notes:

(A) Audited by Ernst & Young in the respective countries.

(B) To be appointed.

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42. SIGNIFICANT SUBSIDIARY COMPANIES, JOINT ARRANGEMENTS AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2015	Effective Shareholding 2014	Principal Activities
	SUBSIDIARY COMPANIES OF F&N CREAMERIES GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(A)	F&N Ice Cream Manufacturing (M) Sdn Bhd	**100.0%**	100.0%	Manufacture and Distribution of Ice-Cream
(A)	F&N Creameries (M) Sdn Bhd	**100.0%**	100.0%	Distribution of Ice-Cream
(A)	F&N Ice Cream Manufacturing (Sarawak) Sdn Bhd	**100.0%**	100.0%	Distribution of Ice-Cream
(A)	F&N Creameries (Sarawak) Sdn Bhd	**100.0%**	100.0%	Distribution of Ice-Cream
	SUBSIDIARY COMPANIES OF YOKE FOOD INDUSTRIES GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(A)	Lee Fah Marketing Sdn Bhd	**70.0%**	70.0%	Distribution of Soft Drinks
	Country of Incorporation and Place of Business: **Indonesia**			
(A)	PT Yoke Food Industries Indonesia	**70.0%**	70.0%	Distribution of Soft Drinks
	SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(A)	Fraser & Neave (Malaya) Sdn Bhd	**55.5%**	55.6%	Management Services and Property Investment Holding
(A)	F&N Beverages Marketing Sdn Bhd	**55.5%**	55.6%	Distribution of Soft Drinks
(A)	F&N Beverages Manufacturing Sdn Bhd	**55.5%**	55.6%	Manufacture of Soft Drinks
(A)	F&N Dairies (Malaysia) Sdn Bhd	**55.5%**	55.6%	Distribution of Dairy Products
(A)	Premier Milk (Malaya) Sdn Bhd	**55.5%**	55.6%	Dormant
(A)*	Four Eights Sdn Bhd	**55.5%**	55.6%	Dormant
(A)*	F&N Foods Sdn Bhd	**55.5%**	55.6%	Dormant
(A)	Kuala Lumpur Glass Manufacturers Company Sdn Bhd	**55.5%**	55.6%	Dormant
(A)	Wimanis Sdn Bhd	**55.5%**	55.6%	Property Development
(A)	Lettricia Corporation Sdn Bhd	**38.9%**	38.9%	Property Development
(A)	Elsinburg Holdings Sdn Bhd	**55.5%**	55.6%	Property Development
(A)	Nuvak Company Sdn Bhd	**55.5%**	55.6%	Dormant
(A)	Greenclipper Corporation Sdn Bhd	**55.5%**	55.6%	Property Development
(A)	Utas Mutiara Sdn Bhd	**55.5%**	55.6%	Property Investment Holding
(A)	Borneo Springs Sdn Bhd	**55.5%**	55.6%	Manufacture and Sale of Mineral Water
(A)	F&N Dairies Manufacturing Sdn Bhd	**55.5%**	55.6%	Manufacture and Distribution of Dairy Products
(A)	F&N Properties Sdn Bhd	**55.5%**	55.6%	Provision of Property Management Services
(A)	F&N Capital Sdn Bhd	**55.5%**	55.6%	Provision of Treasury and Financial Services
(A)	Tropical League Sdn Bhd	**55.5%**	55.6%	Dormant

Notes:

(A) Audited by Ernst & Young in the respective countries.

* In voluntary liquidation

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

42. SIGNIFICANT SUBSIDIARY COMPANIES, JOINT ARRANGEMENTS AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding		
		2015	2014	**Principal Activities**
	SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP (cont'd)			
	Country of Incorporation and Place of Business: **Singapore**			
	F&N Dairies Distribution (Singapore) Pte Ltd	**55.5%**	55.6%	Distribution of Dairy Products
	Country of Incorporation and Place of Business: **Thailand**			
(A)	F&N Dairies (Thailand) Limited	**55.5%**	55.6%	Manufacture and Distribution of Dairy Products
(A)	F&N Beverages (Thailand) Limited	**55.5%**	55.6%	Dormant
	Country of Incorporation and Place of Business: **British Virgin Islands**			
(A)	Lion Share Management Limited	**55.5%**	55.6%	Brand Owner
	Country of Incorporation and Place of Business: **Brunei**			
(B)	F&N Marketing (B) Sdn Bhd	**55.5%**	-	Dormant
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP			
	Country of Incorporation and Place of Business: **Singapore**			
	Marshall Cavendish International Private Limited	**100.0%**	100.0%	Investment Holding
	Marshall Cavendish International (Asia) Private Limited	**100.0%**	100.0%	Publishing of Trade Books
	Marshall Cavendish Education Pte. Ltd.	**100.0%**	100.0%	Publishing - Education
	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
	Marshall Cavendish Institute Pte. Ltd.	**100.0%**	100.0%	Publishing - Education
	Pansing Distribution Private Limited	**100.0%**	100.0%	Distribution of Books and Magazines
	Goodwill Binding Pte. Ltd.	**51.0%**	51.0%	Dormant
	JCS Digital Solutions Pte. Ltd.	**100.0%**	100.0%	Digital Printing
(D)	Times Editions Pte Ltd	**100.0%**	100.0%	Dormant
	Times Graphics Private Limited	**100.0%**	100.0%	Dormant
	Times Printers Private Limited	**100.0%**	100.0%	Commercial Printing
	Country of Incorporation: **Singapore** Place of Business: **Singapore and Malaysia**			
	Times The Bookshop Pte Ltd	**100.0%**	100.0%	Retail of Books, Stationery, Magazines and Periodicals

Notes:

(A) Audited by Ernst & Young in the respective countries.

(B) To be appointed.

(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 2015

42. SIGNIFICANT SUBSIDIARY COMPANIES, JOINT ARRANGEMENTS AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2015	Effective Shareholding 2014	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)			
	Country of Incorporation and Place of Business: **Malaysia**			
(A)	Marshall Cavendish (Malaysia) Sdn. Bhd.	**100.0%**	100.0%	Publishing - Education, Business Information and Trade Books
(A)	STP Distributors (M) Sendirian Berhad	**100.0%**	100.0%	Dormant
(A)	Pansing Marketing Sdn Bhd	**100.0%**	100.0%	Distribution of Books and Magazines
(A)	Times Offset (Malaysia) Sdn Bhd	**100.0%**	100.0%	Commercial Printing
(A)	Pansing Distribution Sdn Bhd	**100.0%**	100.0%	Distribution of Books and Magazines
	Country of Incorporation: **Hong Kong** Place of Business: **Hong Kong/Thailand**			
(A)	Far East Publications Limited	**100.0%**	100.0%	Distribution of Home Library Reference Books
	Country of Incorporation and Place of Business: **Thailand**			
(A)(1)	Marshall Cavendish International (Thailand) Co., Ltd	**49.0%**	49.0%	Publishing - Education
	Country of Incorporation and Place of Business: **Hong Kong**			
(A)	Everbest Printing Holdings Limited	**100.0%**	100.0%	Investment Holding
(A)	Everbest Printing Investment Limited	**100.0%**	100.0%	Investment Holding
(A)	Everbest Printing Company Limited *(Accounting year ends on 31 March)*	**100.0%**	100.0%	Commercial Printing
(A)	Marshall Cavendish Business Information (HK) Limited	**100.0%**	100.0%	Publishing of Trade Directory and Business Information
(A)	Times Publishing (Hong Kong) Limited	**100.0%**	100.0%	Education Publishing and Distribution of Magazines
	Country of Incorporation and Place of Business: **Hong Kong**			
(A)	Educational Technologies Limited	**100.0%**	100.0%	Publishing and Selling of Home Library Reference Books
	Country of Incorporation and Place of Business: **China**			
(A)	Everbest Printing (Guangzhou) Company Limited	**100.0%**	100.0%	Commercial Printing
(A)(2)	Shanxi Xinhua Times Packaging Printing Co., Ltd	**51.0%**	51.0%	Commercial Printing and Packaging
(C)	Marshall Cavendish (Beijing) Co. Ltd. *(All the above companies, incorporated in China, accounting year ends on 31 December)*	**100.0%**	100.0%	Dormant

Notes:

(A) Audited by Ernst & Young in the respective countries.

(C) Audited by other firms of auditors.

(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.

(2) Classified as Asset and Liabilities Held for Sale (Note 28(b)).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

42. SIGNIFICANT SUBSIDIARY COMPANIES, JOINT ARRANGEMENTS AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2015	Effective Shareholding 2014	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)			
	Country of Incorporation and Place of Business: **India**			
(A)	Direct Educational Technologies India Pvt. Ltd. *(Accounting year ends on 31 March)*	**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
(D)	Pansing IMM Pty Limited	**100.0%**	100.0%	Dormant
	Country of Incorporation and Place of Business: **United Kingdom**			
(A)	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 *(Accounting year ends on 31 December)*	**100.0%**	100.0%	Publishing - Education
	JOINT VENTURE COMPANY OF FRASER & NEAVE HOLDINGS GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(A)	Vacaron Company Sdn Bhd	**27.8%**	27.8%	Property Development
	JOINT OPERATION OF TIMES PUBLISHING GROUP			
	Country of Incorporation and Place of Business: **Singapore**			
	Times Newslink *(Accounting year ends on 31 December)*	**50.0%**	50.0%	Retail of Books and Magazines
	ASSOCIATED COMPANY OF THE COMPANY			
	Country of Incorporation and Place of Business: **Australia**			
(C)(3)	PMP Limited *(Accounting year ends on 30 June)*	**12.1%**	12.1%	Printing and Packaging

Notes:

(A) Audited by Ernst & Young 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.

(3) Company is treated as an associated company of the Group by virtue of significant influence over the company.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

42. SIGNIFICANT SUBSIDIARY COMPANIES, JOINT ARRANGEMENTS AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding		
		2015	2014	**Principal Activities**
	ASSOCIATED COMPANY OF FRASER & NEAVE HOLDINGS GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(C)	Cocoaland Holdings Berhad *(Accounting year ends on 31 December)*	**15.1%**	15.1%	Investment Holding
	ASSOCIATED COMPANIES OF TIMES PUBLISHING GROUP			
	Country of Incorporation and Place of Business: **China**			
(C)	Beijing Universal Times Culture Development Co., Ltd. *(Accounting year ends on 31 December)*	**40.0%**	40.0%	Dormant
	Country of Incorporation and Place of Business: **Nigeria**			
(C)	Transworld Times Press (Africa) Ltd *(Accounting year ends on 31 December)*	**40.0%**	40.0%	Dormant

Notes:

(C) Audited by other firms of auditors.

Particulars of Group Properties

The main properties as at 30 September 2015 and their net book values are indicated below:
("F&N" refers to Fraser and Neave Group and "TPL" refers to Times Publishing Group)

(A) CLASSIFIED AS FIXED ASSETS (Note 12 to the Financial Statements)

				Land ($'000)	Building ($'000)
FREEHOLD					
Singapore					
TPL	-	1.1	hectares industrial property at Times Centre, 1 New Industrial Road	6,100	4,468
Peninsular Malaysia					
F&N	-	18.0	hectares industrial property at Lot 3-1 & Lot 3-2, Lion Industrial Park, Shah Alam	15,681	19,376
	-	2.1	hectares industrial property at 3724 to 3726 Sungei Nyior, Butterworth	1,524	598
	-	2.7	hectares industrial property at 217, Jalan Lahat, Ipoh	909	597
	-	2.2	hectares industrial property at 701, Jalan Tampoi, Johor Bahru	2,473	49
	-	0.6	hectares industrial property at 598, Jalan Tampoi, Johor Bahru	339	993
	-	0.1	hectares office premise at No. 3, Jalan Metro Pudu, Fraser Business Park, Kuala Lumpur	-	4,176
	-	0.4	hectares industrial property at Seksyen 26, Shah Alam, Selangor	534	273
	-	2.0	hectares industrial property at Lot 7399, Jalan Mempaga, Mukim Sabai, Karak, Pahang	1,194	2,006
	-	0.3	hectares office premise at Level 1, 5, 6 & 7, Kompleks Metro Pudu, No. 1 Jalan Metro Pudu 2, Fraser Business Park, Kuala Lumpur	-	4,218
	-	Other properties		301	117
TPL	-	1.2	hectares industrial property at Lot 46, Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam	1,243	1,845
East Malaysia					
F&N	-	1.1	hectares industrial property at Lot 924 Block 4, Matang Land District, Sarawak	1,414	1,238
Thailand					
F&N	-	1.2	hectares industrial property at 90 Moo 8 Mitapap Road, Phayayen District, Amphur Pakchong, Nakonratchasima Province 30320	-	759
	-	9.2	hectares industrial property at 668 Moo 4 Rojana Industrial Park Zone 2, U-thai, Phra Nakhon Si Ayutthaya 13210	6,763	44,791
Australia					
TPL	-	0.2	hectares commercial property at Unit 7 & 8 Monash Business Park, 29 Business Park Drive, Nottinghill, Melbourne - Victoria	761	281
United States of America					
TPL	-	0.2	hectares commercial property at 99 White Plains Road, Tarrytown, New York	711	2,881
Total Freehold				**39,947**	**88,666**

Particulars of Group Properties

				Land ($'000)	Building ($'000)
(A)	**CLASSIFIED AS FIXED ASSETS** (cont'd) **(Note 12 to the Financial Statements)**				
	LEASEHOLD				
	Singapore				
	F&N	-	4.0 hectares industrial property at 214 Pandan Loop (Lease expires year 2040)	-	11,139
		-	0.1 hectares industrial property at 51 Quality Road (Lease expires year 2044)	-	40
	TPL	-	Commercial property at Unit #04-08 - #04-11, The Centrepoint, 176 Orchard Road (Lease expires year 2078)	-	6
		-	1.8 hectares industrial property at 16 & 18 Tuas Avenue 5 (Lease expires year 2043)	-	11,785
	Peninsular Malaysia				
	F&N	-	15.1 hectares industrial property at Lot 56, Section 4, Phase 2B, Mukim Klang, Selangor (Lease expires year 2097)	8,820	51,839
		-	2.0 hectares industrial property at Plot 183 & 184, Jalan Cyber 9, Senai, Johor (Lease expires year 2068)	1,489	4,138
		-	2.0 hectares industrial property at Plot 182, Jalan Cyber 9, Senai, Johor (Lease expires year 2073)	993	1,559
		-	Other properties	383	174
	East Malaysia				
	F&N	-	1.8 hectares industrial property at 3.5 Miles Penrissen Road, Kuching (Lease expires year 2038)	444	5,421
		-	2.6 hectares industrial property at 5.5 Miles Tuaran Road, Kota Kinabalu (Lease expires year 2062)	660	1,586
		-	1.2 hectares industrial property at Lot 1557 Block 218 KNLD, Kuching (Lease expires year 2038)	1,832	-
		-	2.4 hectares industrial property at Lot 1581 Block 4, Matang Land District, Kuching (Lease expires year 2038)	1,327	922
		-	0.4 hectares office premise at Lot 142 Block 63, Kuching (Lease expires year 2784)	73	52
		-	0.4 hectares industrial property at Lot 1008, Bintawa Industrial Estate, Kuching (Lease expires year 2035)	8	99
	Thailand				
	TPL	-	Warehouse at Soi Wat Kok #20/526-527, Rama II Road, Bangkok (Lease expires year 2021)	-	18

Particulars of Group Properties

			Land ($'000)	Building ($'000)
(A)	**CLASSIFIED AS FIXED ASSETS** (cont'd) **(Note 12 to the Financial Statements)**			
	LEASEHOLD (cont'd)			
	China/Hong Kong			
	TPL	- Residential property at Unit 1AF Riverside Garden, Shenyang, China (Lease expires year 2054)	-	164
		- Warehouse at Unit D, 2nd Floor, Freder Centre 68 Sung Wong Toi Road, Tokwawan, Kowloon, Hong Kong (Lease expires year 2022)	-	3
		- Industrial property at Dachong Western Industrial District Nansha Panyu, Guangdong, China (Lease expires year 2044)	2,485	13,194
		- Industrial property at Unit A1, C5, Ko Fai Industrial Building 7 Ko Fai Road, Yau Tong, Kowloon, Hong Kong (Lease expires year 2048)	-	251
		- Offices at Seaview Estate - 10th Floor Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	4,552	109
		- Offices at Seaview Estate - 9th Floor Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	4,314	96
	Total Leasehold		**27,380**	**102,595**
	TOTAL PROPERTIES (CLASSIFIED AS FIXED ASSETS)		**67,327**	**191,261**
(B)	**CLASSIFIED AS COMPLETED INVESTMENT PROPERTIES (Note 13 to the Financial Statements)**			
	Singapore			
	TPL	- 0.7 hectares industrial property at 438 Ang Mo Kio Industrial Park Leasehold (Lease expires year 2038)	-	17,200
	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, Kuala Lumpur Freehold, lettable area - 5,034 sqm	-	16,143
		- Office at Lot 682 Seksyen 92, Fraser Business Park, Off Jalan Yew, Kuala Lumpur Freehold, lettable area - 3,787 sqm	-	243
	Hong Kong			
	TPL	- Shop unit at Houston Centre, Tsimshatsui East, Kowloon Leasehold (Lease expires year 2053), lettable area - 68 sqm	1,309	123
	TOTAL PROPERTIES (CLASSIFIED AS INVESTMENT PROPERTIES)		**1,309**	**33,709**

Particulars of Group Properties

		Stage of Completion %	Estimated Date of Completion	Effective Group Interest %
(C)	**CLASSIFIED AS PROPERTIES HELD FOR DEVELOPMENT (Note 14 to the Financial Statements)**			
	Peninsular Malaysia			
	F&N - Freehold land of approximately 3,787 sqm at Fraser Business Park, Off Jalan Yew, Kuala Lumpur.	-	-	56
	- Freehold land of approximately 245,287 sqm for a residential property development at Lot 609, Geran 24235, Mukim Hulu Semenyih, District of Hulu Langat, Selangor.	-	-	56
	- Freehold land of approximately 12,268 sqm for a commercial property development at Lot 15350 to 15351 & Lot PTB 20048, Jalan Balau 1, Jalan Dato Sulaiman, Jalan Tebrau, Mukim Bandar, Johor Bahru.	-	-	56

Shareholding Statistics

AS AT 8 DECEMBER 2015

Class of Shares - Ordinary shares
Voting Rights - One vote per share

Size of Holding	No. of Shareholders	%	No. of Shares	%
1 - 99	110	1.40	3,635	0.00
100 - 1,000	1,493	18.99	1,366,346	0.09
1,001 - 10,000	4,808	61.16	20,491,576	1.42
10,001 - 1,000,000	1,434	18.24	66,218,292	4.59
1,000,001 and above	16	0.21	1,356,169,205	93.90
TOTAL	**7,861**	**100.00**	**1,444,249,054**	**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	440,196,836	30.48
2	United Overseas Bank Nominees Pte Ltd	430,512,007	29.81
3	InterBev Investment Limited	412,423,822	28.56
4	Citibank Nominees Singapore Pte Ltd	27,758,585	1.92
5	BNP Paribas Nominees Singapore Pte Ltd	13,853,185	0.96
6	DBS Vickers Securities (Singapore) Pte Ltd	10,251,130	0.71
7	UOB Kay Hian Pte Ltd	6,474,830	0.45
8	Raffles Nominees (Pte) Ltd	4,842,925	0.34
9	Lee Seng Tee	2,500,000	0.17
10	Phay Thong Huat Pte Ltd	1,799,000	0.12
11	HSBC (Singapore) Nominees Pte Ltd	1,164,939	0.08
12	CIMB Securities (Singapore) Pte Ltd	1,163,471	0.08
13	DB Nominees (Singapore) Pte Ltd	1,156,755	0.08
14	Chua Eng Him	1,065,000	0.07
15	The Titular Roman Catholic Archbishop of Kuala Lumpur	1,006,720	0.07
16	Bank of Singapore Nominees Pte Ltd	927,043	0.06
17	Choo Meileen	906,065	0.06
18	Chee Swee Cheng & Co Pte Ltd	846,610	0.06
19	Morgan Stanley Asia (Singapore) Securities Pte Ltd	801,730	0.06
20	OCBC Nominees Singapore Pte Ltd	662,460	0.05
TOTAL		**1,360,313,113**	**94.19**

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	59.41	-	-
InterBev Investment Limited	412,423,822	28.56	-	-
International Beverage Holdings Limited (1)	-	-	412,423,822	28.56
Thai Beverage Public Company Limited (2)	-	-	412,423,822	28.56
Siriwana Company Limited (3)	-	-	412,423,822	28.56
MM Group Limited (4)	-	-	412,423,822	28.56
Maxtop Management Corp. (4)	-	-	412,423,822	28.56
Risen Mark Enterprise Ltd. (4)	-	-	412,423,822	28.56
Golden Capital (Singapore) Limited (4)	-	-	412,423,822	28.56
Charoen Sirivadhanabhakdi (5)	-	-	1,270,503,884	87.97
Khunying Wanna Sirivadhanabhakdi (5)	-	-	1,270,503,884	87.97

To the best of the Company's knowledge and based on records of the Company as at 8 December 2015, approximately 12%* of the issued shares (excluding treasury 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 1,444,249,054 shares (excluding 2,828,700 treasury shares) as at 8 December 2015.

(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 Company Limited holds an approximate 45.27% direct interest in ThaiBev;
- ThaiBev holds a 100% direct interest in IBHL; and
- IBHL holds a 100% direct interest in IBIL.

Siriwana Company Limited 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 Company Limited, which in turn holds an approximate 45.27% direct 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 2014 to 30 September 2015 as required under Rule 907 of the SGX Listing Manual are set out below.

Name of interested person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S$	Aggregate value of all IPTs conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) S$
TCC Group of Companies [1]		
- Sale of products and provision of services	Nil	4,297,147
- Provision of management and support services	1,224,000	396,000
- Purchase of products and obtaining of services	Nil	5,191,481
- Obtaining of marketing services	583,917	Nil
- Lease of office/commercial space	Nil	1,873,204
- Reimbursement of advertising and promotional expenses	6,756,053	Nil

Note :

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

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 OF ANNUAL GENERAL MEETING

Date : Friday, 29 January 2016

Place : Ballrooms II and III
Level 2, InterContinental Singapore
80 Middle Road
Singapore 188966

NOTICE IS HEREBY GIVEN that the 117th Annual General Meeting of FRASER AND NEAVE, LIMITED (the "**Company**") will be held at Ballrooms II and III, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966 on Friday, 29 January 2016 at 9.30 a.m. for the following purposes:

ROUTINE BUSINESS

1. To receive and adopt the Directors' statement and audited financial statements for the year ended 30 September 2015 and the auditor's report thereon.

2. To approve a final tax-exempt (one tier) dividend of 3.0 cents per share in respect of the year ended 30 September 2015.

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 Directors[1]:

   (a) "That Mr Charoen Sirivadhanabhakdi, who will retire pursuant to Section 153(6) of the Companies Act, Chapter 50 which was in force immediately before 3 January 2016, be and is hereby re-appointed as a Director of the Company."

   Subject to his re-appointment, Mr Charoen will be re-appointed as Chairman of the Board of Directors.

   (b) "That Khunying Wanna Sirivadhanabhakdi, who will retire pursuant to Section 153(6) of the Companies Act, Chapter 50 which was in force immediately before 3 January 2016, 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.

   (c) "That Tengku Syed Badarudin Jamalullail, who will retire pursuant to Section 153(6) of the Companies Act, Chapter 50 which was in force immediately before 3 January 2016, be and is hereby re-appointed as a Director of the Company."

   Subject to his re-appointment, Tengku Syed, who is considered an independent Director, will be re-appointed as Lead Independent Director and Chairman of the Nominating Committee.

   (d) "That Mr Koh Poh Tiong, 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."

   Subject to his re-appointment, Mr Koh will be re-appointed as Chairman of each of the Board Executive and Food & Beverage Committees and a Member of the Risk Management Committee.

   (e) "That Mr Sithichai Chaikriangkrai, 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."

   Subject to his re-appointment, Mr Sithichai will be re-appointed as a Member of each of the Audit, Board Executive, Food & Beverage and Risk Management Committees.

[1] Detailed information on the Directors who are proposed to be re-appointed can be found under "Board of Directors" and "Corporate Governance" in the Company's Annual Report 2015.

Notice of Annual General Meeting

4. To approve Directors' fees of up to S$2,000,000 payable by the Company for the year ending 30 September 2016 (last year: S$2,000,000).

5. To appoint KPMG LLP as the Company's auditor in place of the retiring auditor, Ernst & Young LLP, 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, of which Resolutions 6, 7, 8, 9 and 10 will be proposed as Ordinary Resolutions and Resolution 11 will be proposed as a Special Resolution:

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,

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 (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 (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, 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 are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of shares;

(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."

Notice of Annual General Meeting

7. "That approval 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 (the "**Restricted Share Plan**") and/or the F&N Performance Share Plan (the "**Performance Share Plan**"); 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 under the Restricted Share Plan and/or the Performance Share Plan,

   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 Restricted Share Plan and the Performance Share Plan, shall not exceed 10% of the total number of issued ordinary shares of the Company, excluding treasury shares, from time to time."

8. "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."

9. "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 Appendix 2 to the Company's Letter to Shareholders dated 5 January 2016 (the "**Letter**"), with any party who is of the class of interested persons described in Appendix 2 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 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."

10. "That:

   (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 (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 SGX-ST trading system 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**");

Notice of Annual General Meeting

(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 SGXST, for any corporate action that occurs after the relevant five-day period;

"**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 any Shares which are held as treasury shares as at that date); 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 such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

11. "That the regulations contained in the new Constitution submitted to this meeting and, for the purpose of identification, subscribed to by the Company Secretary, be approved and adopted as the Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution."

By Order of the Board

Anthony Cheong Fook Seng
Company Secretary

5 January 2016

Notice of Annual General Meeting

NOTES:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

2. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies (a form is enclosed) must be deposited at the Share Registration Office of the Company at Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road #11-02, Singapore 068898 not less than 72 hours before the time appointed for holding the meeting.

EXPLANATORY NOTES:

(a) The Ordinary Resolution proposed in item 5 above is to approve the appointment of KPMG LLP as the Company's auditor in place of the retiring auditor, Ernst & Young LLP, and to authorise the Directors of the Company to fix their remuneration. Please refer to the Letter to Shareholders dated 5 January 2016 (the "**Letter**") for more details.

(b) 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, with a sub-limit of 20% for issues other than on a *pro rata* basis, calculated as described in the Resolution.

(c) The Ordinary Resolution proposed in item 7 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 (the "**Restricted Share Plan**") and the F&N Performance Share Plan (the "**Performance Share Plan**") 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 Restricted Share Plan and the Performance Share Plan, shall not exceed 10% of the total number of issued ordinary shares of the Company, excluding treasury shares, from time to time. The Committee administering the Restricted Share Plan and the Performance Share Plan currently does not intend, in any given year, to grant awards under the Restricted Share Plan and the Performance Share Plan which would comprise more than 1% 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.

(d) The Ordinary Resolution proposed in item 8 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 9 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 Letter. Please refer to the Letter for more details.

Notice of Annual General Meeting

(f) The Ordinary Resolution proposed in item 10 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, and 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) 28,884,981 ordinary shares on 8 December 2015 (the "**Latest Practicable Date**"), representing 2% of the issued ordinary shares (excluding treasury shares) as at that date, and (ii) 101,097,433 ordinary shares on the Latest Practicable Date, representing 7% of the issued ordinary shares (excluding treasury shares) as at that date, at the maximum price of S$2.33 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 2015 and certain assumptions, are set out in paragraph 4.7 of the Letter.

Please refer to the Letter for more details.

(g) The Special Resolution proposed in item 11 above is to adopt a new Constitution following the wide-ranging changes to the Companies Act, Chapter 50 (the "**Companies Act**") introduced pursuant to the Companies (Amendment) Act 2014 (the "**Amendment Act**"). The new Constitution will consist of the memorandum and articles of association of the Company which were in force immediately before 3 January 2016, and incorporate amendments to (*inter alia*) take into account the changes to the Companies Act introduced pursuant to the Amendment Act. Please refer to the Letter for more details.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) 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 proxies and representatives appointed 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 (collectively, the "**Purposes**"), and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.

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IMPORTANT
1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF monies to buy Fraser and Neave, Limited shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 5 January 2016.

FRASER AND NEAVE, LIMITED
(COMPANY REGISTRATION NO. 189800001R)
(INCORPORATED IN SINGAPORE)

PROXY FORM
ANNUAL GENERAL MEETING

I/We ______________________________ (Name) ____________________ (NRIC/Passport/Co Reg Number)

of ____(Address)

being a member/members of Fraser and Neave, Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

or failing him/them, the Chairman of the Annual General Meeting ("**AGM**"), as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the AGM of the Company to be held at 9.30 a.m. on Friday, 29 January 2016 at Ballrooms II and III, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM (of which Resolution Nos. 1 to 10 will be proposed as Ordinary Resolutions and Resolution No. 11 will be proposed as a Special Resolution) as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they may on any other matter arising at the AGM.

NO.	RESOLUTIONS RELATING TO:	No. of Votes For*	No. of Votes Against*
	ROUTINE BUSINESS		
1.	To receive and adopt the Directors' statement and audited financial statements for the year ended 30 September 2015 and the auditor's report thereon.		
2.	To approve a final tax-exempt (one-tier) dividend of 3.0 cents per share in respect of the year ended 30 September 2015.		
3.	(a) To re-appoint Director: Mr Charoen Sirivadhanabhakdi		
	(b) To re-appoint Director: Khunying Wanna Sirivadhanabhakdi		
	(c) To re-appoint Director: Tengku Syed Badarudin Jamalullail		
	(d) To re-appoint Director: Mr Koh Poh Tiong		
	(e) To re-appoint Director: Mr Sithichai Chaikriangkrai		
4.	To approve Directors' fees of up to S$2,000,000 payable by the Company for the year ending 30 September 2016.		
5.	To appoint KPMG LLP as the Company's auditor in place of the retiring auditor, Ernst & Young LLP, and to authorise the Directors to fix their remuneration.		
	SPECIAL BUSINESS		
6.	To authorise Directors to issue shares and to make or grant convertible instruments.		
7.	To authorise Directors to grant awards and to allot and issue shares pursuant to the F&N Restricted Share Plan and/or the F&N Performance Share Plan.		
8.	To authorise Directors to allot and issue shares pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme.		
9.	To approve the proposed renewal of the mandate for interested person transactions.		
10.	To approve the proposed renewal of the share purchase mandate.		
11.	To approve the proposed adoption of the new Constitution.		

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (√) within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please indicate the number of shares in the boxes provided.

Dated this __________ day of __________ 2016.

Total Number of Shares held (Note 1)	

____
Signature/Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

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NOTES TO PROXY FORM:

1. If the member has shares entered against his 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 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 name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the Share Registration Office of the Company at Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road #11-02, Singapore 068898 not less than 72 hours before the time appointed for holding the meeting.
5. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies 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 a proxy or proxies 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) be lodged 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 a proxy or proxies 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 (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 a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

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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

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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 Republic of Singapore)

For online version of F&N FY2015 Annual Report, please refer to http://fraserandneave.com/investor-relations
For easy-to-read guides on annual reports, please refer to www.sgx.com/wps/wcm/connect/mp_en/site/highlights/highlight_contents/Investors_Guide