



FRASER AND NEAVE, LIMITED

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

THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

The Directors are pleased to make the following announcement of the unaudited results for the 3rd Quarter ended 30 June 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

	3rd Quarter to 30/6/2018 \$'000	3rd Quarter to 30/6/2017 \$'000 (Restated)*	Change %	9 Months to 30/6/2018 \$'000	9 Months to 30/6/2017 \$'000 (Restated)*	Change %
Revenue	484,971	483,076	0.4	1,445,123	1,429,389	1.1
Cost of sales	(313,982)	(317,625)	(1.1)	(945,833)	(919,634)	2.8
Gross profit	170,989	165,451	3.3	499,290	509,755	(2.1)
Other income/(expenses) (net)	4,461	(1,644)	NM	136	4,482	(97.0)
Operating expenses						
- Distribution	(43,116)	(43,507)	(0.9)	(135,826)	(134,628)	0.9
- Marketing	(67,142)	(69,626)	(3.6)	(183,920)	(199,691)	(7.9)
- Administration	(31,507)	(31,007)	1.6	(92,936)	(93,309)	(0.4)
	(141,765)	(144,140)	(1.6)	(412,682)	(427,628)	(3.5)
Trading profit	33,685	19,667	71.3	86,744	86,609	0.2
Share of joint venture company's loss	(853)	(16)	NM	(1,633)	(98)	NM
Share of associated companies' profits	39,577	21,826	81.3	73,367	23,603	NM
Gross income from investments	-	33,394	NM	-	33,394	NM
Profit before interest and taxation ("PBIT")	72,409	74,871	(3.3)	158,478	143,508	10.4
Finance income	3,485	2,921	19.3	10,767	7,062	52.5
Finance cost	(7,540)	(5,660)	33.2	(22,754)	(9,528)	138.8
Net finance cost	(4,055)	(2,739)	48.0	(11,987)	(2,466)	NM
Profit before taxation and exceptional items	68,354	72,132	(5.2)	146,491	141,042	3.9
Exceptional items	-	1,195,446	NM	596	1,198,782	(100.0)
Profit before taxation	68,354	1,267,578	(94.6)	147,087	1,339,824	(89.0)
Taxation	(2,359)	(2,862)	(17.6)	(10,582)	(11,205)	(5.6)
Profit after taxation	65,995	1,264,716	(94.8)	136,505	1,328,619	(89.7)
Attributable profit to:						
Shareholders of the Company	50,300	57,425	(12.4)	91,070	83,692	8.8
Exceptional items	-	1,197,676	NM	155	1,201,969	(100.0)
	50,300	1,255,101	(96.0)	91,225	1,285,661	(92.9)
Non-controlling interests	15,695	9,615	63.2	45,280	42,958	5.4
	65,995	1,264,716	(94.8)	136,505	1,328,619	(89.7)

NM – Not meaningful

* Restated upon the finalisation of the purchase price allocation in relation to our investment in Vietnam Dairy Products Joint Stock Company ("Vinamilk").

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

	Group					
	3rd Quarter to 30/6/2018 \$'000	3rd Quarter to 30/6/2017 \$'000 (Restated)*	Change %	9 Months to 30/6/2018 \$'000	9 Months to 30/6/2017 \$'000 (Restated)*	Change %
Operating expenses						
Included in operating expenses are:						
Depreciation & amortisation	(13,753)	(12,936)	6.3	(42,550)	(42,246)	0.7
Write-back of/(Allowance for) bad and doubtful debts	168	(108)	NM	(52)	(220)	(76.4)
Allowance for inventory obsolescence	(1,348)	(1,876)	(28.1)	(4,192)	(4,903)	(14.5)
Employee share-based expense	(1,416)	(1,499)	(5.5)	(2,955)	(3,692)	(20.0)
Other income/(expenses) (net)						
Gain/(Loss) on disposal of fixed assets	78	(21)	NM	1,157	27	NM
Foreign exchange gain/(loss)	2,693	(4,643)	NM	(6,861)	(4,631)	48.2
Taxation						
Over provision of prior year taxation	2,652	602	NM	4,022	2,499	60.9
Exceptional items						
Effect of change of interest in other investment	-	1,199,619	NM	-	1,199,619	NM
Effect of change of interest in an associated company	-	-	NM	-	4,671	NM
Reversal of provision for litigation claims	-	-	NM	-	1,846	NM
(Provision)/Write back of restructuring and re-organisation cost of operations	-	(4,173)	NM	1,342	(7,249)	NM
Loss on liquidation of subsidiary and joint venture companies (net)	-	-	NM	-	(105)	NM
Insurance claim relating to flood	-	-	NM	220	-	NM
Damaged inventories relating to fire	-	-	NM	(966)	-	NM
	-	1,195,446		596	1,198,782	
PBIT as a percentage of revenue	14.9%	15.5%		11.0%	10.0%	

NM - Not meaningful

* Restated upon the finalisation of the purchase price allocation in relation to our investment in Vietnam Dairy Products Joint Stock Company ("Vinamilk").

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

	3rd Quarter to 30/6/2018 \$'000	3rd Quarter to 30/6/2017 \$'000 (Restated)*	9 Months to 30/6/2018 \$'000	9 Months to 30/6/2017 \$'000 (Restated)*
Revenue				
By Business Activity				
Beverages	133,816	141,436	376,206	394,081
Dairies	290,350	276,092	867,754	826,209
Printing & publishing	60,718	65,464	200,896	208,833
Others	87	84	267	266
	<u>484,971</u>	<u>483,076</u>	<u>1,445,123</u>	<u>1,429,389</u>
By Territory				
Singapore	113,828	116,082	336,533	348,438
Malaysia	193,042	190,003	582,526	565,939
Thailand	151,750	147,724	459,426	440,740
Vietnam	80	102	440	112
Others	26,271	29,165	66,198	74,160
	<u>484,971</u>	<u>483,076</u>	<u>1,445,123</u>	<u>1,429,389</u>
PBIT				
By Business Activity				
Beverages	2,915	2,111	3,694	5,660
Dairies	73,647	79,825	175,084	159,076
Printing & publishing	(4,749)	(2,657)	(11,451)	(10,557)
Others	596	(4,408)	(8,849)	(10,671)
	<u>72,409</u>	<u>74,871</u>	<u>158,478</u>	<u>143,508</u>
By Territory				
Singapore	(1,491)	(5,433)	(14,538)	(16,100)
Malaysia	14,996	10,082	39,273	45,082
Thailand	20,068	16,655	67,594	63,950
Vietnam	38,369	53,821	69,453	52,835
Others	467	(254)	(3,304)	(2,259)
	<u>72,409</u>	<u>74,871</u>	<u>158,478</u>	<u>143,508</u>
Attributable profit				
By Business Activity				
Beverages	(191)	(1,333)	(4,836)	(3,413)
Dairies	58,770	68,612	128,246	109,759
Printing & publishing	(4,608)	(2,591)	(11,437)	(9,319)
Others	(3,671)	(7,263)	(20,903)	(13,335)
	50,300	57,425	91,070	83,692
Exceptional items	-	1,197,676	155	1,201,969
	<u>50,300</u>	<u>1,255,101</u>	<u>91,225</u>	<u>1,285,661</u>

* Restated upon the finalisation of the purchase price allocation in relation to our investment in Vietnam Dairy Products Joint Stock Company ("Vinamilk").

1(a)(iv) STATEMENT OF COMPREHENSIVE INCOME

	Group			
	3rd Quarter to 30/6/2018 \$'000	3rd Quarter to 30/6/2017 \$'000 (Restated)*	9 Months to 30/6/2018 \$'000	9 Months to 30/6/2017 \$'000 (Restated)*
Profit after taxation	65,995	1,264,716	136,505	1,328,619
Other comprehensive income:				
<u>Items that are or may be reclassified subsequently to profit statement</u>				
Share of other comprehensive income of associated companies	170	-	2,464	137
Realisation of reserves on dilution of interest in an associated company	-	-	-	6,795
Realisation of fair value gains on disposal of available-for-sale financial asset	-	(1,200,750)	-	(1,200,750)
Net fair value changes on available-for-sale financial assets	(2,636)	2,331	(21,952)	25,246
Currency translation differences	75,155	(26,064)	20,827	(42,368)
	72,689	(1,224,483)	1,339	(1,210,940)
Total comprehensive income for the period	138,684	40,233	137,844	117,679
Total comprehensive income attributable to:				
Shareholders of the Company	125,680	27,115	79,460	78,909
Non-controlling interests	13,004	13,118	58,384	38,770
	138,684	40,233	137,844	117,679

* Restated upon the finalisation of the purchase price allocation in relation to our investment in Vietnam Dairy Products Joint Stock Company ("Vinamilk").

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

BALANCE SHEET

	Group		Company	
	As at 30/6/2018 \$'000	As at 30/9/2017 \$'000 (Restated)*	As at 30/6/2018 \$'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	1,979,675	1,965,965	821,625	864,916
	2,831,349	2,814,999	1,673,299	1,713,950
NON-CONTROLLING INTERESTS				
	344,182	317,108	-	-
	3,175,531	3,132,107	1,673,299	1,713,950
Represented by:				
NON-CURRENT ASSETS				
Fixed assets	546,702	505,643	285	332
Investment properties	41,351	40,581	-	-
Properties held for development	18,916	18,025	-	-
Subsidiary companies	-	-	2,031,515	1,915,824
Joint venture company	48,789	46,669	-	-
Associated companies	2,602,801	2,377,062	-	-
Intangible assets	103,580	93,574	152	167
Brands	28,291	27,115	212	212
Other investments	19,149	30,131	237,136	222,705
Other receivables	1,476	1,350	-	-
Deferred tax assets	11,100	9,677	-	-
Bank fixed deposits	2,932	2,927	-	-
	3,425,087	3,152,754	2,269,300	2,139,240
CURRENT ASSETS				
Inventories	244,883	247,085	-	-
Trade receivables	303,199	279,654	-	-
Other receivables	55,631	59,165	772	675
Related parties	10,001	7,054	8	1
Subsidiary companies	-	-	23,764	518,309
Joint venture companies	7	571	-	-
Associated companies	-	1	-	-
Bank fixed deposits	212,030	291,028	102,413	8,684
Cash and bank balances	537,443	843,953	362,414	287,584
	1,363,194	1,728,511	489,371	815,253
Assets held for sale	9,087	9,887	-	-
	1,372,281	1,738,398	489,371	815,253
Deduct: CURRENT LIABILITIES				
Trade payables	158,511	155,029	-	-
Other payables	189,385	202,234	7,800	7,993
Related parties	8,149	13,689	1,265	1,265
Subsidiary companies	-	-	213,236	328,014
Joint venture companies	-	11	-	-
Associated companies	1,629	1,583	-	-
Borrowings	685,477	785,591	320,000	360,000
Provision for taxation	30,766	32,990	3,431	3,148
	1,073,917	1,191,127	545,732	700,420
Liabilities held for sale	2,483	2,371	-	-
	1,076,400	1,193,498	545,732	700,420
NET CURRENT ASSETS/(LIABILITIES)	295,881	544,900	(56,361)	114,833
Deduct: NON-CURRENT LIABILITIES				
Other payables	13,092	13,169	-	-
Subsidiary companies	-	-	539,640	540,123
Borrowings	496,208	517,498	-	-
Provision for employee benefits	18,356	17,807	-	-
Deferred tax liabilities	17,781	17,073	-	-
	545,437	565,547	539,640	540,123
	3,175,531	3,132,107	1,673,299	1,713,950

* Restated upon the finalisation of the purchase price allocation in relation to our investment in Vietnam Dairy Products Joint Stock Company ("Vinamilk").

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

Amount repayable in one year or less, or on demand

	As at 30/6/2018	As at 30/9/2017
	\$'000	\$'000
Secured :	-	6
Unsecured :	685,477	785,585
	<hr/>	<hr/>
	685,477	785,591
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Amount repayable after one year

	As at 30/6/2018	As at 30/9/2017
	\$'000	\$'000
Unsecured :	496,208	517,498
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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.**

	3rd Quarter to 30/6/2018 \$'000	3rd Quarter to 30/6/2017 \$'000 (Restated)*	9 Months to 30/6/2018 \$'000	9 Months to 30/6/2017 \$'000 (Restated)*
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation and exceptional items	68,354	72,132	146,491	141,042
Adjustments for:				
Depreciation of fixed assets	11,542	10,692	33,935	32,899
Impairment/(Reversal of impairment) of fixed assets and intangible assets(net)	157	295	96	(364)
Fixed assets written off	71	172	692	369
Provision for employee benefits	399	420	1,187	1,237
(Gain)/Loss on disposal of fixed assets	(78)	21	(1,157)	(27)
Amortisation of brands and intangible assets	2,211	2,244	8,615	9,347
Interest income	(3,485)	(2,921)	(10,767)	(7,062)
Interest expenses	7,540	5,660	22,754	9,528
Share of joint venture company's losses	853	16	1,633	98
Share of associated companies' profits	(39,577)	(21,826)	(73,367)	(23,603)
Investment income	-	(33,394)	-	(33,394)
Employee share-based expense	1,416	1,499	2,955	3,692
Fair value adjustment of financial instruments	(964)	(310)	(129)	85
(Gain)/Loss on disposal of financial instruments	(10)	93	(786)	704
Operating cash before working capital changes	48,429	34,793	132,152	134,551
Change in inventories	(2,554)	14,455	3,486	6,988
Change in trade and other receivables	(15,264)	(28,056)	(26,723)	(23,744)
Change in related parties' and joint venture and associated companies' balances	102	(1,812)	(7,887)	(5,934)
Change in trade and other payables	5,411	(35,340)	(15,896)	(67,163)
Development expenditure on properties held for development	-	(79)	-	(234)
Currency realignment	(623)	948	9,671	(15)
Cash generated from/(used in) operations	35,501	(15,091)	94,803	44,449
Interest income received	2,907	2,761	9,216	7,366
Interest expenses paid	(5,938)	(3,667)	(21,005)	(7,482)
Income taxes paid	(4,230)	(3,899)	(8,634)	(12,400)
Payment of employee benefits	(61)	(203)	(1,084)	(1,091)
Net cash from/(used in) operating activities	28,179	(20,099)	73,296	30,842
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividends from associated companies	28,303	1,995	53,047	1,995
Investment income	-	33,394	-	33,394
Proceeds from sale of fixed assets	75	365	1,471	813
Purchase of fixed assets	(16,013)	(12,516)	(60,841)	(42,158)
Purchase of other investments	(10,969)	(18,345)	(10,969)	(964,901)
Investments in an associated company	(9,373)	(41,505)	(213,182)	(41,505)
Acquisition of subsidiary companies	-	(712)	-	(712)
Payment for intangible assets	(5,827)	(2,272)	(9,942)	(8,058)
Loan to a joint venture company	-	-	-	(641)
Net cash used in investing activities	(13,804)	(39,596)	(240,416)	(1,021,773)

* Restated upon the finalisation of the purchase price allocation in relation to our investment in Vietnam Dairy Products Joint Stock Company ("Vinamilk").

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

	3rd Quarter to 30/6/2018 \$'000	3rd Quarter to 30/6/2017 \$'000	9 Months to 30/6/2018 \$'000	9 Months to 30/6/2017 \$'000
		(Restated)*		(Restated)*
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Proceeds from/(Repayment of) term loans and bank borrowings	38,829	334,371	(127,252)	970,089
Acquisition of non-controlling interests in subsidiary companies	-	-	-	(7,539)
Purchase of shares by a subsidiary company	(667)	(1,607)	(667)	(1,661)
Capital contribution by/(repayment to) non-controlling interests	104	-	104	(70)
Payment of dividends:				
- by subsidiary companies to non-controlling interests	(14,776)	(14,364)	(31,647)	(30,521)
- by the Company to shareholders	(21,722)	(21,704)	(65,165)	(65,112)
Net cash from/(used in) financing activities	1,768	296,696	(224,627)	865,186
Net increase/(decrease) in cash and cash equivalents	16,143	237,001	(391,747)	(125,745)
Cash and cash equivalents at beginning of period	733,325	666,587	1,134,383	1,037,871
Effects of exchange rate changes on cash and cash equivalents	(169)	2,918	6,663	(5,620)
Cash and cash equivalents at end of period	749,299	906,506	749,299	906,506
Cash and cash equivalents at end of period comprise:				
Cash and bank deposits	752,405	910,103	752,405	910,103
Bank overdrafts	(174)	(697)	(174)	(697)
	752,231	909,406	752,231	909,406
Less: Fixed deposits relating to consideration for acquisition of subsidiary companies	(2,932)	(2,900)	(2,932)	(2,900)
Cash and cash equivalents at end of period	749,299	906,506	749,299	906,506
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)	-
Net cash outflow on acquisition of subsidiary companies	-	-	-	-

* Restated upon the finalisation of the purchase price allocation in relation to our investment in Vietnam Dairy Products Joint Stock Company ("Vinamilk").

- 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
3rd Quarter ended											
30 June 2018											
Balance at 1 April 2018, restated*	851,941	(267)	18,668	2,124,737	(278,774)	(18,055)	6,801	21,722	2,726,773	345,719	3,072,492
Comprehensive income											
Share of other comprehensive income of associated companies	-	-	-	22	37	89	22	-	170	-	170
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	(2,636)	-	-	(2,636)	-	(2,636)
Currency translation difference	-	-	-	-	77,846	-	-	-	77,846	(2,691)	75,155
Other comprehensive income for the period	-	-	-	22	77,883	(2,547)	22	-	75,380	(2,691)	72,689
Profit for the period	-	-	-	50,300	-	-	-	-	50,300	15,695	65,995
Total comprehensive income for the period	-	-	-	50,322	77,883	(2,547)	22	-	125,680	13,004	138,684
Contributions by and distributions to owners											
Employee share-based expense	-	-	-	-	-	-	988	-	988	428	1,416
Purchase of shares by a subsidiary company	-	-	-	(370)	-	-	-	-	(370)	(297)	(667)
Shares of a subsidiary company reissued pursuant to its share plans	-	-	4	(10)	-	-	6	-	-	-	-
Capital contribution by non-controlling interest	-	-	-	-	-	-	-	-	-	104	104
Dividends:											
Dividends paid	-	-	-	-	-	-	-	(21,722)	(21,722)	(14,776)	(36,498)
Total transactions with owners in their capacity as owners	-	-	4	(380)	-	-	994	(21,722)	(21,104)	(14,541)	(35,645)
Balance at 30 June 2018	851,941	(267)	18,672	2,174,679	(200,891)	(20,602)	7,817	-	2,831,349	344,182	3,175,531

* Restated upon the finalisation of the purchase price allocation in relation to our investment in Vietnam Dairy Products Joint Stock Company ("Vinamilk").

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
3rd Quarter ended 30 June 2017 (Restated)*											
Balance at 1 April 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
Comprehensive income											
Realisation of fair value gains on change of interest in available-for-sale financial asset	-	-	-	-	-	(1,200,750)	-	-	(1,200,750)	-	(1,200,750)
Net fair value changes on available-for-sale financial asset	-	-	-	-	-	2,331	-	-	2,331	-	2,331
Currency translation difference	-	-	-	-	(29,567)	-	-	-	(29,567)	3,503	(26,064)
Other comprehensive income for the period	-	-	-	-	(29,567)	(1,198,419)	-	-	(1,227,986)	3,503	(1,224,483)
Profit for the period	-	-	-	1,255,101	-	-	-	-	1,255,101	9,615	1,264,716
Total comprehensive income for the period	-	-	-	1,255,101	(29,567)	(1,198,419)	-	-	27,115	13,118	40,233
Contributions by and distributions to owners											
Employee share-based expense	-	-	-	-	-	-	1,086	-	1,086	413	1,499
Purchase of shares by a subsidiary company	-	-	-	(892)	-	-	-	-	(892)	(715)	(1,607)
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(4)	26	-	-	(22)	-	-	-	-
Dividends:											
Dividends paid	-	-	-	-	-	-	-	(21,704)	(21,704)	(14,364)	(36,068)
Total transactions with owners in their capacity as owners	-	-	(4)	(866)	-	-	1,064	(21,704)	(21,510)	(14,666)	(36,176)
Balance at 30 June 2017	849,301	(267)	19,416	2,152,898	(175,521)	2,086	8,278	-	2,856,191	312,821	3,169,012

* Restated upon the finalisation of the purchase price allocation in relation to our investment in Vietnam Dairy Products Joint Stock Company ("Vinamilk").

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

	Company							Total
	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Fair Value Adjustment Reserve	Share- based Payment Reserve	Dividend Reserve	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
3rd Quarter ended 30 June 2018								
Balance at 1 April 2018	851,941	(267)	(1,099)	718,811	124,359	3,260	21,722	1,718,727
<u>Comprehensive income</u>								
Net fair value changes on available-for-sale financial assets	-	-	-	-	(37,084)	-	-	(37,084)
Other comprehensive income for the period	-	-	-	-	(37,084)	-	-	(37,084)
Profit for the period	-	-	-	12,925	-	-	-	12,925
Total comprehensive income for the period	-	-	-	12,925	(37,084)	-	-	(24,159)
<u>Contributions by and distributions to owners</u>								
Employee share-based expense	-	-	-	-	-	453	-	453
Dividends:								
Dividends paid	-	-	-	-	-	-	(21,722)	(21,722)
Total transactions with owners in their capacity as owners	-	-	-	-	-	453	(21,722)	(21,269)
Balance at 30 June 2018	851,941	(267)	(1,099)	731,736	87,275	3,713	-	1,673,299
3rd Quarter ended 30 June 2017								
Balance at 1 April 2017	849,301	(267)	(1,099)	759,219	79,622	3,478	21,704	1,711,958
<u>Comprehensive income</u>								
Net fair value changes on available-for-sale financial assets	-	-	-	-	18,714	-	-	18,714
Other comprehensive income for the period	-	-	-	-	18,714	-	-	18,714
Profit for the period	-	-	-	15,225	-	-	-	15,225
Total comprehensive income for the period	-	-	-	15,225	18,714	-	-	33,939
<u>Contributions by and distributions to owners</u>								
Employee share-based expense	-	-	-	-	-	569	-	569
Dividends:								
Dividends paid	-	-	-	-	-	-	(21,704)	(21,704)
Total transactions with owners in their capacity as owners	-	-	-	-	-	569	(21,704)	(21,135)
Balance at 30 June 2017	849,301	(267)	(1,099)	774,444	98,336	4,047	-	1,724,762

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
9 Months ended											
30 June 2018											
Balance at 1 October 2017, restated*	849,301	(267)	19,416	2,101,244	(208,671)	1,264	9,304	43,408	2,814,999	317,108	3,132,107
Comprehensive income											
Share of other comprehensive income of associated companies	-	-	-	2,299	57	86	22	-	2,464	-	2,464
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	(21,952)	-	-	(21,952)	-	(21,952)
Currency translation difference	-	-	-	-	7,723	-	-	-	7,723	13,104	20,827
Other comprehensive income for the period	-	-	-	2,299	7,780	(21,866)	22	-	(11,765)	13,104	1,339
Profit for the period	-	-	-	91,225	-	-	-	-	91,225	45,280	136,505
Total comprehensive income for the period	-	-	-	93,524	7,780	(21,866)	22	-	79,460	58,384	137,844
Contributions by and distributions to owners											
Employee share-based expense	-	-	-	-	-	-	2,425	-	2,425	530	2,955
Issue of shares in the Company upon vesting of shares awarded	2,640	-	-	-	-	-	(2,640)	-	-	-	-
Purchase of shares by a subsidiary company	-	-	-	(370)	-	-	-	-	(370)	(297)	(667)
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(744)	2,038	-	-	(1,294)	-	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	104	104
Dividends:											
Dividends paid	-	-	-	(21,757)	-	-	-	(43,408)	(65,165)	(31,647)	(96,812)
Total transactions with owners in their capacity as owners	2,640	-	(744)	(20,089)	-	-	(1,509)	(43,408)	(63,110)	(31,310)	(94,420)
Balance at 30 June 2018	851,941	(267)	18,672	2,174,679	(200,891)	(20,602)	7,817	-	2,831,349	344,182	3,175,531

* Restated upon the finalisation of the purchase price allocation in relation to our investment in Vietnam Dairy Products Joint Stock Company ("Vinamilk").

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
9 Months ended												
30 June 2017 (Restated)*												
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
Realisation of fair value gains on change of interest in available-for-sale financial asset	-	-	-	-	-	(1,200,750)	-	-	-	(1,200,750)	-	(1,200,750)
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	25,246	-	-	-	25,246	-	25,246
Currency translation difference	-	-	-	-	(38,180)	-	-	-	-	(38,180)	(4,188)	(42,368)
Other comprehensive income for the period	-	-	-	1,699	(33,175)	(1,175,504)	425	(197)	-	(1,206,752)	(4,188)	(1,210,940)
Profit for the period	-	-	-	1,285,661	-	-	-	-	-	1,285,661	42,958	1,328,619
Total comprehensive income for the period	-	-	-	1,287,360	(33,175)	(1,175,504)	425	(197)	-	78,909	38,770	117,679
Contributions by and distributions to owners												
Employee share-based expense	-	-	-	-	-	-	-	2,784	-	2,784	908	3,692
Treasury shares reissued pursuant to share plans	-	2,388	901	-	-	-	-	(3,289)	-	-	-	-
Purchase of shares by a subsidiary company	-	-	-	(922)	-	-	-	-	-	(922)	(739)	(1,661)
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(231)	1,600	-	-	-	(1,369)	-	-	-	-
Capital repayment to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(70)	(70)
Dividends:												
Dividends paid	-	-	-	(21,739)	-	-	-	-	(43,373)	(65,112)	(30,521)	(95,633)
Total contributions by and distributions to owners	-	2,388	670	(21,061)	-	-	-	(1,874)	(43,373)	(63,250)	(30,422)	(93,672)
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	670	(23,613)	-	-	-	(1,874)	(43,373)	(65,802)	(35,409)	(101,211)
Balance at 30 June 2017	849,301	(267)	19,416	2,152,898	(175,521)	2,086	-	8,278	-	2,856,191	312,821	3,169,012

* Restated upon the finalisation of the purchase price allocation in relation to our investment in Vietnam Dairy Products Joint Stock Company ("Vinamilk").

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
9 months ended 30 June 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	-	-	-	-	3,462	-	-	3,462
Other comprehensive income for the period	-	-	-	-	3,462	-	-	3,462
Profit for the period	-	-	-	19,288	-	-	-	19,288
Total comprehensive income for the period	-	-	-	19,288	3,462	-	-	22,750
<u>Contributions by and distributions to owners</u>								
Employee share-based expense	-	-	-	-	-	1,764	-	1,764
Issue of shares in the Company upon vesting of shares awarded	2,640	-	-	-	-	(2,640)	-	-
Dividends:								
Dividends paid	-	-	-	(21,757)	-	-	(43,408)	(65,165)
Total transactions with owners in their capacity as owners	2,640	-	-	(21,757)	-	(876)	(43,408)	(63,401)
Balance at 30 June 2018	851,941	(267)	(1,099)	731,736	87,275	3,713	-	1,673,299
9 months ended 30 June 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	-	-	-	-	23,322	-	-	23,322
Other comprehensive income for the period	-	-	-	-	23,322	-	-	23,322
Profit for the period	-	-	-	42,245	-	-	-	42,245
Total comprehensive income for the period	-	-	-	42,245	23,322	-	-	65,567
<u>Contributions by and distributions to owners</u>								
Employee share-based expense	-	-	-	-	-	1,649	-	1,649
Treasury shares reissued pursuant to share plans	-	2,388	901	-	-	(3,289)	-	-
Dividends:								
Dividends paid	-	-	-	(21,739)	-	-	(43,373)	(65,112)
Total transactions with owners in their capacity as owners	-	2,388	901	(21,739)	-	(1,640)	(43,373)	(63,463)
Balance at 30 June 2017	849,301	(267)	(1,099)	774,444	98,336	4,047	-	1,724,762

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>3rd Quarter to 30/6/2018</u>	<u>2nd Quarter to 31/3/2018</u>
Issued and fully paid ordinary shares:		
As at beginning and end of period	<u>1,448,252,279</u>	<u>1,448,252,279</u>
	<u>As at 30/6/2018</u>	<u>As at 30/6/2017</u>
The number of shares awarded conditionally under Share Plans as at the end of the period	<u>3,007,575</u>	<u>3,151,401</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 30 June 2018 (30 June 2017: 131,126). The treasury shares held represents 0.01% (30 June 2017: 0.01%) of the total number of issued shares (excluding treasury shares).

The Company does not have any subsidiary holdings as at 30 June 2018 and 30 June 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 30 June 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 30 June 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 30 June 2018 and 30 June 2017.

There were no sales, transfers, cancellation and/or use of subsidiary holdings during the three months ended 30 June 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			
	3rd Quarter to 30/6/2018	3rd Quarter to 30/6/2017 (Restated)*	9 Months to 30/6/2018	9 Months to 30/6/2017 (Restated)*
Earnings per ordinary share:				
(a) Based on the weighted average number of ordinary shares on issue (cents)				
- before exceptional items	3.5	4.0	6.3	5.8
- after exceptional items	3.5	86.7	6.3	88.9
(b) On a fully diluted basis (cents)				
- before exceptional items	3.5	4.0	6.3	5.8
- after exceptional items	3.5	86.6	6.3	88.7
	\$'000	\$'000	\$'000	\$'000
Attributable profit	50,300	1,255,101	91,225	1,285,661
Change in attributable profit due to dilutive potential shares under share plans of a subsidiary company	(81)	(47)	(234)	(205)
Adjusted attributable profit	50,219	1,255,054	90,991	1,285,456

* Restated upon the finalisation of the purchase price allocation in relation to our investment in Vietnam Dairy Products Joint Stock Company ("Vinamilk").

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

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

	Group		Company	
	As at 30/6/2018	As at 30/9/2017	As at 30/6/2018	As at 30/9/2017
Net asset value per ordinary share based on issued share capital	\$1.96	\$1.95	\$1.16	\$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 – 3rd Quarter

Revenue for the quarter of \$485.0 million was up marginally from \$483.1 million in the corresponding period last year. PBIT (profit before interest and taxation) of \$72.4 million and attributable profit before exceptional items of \$50.3 million were 3.3% and 12.4% respectively lower.

Beverages

Overall Beverages revenue of \$133.8 million was 5.4% lower as compared to last year. While Malaysia was impacted by soft market sentiments and consumers postponing purchases as a result of changes in GST regulations, export sales to Indonesia faced headwinds due to the depreciation of the Indonesian Rupiah. The decrease was slightly uplifted by the increase in sales in Singapore as a result of the Hari Raya Puasa festivities.

PBIT increased 38.1% to \$2.9 million as compared to last year. Soft Drinks Malaysia's PBIT improved on the back of favourable sugar cost and currency movements. The timing of advertising spend and cost control initiatives in other business divisions also contributed to the improvement in PBIT.

Dairies

Dairies revenue at \$290.4 million increased 5.2% as compared to the corresponding period last year. Dairies Malaysia's growth was boosted by export sales and favourable currency movements, while Dairies Thailand's growth in revenue was fuelled by its growth in exports sales but partly offset by production downtime as a result of fire at a co-manufacturer's plant. Dairies Singapore revenue grew on the back of tactical price initiatives and increased export sales to Indonesia.

Dairies PBIT decreased 7.7% to \$73.6 million mainly due to the decrease in profit contribution from Vietnam Dairy Products Joint Stock Company ("Vinamilk") as last year's contribution included both dividend income and share of profits when equity accounting was first applied. The current year's contribution includes only the current period's share of profits from Vinamilk. The decrease was partly offset by increased PBIT contribution from Dairies Malaysia arising from favourable sugar cost and Dairies Thailand due to favourable input costs for key commodities.

Printing and Publishing

Printing and Publishing revenue of \$60.7 million for the quarter decreased 7.2% as compared to the corresponding period last year. Printing unit was impacted by the general decline in magazine print demand and timing of order deliveries while the decrease in Retail's revenue was due to the cessation of airport stores. The decrease in revenue was partly mitigated by the successful completion of the acquisition of Penguin Random House Pte. Ltd. and Penguin Books Malaysia Sdn. Bhd.

Printing and Publishing's loss increased by \$2.1 million to \$4.7 million for the current quarter. PBIT was impacted by the decrease in sales while continued efforts to contain cost and improve operational efficiencies helped to partly reduce losses.

Tax

The Group effective tax rate ("ETR") of 3.5% (2017: 0.2%) is mainly attributed to the share of the after-tax profits of an overseas associate, the tax exempt profits of an overseas subsidiary and the write-back of prior year over-provision. Comparatively, the ETR is higher due to the non-taxable exceptional fair value gain last year.

Balance Sheet as at 30 June 2018

The Group

The increase in Reserves was mainly due to profits of \$91.2 million retained for the period offset by dividends paid and fair value loss on the investment in PMP.

Non-current assets increased by \$272.3 million or 8.6% from \$3,152.8 million to \$3,425.1 million as at 30 June 2018 mainly due to the acquisition of additional shares in Vinamilk, fixed assets and other investments. This was partly offset by fair value loss on the investment in PMP.

Current assets decreased by \$366.1 million or 21.1% from \$1,738.4 million to \$1,372.3 million as at 30 June 2018 mainly due to cash and bank deposits utilised for the acquisition of additional shares in Vinamilk. The decrease was partly offset by increased trade receivables due to the timing of Hari Raya festivities.

Liabilities decreased by \$137.2 million or 7.8% from \$1,759.0 million to \$1,621.8 million as at 30 June 2018 mainly due to the decrease in borrowings due to repayment of short term loans previously taken up for the purchase of shares in Vinamilk. The decrease in other payables was due to payments made for accrued staff costs and advisory fees outstanding as at 30 September 2017.

Group Cash Flow Statement for Quarter Ended 30 June 2018

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

Operating activities recorded a cash inflow of \$28.2 million as compared to a cash outflow of \$20.1 million last year mainly due to an increase in cash generated from operations and favourable working capital requirements.

Net cash outflow from investing activities of \$13.8 million was lower than the \$39.6 million last year mainly due to a decrease in acquisition of shares in Vinamilk as compared to last year.

Net cash inflow from financing activities of \$1.8 million was lower than the \$296.7 million last year mainly due to a decrease in proceeds from borrowings. Borrowings drawn down last year were mainly for the acquisition of shares in Vinamilk.

Group Profit Statement – 9 Months-to-Date

Group revenue increased 1.1% to \$1,445.1 million as compared to the corresponding period last year. Dairies Malaysia's increase in revenue was mainly due to improved product mix for export sales, while Dairies Thailand's growth was fuelled by higher exports sales on the back of increased network and distribution outlets. The increase was partly offset by the slow-down in consumer spending in Beverages and challenges faced by the Printing and Publishing business.

PBIT increased 10.4% to \$158.5 million as compared to the corresponding period last year. The increase was mainly due to increased profit contribution from Vinamilk arising from our increased shareholding and Vinamilk's higher profitability. The contribution from Vinamilk was partly offset by the decrease in PBIT contribution from Dairies Malaysia mainly due to the adverse impact of milk-based and packaging material costs despite favourable sugar cost.

Group attributable profit before exceptional items and basic earnings per share before exceptional items were 8.8% and 8.6% higher at \$91.1 million and 6.3 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.

While Publishing will continue to work collaboratively with strategic partners 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. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared for the current financial period.

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 April 2018 to 30 June 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	2,874

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

7 August 2018