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DIRECTORS' STATEMENT

The directors have pleasure in presenting this statement to the shareholders 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 2016.

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 Thongthepairot	(Alternate Director to Mr Sithichai Chaikriangkrai)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

Name of Director	Direct Interest		Deemed Interest	
	As at 1 Oct 2015	As at 30 Sep 2016	As at 1 Oct 2015	As at 30 Sep 2016
Charoen Sirivadhanabhakdi				
Fraser and Neave, Limited				
• Ordinary Shares	-	-	1,270,503,884 ⁽¹⁾	1,270,503,884⁽¹⁾
Fraser's Centrepont Limited				
• Ordinary Shares	-	-	2,541,007,768 ⁽¹⁾	2,541,007,768⁽¹⁾
FCL Treasury Pte. Ltd.				
• S\$600,000,000 4.88% Subordinated Perpetual Securities (Series 3)	-	-	S\$250,000,000	S\$250,000,000
• S\$700,000,000 5.00% Subordinated Perpetual Securities (Series 5)	-	-	S\$300,000,000	S\$300,000,000
Fraser & Neave Holdings Bhd				
• Ordinary Shares	-	-	203,470,910	203,470,910
TCC Assets Limited				
• Ordinary Shares	25,000	25,000	-	-
Khunying Wanna Sirivadhanabhakdi				
Fraser and Neave, Limited				
• Ordinary Shares	-	-	1,270,503,884 ⁽¹⁾	1,270,503,884⁽¹⁾
Fraser's Centrepont Limited				
• Ordinary Shares	-	-	2,541,007,768 ⁽¹⁾	2,541,007,768⁽¹⁾
FCL Treasury Pte. Ltd.				
• S\$600,000,000 4.88% Subordinated Perpetual Securities (Series 3)	-	-	S\$250,000,000	S\$250,000,000
• S\$700,000,000 5.00% Subordinated Perpetual Securities (Series 5)	-	-	S\$300,000,000	S\$300,000,000

DIRECTORS' STATEMENT

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

Name of Director	Direct Interest		Deemed Interest	
	As at 1 Oct 2015	As at 30 Sep 2016	As at 1 Oct 2015	As at 30 Sep 2016
Khunying Wanna Sirivadhanabhakdi (cont'd)				
Fraser & Neave Holdings Bhd				
• Ordinary Shares	-	-	203,470,910	203,470,910
TCC Assets Limited				
• Ordinary Shares	25,000	25,000	-	-
Tengku Syed Badarudin Jamalullail				
Fraser & Neave Holdings Bhd				
• Ordinary Shares	2,062,000	2,062,000	-	-
Koh Poh Tiong				
Fraser and Neave, Limited				
• Ordinary Shares	251,315	251,315	-	-
Fraser Centrepoint Limited				
• Ordinary Shares	385,660	385,660	-	-
FCL Treasury Pte. Ltd.				
• S\$700,000,000 5.00% Subordinated Perpetual Securities (Series 5)	S\$250,000	S\$250,000	-	-

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

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 turn 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.

- (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 2016.
- (c) By virtue of Section 4 of the Securities and Futures Act (Chapter 289 of Singapore), 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 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

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

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 actual number of RSP shares and PSP shares to be awarded at the end of the respective performance periods. The achievement factor ranges from 0% to 150% for the RSP and 0% to 200% for the PSP. Accordingly, the actual number of RSP shares to be awarded pursuant to the RSP will range from 0% to 150% and the actual number of PSP shares to be awarded pursuant to the PSP will range from 0% to 200% of the relevant Base Award (the "Final Award").

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.

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.

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 the 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 1.10.2015 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2016
Year 3	14.12.2011	510,974	-	-	(510,974)	-
Year 4	14.12.2012	817,250	(6,275)	-	(408,625)	402,350
Year 5	01.10.2014	1,013,675	(11,500)	100,825	(557,250)	545,750
Year 6	06.05.2015	1,055,300	(70,500)	-	-	984,800
Year 7	26.02.2016	1,255,976	(25,500)	-	-	1,230,476
		4,653,175 [^]	(113,775) [*]	100,825	(1,476,849)	3,163,376

[^] 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.

^{*} Cancelled due to resignations.

(ii) PSP

Shares	Grant Date	Balance as at 1.10.2015 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2016
Year 4	14.12.2012	68,158	-	(20,358)	(47,800)	-
Year 5	01.10.2014	32,546	-	-	-	32,546
Year 6	06.05.2015	40,500	(10,000)	-	-	30,500
Year 7	26.02.2016	84,383	-	-	-	84,383
		225,587 [^]	(10,000) [*]	(20,358)	(47,800)	147,429

[^] 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.

^{*} Cancelled due to resignations.

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, no options 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 1.10.2015	Options Exercised	Balance as at 30.9.2016	Exercise Price per share	Exercise Period
2011	22.11.2010	131,700	(131,700)	-	RM14.52	22.08.2013 to 21.10.2015

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.

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 2016. The details of the shares awarded under the F&NHB RSP are as follows:

Shares	Grant Date	Balance as at 1.10.2015 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2016
Year 1	15.03.2012	43,225	-	-	(43,225)	-
Year 2	07.02.2013	170,750	(675)	-	(85,800)	84,275
Year 3	12.08.2014	574,200	(2,900)	31,000	(302,600)	299,700
Year 4	15.01.2015	546,700	(29,100)	-	-	517,600
Year 5	05.01.2016	596,500	-	-	-	596,500
		1,931,375	(32,675)*	31,000	(431,625)	1,498,075

* Cancelled due to resignations.

DIRECTORS' STATEMENT

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

- (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:

- (a) reviewing quarterly and full-year financial statements of the Company and of the Group for the financial year and the independent auditors' report for the full-year prior to approval by the Board;
- (b) reviewing and approving the internal and external audit plans to ensure the adequacy of the audit scope;
- (c) reviewing the adequacy and effectiveness of the Group's internal controls;
- (d) 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;
- (e) 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;
- (f) 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
- (g) recommending to the Board regarding the appointment, re-appointment and removal of the external auditor, and reviewing and approving the remuneration and terms of engagement of the external auditor.

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

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

6. INDEPENDENT AUDITOR

The independent auditor, KPMG LLP, has expressed its willingness to accept re-appointment.

7. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) 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 2016 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended 30 September 2016; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board

SIRIPEN SITASUWAN
Director

7 November 2016

SITHICHAJ CHAIKRIANGKRAI
Director

INDEPENDENT AUDITORS' 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") which comprise the balance sheets of the Group and the Company as at 30 September 2016, 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 as set out on pages 98 to 168.

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 2016 and 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.

Other matter

The financial statements for the year ended 30 September 2015 were audited by another auditor who expressed an unmodified opinion on those financial statements on 6 November 2015.

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.

KPMG LLP

Public Accountants and
Chartered Accountants

Singapore
7 November 2016

PROFIT STATEMENT

For the year ended 30 September 2016

		THE GROUP	
		2016	2015
		(\$'000)	(\$'000)
	Notes		
Continuing operations			
REVENUE	3	1,978,622	2,121,110
Cost of sales		(1,250,256)	(1,425,111)
Gross profit		728,366	695,999
Other income (net)	4(a)	12,917	12,749
Operating expenses			
- Distribution		(176,754)	(174,867)
- Marketing		(299,640)	(295,748)
- Administration		(136,950)	(150,962)
		(613,344)	(621,577)
TRADING PROFIT		127,939	87,171
Share of joint venture company's loss		(540)	(1,229)
Share of associated companies' profit		3,186	3,930
Gross income from investments	6	48,566	41,691
PROFIT BEFORE INTEREST AND TAXATION ("PBIT")		179,151	131,563
Finance income		14,779	6,479
Finance cost		(4,969)	(6,300)
Net finance income	4(b)	9,810	179
PROFIT BEFORE FAIR VALUE ADJUSTMENT, TAXATION AND EXCEPTIONAL ITEMS		188,961	131,742
Fair value adjustment of investment properties		(1,532)	(2,311)
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS	4(c)	187,429	129,431
Exceptional items	7	735	(27,706)
PROFIT BEFORE TAXATION		188,164	101,725
Taxation	8	(22,506)	(19,316)
PROFIT FROM CONTINUING OPERATIONS AFTER TAXATION		165,658	82,409
Discontinued operations			
PROFIT FROM DISCONTINUED OPERATIONS, NET OF TAXATION	26(a)	-	95,289
Gain on disposal of discontinued operations	26(a)	-	541,531
PROFIT AFTER TAXATION		165,658	719,229
ATTRIBUTABLE PROFIT TO:			
Shareholders of the Company			
- Before fair value adjustment and exceptional items			
Continuing operations		108,963	63,034
Discontinued operations		-	52,409
		108,963	115,443
- Fair value adjustment of investment properties from continuing operations		(1,548)	(964)
- Gain on disposal of discontinued operations		-	541,531
- Exceptional items from continuing operations		681	(23,394)
		108,096	632,616
Non-controlling interests			
Continuing operations		57,562	43,733
Discontinued operations		-	42,880
		57,562	86,613
		165,658	719,229
Earnings per share attributable to the shareholders of the Company			
Basic			
- before gain on disposal of discontinued operations, fair value adjustment and exceptional items		7.5 cts	8.0 cts
- after gain on disposal of discontinued operations, fair value adjustment and exceptional items		7.5 cts	43.7 cts
Fully diluted			
- before gain on disposal of discontinued operations, fair value adjustment and exceptional items		7.5 cts	7.9 cts
- after gain on disposal of discontinued operations, fair value adjustment and exceptional items		7.4 cts	43.6 cts
Earnings per share from continuing operations attributable to the shareholders of the Company			
Basic			
- before fair value adjustment and exceptional items		7.5 cts	4.4 cts
- after fair value adjustment and exceptional items		7.5 cts	2.7 cts
Fully diluted			
- before fair value adjustment and exceptional items		7.5 cts	4.3 cts
- after fair value adjustment and exceptional items		7.4 cts	2.6 cts

The Notes on pages 106 to 168 form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2016

	THE GROUP	
	2016 (\$'000)	2015 (\$'000)
Profit after taxation	165,658	719,229
Other comprehensive income:		
<u>Items that are or may be reclassified subsequently to profit statement</u>		
Share of other comprehensive income of associated companies	(762)	231
Realisation of fair value gains on disposal of available-for-sale financial asset	(152)	-
Realisation of reserve on settlement of a net investment	(10,915)	-
Realisation of reserves on liquidation/disposal of subsidiary and joint venture companies	(621)	32,096
Net fair value changes on available-for-sale financial assets	524,301	143,055
Currency translation difference	8,548	(128,450)
	520,399	46,932
<u>Items that will not be reclassified to profit statement</u>		
Remeasurement of defined benefit obligations	(2,656)	(1,283)
Revaluation of fixed assets	9,292	-
	6,636	(1,283)
Other comprehensive income for the year, net of taxation	527,035	45,649
Total comprehensive income for the year	692,693	764,878
Total comprehensive income attributable to:		
Shareholders of the Company		
Continuing operations	636,841	130,370
Discontinued operations	-	607,023
	636,841	737,393
Non-controlling interests	55,852	27,485
	692,693	764,878

BALANCE SHEET

As at 30 September 2016

	Notes	THE GROUP		THE COMPANY	
		2016 (\$'000)	2015 (\$'000)	2016 (\$'000)	2015 (\$'000)
SHARE CAPITAL AND RESERVES					
Share capital	11	849,301	849,301	849,301	849,301
Treasury shares	11	(2,655)	(5,759)	(2,655)	(5,759)
Reserves	11	1,996,438	1,424,507	876,012	786,756
		2,843,084	2,268,049	1,722,658	1,630,298
NON-CONTROLLING INTERESTS					
		309,460	288,028	-	-
		3,152,544	2,556,077	1,722,658	1,630,298
Represented by:					
NON-CURRENT ASSETS					
Fixed assets	12	490,886	464,388	393	-
Investment properties	13	42,863	35,018	-	-
Properties held for development	14	18,232	17,848	-	-
Subsidiary companies	15	-	-	1,123,027	1,056,969
Joint venture company	16	46,011	43,736	-	-
Associated companies	17	43,003	41,860	18,100	18,100
Intangible assets	18	96,764	78,750	187	-
Brands	22	27,892	27,481	212	212
Other investments	20	1,363,389	844,780	185,240	120,129
Other receivables	24	1,131	1,580	-	-
Deferred tax assets	30	13,267	18,156	-	-
Bank fixed deposits	21	2,900	3,874	-	-
		2,146,338	1,577,471	1,327,159	1,195,410
CURRENT ASSETS					
Inventories	23	247,332	253,918	-	-
Trade receivables	24	267,178	278,792	-	-
Other receivables	24	53,894	53,670	1,074	1,387
Related parties	24	4,565	1,742	6	-
Subsidiary companies	15	-	-	13,905	5,647
Joint venture companies	16	558	756	-	-
Associated companies	17	3	3,403	-	-
Bank fixed deposits	21	563,282	446,462	231,018	276,978
Cash and bank balances	21	479,347	515,243	270,726	261,494
		1,616,159	1,553,986	516,729	545,506
Assets held for sale	26	10,375	11,412	-	-
		1,626,534	1,565,398	516,729	545,506
Deduct: CURRENT LIABILITIES					
Trade payables	27	180,548	201,113	-	-
Other payables	27	210,973	192,845	7,423	10,312
Related parties	27	12,650	14,523	21	-
Subsidiary companies	15	-	-	6,470	692
Associated companies	17	1,565	1,843	-	-
Borrowings	28	12,223	2,551	-	-
Provision for taxation		30,851	31,712	3,972	3,138
		448,810	444,587	17,886	14,142
Liabilities held for sale	26	2,339	1,802	-	-
		451,149	446,389	17,886	14,142
NET CURRENT ASSETS					
		1,175,385	1,119,009	498,843	531,364
Deduct: NON-CURRENT LIABILITIES					
Other payables	27	2,900	3,874	-	-
Related parties	27	1,265	1,265	1,265	1,265
Subsidiary companies	15	-	-	101,894	95,097
Borrowings	28	124,825	97,924	-	-
Provision for employee benefits	29	20,671	18,201	-	-
Deferred tax liabilities	30	19,518	19,139	185	114
		169,179	140,403	103,344	96,476
		3,152,544	2,556,077	1,722,658	1,630,298

The Notes on pages 106 to 168 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 2016												
	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
<u>Comprehensive income</u>												
Share of other comprehensive income of associated companies	-	-	-	(827)	244	-	(152)	(27)	-	(762)	-	(762)
Realisation of reserve on liquidation of a subsidiary company	-	-	-	-	(621)	-	-	-	-	(621)	-	(621)
Realisation of fair value gains on disposal of available-for-sale financial asset	-	-	-	-	-	(152)	-	-	-	(152)	-	(152)
Realisation of reserve on settlement of a net investment	-	-	-	-	(6,061)	-	-	-	-	(6,061)	(4,854)	(10,915)
Revaluation of fixed assets	-	-	9,292	-	-	-	-	-	-	9,292	-	9,292
Net fair value changes on available-for-sale financial asset	-	-	-	-	-	524,301	-	-	-	524,301	-	524,301
Remeasurement of defined benefit obligations	-	-	-	(2,434)	-	-	-	-	-	(2,434)	(222)	(2,656)
Currency translation difference	-	-	-	-	5,182	-	-	-	-	5,182	3,366	8,548
Other comprehensive income for the year	-	-	9,292	(3,261)	(1,256)	524,149	(152)	(27)	-	528,745	(1,710)	527,035
Profit for the year	-	-	-	108,096	-	-	-	-	-	108,096	57,562	165,658
Total comprehensive income for the year	-	-	9,292	104,835	(1,256)	524,149	(152)	(27)	-	636,841	55,852	692,693
<u>Contributions by and distributions to owners</u>												
Employee share-based expense	-	-	-	-	-	-	-	4,654	-	4,654	1,403	6,057
Treasury shares reissued pursuant to share plans	11	3,104	814	-	-	-	-	(3,918)	-	-	-	-
Purchase of shares by a subsidiary company	-	-	-	(2,209)	-	-	-	-	-	(2,209)	(1,769)	(3,978)
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(111)	1,418	-	-	-	(1,307)	-	-	-	-
Contribution of capital by non-controlling interests	-	-	-	-	-	-	-	-	-	-	630	630
Dividends:	9	-	-	(21,733)	-	-	-	-	(43,327)	(65,060)	(33,875)	(98,935)
Dividends proposed	-	-	-	(43,373)	-	-	-	-	43,373	-	-	-
Total contributions by and distributions to owners	-	3,104	703	(65,897)	-	-	-	(571)	46	(62,615)	(33,611)	(96,226)
<u>Changes in ownership interests</u>												
Change of interests in a subsidiary company	-	-	-	809	-	-	-	-	-	809	(809)	-
Total changes in ownership interests	-	-	-	809	-	-	-	-	-	809	(809)	-
Total transactions with owners in their capacity as owners	-	3,104	703	(65,088)	-	-	-	(571)	46	(61,806)	(34,420)	(96,226)
Balance at 30 September 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

STATEMENT OF CHANGES IN EQUITY

Notes	THE GROUP											Total (\$'000)	Non- controlling Interests (\$'000)	Total Equity (\$'000)
	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)					
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		
<u>Comprehensive income</u>														
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		
<u>Contributions by and distributions to owners</u>														
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	-	-	(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)		
<u>Changes in ownership interests</u>														
Change of interests in a subsidiary company	-	-	-	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

Notes	THE COMPANY							
	Share Capital (\$'000)	Treasury Shares (\$'000)	Capital Reserve (\$'000)	Revenue Reserve (\$'000)	Fair Value Adjustment Reserve (\$'000)	Share-based Payment Reserve (\$'000)	Dividend Reserve (\$'000)	Total Equity (\$'000)
YEAR ENDED 30 SEPTEMBER 2016								
	849,301	(5,759)	(2,814)	735,604	3,936	6,703	43,327	1,630,298
<u>Comprehensive income</u>								
Net fair value changes on available-for-sale financial asset	-	-	-	-	71,230	-	-	71,230
Realisation of fair value gains on disposal of available-for-sale financial asset	-	-	-	-	(152)	-	-	(152)
Other comprehensive income for the year	-	-	-	-	71,078	-	-	71,078
Profit for the year	-	-	-	83,440	-	-	-	83,440
Total comprehensive income for the year	-	-	-	83,440	71,078	-	-	154,518
<u>Contributions by and distributions to owners</u>								
Employee share-based expense	-	-	-	-	-	2,902	-	2,902
Treasury shares reissued pursuant to share plans	11	3,104	814	-	-	(3,918)	-	-
Dividends:	9							
Dividends paid	-	-	-	(21,733)	-	-	(43,327)	(65,060)
Dividends proposed	-	-	-	(43,373)	-	-	43,373	-
Total transactions with owners in their capacity as owners	-	3,104	814	(65,106)	-	(1,016)	46	(62,158)
Balance at 30 September 2016	849,301	(2,655)	(2,000)	753,938	75,014	5,687	43,373	1,722,658
YEAR ENDED 30 SEPTEMBER 2015								
	844,585	(23)	(2,814)	33,138	(15,394)	8,270	43,347	911,109
<u>Comprehensive income</u>								
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
<u>Contributions by and distributions to owners</u>								
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

The Notes on pages 106 to 168 form an integral part of the Financial Statements.

CASH FLOW STATEMENT

For the year ended 30 September 2016

	THE GROUP	
	2016 (\$'000)	2015 (\$'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and exceptional items from continuing operations	187,429	129,431
Profit before taxation and exceptional items from discontinued operations	-	123,526
Profit before taxation and exceptional items	187,429	252,957
Adjustments for:		
Depreciation of fixed assets	46,804	75,431
Impairment of fixed assets, brands and intangible assets	1,052	17,682
Reversal of impairment of fixed assets	(464)	(1,039)
Impairment of other investments	25	32
Fixed assets and intangible assets written off	430	638
Provision for employee benefits	1,526	1,498
Write back of provision for employee benefits	(140)	(342)
Loss on disposal of fixed assets and intangible assets	309	389
Amortisation of brands and intangible assets	14,943	16,445
Interest income	(14,779)	(6,479)
Interest expenses	4,969	6,300
Share of joint venture company's loss	540	1,229
Share of associated companies' profit	(3,186)	(3,930)
Investment income	(48,566)	(41,691)
Employee share-based expense	6,057	6,935
Fair value adjustment of financial instruments	(422)	(2,425)
Fair value adjustment of investment properties	1,532	2,311
Loss on disposal of financial instruments	2,124	698
Operating cash before working capital changes	200,183	326,639
Change in inventories	7,066	(4,700)
Change in receivables	20,263	(13,213)
Change in related parties' and joint venture and associated companies' balances	(6,722)	13,290
Change in payables	(9,063)	(15,027)
Development expenditure on properties held for development	(8)	(206)
Currency realignment	(11,012)	(46,033)
Cash generated from operations	200,707	260,750
Interest income received	14,300	6,306
Interest expenses paid	(4,864)	(6,383)
Income taxes paid	(24,417)	(34,230)
Payment of employee benefits	(1,059)	(1,603)
Net cash from operating activities	184,667	224,840
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends from associated companies	5,779	1,129
Investment income	48,566	41,691
Proceeds from sale of fixed assets	414	728
Proceeds from redemption of other investments	6,069	-
Net cash outflow on acquisition of subsidiary companies	(24,921)	-
Net cash inflow from disposal of a subsidiary company	-	558,747
Purchase of fixed assets and investment properties	(65,471)	(56,075)
Payment for intangible assets	(10,887)	(11,768)
Loan to a joint venture company	-	(2,163)
Net cash (used in)/from investing activities	(40,451)	532,289

CASH FLOW STATEMENT

For the year ended 30 September 2016

	THE GROUP	
	2016 (\$'000)	2015 (\$'000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from/(Repayment of) term loans and bank borrowings	32,594	(17,235)
Purchase of treasury shares	-	(5,736)
Purchase of shares by a subsidiary company	(3,978)	(3,851)
Proceeds from issue of shares by subsidiary companies to non-controlling interests	630	2,870
Payment of dividends:		
- by subsidiary companies to non-controlling interests	(33,875)	(29,213)
- by the Company to shareholders	(65,060)	(72,353)
Net cash used in financing activities	(69,689)	(125,518)
Net increase in cash and cash equivalents	74,527	631,611
Cash and cash equivalents at beginning of year	961,036	354,326
Reclassified to assets held for sale	-	(101)
Effects of exchange rate changes on cash and cash equivalents	2,308	(24,800)
Cash and cash equivalents at end of year	1,037,871	961,036
Cash and cash equivalents at end of year comprise:		
Cash and bank deposits (Note 21)	1,045,529	965,579
Bank overdrafts (Note 28)	(802)	(669)
	1,044,727	964,910
Less: Fixed deposits relating to consideration for acquisition of subsidiary companies (Note 21)	(6,856)	(3,874)
	1,037,871	961,036
Analysis of acquisition and disposal of subsidiary companies		
Net assets acquired:		
Fixed assets	5,438	-
Current assets	1,224	-
Bank borrowings	(1,758)	-
Other current liabilities	(2,034)	-
Other non-current liabilities	(260)	-
Cash and cash equivalents	4,079	-
	6,689	-
Provisional goodwill on acquisition	22,311	-
Consideration paid	29,000	-
Less: Cash and cash equivalents of subsidiary companies acquired	(4,079)	-
Net cash outflow on acquisition of subsidiary companies	24,921	-
Net assets disposed:		
Non-current assets	-	(77,659)
Current assets	-	(60,810)
Non-current liabilities	-	10,867
Current liabilities	-	33,801
Non-controlling interests	-	109,386
Cash and cash equivalents	-	(149,279)
	-	(133,694)
Realisation of reserve	-	(32,801)
Gain on disposal of a subsidiary company	-	(541,531)
Consideration received	-	(708,026)
Less: Cash and cash equivalents of a subsidiary company disposed	-	149,279
Net cash inflow on disposal of a subsidiary company	-	(558,747)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

The following Notes form an integral part of the Financial Statements on pages 98 to 105.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 7 November 2016.

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 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 Group as at and for the year ended 30 September 2016 comprise the Company and its subsidiary companies (together referred to as the "Group").

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.

2.2 Basis of Consolidation and Business Combinations

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

2. ACCOUNTING POLICIES (cont'd)

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

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.

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

A list of significant subsidiary companies is shown in Note 39.

2.3 Joint Arrangements

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

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

(a) Joint operations

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

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

(b) Joint venture companies

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

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

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

The Group's share of the operating results and exceptional items of joint venture companies are shown separately in the profit statement. The Group's share of other comprehensive income 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 accumulated impairment losses.

A list of significant joint arrangements is shown in Note 39.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

2. ACCOUNTING POLICIES (cont'd)

2.4 Associated Companies

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

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

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

The Group's share of the operating results, exceptional items and fair value adjustment of investment properties of associated companies are shown separately in the profit statement. The Group's share of 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 accumulated impairment losses.

A list of significant associated companies is shown in Note 39.

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

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit statement except to the extent it relates to items recognised directly in equity, in which case it is recognised in equity or in 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

2. ACCOUNTING POLICIES (cont'd)

2.7 Taxation (cont'd)

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill, the initial recognition of assets or liabilities that affects neither accounting nor taxable profit, and differences relating to investments in subsidiary, joint venture and associated companies to the extent that the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

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

- (i) Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.8 Fixed Assets

Fixed assets are carried at cost less accumulated depreciation and accumulated impairment loss. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of fixed assets if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Expenditure for additions, improvements and replacements are capitalised and expenditure for maintenance and repairs are charged to the profit statement. Subsequent expenditure relating to fixed assets that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits in excess of standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured, otherwise it is recognised as an expense during the financial year in which it is incurred. The carrying amount of the replaced parts is derecognised.

An asset is derecognised upon sale or retirement and any gain or loss on derecognition of the asset is included in the profit statement. Any amount in revaluation reserve relating to that asset is transferred to revenue reserve.

Depreciation is calculated on the straight-line method to write off the cost or valuation of fixed assets less residual value over their estimated useful lives. No depreciation is charged for freehold land and capital work-in-progress. The residual values, depreciation method and useful lives are reviewed and adjusted as appropriate at each balance sheet date. The annual depreciation rates applied to write down the fixed assets over their estimated useful lives are as follows:

Leasehold land	- 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 2016

2. ACCOUNTING POLICIES (cont'd)

2.9 Investment Properties

Investment properties are properties that are held for long term rental yields and/or capital appreciation. Completed investment properties are initially recognised at cost, including transaction cost and subsequently measured at fair value, determined annually by independent professional valuers on balance sheet date. Changes in fair values are recognised in the profit statement in the year in which they arise.

Transfers are made to or from completed investment properties only when there is a change in use. For a transfer from completed investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to completed investment property, the property is accounted for in accordance with the accounting policy for fixed assets up to the date of change in use.

On disposal of a completed investment property, the difference between the disposal proceeds and the carrying amount is recognised in the profit statement.

2.10 Properties Held for Development

Properties held for development are stated at cost less provision for foreseeable losses. The cost of properties held for development includes cost of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle.

Allowance for foreseeable losses of properties held for development is made when it is anticipated that the net realisable value has fallen below cost.

Properties held for development are reclassified as property development costs at the point where the development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

2.11 Borrowing Costs

Borrowing costs 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. 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 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 2016

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 are amortised on a straight-line basis in accordance with their estimated economic useful lives as follows:

Intangibles assets	Useful lives
Imprints	20.0 years
Co-publishing rights	4.6 years
Non-contractual customers	10.0 years
Customer relationships	5.0 to 15.0 years
Publishing rights	8.0 years
Licensing rights	10.0 years
Software	3.0 to 8.0 years

2.13 Brands

Brands with finite lives are stated at cost less accumulated amortisation and accumulated impairment losses. They are assessed for impairment annually or whenever there is an indication of impairment. The useful life is also examined on an annual basis and an adjustment, where applicable, is made on a prospective basis. Amortisation is calculated to write off their cost over their estimated useful lives of up to 14 years on a straight-line method to the profit statement.

Brands with indefinite lives are stated at cost less any impairment loss. The useful life of the brand is estimated to be indefinite because based on the current market share of the brand, management believes there is no foreseeable limit to the period over which the brand is expected to generate net cash flows to the Group. The indefinite useful life is reviewed annually to determine whether it continues to be supportable. The brand is tested for impairment annually or more frequently when indicators of impairment are identified.

Internally generated brands are not capitalised and the expenditure is charged against profit in the year in which the expenditure is incurred.

2.14 Inventories

All inventories are stated at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

Cost in respect of raw materials, consumable stores and goods purchased for resale is stated based on first-in-first-out, weighted average or standard cost (which approximates average actual cost). Cost in respect of manufactured inventories and work-in-progress includes attributable production overheads. Engineering spares and other inventories are valued on the weighted average cost basis less appropriate allowances for obsolete items.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

2. ACCOUNTING POLICIES (cont'd)

2.15 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 2.17.

(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. Loans and receivables comprise trade receivables, other receivables, cash and cash equivalents, amount due from related parties, subsidiary, joint venture and associated companies.

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. For the purpose of the cash flow statement, pledged deposits (including fixed deposits held as profit guarantee) are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

(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. Available-for-sale financial assets comprise equity securities.

(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, less any impairment losses.

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.

(e) Determination of fair value

The fair value of quoted financial assets are based on current market 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

2. ACCOUNTING POLICIES (cont'd)

2.15 Financial Assets (cont'd)

(f) Impairment (cont'd)

(i) *Assets carried at amortised cost (cont'd)*

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.

2.16 Financial Liabilities

Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are 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.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Other financial liabilities comprise trade payables, other payables, amounts due to subsidiary, joint venture, associated companies and related parties, borrowings and bank overdrafts.

2.17 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

2. ACCOUNTING POLICIES (cont'd)

2.17 Derivative Financial Instruments (cont'd)

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.

2.18 Impairment of Non-Financial Assets

The carrying amounts of the Group's assets are reviewed at each reporting date or when annual impairment testing is required, to determine whether there is any indication of impairment. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost of disposal and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating units ("CGU") to which the asset belongs. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised whenever the carrying amount of an asset or CGU exceeds its recoverable amount. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Reversal of impairment losses previously recognised is recorded when the decrease in impairment loss can be objectively related to an event occurring after the write down. The carrying amount is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss is recognised in the profit statement. Impairment loss on goodwill is not reversed in a subsequent period.

2.19 Discontinued Operations and Assets and Liabilities Held for Sale

A component of the Group is classified as a discontinued operation when the criteria to be classified as held-for-sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations. A component is deemed to be held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or component is available for immediate sale in its present condition.

Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the assets (or all the assets and liabilities in the group) are measured in accordance with the applicable 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

2. ACCOUNTING POLICIES (cont'd)

2.20 Treasury Shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.21 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.

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 2016

2. ACCOUNTING POLICIES (cont'd)

2.22 Leases

(a) Lessee

A finance lease which effectively transfers to the Group substantially all the risks and benefits incidental to ownership of the leased item is capitalised at the lower of the fair value of the leased item and the present value of the minimum lease payments at the inception of the lease term and disclosed as fixed asset. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit statement. Contingent rents, if any, are expensed in the periods in which they are incurred.

A lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item is classified as an operating lease. Operating lease payments are recognised as an expense in the profit statement on a straight-line basis over the lease term.

(b) Lessor

A lease whereby the lessor effectively retains substantially all the risks and benefits of ownership of the leased item is classified as an operating lease. Properties leased out under operating leases are included in investment properties and are stated at revalued amounts and not depreciated. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Contingent rents, if any, are recorded as income in the periods in which they are earned.

2.23 Government Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised in the profit statement over the period necessary to match them on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is recognised as deferred capital grant and is amortised to the profit statement over the expected useful life of the relevant asset by equal annual installments.

2.24 Exceptional Items

Exceptional items are items of income and expense of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the year.

2.25 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and the Company; or
- (b) a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the balance sheet of the Group and the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.26 Functional and Foreign Currencies

(a) Functional currency

The currency of the primary economic environment in which the Company operates ("the functional currency") is Singapore Dollar. The consolidated financial statements are presented in Singapore Dollar, which is the Company's functional and presentation currency.

(b) Foreign currency transactions

Foreign currency transactions are recorded in the functional currencies of the Company and the respective subsidiary companies at rates of exchange approximating those ruling at transaction date. Foreign currency monetary assets and liabilities at the balance sheet date are translated at the rates ruling at that date. Exchange differences are dealt with in the profit statement except where exchange differences arise on foreign currency monetary items that in substance form part of the Group's net investment in the foreign entity. These exchange differences are taken to exchange reserve as a separate component of the shareholders' funds until the disposal of the net investment at which time they are recognised in the profit statement.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

2. ACCOUNTING POLICIES (cont'd)

2.26 Functional and Foreign Currencies (cont'd)

(b) Foreign currency transactions (cont'd)

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 exchange rates ruling at the dates of the transactions;
- (ii) assets and liabilities are translated into presentation currency at exchange rates ruling at the balance sheet date; and
- (iii) exchange differences arising from translation of foreign subsidiary, joint venture and associated companies are recognised in 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 or joint venture companies that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit statement.

2.27 Significant Accounting Estimates and Judgements

Estimates and assumptions concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date are discussed below.

(i) *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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

2. ACCOUNTING POLICIES (cont'd)

2.27 Significant Accounting Estimates and Judgements (cont'd)

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

(i) Impairment of non-financial and financial assets (cont'd)

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 35(g).

(ii) Taxes

The Group has exposure to taxes in numerous jurisdictions. Significant judgment is involved in determining the provision for taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of taxation and deferred taxation at balance sheet date are disclosed in the balance sheet.

(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.

3. REVENUE

	THE GROUP	
	2016 (\$'000)	2015 (\$'000)
Sale of goods	1,857,353	1,968,340
Sale of services	109,995	138,064
Others	11,274	14,706
Total revenue	1,978,622	2,121,110

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS

	THE GROUP	
	2016 (\$'000)	2015 (\$'000)
(a) Included in other income (net):		
Exchange gain	5,087	4,308
Management fee income from a related party	-	1,245
Loss on disposal of fixed assets	(239)	(462)
(Loss)/Gain on disposal of derivatives	(2,231)	13
Fair value gain on derivatives	299	2,425
Recovery of withholding tax	2,805	-
(b) Net finance income:		
Finance income		
Interest income from bank and other deposits	12,859	4,434
Others	1,920	2,045
	14,779	6,479
Finance expense		
Interest expense from bank and other borrowings	(4,912)	(6,183)
Others	(57)	(117)
	(4,969)	(6,300)
	9,810	179
(c) Profit before taxation and exceptional items have been arrived at after charging:		
Depreciation of fixed assets	46,804	67,246
Impairment of fixed assets	890	11,140
Impairment of other investments	25	32
Impairment of brands	-	2,182
Impairment of intangible assets	162	4,360
Amortisation of brands	135	135
Amortisation of intangible assets	14,808	16,310
Intangible assets written off	6	-
Fixed assets written off	424	638
Bad debts written off	147	20
Allowance for bad and doubtful trade debts	1,200	2,953
Allowance for inventory obsolescence	11,280	10,408
Directors of the Company:		
Fee	651	645
Remuneration of members of Board committees	495	593
Adviser fees and allowances	1,929	1,856
Key executive officers:		
Remuneration	5,532	6,030
Provident Fund contribution	86	89
Employee share-based expense	621	855
Staff costs (exclude directors and key executives)	250,609	248,872
Employee share-based expense (exclude directors and key executives)	5,436	6,080
Defined contribution plans (exclude directors and key executives)	22,190	23,473
Defined benefit plans	1,526	1,498
Auditors' remuneration:		
Auditor of the Company	611	859
Member firms of the Auditor of the Company	615	841
Other auditors	14	104
Professional fees paid to:		
Auditor of the Company	6	71
Member firms of the Auditor of the Company	80	235
Other auditors	192	78
and crediting:		
Write back of defined benefit plans	140	342
Write back of allowance for bad and doubtful trade debts	937	494
Write back of allowance for inventory obsolescence	2,076	1,191
Reversal of impairment of fixed assets	464	1,039

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

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.

Year ended 30 September 2016

The following table presents financial information regarding operating segments:

Operating Segment	Beverages (\$'000)	Dairies (\$'000)	Printing & Publishing (\$'000)	Others (\$'000)	Elimination (\$'000)	Per Consolidated Financial Statements (\$'000)
Revenue - external	571,697	1,098,960	307,592	373	-	1,978,622
Revenue - inter-segment	32,660	16,656	95	141,144	(190,555)	-
Total revenue	604,357	1,115,616	307,687	141,517	(190,555)	1,978,622
Subsidiary companies	22,967	118,678	(5,127)	39,987	-	176,505
Joint venture and associated companies	-	-	(76)	2,722	-	2,646
PBIT	22,967	118,678	(5,203)	42,709	-	179,151
Finance income						14,779
Finance cost						(4,969)
Profit before fair value adjustment, taxation and exceptional items						188,961
Fair value adjustment of investment properties						(1,532)
Exceptional items						735
Profit before taxation						188,164
Taxation						(22,506)
Profit after taxation						165,658
Non-controlling interests						(57,562)
Attributable profit						108,096
Assets	366,585	525,387	276,054	1,457,036	-	2,625,062
Investments in joint venture and associated companies	-	-	17,054	71,960	-	89,014
Tax assets						13,267
Bank deposits & cash balances						1,045,529
Total assets						3,772,872
Liabilities	101,274	184,295	86,617	60,725		432,911
Tax liabilities						50,369
Borrowings						137,048
Total liabilities						620,328
Other segment information:						
Capital expenditure	34,747	20,269	18,277	3,065	-	76,358
Depreciation and amortisation	18,415	20,081	20,320	2,931	-	61,747
Impairment losses	342	548	187	-	-	1,077
Reversal of impairment losses	(188)	(276)	-	-	-	(464)
Attributable profit/(loss) before fair value adjustment and exceptional items	5,384	59,159	(6,033)	50,453	-	108,963
Fair value adjustment of investment properties	-	-	(1,568)	20	-	(1,548)
Exceptional items	388	(66)	(144)	503	-	681
Attributable profit/(loss)	5,772	59,093	(7,745)	50,976	-	108,096

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)	Per Consolidated Financial Statements (\$'000)
Total revenue	473,075	855,812	563,732	79,888	6,115	1,978,622
PBIT	(10,993)	80,440	113,778	(1,820)	(2,254)	179,151
Non-current assets	122,294	390,321	1,468,464	55,502	4,576	2,041,157
Investments in joint venture and associated companies	-	71,960	-	-	17,054	89,014
Current assets	170,511	245,147	126,737	39,359	2,151	583,905
Capital expenditure	18,337	37,037	15,858	5,098	28	76,358

Other ASEAN: Myanmar, Thailand, Vietnam and Indonesia

North/South Asia: China and India

Outside Asia: Australia, Europe and USA

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

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	1,140,854	340,945	716	-	2,121,110
Revenue - inter-segment	25,915	-	127	136,269	(162,311)	-
Total revenue	664,510	1,140,854	341,072	136,985	(162,311)	2,121,110
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	562,978	89,283	8,387	-	2,121,110
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 26(a).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

	THE GROUP	
	2016 (\$'000)	2015 (\$'000)
6. GROSS INCOME FROM INVESTMENTS		
Interest income	128	255
Dividend income	48,438	41,436
	48,566	41,691
7. EXCEPTIONAL ITEMS		
Insurance claim relating to flood	1,263	-
Effects of change of interest in an associated company	756	-
Gain on redemption of other investments	30	-
Provision for restructuring and re-organisation cost of operations	(1,170)	(2,019)
(Loss)/Gain on liquidation/disposal of subsidiary and joint venture companies (net)	(144)	161
Impairment loss on fixed assets relating to restructuring of operations	-	(25,761)
Impairment loss on fixed assets relating to flood	-	(87)
	735	(27,706)
8. TAXATION		
Based on profit for the year:		
Singapore tax	6,296	6,710
Overseas tax		
- current year	15,537	16,728
- withholding tax	2,728	3,620
Deferred tax		
- current year	5,640	(2,875)
- adjustment of tax rate	7	216
	30,208	24,399
(Over)/Under provision in preceding years		
- current income tax	(7,300)	(4,430)
- withholding tax	-	(1,337)
- deferred tax	(402)	684
Tax expense attributable to continuing operations	22,506	19,316
Tax expense attributable to discontinued operations (Note 26(a))	-	28,237
	22,506	47,553

	THE GROUP	
	2016 (%)	2015 (%)
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 jurisdictions	4.6	4.7
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)	(15.5)	(8.7)
Expenses not deductible for tax purposes	5.5	1.7
Utilisation of previously unrecognised tax losses	(0.1)	(0.2)
Over provision in prior years	(4.1)	(0.9)
Deferred tax benefits not recognised	3.2	0.8
Withholding tax	1.5	0.4
Others	(0.3)	(0.1)
	12.0	14.7

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

8. TAXATION (cont'd)

	THE GROUP	
	2016 (%)	2015 (%)
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:		
Singapore statutory rate	17.0	17.0
Effect of different tax rates of other jurisdictions	4.6	4.5
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)	(15.5)	(19.3)
Expenses not deductible for tax purposes	5.5	13.7
Utilisation of previously unrecognised tax losses	(0.1)	(1.4)
Over provision in prior years	(4.1)	(5.0)
Adjustment due to change in tax rate	-	0.2
Deferred tax benefits not recognised	3.2	6.4
Withholding tax	1.5	3.6
Others	(0.3)	(0.9)
	12.0	19.0

As at 30 September 2016, certain Singapore subsidiary companies have unutilised tax losses carried forward of approximately \$22,682,000 (2015: \$22,682,000) and unabsorbed capital allowances of \$199,000 (2015: \$199,000) available for set off against future profits. In addition, certain overseas subsidiary companies have unutilised tax losses carried forward of approximately \$117,563,000 (2015: \$122,239,000), unutilised investment allowances of approximately \$94,231,000 (2015: \$112,728,000) and unabsorbed capital allowances of \$13,684,000 (2015: \$14,803,000). The availability of these losses and capital allowances to set off against future profits is subject to the meeting of certain statutory requirements by those subsidiary companies in their countries of tax residence. The deferred tax benefits of these losses recognised in the financial statements are disclosed in Note 30.

For the year of assessment ("YA") 2016 certain subsidiary companies have transferred loss items of \$8,976,000 (YA 2015: \$6,079,000) to offset against the taxable income of other companies in the Group. Tax benefits of \$911,000 (YA 2015: \$40,000) were recognised on the tax losses utilised under the group relief system. Tax benefits of \$1,881,000 (2015: \$2,213,000) arising from the utilisation of group relief are not recognised as they are subject to compliance with the relevant tax legislation governing group relief and agreement of the Inland Revenue Authority of Singapore.

9. DIVIDENDS

	THE GROUP & THE COMPANY	
	2016 (\$'000)	2015 (\$'000)
Interim paid of 1.5 cents per share (2015: 2.0 cents per share)	21,733	29,006
Final proposed of 3.0 cents per share (2015: 3.0 cents per share)	43,373	43,327
	65,106	72,333

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

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.

	Continuing Operations		THE GROUP Discontinued Operations		Total	
	2016 (\$'000)	2015 (\$'000)	2016 (\$'000)	2015 (\$'000)	2016 (\$'000)	2015 (\$'000)
Group attributable profit to shareholders of the Company						
- before gain on disposal of discontinued operations, fair value adjustment and exceptional items	108,963	63,034	-	52,409	108,963	115,443
- after gain on disposal of discontinued operations, fair value adjustment and exceptional items	108,096	38,676	-	593,940	108,096	632,616
	-- No. of shares --					
Weighted average number of ordinary shares in issue	1,445,519,595	1,446,296,429	1,445,519,595	1,446,296,429	1,445,519,595	1,446,296,429
Earnings Per Share (Basic)						
- before gain on disposal of discontinued operations, fair value adjustment and exceptional items	7.5 cts	4.4 cts	- cts	3.6 cts	7.5 cts	8.0 cts
- after gain on disposal of discontinued operations, fair value adjustment and exceptional items	7.5 cts	2.7 cts	- cts	41.0 cts	7.5 cts	43.7 cts

(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:

Group attributable profit to shareholders of the Company before gain on disposal of discontinued operations, fair value adjustment and exceptional items	108,963	63,034	-	52,409	108,963	115,443
Change in attributable profit due to dilutive share options and potential dilutive shares under share plans of a subsidiary company	(297)	(208)	-	-	(297)	(208)
Group adjusted attributable profit to shareholders of the Company before gain on disposal of discontinued operations, fair value adjustment and exceptional items	108,666	62,826	-	52,409	108,666	115,235

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

10. EARNINGS PER SHARE (cont'd)

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

	Continuing Operations		THE GROUP Discontinued Operations		Total	
	2016 (\$'000)	2015 (\$'000)	2016 (\$'000)	2015 (\$'000)	2016 (\$'000)	2015 (\$'000)
Group attributable profit to shareholders of the Company after gain on disposal of discontinued operations, fair value adjustment and exceptional items	108,096	38,676	-	593,940	108,096	632,616
Change in attributable profit due to dilutive share options and potential dilutive shares under share plans of a subsidiary company	(297)	(205)	-	-	(297)	(205)
Group adjusted attributable profit to shareholders of the Company after gain on disposal of discontinued operations, fair value adjustment and exceptional items	107,799	38,471	-	593,940	107,799	632,411

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:

	-- No. of shares --					
Weighted average number of ordinary shares used to compute basic earnings per share	1,445,519,595	1,446,296,429	1,445,519,595	1,446,296,429	1,445,519,595	1,446,296,429
Adjustment for potential dilutive shares under share plans of the Company	3,310,805	3,538,403	3,310,805	3,538,403	3,310,805	3,538,403
Weighted average number of ordinary shares used to compute diluted earnings per share	1,448,830,400	1,449,834,832	1,448,830,400	1,449,834,832	1,448,830,400	1,449,834,832
Earnings Per Share (Fully diluted)						
- before gain on disposal of discontinued operations, fair value adjustment and exceptional items	7.5 cts	4.3 cts	- cts	3.6 cts	7.5 cts	7.9 cts
- after gain on disposal of discontinued operations, fair value adjustment and exceptional items	7.4 cts	2.6 cts	- cts	41.0 cts	7.4 cts	43.6 cts

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

11. SHARE CAPITAL, TREASURY SHARES AND RESERVES

(a) Share capital

	THE GROUP & THE COMPANY			
	2016		2015	
	No. of shares	(\$'000)	No. of shares	(\$'000)
<u>Ordinary shares issued and fully paid up</u>				
Balance at beginning of year	1,447,077,754	849,301	1,444,910,386	844,585
Issued during the year				
- pursuant to the vesting of shares awarded under Share Plans	-	-	2,167,368	4,716
Balance at end of year	1,447,077,754	849,301	1,447,077,754	849,301

The holders of ordinary shares (except for treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

The Company has the following employee share plans under which share awards conditional on the achievement of pre-determined targets have been granted.

- (i) Fraser and Neave Limited Restricted Share Plan
- (ii) Fraser and Neave Limited Performance Share Plan

(b) Treasury shares

	THE GROUP & THE COMPANY			
	2016		2015	
	No. of shares	(\$'000)	No. of shares	(\$'000)
Balance at beginning of year	(2,828,700)	(5,759)	(4,100)	(23)
Purchased during the year	-	-	(2,824,600)	(5,736)
Reissued during the year:				
- Reissued pursuant to share plans	1,524,649	-	-	-
- Transferred from share-based payment reserve	-	3,918	-	-
- Gain on reissuance of treasury shares	-	(814)	-	-
	1,524,649	3,104	-	-
Balance at end of year	(1,304,051)	(2,655)	(2,828,700)	(5,759)

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

The Company acquired Nil shares (2015: 2,824,600 shares) in the Company through purchases on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was \$Nil (2015: \$5,736,000) and this was presented as a component within shareholders' equity.

The Company reissued 1,524,649 (2015: Nil) treasury shares pursuant to its share plans at a weighted average price of \$2.04 (2015: \$Nil) in this financial year.

(c) Reserves

	THE GROUP		THE COMPANY	
	2016 (\$'000)	2015 (\$'000)	2016 (\$'000)	2015 (\$'000)
The reserves comprise the following:				
Capital Reserve	18,746	8,751	(2,000)	(2,814)
Fair Value Adjustment Reserve	1,177,590	653,441	75,014	3,936
Hedging Reserve	(425)	(273)	-	-
Share-based Payment Reserve	10,349	10,947	5,687	6,703
Revenue Reserve	889,151	849,404	753,938	735,604
Dividend Reserve (Note 9)	43,373	43,327	43,373	43,327
Exchange Reserve	(142,346)	(141,090)	-	-
Total reserves	1,996,438	1,424,507	876,012	786,756

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

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

(c) Reserves (cont'd)

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	
	2016 (\$'000)	2015 (\$'000)
Balance at beginning of year	(273)	(605)
Share of associated company's hedging reserve	(152)	332
Balance at end of year	(425)	(273)

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 (2015: 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.

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 2016							
At cost							
Balance at beginning of year	40,707	38,415	275,680	555,517	11,190	204,460	1,125,969
Currency realignment	468	(145)	994	1,817	398	1,811	5,343
Additions	-	-	275	7,192	42,109	15,793	65,369
Acquisition of subsidiary companies	-	1,802	-	386	-	3,250	5,438
Disposals	-	(101)	(16)	(2,878)	-	(9,894)	(12,889)
Write off	-	-	-	(673)	-	(7,973)	(8,646)
Revaluation	-	-	9,292	-	-	-	9,292
Reclassification	(458)	-	2,179	8,869	(11,269)	679	-
Reclassified to intangible assets	-	-	-	-	(113)	-	(113)
Reclassified from investment properties	-	-	523	-	-	-	523
Reclassified to investment properties	-	-	(10,915)	-	-	-	(10,915)
Balance at end of year	40,717	39,971	278,012	570,230	42,315	208,126	1,179,371
Accumulated depreciation and impairment							
Balance at beginning of year	760	11,035	84,419	421,427	-	143,940	661,581
Currency realignment	15	(26)	8	628	-	912	1,537
Depreciation charge	-	610	5,664	23,963	-	16,567	46,804
Impairment charge	-	-	4	735	-	151	890
Impairment reversal	-	-	-	(387)	-	(77)	(464)
Disposals	-	(101)	(7)	(2,661)	-	(9,467)	(12,236)
Write off	-	-	-	(637)	-	(7,585)	(8,222)
Reclassification	-	-	-	(4)	-	4	-
Reclassified to investment properties	-	-	(1,405)	-	-	-	(1,405)
Balance at end of year	775	11,518	88,683	443,064	-	144,445	688,485
Net book value at end of year	39,942	28,453	189,329	127,166	42,315	63,681	490,886

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

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 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	-	-	(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							
- Continuing operations	-	706	7,025	43,977	-	15,538	67,246
- Discontinued operations	-	-	-	-	-	8,185	8,185
Impairment charge	-	317	3,033	31,739	-	1,899	36,988
Impairment reversal	-	-	-	(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	-	-	(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

THE COMPANY
Other Assets
and Total
(\$'000)

For the year ended 30 September 2016

At cost

Additions

440

Accumulated depreciation and impairment

Depreciation charge

(47)

Net book value at end of year

393

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

12. FIXED ASSETS (cont'd)

- (a) Other assets comprise motor vehicles and forklift, postmix and vending machines, beer coolers, fixture and fittings and computer equipment.
- (b) The Group's carrying amount of assets held under finance leases at 30 September 2016 amounted to \$1,900,000 (2015: \$18,000).
- (c) The net book value of fixed assets pledged to financial institutions as security for borrowings are as follows:

	THE GROUP	
	2016 (\$'000)	2015 (\$'000)
Leasehold Land	1,789	-
Building	-	237
Plant and machinery	-	1,516

- (d) During the financial year, a change in use led to a building being transferred to investment property. Immediately before the transfer, the Group remeasured the property to its fair value and recognised a gain of \$9,292,000 in other comprehensive income. The valuation techniques and significant unobservable inputs used in measuring the fair value of the building at the date of transfer were the same as those applied to investment property at the reporting date.
- (e) In the previous financial year, the Group's subsidiary company, Times Publishing Limited ("TPL"), carried out a review of the recoverable amount on its plant and machinery. An impairment loss of \$25,761,000, representing the write-down of these equipment to the recoverable amount was recognised 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.
- (f) In the previous financial year, TPL conducted a technological review on its plant and machinery. The estimated useful lives of some machinery had been revised from 15 to 10 years. The revision in estimate had been applied on a prospective basis from 1 July 2015 with a corresponding increase in depreciation expense of \$7,484,000.

13. INVESTMENT PROPERTIES

	THE GROUP	
	2016 (\$'000)	2015 (\$'000)
(a) Completed Investment Properties		
Balance at beginning of year	35,018	40,702
Currency realignment	288	(3,373)
Additions	102	-
Reclassified from fixed assets	9,510	-
Reclassified to fixed assets	(523)	-
Net fair value loss recognised in the profit statement	(1,532)	(2,311)
Balance at end of year	42,863	35,018
(b) Completed investment properties comprise commercial properties that are leased mainly to third parties under operating leases (Note 32).		
The following amounts are recognised in the profit statement:		
Rental income from investment properties:		
- Minimum lease payments	1,392	1,207
Direct operating expenses arising from rental generating properties	432	422

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

13. INVESTMENT PROPERTIES (cont'd)

- (c) As at 30 September 2016, investment properties amounting to \$9,544,000 have been pledged to financial institutions as security for bank facilities.

Completed investment properties are stated at fair value which has been determined based on valuations performed at balance sheet date. Valuations are performed by accredited independent valuers with recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued.

The valuations are based on open market values on the as-is basis and were prepared primarily using the Investment and Comparison Method. In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

Independent professional valuations were carried out by the following valuers:

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

14. PROPERTIES HELD FOR DEVELOPMENT

	THE GROUP	
	2016 (\$'000)	2015 (\$'000)
Balance at beginning of year	17,848	21,276
Currency realignment	376	(3,634)
Cost incurred	8	206
Balance at end of year	18,232	17,848
Properties held for development comprise:		
Freehold land	16,408	16,070
Development costs	1,824	1,778
	18,232	17,848

15. SUBSIDIARY COMPANIES

	THE COMPANY	
	2016 (\$'000)	2015 (\$'000)
Quoted shares at cost	256,353	256,353
Unquoted shares at cost	861,366	861,366
Allowance for impairment	(210,929)	(210,929)
	906,790	906,790
Amounts owing by subsidiary companies (unsecured)	216,237	150,179
	1,123,027	1,056,969
MARKET VALUE		
Quoted shares	1,613,560	1,201,951

The amounts owing by subsidiary companies are unsecured, not repayable within the next 12 months and are interest free except for amounts of \$187,085,000 (2015: \$150,044,000) which bear an interest rate of 1.12% (2015: 1.57%) per annum. The amounts owing to subsidiary companies disclosed under non-current liabilities are unsecured, non-trade in nature, interest free, not repayable within the next 12 months and to be settled in cash. The amounts owing from and to subsidiary companies disclosed under current assets and current liabilities are unsecured, non-trade in nature, interest free, have no fixed repayment term and are to be settled in cash.

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

Details of significant subsidiary companies are included in Note 39.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

15. SUBSIDIARY COMPANIES (cont'd)

(a) Acquisition of subsidiary companies

Soft Drinks

On 1 July 2016, the Group through F&N Foods Pte Ltd, a wholly-owned subsidiary company, completed the acquisition of 100% shareholding interest in Warburg Vending Pte Ltd ("WV"), Warburg Engineering Pte. Ltd. ("WE") and Warburg Vending Services Pte. Ltd. ("WVS") and obtained control. Upon acquisition, WV, WE and WVS became subsidiary companies of the Group. A provisional goodwill of \$22,311,000 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 consideration was arrived at on a "willing-buyer-willing-seller" basis, taking into consideration, inter alia, the net asset value and earnings of WV, WE and WVS.

The fair value of the identifiable assets and liabilities of WV, WE and WVS as at the acquisition date were as follows:

	Fair Value at Date of Acquisition (\$'000)
Fixed assets	5,438
Current assets	1,224
Bank borrowings	(1,758)
Other current liabilities	(2,034)
Other non-current liabilities	(260)
Cash and cash equivalents	4,079
Total identifiable net assets at fair value	6,689
Provisional goodwill arising from acquisition	22,311
Consideration paid	29,000
Less: Cash and cash equivalents in subsidiary companies acquired	(4,079)
Net cash outflow on acquisition of subsidiary companies	24,921

Impact of the acquisition on profit statement

If the business combination has taken place at the beginning of the year, the contribution to the Group's revenue would have been \$17,885,000 and the contribution to the Group's profit after tax would have been \$2,644,000.

Transaction costs

Transaction costs related to the acquisition of \$306,000 have been recognised under "Administration expenses" in the Group's profit statement for the year ended 30 September 2016.

(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 were presented separately on the Group Profit Statement as Discontinued Operations.

The effects of the disposal are disclosed in Note 26(a) Discontinued Operations.

(c) Liquidation of a subsidiary company

During the financial year, the Group liquidated Pansing IMM Pty Limited, a wholly owned dormant subsidiary company of Times Publishing Limited.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

15. SUBSIDIARY COMPANIES (cont'd)

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

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

	Fraser & Neave Holdings Bhd	
	2016 (\$'000)	2015 (\$'000)
NCI percentage of ownership and voting interest	44.5%	44.5%
Carrying amount of NCI	291,136	269,479
Profit after taxation allocated to NCI	57,394	45,443
Dividends paid to NCI	33,578	28,849
<u>Summarised financial information before inter-group elimination</u>		
Non-current assets	506,771	485,480
Current assets	549,885	490,205
Non-current liabilities	(148,085)	(119,636)
Current liabilities	(252,943)	(250,151)
Net assets	655,628	605,898
Revenue	1,395,718	1,501,741
Profit for the year	129,060	102,394
Other comprehensive income	(16,394)	21,003
Total comprehensive income	112,666	123,397
Net cash from operating activities	160,979	109,026
Net cash flows used in investing activities	(41,556)	(22,632)
Net cash flows used in financing activities	(48,867)	(87,376)
Net increase/(decrease) in cash and cash equivalents	70,556	(982)

16. JOINT VENTURE COMPANIES

	THE GROUP	
	2016 (\$'000)	2015 (\$'000)
(a) Unquoted investment, at cost	165	161
Share of post acquisition reserves, net	(2,227)	(1,660)
Shareholder's loan	48,073	45,235
	46,011	43,736

Shareholder's loan

On 11 November 2011, the Group had through its non-wholly owned subsidiary, Fraser & Neave Holdings Bhd ("F&NHB"), entered into a conditional subscription cum shareholders' agreement ("SSA") with 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 had both granted shareholder's loans to VCSB pursuant to the SSA. The loans are unsecured, bear interest at KLIBOR + 1.25% (2015: KLIBOR + 1.25%) per annum, not repayable within the next 12 months and are denominated in Malaysia Ringgit.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

16. JOINT VENTURE COMPANIES (cont'd)

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

	THE GROUP	
	2016 (\$'000)	2015 (\$'000)
Expenses	(790)	(3,178)
Loss before taxation	(790)	(3,178)
Taxation	(290)	720
Loss after taxation	(1,080)	(2,458)
Non-current assets	760	1,031
Cash and bank balances	102	2,040
Other current assets	91,639	85,246
Other current liabilities	(96,632)	(91,321)
Net liabilities	(4,131)	(3,004)
Proportion of F&NHB's ownership	50%	50%
Group's share of net liabilities	(2,065)	(1,502)
Goodwill	3	3
Shareholder's loan	48,073	45,235
Carrying amount of the investment	46,011	43,736

- (c) The share of the results as stated in paragraph (b) above are based on the accounts of the joint venture company for the financial year ended 30 September.
- (d) The amounts owing from joint venture companies classified under current assets are unsecured, trade and non-trade in nature, interest free, repayable on demand, 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 2016 is \$Nil (2015: \$37,956,000).

Details of significant joint venture company is included in Note 39.

17. ASSOCIATED COMPANIES

	THE GROUP		THE COMPANY	
	2016 (\$'000)	2015 (\$'000)	2016 (\$'000)	2015 (\$'000)
Quoted investments, at cost	113,380	112,913	93,783	93,783
Share of post acquisition reserves, net	(6,914)	(7,590)	-	-
Allowance for impairment	(63,463)	(63,463)	(75,683)	(75,683)
	43,003	41,860	18,100	18,100
MARKET VALUE				
Quoted shares	65,793	57,902	26,014	21,001

- (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, repayable on demand, 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	
	2016 (\$'000)	2015 (\$'000)
Carrying amount of interest	43,003	41,860
Share of profit before taxation	4,554	5,483
Share of taxation	(1,368)	(1,553)
Share of profit after taxation	3,186	3,930
Share of other comprehensive income	(762)	231
Share of total comprehensive income	2,424	4,161

- (c) The Group's share of contingent liabilities of the associated companies as at 30 September 2016 is \$276,000 (2015: \$147,000).

Details of significant associated companies are included in Note 39.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

18. INTANGIBLE ASSETS

	THE GROUP			Total (\$'000)
	Goodwill (\$'000)	Deferred Development Costs (\$'000)	Other Intangible Assets (\$'000)	
For the year ended 30 September 2016				
At cost				
Balance at beginning of year	59,972	72,687	40,274	172,933
Currency realignment	(177)	(1,976)	321	(1,832)
Additional expenditure	-	10,140	747	10,887
Acquisition of subsidiary companies	22,311	-	-	22,311
Reclassified from fixed assets	-	-	113	113
Disposal for the year	-	-	(100)	(100)
Write off	-	(834)	(176)	(1,010)
Balance at end of year	82,106	80,017	41,179	203,302
Accumulated amortisation and impairment				
Balance at beginning of year	5,943	56,921	31,319	94,183
Currency realignment	36	(1,830)	183	(1,611)
Amortisation charge	-	11,974	2,834	14,808
Impairment charge	-	162	-	162
Write off	-	(834)	(170)	(1,004)
Balance at end of year	5,979	66,393	34,166	106,538
Net book value	76,127	13,624	7,013	96,764
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	-	10,932	836	11,768
Reclassified from fixed assets	-	-	604	604
Write off	(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	-	12,970	3,340	16,310
Impairment charge	905	1,253	2,202	4,360
Write off	(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

	THE COMPANY Other Intangible Assets and Total (\$'000)
For the year ended 30 September 2016	
At cost	
Additional expenditure	200
Accumulated amortisation and impairment	
Amortisation charge	13
Net book value	187

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

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 2016				
Subsidiary companies:				
Printing and Publishing Group	15,401	Value-in-use and Fair value less cost to sell	0%	7.4%
Dairies Group	330	Value-in-use	0%	10.5%
Beverages Group	60,396	Value-in-use and Fair value less cost to sell	0% - 2.0%	7.3% - 10.5%
	<u>76,127</u>			
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%
	<u>54,029</u>			

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.

During the financial year, no impairment loss was recognised in the profit statement. In the previous financial year, an impairment loss of \$905,000 was recognised in the profit statement. The recoverable amount of the goodwill has been determined based on value-in-use. The value-in-use calculations were determined using 5 year cash flow projections approved by management. The pre-tax discount rate applied to the cash flow projections was 7.0% and the terminal growth rate was 0%.

(b) Deferred development costs

The carrying value of deferred development costs was assessed for impairment during the financial year.

An impairment loss of \$162,000 (2015: \$1,253,000) was recognised in the profit statement as the carrying value was assessed to be in excess of its recoverable value due to shift in market demand for certain products.

The recoverable amount of the deferred development costs has been determined based on value-in-use calculations using 5 year cash flow projection approved by management. The pre-tax discount rate applied to the cash flow projections is 7.4% (2015: 7.0% - 7.5%) and the terminal growth rate is 0% (2015: 0%).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

19. IMPAIRMENT TESTS FOR INTANGIBLE ASSETS (cont'd)

(c) Other Intangible Assets

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

During the financial year, no impairment loss was recognised in the profit statement. In the previous financial year, an impairment loss of \$2,202,000 was recognised in the profit statement. The recoverable amount of the other intangible assets 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 was 7.5% - 9.4% and the terminal growth rate was 0% - 2.0%.

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	
	2016 (\$'000)	2015 (\$'000)	2016 (\$'000)	2015 (\$'000)
Quoted available-for-sale financial assets				
Equity investments				
At fair value	1,363,375	844,741	185,226	120,115
Unquoted available-for-sale financial assets				
Equity investments				
At cost (less impairment loss)	14	39	14	14
Total	1,363,389	844,780	185,240	120,129

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

21. CASH AND BANK DEPOSITS

	THE GROUP		THE COMPANY	
	2016 (\$'000)	2015 (\$'000)	2016 (\$'000)	2015 (\$'000)
Non-Current				
Bank fixed deposits	2,900	3,874	-	-
Current				
Bank fixed deposits	563,282	446,462	231,018	276,978
Cash and bank balances	479,347	515,243	270,726	261,494
	1,042,629	961,705	501,744	538,472
	1,045,529	965,579	501,744	538,472

The weighted average effective interest rate for non-current fixed deposits is 1.00% (2015: 3.90%) and current bank fixed deposits is 1.38% (2015: 1.57%).

The Group's non-current bank fixed deposits of \$2,900,000 (2015: \$3,874,000) and current bank deposit of \$3,956,000 (2015: \$Nil) relates to the portion of consideration for acquisition of 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. These fixed deposits are excluded from the Group Cash Flow Statement.

As at 30 September 2016, cash and bank deposits held by the Group are in the following major currencies: Malaysia Ringgit - 11.8% (2015: 10.2%), Thai Baht - 7.1% (2015: 4.9%) and United States Dollar - 5.1% (2015: 5.1%).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

22. BRANDS

	THE GROUP		THE COMPANY	
	2016 (\$'000)	2015 (\$'000)	2016 (\$'000)	2015 (\$'000)
At cost				
Balance at beginning of year	40,747	46,595	8,647	8,647
Currency realignment	612	(5,848)	-	-
Balance at end of year	41,359	40,747	8,647	8,647
Accumulated amortisation and impairment				
Balance at beginning of year	13,266	11,315	8,435	8,435
Currency realignment	66	(366)	-	-
Amortisation charge	135	135	-	-
Impairment charge	-	2,182	-	-
Balance at end of year	13,467	13,266	8,435	8,435
Net book value	27,892	27,481	212	212

Included in the Group's brands are brands with indefinite useful life of carrying amount of \$26,683,000 (2015: \$26,136,000).

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 were 10.5% (2015: 10.2% - 13.4%) and terminal growth rates applied were 1.0% - 2.0% (2015: 1.0% - 5.0%).

23. INVENTORIES

	THE GROUP	
	2016 (\$'000)	2015 (\$'000)
Raw materials	102,836	123,316
Manufactured inventories	101,476	88,239
Engineering spares, work-in-progress and other inventories	9,493	7,973
Packaging materials	10,760	10,927
Goods purchased for resale	22,767	23,463
	247,332	253,918

The cost of inventories recognised as an expense in cost of sales for continuing operations during the year was \$1,160,336,000 (2015: \$1,303,164,000).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

24. TRADE RECEIVABLES, OTHER RECEIVABLES AND RELATED PARTIES

	THE GROUP		THE COMPANY	
	2016 (\$'000)	2015 (\$'000)	2016 (\$'000)	2015 (\$'000)
Trade receivables	267,178	278,792	-	-
Other receivables:				
Current				
Accrued income	2,783	2,358	34	20
Prepayments	5,043	4,570	120	160
Deposits paid	4,853	7,465	-	-
Tax recoverable	15,105	12,435	78	358
Staff loans	3,541	3,315	-	-
Derivative financial instruments (Note 25)	549	2,533	22	295
Sundry debtors	5,986	3,955	-	-
Other receivables	16,034	17,039	820	554
	53,894	53,670	1,074	1,387
Related parties	4,565	1,742	6	-
	325,637	334,204	1,080	1,387
Non-current				
Advance project cost paid	-	828	-	-
Staff loans	615	377	-	-
Tax recoverable	149	-	-	-
Deposits paid	367	375	-	-
	1,131	1,580	-	-
	326,768	335,784	1,080	1,387

- (a) As at 30 September 2016, trade receivables, other receivables and related parties held by the Group are in the following major currencies: Malaysia Ringgit - 37.6% (2015: 36.7%), Thai Baht - 15.8% (2015: 16.5%), United States Dollar - 8.4% (2015: 9.2%) and Chinese Renminbi - 4.7% (2015: 4.6%).
- (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 \$58,938,000 (2015: \$66,129,000) that are past due at balance sheet date but not impaired. These receivables are unsecured and the ageing analysis at the balance sheet date is as follows:

	THE GROUP	
	2016 (\$'000)	2015 (\$'000)
Trade receivables past due:		
1 to 30 days	41,013	44,066
31 to 60 days	8,123	10,652
61 to 90 days	3,210	5,531
91 to 120 days	1,192	1,578
more than 120 days	5,400	4,302
	58,938	66,129

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

24. 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 2016 (\$'000)	2015 (\$'000)	Individually impaired 2016 (\$'000)	2015 (\$'000)
Trade receivables - nominal amounts	136	141	7,267	9,064
Less: Allowance for impairment	(136)	(141)	(4,107)	(5,108)
	-	-	3,160	3,956
Movement in allowance accounts:				
Balance at beginning of year	141	266	5,108	5,701
Impairment charge	155	78	1,045	2,875
Write back				
- Continuing operations	(149)	(116)	(788)	(378)
- Discontinued operations	-	-	-	(11)
Disposal of a subsidiary company	-	-	-	(399)
Write off	(16)	(68)	(1,238)	(2,211)
Currency realignment	5	(19)	(20)	(469)
Balance at end of year	136	141	4,107	5,108

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.

25. DERIVATIVE FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
	2016 (\$'000)	2015 (\$'000)	2016 (\$'000)	2015 (\$'000)
Assets				
Current				
Forward currency contracts	549	2,533	22	295
Liabilities				
Current				
Forward currency contracts	242	338	20	-
Net position	307	2,195	2	295

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

26. 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 Myanmar 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	
	2016 (\$'000)	2015 (\$'000)
Revenue	-	335,516
Expenses	-	(212,309)
Profit before interest and taxation	-	123,207
Interest income	-	319
Profit from discontinued operations before taxation	-	123,526
Taxation	-	(28,237)
Profit from discontinued operations after taxation	-	95,289
Gain on disposal of discontinued operations	-	541,531
Profit after taxation	-	636,820

Cash flow statement disclosures

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

Operating cash inflows	-	70,044
Investing cash outflows	-	(16,422)
Net cash inflows	-	53,622

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	Nil cts	3.6 cts
-		after gain on disposal of discontinued operations	Nil cts	41.0 cts
-	Diluted	before gain on disposal of discontinued operations	Nil cts	3.6 cts
-		after gain on disposal of discontinued operations	Nil cts	41.0 cts

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

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

(b) Assets and liabilities held for sale

The assets and liabilities of a subsidiary company, Shanxi Xinhua Times Packaging Printing Co., Ltd ("SXTTP") is presented as held for sale following the commitment of the Group's management on 20 August 2015 to a plan to sell the subsidiary company. As at the date of this report, the sale has not been completed.

	THE GROUP	
	2016 (\$'000)	2015 (\$'000)
Assets		
Fixed assets	5,476	6,450
Inventories	1,227	1,362
Trade and other receivables	3,575	3,499
Cash and bank balances	97	101
	10,375	11,412
Liabilities		
Trade and other payables	2,339	1,802

27. TRADE PAYABLES, OTHER PAYABLES AND RELATED PARTIES

	THE GROUP		THE COMPANY	
	2016 (\$'000)	2015 (\$'000)	2016 (\$'000)	2015 (\$'000)
Current				
Trade payables	180,548	201,113	-	-
Other payables				
Accrued operating expenses	76,836	66,859	59	71
Sundry accruals	38,189	43,111	270	1,689
Sundry deposits	6,150	5,493	-	-
Staff costs payable	44,913	42,547	-	-
Accrual for unconsumed annual leave	3,674	4,197	-	-
Deferred income	655	460	-	-
Derivative financial instruments (Note 25)	242	338	20	-
Interest payable	1,412	1,307	-	-
Other payables	38,902	28,533	7,074	8,552
	210,973	192,845	7,423	10,312
Related parties	12,650	14,523	21	-
	404,171	408,481	7,444	10,312
Non-current				
Other payables	2,900	3,874	-	-
Related parties	1,265	1,265	1,265	1,265
	4,165	5,139	1,265	1,265
	408,336	413,620	8,709	11,577

- (a) As at 30 September 2016, the trade payables, other payables and related parties held by the Group are in the following major currencies: Malaysia Ringgit - 39.7% (2015: 40.7%), Thai Baht - 22.3% (2015: 21.7%), United States Dollar - 3.7% (2015: 4.7%) and Sterling Pound - 2.0% (2015: 1.9%).
- (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 2016

28. BORROWINGS

	Weighted average effective interest rate %	Notes	THE GROUP	
			2016 (\$'000)	2015 (\$'000)
Repayable within one year:				
Unsecured				
Bank loans	2.48%		10,432	591
Bank overdrafts	7.68%		802	669
			11,234	1,260
Term loans	4.90%	(a)	79	531
Secured				
Bank loans	2.50%	(b)	291	748
Term loans	6.50%	(b)	84	-
Finance leases			535	12
			12,223	2,551
Repayable after one year:				
Unsecured				
Bank loans	2.35%		24,625	-
Term loans	4.31%	(a)	99,309	97,899
Secured				
Term loans	6.50%	(b)	691	-
Finance leases			200	25
		(d)	124,825	97,924
Total			137,048	100,475
Fair value		(c)	132,308	99,115

Notes

- (a) As at 30 September 2016 and 2015, term loans include medium term notes issued by certain subsidiary companies.
- (b) The secured bank loans and term loans are secured by way of pledge over certain subsidiary companies' fixed assets (Note 12) and investment properties (Note 13).
- (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 and term loans of \$133,355,000 (2015: \$96,840,000) which have a fair value of \$128,615,000 (2015: \$95,480,000).
The aggregate fair value of bank loans and term loans are determined by using present value calculations.

- (d) Maturity of non-current borrowings is as follows:

Between 1 and 2 years	49,786	524
Between 2 and 5 years	74,668	97,232
After 5 years	371	168
	124,825	97,924

- (e) As at 30 September 2016, the borrowings held by the Group are in the following major currencies: Malaysia Ringgit - 73.5% (2015: 99.2%) and Thai Baht - 25.2% (2015: Nil%).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

29. PROVISION FOR EMPLOYEE BENEFITS

	THE GROUP	
	2016 (\$'000)	2015 (\$'000)
Defined benefit plan	20,601	18,131
Long service leave/severance allowance/gratuity	70	70
	20,671	18,201

(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 27.

(b) Defined Benefit Plan

The defined benefit plan in the United Kingdom is a funded, defined benefit pension plan where the assets are held in a separate trustee-administrated fund. The defined benefit plans in Malaysia, Thailand and Indonesia 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:

	2016 (\$'000)	2015 (\$'000)
Net benefit expense		
Current service cost	605	868
Net interest cost on benefit obligation	781	289
Net benefit expense	1,386	1,157
Actual return on plan assets	2,393	470
Benefit liability		
Present value of funded benefit obligation	26,332	27,660
Fair value of plan assets	(20,222)	(22,291)
Deficit of funded plans	6,110	5,369
Present value of unfunded benefit obligation	14,491	12,762
	20,601	18,131

The weighted average duration of the defined benefit obligation as at 30 September 2016 was 13.8 years (2015: 14.3 years).

The Group expects to contribute \$673,000 to the defined benefit plans in the financial year ended 30 September 2017.

Changes in present value of defined benefit plan are as follows:

Balance at beginning of year	40,422	41,238
Interest cost	1,560	1,693
Current service cost	605	868
Benefits paid	(1,461)	(2,551)
Remeasurements:		
- actuarial gain and losses arising from change in demographic assumptions	(1,996)	-
- actuarial gain and losses arising from change in financial assumptions	6,548	752
- experience adjustments	(8)	(465)
Currency realignment	(4,847)	(1,113)
Balance at end of year	40,823	40,422

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(b) Defined Benefit Plan (cont'd)

	THE GROUP	
	2016 (\$'000)	2015 (\$'000)
Changes in fair value of plan assets are as follows:		
Balance at beginning of year	22,291	21,814
Interest income	779	1,404
Contributions by employer	618	755
Benefits paid	(1,020)	(1,703)
Remeasurements on return on plan assets (excluding interest income)	1,614	(934)
Currency realignment	(4,060)	955
Balance at end of year	20,222	22,291
The proportion of fair value of plan assets at the end of the year is analysed as follows:		
Equity instruments	9,099	12,908
Debt instruments	8,086	9,323
Other assets	3,037	60
	20,222	22,291
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%
Inflation rate	3.3%	3.5%
Discount rate	2.3% to 7.5%	2.7% 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:

	Change in assumption	Increase/(Decrease) in defined benefit obligation	
		Increase in assumption (\$'000)	Decrease in assumption (\$'000)
The Group			
Year Ended 30 September 2016			
Rate of increase in salaries	1%	1,615	(1,421)
Inflation rate	1%	903	(1,013)
Discount rate	1%	(5,174)	6,444
Year Ended 30 September 2015			
Rate of increase in salaries	1%	1,142	(1,007)
Inflation rate	1%	558	(718)
Discount rate	1%	(4,771)	5,932

(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 2016

29. 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 the group and executive directors of the company with at least one year 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 1.10.2015	Options Exercised	Balance as at 30.9.2016	Exercise Price	Exercise Period
2011	22.11.2010	131,700	(131,700)	-	RM14.52	22.08.2013 - 21.10.2015

No options were granted during the year.

The weighted average share price for options exercised during the year was RM21.48 (2015: RM17.75).

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(e) Share Plans (cont'd)

Fraser and Neave Limited Restricted Share Plan ("RSP") (cont'd)

Information with respect to the number of shares granted under the RSP is as follows:

Shares	Grant Date	Balance as at 1.10.2015 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2016
Year 3	14.12.2011	510,974	-	-	(510,974)	-
Year 4	14.12.2012	817,250	(6,275)	-	(408,625)	402,350
Year 5	01.10.2014	1,013,675	(11,500)	100,825	(557,250)	545,750
Year 6	06.05.2015	1,055,300	(70,500)	-	-	984,800
Year 7	26.02.2016	1,255,976	(25,500)	-	-	1,230,476
		4,653,175 [^]	(113,775)*	100,825	(1,476,849)	3,163,376

[^] 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.

* Cancelled due to resignations.

The expense recognised in profit statement granted under the RSP during the financial year is \$2,815,000 (2015: \$2,916,000).

The estimated fair value of shares granted during the year ranges from \$1.79 to \$1.87 (2015: \$2.56 to \$2.69). 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:

	2016	2015
Dividend yield (%)	2.5	2.3
Expected volatility (%)	21.0	21.3
Risk-free interest rate (%)	1.1 to 1.5	1.1 to 1.5
Expected life (years)	1.9 to 3.9	1.7 to 3.7
Share price at date of grant (\$)	1.97	2.79

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

- 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.
- 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 1.10.2015 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2016
Year 4	14.12.2012	68,158	-	(20,358)	(47,800)	-
Year 5	01.10.2014	32,546	-	-	-	32,546
Year 6	06.05.2015	40,500	(10,000)	-	-	30,500
Year 7	26.02.2016	84,383	-	-	-	84,383
		225,587 [^]	(10,000)*	(20,358)	(47,800)	147,429

[^] 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.

* Cancelled due to resignations.

The expense recognised in profit statement granted under the PSP during the financial year is \$87,000 (2015: \$234,000).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(e) Share Plans (cont'd)

Fraser and Neave Limited Performance Share Plan ("PSP") (cont'd)

The estimated fair value of shares granted during the year ranges from \$1.50 to \$1.95 (2015: \$1.32 to \$2.63). 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:

	2016	2015
Dividend yield (%)	2.5	2.3
Expected volatility (%)	21.0	21.3
Cost of equity (%)	9.9	7.9
Risk-free interest rate (%)	1.2	1.3
Expected life (years)	2.8	2.7
Share price at date of grant (\$)	1.97	2.79

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

- 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.
- 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 1.10.2015 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2016
Year 1	15.03.2012	43,225	-	-	(43,225)	-
Year 2	07.02.2013	170,750	(675)	-	(85,800)	84,275
Year 3	12.08.2014	574,200	(2,900)	31,000	(302,600)	299,700
Year 4	15.01.2015	546,700	(29,100)	-	-	517,600
Year 5	05.01.2016	596,500	-	-	-	596,500
		1,931,375	(32,675)*	31,000	(431,625)	1,498,075

* Cancelled due to resignations.

The estimated fair value of shares granted during the year ranges from RM15.36 to RM16.80 (2015: RM16.01 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:

	2016	2015
Dividend yield (%)	3.6	4.0
Expected volatility (%)	8.4	19.2
Risk-free interest rate (%)	3.0 to 3.5	2.9 to 3.3
Expected life (years)	2.0 to 4.0	1.8 to 3.8
Share price at date of grant (RM)	18.50	18.06

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(e) Share Plans (cont'd)

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 2016, no share has been granted under F&NHB PSP.

30. DEFERRED TAX ASSETS AND LIABILITIES

	THE GROUP				THE COMPANY	
	Balance Sheet		Profit Statement		Balance Sheet	
	2016	2015	2016	2015	2016	2015
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Deferred tax liabilities						
Differences in depreciation	16,220	15,956	(222)	(5,785)	-	-
Provisions, expenses and income taken in a different period	1,253	1,811	(338)	(415)	-	-
Fair value adjustments	2,461	2,348	65	(699)	185	114
Other deferred tax liabilities	856	409	(47)	(16)	-	-
Gross deferred tax liabilities	20,790	20,524	(542)	(6,915)	185	114
Less: Deferred tax assets						
Employee benefits	(778)	(859)	98	88	-	-
Unabsorbed losses and capital allowances	122	(5)	(98)	192	-	-
Provisions, expenses and income taken in a different period	(616)	(521)	(84)	632	-	-
Gross deferred tax assets	(1,272)	(1,385)	(84)	912	-	-
Net deferred tax liabilities	19,518	19,139	(626)	(6,003)	185	114

Some subsidiary companies have net deferred tax assets relating to the following:

Employee benefits	(1,639)	(2,081)	472	(79)	-	-
Differences in depreciation	11,218	10,129	1,132	(517)	-	-
Unabsorbed losses and capital allowances	5,062	5,695	303	2,201	-	-
Provisions	(8,604)	(8,912)	(521)	(24)	-	-
Investment allowances	(19,259)	(22,458)	3,895	4,136	-	-
Fair value adjustments	(45)	(529)	590	(1,689)	-	-
Net deferred tax assets	(13,267)	(18,156)	5,871	4,028	-	-

The deferred tax charge relating to fair value adjustment in other comprehensive income during the year is \$525,000 (2015: \$143,000).

Deferred tax liabilities of \$1,285,000 (2015: \$322,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the unremitted earnings of \$7,559,000 at 30 September 2016 (2015: \$1,895,000).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

30. DEFERRED TAX ASSETS AND LIABILITIES (cont'd)

Deferred tax liabilities of \$46,000 (2015: \$46,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the undistributed earnings of \$458,000 at 30 September 2016 (2015: \$456,000) 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.

Deferred tax assets have not been recognised in respect of the following items:

	THE GROUP	
	2016 (\$'000)	2015 (\$'000)
Deductible temporary differences	32,404	29,855
Tax losses	132,568	136,665
	164,972	166,520

Tax losses of \$90,920,000 (2015: \$94,701,000) expire in 2027. The remaining tax losses and the deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

31. FUTURE COMMITMENTS

Commitments not provided for in the financial statements:

(a) Commitments in respect of contracts placed		
Fixed assets	17,482	14,444
(b) Other amounts approved by directors but not contracted for		
Fixed assets	94,096	12,780
Total	111,578	27,224

32. LEASE COMMITMENTS

Operating Leases

Lease commitments under non-cancellable operating leases where the Group is a lessee:

Payable within one year	9,905	13,664
Payable between one and five years	17,102	20,642
Payable after five years	28,191	27,072
	55,198	61,378
Operating lease expense for the year	20,065	21,811

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:

Receivable within one year	723	165
Receivable between one and five years	301	-
	1,024	165

Finance Leases

Lease commitments under non-cancellable finance leases where the Group is a lessee:

	THE GROUP			
	2016 (\$'000)		2015 (\$'000)	
	Minimum lease payments	Present value of payments	Minimum lease payments	Present value of payments
Minimum lease payments due:				
Payable within one year	567	535	14	12
Payable between one and five years	214	200	26	25
Total minimum lease payments	781	735	40	37
Less: Future finance charges				
Payable within one year	(32)	-	(2)	-
Payable between one and five years	(14)	-	(1)	-
	(46)	-	(3)	-
	735	735	37	37

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 2016

33. 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	
	2016 (\$'000)	2015 (\$'000)
(a) Transactions with TCC Group of Companies		
Sales	3,597	5,188
Corporate service recoveries	1,238	1,655
Management fee income	-	1,245
Advertising & promotion support	2,578	-
Service fee and other income	2,105	-
Purchases	(27,109)	(32,670)
Marketing expense	(4,866)	(6,794)
Insurance premium expense	(1,339)	(1,285)
Management fee expense	(674)	(590)
Payment for intangible assets	(200)	-
Rental and other expenses	(4,566)	(4,355)
(b) Transactions with Joint Operation and Associated Companies		
Sales	1,019	1,272
Receipt of corporate service fees	184	364
Rental income	-	33
Finance income	1,916	1,960
Purchases	(5,766)	(5,315)
Shareholder's loan granted	-	(2,450)

34. CONTINGENT LIABILITIES

The Company issued corporate guarantees to the extent of \$2,460,978,000 (2015: \$2,407,680,000) for the purpose of assisting its subsidiary companies to obtain external borrowings. Of the \$2,460,978,000 (2015: \$2,407,680,000) corporate guarantees given by the Company, \$Nil (2015: \$Nil) has been utilised by its subsidiary companies as security for its borrowings.

35. FINANCIAL RISK MANAGEMENT

The Group and the Company are exposed to financial risks, including primarily the effects of changes in currency exchange rates and interest rates and use derivatives and other instruments in connection with their risk management activities. The Group and the Company do not hold or issue derivative financial instruments for trading purposes.

The Group has established processes to monitor and control hedging transactions in a timely and accurate manner.

These policies are reviewed regularly by the Audit Committee to ensure that the Group's policies and guidelines are adhered to. The Group's accounting policies in relation to derivatives are set out in Note 2.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

35. 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 2016, the Group had entered into foreign currency forward exchange buy contracts amounting to \$27,171,000 (2015: \$41,076,000) and sell contracts amounting to \$13,480,000 (2015: \$15,288,000). 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 \$266,000 (2015: \$2,001,000) and \$41,000 (2015: \$194,000) respectively.

At 30 September 2016, the Company had entered into foreign currency forward exchange sell contracts amounting to \$2,625,000 (2015: \$3,916,000). 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 \$2,000 (2015: \$295,000).

The fair values of foreign currency forward exchange contracts have been calculated using rates quoted by the Group's and Company's bankers to terminate the contracts at the balance sheet date.

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 2016				
Australia Dollar	-	393	-	-
Sterling Pound	-	(116)	-	-
United States Dollar	-	5,900	-	1,764
Vietnamese Dong	136,201	2,259	18,504	-
Euro	-	62	-	-
Singapore Dollar	-	190	-	-
Malaysia Ringgit	-	(882)	-	(183)
Year Ended 30 September 2015				
Australia Dollar	-	(678)	-	-
Sterling Pound	-	107	-	-
United States Dollar	-	3,858	-	1,895
Vietnamese Dong	83,771	2,346	11,381	-
Euro	-	(29)	-	-
Singapore Dollar	-	202	-	-
Malaysia Ringgit	-	(58)	-	(118)

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 2016

35. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity Risk

The Group's and the Company's exposure to liquidity risk arises in the general funding of the Group's and the Company's business activities. It includes the risks of being able to fund business activities in a timely manner.

The Group adopts a prudent approach to managing its liquidity risk. The Group maintains sufficient cash and marketable securities, and have available funding through diverse sources of committed and uncommitted credit facilities from various banks.

The table below analyses the maturity profile of the Group's and Company's financial 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 2016					
Financial Assets					
Trade receivables	267,178	267,178	267,178	-	-
Other receivables (excluding derivative financial instruments)	30,286	30,286	29,671	615	-
Derivative financial instruments	549	549	549	-	-
Related parties	4,565	4,565	4,565	-	-
Joint venture companies	48,631	48,631	558	-	48,073
Associated companies	3	3	3	-	-
Bank fixed deposits	566,182	566,734	563,834	2,900	-
Cash and bank balances	479,347	482,601	482,601	-	-
	1,396,741	1,400,547	1,348,959	3,515	48,073
Financial Liabilities					
Trade payables	180,548	180,548	180,548	-	-
Other payables (excluding derivative financial instruments)	203,287	203,346	200,446	2,900	-
Derivative financial instruments	242	242	242	-	-
Borrowings	137,048	147,084	17,332	129,355	397
Related parties	13,915	13,915	12,650	1,265	-
Associated companies	1,565	1,565	1,565	-	-
	536,605	546,700	412,783	133,520	397
Total net undiscounted financial assets/(liabilities)		853,847	936,176	(130,005)	47,676

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

35. 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 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	-	-
	<u>1,329,736</u>	<u>1,335,970</u>	<u>1,286,421</u>	<u>4,314</u>	<u>45,235</u>
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	-	-
	<u>504,340</u>	<u>518,273</u>	<u>406,718</u>	<u>111,379</u>	<u>176</u>
Total net undiscounted financial assets/(liabilities)		<u>817,697</u>	<u>879,703</u>	<u>(107,065)</u>	<u>45,059</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

35. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity Risk (cont'd)

	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 Company					
Year Ended 30 September 2016					
Financial Assets					
Other receivables (excluding derivative financial instruments)	854	854	854	-	-
Derivative financial instruments	22	22	22	-	-
Subsidiary companies	230,142	230,153	13,916	216,237	-
Related parties	6	6	6	-	-
Bank fixed deposits	231,018	231,235	231,235	-	-
Cash and bank balances	270,726	273,933	273,933	-	-
	732,768	736,203	519,966	216,237	-
Financial Liabilities					
Other payables (excluding derivative financial instruments)	7,403	7,403	7,403	-	-
Derivative financial instruments	20	20	20	-	-
Subsidiary companies	108,364	108,364	6,470	101,894	-
Related parties	1,286	1,286	21	1,265	-
	117,073	117,073	13,914	103,159	-
Total net undiscounted financial assets		619,130	506,052	113,078	-
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	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

35. 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			
	2016		2015	
	(\$'000)	% of total	(\$'000)	% of total
By Geographical Segment:				
Singapore	92,747	35%	93,810	33%
Malaysia	104,793	39%	108,411	39%
Other ASEAN	49,621	19%	52,335	19%
North/South Asia	19,233	7%	22,676	8%
Outside Asia	784	0%	1,560	1%
	267,178	100%	278,792	100%
By Business Segment:				
Beverages	67,941	25%	68,077	24%
Dairies	128,252	48%	133,265	48%
Printing & Publishing	70,977	27%	77,441	28%
Others	8	0%	9	0%
	267,178	100%	278,792	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 ageing analysis is disclosed in Note 24. Management believes that no additional credit risk beyond that provided for is inherent in the Group's trade and other receivables.

With respect to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Group's total credit risk exposure for foreign exchange contracts are limited to the fair value adjustments of these contracts. It is the Group's and the Company's policy to enter into financial instruments with a diversity of credit worthy counterparties. The Group and the Company do not expect to incur material credit losses on their financial assets or other financial instruments.

The Group and the Company do not have significant exposure to any individual customer or counterparty.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

35. 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 (\$'000)	Fixed rates		
		Less than 1 year (\$'000)	Between 1 to 5 years (\$'000)	After 5 years (\$'000)
The Group				
Year Ended 30 September 2016				
Assets				
Cash and bank deposits	2,174	933,680	2,900	-
Liabilities				
Borrowings	2,376	10,967	123,705	-
Other financial liabilities	-	3,955	2,900	-
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	-
The Company				
Year Ended 30 September 2016				
Assets				
Cash and bank deposits	-	499,505	-	-
Year Ended 30 September 2015				
Assets				
Cash and bank deposits	-	538,319	-	-

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 2016 and 2015.

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 \$2,000 (2015: \$23,000). 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 2015.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

35. 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	
	2016 (\$'000)	2015 (\$'000)	2016 (\$'000)	2015 (\$'000)
Fair value adjustment reserve	136,201	84,285	18,504	11,895

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 2015 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 28. The carrying values of bank borrowings, and term loans maturing within one year and the floating rate borrowings and loans approximate their fair value.

(vi) *Assets and liabilities measured at fair value*

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - Inputs for the asset or liability that are not based on observable market data

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

35. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair Values (cont'd)

(vi) Assets and liabilities measured at fair value (cont'd)

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 2016				
Financial Assets				
Other investments (Note 20)				
- Quoted available-for-sale financial assets	1,363,375	-	-	1,363,375
Derivative financial instruments (Note 25)	-	549	-	549
	1,363,375	549	-	1,363,924
Non-Financial Assets				
Investment properties (Note 13)				
- Commercial	-	-	42,863	42,863
Financial Liabilities				
Derivative financial instruments (Note 25)	-	242	-	242
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 25)	-	2,533	-	2,533
	844,741	2,533	-	847,274
Non-Financial Assets				
Investment properties (Note 13)				
- Commercial	-	-	35,018	35,018
Financial Liabilities				
Derivative financial instruments (Note 25)	-	338	-	338
The Company				
Year Ended 30 September 2016				
Financial Assets				
Other investments (Note 20)				
- Quoted available-for-sale financial assets	185,226	-	-	185,226
Derivative financial instruments (Note 25)	-	22	-	22
	185,226	22	-	185,248
Financial Liabilities				
Derivative financial instruments (Note 25)	-	20	-	20
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 25)	-	295	-	295
	120,115	295	-	120,410

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

35. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair Values (cont'd)

(vi) Assets and liabilities measured at fair value (cont'd)

There have been no transfers between Level 1, Level 2 and Level 3 for the Group and the Company during the financial year ended 2016.

The fair value of quoted investments categorised within Level 1 of the fair value hierarchy is determined directly by reference to the quoted market price at the balance sheet date.

The fair value of derivatives categorised within Level 2 of the fair value hierarchy are valued using a valuation technique with market observable inputs. These include forward pricing and swap models, using present value calculations. The models incorporate various inputs such as foreign exchange spot and forward rates.

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Description	Fair value as at 30.9.2016 (\$'000)	Valuation techniques	Unobservable inputs	Range
Investment Properties	42,863	Investment Approach	Discount rate	7.25%
		Discounted cash flows	Discount rate	8.10%
		Direct Comparison Approach	Market value	0% to 16%

Description	Fair value as at 30.9.2015 (\$'000)	Valuation techniques	Unobservable inputs	Range
Investment Properties	35,018	Investment Approach	Discount rate	7.25%
		Discounted cash flows	Discount rate	8.70%
		Direct Comparison Approach	Market value	0% to 15%

The investment properties categorised under Level 3 of the fair value hierarchy are generally sensitive to the various unobservable inputs tabled above. A significant movement of each input would result in significant change to the fair value of the properties.

The following table presents the reconciliation for the investment properties measured at fair value based on unobservable inputs (Level 3):

	2016 (\$'000)	2015 (\$'000)
The Group		
Balance at beginning of year	35,018	40,702
Currency realignment	288	(3,373)
Additions	102	-
Reclassified from fixed assets	9,510	-
Reclassified to fixed assets	(523)	-
Net fair value loss recognised in the profit statement	(1,532)	(2,311)
Balance at end of year	42,863	35,018

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

35. FINANCIAL RISK MANAGEMENT (cont'd)

(g) Classification of Financial Instruments

Set out below is a comparison by category of carrying amounts of all the Group's and the Company's financial instruments that are carried in the financial statements:

	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 2016						
Assets						
Fixed assets	-	-	-	-	490,886	490,886
Investment properties	-	-	-	-	42,863	42,863
Properties held for development	-	-	-	-	18,232	18,232
Joint venture companies	48,631	-	-	-	(2,062)	46,569
Associated companies	3	-	-	-	43,003	43,006
Intangible assets	-	-	-	-	96,764	96,764
Brands	-	-	-	-	27,892	27,892
Other investments	-	-	1,363,389	-	-	1,363,389
Other receivables	30,286	549	-	-	24,190	55,025
Deferred tax assets	-	-	-	-	13,267	13,267
Inventories	-	-	-	-	247,332	247,332
Trade receivables	267,178	-	-	-	-	267,178
Related parties	4,565	-	-	-	-	4,565
Bank fixed deposits	566,182	-	-	-	-	566,182
Cash and bank balances	479,347	-	-	-	-	479,347
Assets held for sale	3,672	-	-	-	6,703	10,375
	1,399,864	549	1,363,389	-	1,009,070	3,772,872
Liabilities						
Trade payables	-	-	-	180,548	-	180,548
Other payables	-	242	-	203,287	10,344	213,873
Associated companies	-	-	-	1,565	-	1,565
Related parties	-	-	-	13,915	-	13,915
Borrowings	-	-	-	137,048	-	137,048
Provision for taxation	-	-	-	-	30,851	30,851
Liabilities held for sale	-	-	-	2,339	-	2,339
Provision for employee benefits	-	-	-	-	20,671	20,671
Deferred tax liabilities	-	-	-	-	19,518	19,518
	-	242	-	538,702	81,384	620,328

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

35. 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 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 2016

35. 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 2016						
Assets						
Fixed assets	-	-	-	-	393	393
Subsidiary companies	230,142	-	-	-	906,790	1,136,932
Associated companies	-	-	-	-	18,100	18,100
Intangible assets	-	-	-	-	187	187
Brands	-	-	-	-	212	212
Other investments	-	-	185,240	-	-	185,240
Other receivables	854	22	-	-	198	1,074
Related parties	6	-	-	-	-	6
Bank fixed deposits	231,018	-	-	-	-	231,018
Cash and bank balances	270,726	-	-	-	-	270,726
	732,746	22	185,240	-	925,880	1,843,888
Liabilities						
Other payables	-	20	-	7,403	-	7,423
Subsidiary companies	-	-	-	108,364	-	108,364
Related parties	-	-	-	1,286	-	1,286
Provision for taxation	-	-	-	-	3,972	3,972
Deferred tax liabilities	-	-	-	-	185	185
	-	20	-	117,053	4,157	121,230
Year Ended 30 September 2015						
Assets						
Subsidiary companies	155,826	-	-	-	906,790	1,062,616
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	-	925,620	1,740,916
Liabilities						
Other payables	-	-	-	10,312	-	10,312
Subsidiary companies	-	-	-	95,789	-	95,789
Related parties	-	-	-	1,265	-	1,265
Provision for taxation	-	-	-	-	3,138	3,138
Deferred tax liabilities	-	-	-	-	114	114
	-	-	-	107,366	3,252	110,618

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

36. UNUSUAL ITEM

On 9 January 2014, Fraser & Neave Holdings Bhd ("F&NHB"), a subsidiary of the Company listed on Bursa Malaysia, entered into a settlement agreement (the "Settlement Agreement") with BJC O-I Glass Pte Ltd ("BJC O-I"), Berli Jucker Public Company Ltd ("BJC") and ACI International Pty Ltd ("ACI") in respect of a suit instituted by BJC O-I against F&NHB.

The Settlement Agreement covered all claims pleaded in the Suit and/or in connection with a share purchase agreement dated 14 May 2010 (the "Share Purchase Agreement") between BJC, 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 Malay Glass Products Sdn Bhd ("MGP"), save and except for:

- claims relating to Sichuan Malaya Glass Co Ltd ("SMG") as pleaded in the Suit ("SMG Claims"). SMG is one of the subsidiaries of MGP; and
- claims relating to Taxation assessment liabilities pursuant to the terms and conditions in the Share Purchase Agreement ("Tax Claims").

F&NHB, BJC, ACI and BJC O-I expressly agreed, consented to and acknowledged that:

- ACI's right to institute fresh proceedings against the Company in respect of the Share Purchase Agreement is limited to the SMG Claims as pleaded in the Suit; and
- BJC O-I's right to institute fresh proceedings against the Company in respect of the Share Purchase Agreement is limited to the Tax Claims.

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.

37. 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 2016 and 2015.

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	
	2016 (\$'000)	2015 (\$'000)	2016 (\$'000)	2015 (\$'000)
Cash & bank deposits	1,045,529	965,579	501,744	538,472
Borrowings	(137,048)	(100,475)	-	-
Net cash	908,481	865,104	501,744	538,472
Shareholders' fund	2,843,084	2,268,049	1,722,658	1,630,298
Total equity (including non-controlling interests)	3,152,544	2,556,077	1,722,658	1,630,298

Certain entities in the Group are required to comply with certain externally imposed capital requirements in respect of certain external borrowings. The Group and the Company are in compliance with all externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

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38. 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	To be determined
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
Amendments to FRS 7	Disclosure Initiative	1 January 2017
Amendments to FRS 12	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 109	Financial Instruments	1 January 2018
FRS 116	Leases	1 January 2019

Except for FRS 115, FRS 109 and FRS 116, 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.

(c) FRS 116 Leases

FRS 116 Leases will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised, with exceptions to short-term and low-value leases. The accounting for lessors will not change significantly. The standard will affect primarily the accounting for the Group's operating leases.

The Group is currently determining the impact of the new accounting standard.

On 29 May 2014, the Accounting Standards Council (ASC) announced that Singapore-incorporated companies listed on SGX will apply a new financial reporting framework identical to the International Financial Reporting Standards (IFRS) for the financial year ending 31 December 2018 onwards. This means that the Group's comparative information for the financial year ended 30 September 2018 and the opening balance sheet as at 1 October 2017 would have to comply with this new financial reporting framework.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

39. SIGNIFICANT SUBSIDIARY COMPANIES, JOINT ARRANGEMENTS AND ASSOCIATED COMPANIES

	Effective Shareholding		Principal Activities
	2016	2015	
SUBSIDIARY COMPANIES OF THE COMPANY			
Country of Incorporation and Place of Business: Singapore			
(A) Fraser & Neave (Singapore) Pte. Limited	100.0%	100.0%	Management Services
(A) F&N Investments Pte Ltd	100.0%	100.0%	Investment Holding
(A) F&N Foods Pte Ltd	100.0%	100.0%	Manufacture and Distribution of Dairy Products and Beverages
(A) Asia Dairies (S) Pte Ltd	100.0%	100.0%	Dormant
(A) F&N Dairy Investments Pte Ltd	100.0%	100.0%	Investment Holding
(A) F&N Interflavine Pte Ltd	100.0%	100.0%	Beverage Base Manufacturing
(A) InterF&B Pte. Ltd.	100.0%	100.0%	Dormant
(A) Times Publishing Limited	100.0%	100.0%	Investment Holding
(A) F&N Bev Manufacturing Pte. Ltd.	100.0%	100.0%	Dormant
(A) F&N Treasury Pte Ltd	100.0%	100.0%	Provision of Treasury and Financial Services
(A) F&N Creameries (S) Pte. Ltd. (Held by a subsidiary company)	100.0%	100.0%	Distribution of Ice-Cream
(A) Warburg Vending Pte Ltd (Held by a subsidiary company)	100.0%	-	Vending Machine Operator
(A) Warburg Engineering Pte. Ltd. (Held by a subsidiary company)	100.0%	-	Machine Repair and Servicing
(A) Warburg Vending Services Pte. Ltd. (Held by a subsidiary company)	100.0%	-	Vending Machine Operator
Country of Incorporation and Place of Business: Hong Kong			
(B) Fraser & Neave Investments (Hong Kong) Limited	100.0%	100.0%	Dormant
Country of Incorporation and Place of Business: Malaysia			
(B) Fraser & Neave Holdings Bhd	55.5%	55.5%	Investment Holding
(B) Tiger Tavern Sdn. Bhd.	100.0%	100.0%	Dormant
(B) Magnolia - PDL Dairies (1993) Sdn. Bhd.	100.0%	100.0%	Investment Holding
(B) F&N Services (F&B) Sdn Bhd	100.0%	100.0%	Technical Application and Brand Marketing Support Services
(B) F&N Services (L) Bhd	100.0%	100.0%	Dormant
(B) 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			
(B) F&N United Limited (Held by a subsidiary company)	95.0%	95.0%	Manufacture and Distribution of Dairy Products
Country of Incorporation and Place of Business: Indonesia			
(C) PT. F&N Indonesia (Held by subsidiary companies)	100.0%	100.0%	Dormant
Country of Incorporation and Place of Business: Vietnam			
(C) F&N Vietnam Limited Liability Company (Held by a subsidiary company)	100.0%	-	Dormant
SUBSIDIARY COMPANIES OF F&N CREAMERIES GROUP			
Country of Incorporation and Place of Business: Malaysia			
(B) F&N Ice Cream Manufacturing (M) Sdn Bhd	100.0%	100.0%	Manufacture and Distribution of Ice-Cream
(B) F&N Creameries (M) Sdn Bhd	100.0%	100.0%	Distribution of Ice-Cream
(B) F&N Ice Cream Manufacturing (Sarawak) Sdn Bhd	100.0%	100.0%	Dormant
(B) F&N Creameries (Sarawak) Sdn Bhd	100.0%	100.0%	Dormant

Notes:

- (A) Audited by KPMG LLP Singapore.
 (B) Audited by KPMG in the respective countries.
 (C) To be appointed.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

39. SIGNIFICANT SUBSIDIARY COMPANIES, JOINT ARRANGEMENTS AND ASSOCIATED COMPANIES (cont'd)

	Effective Shareholding		Principal Activities
	2016	2015	
SUBSIDIARY COMPANIES OF YOKE FOOD INDUSTRIES GROUP			
Country of Incorporation and Place of Business: Malaysia			
(B) Lee Fah Marketing Sdn Bhd	70.0%	70.0%	Dormant
Country of Incorporation and Place of Business: Indonesia			
(B) 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			
(B) Fraser & Neave (Malaya) Sdn Bhd	55.5%	55.5%	Management Services and Property Investment Holding
(B) F&N Beverages Marketing Sdn Bhd	55.5%	55.5%	Distribution of Soft Drinks
(B) F&N Beverages Manufacturing Sdn Bhd	55.5%	55.5%	Manufacture and Distribution of Soft Drinks
(B) F&N Dairies (Malaysia) Sdn Bhd	55.5%	55.5%	Distribution of Dairy Products
(B) Premier Milk (Malaya) Sdn Bhd	55.5%	55.5%	Dormant
(B)* F&N Foods Sdn Bhd	55.5%	55.5%	Dormant
(B)* Kuala Lumpur Glass Manufacturers Company Sdn Bhd	55.5%	55.5%	Dormant
(B) Wimanis Sdn Bhd	55.5%	55.5%	Dormant
(B) Lettricia Corporation Sdn Bhd	38.9%	38.9%	Property Development
(B) Elsinburg Holdings Sdn Bhd	55.5%	55.5%	Dormant
(B) Nuvak Company Sdn Bhd	55.5%	55.5%	Dormant
(B) Greenclipper Corporation Sdn Bhd	55.5%	55.5%	Property Development
(B) Utas Mutiara Sdn Bhd	55.5%	55.5%	Property Investment Holding
(B) Borneo Springs Sdn Bhd	55.5%	55.5%	Manufacture and Sale of Mineral Water
(B) F&N Dairies Manufacturing Sdn Bhd	55.5%	55.5%	Manufacture and Distribution Of Dairy Products
(B) F&N Properties Sdn Bhd	55.5%	55.5%	Provision of Property Management Services
(B) F&N Capital Sdn Bhd	55.5%	55.5%	Provision of Treasury and Financial Services
(B) Tropical League Sdn Bhd	55.5%	55.5%	Dormant
Country of Incorporation and Place of Business: Singapore			
(A) F&N Dairies Distribution (Singapore) Pte Ltd	55.5%	55.5%	Distribution of Dairy Products
Country of Incorporation and Place of Business: Thailand			
(B) F&N Dairies (Thailand) Limited	55.5%	55.5%	Manufacture and Distribution of Dairy Products
(B)* F&N Beverages (Thailand) Limited	55.5%	55.5%	Dormant
Country of Incorporation and Place of Business: British Virgin Islands			
(B) Lion Share Management Limited	55.5%	55.5%	Brand Owner
Country of Incorporation and Place of Business: Brunei			
(B) F&N Marketing (B) Sdn Bhd	55.5%	55.5%	Dormant
SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP			
Country of Incorporation and Place of Business: Singapore			
(A) Marshall Cavendish International Private Limited	100.0%	100.0%	Investment Holding
(A) Marshall Cavendish International (Asia) Private Limited	100.0%	100.0%	Publishing of Trade Books
(A) Marshall Cavendish Education Pte. Ltd.	100.0%	100.0%	Publishing - Education
(A) Marshall Cavendish Business Information Private Limited	100.0%	100.0%	Publishing of Trade Directory and Business Information

Notes:

(A) Audited by KPMG LLP Singapore.

(B) Audited by KPMG in the respective countries.

* In voluntary liquidation

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2016

39. SIGNIFICANT SUBSIDIARY COMPANIES, JOINT ARRANGEMENTS AND ASSOCIATED COMPANIES (cont'd)

	Effective Shareholding		Principal Activities
	2016	2015	
SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)			
Country of Incorporation and Place of Business: Singapore (cont'd)			
(E) Educational Technologies Private Limited	100.0%	100.0%	Dormant
(A) Marshall Cavendish Institute Pte. Ltd.	100.0%	100.0%	Publishing - Education
(A) Pansing Distribution Private Limited	100.0%	100.0%	Distribution of Books and Magazines
(E) Goodwill Binding Pte. Ltd.	51.0%	51.0%	Dormant
(A) JCS Digital Solutions Pte. Ltd.	100.0%	100.0%	Digital Printing
(A) Times Experience Pte. Ltd. (Formerly Times Editions Pte Ltd)	100.0%	100.0%	Organising Conventions/ Conferences and E-retail of Products & Services
(A) Times Graphics Private Limited	100.0%	100.0%	Dormant
(A) Times Printers Private Limited	100.0%	100.0%	Commercial Printing
Country of Incorporation: Singapore Place of Business: Singapore and Malaysia			
(A) Times The Bookshop Pte Ltd	100.0%	100.0%	Retail of Books, Stationery, Magazines and Periodicals
Country of Incorporation and Place of Business: Malaysia			
(B) Marshall Cavendish (Malaysia) Sdn. Bhd.	100.0%	100.0%	Publishing - Education, Business Information and Trade Books
(B) STP Distributors (M) Sendirian Berhad	100.0%	100.0%	Dormant
(B) Pansing Marketing Sdn Bhd	100.0%	100.0%	Distribution of Books and Magazines
(B) Times Offset (Malaysia) Sdn Bhd	100.0%	100.0%	Commercial Printing
(B) Pansing Distribution Sdn Bhd	100.0%	100.0%	Distribution of Books and Magazines
Country of Incorporation: Hong Kong Place of Business: Hong Kong/Thailand			
(B) Far East Publications Limited	100.0%	100.0%	Distribution of Home Library Reference Books
Country of Incorporation and Place of Business: Thailand			
(B)(1) Marshall Cavendish International (Thailand) Co., Ltd	49.0%	49.0%	Publishing - Education
Country of Incorporation and Place of Business: Hong Kong			
(B) Everbest Printing Holdings Limited	100.0%	100.0%	Investment Holding
(B) Everbest Printing Investment Limited	100.0%	100.0%	Investment Holding
(B) Everbest Printing Company Limited (accounting year ends on 31 March)	100.0%	100.0%	Commercial Printing
(B) Marshall Cavendish Business Information (HK) Limited	100.0%	100.0%	Publishing of Trade Directory and Business Information
(B) Times Publishing (Hong Kong) Limited	100.0%	100.0%	Education Publishing and Distribution of Magazines
(B) Educational Technologies Limited	100.0%	100.0%	Publishing and Selling of Home Library Reference Books
Country of Incorporation and Place of Business: China			
(B) Everbest Printing (Guangzhou) Company Limited	100.0%	100.0%	Commercial Printing
(B)(2) Shanxi Xinhua Times Packaging Printing Co., Ltd	51.0%	51.0%	Commercial Printing and Packaging

Notes:

(A) Audited by KPMG LLP Singapore.

(B) Audited by KPMG in the respective countries.

(E) Not required to be audited under the laws of the country of incorporation.

(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.

(2) Classified as Assets and Liabilities Held for Sale (Note 26(b)).

NOTES TO THE FINANCIAL STATEMENTS

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39. SIGNIFICANT SUBSIDIARY COMPANIES, JOINT ARRANGEMENTS AND ASSOCIATED COMPANIES (cont'd)

	Effective Shareholding		Principal Activities
	2016	2015	
SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)			
Country of Incorporation and Place of Business: China (cont'd)			
(D) Marshall Cavendish (Beijing) Co. Ltd. <i>(All the above companies, incorporated in China, accounting year ends on 31 December)</i>	100.0%	100.0%	Dormant
Country of Incorporation and Place of Business: India			
(B) Direct Educational Technologies India Pvt. Ltd. <i>(accounting year ends on 31 March)</i>	100.0%	100.0%	Distribution of Home Library Reference Books
Country of Incorporation and Place of Business: Australia			
(E) Musicway Corporation Pty Ltd	100.0%	100.0%	Distribution of Lifestyle Accessories and Storage Products
(E) Marshall Cavendish (Australia) Pty. Limited	100.0%	100.0%	Investment Holding
Country of Incorporation and Place of Business: United Kingdom			
(B) Marshall Cavendish Limited	100.0%	100.0%	Investment Holding
Country of Incorporation and Place of Business: United States of America			
(E) Marshall Cavendish Corporation	100.0%	100.0%	Publishing of Library Reference Books
Country of Incorporation and Place of Business: Chile			
(E) Marshall Cavendish Education Chile SpA <i>(accounting year ends on 31 December)</i>	100.0%	100.0%	Publishing - Education
JOINT VENTURE COMPANY OF FRASER & NEAVE HOLDINGS GROUP			
Country of Incorporation and Place of Business: Malaysia			
(B) Vacaron Company Sdn Bhd	27.8%	27.8%	Property Development
JOINT OPERATION OF TIMES PUBLISHING GROUP			
Country of Incorporation and Place of Business: Singapore			
(D) Times Newslink <i>(Accounting year ends on 31 December)</i>	50.0%	50.0%	Retail of Books and Magazines
ASSOCIATED COMPANY OF THE COMPANY			
Country of Incorporation and Place of Business: Australia			
(D)(3) PMP Limited <i>(Accounting year ends on 30 June)</i>	12.3%	12.1%	Printing and Packaging
ASSOCIATED COMPANY OF FRASER & NEAVE HOLDINGS GROUP			
Country of Incorporation and Place of Business: Malaysia			
(D) Coaland Holdings Berhad <i>(Accounting year ends on 31 December)</i>	15.1%	15.1%	Investment Holding
ASSOCIATED COMPANIES OF TIMES PUBLISHING GROUP			
Country of Incorporation and Place of Business: China			
(E) Beijing Universal Times Culture Development Co., Ltd. <i>(Accounting year ends on 31 December)</i>	40.0%	40.0%	Dormant
Country of Incorporation and Place of Business: Nigeria			
(E) Transworld Times Press (Africa) Limited <i>(Accounting year ends on 31 December)</i>	40.0%	40.0%	Dormant

Notes:

(B) Audited by KPMG in the respective countries.

(D) Audited by other firms of auditors.

(E) 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.

PARTICULARS OF GROUP PROPERTIES

The main properties as at 30 September 2016 and their net book values are indicated below:
("F&N" refers to Fraser and Neave Group and "TPL" refers to Times Publishing Group)

			Land (\$'000)	Building (\$'000)
(A) CLASSIFIED AS FIXED ASSETS (Note 12 to the Financial Statements)				
FREEHOLD				
Singapore				
TPL	- 1.1	hectares industrial property at Times Centre, 1 New Industrial Road	6,100	4,192
Peninsular Malaysia				
F&N	- 18.0	hectares industrial property at Lot 3-1 & Lot 3-2, Lion Industrial Park, Shah Alam	16,011	19,210
	- 2.3	hectares industrial property at 3724 to 3726 Sungei Nyior, Butterworth	1,556	590
	- 2.7	hectares industrial property at 217, Jalan Lahat, Ipoh	928	1,138
	- 2.2	hectares industrial property at 701, Jalan Tampoi, Johor Bahru	2,525	48
	- 0.6	hectares industrial property at 598, Jalan Tampoi, Johor Bahru	346	981
	- 0.1	hectares office premise at No. 3, Jalan Metro Pudu, Fraser Business Park, Kuala Lumpur	-	4,162
	- 0.4	hectares industrial property at Seksyen 26, Shah Alam, Selangor	538	266
	- 2.0	hectares industrial property at Lot 7399 & 8081, Jalan Mempaga, Mukim Sabai, Karak, Pahang	761	2,444
	- 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	-	4,004
	-	Other properties	308	103
TPL	- 1.2	hectares industrial property at Lot 46, Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam	1,270	1,813
East Malaysia				
F&N	- 1.1	hectares industrial property at Lot 924 Block 4, Matang Land District, Sarawak	1,442	1,296
Thailand				
F&N	- 1.2	hectares industrial property at 90 Moo 8 Mitapap Road, Phayayen District, Amphur Pakchong, Nakhonratchasima Province 30320	-	1,098
	- 9.2	hectares industrial property at 668 Moo 4 Rojana Industrial Park Zone 2, U-thai, Phra Nakhon Si Ayutthaya 13210	6,680	44,345
Australia				
TPL	- 0.2	hectares commercial property at Unit 7 & 8 Monash Business Park, 29 Business Park Drive, Nottinghill, Melbourne - Victoria	794	281
United States of America				
TPL	- 0.2	hectares commercial property at 99 White Plains Road, Tarrytown, New York	683	2,693
Total Freehold			39,942	88,664
LEASEHOLD				
Singapore				
F&N	- 4.0	hectares industrial property at 214 Pandan Loop (Lease expires year 2040)	-	10,694
	- 0.1	hectares industrial property at 51 Quality Road (Lease expires year 2044)	-	34
	- 0.1	hectares industrial property at 53 Loyang Way (Lease expires year 2029)	1,789	-

PARTICULARS OF GROUP PROPERTIES

		Land (\$'000)	Building (\$'000)
(A) CLASSIFIED AS FIXED ASSETS (cont'd)			
(Note 12 to the Financial Statements)			
LEASEHOLD (cont'd)			
Singapore (cont'd)			
TPL	- Commercial property at Unit #04-08 - #04-11, The Centrepoint, 176 Orchard Road (Lease expires year 2078)	-	4
	- 1.8 hectares industrial property at 16 & 18 Tuas Avenue 5 (Lease expires year 2043)	-	11,432
Peninsular Malaysia			
F&N	- 15.1 hectares industrial property at Lot 56, Section 4, Phase 2B, Mukim Klang, Selangor (Lease expires year 2097)	8,896	51,798
	- 2.0 hectares industrial property at Plot 183 & 184, Jalan Cyber 9, Senai, Johor (Lease expires year 2068)	1,490	4,144
	- 2.0 hectares industrial property at Plot 182, Jalan Cyber 9, Senai, Johor (Lease expires year 2073)	997	1,565
	- Other properties	372	165
East Malaysia			
F&N	- 2.6 hectares industrial property at 5.5 Miles Tuaran Road, Kota Kinabalu (Lease expires year 2062)	659	1,588
	- 2.4 hectares industrial property at Lot 1581 Block 4, Matang Land District, Kuching (Lease expires year 2071)	1,331	913
	- 2.9 hectares industrial property at Lot 4814 Block 218, KNLD, Kuching (Lease expires year 2074)	2,228	5,456
	- Shop office at Lot 142 Block 63, Kuching (Lease expires year 2784)	75	50
	- 0.4 hectares industrial property at Lot 1008, Bintawa Industrial Estate, Kuching (Lease expires year 2035)	6	96
Thailand			
F&N	- 3.5 hectares industrial property at No. 19/111 Moo 7, 95 Thakarm Road, Samaedam, Bangkhuntien, Bangkok (Lease expires year 2029)	-	110
TPL	- Warehouse at Soi Wat Kok #20/526-527, Rama II Road, Bangkok (Lease expires year 2021)	-	15
China/Hong Kong			
TPL	- Residential property at Unit 1AF Riverside Garden, Shenyang, China (Lease expires year 2054)	-	159
	- Industrial property at Dachong Western Industrial District, Nansha Panyu, Guangdong, China (Lease expires year 2044)	2,311	12,250
	- Offices at Seaview Estate - 10th Floor, Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	4,260	102
	- Offices at Seaview Estate - 9th Floor, Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	4,039	90
Total Leasehold		28,453	100,665
TOTAL PROPERTIES (CLASSIFIED AS FIXED ASSETS)		68,395	189,329

PARTICULARS OF GROUP PROPERTIES

			Land (\$'000)	Building (\$'000)
(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)	-	15,700
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 - 4,702 sqm	-	16,076
	-	Office at Lot 682 Seksyen 92, Fraser Business Park, Off Jalan Yew, Kuala Lumpur Freehold, lettable area - 3,787 sqm	-	168
Hong Kong				
TPL	-	Shop unit at Houston Centre, 63 Mody Road, Tsim Sha Tsui, Kowloon Leasehold (Lease expires year 2053), lettable area - 68 sqm	1,256	118
	-	0.2 hectares office at Unit 1, 10th Floor of Block A & Unit 5, 10th Floor of Block C, Ko Fai Industrial Building No. 7 Ko Fai Road, Yau Tong, Kowloon Leasehold (Lease expires year 2047)	-	9,545
TOTAL PROPERTIES (CLASSIFIED AS INVESTMENT PROPERTIES)			1,256	41,607

			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 188,182 sqm for a residential property development at Lot 609, Geran 24235, Mukim Hulu Semenyih, District of Hulu Langat, Selangor.	-	-	56
	-	Freehold land of approximately 57,105 sqm for a residential property development at Lot 1954, Geran 243472, Mukim Hulu Semenyih, District of Hulu Langat, Selangor.	-	-	56
	-	Freehold land of approximately 12,759 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 12 December 2016

Class of Shares - Ordinary shares
Voting Rights - One vote per share

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%*
1 - 99	114	1.48	3,767	0.00
100 - 1,000	1,463	18.95	1,322,321	0.09
1,001 - 10,000	4,724	61.17	20,197,238	1.40
10,001 - 1,000,000	1,408	18.23	66,700,787	4.61
1,000,001 and above	13	0.17	1,357,549,590	93.90
TOTAL	7,722	100.00	1,445,773,703	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	442,070,970	30.58
2	United Overseas Bank Nominees Pte Ltd	430,500,071	29.78
3	InterBev Investment Limited	412,423,822	28.53
4	Citibank Nominees Singapore Pte Ltd	41,714,396	2.89
5	DBS Vickers Securities (Singapore) Pte Ltd	10,276,430	0.71
6	UOB Kay Hian Pte Ltd	6,714,860	0.46
7	Raffles Nominees (Pte) Ltd	5,325,193	0.37
8	Lee Seng Tee	2,500,000	0.17
9	Phay Thong Huat Pte Ltd	1,799,000	0.12
10	CIMB Securities (Singapore) Pte Ltd	1,101,348	0.08
11	Chua Eng Him	1,065,000	0.07
12	HSBC (Singapore) Nominees Pte Ltd	1,051,780	0.07
13	The Titular Roman Catholic Archbishop of Kuala Lumpur	1,006,720	0.07
14	Choo Meileen	906,065	0.06
15	Chee Swee Cheng & Co Pte Ltd	846,610	0.06
16	Morgan Stanley Asia (Singapore) Securities Pte Ltd	780,942	0.05
17	DB Nominees (Singapore) Pte Ltd	747,065	0.05
18	DBSN Services Pte Ltd	661,206	0.05
19	OCBC Nominees Singapore Pte Ltd	658,760	0.05
20	OCBC Securities Private Ltd	655,460	0.04
TOTAL		1,362,805,698	94.26

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	59.35	-	-
InterBev Investment Limited	412,423,822	28.53	-	-
International Beverage Holdings Limited ⁽¹⁾	-	-	412,423,822	28.53
Thai Beverage Public Company Limited ⁽²⁾	-	-	412,423,822	28.53
Siriwana Company Limited ⁽³⁾	-	-	412,423,822	28.53
MM Group Limited ⁽⁴⁾	-	-	412,423,822	28.53
Maxtop Management Corp. ⁽⁴⁾	-	-	412,423,822	28.53
Risen Mark Enterprise Ltd. ⁽⁴⁾	-	-	412,423,822	28.53
Golden Capital (Singapore) Limited ⁽⁴⁾	-	-	412,423,822	28.53
Charoen Sirivadhanabhakdi ⁽⁵⁾	-	-	1,270,503,884	87.88
Khunying Wanna Sirivadhanabhakdi ⁽⁵⁾	-	-	1,270,503,884	87.88

To the best of the Company's knowledge and based on records of the Company as at 12 December 2016, 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 1,445,773,703 shares (excluding 1,304,051 treasury shares) as at 12 December 2016.

- 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.
- 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.
- 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.
- 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.
- 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 2015 to 30 September 2016 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) (\$'000)	Aggregate value of all IPTs conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) (\$'000)
TCC Group of Companies ⁽¹⁾		
- Sale of products and provision of services	127	1,533
- Provision of management and support services	1,224	386
- Reimbursement and recovery of advertising and promotional expenses	8,213	Nil
- Purchase of products and obtaining of services	Nil	7,331
- Obtaining of marketing services	368	Nil
- Lease of office/commercial space	Nil	262
- Purchase of business and assets	1,033	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.