



FRASER AND NEAVE, LIMITED

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

RESULTS FOR THE 2ND QUARTER ENDED 31 MARCH 2018 Financial Statements and Dividend Announcement

The Directors are pleased to make the following announcement of the unaudited results for the 2nd Quarter ended 31 March 2018.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), HALF AND FULL YEAR RESULTS

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

1(a)(i) GROUP PROFIT STATEMENT

	2nd Quarter to 31/3/2018 \$'000	2nd Quarter to 31/3/2017 \$'000	Change %	6 Months to 31/3/2018 \$'000	6 Months to 31/3/2017 \$'000	Change %
Revenue	473,089	451,282	4.8	960,152	946,313	1.5
Cost of sales	(312,911)	(289,284)	8.2	(631,851)	(602,009)	5.0
Gross profit	160,178	161,998	(1.1)	328,301	344,304	(4.6)
Other (expenses)/income (net)	(4,364)	(1,068)	NM	(4,320)	6,128	NM
Operating expenses						
- Distribution	(47,919)	(43,618)	9.9	(92,710)	(91,121)	1.7
- Marketing	(57,821)	(65,003)	(11.0)	(116,778)	(130,065)	(10.2)
- Administration	(30,514)	(31,469)	(3.0)	(61,429)	(62,302)	(1.4)
	(136,254)	(140,090)	(2.7)	(270,917)	(283,488)	(4.4)
Trading profit	19,560	20,840	(6.1)	53,064	66,944	(20.7)
Share of joint venture company's loss	(407)	(62)	NM	(780)	(82)	NM
Share of associated companies' profits	17,144	1,466	NM	34,493	1,777	NM
Profit before interest and taxation ("PBIT")	36,297	22,244	63.2	86,777	68,639	26.4
Finance income	3,354	1,360	146.6	7,282	4,141	75.9
Finance cost	(7,547)	(2,565)	194.2	(15,214)	(3,868)	NM
Net finance (cost)/income	(4,193)	(1,205)	NM	(7,932)	273	NM
Profit before taxation and exceptional items	32,104	21,039	52.6	78,845	68,912	14.4
Exceptional items	1,336	4,808	(72.2)	591	3,334	(82.3)
Profit before taxation	33,440	25,847	29.4	79,436	72,246	10.0
Taxation	(3,367)	(2,419)	39.2	(8,223)	(8,343)	(1.4)
Profit after taxation	30,073	23,428	28.4	71,213	63,903	11.4
Attributable profit to:						
Shareholders of the Company	15,386	3,817	NM	41,475	26,268	57.9
Exceptional items	595	4,668	(87.3)	153	4,292	(96.4)
	15,981	8,485	88.3	41,628	30,560	36.2
Non-controlling interests	14,092	14,943	(5.7)	29,585	33,343	(11.3)
	30,073	23,428	28.4	71,213	63,903	11.4

NM – Not meaningful

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

	Group					
	2nd Quarter to 31/3/2018 \$'000	2nd Quarter to 31/3/2017 \$'000	Change %	6 Months to 31/3/2018 \$'000	6 Months to 31/3/2017 \$'000	Change %
Operating expenses						
Included in operating expenses are:						
Depreciation & amortisation	(13,328)	(12,934)	3.0	(28,797)	(29,310)	(1.8)
Allowance for bad and doubtful debts	(176)	(151)	16.6	(220)	(112)	96.4
Allowance for inventory obsolescence	(295)	(894)	(67.0)	(2,844)	(3,027)	(6.0)
Employee share-based expense	(286)	(1,229)	(76.7)	(1,539)	(2,193)	(29.8)
Other (expenses)/income (net)						
(Loss)/Gain on disposal of fixed assets	(11)	103	NM	1,079	48	NM
Foreign exchange (loss)/gain	(6,796)	(4,394)	54.7	(9,549)	14	NM
Taxation						
Over/(Under) provision of prior year taxation	976	(76)	NM	1,370	1,897	(27.8)
Exceptional items						
Effect of change of interest in an associated company	-	4,671	NM	-	4,671	NM
Reversal of provision for litigation claims	-	-	-	-	1,844	NM
Write back/(Provision) for restructuring and re-organisation cost of operations	1,336	242	NM	1,336	(3,076)	NM
Loss on liquidation of subsidiary and joint venture companies (net)	-	(105)	NM	-	(105)	NM
Insurance claim relating to flood	-	-	NM	219	-	NM
Damaged inventories relating to fire	-	-	NM	(964)	-	NM
	<u>1,336</u>	<u>4,808</u>		<u>591</u>	<u>3,334</u>	
PBIT as a percentage of revenue	<u>7.7%</u>	<u>4.9%</u>		<u>9.0%</u>	<u>7.3%</u>	

NM - Not meaningful

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

	2nd Quarter to 31/3/2018 \$'000	2nd Quarter to 31/3/2017 \$'000	6 Months to 31/3/2018 \$'000	6 Months to 31/3/2017 \$'000
Revenue				
By Business Activity				
Beverages	125,592	113,603	242,390	252,645
Dairies	284,416	271,550	577,404	550,117
Printing & publishing	62,990	66,038	140,178	143,369
Others	91	91	180	182
	<u>473,089</u>	<u>451,282</u>	<u>960,152</u>	<u>946,313</u>
By Territory				
Singapore	106,713	112,090	222,705	232,356
Malaysia	194,730	169,264	389,484	375,936
Thailand	150,782	146,154	307,676	293,016
Vietnam	68	10	360	10
Others	20,796	23,764	39,927	44,995
	<u>473,089</u>	<u>451,282</u>	<u>960,152</u>	<u>946,313</u>
PBIT				
By Business Activity				
Beverages	(802)	(5,163)	782	3,549
Dairies	51,604	39,815	102,142	79,251
Printing & publishing	(8,391)	(5,635)	(6,702)	(7,900)
Others	(6,114)	(6,773)	(9,445)	(6,261)
	<u>36,297</u>	<u>22,244</u>	<u>86,777</u>	<u>68,639</u>
By Territory				
Singapore	(9,774)	(12,094)	(13,047)	(10,667)
Malaysia	10,361	13,806	24,284	35,002
Thailand	22,787	21,953	47,524	47,295
Vietnam	15,572	(601)	31,787	(986)
Others	(2,649)	(820)	(3,771)	(2,005)
	<u>36,297</u>	<u>22,244</u>	<u>86,777</u>	<u>68,639</u>
Attributable profit				
By Business Activity				
Beverages	(2,621)	(4,265)	(4,644)	(2,080)
Dairies	35,466	21,037	70,180	41,147
Printing & publishing	(7,893)	(5,113)	(6,829)	(6,728)
Others	(9,566)	(7,842)	(17,232)	(6,071)
	<u>15,386</u>	<u>3,817</u>	<u>41,475</u>	<u>26,268</u>
Exceptional items	595	4,668	153	4,292
	<u>15,981</u>	<u>8,485</u>	<u>41,628</u>	<u>30,560</u>

1(a)(iv) STATEMENT OF COMPREHENSIVE INCOME

	Group			
	2nd Quarter to 31/3/2018 \$'000	2nd Quarter to 31/3/2017 \$'000	6 Months to 31/3/2018 \$'000	6 Months to 31/3/2017 \$'000
Profit after taxation	30,073	23,428	71,213	63,903
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit statement</u>				
Share of other comprehensive income of associated companies	2,294	4	2,294	137
Realisation of reserves on dilution of interest in an associated company	-	6,795	-	6,795
Net fair value changes on available-for-sale financial assets	(10,126)	210,120	(19,316)	22,915
Currency translation differences	(34,044)	(13,239)	(54,341)	(16,304)
	(41,876)	203,680	(71,363)	13,543
Total comprehensive income for the period	(11,803)	227,108	(150)	77,446
Total comprehensive income attributable to:				
Shareholders of the Company	(35,093)	216,491	(45,530)	51,794
Non-controlling interests	23,290	10,617	45,380	25,652
	(11,803)	227,108	(150)	77,446

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

BALANCE SHEET

	Group		Company	
	As at 31/3/2018 \$'000	As at 30/9/2017 \$'000	As at 31/3/2018 \$'000	As at 30/9/2017 \$'000
SHARE CAPITAL AND RESERVES				
Share capital	851,941	849,301	851,941	849,301
Treasury shares	(267)	(267)	(267)	(267)
Reserves	1,879,375	1,969,551	867,053	864,916
	2,731,049	2,818,585	1,718,727	1,713,950
NON-CONTROLLING INTERESTS				
	345,719	317,108	-	-
	3,076,768	3,135,693	1,718,727	1,713,950
Represented by:				
NON-CURRENT ASSETS				
Fixed assets	545,284	505,643	302	332
Investment properties	40,997	40,581	-	-
Properties held for development	19,011	18,025	-	-
Subsidiary companies	-	-	2,045,010	1,915,824
Joint venture company	49,395	46,669	-	-
Associated companies	2,506,005	2,380,648	-	-
Intangible assets	99,451	93,574	157	167
Brands	28,462	27,115	212	212
Other investments	10,816	30,131	263,251	222,705
Other receivables	1,468	1,350	-	-
Deferred tax assets	9,842	9,677	-	-
Bank fixed deposits	2,930	2,927	-	-
	3,313,661	3,156,340	2,308,932	2,139,240
CURRENT ASSETS				
Inventories	242,331	247,085	-	-
Trade receivables	289,879	279,654	-	-
Other receivables	54,138	59,165	706	675
Related parties	8,745	7,054	3	1
Subsidiary companies	-	-	25,223	518,309
Joint venture companies	219	571	-	-
Associated companies	2,743	1	-	-
Bank fixed deposits	199,746	291,028	132,035	8,684
Cash and bank balances	534,227	843,953	333,322	287,584
	1,332,028	1,728,511	491,289	815,253
Assets held for sale	9,861	9,887	-	-
	1,341,889	1,738,398	491,289	815,253
Deduct: CURRENT LIABILITIES				
Trade payables	160,808	155,029	-	-
Other payables	180,065	202,234	8,200	7,993
Related parties	6,964	13,689	1,265	1,265
Subsidiary companies	-	-	208,789	328,014
Joint venture companies	-	11	-	-
Associated companies	1,668	1,583	-	-
Borrowings	684,763	785,591	320,000	360,000
Provision for taxation	33,287	32,990	3,600	3,148
	1,067,555	1,191,127	541,854	700,420
Liabilities held for sale	2,746	2,371	-	-
	1,070,301	1,193,498	541,854	700,420
NET CURRENT ASSETS/(LIABILITIES)				
	271,588	544,900	(50,565)	114,833
Deduct: NON-CURRENT LIABILITIES				
Other payables	13,344	13,169	-	-
Subsidiary companies	-	-	539,640	540,123
Borrowings	459,164	517,498	-	-
Provision for employee benefits	18,281	17,807	-	-
Deferred tax liabilities	17,692	17,073	-	-
	508,481	565,547	539,640	540,123
	3,076,768	3,135,693	1,718,727	1,713,950

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

Amount repayable in one year or less, or on demand

	As at 31/3/2018	As at 30/9/2017
	\$'000	\$'000
Secured :	-	6
Unsecured :	684,763	785,585
	<u>684,763</u>	<u>785,591</u>
	<u><u>684,763</u></u>	<u><u>785,591</u></u>

Amount repayable after one year

	As at 31/3/2018	As at 30/9/2017
	\$'000	\$'000
Unsecured :	459,164	517,498
	<u>459,164</u>	<u>517,498</u>
	<u><u>459,164</u></u>	<u><u>517,498</u></u>

Details of any collateral

Secured borrowings are generally bank overdrafts and bank loans secured on the land and buildings, plant and machinery of the borrowing companies, pledge of shares held in a subsidiary and/or a first fixed and floating charge over the assets, and assignment of all rights, benefits and title in contracts of the respective borrowing companies.

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

	2nd Quarter to 31/3/2018 \$'000	2nd Quarter to 31/3/2017 \$'000	6 Months to 31/3/2018 \$'000	6 Months to 31/3/2017 \$'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Profit before taxation and exceptional items	32,104	21,039	78,845	68,912
Adjustments for:				
Depreciation of fixed assets	11,317	10,861	22,393	22,207
Impairment reversal of fixed assets and intangible assets (net)	(25)	(391)	(61)	(659)
Fixed assets written off	281	140	621	197
Provision for employee benefits	399	406	788	817
Loss/(Gain) on disposal of fixed assets (net)	11	(103)	(1,079)	(48)
Amortisation of brands and intangible assets	2,011	2,073	6,404	7,103
Interest income	(3,354)	(1,360)	(7,282)	(4,141)
Interest expenses	7,547	2,565	15,214	3,868
Share of joint venture company's loss	407	62	780	82
Share of associated companies' profits	(17,144)	(1,466)	(34,493)	(1,777)
Employee share-based expense	286	1,229	1,539	2,193
Fair value adjustment of financial instruments	191	630	835	395
(Gain)/Loss on disposal of financial instruments	(104)	150	(776)	611
Operating cash before working capital changes	33,927	35,835	83,728	99,760
Change in inventories	7,447	(28,022)	6,040	(7,467)
Change in receivables	13,904	47,034	(11,459)	4,313
Change in related parties, joint venture and associated companies' balances	(4,983)	(2,685)	(7,989)	(4,122)
Change in payables	(13,158)	4,093	(21,307)	(31,823)
Development expenditure on properties held for development	-	(155)	-	(155)
Currency realignment	5,996	(2,385)	10,289	(975)
Cash generated from operations	43,133	53,715	59,302	59,531
Interest income received	3,158	1,243	6,309	4,605
Interest expenses paid	(9,114)	(2,298)	(15,067)	(3,815)
Income taxes paid	(3,449)	(6,232)	(4,404)	(8,501)
Payment of employee benefits	(915)	(796)	(1,023)	(888)
Net cash from operating activities	32,813	45,632	45,117	50,932
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Dividends from associated companies	24,744	-	24,744	-
Proceeds from sale of fixed assets	201	337	1,396	448
Purchase of fixed assets	(24,731)	(13,892)	(44,828)	(29,642)
Purchase of other investments	-	(229,744)	-	(946,556)
Investment in an associated company	(125,796)	-	(203,809)	-
Payment for intangible assets	(2,045)	(2,592)	(4,115)	(5,786)
Loan to a joint venture company	-	-	-	(631)
Net cash used in investing activities	(127,627)	(245,891)	(226,612)	(982,167)

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

	2nd Quarter to 31/3/2018 \$'000	2nd Quarter to 31/3/2017 \$'000	6 Months to 31/3/2018 \$'000	6 Months to 31/3/2017 \$'000
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
(Repayment of)/Proceeds from term loans and bank borrowings	(160,343)	584,219	(166,081)	635,718
Acquisition of non-controlling interests in subsidiary companies	-	-	-	(7,539)
Purchase of shares by subsidiary company	-	(54)	-	(54)
Capital repayment to non-controlling interests	-	(70)	-	(70)
Payment of dividends:				
- by subsidiary companies to non-controlling interests	(16,871)	(16,157)	(16,871)	(16,157)
- by the Company to shareholders	(43,443)	(43,408)	(43,443)	(43,408)
Net cash (used in)/from financing activities	(220,657)	524,530	(226,395)	568,490
Net (decrease)/increase in cash and cash equivalents	(315,471)	324,271	(407,890)	(362,745)
Cash and cash equivalents at beginning of period	1,044,941	347,079	1,134,383	1,037,871
Effects of exchange rate changes on cash and cash equivalents	3,855	(4,763)	6,832	(8,539)
Cash and cash equivalents at end of period	733,325	666,587	733,325	666,587
Cash and cash equivalents at end of period comprise:				
Cash and bank deposits	736,903	670,199	736,903	670,199
Bank overdrafts	(648)	(712)	(648)	(712)
	736,255	669,487	736,255	669,487
Less: Fixed deposits relating to consideration for acquisition of subsidiary companies	(2,930)	(2,900)	(2,930)	(2,900)
Cash and cash equivalents at end of period	733,325	666,587	733,325	666,587
Analysis of acquisition of subsidiary companies				
Net assets acquired:				
Non-current assets	-	-	7,630	-
Current assets	-	-	6,783	-
Current liabilities	-	-	(6,864)	-
Cash and cash equivalents	-	-	231	-
	-	-	7,780	-
Provisional goodwill on acquisition	-	-	451	-
Consideration paid	-	-	8,231	-
Less: Deposit paid in last financial year	-	-	(8,000)	-
Cash and cash equivalents of subsidiary companies acquired	-	-	(231)	-
Cash and cash equivalents	-	-	-	-

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

STATEMENT OF CHANGES IN EQUITY

	Group										
	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Exchange Reserve	Fair Value Adjustment Reserve	Share- based Payment Reserve	Dividend Reserve	Total	Non- controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2nd Quarter ended											
31 March 2018											
Balance at 1 January 2018	851,941	(267)	19,416	2,130,480	(235,603)	(7,926)	7,654	43,443	2,809,138	339,461	3,148,599
Comprehensive income											
Share of other comprehensive income of associated companies	-	-	-	2,277	20	(3)	-	-	2,294	-	2,294
Net fair value changes on available-for-sale financial asset	-	-	-	-	-	(10,126)	-	-	(10,126)	-	(10,126)
Currency translation difference	-	-	-	-	(43,242)	-	-	-	(43,242)	9,198	(34,044)
Other comprehensive income for the period	-	-	-	2,277	(43,222)	(10,129)	-	-	(51,074)	9,198	(41,876)
Profit for the period	-	-	-	15,981	-	-	-	-	15,981	14,092	30,073
Total comprehensive income for the period	-	-	-	18,258	(43,222)	(10,129)	-	-	(35,093)	23,290	(11,803)
Contributions by and distributions to owners											
Employee share-based expense	-	-	-	-	-	-	447	-	447	(161)	286
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(748)	2,048	-	-	(1,300)	-	-	-	-
Dividends:											
Dividends paid	-	-	-	-	-	-	-	(43,443)	(43,443)	(16,871)	(60,314)
Dividends proposed	-	-	-	(21,722)	-	-	-	21,722	-	-	-
Total transactions with owners in their capacity as owners	-	-	(748)	(19,674)	-	-	(853)	(21,721)	(42,996)	(17,032)	(60,028)
Balance at 31 March 2018	851,941	(267)	18,668	2,129,064	(278,825)	(18,055)	6,801	21,722	2,731,049	345,719	3,076,768

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

	Group											
	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Exchange Reserve	Fair Value Adjustment Reserve	Hedging Reserve	Share-based Payment Reserve	Dividend Reserve	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2nd Quarter ended												
31 March 2017												
Balance at 1 January 2017	849,301	(267)	19,647	909,098	(141,913)	990,385	(425)	7,820	43,408	2,677,054	319,253	2,996,307
Comprehensive income												
Share of other comprehensive income of associated companies	-	-	-	-	4	-	-	-	-	4	-	4
Realisation of reserves on dilution of interest in an associated company	-	-	-	1,699	4,868	-	425	(197)	-	6,795	-	6,795
Net fair value changes on available-for-sale financial asset	-	-	-	-	-	210,120	-	-	-	210,120	-	210,120
Currency translation difference	-	-	-	-	(8,913)	-	-	-	-	(8,913)	(4,326)	(13,239)
Other comprehensive income for the period	-	-	-	1,699	(4,041)	210,120	425	(197)	-	208,006	(4,326)	203,680
Profit for the period	-	-	-	8,485	-	-	-	-	-	8,485	14,943	23,428
Total comprehensive income for the period	-	-	-	10,184	(4,041)	210,120	425	(197)	-	216,491	10,617	227,108
Contributions by and distributions to owners												
Employee share-based expense	-	-	-	-	-	-	-	938	-	938	291	1,229
Purchase of shares by a subsidiary company	-	-	-	(30)	-	-	-	-	-	(30)	(24)	(54)
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(227)	1,574	-	-	-	(1,347)	-	-	-	-
Capital repayment to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(70)	(70)
Dividends:												
Dividends paid	-	-	-	-	-	-	-	-	(43,408)	(43,408)	(16,157)	(59,565)
Dividends proposed	-	-	-	(21,704)	-	-	-	-	21,704	-	-	-
Total contributions by and distributions to owners	-	-	(227)	(20,160)	-	-	-	(409)	(21,704)	(42,500)	(15,960)	(58,460)
Changes in ownership interests												
Change of interests in subsidiary companies	-	-	-	(459)	-	-	-	-	-	(459)	459	-
Total changes in ownership interests	-	-	-	(459)	-	-	-	-	-	(459)	459	-
Total transactions with owners in their capacity as owners	-	-	(227)	(20,619)	-	-	-	(409)	(21,704)	(42,959)	(15,501)	(58,460)
Balance at 31 March 2017	849,301	(267)	19,420	898,663	(145,954)	1,200,505	-	7,214	21,704	2,850,586	314,369	3,164,955

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

	Company							
	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Fair Value Adjustment Reserve	Share- based Payment Reserve	Dividend Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2nd Quarter ended 31 March 2018								
Balance at 1 January 2018	851,941	(267)	(1,099)	728,396	147,297	2,611	43,443	1,772,322
Comprehensive income								
Net fair value changes on available-for-sale financial assets	-	-	-	-	(22,938)	-	-	(22,938)
Other comprehensive income for the period	-	-	-	-	(22,938)	-	-	(22,938)
Profit for the period	-	-	-	12,137	-	-	-	12,137
Total comprehensive income for the period	-	-	-	12,137	(22,938)	-	-	(10,801)
Contributions by and distributions to owners								
Employee share-based expense	-	-	-	-	-	649	-	649
Dividends:								
Dividends paid	-	-	-	-	-	-	(43,443)	(43,443)
Dividends proposed	-	-	-	(21,722)	-	-	21,722	-
Total transactions with owners in their capacity as owners	-	-	-	(21,722)	-	649	(21,721)	(42,794)
Balance at 31 March 2018	851,941	(267)	(1,099)	718,811	124,359	3,260	21,722	1,718,727
2nd Quarter ended 31 March 2017								
Balance at 1 January 2017	849,301	(267)	(1,099)	754,387	62,107	2,904	43,408	1,710,741
Comprehensive income								
Net fair value changes on available-for-sale financial assets	-	-	-	-	17,515	-	-	17,515
Other comprehensive income for the period	-	-	-	-	17,515	-	-	17,515
Profit for the period	-	-	-	26,536	-	-	-	26,536
Total comprehensive income for the period	-	-	-	26,536	17,515	-	-	44,051
Contributions by and distributions to owners								
Employee share-based expense	-	-	-	-	-	574	-	574
Dividends:								
Dividends paid	-	-	-	-	-	-	(43,408)	(43,408)
Dividends proposed	-	-	-	(21,704)	-	-	21,704	-
Total transactions with owners in their capacity as owners	-	-	-	(21,704)	-	574	(21,704)	(42,834)
Balance at 31 March 2017	849,301	(267)	(1,099)	759,219	79,622	3,478	21,704	1,711,958

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

	Group										
	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Exchange Reserve	Fair Value Adjustment Reserve	Share-based Payment Reserve	Dividend Reserve	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
6 Months ended											
31 March 2018											
Balance at 1 October 2017	849,301	(267)	19,416	2,104,868	(208,709)	1,264	9,304	43,408	2,818,585	317,108	3,135,693
Comprehensive income											
Share of other comprehensive income of associated companies	-	-	-	2,277	20	(3)	-	-	2,294	-	2,294
Net fair value changes on available-for-sale financial asset	-	-	-	-	-	(19,316)	-	-	(19,316)	-	(19,316)
Currency translation difference	-	-	-	-	(70,136)	-	-	-	(70,136)	15,795	(54,341)
Other comprehensive income for the period	-	-	-	2,277	(70,116)	(19,319)	-	-	(87,158)	15,795	(71,363)
Profit for the period	-	-	-	41,628	-	-	-	-	41,628	29,585	71,213
Total comprehensive income for the period	-	-	-	43,905	(70,116)	(19,319)	-	-	(45,530)	45,380	(150)
Contributions by and distributions to owners											
Employee share-based expense	-	-	-	-	-	-	1,437	-	1,437	102	1,539
Issue of shares in the Company upon vesting of shares awarded	2,640	-	-	-	-	-	(2,640)	-	-	-	-
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(748)	2,048	-	-	(1,300)	-	-	-	-
Dividends:											
Dividends paid	-	-	-	(35)	-	-	-	(43,408)	(43,443)	(16,871)	(60,314)
Dividends proposed	-	-	-	(21,722)	-	-	-	21,722	-	-	-
Total transactions with owners in their capacity as owners	2,640	-	(748)	(19,709)	-	-	(2,503)	(21,686)	(42,006)	(16,769)	(58,775)
Balance at 31 March 2018	851,941	(267)	18,668	2,129,064	(278,825)	(18,055)	6,801	21,722	2,731,049	345,719	3,076,768

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

	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Exchange Reserve	Fair Value Adjustment Reserve	Hedging Reserve	Share-based Payment Reserve	Dividend Reserve	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
6 Months ended 31 March 2017												
Balance at 1 October 2016	849,301	(2,655)	18,746	889,151	(142,346)	1,177,590	(425)	10,349	43,373	2,843,084	309,460	3,152,544
Comprehensive income												
Share of other comprehensive income of associated companies	-	-	-	-	137	-	-	-	-	137	-	137
Realisation of reserves on dilution of interest in an associated company	-	-	-	1,699	4,868	-	425	(197)	-	6,795	-	6,795
Net fair value changes on available-for-sale financial asset	-	-	-	-	-	22,915	-	-	-	22,915	-	22,915
Currency translation difference	-	-	-	-	(8,613)	-	-	-	-	(8,613)	(7,691)	(16,304)
Other comprehensive income for the period	-	-	-	1,699	(3,608)	22,915	425	(197)	-	21,234	(7,691)	13,543
Profit for the period	-	-	-	30,560	-	-	-	-	-	30,560	33,343	63,903
Total comprehensive income for the period	-	-	-	32,259	(3,608)	22,915	425	(197)	-	51,794	25,652	77,446
Contributions by and distributions to owners												
Employee share-based expense	-	-	-	-	-	-	-	1,698	-	1,698	495	2,193
Treasury shares reissued pursuant to share plans	-	2,388	901	-	-	-	-	(3,289)	-	-	-	-
Purchase of shares by a subsidiary company	-	-	-	(30)	-	-	-	-	-	(30)	(24)	(54)
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(227)	1,574	-	-	-	(1,347)	-	-	-	-
Capital repayment to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(70)	(70)
Dividends:												
Dividends paid	-	-	-	(35)	-	-	-	-	(43,373)	(43,408)	(16,157)	(59,565)
Dividends proposed	-	-	-	(21,704)	-	-	-	-	21,704	-	-	-
Total contributions by and distributions to owners	-	2,388	674	(20,195)	-	-	-	(2,938)	(21,669)	(41,740)	(15,756)	(57,496)
Changes in ownership interests												
Change of interests in subsidiary companies	-	-	-	(2,552)	-	-	-	-	-	(2,552)	(4,987)	(7,539)
Total changes in ownership interests	-	-	-	(2,552)	-	-	-	-	-	(2,552)	(4,987)	(7,539)
Total transactions with owners in their capacity as owners	-	2,388	674	(22,747)	-	-	-	(2,938)	(21,669)	(44,292)	(20,743)	(65,035)
Balance at 31 March 2017	849,301	(267)	19,420	898,663	(145,954)	1,200,505	-	7,214	21,704	2,850,586	314,369	3,164,955

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

	Company							
	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Fair Value Adjustment Reserve	Share- based Payment Reserve	Dividend Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
6 months ended 31 March 2018								
Balance at 1 October 2017	849,301	(267)	(1,099)	734,205	83,813	4,589	43,408	1,713,950
<u>Comprehensive income</u>								
Net fair value changes on available-for-sale financial assets	-	-	-	-	40,546	-	-	40,546
Other comprehensive income for the period	-	-	-	-	40,546	-	-	40,546
Profit for the period	-	-	-	6,363	-	-	-	6,363
Total comprehensive income for the period	-	-	-	6,363	40,546	-	-	46,909
<u>Contributions by and distributions to owners</u>								
Employee share-based expense	-	-	-	-	-	1,311	-	1,311
Issue of shares in the Company upon vesting of shares awarded	2,640	-	-	-	-	(2,640)	-	-
Dividends:								
Dividends paid	-	-	-	(35)	-	-	(43,408)	(43,443)
Dividends proposed	-	-	-	(21,722)	-	-	21,722	-
Total transactions with owners in their capacity as owners	2,640	-	-	(21,757)	-	(1,329)	(21,686)	(42,132)
Balance at 31 March 2018	851,941	(267)	(1,099)	718,811	124,359	3,260	21,722	1,718,727
6 months ended 31 March 2017								
Balance at 1 October 2016	849,301	(2,655)	(2,000)	753,938	75,014	5,687	43,373	1,722,658
<u>Comprehensive income</u>								
Net fair value changes on available-for-sale financial assets	-	-	-	-	4,608	-	-	4,608
Other comprehensive income for the period	-	-	-	-	4,608	-	-	4,608
Profit for the period	-	-	-	27,020	-	-	-	27,020
Total comprehensive income for the period	-	-	-	27,020	4,608	-	-	31,628
<u>Contributions by and distributions to owners</u>								
Employee share-based expense	-	-	-	-	-	1,080	-	1,080
Treasury shares reissued pursuant to share plans	-	2,388	901	-	-	(3,289)	-	-
Dividends:								
Dividends paid	-	-	-	(35)	-	-	(43,373)	(43,408)
Dividends proposed	-	-	-	(21,704)	-	-	21,704	-
Total transactions with owners in their capacity as owners	-	2,388	901	(21,739)	-	(2,209)	(21,669)	(42,328)
Balance at 31 March 2017	849,301	(267)	(1,099)	759,219	79,622	3,478	21,704	1,711,958

1(d)(ii) SHARE CAPITAL

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

	<u>Number of Shares</u>	
	<u>2nd Quarter to 31/3/2018</u>	<u>1st Quarter to 31/12/2017</u>
Issued and fully paid ordinary shares:		
As at beginning of period	1,448,252,279	1,447,077,754
Issued during the period – pursuant to share plans	-	1,174,525
As at end of period	<u>1,448,252,279</u>	<u>1,448,252,279</u>
	<u>As at 31/3/2018</u>	<u>As at 31/3/2017</u>
The number of shares awarded conditionally under Share Plans as at the end of the period	<u>3,121,875</u>	<u>3,192,151</u>
The number of issued shares excluding treasury shares at the end of the period	<u>1,448,121,153</u>	<u>1,446,946,628</u>

The Company held 131,126 treasury shares as at 31 March 2018 (31 March 2017: 131,126). The treasury shares held represents 0.01% (31 March 2017: 0.01%) of the total number of issued shares (excluding treasury shares).

The Company does not have any subsidiary holdings as at 31 March 2018 and 31 March 2017.

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

The Company's total number of issued shares excluding treasury shares is 1,448,121,153 as at 31 March 2018 and 1,446,946,628 as at 30 September 2017.

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

There were no sales, transfers, cancellation and/or use of treasury shares by the Company during the three months ended 31 March 2018.

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

The Company does not have any subsidiary holdings as at 31 March 2018 and 31 March 2017.

There were no sales, transfers, cancellation and/or use of subsidiary holdings during the three months ended 31 March 2018.

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

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

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group and Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared with the audited financial statements for the year ended 30 September 2017.

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

As disclosed in paragraph 4, the Group and Company have adopted the following amendments to FRS which became effective from this financial year.

Amendments to FRS 7	Disclosure Initiative
Amendments to FRS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Improvements to FRSs (December 2016):	
Amendments to FRS 112	Disclosures of Interests in Other Entities

The adoption of the above amendments to standards had no material effect on the financial performance or position of the Group and the Company.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

- (a) based on the weighted average number of ordinary shares on issue and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Group			
	2nd Quarter to 31/3/2018	2nd Quarter to 31/3/2017	6 Months to 31/3/2018	6 Months to 31/3/2017
Earnings per ordinary share:				
(a) Based on the weighted average number of ordinary shares on issue (cents)				
- before exceptional items	1.1	0.3	2.9	1.8
- after exceptional items	1.1	0.6	2.9	2.1
(b) On a fully diluted basis (cents)				
- before exceptional items	1.1	0.3	2.8	1.8
- after exceptional items	1.1	0.6	2.9	2.1
	\$'000	\$'000	\$'000	\$'000
Attributable profit	15,981	8,485	41,628	30,560
Change in attributable profit due to dilutive potential shares under share plans of a subsidiary company	(85)	(75)	(179)	(165)
Adjusted attributable profit	15,896	8,410	41,449	30,395

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

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

	Group		Company	
	As at 31/3/2018	As at 30/9/2017	As at 31/3/2018	As at 30/9/2017
Net asset value per ordinary share based on issued share capital	\$1.89	\$1.95	\$1.19	\$1.18

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonable or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

REVIEW OF PERFORMANCE

The principal activities of the Group are:

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

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

Profit Statement – 2nd Quarter

Group revenue of \$473.1 million and PBIT (profit before interest and taxation) of \$36.3 million were 4.8% and 63.2% respectively higher as compared to the corresponding period last year. Attributable profit before exceptional items of \$15.4 million was significantly higher than \$3.8 million reported for the corresponding period last year.

Beverages

Overall Beverages revenue of \$125.6m was 10.6% higher as compared to last year. This was mainly due to the timing of the sell-in window for Chinese New Year 2018 ("CNY") which took place in the current quarter and the successful execution of CNY festive promotions.

PBIT loss decreased 84.5% to \$0.8 million as compared to last year. Soft Drinks Malaysia's PBIT improved by \$4.5 million, turning around from a loss last year to a profit in the current quarter. This was mainly as a result of increased sales, positive sales mix and lower sugar input cost partly offset by higher advertising and promotion expenses incurred on successful festive campaigns. The decrease in losses was also aided by timing of advertising spend in New Markets.

Dairies

Dairies revenue at \$284.4 million increased 4.7% as compared to the corresponding period last year. Dairies Malaysia growth was boosted by pricing promotions and growth in its export sales while Dairies Thailand growth in revenue was fuelled by its growth in exports sales partly offset by production downtime as a result of fire at a co-manufacturer's plant. Dairies Singapore revenue was flat as compared to last year.

Dairies PBIT increased 29.6% to \$51.6 million mainly due to the profit contribution from Vietnam Dairy Products Joint Stock Company ("Vinamilk"). Since April 2017, Vinamilk has been equity accounted for as an Associated Company whereas it was previously accounted for as Other Investment with dividend income being recognised upon declaration. The contribution from Vinamilk was partly offset by the decrease in PBIT contribution from Dairies Malaysia mainly as a result of higher raw material prices of milk and related raw and packaging materials.

Printing and Publishing

Printing and Publishing revenue of \$63.0 million for the quarter decreased 4.6% as compared to the corresponding period last year. The decrease in revenue from Publishing and Retail was partly mitigated by the successful completion of the acquisition of Penguin Random House Pte. Ltd. and Penguin Books Malaysia Sdn. Bhd. Publishing unit was impacted by the timing of order deliveries and rescheduling of publication dates while the decrease in Retail revenue was mainly due to the cessation of airport stores.

Printing and Publishing's loss increased to \$8.4 million for the current quarter. This was mainly attributable to timing difference of textbook sales and change in product mix while continued efforts to contain cost in other divisions helped to partly offset losses.

Tax

The Group effective tax rate ("ETR") of 10.1% (2017: 9.4%) is mainly due to the tax-exempt profits of an overseas subsidiary. This to some extent is negated by an increase in non-deductible expenses resulting in a slightly higher ETR than the comparative last year.

Balance Sheet as at 31 March 2018

The Group

The decrease in Reserves was mainly due to negative currency translation arising from depreciation of Vietnamese Dong against the Singapore Dollar from our investment in Vinamilk and fair value loss on the investment in PMP. This was largely offset by profits of \$41.6 million retained for the period.

Non-current assets increased by \$157.3 million or 5.0% from \$3,156.3 million to \$3,313.7 million as at 31 March 2018 mainly due to the acquisition of fixed assets and additional shares in Vinamilk and partly offset by fair value loss on the investment in PMP.

Current assets decreased by \$396.5 million or 22.8% from \$1,738.4 million to \$1,341.9 million as at 31 March 2018 attributed mainly to cash and bank deposits utilised for the acquisition of additional shares in Vinamilk.

Liabilities decreased by \$180.3 million or 10.2% from \$1,759.0 million to \$1,578.8 million as at 31 March 2018 mainly due to:

- (i) a decrease in borrowings due to repayment of short term loans previously taken up for the purchase of shares in Vinamilk; and
- (ii) a decrease in other payables due to payments made for accrued staff costs and advisory fees outstanding as at 30 September 2017; and partly offset by
- (iii) an increase in trade payables mainly due to higher level of purchases to support increased Dairies sales, planned stock up in Beverages and Dairies in preparation for upcoming festivities and consolidation of Penguin Random House Singapore and Malaysia's balances upon completion of acquisition.

Group Cash Flow Statement for Quarter Ended 31 March 2018

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

Net cash inflow from operating activities of \$32.8 million was lower than the \$45.6 million last year mainly due to a decrease in cash generated from operations as a result of working capital requirements. The decrease was also partly due to an increase in interest expenses paid offset by lower tax payments.

Net cash outflow from investing activities of \$127.6 million was lower than the \$245.9 million last year mainly due to a decrease in acquisition of shares in Vinamilk as compared to last year and boosted by dividend income received from associated companies during the year.

Financing activities recorded a cash outflow of \$220.7 million mainly arising from the repayment of borrowings as compared to a net cash inflow of \$524.5 million last year mainly arising from the proceeds of borrowings drawn down.

Group Profit Statement – 6 Months-to-Date

Group revenue increased 1.5% to \$960.2 million as compared to the corresponding period last year. The increase in revenue was mainly due to increases in Dairies Malaysia and Dairies Thailand as a result of increased exports. Dairies Thailand also benefitted from increased network and distribution outlets and supported by effective branding and trade campaigns. The increase was partly offset by slower consumer spending in Beverages and challenges faced by the Printing and Publishing business.

PBIT increased 26.4% to \$86.8 million as compared to the corresponding period last year. The increase was mainly due to profit contribution from Vinamilk. The contribution from Vinamilk was partly offset by the decrease in PBIT contribution from Dairies Malaysia mainly as a result of higher raw material prices of milk and related raw and packaging materials.

Group attributable profit before exceptional items and basic earnings per share before exceptional items were 57.9% and 61.1% higher at \$41.5 million and 2.9 cents respectively.

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

Not applicable.

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

Contribution from our associated company, Vinamilk, is expected to increase as the Group will equity account the results of Vinamilk for the full 12 months in this new financial year. We will continue to invest in new markets and at the same time continue to develop new product offerings and innovations while striving to maximise the benefits of capex projects and harmonised distribution network. Key packaging and raw material prices, other than sugar, are on the rising trend and remains volatile. However, we have largely locked in prices for the current financial year and will continue to be vigilant of volatile price movement. The Group will continue to pursue new investment opportunities to further grow its beverages and dairies businesses.

As a result of restructuring activities undertaken by the Printing and Publishing business over the past year, the Group expects losses to continue to narrow in the current financial year. Publishing will continue to invest in its digital business and overseas markets by leveraging on its strength in the education content segment. The Group will continue to ensure that the cost structure remains sustainable, while at the same time explore opportunities to enter into new business segments.

11. **11. If a decision regarding dividend has been made:**
- (a) **Whether an interim ordinary dividend has been declared:** Yes
- (b) (i) Amount per share : 1.5 cents, tax-exempt (one-tier)
(ii) Previous corresponding period : 1.5 cents, tax-exempt (one-tier)
- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**
Tax-exempt (one-tier).
- (d) **The date the dividend is payable.**
The Directors have declared an interim dividend of 1.5 cents, tax-exempt (one-tier), to be paid on 12 June 2018 (last year: 1.5 cents, tax-exempt (one-tier)).
- (e) **The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**
Registrable transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road, #02-00, Singapore 068898 up to 5.00 pm on 30 May 2018 will be registered before entitlements to the dividend are determined.
Notice is hereby given that the share registers will be closed on 31 May 2018 and 1 June 2018 for the preparation of dividend warrants.

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

Particulars of interested person transactions ("IPTs") for the period 1 January 2018 to 31 March 2018.

<u>Name of interested person</u>	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$'000
TCC Group of Companies ¹	3,378

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

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

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

14. **CONFIRMATION BY THE BOARD OF DIRECTORS**
Pursuant to Rule 705(5) of the SGX Listing Manual

We, Siripen Sitasuwan and Sithichai Chaikriangkrai, being two Directors of Fraser and Neave, Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company, that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the interim financial results to be false or misleading in any material respect.

On behalf of the Board

Siripen Sitasuwan
Director

Sithichai Chaikriangkrai
Director

BY ORDER OF THE BOARD
Hui Choon Kit
Company Secretary

8 May 2018