FRASER AND NEAVE, LIMITED

ADVANCING STRATEGICALLY, GROWING SUSTAINABLY.

ANNUAL REPORT

2017

ADVANCING STRATEGICALLY, GROWING SUSTAINABLY.

Our accomplishments over the 134 years have been the result of effective execution of our strategies which has delivered growth, profitability and sustained long-term value. To realise our vision of becoming a recognised leader in the F&B industry in ASEAN, we continue to rely on our strong foundations and operational expertise across our businesses. These basic pillars will guide us in creating sustained long-term value for all stakeholders of the organisation.

CORPORATE PROFILE

Established in 1883, Fraser and Neave, Limited ("F&N") is a leading Southeast Asia Consumer Group with expertise and prominent standing in the Food & Beverage and Publishing & Printing industries.

Leveraging its strengths in marketing and distribution, research and development, brands and financial management, F&N provides key resources and sets strategic directions for its subsidiary companies across both industries.

Listed on the Singapore stock exchange, F&N ranks as one of the most established and successful companies in the region with an impressive array of renowned brands that enjoy strong market leadership. F&N is present in 11 countries spanning Asia Pacific, Europe and the USA, and employs over 7,600 people worldwide.

VISION

To be a stable and sustainable Food & Beverage leader in the ASEAN region.

MISSION

To be ASEAN's leading owner and provider of quality and innovative products that consumers choose and trust. To support our mission, we are guided firmly by our commitment to create value for our stakeholders by ensuring that our corporate actions positively impact the socio-economic and environmental factors.

CONTENTS

1 Accompanying this report is the F&N Sustainability Report. Only available in digital format. Download it at www.fraserandneave.com/investor-relations.
2 Unless specifically stated otherwise, all figures in this Annual Report are quoted in Singapore Dollars.
3 Due to rounding, numbers in charts may not always add up to 100%.

KEY HIGHLIGHTS

30
NEW F&B
PRODUCTS
LAUNCHED IN FY2017

#1
F&N ICE MOUNTAIN
#1 WATER BRAND IN
SINGAPORE

112
EXPORT
MARKETS

#1

F&N SEASONS AND OISHI
#1 IN READY-TO-DRINK
TEA MARKET
IN MALAYSIA

IN THAILAND,
TEAPOT AND
CARNATION
ARE LEADERS IN THE
CANNED MILK SEGMENT

#1
100PLUS
IS THE #1 SOFT DRINK IN
MALAYSIA
ISOTONIC DRINK IN
SINGAPORE

#1
F&N NUTRISOY
IS THE #1 SOYA MILK IN
SINGAPORE
AND MALAYSIA

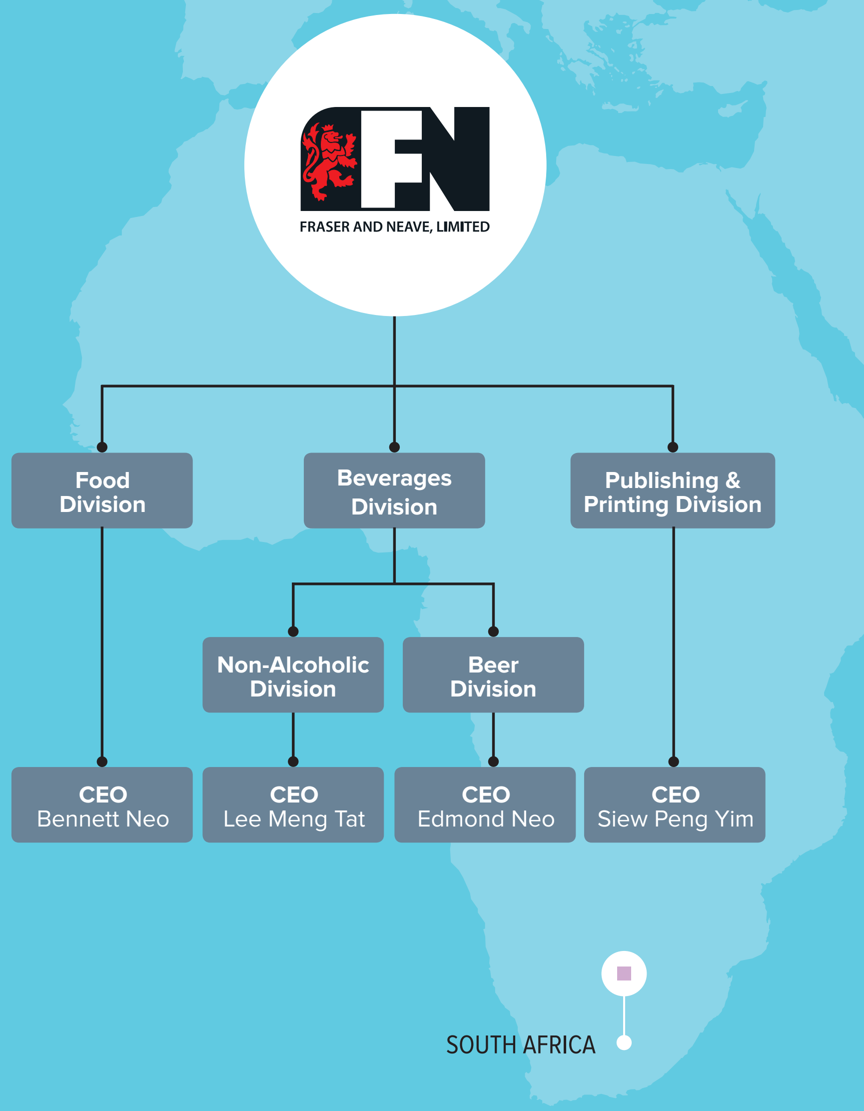
THIS IS F&N

Fraser and Neave, Limited ("F&N" or the "Group") had its origins, more than a century ago, in the spirited decisions of two enterprising young men, John Fraser and David Neave, who diversified from their printing business to pioneer the aerated water business in Southeast Asia in 1883. From a soft drinks base, F&N ventured into the businesses of beer in 1931, dairies in 1959, property development and management in 1990 and publishing & printing in 2000. In 2012, the Group divested a substantial part of its beer business. In January 2014, through a distribution in specie and re-listing of Frasers Centrepoint Limited by way of introduction on the Singapore stock exchange, the Group demerged its Properties business.

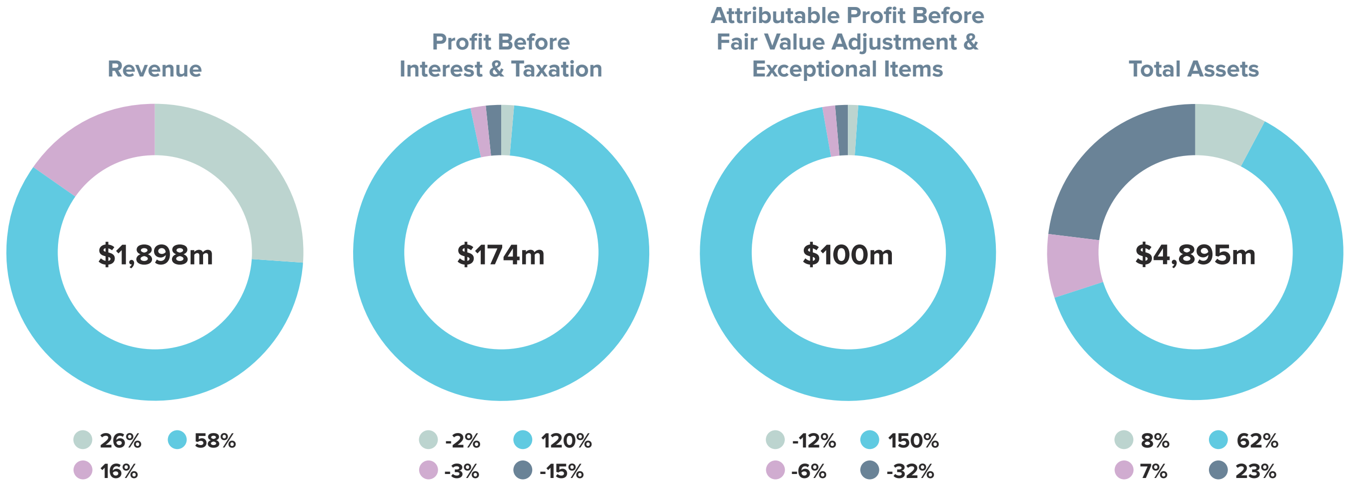
Today, F&N is a leading Asia Pacific Consumer Group with expertise and prominent standing in the Food & Beverage and Publishing & Printing industries. Leveraging its strengths in marketing and distribution, research and development, brands and financial management, as well as years of acquisition experience, the Group provides key resources and sets strategic directions for its subsidiary companies across both industries.

Listed on the Singapore stock exchange, F&N ranks as one of the most established and successful companies in the region with an impressive array of renowned brands that enjoy strong market leadership. F&N is present in 11 countries spanning Asia Pacific, Europe and the USA, and employs over 7,600 people worldwide.

Note:
The Group owns approximately 7.8% of PMP Limited in Australia

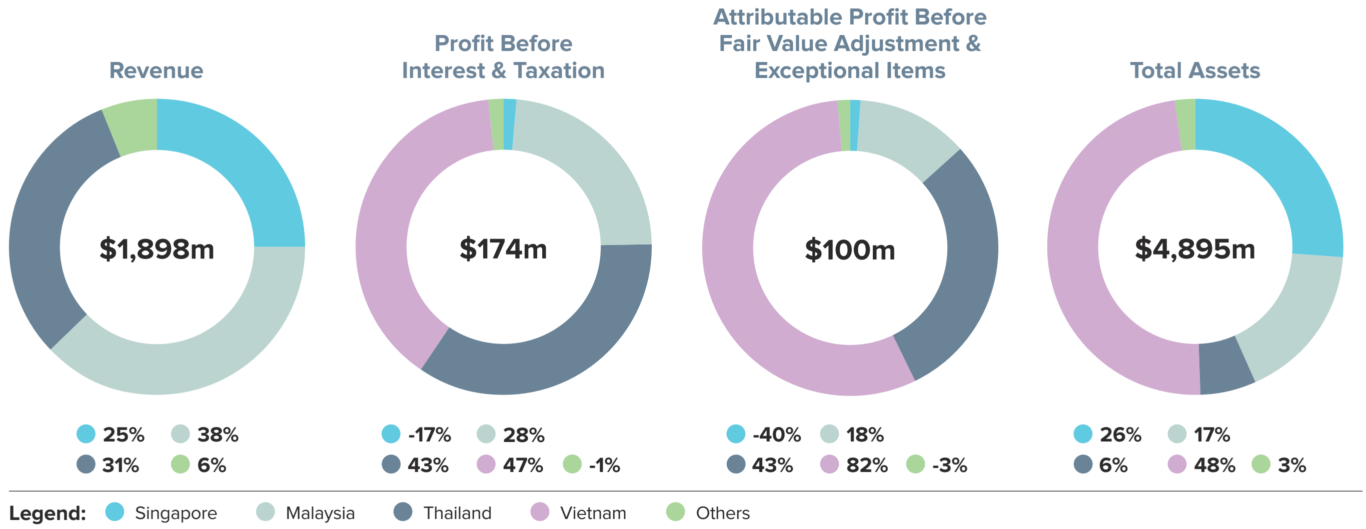


Contribution by Segment



Legend: Beverages, Dairies, Publishing & Printing, Others

Contribution by Geography



F&N BUSINESS MODEL

F&N's business model targets sustainable, long-term value creation for its stakeholders. It achieves this by leveraging its key resources (People, Intellectual, Process, Financial and Stakeholder Relationships) to deliver profitable growth, to drive efficiency and operational excellence, to preserve the health and safety of the people working in, and with, F&N, and to protect the environment and build local communities relations, while manage operational risks of its businesses and adhere to ethical principles of corporate governance.

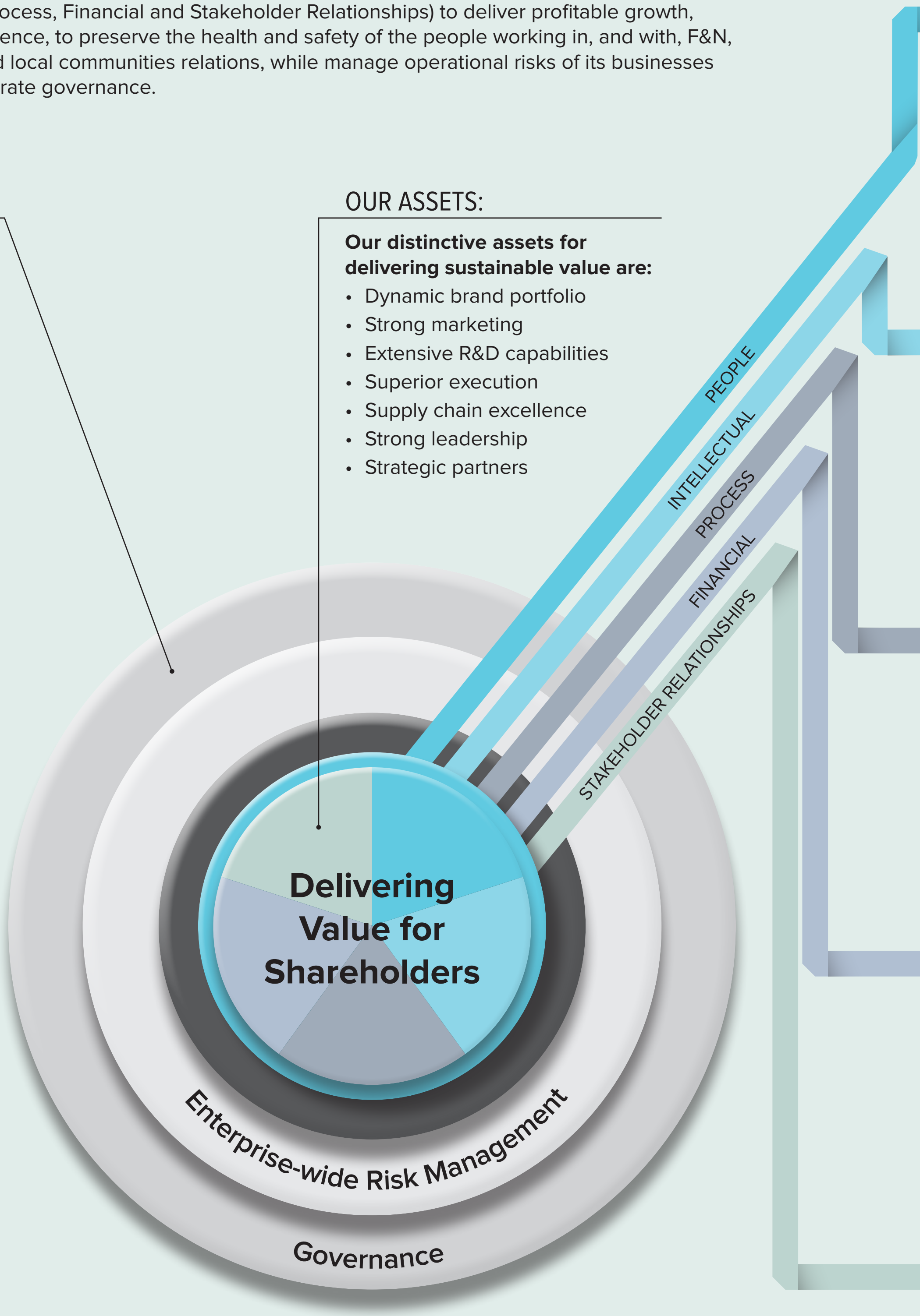
OUR GROWTH DRIVERS:

- **Clearly targeted portfolio of brands and products**
  - While the Group continues its brand portfolio strategy so as to maximise consumer reach, it will focus its investment on and drive the growth of its Power Brands.
- **Leading through innovation**
  - F&N generates new innovation each year, in products development or processes, so as to maintain sustainable leadership in its industry.
- **Strive for commercial excellence**
  - We continuously identify and strengthen levers to improve operational efficiency, increase brand presence and sell-through, and streamline internal processes to accelerate decision-making, and make F&N leaner and more efficient.
- **Investments focusing on *right to win***
  - F&N prioritises its investments on markets where it has a *right to win* and markets that offer the best medium- to long-term growth and profitability opportunities, encompassing the way it competes, its capabilities with which it will compete, and the portfolio decisions. The Group is focused on Southeast Asia, particularly Indonesia, Myanmar and Vietnam.
- **Commit to talent development**
  - F&N's strategy incorporates a roadmap for attracting, developing and retaining our most valuable asset – People. We set out specific, actionable steps that are either already in place, or under development, to support our businesses in becoming the best at what they do.

OUR ASSETS:

Our distinctive assets for delivering sustainable value are:

- Dynamic brand portfolio
- Strong marketing
- Extensive R&D capabilities
- Superior execution
- Supply chain excellence
- Strong leadership
- Strategic partners



F&N KEY RESOURCES

PEOPLE
We are committed to attracting, developing and retaining the very best talent, an important asset.

INTELLECTUAL
We are committed to building our knowledge-based assets – brands, processes and technology – that connect with the way our consumers live.

PROCESS
We recognise the impact our operations have on the environment and the local communities where we operate and are committed to continuous efficiency improvements.

FINANCIAL
We seek to use our funds generated from operations or investments efficiently and effectively.

STAKEHOLDER RELATIONSHIPS
We look to build long-term relationships with customers, strategic partners, employees, investors and communities through stakeholder engagement initiatives.

VALUE ADDING ELEMENTS

IN OUR CORE MARKETS OF MALAYSIA, SINGAPORE AND THAILAND, AND NEW MARKETS

520M CONSUMERS

12 FOOD & BEVERAGE MANUFACTURING FACILITIES

521 F&B PRODUCTS AND FLAVOURS

OVER 253,000 OUTLETS

STRATEGIC PARTNERSHIP WITH:

ThaiBev

Nestlé BEAR BRAND

Sunkist

VALUE CREATED

WE CREATE VALUE FOR OUR STAKEHOLDERS BY MANAGING AND DEPLOYING OUR RESOURCES AND ASSETS EFFICIENTLY AND EFFECTIVELY

REVENUE $1,898M

PBIT $174M

OUR PRODUCTS ARE AVAILABLE IN 112 COUNTRIES

WE EMPLOY OVER 7,600 EMPLOYEES IN 11 COUNTRIES

30 NEW F&B PRODUCTS LAUNCHED IN FY2017

24 PRODUCT AND PROCESS EXCELLENCE AWARDS

VALUE SHARED WITH

EMPLOYEES
Our employees are our partners in shaping our success. We foster a culture of continuous learning, development and reward for our employees in a healthy and safe work environment.

CONSUMERS
With the end consumer in mind, we produce a range of products that address evolving consumer preferences and a wide spectrum of lifestyles.

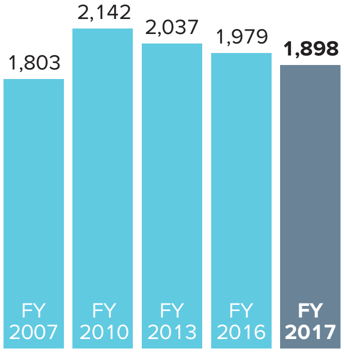
PARTNERS
We partner responsible and sustainable businesses. Throughout our supply chain, we create value and support job creation beyond our business.

SHAREHOLDERS
Managing our resources effectively enables us to maximise profits which benefit shareholders through sustainable shareholder returns.

COMMUNITIES
Our business is built in a profitable, responsible and sustainable manner. We give back to local communities through job creation, useful products and services, social responsibility programmes and minimisation of environmental impact.

PERFORMANCE AT A GLANCE

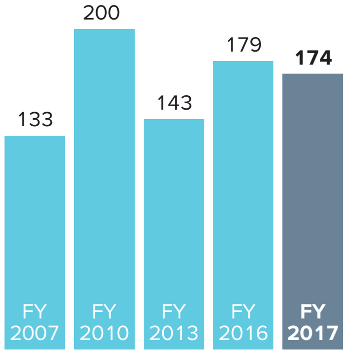
Revenue ($m)



	FY2007	FY2010	FY2013	FY2016	FY2017
Cont'd Operations	1,803	2,142	2,037	1,979	**1,898**
Discont'd Operations[2]	2,928	3,555	2,307	-	-
Total Operations	4,731	5,697	4,344	1,979	**1,898**

10-Year CAGR +1%[3]
Increase from FY2007 **+5%**[3]

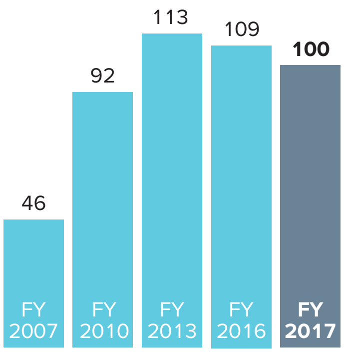
Profit Before Interest & Taxation ($m)



	FY2007	FY2010	FY2013	FY2016	FY2017
Cont'd Operations	133	200	143	179	**174**
Discont'd Operations[2]	599	871	642	-	-
Total Operations	732	1,071	785	179	**174**

10-Year CAGR **+3%**[3]
Increase from FY2007 **+31%**[3]

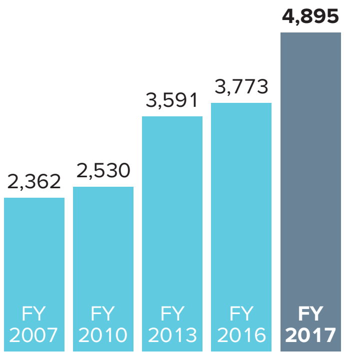
Attributable Profit Before Fair Value Adjustment & Exceptional Items ($m)



	FY2007	FY2010	FY2013	FY2016	FY2017
Cont'd Operations	46	92	113	109	**100**
Discont'd Operations[2]	332	491	432	-	-
Total Operations	378	583	545	109	**100**

10-Year CAGR **+8%**[3]
Increase from FY2007 **+117%**[3]

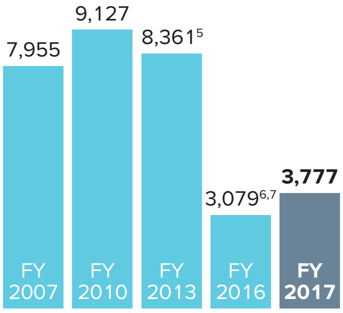
Total Assets ($m)



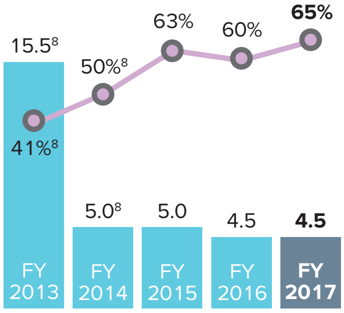
	FY2007	FY2010	FY2013	FY2016	FY2017
Cont'd Operations	2,362	2,530	3,591	3,773	**4,895**
Discont'd Operations[2]	10,511	11,172	10,554	-	-
Total Operations	12,873	13,702	14,145	3,773	**4,895**

10-Year CAGR **+8%**[3]
Increase from FY2007 **+107%**[3]

Market Capitalisation[4] ($m)



Distribution



Notes:

1. FY2007, FY2010, FY2013 and FY2016: As previously reported
2. Upon the disposal of Asia Pacific Breweries Limited/Asia Pacific Investment Pte Ltd ("APB/APIPL") and Myanmar Brewery Limited ("MBL"), and the distribution in-specie of Frasers Centrepoint Limited ("FCL"), their respective results have been classified as discontinued operations
3. Excludes discontinued operations of APB/APIPL, FCL and MBL
4. Based on issued shares at close of business on the first trading day after preliminary announcement of results
5. In July 2013, the Group distributed $4.7b (or $3.28 per share to shareholders in a capital reduction exercise
6. In January 2014, F&N relisted its property arm, FCL by undertaking a distribution in-specie of FCL shares to F&N shareholders. F&N shareholders received, without cash outlay, two FCL shares for each F&N share owned. Shares of FCL were listed by way of introduction on the Mainboard of SGX on 9 January 2014
7. In April 2014, the Group distributed $607m (or $0.42 per share) to shareholders in a capital reduction exercise
8. Excludes capital distribution of $3.28 per share in FY2013 and $0.42 per share in FY2014

GROUP FINANCIAL PERFORMANCE
5-YEAR STATISTICS

Notes	Year ended 30 September	FY2013	FY2014	FY2015	FY2016	FY2017
1, 2	**Profit Statement ($ million)**					
	Revenue	4,344	3,052	2,457	1,979	1,898
	Profit before taxation					
	- before interest	785	453	255	179	174
	- before impairment, fair value adjustment & exceptional items	763	452	255	189	168
	- after fair value adjustment & exceptional items	907	354	225	188	1,344
	Attributable profit					
3	- before fair value adjustment & exceptional items	545	263	115	109	100
	- after fair value adjustment & exceptional items	5,430	147	633	108	1,283
1	**Balance Sheet ($ million)**					
4	Net asset value	8,505	1,605	2,268	2,843	2,819
	Total assets employed	14,145	2,679	3,143	3,773	4,895
	Long-term borrowings	2,583	119	98	125	517
	Market Capitalisation ($ million)					
	at close of business on the first trading day after preliminary announcement of results	8,361[7]	4,277[8,9]	3,177	3,079	3,777
1,2	**Financial Ratio (%)**					
	Return on average shareholders' equity					
	- profit before impairment, fair value adjustment & exceptional items	9.5	8.9	13.2	7.4	5.9
3	- attributable profit before fair value adjustment & exceptional items	6.8	5.2	6.0	4.3	3.5
5	Gearing ratio					
	- without non-controlling interests	17.6	(13.6)	(38.1)	(32.0)	5.9
	- with non-controlling interests	16.9	(10.9)	(33.8)	(28.8)	5.3
1,2	**Per Share**					
	Profit before impairment, fair value adjustment, taxation and exceptional items (cents)	52.9	31.3	17.6	13.1	11.6
	Attributable profit (cents) (basic)					
	- before fair value adjustment and exceptional items	37.8	18.2	8.0	7.5	6.9
	- after exceptional items	376.8	10.2	43.7	7.5	88.7
4	Net asset value ($)	5.90	1.11	1.57	1.97	1.95
	Dividend					
	- net (cents)	15.5[10]	5.0[10]	5.0	4.5	4.5
6	- cover (times)	2.4	3.6	1.6	1.7	1.5
	Stock Exchange Prices ($)					
	at close of business on the first trading day after preliminary announcement of results	5.80[7]	2.96[8,9]	2.20	2.13	2.61

Notes:

1 FY2013 - FY2016: As previously reported
2 Upon the distribution in-specie of Frasers Centrepoint Limited ("FCL") in FY2014 and the disposal of Myanmar Brewery Limited ("MBL") in FY2015, their respective results have been classified as discontinued operations
3 Attributable profit before fair value adjustment and exceptional items: Profit after taxation and non-controlling interests, but before fair value adjustment and exceptional items
4 Net asset value: Share capital and reserves
5 Gearing ratio: Sum of bank borrowings and term loans, less fixed deposits and cash and bank balances, expressed as a percentage of equity
6 Dividend cover: Attributable profit before fair value adjustment and exceptional items per share, divided by net dividend per share
7 In July 2013, the Group distributed $4.7b (or $3.28 per share) to shareholders in a capital reduction exercise
8 In January 2014, the Group completed the relisting of its property arm, FCL, by undertaking an in-specie distribution of FCL shares to F&N shareholders. F&N shareholders received, without cash outlay, two FCL shares for each F&N share owned. Shares of FCL were listed by way of introduction on the Mainboard of SGX on 9 January 2014
9 In April 2014, the Group distributed $607m (or $0.42 per share) to shareholders in a capital reduction exercise
10 Excludes capital distribution of $3.28 per share in FY2013 and $0.42 per share in FY2014

"Our strategic investment in Vinamilk enables us to reduce our dependence on our core markets of Singapore, Malaysia and Thailand and to participate in the dynamic growth of the Vietnamese economy."

MR CHAROEN SIRIVADHANABHAKDI
Chairman

CHAIRMAN'S STATEMENT

Dear Shareholders,

FY2017 was a challenging year as our Food & Beverage ("**F&B**") businesses were adversely impacted by rising commodity prices. Our ability to recover these cost increases was hindered by weaker consumer sentiment and intense price competition. Despite all these, I am happy to report that F&N turned in credible results buoyed by strong earnings from Dairies Thailand, higher dividend income and first time contribution from our new associated company, Vietnam Dairy Products Joint Stock Company ("**Vinamilk**"), Vietnam's leading dairy company. Our well executed strategies defended our market positions in the core beverage categories.

CORPORATE DEVELOPMENTS

During the year, we successfully increased our stake in Vinamilk from 10.95% last year to 18.74%. With our current shareholding and the appointment of a second representative to the Vinamilk Board, the Group is entitled under the Singapore Financial Reporting Standards to equity account for its share of Vinamilk's results effective 16 April 2017.

Our strategic investment in Vinamilk enables us to reduce our dependence on our core markets of Singapore, Malaysia and Thailand and to participate in the dynamic growth of the Vietnamese economy. We look forward to continued excellent working relations with the Board and management of Vinamilk for the benefit of all stakeholders.

Non-Alcoholic Beverages

This is the third year since we embarked on our Vision 2020 journey. To recapitulate, Vision 2020 is the strategic roadmap to help us realise our ambition to be a stable and sustainable F&B leader in ASEAN. Our partnership with the Thai Beverage Public Company Limited Group continues to enhance our proven track record of delivering value to our stakeholders and strong shareholder returns by extracting synergies in marketing and distribution.

Our F&B businesses remain focused on our dual-pronged strategy of organisational transformation and extension of our market reach in South East Asia. The priority is to continue to invest and grow our core brands – *100PLUS*, *OISHI*, *F&N MAGNOLIA* and *F&N NUTRISOY*, and build knowledge and capabilities to develop new products in line with our consumer promise of "PURE ENJOYMENT. PURE GOODNESS". We will continue with our concerted efforts to innovate and extend our healthier product options to meet the ever-changing needs of consumers.

Our Malaysian subsidiary, Fraser & Neave Holdings Bhd ("**F&NHB**") has completed its transformational Project Bluesky, a key initiative to streamline our business operations and route-to-market, to deliver long-term growth and profitability. We are now better organised and equipped to compete more effectively in the domestic market. F&NHB will also focus its global expansion efforts to drive growth by leveraging its status as a halal certified manufacturer to tap the market potential of Muslim consumers globally. A Group Halal Council was formed to drive this initiative.

In December 2016, we completed the acquisition of the remaining 30% interest in Yoke Food Industries Sdn Bhd. This acquisition complements our existing F&B businesses as it offers opportunity for the distribution and marketing of our products in South East Asia, especially Indonesia.

$173.6m
GROUP PROFIT
BEFORE INTEREST AND TAXATION
FAIR VALUE ADJUSTMENT AND EXCEPTIONAL ITEMS

FINAL DIVIDEND OF
3.0 CENTS PER SHARE
TOTAL DIVIDEND FOR THE YEAR WOULD BE
4.5 CENTS PER SHARE

PRIORITY IS TO CONTINUE TO **INVEST** AND **GROW OUR CORE BRANDS** ***100PLUS*, *OISHI*, *F&N MAGNOLIA*** AND ***F&N NUTRISOY***

Publishing and Printing ("P&P")

We continued to rationalise our P&P operations in the face of digitalisation and the fast-evolving competitive landscape. Printing capacity was aligned with market demand in a move to improve cost effectiveness and operational efficiencies. To ensure a sustainable revenue base, concerted efforts have been put in place to diversify print portfolio, adding new revenue streams.

In October 2017, P&P completed the acquisition of the book distribution arms of Penguin Random House Limited in Singapore and Malaysia and entered into agreements to distribute exclusively their English books and other products in these two countries. With this acquisition, P&P will be better able to serve its customers in the book retail market.

Food

During the year, the Group formulated its food strategy and actively evaluated potential acquisitions in the food retail services sector. We aim to make suitable acquisitions to jumpstart our entry into this business.

RESULTS FOR FY2017

The Group closed FY2017 with Group Profit before Interest and Taxation, fair value adjustment and exceptional items down 3.1% to $173.6 million, largely due to losses recorded in Beverages and P&P which were partly offset by higher contributions from Dairies and Vinamilk as a result of our increased shareholding in Vinamilk. Beverages was adversely impacted by lower sale volumes, competitive pricing, higher raw material prices and continued brand investments in new markets. Losses from P&P were marginally lower than last year mainly due to improvements in printing plant efficiencies and effective cost containment measures.

Group Attributable Profit ("**AP**") before fair value adjustment and exceptional items fell by 8.3% to $99.9 million. Including fair value adjustment and exceptional items of $1,183.2 million, Group AP was $1,283.1 million compared to $108.1 million last year. The exceptional gain arose largely from the realisation of fair value reserves upon the change of shareholding in Vinamilk.

DIVIDENDS

The Board recommends a final dividend of 3.0 cents per share for shareholders' approval at the forthcoming Annual General Meeting. This brings total dividend for the year to 4.5 cents per share, unchanged from last year. The proposed dividend represents a payout of 65%, which is higher than our policy of paying approximately 50% of the Group's Attributable Profit before fair value adjustment and exceptional items. The final dividend, if approved by shareholders, will be paid on 14 February 2018.

SUSTAINABILITY

F&N recognises that embracing sustainability practices is a core business priority given that sustainability is important for the long term development and success of our businesses. This year, we are pleased to publish our first Sustainability Report in compliance with the SGX requirements and based on the Global Reporting Initiative ("**GRI**") G4 Reporting Guidelines.

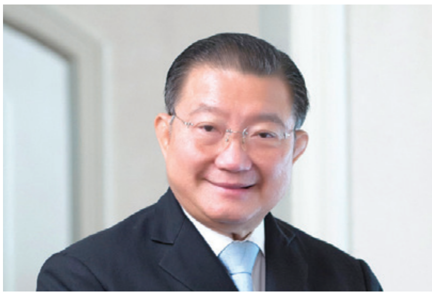
At the Board level, the Board Executive Committee provides guidance to the Project Management Committee which was formed to drive the sustainability reporting initiative, ensuring that financial performance is balanced with environmental and social imperatives. Through engagement with management and employees, material environmental, social and governance factors were identified and targets set. For more details, please refer to our full Sustainability Report which is available only in online format on our website, making communication greener.

ACKNOWLEDGEMENTS

I would like to thank my fellow directors for their guidance and commitment throughout this challenging year. I would also like to thank management and all our employees for their dedication and continued whole-hearted support of our Vision 2020 objectives and targets. I would also like to express my gratitude to our shareholders, customers, suppliers and other business associates for your continued support.

Charoen Sirivadhanabhakdi
Chairman

BOARD OF DIRECTORS



MR CHAROEN SIRIVADHANABHAKDI, 73

CHAIRMAN / NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Date of first appointment as a director
28 Feb 2013

Date of last re-election as a director
29 Jan 2016

Length of service as a director
(as at 30 Sep 2017)
4 years 07 months

BOARD COMMITTEE(S) SERVED ON
Nil

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Honorary Doctoral Degree in Marketing, Rajamangala University of Technology Isan, Thailand
- Honorary Doctoral Degree in Buddhism (Social Work), Mahachulalongkornrajavidyalaya, Thailand
- Honorary Doctorate Degree in Business Administration, Sasin Graduate Institute of Business Administration, Chulalongkorn University, Thailand
- Honorary Doctoral Degree in Hospitality Industry and Tourism, Christian University of Thailand, Thailand
- Honorary Doctoral Degree in Sciences and Food Technology, Rajamangala University of Technology Lanna, Thailand
- Honorary Doctoral Degree in International Business Administration, University of the Thai Chamber of Commerce, Thailand
- Honorary Doctoral Degree in Management, Rajamangala University of Technology Suvarnabhumi, Thailand
- Honorary Doctor of Philosophy in Business Administration, Mae Fah Luang University, Thailand
- Honorary Doctoral Degree in Business Administration, Eastern Asia University, Thailand
- Honorary Doctoral Degree in Management, Huachiew Chalermprakiet University, Thailand
- Honorary Doctoral Degree in Industrial Technology, Chandrakasem Rajabhat University, Thailand
- Honorary Doctoral Degree in Agricultural Business Administration, Maejo Institute of Agricultural Technology, Thailand

PRESENT DIRECTORSHIP(S) (as at 30 Sep 2017)
Listed companies
- Berli Jucker Public Company Limited (Chairman)
- Frasers Centrepoint Limited (Chairman)
- Thai Beverage Public Company Limited (Chairman)

Others
- Beer Thai (1991) Public Company Limited (Chairman)
- Big C Supercenter Public Company Limited (Chairman)
- Red Bull Distillery Group of Companies (Chairman)
- Siriwana Co., Ltd. (Chairman)
- Southeast Group Co., Ltd. (Chairman)
- TCC Asset World Corporation Limited (Chairman)
- TCC Corporation Limited (formerly TCC Holding Co., Ltd.) (Chairman)
- TCC Land Co., Ltd. (Chairman)

MAJOR APPOINTMENT(S) (other than Directorships)
Nil

PAST DIRECTORSHIP(S) IN LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS (from 01 Oct 2014 to 30 Sep 2017)
Nil

OTHERS
- Darjah Kebesaran Panglima Setia Mahkota (P.S.M.) which carries the title ‘Tan Sri’ from Malaysia

KHUNYING WANNA SIRIVADHANABHAKDI, 74

VICE-CHAIRMAN / NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Date of first appointment as a director
28 Feb 2013

Date of last re-election as a director
29 Jan 2016

Length of service as a director
(as at 30 Sep 2017)
4 years 07 months

BOARD COMMITTEE(S) SERVED ON
Nil

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Honorary Doctoral Degree (Management), Mahidol University, Thailand
- Honorary Doctorate of Philosophy (Business Management), University of Phayao, Thailand
- Honorary Doctoral Degree from the Faculty of Business Administration and Information Technology, Rajamangala University of Technology Tawan-ok, Thailand
- Honorary Doctor of Philosophy in Social Sciences, Mae Fah Luang University, Thailand
- Honorary Doctoral Degree in Business Administration, Chiang Mai University, Thailand
- Honorary Doctoral Degree in Agricultural Business Administration, Maejo Institute of Agricultural Technology, Thailand
- Honorary Doctoral Degree in Bio-technology, Ramkhamhaeng University, Thailand

PRESENT DIRECTORSHIP(S) (as at 30 Sep 2017)
Listed companies
- Berli Jucker Public Company Limited (Vice-Chairman)

- Frasers Centrepoint Limited (Vice-Chairman)
- Thai Beverage Public Company Limited (Vice-Chairman)

Others
- Beer Thip Brewery (1991) Co., Ltd. (Chairman)
- Big C Supercenter Public Company Limited (Vice-Chairman)
- Sangsom Group of Companies (Chairman)
- Siriwana Co., Ltd. (Vice-Chairman)
- TCC Asset World Corporation Limited (Vice-Chairman)
- TCC Corporation Limited (formerly TCC Holding Co., Ltd.) (Vice-Chairman)

MAJOR APPOINTMENT(S)
(other than Directorships)
Nil

PAST DIRECTORSHIP(S) IN LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS
(from 01 Oct 2014 to 30 Sep 2017)
Nil

OTHERS
Nil

TENGKU SYED BADARUDIN JAMALULLAIL, 72

LEAD INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Date of first appointment as a director
08 Jan 2014

Date of last re-election as a director
29 Jan 2016

Length of service as a director
(as at 30 Sep 2017)
3 years 08 months

BOARD COMMITTEE(S) SERVED ON
- Nominating Committee (Chairman)

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Master of Arts in Law & History, University of Cambridge, UK

PRESENT DIRECTORSHIP(S)
(as at 30 Sep 2017)
Listed companies
- Fraser & Neave Holdings Bhd (Chairman)
- Hwang Capital (Malaysia) Berhad

Others
- Berkat Restu Sdn Bhd
- Besar Holdings Sdn Bhd
- HDM Capital Sdn Bhd
- Mega SPJ Sdn Bhd
- Pusat Dialisis Centre Tuanku Syed Putra – NKF (Chairman)
- Tuanku Syed Putra Foundation
- Vacaron Company Sdn Bhd

MAJOR APPOINTMENT(S)
(other than Directorships)
Nil

PAST DIRECTORSHIP(S) IN LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS
(from 01 Oct 2014 to 30 Sep 2017)
Nil

OTHERS
- Hwang Investment Management Berhad
- HwangDBS Investment Bank Berhad
- Asian Islamic Investment Management Sdn Bhd

MR TIMOTHY CHIA CHEE MING, 67

INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Date of first appointment as a director
08 Jan 2014

Date of last re-election as a director
24 Jan 2017

Length of service as a director
(as at 30 Sep 2017)
3 years 08 months

BOARD COMMITTEE(S) SERVED ON
- Audit Committee
- Remuneration Committee (Chairman)

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Bachelor of Science cum laude, majoring in Management, Fairleigh Dickinson University, USA

PRESENT DIRECTORSHIP(S)
(as at 30 Sep 2017)
Listed companies
- Banyan Tree Holdings Limited
- Ceylon Guardian Investment Trust PLC
- Ceylon Investment PLC
- Malaysia Smelting Corporation Berhad
- The Straits Trading Company Limited

Others
- Gracefield Holdings Limited (Chairman)
- Hup Soon Global Corporation Private Limited (Chairman)
- Rahman Hydraulic Tin Sdn Bhd
- Singapore Power Limited
- United Motor Works (Siam) Public Co Ltd (Chairman)
- Vertex Venture Holdings Ltd

MAJOR APPOINTMENT(S)
(other than Directorships)
- ASEAN Business Club (Member, Advisory Council & Co-Chair, Singapore)
- Asian Civilisation Museum (Member, Advisory Board)
- Singapore Management University (Member, Board of Trustees)
- Singapore Indian Development Association (Term Trustee)

PAST DIRECTORSHIP(S) IN LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS
(from 01 Oct 2014 to 30 Sep 2017)
Nil

OTHERS
- Coutts & Co Ltd
- EQT Funds Management Ltd
- Guan Leng Holdings Pte Ltd
- HS Global Holdings Pte Ltd
- InnoTek Limited
- JM Financial Singapore Pte Ltd
- Parkesville Pte Ltd
- PowerGas Limited
- SP PowerAssets Limited
- SPI (Australia) Assets Pty Ltd
- United Motor Works (Mauritius) Ltd

BOARD OF DIRECTORS

MR KOH POH TIONG, 70

NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR / ADVISER TO THE BOARD

Date of first appointment as a director
03 Apr 2013

Date of last re-election as a director
29 Jan 2016

Length of service as a director
(as at 30 Sep 2017)
4 years 05 months

BOARD COMMITTEE(S) SERVED ON
- Board Executive Committee (Chairman)
- Risk Management Committee (Chairman)

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Bachelor of Science, University of Singapore, Singapore

PRESENT DIRECTORSHIP(S) (as at 30 Sep 2017)
Listed companies
- Bukit Sembawang Estates Limited (Chairman)
- Delfi Limited
- Raffles Medical Group Ltd
- SATS Ltd

Others
- National Kidney Foundation (Chairman)
- Singapore Kindness Movement (Chairman)
- Times Publishing Limited (Chairman)
- Yunnan Yulinquan Liquor Co., Ltd. (Chairman)

MAJOR APPOINTMENT(S) (other than Directorships)
Nil

PAST DIRECTORSHIP(S) IN LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS (from 01 Oct 2014 to 30 Sep 2017)
- Ezra Holdings Limited (Chairman and Senior Advisor)
- United Engineers Limited

OTHERS
- Great Eastern Life Assurance Co Ltd

MRS SIRIPEN SITASUWAN, 69

INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Date of first appointment as a director
31 May 2013

Date of last re-election as a director
24 Jan 2017

Length of service as a director
(as at 30 Sep 2017)
4 years 04 months

BOARD COMMITTEE(S) SERVED ON
- Audit Committee (Chairman)
- Nominating Committee
- Remuneration Committee

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Master of Business Administration, Wichita State University, Kansas, USA
- Bachelor of Arts (Commerce), Chulalongkorn University, Thailand

PRESENT DIRECTORSHIP(S) (as at 30 Sep 2017)
Listed companies
- Sermsuk Public Company Limited
- Thai Solar Energy Public Company Limited
- Thanachart Capital Public Company Limited

Others
Nil

MAJOR APPOINTMENT(S) (other than Directorships)
Nil

PAST DIRECTORSHIP(S) IN LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS (from 01 Oct 2014 to 30 Sep 2017)
Nil

OTHERS
- Solaris Asset Management Co., Ltd.

MR CHOTIPHAT BIJANANDA, 54

NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Date of first appointment as a director
19 Feb 2013

Date of last re-election as a director
24 Jan 2017

Length of service as a director
(as at 30 Sep 2017)
4 years 07 months

BOARD COMMITTEE(S) SERVED ON
Nil

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Master of Business Administration, Finance, University of Missouri, USA
- Bachelor of Laws, Thammasat University, Thailand

PRESENT DIRECTORSHIP(S)
(as at 30 Sep 2017)
Listed companies
- Frasers Centrepoint Limited
- Golden Land Property Development Public Company Limited
- Sermsuk Public Company Limited (2nd Vice-Chairman)
- TICON Industrial Connection Public Company Limited

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

MAJOR APPOINTMENT(S)
(other than Directorships)
Nil

PAST DIRECTORSHIP(S) IN LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS
(from 01 Oct 2014 to 30 Sep 2017)
Nil

OTHERS
Nil

MR THAPANA SIRIVADHANABHAKDI, 42

NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Date of first appointment as a director
19 Feb 2013

Date of last re-election as a director
30 Jan 2015

Length of service as a director
(as at 30 Sep 2017)
4 years 07 months

BOARD COMMITTEE(S) SERVED ON
- Board Executive Committee (Vice-Chairman)
- Nominating Committee
- Remuneration Committee
- Risk Management Committee

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Honorary Doctoral Degree of Arts, Rajamangala University of Technology Phra Nakhon, Thailand
- Honorary Doctoral Degree in Hospitality, Rajamangala University of Technology Krungthep, Thailand
- Honorary Doctoral Degree in Community Development, Chiang Mai Rajabhat University, Thailand
- Honorary Doctoral Degree of Business Administration in Strategic Logistic and Supply Chain Management, Suan Sunandha Rajabhat University, Thailand
- Honorary Doctoral Degree of Philosophy in General Management, Ramkhamhaeng University, Thailand
- Master of Science Administration in Financial Economics, Boston University, USA
- Bachelor of Business Administration (Finance), Boston University, USA

PRESENT DIRECTORSHIP(S)
(as at 30 Sep 2017)
Listed companies
- Golden Land Property Development Public Company Limited
- Oishi Group Public Company Limited (Vice-Chairman)
- Sermsuk Public Company Limited (3rd Vice-Chairman)
- Thai Beverage Public Company Limited
- Univentures Public Company Limited (Vice-Chairman)

Others
- InterBev Investment Limited
- International Beverage Holdings Limited (President)
- Plantheon Group of Companies
- Pracharath Rak Samakkee (Social Enterprise) (Thailand) Co., Ltd.
- South East Group of Companies (Vice-Chairman)
- TCC Group of Companies
- Thai Beverage Group of Companies
- Univentures Group of Companies

MAJOR APPOINTMENT(S)
(other than Directorships)
- Thai Beverage Public Company Limited (President and Chief Executive Officer)

PAST DIRECTORSHIP(S) IN LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS
(from 01 Oct 2014 to 30 Sep 2017)
- Berli Jucker Public Company Limited*
- Siam Food Products Public Company Limited**

OTHERS
Nil

* Held office from 2001 to 14 Feb 2017
** Held office from 2007 to 11 Aug 2015

BOARD OF DIRECTORS

MR SITHICHAI CHAIKRIANGKRAI, 63

NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Date of first appointment as a director
22 Feb 2013

Date of last re-election as a director
29 Jan 2016

Length of service as a director (as at 30 Sep 2017)
4 years 07 months

BOARD COMMITTEE(S) SERVED ON
- Audit Committee
- Board Executive Committee
- Risk Management Committee

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Bachelor of Accountancy (First Class Honors), Thammasat University, Thailand
- Diploma in Computer Management, Chulalongkorn University, Thailand
- Certificate of the Mini MBA Leadership Management, Kasetsart University, Thailand

PRESENT DIRECTORSHIP(S) (as at 30 Sep 2017)
Listed companies
- Berli Jucker Public Company Limited
- Frasers Centrepoint Limited
- Golden Land Property Development Public Company Limited
- Oishi Group Public Company Limited
- Sermsuk Public Company Limited
- Siam Food Products Public Company Limited
- Thai Beverage Public Company Limited
- Univentures Public Company Limited

Others
- Berli Jucker Group of Companies
- Big C Supercenter Public Company Limited
- InterBev Investment Limited
- International Beverage Holdings Limited
- Plantheon Group of Companies
- TCC Group of Companies
- Thai Beverage Group of Companies
- Univentures Group of Companies

MAJOR APPOINTMENT(S) (other than Directorships)
- Thai Beverage Public Company Limited (Chief Financial Officer)

PAST DIRECTORSHIP(S) IN LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS (from 01 Oct 2014 to 30 Sep 2017)
Nil

OTHERS
Nil

MR MICHAEL CHYE HIN FAH, 58

ALTERNATE DIRECTOR TO MR THAPANA SIRIVADHANABHAKDI

Date of first appointment as an alternate director
08 Feb 2017

Date of last re-election as an alternate director
-

Length of service as an alternate director (as at 30 Sep 2017)
07 months

BOARD COMMITTEE(S) SERVED ON
- Board Executive Committee
- Risk Management Committee

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Bachelor of Business Studies with First Class Honours in Accounting and Finance, Massey University, New Zealand
- Master of Business Studies with Distinction in Accounting and Finance, Massey University, New Zealand
- Fellow of the Institute of Singapore Chartered Accountants
- Associate Member of the Institute of Chartered Secretaries & Administrators
- Member of the Singapore Institute of Directors
- Associate Member of Chartered Secretaries Institute of Singapore

PRESENT DIRECTORSHIP(S)
(as at 30 Sep 2017)
Listed companies
- Millennium Minerals Limited
- Sermsuk Public Company Limited
- Vietnam Dairy Products Joint Stock Company

Others
- Alliance Asia Investment Private Limited
- Alliance Strategic Investments Pte Ltd
- Beer Chang International Limited
- BeerCo Limited
- BevCo Limited
- DECCO 235
- Heritas Capital Management Pte Ltd
- IMC Pan Asia Alliance Corporation
- InterBev (Singapore) Limited
- International Beverage Holdings Limited
- International Beverage Holdings (Singapore) Pte Limited
- International Beverage Trading (Hong Kong) Limited
- International Beverage Trading Limited
- Inver House Distillers Ltd Company
- Marketing Magic Pte Ltd
- Myanmar Distillery Company Limited
- Myanmar Supply Chain and Marketing Services Company Limited
- Prudence Holdings Limited
- Super Brands Company Pte Ltd
- Certain subsidiaries of Sermsuk Public Company Limited
- Wellwater Limited
- Wrangyer (2008) Co. Ltd

MAJOR APPOINTMENT(S)
(other than Directorships)
Nil

PAST DIRECTORSHIP(S) IN LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS
(from 01 Oct 2014 to 30 Sep 2017)
Nil

OTHERS
Nil

MR PRAPAKON THONGTHEPPAIROT, 46

ALTERNATE DIRECTOR TO MR SITHICHAI CHAIKRIANGKRAI

Date of first appointment as an alternate director
21 Mar 2013

Date of last re-election as an alternate director
27 Jan 2014

Length of service as an alternate director (as at 30 Sep 2017)
4 years 06 months

BOARD COMMITTEE(S) SERVED ON
- Board Executive Committee
- Risk Management Committee

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Advanced Management Programme, INSEAD, France
- Master of Science in Finance, Georgia State University, USA
- Master of Business Administration, Mercer University, USA
- Bachelor of Business Administration, Assumption University, Thailand
- Listed Company Director Programme, Singapore Institute of Directors, Singapore
- Director Certification Program (DCP) 2017, Thai Institute of Directors (IOD)

PRESENT DIRECTORSHIP(S)
(as at 30 Sep 2017)
Listed companies
Nil

Others
- Beer Chang International Limited
- Chang International Co., Ltd.
- Dhospaak Co., Ltd.
- InterBev Investment Limited
- International Beverage Holdings Limited
- Modern Trade Management Co., Ltd.
- Myanmar Distillery Co., Ltd.
- Myanmar Supply Chain and Marketing Services Co., Ltd.
- P.M.T. Mansion Co., Ltd.
- Thai Beverage Group of Companies
- Thai Drinks Co., Ltd.

MAJOR APPOINTMENT(S)
(other than Directorships)
- Thai Beverage Public Company Limited (Executive Vice-President – Chief Executive Officer, Spirit Product Group)

PAST DIRECTORSHIP(S) IN LISTED COMPANIES HELD OVER THE PRECEDING THREE YEARS
(from 01 Oct 2014 to 30 Sep 2017)
Nil

OTHERS
Held various senior executive positions in the TCC Group, namely Senior Vice-President for Finance in Thai Beverage Public Company Limited, Director in Thai Beverage Marketing Co., Ltd., Senior Executive Vice-President for Land Development and Investment Management in TCC Land Group, Senior Executive Vice-President for Corporate Services in Plantheon Group and TCC Land Group, and Senior Executive Vice-President for Finance in TCC Land Group.

GROUP MANAGEMENT

MR LEE MENG TAT, 54

CHIEF EXECUTIVE OFFICER, NON-ALCOHOLIC BEVERAGES

Date of appointment
01 May 2015

Length of service in the F&N Group (as at 30 Sep 2017)
14 years 10 months

JOB DESCRIPTION
Mr Lee is responsible for overseeing and driving the growth strategies of Group's non-alcoholic beverages business, which has operations and investments in Indonesia, Malaysia, Myanmar, Singapore, Thailand and Vietnam.

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Advanced Management Program, Harvard Business School, USA
- Masters in Business Administration, Imperial College, London, UK
- Bachelor of Engineering (Mechanical), National University of Singapore, Singapore

WORKING EXPERIENCE
- Chief Executive Officer, Wildlife Reserves Singapore Group
- Chief Corporate Development Officer, Food & Beverage Division, Fraser and Neave, Limited
- Chief Executive Officer, China, Heineken-APB (China) Management Services Co., Ltd and Regional Director, China, Asia Pacific Breweries Ltd
- Vice-President & Deputy Head, Education Services and Corporate General Manager (Projects), Times Publishing Ltd
- Vice-President (E-business & Operations), Fannet Online Pte Ltd
- Senior Manager, New Ventures, Fraser and Neave, Limited
- Deputy General Manager, Sembawang Leisure Pte Ltd
- Deputy Director, Regional Tourism, Singapore Tourism Board
- Assistant Head, International Business Development, Singapore Economic Development Board
- Owner, Wokabout Pte Ltd
- Assistant Treasurer, Corporate Banking, DBS Bank Ltd

OTHERS
Nil

MR EDMOND NEO, 52

CHIEF EXECUTIVE OFFICER, BEER

Date of appointment
01 October 2016

Length of service in the F&N Group (as at 30 Sep 2017)
25 years 02 months

JOB DESCRIPTION
Mr Neo is responsible for overseeing and driving the Group's beer business.

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Bachelor of Accountancy, National University of Singapore, Singapore

WORKING EXPERIENCE
- Managing Director, Chang International Co., Ltd
- General Manager, Regional Brand Development, F&N Interflavine Pte Ltd
- Director, Group Commerce, Asia Pacific Breweries Ltd
- Chief Executive Officer, Asia Pacific Breweries (Lanka) Ltd
- Commercial Manager, Cambodia Brewery Limited
- Assistant General Manager, Group Commerce, Asia Pacific Breweries Ltd
- Regional Marketing Manager, Philips Electronics Singapore
- Senior Marketing Manager, Asia Pacific Breweries Ltd
- Senior Brand Manager, DB Breweries Limited
- Senior Brand Manager, Asia Pacific Breweries Singapore
- Corporate Banking Officer, Overseas Union Bank
- Auditor, Price Waterhouse

OTHERS
Nil

MR BENNETT NEO, 48

CHIEF EXECUTIVE OFFICER, FOOD

Date of appointment
01 October 2016

Length of service in the F&N Group (as at 30 Sep 2017)
9 years 10 months

JOB DESCRIPTION
Mr Neo is responsible for overseeing and driving the growth strategies of the Group's food business.

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Bachelor of Engineering (Mechanical) (Hons), Nanyang Technological University, Singapore

WORKING EXPERIENCE
- Chief Executive Officer, YCH Group
- Chief Executive Officer - Marine, EMAS Offshore Services Pte Ltd
- Regional Director, Asia Pacific Breweries Ltd
- General Manager, Asia Pacific Breweries (S) Pte Ltd
- Managing Director, Tiger Beer UK Ltd
- Country Manager/General Manager, ExxonMobil Unique (Vietnam) Co Ltd

- Logistics Manager, ExxonMobil Asia Pacific Pte Ltd
- Global Marketing Advisor, Passenger Vehicle Lubricants, ExxonMobil Asia Pacific Pte Ltd
- Business Analyst, Exxon Company International
- Lubricants Manager - South China, Guangzhou Esso Petroleum Services Company

OTHERS
- Strategic Advisor, Go-Ahead Loyang Pte Ltd
- Chairman, Board of Trustees, Migrant Workers' Assistance Fund
- Co-Chairman, Migrant Workers' Forum
- Board and Exco Member, National Kidney Foundation
- Chairman, Donor Relations Committee, National Kidney Foundation
- Chairman, Board of Trustees, Domestic of Welfare Fund

MR SIEW PENG YIM, 49

CHIEF EXECUTIVE OFFICER, TIMES PUBLISHING GROUP

Date of appointment
01 October 2014

Length of service in the F&N Group (as at 30 Sep 2017)
5 years 05 months

JOB DESCRIPTION
Mr Siew is responsible for overseeing and driving the growth strategies of the Group's publishing and printing businesses.

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Bachelor of Accountancy, National University of Singapore, Singapore
- Chartered Accountant of Singapore, Institute of Singapore Chartered Accountants, Singapore

WORKING EXPERIENCE
- Chief Financial Officer and Chief Operating Officer, Times Publishing Limited
- Chief Financial Officer, Times Publishing Limited
- Chief Financial Officer, Chief Operating Officer and Executive Director, HTL International Holdings Ltd
- Chief Financial Officer, HTL International Holdings Ltd
- Group Financial Controller, HTL International Holdings Ltd

OTHERS
Nil

MR HUI CHOON KIT, 53

CHIEF FINANCIAL OFFICER[1]

Date of appointment
01 Oct 2012

Length of service in the F&N Group (as at 30 Sep 2017)
17 years 08 months

JOB DESCRIPTION
Mr Hui is responsible for the Group Finance, Treasury, Taxation, Investor Relations and Corporate Communications, Risk Management and Sustainability functions. Effective 01 Oct 2017, Mr Hui also oversees the Corporate Secretariat, Group Legal and Management Services functions.

ACADEMIC & PROFESSIONAL QUALIFICATION(S)
- Master of Business Administration, Nanyang Technological University, Singapore
- Bachelor of Business, Curtin University of Technology, Australia
- Chartered Accountant of Singapore, Institute of Singapore Chartered Accountants, Singapore

WORKING EXPERIENCE
- Group Financial Controller, Fraser and Neave, Limited ("FNL")
- Deputy Group Financial Controller/ General Manager, Corporate Communications, FNL
- General Manager, Treasury and Budget, FNL
- General Manager, Corporate Communications & Special Projects/ Budget Manager, Chairman's Office, FNL
- Deputy General Manager, Corporate Planning & Business Development/ Budget Manager, Chairman's Office, FNL
- Assistant General Manager, Corporate Planning & Business Development, FNL
- Senior Manager, New Ventures, FNL
- Manager, Corporate Finance, Schroder International Merchant Bankers Limited
- Assistant Vice President, Investment Banking, Keppel Bank of Singapore Limited
- Executive Consultant, Ernst & Young Consultants Pte Ltd

OTHERS
- Member, Finance Committee, National Kidney Foundation

Note:
1 Mr Hui Choon Kit was appointed as Company Secretary on 1 Oct 2017. Mr Hui is also the Chief Financial Officer of the Company. Mr Anthony Cheong Fook Seng retired as Company Secretary on 30 Sep 2017.

CORPORATE STRUCTURE

FRASER AND NEAVE, LIMITED

Listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST")
Stock Code: F99
Number of Ordinary Shares Outstanding: 1,446,946,628 Shares
(Excluding 131,126 Treasury Shares)

FOOD & BEVERAGE

Fraser & Neave Holdings Bhd

- 22 Subsidiary companies
- 1 Associated company
  Listed company
  Cocoaland Holdings Berhad
- 1 Joint venture company

Other Listed & Unlisted Companies

- 17 Subsidiary companies
  Asia Dairies (S) Pte Ltd
  F&NBev Manufacturing Pte. Ltd.
  F&N Dairy Investments Pte Ltd
  F&N Foods Pte Ltd
  F&N Interflavine Pte. Ltd.
  F&N Myanmar Services Limited
  F&N Services (F&B) Sdn Bhd
  F&N United Limited
  F&N Vietnam Limited Liability Company
  Magnolia – PDL Dairies (1993) Sdn. Bhd.
  PT. F&N Indonesia
  Tiger Tavern Sdn. Bhd.
  Warburg Engineering Pte. Ltd.
  Warburg Vending Pte Ltd
  Warburg Vending Services Pte. Ltd.
  F&N Creameries Group
    - 4 Subsidiary companies
  Yoke Food Industries Group
    - 2 Subsidiary companies
- 1 Associated company
  Listed company
  Vietnam Dairy Products Joint Stock Company

PUBLISHING & PRINTING

Times Publishing Group

- 33 Subsidiary companies
- 1 Joint operation
- 2 Associated companies

OTHERS

Other Unlisted Companies

- 6 Subsidiary companies
  F&N Investments Pte Ltd
  F&N Myanmar Investments Pte. Ltd.
  F&N Treasury Pte. Ltd.
  Fraser & Neave (Singapore) Pte. Limited
  Fraser & Neave Investments (Hong Kong) Limited
  InterF&B Pte. Ltd.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Charoen Sirivadhanabhakdi
(Chairman)

Khunying Wanna Sirivadhanabhakdi
(Vice-Chairman)

Tengku Syed Badarudin Jamalullail
(Lead Independent Director)

Mr Timothy Chia Chee Ming

Mr Koh Poh Tiong

Mrs Siripen Sitasuwan

Mr Chotiphat Bijananda

Mr Thapana Sirivadhanabhakdi

Mr Sithichai Chaikriangkrai

Mr Michael Chye Hin Fah
(Alternate Director to Mr Thapana Sirivadhanabhakdi)

Mr Prapakon Thongtheppairot
(Alternate Director to Mr Sithichai Chaikriangkrai)

BOARD EXECUTIVE COMMITTEE

Mr Koh Poh Tiong
(Chairman)

Mr Thapana Sirivadhanabhakdi
(Vice-Chairman)

Mr Sithichai Chaikriangkrai

Mr Michael Chye Hin Fah

Mr Prapakon Thongtheppairot

RISK MANAGEMENT COMMITTEE

Mr Koh Poh Tiong
(Chairman)

Mr Thapana Sirivadhanabhakdi

Mr Sithichai Chaikriangkrai

Mr Michael Chye Hin Fah

Mr Prapakon Thongtheppairot

AUDIT COMMITTEE

Mrs Siripen Sitasuwan
(Chairman)

Mr Timothy Chia Chee Ming

Mr Sithichai Chaikriangkrai

NOMINATING COMMITTEE

Tengku Syed Badarudin Jamalullail
(Chairman)

Mrs Siripen Sitasuwan

Mr Thapana Sirivadhanabhakdi

REMUNERATION COMMITTEE

Mr Timothy Chia Chee Ming
(Chairman)

Mrs Siripen Sitasuwan

Mr Thapana Sirivadhanabhakdi

GROUP MANAGEMENT

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

Mr Edmond Neo
Chief Executive Officer, Beer

Mr Bennett Neo
Chief Executive Officer, Food

Mr Siew Peng Yim
Chief Executive Officer, Times Publishing Group

Mr Hui Choon Kit
Chief Financial Officer and Company Secretary

Mr Anthony Cheong Fook Seng
Company Secretary
(until 30 September 2017)

REGISTERED OFFICE

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

SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITOR

KPMG LLP
Partner-in-charge: Mr Quek Shu Ping
(with effect from financial year 2016)

PRINCIPAL BANKERS

Crédit Agricole Corporate and Investment Bank

DBS Bank Ltd

Oversea-Chinese Banking Corporation Limited

Standard Chartered Bank

Sumitomo Mitsui Banking Corporation

BEVERAGES


More Fun With . . .
F&N
NEW
F&N
COOL
ICE CREAM
SODA


F&N
Fruit Tree
fresh
Wonders
ZESTY
LIME
WITH ORGANIC CHIA SEEDS
NO SUGAR ADDED
MADE FROM 100% JUICE


KUALA LUMPUR 2017
100
PLUS
ORIGINAL
MINUMAN ISOTONIK
F&N


F&N
NutriSoy
Fresh Soya Milk
High Calcium
Naturally Cholesterol Free
LOW GI


F&N
SEASONS
reduced sugar
Ice Lemon Tea
柠檬茶


F&N
ICE MOUNTAIN
SPARKLING WATER
infused with crisp
LEMON
flavour
NO SUGAR


Magnolia
Fresh
Milk
Pasteurised
F&N
Magnolia


OISHI
100%
ORGANIC TEA


Nutri Well
Barley
Fruit Tree
fresh
NO SUGAR ADDED
Magnolia
Low Fat
Hi Cal
Milk
OISHI
GREEN TEA
Original
Chang
SEASONS
ICE MOUNTAIN
SPARKLING WATER
F&N
TEAPOT
Gold
King's
THE ORIGINAL POTONG
POTONG
Magnolia
Yoghurt Smoothie
Yuzu
SAVOUR JAPAN'S REFINED TEA
Kabusecha
Brewed from top 3 leaves
No Preservatives
No Artificial Colours
Mellow flavour and pleasant aroma
Teh Tarik
Enjoy NutriSoy
with Less Sugar and Low GI.
Nutri Soy
Omega
100PLUS
Now in

"The leadership positions we have achieved today set us on a firm foundation to seize the significant future growth potential of our F&B business in the region."

MR LEE MENG TAT
Chief Executive Officer,
Non-Alcoholic Beverages

CEO BUSINESS REVIEW

BEVERAGES

-4%

REVENUE ($)
1,605m
FOR FY2017
$1,671m IN FY2016

+7%

PROFIT BEFORE INTEREST & TAXATION ($)
204m
FOR FY2017
$190m IN FY2016

BEVERAGES OVERVIEW

FY2017 was a challenging year for our core beverages and dairies businesses. Rising raw material costs, currency fluctuations and declining consumer confidence had an adverse impact on this year's volume, revenue, and profitability in our markets, especially Malaysia where aggressive price cutting by competitors and rising input costs have hurt Food & Beverage ("**F&B**") volumes and profits. This year, F&B revenue was $1,605m, down from $1,671m in FY2016. However, buoyed by higher dividend income (owing to the Group's higher interest in Vietnam Dairy Products Joint Stock Company ("**Vinamilk**")) and higher Dairies earnings following the maiden recognition of profit from our associated company, Vinamilk, F&B's profit before interest and taxation ("**PBIT**") rose 7%, to $204m from $190m over the past year.

Notwithstanding the challenging business environment, we remain led by our Vision 2020 to become a F&B leader in the ASEAN region, and continued to implement our growth strategy: delivering a balanced and differentiated portfolio, innovating and driving commercial excellence with an inspired team. Our discipline, focus on sound execution and continuous improvements, as well as the dedication of our employees are the foundation of our Group, and have enabled us to defend our strong market positions in our core markets. This year, we maintained our market leadership in isotonic, tea, canned milk and liquid milk categories in Malaysia, Singapore and Thailand.

We continued to invest in our core markets of Singapore, Malaysia and Thailand by stepping up investments in our power brands, capabilities and infrastructure to entrench our leadership positions. We continued to expand regionally – widening and deepening our footprint in Indonesia, Myanmar, Vietnam and Thailand (soft drinks); we focused on initiatives to make our business leaner and more efficient; we invested resources in research and development as well as augmented our management bench for long-term sustainable growth. These strategies have served the Group well and will empower us to stay the course.

FY2017 FINANCIAL PERFORMANCE

Despite higher sales from Dairies Thailand, New Markets (Indonesia, Myanmar, Thailand and Vietnam) and newly-acquired businesses, F&B FY2017 revenue fell 4% to $1,605m. The fall in revenue was due mainly to weaker sales from our Malaysia soft drink and dairy businesses, where subdued consumer sentiment adversely impacted consumer spending. Despite the fall in our revenue, F&B FY2017 PBIT improved 7%, to $204m. The robust earnings growth was a result of strong Dairies performance, which included maiden contribution from Vinamilk. Effective 16 April 2017, the Group accounted for its share of Vinamilk's profit under the equity accounting method, on account of the Group's 18.74% shareholding in Vinamilk and its appointment of a second representative to the board of Vinamilk.

The five-and-a-half months of profit and higher dividend income from Vinamilk, as well as strong Dairies Thailand performance spurred an 24% increase in Dairies FY2017 PBIT. This was despite weaker Dairies Malaysia performance, and a loss in our Beverages division. In particular, Beverages Malaysia had a difficult year with beverage volumes negatively impacted by the overall decline in the category triggered by the weak economy and subdued consumer sentiment. This eventually led to intense price competition in the soft drink market. Taken together with higher input costs and continued brand investment in New Markets, Beverages recorded a loss of $4m in FY2017.

While sales performances of our segments have been mixed, we are happy to report that our core brands - *100PLUS*, *F&N SEASONS*, *OISHI* and *F&N MAGNOLIA* – continued to command market leading positions in our core markets. The leadership positions we have achieved today set us on a firm foundation to seize the significant future growth potential of our F&B business in the region.

CORPORATE DEVELOPMENT

Last year, we focused on continuous improvement and equipping the F&B business for the sustainability of F&N. We streamlined the businesses in Malaysia to deliver a leaner, more efficient and effective structure to drive speed and agility. We continued in FY2017 to simplify our organisation structure and our business processes to improve productivity.

CEO BUSINESS REVIEW - BEVERAGES

Growth opportunities in F&N also came through acquisitions. In December 2016, the Group completed its acquisition of additional shares in Vinamilk through a competitive bid process. These shares represented an approximately 5.4% interests in Vinamilk. Thereafter, through further purchases from the market, the Group continued to increase its stake. As at 30 September 2017, the Group's shareholding in Vinamilk had risen to 18.74%. By virtue of the Group's current shareholding in Vinamilk and the appointment of a second representative to its board, the Group has been deemed, in accordance with the Singapore Financial Reporting Standards, to have significant influence over Vinamilk. Consequently, the Group started to equity account its share of Vinamilk's profit, from 16 April 2017. The five-and-a-half months of profits from Vinamilk amounted to $51m in this financial year.

On 1 December 2016, the Group exercised a call option to acquire the remaining 30% stake in Yoke Food Industries Sdn Bhd ("**YFI**") for $7.5m (RM23.4m). Together with the 70% stake acquired in April 2014, this acquisition effectively increased the Group's shareholding interests in YFI to 100%. A wholly-owned subsidiary, YFI carries on the business of manufacturing, marketing, distributing and exporting of canned beverages, primarily in Indochina, Indonesia, Malaysia and Singapore. This acquisition complements the Group's existing F&B business by offering increased opportunity for the distribution and marketing of its brands in Southeast Asia, especially Indonesia. Through our investment in YFI, we have successfully re-introduced *100PLUS* and *F&N* range of sparkling drinks to Indonesian consumers.

In Malaysia, *100PLUS* reached a new milestone in July 2017 when it sealed a partnership with McDonald's Malaysia to serve *100PLUS* in all 261

McDonald's outlets in Malaysia. Through this partnership, F&N can now offer a healthier beverage option to over 160m Malaysian customers who patronise McDonald's annually. *100PLUS* was chosen by McDonald's Malaysia after much vigorous research and validation, which showed that *100PLUS* is the preferred choice among Malaysians.

INNOVATION

The Group remains steadfast in our drive to keep our products relevant to consumers, be it a new product, improvement of an existing product or new packaging.

- **A slew of new products**
  First on the list was the launch of a non-carbonated version of *100PLUS* – *100PLUS ACTIVE*. *100PLUS ACTIVE* builds on *100PLUS's* sports heritage and functional credentials to target sporty, fitness-seeking consumers looking for a no-fizz thirst-quencher that can rehydrate, replenish and re-energise them during and after their fitness regimen. *100PLUS ACTIVE* was launched in Malaysia, Myanmar and Singapore to great response.

  In addition to *100PLUS ACTIVE*, F&N also responded to consumers' needs by extending its healthier beverage options through the introduction of a new premium range of *F&N FRUIT TREE* Fresh — *F&N FRUIT TREE* Fresh Wonders Luscious Berries and *F&N FRUIT TREE* Fresh Wonders Zesty Lime, with organic chia seeds, in Singapore. In Thailand, we extended the offering of the much-loved *BEAR BRAND* Gold low-fat sterilised milk with *BEAR BRAND* Gold Goji Berry. This move into product extensions broadened our *F&N FRUIT TREE* Fresh and *BEAR BRAND* appeal into wider drinking occasions and attracted new health-conscious consumers.

This year, the Group also stepped up our initiatives to cut sugar content in our products, rolling out a range of reduced or zero sugar content beverages from our power brands. *OISHI*, the leading ready-to-drink green tea brand in Thailand and Malaysia presented its next chapter of growth by extending its green tea offerings with *OISHI* Kabusecha in Singapore. A premium brew, *OISHI* Kabusecha Green Tea is available in no sugar and low sugar options. *F&N ICE MOUNTAIN*, the leading water brand in Singapore, also recently added a Classic variant to its sparkling water range; and *F&N SEASONS* Ice Lemon Tea, the No.1 black tea in Singapore and Malaysia now comes in reduced sugar option.

F&N was also the first to introduce a pasteurised soya milk range to the dairy industry in Malaysia. *F&N NUTRISOY* extended its No.1 soya milk position with the introduction of two delicious variants of *F&N NUTRISOY* Fresh - *F&N NUTRISOY* Fresh Soya Milk and *F&N NUTRISOY* Fresh Soya Milk Lite.

- **Getting consumers excited with Packaging**
  Packaging updates capture consumers' attention and give the Group an opportunity to drive awareness of our brands and sales.

  To generate excitement, *100PLUS* rolled out several limited-edition packs throughout FY2017. It started with the gold cans packaging for Chinese New Year Celebration in January 2017, followed by a range of SEA Games-themed limited-edition *100PLUS* packaging, all bearing the official mascot of the Games in August. After the Games, *100PLUS* also rolled out a new gold cans packaging to celebrate Malaysia's success at the Games.

  F&N SEASONS debuted its very own sleek, new look this year, following the successful introduction of sleek cans for *100PLUS* and *F&N* Sparkling Drinks in 2016. Lightweight and handy, *F&N SEASONS* new sleek cans are easy to grab on-the-go.

EMERGING STRONGER: OUR TRANSFORMATION JOURNEY CONTINUES

Our performance in FY2017 and in the year ahead takes place in an uncertain and volatile world. In our two largest markets - Malaysia and Thailand - while their economic indicators look positive, overall market conditions are expected to remain challenging and consumer sentiments across the region will remain weak. Looking forward, we will continue to focus on managing and controlling 'what is in our hands'. This means a singular focus on executing our business strategies well - building our brands, and bringing healthy, innovative products to our loyal consumers in the marketplace. It also means leveraging our longstanding presence and strong network in the region to expand our F&B business, improving margins and operational efficiency, as well as solidifying our collaboration with our strategic partner, Thai Beverage Group, to accelerate the execution of our growth strategy. Together with my loyal and dedicated team, I look forward to transforming F&N into a leading F&B company in ASEAN, in line with our aspirations in Vision 2020.

BEVERAGES

CORE MARKET
Malaysia

BEVERAGES MALAYSIA: RESULTS

Beverages Malaysia FY2017 revenue was adversely impacted by intensifying competition, cautious consumer spending and a weaker Ringgit. Consequently, FY2017 revenue fell 19% (-15% in constant currency). Lower revenue, higher sugar cost, a one-off consultancy expense in relation to a restructuring exercise and higher tactical price discounts resulted in a 75% fall in its FY2017 PBIT (-74% in constant currency).

This year, Beverages Malaysia continued to formulate and implement marketing and branding initiatives to ensure that *100PLUS*, *F&N* Sparkling Drinks, *OISHI, F&N SEASONS* and *F&N NUTRISOY* maintain leading positions in their respective categories. Focusing on promoting active and healthy living, *100PLUS* reinforced the importance of hydration while leading active lifestyles by launching limited-edition packaging and extending its offerings to include a non-carbonated version, *100PLUS ACTIVE*, in conjunction with the 29th Southeast Asian ("**SEA**") Games in Kuala Lumpur, Malaysia, as well as in other regional and international sports events.

To support the Group's expansion strategy, this year, the Group invested $60m (RM200m) in a water processing line, a combi blow-mould-and-filling machine for its soft drink plant in Malaysia, and filling lines for its dairy plants in Thailand. This is in addition to the $100m (RM300m) investment committed last year for an aseptic cold-filling PET bottle line and an integrated warehouse in Shah Alam, and a new ultra-high temperature ("**UHT**") line in Kuching. In March 2017, Beverages Malaysia commenced production of the new UHT line in Kuching. This investment, made in anticipation of increased regional demand, is expected to enhance productivity and increase production capacity by about 3.4m cases a year, as well as improve its environmental footprint. The aseptic cold-filling line, the first for the Group, is expected to be installed and commissioned by 1Q2018. Aimed at optimising its manufacturing and distribution facilities to meet the growing demand for its healthier range of beverages, these investments by Beverages Malaysia are aligned with the Group's Vision 2020 of strengthening F&N's positions in its core markets and supporting its regional expansion efforts.

Beverages Malaysia remains focused on driving its "go to market" strategy across a wide platform. In the new year, it will continue to develop and improve its capability and competency to manage multiple channels as well as the increasingly diverse routes-to-market required to be successful in reaching its consumers with the right product at the right occasion. Beverages Malaysia will continue to invest in technology, assets and people to compete effectively on as broad a front as possible. It believes that, above all, in-market execution is vitally important in ensuring F&N Group achieves its vision of becoming a leading F&B player in ASEAN.

ISOTONIC: *100PLUS*

F&N's flagship brand and Malaysia's No.1 isotonic drink, *100PLUS*, cemented its position as the enabler of active lifestyles through its support of a series of sports sponsorships including national athletes, major sports events and several national sports bodies. This year, the development of *100PLUS* was supported by the huge level of awareness driven by its sponsorship of the 29th SEA Games held in Kuala Lumpur, where *100PLUS* was the Games' official isotonic beverage. Leveraging the Games' popularity, *100PLUS* rolled out a series of multi-sensory campaigns to engage athletes, participants and fans from around the

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CORE MARKET • Malaysia

SEA region. It rolled out limited-edition ranges of *100PLUS* SEA Games KL2017 packaging in Singapore and Malaysia. Also, it launched *100PLUS ACTIVE*, a non-carbonated version of *100PLUS* in Singapore, Malaysia and Myanmar, supported by a series of marketing activities surrounding the Games to reach and engage consumers.

To build awareness and drive product trial, *100PLUS ACTIVE* rolled out the NO FIZZ, *100PLUS ACTIVE* campaign during major brand-sponsored sporting events. At the SEA Games, *100PLUS ACTIVE* provided hydration to more than 500,000 athletes, officials, volunteers and sports enthusiasts throughout the duration of the event. The successful launch of *100PLUS ACTIVE* has enabled us to gain market share in the isotonic category.

Following its support of the national badminton team in 2016, *100PLUS* extended its support of the sport by partnering the Badminton Association of Malaysia to set up the *100PLUS ACTIVE* ALL MALAYSIA Badminton Team Championship. Aimed at providing an avenue for badminton enthusiasts to gather, share knowledge and skills, the organisation kicked off the year with the *100PLUS ACTIVE* ALL MALAYSIA Badminton Team Championship competition. Through this 6-week Competition, *100PLUS* successfully raised the profile and visibility of its brand.

In addition to badminton, *100PLUS* continued to reach out and engage the masses by supporting sports organisations and sporting events, including IRONMAN LANGKAWI 2016, PUTRAJAYA NIGHT MARATHON, KL CAR FREE MORNING, and THE EDGE KUALA LUMPUR RAT RACE 2017. The sponsorship of sporting events provided an opportunity for *100PLUS* to strengthen its fans' connection with the brand.

TEA: *F&N SEASONS* AND *OISHI*

F&N continued to command Malaysia's ready-to-drink ("**RTD**") tea segment with *F&N SEASONS* and *OISHI* leading the black tea and green tea segments, respectively.

Malaysia's No. 1 brand of ice lemon tea, *F&N SEASONS*, continued to convey the importance of taking a break and remaining optimistic. Focusing its consumer engagement initiatives on digital platforms and sampling activities this year with campaigns like BILA SUAMI MASUK DAPUR and *F&N SEASONS* BERAYA BERSAMA FATTAH AMIN, *F&N SEASONS* extended its reach to more consumers both on-ground and on its social media pages.

READY-TO-DRINK TEA

Likewise, Malaysia's No. 1 brand of RTD green tea, *OISHI*, continued to focus its brand communications on the authenticity and quality of its 100% organic Japanese green tea leaves in its campaign. Available in Original, Genmai, Honey Lemon and Lychee green tea flavours, as well as black tea lemon flavour, *OISHI* ran a series of campaigns including the SO *OISHI* SO DELICIOUS thematic campaign. This month-long integrated campaign consisted of above- and below-the-line marketing activities to strengthen *OISHI's* Japanese image. This year, *OISHI* also collaborated with ANIMAX Asia TV for A BRUSH WITH CREATIVITY campaign where consumers were given a once in a lifetime chance to bring their story to life on ANIMAX Asia TV and to win exclusive Japan Anime Tour.

In addition to marketing campaigns, *OISHI* rejuvenated its brand by updating its can packaging to a more contemporary look. Besides updating its can packaging, *OISHI* Green Tea Lychee, riding on the successes of its launch in FY2016, introduced a new take-home 1.5L pack for the whole family to enjoy.

SOYA: *F&N NUTRISOY*

Beverages Malaysia continued to position Malaysia's No.1 soya brand, *F&N NUTRISOY* range of soya milk, as a tasty and nutritious beverage alternative.

This year, riding on its successes, *F&N NUTRISOY* introduced its pasteurised soya milk range - *F&N NUTRISOY* Fresh - in Malaysia, the first in the country. Catering to consumers looking for the ultimate freshness and high-quality hygiene assurance, *F&N NUTRISOY* Fresh is made from fully-imported non-GMO Canadian soybeans. This protein-rich beverage is available in Malaysia in two delicious variants, *F&N NUTRISOY* Fresh Soya Milk and *F&N NUTRISOY* Fresh Soya Milk Lite. The launch was supported by a 360-marketing campaign which included new television commercials, in-store point-of-sales materials, print and on-line ads and in-store samplings.

To emphasise the health benefits and importance of soya protein, *F&N NUTRISOY* partnered with dietitians and food scientists to create a SOY CHATS segment on popular local television talk shows to educate consumers and to generate awareness.

BEVERAGES

CORE MARKET
Singapore

BEVERAGES SINGAPORE: RESULTS

Beverages Singapore (comprises Soft Drinks, Beer and Export) saw revenue growth of 6% in FY2017, driven by higher *CHANG* beer volumes and full-year contribution from the vending machine business, Warburg, which was acquired in July 2016. The stronger sales was achieved despite weaker performance from domestic soft drinks volumes and lower exports. In addition to higher tactical discounts offered and higher input costs, PBIT of Beverages Singapore fell 75%.

Despite challenging market conditions, this year, *100PLUS*, *F&N*, *F&N NUTRISOY* and *F&N ICE MOUNTAIN* maintained their leading market positions in Singapore, with market share gains in the isotonic, flavoured carbonated soft drink, soya and water categories, respectively.

In addition to its focus on building customer-preferred brands and healthier products, Beverages Singapore also continued to innovate, expand and deepen its route-to-market, and ensure efficiency in the marketplace. It launched new healthier products including *F&N ICE MOUNTAIN* Classic Sparkling Water and a reduced sugar *F&N SEASONS* Ice Lemon Tea, both endorsed as 'Healthier Choice' by Singapore's Health Promotion Board.

F&N's path to proactively reduce the sugar level in its products across its portfolio began in 2007, when it launched its PURE ENJOYMENT. PURE GOODNESS. campaign. The campaign was conceived to encapsulate F&N's move toward products that emphasise healthy enjoyment, without compromise on taste. Since 2007, F&N's concerted effort to sugar reduction has contributed significantly to a steady decline of its sugar content over the last decade – 29% reduction over 12 years. Today, its entire portfolio of beverages - packet, canned or bottled sugared drinks - contains no more than 12% sugar, as mandated by Singapore Health Promotion Board ("**HPB**"). From bottled water and tea, to soya and Asian drinks, these products are also made available in healthier options, which include sugar-free, reduced sugar, no sugar added, low-fat variants, all carrying the Healthier Choice Symbol by HPB. F&N's drive toward introducing healthier, great-tasting products has been met with very positive consumer response.

F&N PORTFOLIO OF SUGAR SWEETENED BEVERAGES CONTAINS NO MORE THAN 12% OF SUGAR!

ISOTONIC: *100PLUS*

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

In conjunction with the 29th SEA Games held in Malaysia, *100PLUS* released a series of limited-edition 2017 SEA Games themed cans. The new release was in recognition of Team Singapore's commitment and dedication in training for the Games. The themed cans featured Rimau, the Games' official mascot, engaging in sports such as swimming and running to rally Singaporeans to support Team Singapore athletes. As an avid supporter of the Singapore National Olympic Council, *100PLUS* provided hydration to Team Singapore athletes while they trained in the three months leading up to the Games.

In addition to supporting the biggest sporting event in the region, *100PLUS* deepened its partnership with HPB by supporting the NATIONAL STEPS CHALLENGE and the EAT, DRINK, SHOP HEALTHY campaign, which aimed to encourage Singaporeans to get physically active, live and eat healthily.

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In July 2017, *100PLUS* launched the *100PLUS ACTIVE* in Singapore. The launch was supported by a full 360-degree marketing support – above- and below-the-line support, fronted by the new *100PLUS* brand ambassador, Mok Ying Ren, a double SEA Games gold medallist. As part of the launch campaign, *100PLUS ACTIVE* rolled out the GET ACTIVE! SINGAPORE campaign. Held in conjunction with Singapore National Day celebrations, this government-led movement kick-started a slew of activities and competitions around Singapore, all with the aim of getting citizens active.

As a fervent advocate of active lifestyles for both national athletes and individuals, *100PLUS* continued its support for several major sporting events including the OCBC CYCLE, STANDARD CHARTERED MARATHON SINGAPORE, SGX BULL CHARGE, THE COLOR RUN, THE NEW PAPER BIG WALK, THE STRAITS TIMES RUN, SUNDOWN MARATHON, HSBC RUGBY SEVENS, SMBC SINGAPORE OPEN and the WTA FINALS SINGAPORE.

In August, *100PLUS* extended its support to the development of sports in Singapore by becoming a member of the spexBusiness network, a scheme set up by the Singapore Sports Institute to help Team Singapore athletes cope effectively with their dual demands of sports and career and provide them with opportunities that will prepare them to transit into post-sports careers. *100PLUS* is committed to support the hydration and post-recovery needs of Singaporean athletes during their training and competition periods with its wide portfolio of nutritious and healthy products.

SOYA: *F&N NUTRISOY*

F&N NUTRISOY, Singapore's No.1 fresh soya milk brand, continued to raise awareness of its low-glycemic-index attribute and educate consumers on the importance of protein for the body's daily functions through a series of marketing initiatives, which included above-the-line investments and partnership with a celebrity chef to demonstrate recipes using *F&N NUTRISOY* to drive in-home consumption.

F&N NUTRISOY continued its long-standing support of the Singapore Heart Foundation, participating in WORLD HEART DAY 2017 and the NATIONAL HEART WEEK to educate the public on heart health and making the right choices to reduce the risk of cardiovascular disease.

WATER: *F&N ICE MOUNTAIN*

F&N ICE MOUNTAIN is the leading drinking water brand in Singapore. Following its successful launch of its sparkling range in 2016, *F&N ICE MOUNTAIN* Sparkling Water extended its offerings by launching the Classic variant to add to its existing variants of lemon and grapefruit flavours. These variants offer consumers a carbonated water that is both affordable and healthy.

TEA: *F&N SEASONS* AND *OISHI*

F&N SEASONS maintained its No. 2 position in the RTD black tea segment.

This year, *F&N SEASONS* embarked on a new brand positioning of EVERY SEASONS IS BETTER WITH FRIENDS campaign to recapture the hearts of consumers.

As part of the Group's continuing effort to promote healthy living, *F&N SEASONS* introduced a reduced sugar variant of its popular *F&N SEASONS* Ice Lemon Tea in Singapore. Known for their high levels of antioxidants, *F&N SEASONS* Ice Lemon Tea Reduced Sugar contains 36% less sugar than its original version. With no added artificial sweetener, consumers can now enjoy the same great taste, without worrying about the extra calories!

FY2017 saw the launch of a premium option of *OISHI* – the *OISHI* Kabusecha Green Tea in no sugar and low sugar, to cater to increasing consumer demand for healthier beverage options and authentic green tea.

BEER: *CHANG*

CHANG beer continued to pick up market share in FY2017. The strong performance of *CHANG* beer was attributed to successful execution of trade promotions and on-ground activations. Consumer promotions, eye-catching in-store displays and outdoor sampling opportunities at large-scale events encouraged consumer trials and improved brand visibility. *CHANG* beer's consumer engagement programmes that focused on football, music, Thai culinary experiences and urban lifestyle also extended its reach to a wider audience, effectively boosting brand awareness and consumption.

CHANG beer kept up its brand building pace internationally, with exciting activities based on the experiential marketing initiatives. This year, it organised transnational activities, with core objectives to engage with consumers in key global cities and broaden *CHANG* beer's following in these markets. Building on last year's success, *CHANG* SENSORY TRAILS was back for a second year running. A global campaign – across London, San Francisco and Singapore – the *CHANG* SENSORY TRAILS sought to deliver 'the unexpected' by building a rich, multi-sensorial experience centered around Thai gastronomy, art and music.

Also notable event was the first by-invite only *CHANG* URBAN PULSE campaign in Singapore and Vietnam. Targeting the millennial generation, this sophisticated urban lifestyle platform brought together performances from four urban arts genre – break-dancing, beat-boxing, freestyle rapping and Muay Thai – pulling in an exclusive trendsetting crowd for a night of thrill and excitement.

Both of these successful campaigns helped boost *CHANG* beer sales, distribution and brand awareness significantly.

DAIRIES

CORE MARKET
Malaysia

DAIRIES MALAYSIA: RESULTS

This year, Malaysia F&B sector remained challenged by intense competition amid poor consumer sentiment. Accordingly, domestic dairy volume recorded marginal decline, cushioned by the double-digit volume growth in its Export business. Coupled with the weaker Malaysia Ringgit against Singapore Dollar, Dairies Malaysia FY2017 revenue fell 7%, to $301m. In constant currency, revenue would have fallen 3%. Higher raw material costs, lower revenue and unfavourable currency movements more than offset the benefits of increased price mix and cost savings initiatives. Dairies Malaysia PBIT fell 6% against the previous year, to $45m. In constant currency, its profit would have fallen 2%.

Despite the fall in sales, Dairies Malaysia maintained its No.1 canned milk position with *F&N*, *TEAPOT* and *CARNATION* brands. Its liquid milk brands, *F&N MAGNOLIA* and *FARMHOUSE*, recorded volume growth in FY2017.

CANNED MILK: GETTING CREATIVE WITH SWEETENED CONDENSED AND EVAPORATED MILK

F&N

F&N canned milk reinforced its No.1 Sweetened Condensed and Evaporated Milk position by focusing its marketing campaigns on the application of canned milk in food and beverage consumption. An extension of the successful AROMA KASIH SAYANG campaign launched in FY2016, the JOM MASAK BERSAMA FIZO OMAR was rolled out featuring one of Malaysia's top celebrities. In support of JOM MASAK BERSAMA FIZO OMAR campaign, *F&N* Sweetened Condensed and Evaporated Milk also rolled out another three-month long marketing campaign to drive awareness and acceptance.

F&N continued its heritage in helping Malaysians enjoy treasured taste moments by introducing the "Gold Standard" and Teh Tarik Master, "Hang Tarik". At the HANG TARIK F&N campaign, *F&N* brought experiential events to fans by sharing the best recipe of a perfect F&N Raya Gold Standard Teh Tarik Ori using the popular *F&N* Sweetened Condensed Milk and *F&N* Evaporated Milk.

TEAPOT

TEAPOT rolled out a series of new products this year. First in the pipeline was the launch of *TEAPOT* Evaporated Filled Milk, an extension of the evaporated filled milk with a unique slightly salty profile. In October, *TEAPOT* Gold Sweetened Creamer, fortified with additional functional benefits (vitamins A, B1, D3) was also launched. To further widen penetration of the out-of-home segment, this September, *TEAPOT* also introduced the *TEAPOT* Kopi and Teh Tarik in 500g.

LIQUID MILK: NEW GROWTH PILLAR

F&N MAGNOLIA

F&N MAGNOLIA further entrenched its presence in the local UHT milk segment with *F&N MAGNOLIA* UHT milk. To create greater awareness and encourage trials, it rolled out the WHO DO YOU WANT TO BE campaign, tying up with a hit cartoon movie as part of its 360-degree campaign which included roadshows and samplings.

FARMHOUSE

FARMHOUSE continued to focus communication on freshness and creamy texture of its Australian-sourced milk in its above- and below-the-line advertising for its pasteurised and UHT milk. To increase brand awareness and drive trials, a series of promotions were ran including the *FARMHOUSE* DRINK, INDULGE & WIN that targeted both consumers and key retailers.

DAIRIES

CORE MARKET
Thailand

DAIRIES THAILAND: RESULTS

Dairies Thailand continued to excel as the Group's best performing unit. This year, it booked a marginal increase in volume and 4% increase in revenue, to $561m, owing mainly to higher consumer off-take particularly of *F&N MAGNOLIA* RTD milk, higher exports and stronger Thai Baht. In constant currency, Dairies Thailand would have recorded a 1% revenue growth. Boosted by lower input costs and favourable translation effects, PBIT surged 9% to $73m. In constant currency, Dairies Thailand FY2017 PBIT grew 6%.

This year, Dairies Thailand posted marginal volume growth in its canned milk segment. Importantly, it continued to outperform its competition in the condensed milk and evaporated milk categories, achieving both volume and value share gains. Dairies Thailand better-than-market performance was due to successful consumer and trade programmes, as well as its focus on expanding distribution across the country. Accordingly, Dairies Thailand retained its No.1 total canned milk position in Thailand with *CARNATION* and *TEAPOT* brands.

Dairies Thailand export markets of Cambodia and Laos continued to perform strongly. This year, Dairies Thailand intensified its efforts to position *TEAPOT* as the preferred export brand, over third-party brands. As a result, *TEAPOT* is now widely distributed and is amongst the top canned milk brands in Cambodia and Laos.

Reflecting its confidence in Thailand's F&B segment, as well as to meet its growing export market demands, Dairies Thailand plans to add a gable top filling machine at its Pak Chong plant as well as a sweetened condensed milk pouch and tube filling line to its Rojana plant. These investments are in addition to a new filling and packaging line for evaporated milk that it announced last year. The line commenced production in February 2016.

Looking ahead, Dairies Thailand will remain committed to tight cost control and focus on marketplace execution, as well as to invest for the long-term in its brands, assets and people. It will continue to fortify its market leading position in the canned milk category in Thailand while nurturing its position in the RTD liquid milk category with *F&N MAGNOLIA* (UHT milk segment) and *BEAR BRAND* (sterilised milk segment) through targeted marketing activities to drive the growth in the year ahead. Dairies Thailand will also continue to look to bolster its presence in the SEA region. It will continue to deepen and widen its distribution and reach, and build *TEAPOT* brand in Cambodia and Laos.

CANNED MILK

CARNATION

CARNATION, one of Nestle's brands licenced to F&N, maintained its No.1 canned milk position in Thailand. This year, *CARNATION* continued to drive in-home consumption by rolling out a new, smaller 140ml pack, supporting it with integrated marketing activities that included broadcast, outdoor and online advertisements, as well as roadshows and samplings. The successful campaign boosted *CARNATION* sales and market shares.

As a result of its efforts in the trade through loyalty campaigns in key channels, premium promotions and point-of-sale materials, *CARNATION* has retained its No.1 Premium Evaporated Milk brand with more than 60% market share.

The Nestle's trademark licence agreement was renewed in 2015 for 22 years, until 2037, for the manufacturing and distribution of Nestle's products in Singapore, Thailand, Malaysia, Brunei and Laos.

TEAPOT

After the introduction of the new 180ml *TEAPOT* squeezable tube in August last year, Dairies Thailand kicked off a series of marketing activities to create excitement and awareness. The full campaign included commercials across television, digital and mobile, extensive nationwide sampling and implemented various point-of-sales initiatives. As a result of the successful campaign, the new 180ml *TEAPOT* squeezable tube was sold out within days of its launch, further solidifying *TEAPOT* as the preferred Sweetened Beverage Creamer brand, achieving a higher market share.

LIQUID MILK: NEW GROWTH PILLAR

F&N MAGNOLIA and *BEAR BRAND*

After a successful entry into the functional UHT drink segment with the introduction of *F&N MAGNOLIA* Ginkgo Plus in 2015 and *F&N MAGNOLIA* Kids Milk for children in 2016, this year, Dairies Thailand focused on expanding distribution across the country while improving market activation to broaden its customer base.

A key highlight of the year was the celebration of *BEAR BRAND* Sterilised Milk 80th anniversary in Thailand. As part of the celebration, Dairies Thailand rolled out the INFINITE LOVE: 80 YEARS OF *BEAR BRAND* STERILISED MILK – TAKES CARE OF YOU NOW AND FOREVER campaign, at which it re-introduced three popular variants from the past, and *BEAR BRAND* Sterilised Milk High Folate, a new high folate formula with added vitamins, targeting health-conscious women. The 80th year celebration was supported by an integrated marketing campaign that included television commercial broadcast, outdoor and online advertisements, as well as roadshows, various point-of-sales activations and sampling activities.

Meanwhile, sales of *BEAR BRAND GOLD* increased with the introduction in June 2017 of a new variant – *BEAR BRAND GOLD* Goji Berry, as well as the appointment of a new brand ambassador. This new product was supported by television commercials and promotional activities highlighting the nutritional aspects of the milk, as well as massive in-store sampling in convenience stores to further boost brand visibility and encourage product trials.


Nestlé
BEAR BRAND
ใหม่
High Calcium
STERILIZED MILK
Low fat
STERILIZED LOW FAT MILK
0% fat
STERILIZED NON FAT MILK
High Folate
นมสเตอริไลส์ตราหมี
เพื่อคนที่คุณรักและตัวคุณเอง

DAIRIES

CORE MARKET
Singapore

DAIRIES SINGAPORE: RESULTS

Dairies Singapore FY2017 revenue fell 6%, mainly due to lower Export volumes. Despite lower revenue, PBIT improved 17%, lifted mainly by lower input costs. Aided by effective brand building activities and new product launches, Dairies Singapore maintained its No.1 and No. 2 positions in the Liquid Milk and Chilled Juices categories, respectively.

Dairies Singapore continued to excite the market by introducing new products. This year, it extended its low-fat-hi-cal pasteurised milk range with the introduction of the new *F&N MAGNOLIA* Low-Fat Hi-Cal Chocolate Milk. *F&N FRUIT TREE* Fresh also launched its very own premium pasteurised juice range, *F&N FRUIT TREE* Fresh Wonders. The first chia seed juice drink to be launched in the local market, *F&N FRUIT TREE* Fresh Wonders incorporates the much-loved superfood, in addition to the antioxidant rich juice blends. These new products, supported by launch campaigns, generated positive response and helped boost sales and market shares.

LIQUID MILK AND YOGHURT DRINK: *F&N MAGNOLIA*

F&N MAGNOLIA celebrated 80 years of providing nourishment to Singaporeans this year. Over the decades, *F&N MAGNOLIA* has been a vanguard of nutrition, nourishing the body and mind with nutrients to kick-start the day. *F&N MAGNOLIA* has earned its reputation as Singapore's trusted brand of milk that is enjoyed by both young and old, across generations. Today, *F&N MAGNOLIA* continues to be a source of nourishment for many, offering an innovative range of milk products that cater to all palates and lifestyle needs.

To mark the occasion, it rolled out a month-long nationwide campaign, MORNINGS WILL ALWAYS HAVE *MAGNOLIA*, improving sales and market share. Following the month-long celebration, the Group extended its low-fat-hi-cal pasteurised milk range with the introduction of *F&N MAGNOLIA* Low-Fat Hi-Cal Chocolate Flavoured Milk in Singapore. Packed with natural goodness of fresh milk, *F&N MAGNOLIA* Low-Fat Hi-Cal Chocolate Flavoured Milk fuels "your active lifestyle with the energy you need". It contains important nutrients like calcium and protein to help with muscle recovery and to replenish lost energy after exercising. Above-the-line communications, in conjunction with in-store roadshows, resulted in successful conversions to consumer purchases.

To excite consumers, *F&N MAGNOLIA* partnered with a popular Hollywood animated movie in its MORNINGS MADE FUN WITH *MAGNOLIA!* campaign. *F&N MAGNOLIA* used this campaign to build and own the breakfast occasion, reinforcing *F&N MAGNOLIA* as an important part of the daily breakfast routine. The integrated campaign included limited edition promotional packaging and collectibles, which was very well received by consumers.

JUICE: *F&N FRUIT TREE FRESH*

F&N continued to respond to consumers' desire for healthier beverage options by launching a new premium range of *F&N FRUIT TREE* Fresh in April 2017 – *F&N FRUIT TREE* Fresh Wonders Luscious Berries and *F&N FRUIT TREE* Fresh Wonders Zesty Lime. Made from 100% juice with no sugar added, *F&N FRUIT TREE* Fresh Wonders is bursting with antioxidant vitamins A, C and E, and contains organic chia seeds carrying omega-3 and -6. *F&N FRUIT TREE* Fresh Wonders is the first juice drinks with organic chia seeds to be launched in Singapore. This premium range boosted sales and gained brand value market share.

In addition to rolling out new products, the *F&N FRUIT TREE* Fresh range of products also created buzz in the marketplace by updating its logo and packaging design. The refreshed logo and packaging design convey *F&N FRUIT TREE* Fresh unique product features to create differentiation and strong shelf presence. The refreshed design features a vibrant new colourway, resulting in a visually striking and contemporary new *F&N FRUIT TREE* Fresh logo.

DAIRIES

ICE CREAM

DAIRIES ICE CREAM: OVERVIEW

F&N's Ice Cream division has commercial operations in 11 countries (primarily in Malaysia, Singapore and Thailand), with well-established and trusted brands like *F&N MAGNOLIA*, *KING'S* and *MEADOW GOLD*. The commercial operations are supported by two manufacturing plants in Malaysia and Thailand. This year, through continuous product innovation, Dairies Ice Cream continued to excite its consumers by introducing new variants in the various markets. The Group remained strong in the value tub and Asian flavours categories, while expanding its footprint in premium categories through collaboration with principal brands.

SINGAPORE

This year, *F&N MAGNOLIA* Gotcha, catered for children, extended its healthier choices by introducing the *F&N MAGNOLIA* Gotcha Jelly Cool in Singapore. The all-new *F&N MAGNOLIA* Gotcha Jelly Cool comes with a sweet and creamy vanilla ice confection enveloping a jelly core bursting with the taste of strawberries, free of trans-fat and low in calories. *F&N MAGNOLIA* Gotcha Jelly Cool carries the Healthier Choice Symbol by Singapore's HPB, just like the rest of its other variants.

One of the key marketing initiatives this year was the rollout of F&N ICE CREAM BRAND CHALLENGE 2017 in Singapore. In collaboration with the SMU Marketing Society, the campaign aimed to help preserve the iconic Singapore ice cream pushcart. This challenge involved the next generation of Singaporeans leading the way in revamping the iconic ice cream pushcart and its business model, while retaining the appeal of the ice cream cart as a national icon. F&N plans to rollout the new cart design during the Christmas festive season.

Recognising the increasing importance Singaporeans attach to well-being and health, F&N plans to roll out more "Healthier Choice Snack" in Singapore.

KING'S Potong remains Singapore's No.1 Potong brand. This year, back by popular demand, *KING'S* Potong re-introduced the *KING'S* Potong Gold Mao Shan Wang as a limited-edition variant. In addition to *KING'S* Potong Mao Shan Wang, F&N ice cream division also launched several new products including the *KING'S* Spinner Chocolate and *KING's* Spinner Vanilla.

THAILAND

Continuing to capitalise on consumers' growing demand for impulse ice cream in Thailand, Ice Cream division focused its new launches this year on single portion stick ice cream. Inspired by local Thai fruit, two new flavours *F&N MAGNOLIA* Sawasdee Durian and *F&N MAGNOLIA* Sawasdee Mango were launched as a limited-edition range during the harvest season.

Targeting the kids segment, *F&N MAGNOLIA* Gotcha, the colorful and fruity flavours ice cream, extended its offering by introducing the *F&N MAGNOLIA* Gotcha Chocolate Malt Crunch, *F&N MAGNOLIA* Gotcha Jelly Cool, *F&N MAGNOLIA* Gotcha Jelly Strawberry and *F&N MAGNOLIA* Gotcha Milky Volcano in Thailand. Similarly, *F&N MAGNOLIA* Tropical Sling continued to invigorate consumers' senses with a burst of fruity flavour by introducing the *F&N MAGNOLIA* Tropical Sling Young Coconut and *F&N MAGNOLIA* Tropical Sling Honey Lemon.

As one of the top three players in this market, F&N will continue to invest in brand building activities and product innovation to drive demand and grow market shares.

MALAYSIA

Malaysia continued to focus on creating new opportunities and exploring new channels to drive sales and increase market shares.

F&N Ice Cream maintained its position as one of the top 3 ice cream brands in Malaysia, by staying relevant and having high brand awareness and top of mind recall among consumers. Throughout the year, F&N ice cream drove sales opportunities and brand recall by having thematic roadshows in various hypermarkets; and engaging the end consumers directly. Also, recognising the opportunity in the *KING'S* cones, a complementary product, F&N explored new channels and consumer base with placements of *KING'S* cones racks. *KING'S* cones successfully increased its share of space in existing supermarkets and created new space in convenience stores.

This year, *KING'S* Potong ice cream cemented its position as the No.1 potong ice cream brand in Malaysia on the back of successful marketplace execution and effective marketing campaigns.

In the kids segment, the *F&N MAGNOLIA* Gotcha range extended three new offerings with the introduction of the *F&N MAGNOLIA* Gotcha Choco Volcano, *F&N MAGNOLIA* Gotcha Buggy and *F&N MAGNOLIA* Gotcha Sword. These new offerings, with distinct and differentiated tastes, were launched nationwide in Malaysia.

Back by popular demand, *KING'S* Potong re-introduced its premium *KING'S* Potong Mao Shan Wang variant to the delight of Malaysians. *KING'S* Potong Mao Shan Wang were strategically placed in the marketplace to capitalise on the growing demand for durian by tourists.

NEW MARKETS

100 PLUS
NEW
PLUS
While Stock Last!
Rehydrate
Re-energise
Refresh

TEAPOT

pocpoc

CHINH PHỤC
ĐƯỜNG CHẠY
DANANG INTERNATIONAL MARATHON
Manulife
CÙNG 100PLUS

F&N
More Fun With ...
F&N

F&N Sarsi
Makan jadi lebih enak,
Rasa jadi lebih nikmat

100PLUS Active Run
Yoma Yangon International Run
2017

Chang
CELEBRATION

NEW MARKETS

New Markets FY2017 performance varied across geographies, where each market presented different consumer dynamics and a different outlook, but increasing level of competitive intensity. Despite that, across the geographies, our core brands, *100PLUS* and *OISHI*, had another strong year. Overall, New Markets FY2017 revenue improved 74%, led mainly by strong volume growth in Indonesia and Myanmar.

The focus on SEA region remains a key part of F&N's march toward becoming a leading F&B player in ASEAN. Since 2015 when the Group unveiled its Vision 2020 business plan, F&N has identified Indonesia, Myanmar, Thailand and Vietnam as its key new markets; as well as identified core brands to capture clearly defined market opportunities in these new markets to grow its brands and presence. F&N believes that the consumer fundamentals in these markets are promising as the SEA region presents a sizeable potential with over 600 million population.

Since its entry into New Markets, F&N has been introducing products that are of the highest growth categories and consumer opportunities. Across the various regional markets, its core brands of *100PLUS*, *F&N SEASONS* and *OISHI* are now available for sale. Through activation events and strategic sponsorships, F&N was able to gain brand awareness and product trials. In addition to organic growth, it will also seek growth through selective acquisition so as to leverage the emerging middle-class opportunity. This year, it further added about 7.79% stake in Vinamilk, giving it a strategic position in the largest dairy company in Vietnam. As at FY2017, the Group owned about 18.74% of Vinamilk. For Indonesia, F&N acquired full control of Yoke Food Industries Sdn Bhd ("**YFI**") in December 2016.

(A) INDONESIA

YFI's presence in Indonesia helps propel the Group's presence in this key growth market which has a population of more than 260m people and a fast-growing emerging middle-class.

PERFORMANCE

F&N's investment in YFI heralds its next phase of growth, as it boosts the Group's capacities and capabilities and deepens its presence in high-growth markets of Indonesia and Indochina. A Malaysia-based company that manufactures, markets and distributes canned beverages in Malaysia, YFI also exports to Indonesia and Cambodia, under the *DAYDAY* brand. Besides securing YFI's production capacity in the fast-growing, non-carbonated beverages segment, teaming up with YFI also offers an increased opportunity for the distribution and marketing of our brands in Indonesia and other Southeast Asian markets. Together with YFI, the Group will benefit from greater scale and from the broader portfolio of brands, and strengthen F&N's position as a leading F&B player in ASEAN.

This year, the Group has been focusing on consolidating its operations in Indonesia, including streamlining its diverse portfolio of differentiated brands, which it would strategically deploy to capture market opportunities in Indonesia. Riding on *DAYDAY's* popularity in the Sumatra cities, the Group has been expanding its product offerings in Indonesia to include *100PLUS* and *F&N* Sparkling Drinks.

In addition to expanding its product offerings in Indonesia, F&N has also teamed up with YFI to expand its presence in other key cities like Jakarta and Surabaya. The additional product offerings and entry into new cities were supported by marketing and sales programmes such as participation in car free day activation and consumers activation during fasting month to drive trials and recruit consumers.

Moving forward, F&N will continue to seek growth through investment in our brands and extend route-to-market capabilities, and by strategic acquisitions to broaden and deepen our footprint in Indonesia.

(B) MYANMAR

The effect of unfavourable weather conditions, socio-economic instabilities, and an increasing competitive landscape in Myanmar have impacted disposable income and weakened consumer sentiments. Accordingly, this has led to a weakening of the carbonated soft drinks and isotonic segments in Myanmar. Nonetheless, with the country's growing middle-class population and its government's recent efforts in strengthening its legal and regulatory framework, Myanmar will continue to present immense opportunities for the Group.

PERFORMANCE

Since the first introduction of *100PLUS* Original and *100PLUS* Lemon Lime, *100PLUS* has grown from strength to strength, to become the No.1 isotonic drink in Myanmar. Leveraging *100PLUS's* strong brand equity, this year, the Group expanded its beverage offerings in Myanmar to include *100PLUS ACTIVE*, a non-carbonated variant of *100PLUS* and *100PLUS* Original, in 390ml PET. The launch was supported by aggressive on-ground activations and sponsorships, focusing on sports-related campaigns targeting younger generations.

CEO BUSINESS REVIEW • BEVERAGES
NEW MARKETS

★ NEW ★
PRODUCTS

MYANMAR

One of the key marketing campaigns this year was the sponsorship of the 29th SEA Games. As the official isotonic drink sponsor, *100PLUS* extended its GO FOR GOLD campaign which was implemented in 2013. The campaign highlighted the national team, using online and on-ground activations, to rally support for the Burmese athletes.

In addition to the SEA Games sponsorship, *100PLUS* continued to raise its brand visibility and reinforce *100PLUS* as the enabler for active lifestyles by supporting some of the nation's major running events, such as the YOMA INTERNATIONAL MARATHON in Yangon, the MANDALAY MAYOR'S RUN in Mandalay, the TAUNGGYI MARATHON in Shan, and the BAGAN INTERNATIONAL RUN in Bagan. As the Official Partner of the Myanmar Football Federation, *100PLUS* organised the MFF U-15 *100PLUS* Cup 2017 tournament, the biggest youth football competition tournament in Myanmar, for youths under the age of 15.

Riding on *100PLUS's* success, this year, the Group introduced its vibrant and fun-tasting range of *F&N* Sparkling Drinks, as well as *TEAPOT* GOLD, its premium range of canned milk, to good response.

While F&N expects competition in Myanmar to intensify further, it is moving forward in 2018 with its strategy to seize an even larger share. F&N looks to build and broaden its product offerings, as well as deepen and extend its route-to-market capabilities to fortify its position in Myanmar.

(C) THAILAND (SOFT DRINK)

The FMCG industry in Thailand faced a tough year in 2017 following the passing of King Bhumibol Adulyadej of Thailand. The overall sentiment of consumers has been weak with consumption frequencies declining across all sectors of FMCG. Accordingly, the non-alcoholic ready-to-drink market in Thailand saw a decline of 5% in volume and in value, up to July 2017.

While recovery in the beverage sector is expected in the new year, it is also expected to be highly competitive with new brands and new variants entering the market with higher media spend.

F&N seeks to leverage this trend, with *100PLUS* prominently featuring the Healthier Choice credential on front-of-pack and in communications, reinforcing its image as the healthier soft drink suitable for all occasions.

PERFORMANCE

100PLUS has been launched in Thailand since February 2015, as the first mover in hybrid category. *100PLUS* offers the increasingly health-conscious Thai consumers both the functional benefits of rehydration and replenishment of lost fluids, minerals and energy in the body, as well as the refreshing sensation of a lightly carbonated soft drink. As a relatively new entrant, *100PLUS* stepped up its efforts to educate consumers on its benefits, increase brand visibility and strengthen its position as the healthier alternative to carbonated soft drinks for everyday consumption.

Following FY2015's successful launch of *100PLUS* Original and *100PLUS* Lemon Lime which was supported by a massive nationwide campaign, *100PLUS* continued to ride on the positive momentum to extend brand visibility and strengthen its position as a functional soft drink. Tapping into the increasingly popular trend of cycling, *100PLUS* ran a nationwide consumer promotion BIKE IN JAPAN from March to May 2016 and stepped up the campaign to expand to more occasions beyond sports with this year's ADVENTUROUS AND FUN

ACTIVITIES IN NEW ZEALAND from February to May 2017.
In addition, *100PLUS* extended its flavour offerings by rolling out a new 'Berry' flavour in February 2017, to broaden user base and induce trial. The launch of *100PLUS* Berry was highlighted through an integrated marketing campaign which included television and cinema commercials, print and online advertising, in-store sampling, events and sponsorships.

Boosted by strong consumer interest and feedback, both trade and consumer off-take achieved significant increase over the five-month period. Not only has *100PLUS* Berry helped support brand share, *100PLUS* also continued to successfully build on its health image, outperforming diet carbonated soft drinks in all brand health KPIs.

Other brand building activities included a television commercial aired in September 2017, strategic media placements to boost top-of-mind, as well as event sponsorships to drive trials. This year, *100PLUS* supported 39 running and cycling events in Thailand, and has become the preferred beverage partner of event organisers, successfully reinforcing its position as the drink-of-choice for those who lead active lifestyles.

In the new financial year, *100PLUS* will continue to strengthen its brand position of being the healthier soft drink of choice, and broaden consumption opportunities beyond sports to everyday occasions.

(D) VIETNAM

Vietnam continues to present huge growth potential for F&N, with its projected GDP growth rate averaging 6% in the next three years, a young population, rising middle-class and increasing urbanisation.

To lay the commercial foundation for business expansion in Vietnam, the Group incorporated F&N Vietnam Limited Liability Company ("**FNV**") in August 2016, to extend its operations beyond the functions of a representative office (set up in June 2015). FNV currently distributes, markets and conducts trading of non-alcoholic beverages in the country.

PERFORMANCE

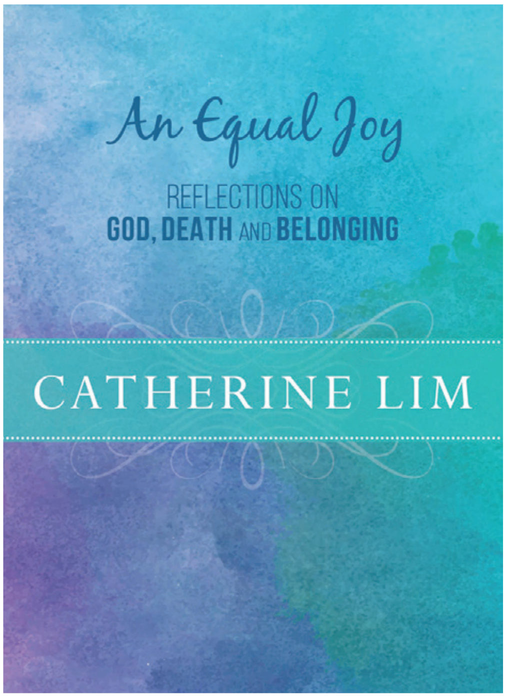
2017 was a year of organisational improvements and consolidation. With the establishment of FNV, its strategic priority was to focus on excellence in marketplace execution. To support the effort, FNV upgraded its IT infrastructure and implemented an integrated warehousing and delivery system. The new setup also allowed FNV to have its own direct sales workforce to effectively execute its sales strategy.

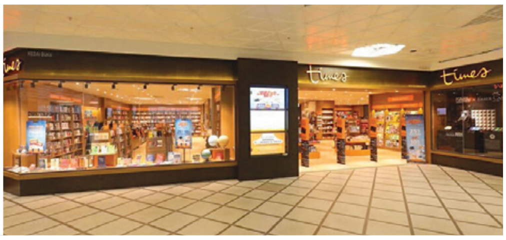
This year, *100PLUS* shared in the festive spirit by introducing a Tet-themed festive pack for *100PLUS* Original flavour. Focusing its publicity on F&B outlets, supermarkets, schools and sports clubs in Ho Chi Minh City, Can Tho, Hanoi and Vung Tau, *100PLUS* saw very good demand during this festive period.

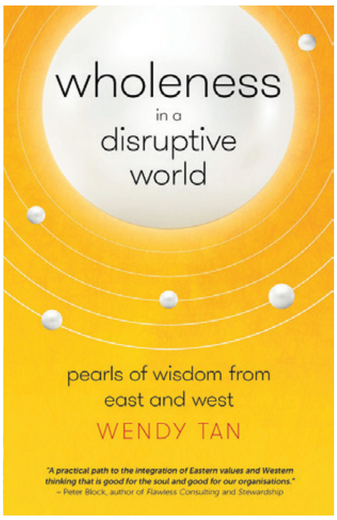
To reinforce *100PLUS's* active lifestyle proposition, the brand continued to support many sports and lifestyle events such as the Ho Chi Minh City's Media Futsal Tournament, Tan Son Nhat Golf Tournament, Dam Sen Theme Park Lion Dance Contest and the Danang International Marathon 2017. In addition, *100PLUS* also sponsored the Ho Chi Minh City Student Union to hydrate more than 40,000 students from 98 high schools, as they prepared for their final examinations. *100PLUS* is also the exclusive isotonic drink partner of Jump Arena, the very first trampoline park and Vietnam Basketball Academy in Ho Chi Minh City, Vietnam.

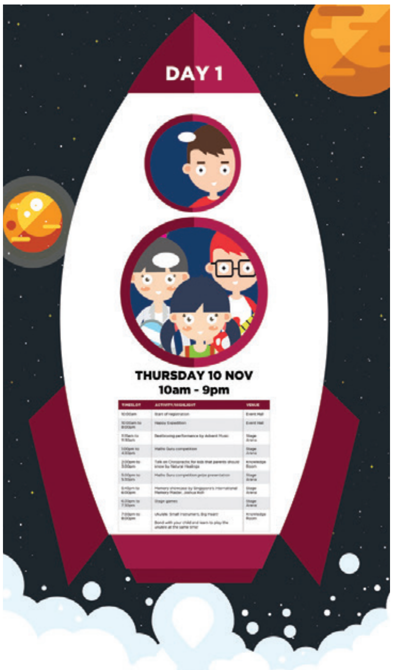
To date, FNV's brand team has attained over 53,000 followers in Facebook, with a unique reach of 12 million people. This outreach, coupled with an active online presence, further amplified *100PLUS* as a brand to build a more inclusive *100PLUS* community.

PUBLISHING & PRINTING








DAY 1
THURSDAY 10 NOV
10am - 9pm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VR CONTENT
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Maximum!
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30
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Quests
Ages
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NETS


20% OFF
MIND PUZZLES TO CHALLENGE YOUR BRAIN
25%
25%
Study
Read


Times Junior
50% OFF
VALUE BUYS
CASHIER


HAPPY SPARKS


Marshall Cavendish
SINGAPORE
STEM INNOVATION TOUR


LOVE PERFORMING
$800
HAPPY SPARKS
$800

"We will continue to work collaboratively with strategic partners to broaden the range of education-related products and services to consumers across different channels of engagement."

MR SIEW PENG YIM
Chief Executive Officer,
Times Publishing Group

CEO BUSINESS REVIEW

PUBLISHING & PRINTING

REVENUE ($)
293m
FOR FY2017
$308m IN FY2016
-5%

PROFIT BEFORE INTEREST & TAXATION ($)
(4.5m)
FOR FY2017
($5.2m) IN FY2016
+13%

PUBLISHING & PRINTING OVERVIEW

FY2017 was another challenging year for the Publishing & Printing division ("**P&P**"), which had been impacted by the prevalence of disruptive media technologies and global competition. Accordingly, P&P FY2017 revenue declined from $308m to $293m while PBIT losses for the year narrowed, from $5.2m to $4.5m.

Overall, our Publishing division continued to perform well, particularly in the international arena where Marshall Cavendish Education ("**MCE**") defended its revenue base due to higher sales in Hong Kong and rest of the world. MCE Hong Kong ("**MCE HK**") recorded double-digit revenue growth, driven by both its legacy products offerings and the introduction of new Science, Technology, Engineering and Mathematics ("**STEM**") products. MCE also successfully entered Indonesia with the launch of its first Cambridge-endorsed Primary Maths and Primary Science series. In addition, MCE also deepened its foothold in Chile by winning the Grade 5 Maths tender. This year, its cookbook *Creative Baking: Deco Chiffon Cakes* also enjoyed a great deal of limelight in the international publishing scene.

Printing division stemmed its revenue decline this year. While printing output declined slightly due to lower print quantity and page extent for books and magazines in Singapore, it was partially mitigated by higher export sales from our Malaysia operations and increased domestic sales from our China plant. In addition to continuous cost containment efforts coupled with benefits of the restructuring exercises to align capacity to demand taken in previous years, Printing returned to a profitable position this year.

This year, we launched several digital products as part of our efforts to expand our digital offerings and consumer touchpoints. Education mobile applications like Brainy Arkies and SL360, a diagnostics online assessment platforms (A360), and GoGuru.com.sg, an e-commerce portal that provides convenient access to our range of education content and general reference books as well as third-party trade books, e-books, magazines and lifestyle products were launched in Singapore.

PUBLISHING

The Group's publishing business is marketed under the brand, Marshall Cavendish ("**MC**"). As a major international content provider, MC publishes extensively with interests spanning Education, General Interest, Business Information and Home Reference.

Publishing: Education

MCE's leadership positions in Maths and Science were further boosted when it launched its first Cambridge-endorsed Primary Maths and Science series in Indonesia. Adopting only sound Asian pedagogies used in Singapore classrooms, these series aim to help Indonesian pupils attain mastery in these subjects.

MCE further entrenched its position in Chile by winning the Grade 5 Maths tender. With this award, MCE now supplies Grades 2 and 5 Primary Maths textbooks to almost 500,000 students across the country, annually.

To complement its textbook publishing, MCE also organised parents' workshops to better equip parents with the skills and knowledge to guide their children in their learning at home. Our workshops covered core subjects from Primary 1 to 6, the latest exam syllabus with formats, tips and strategies and key concepts to help children with their studies.

We also organised our inaugural MCE Early Childhood Seminar and launched the Early Childhood series in Numeracy, English and Chinese. A panel of distinguished speakers shared unique teaching methods and instructional materials to 400 educators from over 100 early childhood institutions.

To reinforce our leadership position as a curriculum publisher, MCE HK amplified its efforts in promoting STEM Academy by collaborating with the Singapore Science Centre in providing holistic global solutions to schools and learning centres. The collaboration offered STEM training programmes and activities, curriculum design and consultation services, and innovative hardware to support the implementation of STEM education within the region. MCE HK also worked with the Hong Kong Association for Science and Mathematics Education on the development and promotion of our STEM programmes and forthcoming Science textbooks in secondary schools.

As part of the Group's digital education transformation effort, MCE launched Brainy Arkies, a mobile learning application that integrates automated adaptive testing, self-directed learning and entertainment, and is designed for the best learning outcome for primary school pupils by making learning fun and easy as they learn on-the-go. Aligned with the Ministry of Education Primary Maths syllabus, questions within Brainy Arkies were drafted to aid pupils in Maths concepts.

In addition, MCE HK has also launched a diagnostic online assessment platform (A360) with an education mobile application ("**SL360**") that helped students realise their strengths, weaknesses, knowledge, and skills in specific learning objectives in Primary Maths subject. This online assessment platform also allows users to procure additional corresponding remedial materials and follow-up exercises through the SL360 payment gateway.

Publishing: Others

General and Reference ("**GR**") successfully published several high-profile titles in 2017. Among them, *The Commuting Reader*, Singapore's first-ever ticket book; and the launch of a series of four local literature, in Singapore's four official languages, which was a nationwide campaign led by the National Arts Council to promote Singapore literature. GR also released *Brand Singapore: Nation Branding After Lee Kuan Yew, in a Divisive World; Sun Yat-sen: The Unfinished Revolution; a Disruptive World* by Wendy Tan; and *An Equal Joy*, a collection of essays by award-winning author Catherine Lim.

Under Cuisine, *Creative Baking: Deco Chiffon Cakes* by renowned blogger Susanne Ng made waves on the international scene when it was first reviewed on Mashable and Hello Giggles, and interest quickly picked up with coverage in the UK-based Daily Mail, US-based website and Food & Wine magazine. The cookbook was also featured on various websites in Malaysia, Indonesia, Japan, Korea, Greece, China, Brazil, Serbia, Croatia, Spain and Vietnam, and in newspapers such as Epoch Times and China Daily. The extensive exposure put Susanne in the global limelight and raised Marshall Cavendish's profile in the international publishing scene.

Looking ahead, we will explore emerging publishing business models such as personalised children's books and self-publishing service for individuals seeking to have their work published.

BRAINY ARKIES

A MOBILE LEARNING APPLICATION THAT INTEGRATES **AUTOMATED ADAPTIVE TESTING, SELF-DIRECTED LEARNING AND ENTERTAINMENT**

LEARN ON-THE-GO

PRINT

Restructuring and cost-cutting measures were taken by our Printing division to realign capacity and improve PBIT. Following the exercise, we have gained cost competitiveness and this had resulted in Printing securing multi-year contracts from new customers, such as the Asia edition of Bloomberg Business Week magazine, the monthly Forbes China, and a 3-year contract with Haynes Publishing Group for more than 200 titles.

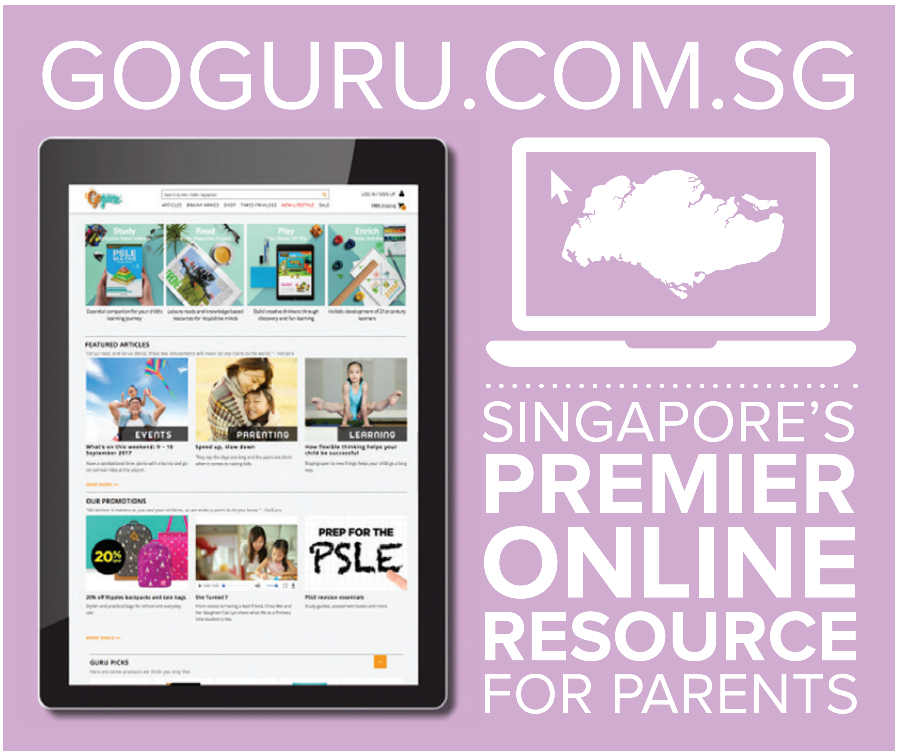
To meet the challenges ahead, we will continue to seek out opportunities to grow, strengthen and diversify in areas of printing and packaging, digital printing, print management services and creative communication.

RETAIL AND DISTRIBUTION

The decline in book and magazine sales arose largely from poor retail climate, particularly for book retailers.

However, the decline in book and magazine sales was mitigated by the strong partwork sales like *Star Wars Millennium Falcon,* and Marvel and DC character-based gifts. Additional channels in Malaysia, coupled with an improvement in margins, lower costs and enhanced operational efficiency also boosted the bottom line.

In January, we renewed our distribution and licensing agreement with Hallmark US for another three years. As part of our continued efforts to engage families, children and the community, we held a host of activities throughout the year, such as featuring renowned authors and organising in-stores interactive events and creative learning activities at Times Bookstores. To encourage reading at a tender age, we set up the Times Junior Reading Club with a slew of promotional and fun activities.



The start of FY2017 marked the launch of GoGuru.com.sg, an e-commerce portal that provides convenient access to Times Publishing Group's range of educational content and general reference books. Catering to the varied interests of families and children, GoGuru also offers engaging and relatable content on 21st century parenting and education, positive values, tips and trends. From expert advice and contribution from parents to ideas for fun family activities, we aim to be Singapore's premier online resource for parents. Through the online platform, we also develop and curate content written by subject experts, and share our viewpoints on latest education trends and issues.

As a Group, our expertise in education and learning has seen how the 21st century learner has evolved over the years. Happy Sparks was our first foray into a large-scale experiential edutainment event at an exhibition hall where learning took place in an immersive and hands-on environment. With the participation of over 50 brand partners, the team delivered 4 fun-filled days of school-based Maths and Chinese competitions for primary school level children; singing, dancing and musical instrument performances and competition to celebrate diversity in aesthetic expression; and a one-stop place for parents to have access to trial packages of learning tools and enrichment classes for their children.

We will continue to work collaboratively with strategic partners to broaden the range of education-related products and services to consumers across different channels of engagement.

INVESTOR RELATIONS

EFFECTIVE AND OPEN COMMUNICATION

The F&N Group is committed to promoting effective and open communication with all stakeholders, ensuring consistency and clarity of disclosure at all times. We aim to engage with our shareholders and investment community openly and regularly in order to facilitate a mutual understanding of our respective objectives, and to provide information on our corporate strategies, trends, operational performance and financial information to the investment community.

To achieve that, F&N makes every effort to disseminate information through a broad range of communication channels and do not provide information selectively. Such commitment ensures that investors have easy access to information on the Group so that they can effectively evaluate the company and make informed investment decisions.

REGULAR DIALOGUES WITH THE INVESTMENT COMMUNITY

Besides communicating regularly with shareholders and the investment community via disclosures of material and other pertinent information through regular dialogues and announcements to SGX-ST, the Investor Relations team undertakes road shows (together with key senior management), investor seminars and conferences to keep the market and investors apprised of the F&N Group's corporate developments and financial performance.

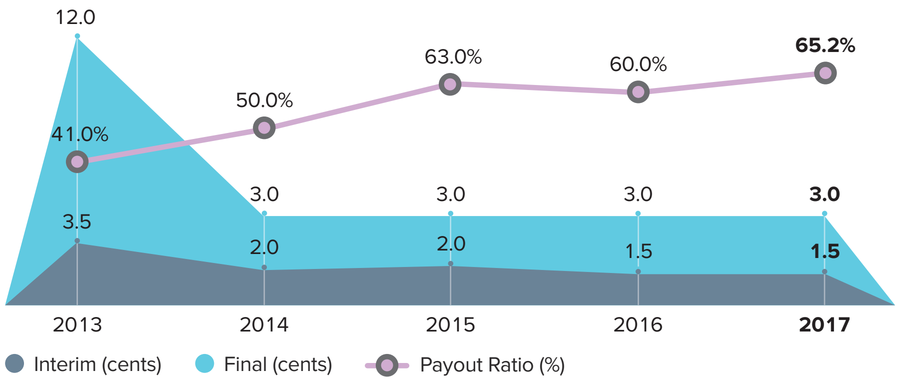
In our third year of regional expansion, the Investor Relations team, together with senior management, continued to actively engage and update the investment community on the activities the Group had undertaken in the marketplace.

Retail investors remain an important part of our outreach efforts. In addition to annual general meetings, the Investor Relations team addresses the concerns of retail investors through email, telephone and online query form on F&N's website.

DIVIDEND

The Group maintained a healthy track record of generous shareholder distributions. For the financial year ended 30 September 2017, the directors have recommended a final dividend of 3.0 cents per share, which together with the interim dividend of 1.5 cents paid earlier brings total dividend for the year to 4.5 cents per share. In line with the Group's dividend policy, the proposed payout represents a distribution of 65% of the Group Attributable Profit before fair value adjustment and exceptional items.

Dividend (Cents)



FINANCIAL CALENDAR: FY2017/2018

DATE	EVENT
29 January 2018	• Annual General Meeting
09 February 2018 (after close of trading) (tentative)	• Announcement of 1st Quarter Results
08 May 2018 (after close of trading) (tentative)	• Announcement of 2nd Quarter Results • Declaration of Interim Dividend
07 August 2018 (after close of trading) (tentative)	• Announcement of 3rd Quarter Results
09 November 2018 (after close of trading) (tentative)	• Announcement of Full-Year Results • Declaration of Final Dividend

FOR GENERAL ENQUIRIES, PLEASE CONTACT:

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Email: jenniferyu@fngroup.com.sg
Website: fraserandneave.com

SHARE REGISTRAR AND TRANSFER OFFICE

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

CAPITAL RESOURCES

The Group aims to maintain a prudent financial structure to ensure that it will be able to access adequate capital at favourable terms. The Group's core businesses, Food & Beverage ("**F&B**") and Publishing & Printing ("**P&P**"), are its main sources of cash flows.

Management monitors the Group's cash flow position, debt maturity profile, cost of funds, interest rate exposures and overall liquidity position on a continual basis. To ensure that the Group has adequate overall liquidity to finance its operations and investments, the Group maintains a significant amount of available banking facilities with many banks. The Group's Debt Issuance Programmes also provide F&N continued access to the debt capital markets.

As at 30 Sep 2017, the Group's Borrowings, net of cash, increased to $165.2m, from a net cash position of $908.5m a year ago. The increased borrowings were taken on mainly to finance the purchase of additional Vinamilk shares, which saw our stake in Vinamilk rise from 11.0% as at 30 Sep 2016 to 18.74% as at 30 Sep 2017. Consequently, the Group's net gearing increased to 5%. Cash generative businesses, ample funding sources and significant debt headroom put F&N in a strong position to tap further growth opportunities.

Interest cost in FY2017 was $16.2m, higher than the previous year's interest cost of $5.0m due to higher borrowings.

SOURCE OF FUNDING

Besides cash flow from its businesses, the Group also relies on the debt capital markets, the equity market and bilateral banking facilities for its funding. As at 30 Sep 2017, the Group has $1.4b in banking facilities and $2.5b in Debt Issuance Programmes to meet its funding requirements.

AVAILABLE BANK LINES AS AT 30 SEP 2017

The Group maintains an active relationship with a network of more than 15 banks of various nationalities, located in various countries where the Group operates. Its principal bankers are DBS Bank Ltd, Oversea-Chinese Banking Corporation, Standard Chartered Bank, Sumitomo Mitsui Banking Corporation and Crédit Agricole Corporate & Investment Bank.

The Group adopts the philosophy of engaging the banks as its core business partners. It continues to receive very strong support from its relationship banks across all segments of the Group's businesses. Total banking facilities (utilised and unutilised) extended to the Group as at 30 Sep 2017 amounted to $1.4b. The principal bankers of the Group provided 56% of these banking facilities. All banking relationships for the Group are maintained by Corporate Treasury in Singapore.

DEBT CAPITAL MARKETS

The Group has a S$2.0b multi-currency debt issuance programme in Singapore and a RM1.5b Medium Term Note ("**MTN**") Programme in Malaysia in place to tap the debt capital markets.

MATURITY PROFILE OF GROUP DEBT (EXCLUDES FINANCE LEASES)

Time to maturity	$'million
< 1 year	786
1-2 years	58
2-5 years	359
> 5 years	100
Total	**1,303**

As at the date of this report, the Group has already refinanced $0.46b in borrowings maturing before 30 Sep 2018. The Group is not expecting any refinancing issues for the remaining borrowings of $0.33b maturing by 30 Sep 2018 as most of these borrowings can be repaid with the Group's existing cash balances.

INTEREST RATE PROFILE AND DERIVATIVES

The Group manages its interest cost by maintaining a mix of fixed and floating rate borrowings. On a portfolio basis, 45% of the Group's borrowings are in fixed rates with an average fixed rate tenor of 4.8 years as at 30 Sep 2017. The fixed rate borrowings consist largely of the fixed rate notes issued under F&N Treasury Pte Ltd's Debt Issuance Programme and F&N Capital Sdn Bhd's MTN Programme. The remaining 55% of the Group's borrowings are in floating rates as at 30 Sep 2017.

In managing the interest rate profile, the Group takes into account the interest rate outlook, expected cash flow generated from its business operations, holding period of long-term investments and any acquisition and divestment plans.

The Group makes use of interest rate derivatives for the purpose of hedging interest rate risks and managing its portfolio of fixed and floating rate borrowings from time to time. The Group does not engage in trading of interest rate derivatives. It does not have any outstanding interest rate derivatives as at 30 Sep 2017.

GEARING AND NET INTEREST COVER

The Group aims to keep its net gearing ratio below 80%. As at 30 Sep 2017, the Group has net gearing of 5%. Total interest expense for the year amounted to $16.2m. The net interest income credited to profit statement for the year was $10.7m. The net interest cover over total interest expense was at 10.7 times.

FOREIGN CURRENCY RISKS AND DERIVATIVES

The Group has exposure to foreign currency risks as a result of transactions denominated in foreign currencies arising from operational, financing and investment activities. Where exposures are certain, it is the Group's policy to hedge these risks. For those exposures that are less certain in their timing and extent, it is the Group's policy to cover 50% to 90% of anticipated exposures for a maximum period of 12 months forward. The Group uses foreign exchange forward contracts and certain currency derivatives to manage these foreign currency risks.

The Group does not engage in the trading of foreign currencies and foreign currency derivatives. The Group uses foreign currency contracts and derivatives solely for hedging actual underlying foreign currency requirements in accordance with hedging limits set by the Audit and the Board Committees under the Group Treasury Policy. These policies are reviewed regularly to ensure that the Group Treasury Policy are in line with its current needs, objectives and strategy of the businesses.

The Group's foreign currency contracts and derivatives and mark-to-market values as at 30 Sep 2017 are disclosed in the financial statement in Note 35. The Group does not hedge the foreign currency risks of its investments in overseas subsidiaries, joint venture and associated companies. Such investments are long-term in nature and therefore not feasible and economical to hedge. The Group only hedges dividends payable from its overseas subsidiaries, joint ventures and associated companies.

ENTERPRISE-WIDE RISK MANAGEMENT

The Board and senior management of Fraser and Neave, Limited, ("**F&N**" or the "**Group**") promote a strong risk management culture through having sound risk management processes and operating procedures that integrate prudent risk limits with appropriate risk measurement, monitoring and reporting, and encourage open communication and escalation of concerns in a timely manner. The purpose is to safeguard the interests of shareholders and the assets of F&N.

The Risk Management Committee ("**RMC**"), which was established by the Board in 2012, has oversight of the Group risk management policies and implementation. It assists the Board in determining and defining the Group's risk appetite, risk tolerance and risk policies, providing guidance on key risks, and ensuring that Management has in place an effective risk management system for the timely identification, mitigation and management of key risks that may have a material impact on the Group.

In addition, the RMC also has oversight of the Group's Insurance, Cybersecurity and Business Continuity programmes.

RISK MANAGEMENT PROCESS

F&N adopts a cohesive risk management framework to manage risks in an integrated, systematic and consistent manner. The framework provides for the identification and management of risks using a top-down and bottom-up approach.

Management (business division heads and business unit heads) has the primary responsibility for identifying, controlling and reducing risks, and reporting to the Board. Material risks, mitigating measures, Key Risk Indicators ("**KRIs**") and risk ratings are reviewed by Management at least three times a year.

Specifically, the Business Heads are the risk owners, and are responsible for identifying risks, establishing sound practices, and ensuring that effective procedures and robust systems are in place to mitigate the risks.

The key risks of the various business units are consolidated for review by CEOs of the Group's business divisions, and finally to F&N RMC and Board.

Each business division has a dedicated risk coordinator to conduct risk analyses with management and compile timely reports to the Division Head. Risk coordinators also conduct briefings on adopted risk policies and practices when required. The objective is to increase risk awareness amongst key staff and to involve and commit them to implement measures that have been adopted by the Group.

To facilitate the reporting and monitoring of risks, F&N uses a web-based Corporate Risk Scorecard ("**CRS**") system which enables business units to report risks and risk status using a common platform. The CRS captures risks, mitigating measures, timelines for action items and risk ratings. Risk parameters, upon which the ratings are based, are reviewed annually.

The Group periodically reviews the identification and recording of risks, streamlines the use of risk scorecards and upgrades the CRS system.

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

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

These assurances for FY2017 are disclosed on Page 70 of this report.

KEY RISKS IN FINANCIAL YEAR 2017

As at 30 September 2017 the key risks of the Group have been largely mitigated. The proportion of risks that were rated as "very significant" and "high" have been reduced substantially after taking account of the mitigating measures.

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

Strategic Risks

The Group closely tracks developments in the Food and Beverage ("**F&B**") and Publishing and Printing industries, and reviews the effectiveness of its strategies as it works towards its vision of becoming a stable and sustainable F&B leader in the ASEAN region. The key risks facing the Group include increasing awareness of possible health effects associated with high sugar consumption, competition from disruptive technology and the risks associated with mergers, acquisitions and industry consolidation.

Reputational – Food Safety Risks
Food safety remains a key risk to the F&B business division due to the potential reputational impact on the Group. In addition to

(i) close monitoring of food safety issues worldwide,

(ii) upholding the strict requirements stipulated under the various food safety standards and certifications,

(iii) putting in place a robust process to mitigate the risk of food contamination, and

(iv) close monitoring of the status of KRIs which track food safety risks,

Management also shares learnings on food quality and safety issues and best practices across business units.

Reputational – Social Media and Communications Risks
With the increasing use of social media as well as promotion of trending stories, new methods of monetising content, and spreading of fake news, business divisions closely monitor this medium and periodically review the effectiveness of policies and procedures that are in place.

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

Operational - Risks associated with Business Disruption
Globally, the increase in cybercrime, heightened political tension, risk of terrorism, and threats of epidemic diseases reinforce the need for F&N to remain vigilant and respond promptly to unexpected changes in its operating environment.

The Group has engaged an external consultant to assess the strength and preparedness of its cybersecurity, and recommend improvements to enhance cybersecurity governance, architecture, management and processes. The Group's cyber security measures are reviewed periodically to mitigate IT-related risks such as malware infection, ransomware, denial of service and unauthorised access.

As part of the Crisis Management maintenance programme, the Group continued to conduct call notification exercises, walk-though and desktop exercises, mock product recalls and IT Disaster Recovery Exercises. This year, the Group included a cyber security desktop simulation exercise to assess Management's response and actions in handling cyber breach.

Refresher training was conducted for all staff in the group involved in Crisis Management on key aspects of Crisis Management.

Operational - Risks associated with Workplace Safety
As a recognition of the Group's continuing efforts in improving workplace safety and health for its employees, most of its Singapore's operations have been awarded with Singapore's bizSAFE certificates. Plants are also surveyed, to identify potential fire hazards and non-compliance to fire safety standards.

Country Risks
The Group recognises the importance of maintaining a consistent and cohesive ERM programme across the 11 countries where it has a presence, and continues to reinforce risk and BCP awareness throughout the Group.

It also builds on the close working relationships with local authorities and business partners to keep abreast of political, regulatory and economic developments in countries where the Group operates.

The insurance programmes are also reviewed annually to take into account the changing needs of the businesses and the operating environment to better mitigate losses in the event of a claim. Plant and equipment are revalued periodically to ensure adequacy of insurance coverage.

RISK CULTURE
The RMC encourages proactive and periodic benchmarking of the Group's ERM, BCP, Cyber Security preparedness and insurance programmes against industry best practices and standards. It takes into account recommendations from consultants and insurance advisers in mitigating cyber security and terrorism risks, pandemic, epidemic and adverse climate situations, to ensure that the ERM, BCP and insurance programmes remain adequate and effective.

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

CORPORATE GOVERNANCE
FOR THE YEAR ENDED 30 SEPTEMBER 2017

Fraser and Neave, Limited ("**F&N**" or the "**Company**") is committed to setting and maintaining high standards of corporate governance. To this end, F&N has in place well-defined corporate policies, business practices and internal controls to help F&N and its subsidiaries (the "**Group**") safeguard its assets and shareholders' interests whilst pursuing sustainable growth and value-enhancement strategies.

F&N is listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and adheres closely to the principles and guidelines of the Code of Corporate Governance 2012 (the "**Code**"). The Company is guided in its corporate governance practices by the principles of the Code, and continues to strive towards maintaining accountability, high standards of corporate governance and corporate transparency.

This report is arranged according to the principles listed in the Code. Principles 1 to 6 deal with board matters, Principles 7 to 9 with remuneration, Principles 10 to 13 with accountability and audit and Principles 14 to 16 with shareholders rights and responsibilities.

A. BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The board of directors of the Company (the "**Board**") has an appropriate balance and mix of skills, experience and knowledge and is well-diversified in terms of age group, gender and nationality. The Board comprises highly qualified and effective members who are responsible for providing overall entrepreneurial leadership and setting strategic objectives for the long-term success of the Group. The Board also has oversight of the business performance and affairs of the Group and sets the Company's values and standards (including ethical standards). The Board seeks to ensure that obligations to shareholders and other stakeholders are understood and met.

The Board also reviews annual budgets, financial plans, major acquisitions and divestments, funding and investment proposals, monitors the financial performance of the Group and management's performance, and ensures compliance by the Group with relevant laws and regulations. The Board meets regularly. During Board meetings, our Directors actively participate, discuss, deliberate and appraise matters requiring attention and decision. If required, time is set aside after scheduled Board meetings for discussions amongst our Directors without the presence of management, as this facilitates a more effective check on management.

As at 30 September 2017, the Board comprises nine Directors, all of whom are non-executive Directors. They are:

Mr Charoen Sirivadhanabhakdi	Chairman
Khunying Wanna Sirivadhanabhakdi	Vice-Chairman
Tengku Syed Badarudin Jamalullail	
Mr Timothy Chia Chee Ming	
Mr Koh Poh Tiong	
Mrs Siripen Sitasuwan	
Mr Chotiphat Bijananda	
Mr Thapana Sirivadhanabhakdi	
Mr Sithichai Chaikriangkrai	

The Board has also approved the appointment of the following Alternate Directors:

Mr Michael Chye Hin Fah	(Alternate Director to Mr Thapana Sirivadhanabhakdi)
Mr Prapakon Thongtheppairot	(Alternate Director to Mr Sithichai Chaikriangkrai)

Please refer to pages 12 to 17 of this Annual Report for key information of each director.

Delegation of Authority on certain Board Matters

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

A. BOARD MATTERS (cont'd)

The Company adopts a framework of delegated authorisations in its Manual of Authority ("**MOA**"). The MOA defines the procedures and levels of authorisation required for specified transactions. It also sets out approval limits for operating and capital expenditure as well as acquisitions and disposals of assets and investments. The MOA also contains a schedule of matters specifically reserved to the Board for approval. These include approval of annual budgets, financial plans, financial statements, business strategies and material transactions, such as major acquisitions, divestments, funding and investment proposals. The MOA authorises the Board Executive Committee ("**Board Exco**") to approve certain transactions up to specified limits, beyond which the approval of the Board needs to be obtained. Below the Board and Board Exco levels, there are appropriate delegation of authority and approval sub-limits at management level, to facilitate operational efficiency.

To address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, the Company has put in place appropriate procedures including, requiring Directors to refrain from participating in meetings or discussions (or relevant segments thereof) and requiring such Directors to abstain from voting, on any matter in which they are interested or conflicted.

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

The Board Exco is made up of the following members:

Mr Koh Poh Tiong	Chairman
Mr Thapana Sirivadhanabhakdi	Vice-Chairman
Mr Sithichai Chaikriangkrai	Member
Mr Michael Chye Hin Fah	Member
Mr Prapakon Thongtheppairot	Member

The Board Exco assumes oversight of the business affairs of F&N, and is empowered to exercise the full powers and authority of the Board when the Board does not meet except in respect of matters that specifically require the decision of the Board or any Board Committee. The Board Exco formulates the Group's strategic development initiatives, provides direction for new investments and material financial and non-financial matters to ensure that the Group achieves its desired performance objectives and enhances long-term shareholder value. It assists the Board in enhancing its business strategies and contributes towards the strengthening of core competencies of the Group. The Board Exco also oversees the Company's and the Group's conduct of business and corporate governance structure.

The activities and responsibilities of the other Board Committees are described in the following sections of this report.

Meetings of the Board and Board Committees

The Board and its various Board Committees meet regularly, and also as required by business needs or if their members deem it necessary or appropriate to do so. For the financial year ended 30 September 2017, the Board met six times.

The Directors are also given direct access to the management team of the Group's business divisions[1] through presentations at Board and Board Committee meetings. Where required or requested by Board members, site visits and meetings with personnel from the Group's business divisions are also arranged in order for Directors to have an intimate understanding of the key business operations of each division. The Company's Constitution provides for Board members who are unable to attend physical meetings to participate through telephone conference, video conference or any other forms of electronic or instantaneous communication facilities.

Note:

1 The Group's business divisions are as follows: Food & Beverage (Non-Alcoholic Beverages), Food & Beverage (Beer), Food & Beverage (Food) and Publishing & Printing.

A. BOARD MATTERS (cont'd)

The number of Board meetings and Board Committee meetings held in the financial year ended 30 September 2017 and the attendance of Directors at these meetings are as follows:

	Board	Board Exco	Audit Committee	Risk Management Committee	Remuneration Committee	Nominating Committee
Meetings held for the financial year ended 30 September 2017						
Mr Charoen Sirivadhanabhakdi	6/6					
Khunying Wanna Sirivadhanabhakdi	6/6					
Tengku Syed Badarudin Jamalullail	6/6					2/2
Mr Timothy Chia Chee Ming	6/6		5/5		2/2	
Mr Koh Poh Tiong	6/6	6/6		4/4		
Mrs Siripen Sitasuwan	6/6		5/5		2/2	2/2
Mr Chotiphat Bijananda	5/6					
Mr Thapana Sirivadhanabhakdi	6/6	6/6		4/4	2/2	2/2
Mr Sithichai Chaikriangkrai	6/6	6/6	5/5	4/4		
Mr Michael Chye Hin Fah[1] (Alternate Director)	–	3/3[1]		2/2[1]		
Mr Prapakon Thongtheppairot (Alternate Director)	–	6/6		4/4		

Note:
1 Mr Michael Chye Hin Fah was appointed as an Alternate Director to Mr Thapana Sirivadhanabhakdi on 8 February 2017. On this date, Mr Michael Chye Hin Fah was also appointed as a Member of the Board Executive and Risk Management Committees and his attendance at these Board Committee meetings excludes meetings held before his appointment on 8 February 2017.

Upon appointment, each new Director is issued a formal letter of appointment setting out his or her duties and obligations as a Director of the Company, including their responsibilities as fiduciaries and how to deal with conflicts of interest that may arise. A comprehensive orientation programme is also conducted to familiarise new appointees with the business activities, strategic directions, policies and corporate governance practices of the Group as well as their statutory and other duties and responsibilities as Directors. This programme allows new Directors to get acquainted with senior management, and also facilitates and fosters better rapport and communications with management.

Our Directors are kept continually and regularly updated on the Group's businesses and the regulatory and industry-specific environments in which the entities of the Group operate. Updates on relevant legal, regulatory and technical developments and good corporate governance may be in writing or disseminated by way of briefings, presentations and/or handouts. The Board is also regularly updated on the latest key changes to any applicable legislation and changes to the rules of SGX-ST Listing Rules ("**Listing Rules**") as well as developments in accounting principles, by way of briefings held by the Company's lawyers and auditors. Our Directors are also encouraged to be members of the Singapore Institute of Directors ("**SID**") and to receive journal updates and training from SID in order to stay abreast of relevant developments in financial, legal and regulatory requirements. During the financial year ended 30 September 2017, the Board has been briefed and updated on changes to the Companies Act (Chapter 50) (the "**Companies Act**") and the Listing Rules.

A. BOARD MATTERS (cont'd)

Principle 2: Board Composition and Guidance

As at 30 September 2017, the F&N Board comprises nine non-executive Directors, of whom three are independent. Based on declarations of independence made by each of the independent Directors, none of them has any relationship with the Company, its related corporations[1], the Group's 10% shareholders[2] or the officers of the Company that could interfere or be reasonably perceived to interfere with the exercise of their independent business judgement with a view to the best interest of the Company. These three independent Directors help to uphold good corporate governance at the Board level and their presence facilitates the exercise of objective independent judgment on corporate affairs. Their participation and input also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, always taking into account the long-term interests of F&N and its shareholders. The Company is actively reviewing its Board composition so as to comply with Guideline 2.2 of the Code. As at 30 September 2017, none of the independent Directors have been on the Board for more than nine years.

Notes:
1 The Code 2012 states that "**related corporation**" in relation to a company shall have the same meaning as currently defined under the Companies Act i.e. a corporation that is the company's holding company, subsidiary or fellow subsidiary.
2 Under the Code, the term "**10% shareholder**" refers to a person who has an interest or interests in one or more voting shares in the Company and the total votes attached to that share, or those shares, is not less than ten percent (10%) of the total votes attached to all the voting shares in the Company. "**Voting shares**" excludes treasury shares.

The Nominating Committee ("**NC**") undertakes an annual review of the size and composition of the Board to ensure alignment with the needs of the Group. The NC is of the view that the current size and composition of the F&N Board facilitates effective decision-making and is appropriate for the scope and nature of the Group's operations. In line with the Code, taking into account the requirements of the Group's businesses and the need to avoid undue disruptions from changes to the Board and Board Committees, the NC is of the view that the current size of the Board is not so large as to be unwieldy or as to interfere with efficient decision-making. No individual or group dominates the Board's decision-making process.

The Board proactively seeks to maintain an appropriate balance of expertise, skills and attributes among the Directors. This is also reflected in the diversity of backgrounds and competencies of our Directors, whose competencies range from banking, finance and accounting to relevant industry knowledge, entrepreneurial and management experience, and familiarity with regulatory requirements and risk management. This is beneficial to the Company and its management as decisions by, and discussions with, the Board are enriched by the broad range of views and perspectives and the breadth of experience of our Directors. The NC is of the view that there is an appropriate balance of expertise and skills amongst the Directors as they collectively bring with them a broad range of complementary competencies and experience.

The Directors are provided with accurate, complete and timely information and have direct and unrestricted access to management. This is to give the Board and Board Committees sufficient time to critically evaluate and consider issues relevant to the Company and its businesses and operations. This also allows our Directors to effectively carry out their duties and discharge their oversight function.

Principle 3: Chairman and Chief Executive Officer

The Chairman of the Company and the Chief Executive Officers ("**CEOs**") of each of the Group's business divisions are separate persons to ensure an appropriate balance and separation of power, increased accountability, and clear division of responsibilities. The Chairman, who is non-executive, is not related to any of the CEOs of the Group's business divisions. There is no business relationship between him and any of these CEOs. Likewise, none of the CEOs are related to each other, and neither is there any other business relationship between or among them.

The Chairman leads the Board and ensures its effectiveness by, among other things, steering effective, productive and comprehensive discussions amongst Board members and the management team on strategic, business and other key issues pertinent to the businesses and operations of the Group. In addition, the Chairman promotes a culture of openness and debate at Board meetings and also ensures, with the support of the company secretary (the "**Company Secretary**"), that Directors are provided with clear, complete and timely information in order to make sound, informed decisions.

The Chairman encourages active and effective engagement, participation and contribution from all Directors, and facilitates constructive relations among and between them and management. With the full support of the Board, the Company Secretary and management, the Chairman facilitates and encourages the Company in its bid to promote, attain and maintain high standards of corporate governance and transparency. The Chairman also sees to it that there is overall effective communications to and with shareholders on the performance of the Group. In turn, the CEOs of the Group's business divisions are responsible for executing the Group's strategies and policies, and are accountable to the Board for the conduct and performance of the respective business operations under their charge.

A. BOARD MATTERS (cont'd)

Lead Independent Director

Tengku Syed Badarudin Jamalullail, Chairman of the NC, was appointed as Lead Independent Director on 7 May 2015. As the Lead Independent Director, he serves in a lead capacity to coordinate the activities of the independent Directors when necessary and appropriate. The Lead Independent Director is available to address shareholders where they have concerns for which contact through normal channels such as the Chairman or the Chief Financial Officer of the Company is inappropriate. The Lead Independent Director also has the authority to call and lead meetings of the independent Directors when necessary and appropriate and to provide feedback to the Chairman after such meetings.

Principle 4: Board Membership

The Nominating Committee is made up of the following Directors:

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

A majority of the members of this Board Committee, including its Chairman, are independent and non-executive Directors. The Lead Independent Director, Tengku Syed Badarudin Jamalullail is the Chairman of the NC.

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

Besides evaluating annually the independence of each Director (as set out in the penultimate paragraph of this section), the NC appraises the performance of the Board as a whole, and the contribution of each Director to the effectiveness of the Board. The NC is also required to determine whether Directors who hold multiple board representations are able to and have been devoting sufficient time to discharge their responsibilities adequately. The Code recommends that the Board should fix the maximum number of listed company board representations which any Director may hold and that this should be disclosed in the Company's annual report. Details of other directorships and other principal commitments of each of the Directors may be found on pages 12 to 17 of this Annual Report. In determining whether each Director is able to devote sufficient time to discharge his or her duties as a director of the Company, the NC has taken cognizance of the recommendations under the Code, but is of the view that its assessment should not be restricted to the number of board representations of each Director and their other principal commitments per se. The attendance and contributions by each Director to and during meetings of the Board and relevant Board Committees and their personal capabilities are holistically assessed and taken into account by the NC. The NC has determined that all the Directors have devoted sufficient time and attention to the affairs of the Company and have adequately discharged their duties.

The Board currently has two Alternate Directors, namely Mr Michael Chye Hin Fah who is the Alternate Director to Mr Thapana Sirivadhanabhakdi and Mr Prapakon Thongtheppairot who is the Alternate Director to Mr Sithichai Chaikriangkrai. The Board has considered the expertise, business and financial backgrounds of Mr Michael Chye Hin Fah and Mr Prapakon Thongtheppairot and is satisfied that they are appropriately qualified. Mr Michael Chye Hin Fah and Mr Prapakon Thongtheppairot are also familiar with the affairs of the Company.

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

The NC takes the lead in identifying, evaluating and selecting suitable candidates for new directorships. In its search and selection process, the NC considers factors such as the ability of the prospective candidate to contribute to discussions, deliberations and activities of the Board and Board Committees. It also reviews the composition of the Board, including the mix of expertise, skills and attributes of existing Directors, so as to identify needed and/or desired competencies to supplement the Board's existing attributes. Where it deems necessary or appropriate, the NC may tap on its networking contacts and/or engage external professional headhunters to assist with identifying and shortlisting candidates.

The Company's Constitution provides that at least one-third of its Directors shall retire from office and are subject to re-election at every Annual General Meeting of the Company ("**AGM**"). All Directors are required to retire from office at least once every three years. The NC will assess and evaluate whether Directors retiring at each AGM are properly qualified for re-appointment by virtue of their skills, experience and contributions. Newly-appointed Directors during the year must also submit themselves for retirement and re-election at the next AGM immediately following their appointment. The shareholders approve the appointment or re-appointment of Board members at the AGM.

A. BOARD MATTERS (cont'd)

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

For the financial year ended 30 September 2017, the NC has performed a review of the independence of the Directors as at 30 September 2017 and following its assessment, has determined the status of each Director as follows:

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

Notes:

1 Each of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi are directly or indirectly interested in not less than ten percent (10%) of the total voting shares in the Company through their interests in TCC Assets Limited ("**TCCA**") and Thai Beverage Public Company Limited ("**ThaiBev**"). As at 30 September 2017, TCCA has a direct interest of 59.30% in the Company and ThaiBev, through its indirect wholly-owned subsidiary InterBev Investment Limited, holds a 28.50% interest in the Company. Mr Charoen Sirivadhanabhakdi is married to Khunying Wanna Sirivadhanabhakdi.

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

3 Mr Chotiphat Bijananda is the son-in-law of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi and is a director of TCCA.

4 Mr Thapana Sirivadhanabhakdi being a son of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is an immediate family member of a 10% shareholder of the Company.

5 Mr Sithichai Chaikriangkrai is a director, senior executive vice president and chief financial officer of ThaiBev.

Key Information regarding Directors

Key information on the Directors is set out on pages 12 to 17 of this Annual Report.

Principle 5: Board Performance

The Board has implemented a formal process for annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board.

All Directors are required to assess the performance of the Board and the Board Committees. The assessment covers areas such as Board processes, managing the Company's performance, effectiveness of the Board and the Board Committees and Director development. The Board has implemented formal processes for assessing the Board and its Board Committees, the contribution by each individual Director to the effectiveness of the Board, as well as the effectiveness of the Chairman of the Board. As part of this process, Directors are requested to complete an evaluation questionnaire which includes questions on (i) how the Board plays an effective role and adds value on critical issues, (ii) how the Board operates to deliver impact and value, and (iii) the evaluation of the Board Committees. The process is designed to provide an evaluation of the current effectiveness of the Board and to support the Chairman and Board to proactively, consider what can enhance the readiness of the Board to address strategic priorities of the Group. Directors can also provide input on issues which do not fall under these categories, for instance, addressing specific areas where improvements can be made. Feedback and comments received from the Directors are reviewed by the NC, in consultation with the Chairman of the Board.

Based on the NC's review, the Board and the various Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

Principle 6: Access to Information

The Company recognises the importance of providing the Board with accurate and relevant information on a timely basis. Management provides the Board with detailed Board papers specifying relevant information and commercial rationale for each proposal for which Board approval is sought. Such information includes relevant financial statements which are presented quarterly, management accounts, financial forecasts, risk analyses and assessments, mitigation strategies, feasibility studies and key commercial issues for the Board's attention and consideration. Reports on major operational matters, business development activities, financial performance, potential investment opportunities and budgets are also circulated to the Board.

A. BOARD MATTERS (cont'd)

A calendar of activities is scheduled for the Board a year in advance. The Company recognises that information should be supplied to the Board in a timely manner and as far as possible, Board papers and agenda items are dispatched to the Directors about a week before scheduled meetings. This is to give Directors sufficient time to review and consider the matters being tabled and/or discussed so that discussions can be more meaningful and productive. Senior management is requested to attend meetings of the Board and the Board Committees in order to provide input and insight into matters being discussed, and to respond to any queries that the Directors may have. The Board also has separate and independent access to the Company's senior management and the Company Secretary.

The Company Secretary is responsible for, among other things, ensuring that Board procedures, the Company's Constitution and relevant rules and regulations, including requirements of the Securities and Futures Act (Chapter 289), Companies Act and Listing Rules are complied with. The Company Secretary attends all Board meetings and provides advice and guidance on corporate governance practices and processes with a view to enhancing long-term shareholder value.

The Company Secretary also facilitates and acts as a channel of communication to ensure good information flows within the Board and its various Board Committees, as well as between and with senior management. In addition, the Company Secretary solicits and consolidates Directors' feedback and evaluation from time to time, and arranges for and facilitates orientation programmes for new Directors and assists with their professional development as required. The Company Secretary is the Company's primary channel of communication with SGX-ST.

The appointment and removal of the Company Secretary is subject to the approval of the Board. Where it is necessary for the efficacious discharge of their duties, the Directors may seek and obtain independent professional advice at the Company's expense.

Note:
Mr Anthony Cheong Fook Seng retired as Company Secretary on 30 September 2017. Mr Hui Choon Kit was appointed as Company Secretary on 1 October 2017. Mr Hui Choon Kit is also the Chief Financial Officer of the Company.

B. REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

Remuneration Committee ("**RC**")

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

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

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

Remuneration Action Framework

The RC reviews on an annual basis, the level and mix of remuneration and benefits policies and practices of the Company, including long-term incentives. When conducting such reviews, the RC takes into account the performance of the Company and employees. It also reviews and approves the framework for salary reviews, performance bonus and incentives for key management of the Group.

The RC also periodically conducts a review of the development and succession plans for key management and the leadership pipeline for the Company. In doing so, the RC aligns the CEOs' leadership, through appropriate remuneration and benefits policies and long-term incentives, with the Company's strategic objectives and key challenges. Performance targets are also set for the CEOs and their performances evaluated yearly.

The RC may from time to time, and where necessary or required, engage external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and management. Among other things, this helps the Company to stay competitive in its remuneration packages. During the financial year ended 30 September 2017, Carrots Consulting Pte Ltd, Mercer (Singapore) Pte Ltd and Korn Ferry Hay Group Pte Ltd were appointed as remuneration consultants. The Company does not have any relationship with these remuneration consultants which would affect their independence and objectivity.

B. REMUNERATION MATTERS (cont'd)

Principle 8: Level and Mix of Remuneration

In recommending the level and mix of remuneration, the RC seeks to build, motivate and retain Directors and key management. It ensures that competitive remuneration policies and practices are in place to draw and motivate high-performing executives so as to drive the Group's businesses to greater growth, efficiency and profitability. In its deliberation, the RC takes into consideration industry practices and benchmarks against relevant industry players to ensure that its remuneration and employment conditions are competitive.

The Company's compensation framework comprises fixed remuneration, annual variable bonuses and long-term incentives. Annual variable bonuses are linked to achievement of financial and non-financial key performance indicators. The Company also uses indicators such as core values, competencies, key result areas, performance rating, and potential of the employees (including key management) to link remuneration to corporate and individual performance. Long-term incentive plans are in place and are conditional upon pre-determined performance targets being met. The long-term incentive plans serve to motivate and reward employees and align their interests to maximise long-term shareholder value.

Long-Term Incentive Plans

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

Through the RSP and PSP, the Company seeks to foster a greater ownership culture within the Group by aligning more directly the interests of key senior management and senior executives with the interest of shareholders, and for such employees to participate and share in the Group's growth and success.

The RSP is available to a broader base of senior executives compared to the PSP. Its objectives are to increase the Company's flexibility and effectiveness in its continuing efforts to attract, motivate and retain talented senior executives and to reward these executives for the performance of the Company and that of the individual. The PSP applies to senior management in key positions who shoulder the responsibility of the Company's performance and who are able to drive the growth of the Company through superior performance. It serves as further motivation to key senior management in striving for excellence and delivering long-term shareholder value.

Under the RSP and PSP, the Company grants share-based awards ("**Base Awards**") conditional upon pre-determined performance targets being met. These targets are set by the RC in its absolute discretion for the performance conditions to be met over the performance period. The performance period for the RSP and PSP are two and three years respectively. For the RSP, the targets set are the achievement of (i) Net Revenue; (ii) Profit Before Interest and Tax; (iii) Attributable Profit Before Fair Value Adjustment and Exceptional Items; and/or (iv) Return On Capital Employed.

For the PSP, the pre-set targets are based on Return On Invested Capital, Total Shareholders' Return Relative to Straits Times Index and Absolute Total Shareholders' Return as a multiple of Cost of Equity.

The Base Awards represent the right to receive fully paid ordinary shares, their equivalent cash value or a combination thereof, free of charge, provided certain prescribed performance and service conditions are met. The final number of shares to be released will depend on the achievement of the pre-determined targets at the end of the performance period. If the pre-determined targets are exceeded, more shares than the Base Awards can be delivered, subject to a maximum percentage of the Base Awards. The first grant of Base Awards was made in December 2009.

The aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, pursuant to the RSP and the PSP, shall not exceed 10% of the total number of issued ordinary shares of the Company (excluding treasury shares).

The RC currently does not intend, in any given year, to grant awards under the RSP and PSP which would comprise more than 1% of the total number of issued ordinary shares from time to time (the "**Yearly Limit**"). However, if the Yearly Limit is not fully utilised in any given year, the balance of the unutilised Yearly Limit may be used by the Company to make grants of awards in subsequent years.

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

B. REMUNERATION MATTERS (cont'd)

Principle 9: Disclosure on Remuneration

Remuneration of Directors and Key Management Personnel

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

Directors of the Company as at 30 September 2017	Remuneration $	Director Fee %	Adviser Fee %	Allowances %	Total %
Mr Charoen Sirivadhanabhakdi	–[1]	–	–	–	–
Khunying Wanna Sirivadhanabhakdi	–[1]	–	–	–	–
Tengku Syed Badarudin Jamalullail	135,000[2]	100	–	–	100
Mr Timothy Chia Chee Ming	145,000	100	–	–	100
Mr Koh Poh Tiong	2,127,694[3,4]	8.5	85.5	6	100
Mrs Siripen Sitasuwan	175,000	100	–	–	100
Mr Chotiphat Bijananda	80,000	100	–	–	100
Mr Thapana Sirivadhanabhakdi	165,000[4]	100	–		100
Mr Sithichai Chaikriangkrai	160,000	100	–	–	100
Mr Michael Chye Hin Fah (Alternate Director)	30,833	100	–	–	100
Mr Prapakon Thongtheppairot (Alternate Director)	50,000[4]	100	–	–	100

Notes:
1 Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi waived payment of Directors' fees due to them.
2 Includes the payment of $20,000 being the basic fee for serving as the Lead Independent Director.
3 Includes payment of $1,819,000 being fees for services provided as adviser to the Board, and $127,694 being car allowance paid pursuant to this appointment.
4 The Directors, who are also directors of Times Publishing Limited ("**TPL**"), have agreed to waive payment of directors' fees due to them from TPL for the year ended 30 September 2017.

Key Management Personnel of the Group as at 30 September 2017	Remuneration $	Fee %	Salary %	Bonus %	Allowances & Benefits %	Others %	Long-Term Incentives[1] %	Total %
Mr Anthony Cheong Fook Seng[2]	791,060	-	56	21	13	-	10	100
Mr Bennett Neo Gim Siong	887,140	-	67	27	6	-	-	100
Mr Hui Choon Kit	942,669	-	56	30	5	-	9	100
Mr Lee Meng Tat	1,301,732	-	56	33	4	-	7	100
Mr Lim Yew Hoe	1,127,145	-	47	17	27	-	9	100
Total	5,049,746							

Notes:
1 The value of the long-term incentives was calculated based on the closing share price of F&N shares of $2.08 on 28 December 2016.
2 Mr Anthony Cheong Fook Seng retired on 30 September 2017. His remuneration includes retirement benefits.

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

There are no employees within the Group who are immediate family members of a Director, and whose remuneration exceeds $50,000 during the year.

B. REMUNERATION MATTERS (cont'd)

Directors' Fees

The remuneration of non-executive Directors takes into account their level and quality of contribution and their respective responsibilities, including attendance and time spent at Board meetings and Board Committee meetings. Directors are paid a basic fee and attendance fees for attending Board meetings. Non-executive Directors who perform services through Board Committees are paid additional basic and attendance fees for such services. No Director decides his own fees. Directors' fees are reviewed annually to benchmark such fees against the amounts paid by other major listed companies. The Company's Board fee structure during the year is as set out below. The Board fee structure remains unchanged from that in the preceding financial year i.e. financial year ended 30 September 2016.

	Basic Fee $	Attendance Fee $
Board		
- Chairman	150,000	2,000
- Member	75,000	1,000
- Lead Independent Director	20,000	-
Audit Committee and Board Exco		
- Chairman	50,000	2,000
- Member	25,000	1,000
NC, RC and Risk Management Committee		
- Chairman	30,000	2,000
- Member	15,000	1,000

Shareholders' approval will be sought at the 119th AGM of the Company on 29th January 2018, for the payment of Directors' fees proposed for the financial year ending 30 September 2018 up to $2 million, the same amount for which approval was sought and obtained at the 118th AGM of the Company.

C. ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

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

Management provides the Board Exco with management accounts at every meeting of this Board Committee. This is in addition to such other information as the Board may require from time to time to make a balanced and informed assessment of the Company's performance, position and prospects.

Principle 11: Risk Management and Internal Controls

The Board is responsible for governing risks and ensuring that Management maintains a sound system of risk management and internal controls with a view to safeguarding the Company's assets and shareholders' interests.

The Audit Committee ("**AC**"), with the assistance of internal and external auditors, reviews and reports to the Board on the adequacy of the Company's system of controls, including financial, compliance, operational and information technology controls, established by management. In assessing the effectiveness of internal controls, the AC ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

C. ACCOUNTABILITY AND AUDIT (cont'd)

The importance and emphasis placed by the Group on internal controls is underpinned by the fact that the key performance indicators for management's performance takes into account the findings of both internal and external auditors and the number of unresolved or outstanding issues raised in the process.

Risk Management Committee ("**RMC**")

The Board, through the RMC, reviews the adequacy and effectiveness of the Group's risk management framework to ensure that robust risk management and internal controls systems are in place. The Company has adopted an enterprise-wide risk management ("**ERM**") framework to enhance its risk management capabilities. Key risks, mitigating measures and management actions are continually identified, reviewed and monitored as part of the ERM process. Financial and operational key risk indicators are in place to track key risk exposures. Key business risks are thoroughly assessed by management and each significant transaction is comprehensively analysed so that management understands the risks involved before it is embarked upon.

The RMC oversees the risk management framework and policies of the Group. It is responsible for, among other things, reviewing the Group's enterprise-wide risk management framework, processes and procedures for identifying, measuring, reporting and mitigating key risks in the Group's businesses and operations. Together with the AC, the RMC helps to ensure that management maintains a sound system of risk management and internal controls to safeguard the interests of shareholders and the assets of the Group. The RMC also provides guidance to management, and renders assistance to the Board to oversee the ERM framework and for determining the nature and extent of significant risks which the Board would be willing to take in achieving the Group's strategic objectives. The meetings of the RMC are attended by senior management of the Company's business divisions, and serve as a forum to review and discuss material risks and exposures of these businesses and their strategies to mitigate risks.

The RMC comprises the following members:

Mr Koh Poh Tiong	Chairman
Mr Thapana Sirivadhanabhakdi	Member
Mr Sithichai Chaikriangkrai	Member
Mr Michael Chye Hin Fah	Member
Mr Prapakon Thongtheppairot	Member

Periodic updates are provided to the RMC on the Group's risk profile, and on the status of key enterprise risk management and business continuity initiatives. These updates include the assessment of the Group's key risks by major business units, risk categories, and the status and changes in plans undertaken by management to manage key risks. Risk tolerance statements, which set out the nature and extent of significant risks which the Group is willing to take in achieving its strategic objectives, are monitored and reported to the RMC.

To assist the Company in ascertaining the adequacy and effectiveness of the Group's internal controls, management implements a control self-assessment exercise. Management also maps out key risks with the existing assurance processes in a comfort matrix every year. Using a comfort matrix of key risks, the material financial, compliance, operational and information technology risks of the Company have been documented and presented against strategies, policies, people, processes, systems, mechanisms and reporting processes that have been put in place.

The Board has received assurance:

(a) from the CEOs and the Chief Financial Officers ("**CFOs**") or Financial Controllers ("**FCs**") of each of the Group's significant business divisions and the Chief Financial Officer of the Company that as at 30 September 2017 the financial records of the Group have been properly maintained and the financial statements for the year ended 30 September 2017 give a true and fair view of the Group's operations and finances;

(b) from the CEOs and the CFOs or FCs of each of the Group's business divisions and the Chief Financial Officer of the Company that as at 30 September 2017 the system of internal controls in place for the Group is adequate and effective to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations[1]; and

(c) from the CEOs and CFOs or FCs of each of the Group's business divisions[2] and the Chief Financial Officer of the Company that as at 30 September 2017 the risk management system in place for the Group is adequate and effective to address risks which the Group considers relevant and material to its operations.

Notes:

1 An assurance on internal controls addressing financial, operational, compliance and information technology risks in respect of Food & Beverage (Beer) and Food & Beverage (Food) is not meaningful as at 30 September 2017 given the current scale of operations.

2 An assurance in respect of the adequacy and effectiveness of the risk management system in place for the Food & Beverage (Beer) and Food & Beverage (Food) businesses has been given by the CEOs of each of these business divisions.

C. ACCOUNTABILITY AND AUDIT (cont'd)

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, reviews performed by management and various Board Committees and assurance from the CEOs, the CFOs or FCs of each of the Group's business divisions and the Chief Financial Officer of the Company, the Board, with the concurrence of the AC, is of the opinion that as at 30 September 2017 the Group's internal controls were adequate and effective to address financial, operational, compliance and information technology risks, which the Group considers relevant and material to its operations.

Based on the risk management framework established and assurance from the CEOs and the CFOs or FCs of each of the Group's business divisions and the Chief Financial Officer of the Company, the Board is of the view that as at 30 September 2017 the Group's risk management system was adequate and effective to address risks which the Group considers relevant and material to its operations.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

An outline of the Group's ERM framework and progress report is set out on pages 58 and 59 of this Annual Report.

Principle 12: Audit Committee

The AC, on behalf of the Board, undertakes the monitoring and review of the system of internal controls. Its main responsibilities are to assist the Board in the discharge of its oversight responsibilities in the areas of internal controls, financial and accounting practices, operational and compliance controls. Significant findings are reported to the Board.

The AC is guided by written Terms of Reference endorsed by the Board and which set out its duties and responsibilities. It is duly authorised to investigate any matter within such Terms of Reference, and has full access to and the co-operation of management, as well as the full discretion to invite any Director or executive officer to attend its meetings. Under the Terms of Reference of the AC, a former partner or director of the Company's existing auditing firm or auditing corporation shall not act as a member of the AC (i) within a period of 12 months commencing on the date of his ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case (ii) for so long as he has any financial interest in the auditing firm or auditing corporation.

The AC comprises the following three members:

Mrs Siripen Sitasuwan	Chairman
Mr Timothy Chia Chee Ming	Member
Mr Sithichai Chaikriangkrai	Member

The AC is made up of non-executive Directors, the majority of whom, including its Chairman, are independent Directors. The members of the AC are appropriately qualified. Their collective wealth of experience and expertise in accounting and financial management enables them to discharge their responsibilities competently. The AC has reasonable resources to enable it to discharge its functions effectively. None of the members of the AC were previous partners or directors of the Company's auditor KPMG LLP ("**KPMG**") and none of the members of the AC hold any financial interest in KPMG.

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

- Reviewing quarterly and full-year financial statements and related SGX-ST announcements, including the independent auditors' report for the full-year and significant financial reporting issues and assessments, to safeguard the integrity in financial reporting, and to ensure compliance with the requirements of the SFRS. In the review of the financial statements, the significant matters referred to in Table A were reviewed by the AC and discussed with management and external auditors.

C. ACCOUNTABILITY AND AUDIT (cont'd)

- Reviewing and approving the internal and external audit plans to ensure the adequacy of the audit scope.
- Recommending, for the approval of the Board, the half-year and annual financial results and related SGX-ST announcements.
- Reviewing the adequacy and effectiveness of the Group's internal audit function, including the adequacy of internal audit resources and its appropriate standing within the Group.
- Reviewing with internal and external auditors, the audit report and their recommendations, and monitoring the timely and proper implementation of any required corrective or improvement measures.
- Reviewing and evaluating with internal and external auditors, and reporting to the Board at least annually on the adequacy and effectiveness of internal control systems, including financial, operational and compliance and information technology controls.
- Reviewing whistle-blowing investigations within the Group and ensuring appropriate follow-up actions, if required.

Table A

Significant matters	**How the AC reviewed these matters**
Impairment of fixed assets and investment in subsidiaries	The AC considered the approach and methodology used by management in determining the recoverable amount of fixed assets and investment in subsidiaries. The AC was satisfied that the approach and methodology used by management in this process was appropriate. Impairment of fixed assets and investment in subsidiaries were also areas of focus for the external auditors who have included this item as a key audit matter in their audit report for the financial year ended 30 September 2017.
Impairment of goodwill and intangible assets (including brands)	The AC considered the approach and methodology used by management in determining the recoverable amount of goodwill and intangible assets (including brands). The AC was satisfied that the approach and methodology used by management in this process was appropriate. Impairment of goodwill and intangible assets were also areas of focus for the external auditors who have included this item as a key audit matter in their audit report for the financial year ended 30 September 2017.
Classification of investment in Vinamilk	The AC considered the assessment by management in determining when significant influence was obtained. The AC was satisfied that the assessment by management was reasonable. The classification of investment in Vinamilk was also an area of focus for the external auditors who have included this item as a key audit matter in their audit report for the financial year ended 30 September 2017.

C. ACCOUNTABILITY AND AUDIT (cont'd)

The AC also meets with internal audit and KPMG in each case, without the presence of management at least once a year to obtain feedback on the competency and adequacy of the finance function, to review the assistance given by the Company's management to internal and external auditors and to ascertain if there are any material weaknesses or control deficiencies in the Group's financial reporting and operational systems. In addition, updates on changes in accounting standards and treatment are prepared by KPMG and circulated to members of the AC periodically.

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

During the year, the AC conducted a review of the scope and results of audit by KPMG, and their cost effectiveness, as well as the independence and objectivity of KPMG. It also reviewed all non-audit services provided by KPMG, and the aggregate amount of audit fees paid/payable to them. For details of fees paid/payable to KPMG in respect of audit and non-audit services, please refer to Note 4 of the Notes to the Financial Statements on page 119. The AC is satisfied that neither their independence nor their objectivity was put at risk, and that they were able to meet the audit requirements and statutory obligations of the Company. The AC is also satisfied with the aggregate amount of audit fees paid to KPMG. Accordingly, the AC has recommended the re-appointment of KPMG at the AGM of the Company. In recommending the re-appointment of the auditors, the AC considered and evaluated a variety of factors including, the audit engagement partner to be assigned to the audit, the number and experience of supervisory and professional staff to be assigned to the audit and the size and complexity of the Group, its business and operations.

The Company has complied with Rule 712 of the Listing Rules which requires, amongst others, that a suitable auditing firm be appointed by the Company, having regard to the factors set out therein. The Company has also complied with Rule 715 of the Listing Rules which requires that the same auditing firm of the Company audits its Singapore-incorporated subsidiaries and significant associated companies, and that a suitable auditing firm be engaged for its significant foreign-incorporated subsidiaries and associated companies.

Whistle-Blowing Policy

The Group has in place a Whistle-Blowing Policy ("**Policy**"). This Policy provides an independent feedback channel through which matters of concern about possible improprieties in matters of financial reporting or other matters may be raised by staff and any other person in confidence and in good faith, without fear of reprisal. Details of this Policy have been disseminated and made available to all employees. This Policy is also available on the Company's website. The improprieties that are reportable under the Whistle-Blowing Policy include:

(a) financial or professional misconduct;

(b) improper conduct, dishonest or unethical behaviour, or violence at the workplace;

(c) any irregularity or non-compliance with laws/regulations, and/or internal control;

(d) conflicts of interest;

(e) health/safety of any individual; and

(f) any other improprieties or matters that may adversely affect shareholders' interest in, and assets of, the Company and its reputation.

All whistle-blowing complaints which are raised are independently investigated and appropriate actions taken. The AC reviews and ensures that independent investigations and any appropriate follow-up actions are carried out.

C. ACCOUNTABILITY AND AUDIT (cont'd)

Principle 13: Internal Audit

The Internal Audit ("**IA**") Department is an independent function within the Company. It conducts objective and independent assessments on the adequacy and quality of the Group's system of internal controls. The Head of IA, who is a Chartered Accountant of Singapore, reports directly to the Chairman of the AC.

The Head of IA and most of the internal audit staff are members of the Institute of Internal Auditors, Singapore and the department has adopted and complied with the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. To ensure that the internal audits are effectively performed, it recruits and employs suitably qualified staff with the requisite skills and experience. Such staff are also given relevant training and development opportunities to update their technical knowledge and auditing skills. Key staff members of the IA Department also receive relevant technical training and seminars organised by the Institute of Internal Auditors, Singapore and other professional bodies.

The IA Department operates within the framework stated in its Terms of Reference, which is approved by the AC. Under the Terms of Reference of the AC, the AC has the authority to approve the hiring, removal, evaluation and compensation of the head of the internal audit function. The IA Department has unfettered access to all the Company's documents, records, properties and personnel including access to the AC. The IA Department adopts a risk-based audit methodology to develop its audit plans, and its activities are aligned to key risks of the Group. Based on risk assessments performed, greater focus and appropriate review intervals are set for higher risk activities, and material internal controls, including compliance with the Company's policies, procedures and regulatory responsibilities.

During the year, the IA Department conducted its audit reviews based on the internal audit plan approved by the AC. All audit reports detailing audit findings and recommendations are provided to management who would respond on the actions to be taken. Each quarter, the IA Department would submit to the AC a report on the status of the audit plan and on audit findings and actions taken by management on such findings. Key findings are highlighted at AC meetings for discussion and follow-up action. The AC monitors the timely and proper implementation of required corrective, preventive or improvement measures undertaken by management.

The AC is satisfied that that the IA Department has adequate resources and appropriate standing within the Company to perform its function effectively.

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

F&N believes in treating all shareholders fairly and equitably. It is committed to keeping all its shareholders and other stakeholders informed, in a timely and consistent manner, of its corporate activities, including changes (if any) in the Company or its businesses which are likely to materially affect the price or value of its shares in a timely and consistent manner.

Shareholders of F&N are also given the opportunity to participate effectively and vote at general meetings of the Company, where relevant rules and procedures governing such meetings (for instance, how to vote) are clearly communicated.

Principle 15: Communication with Shareholders

The Company prides itself on its high standards of disclosure and corporate transparency. F&N is committed to providing fair, relevant, comprehensive and timely information regarding the Group's performance and progress to shareholders and the investment community to enable them to make informed investment decisions. The Group's dedicated Investor Relations ("**IR**") team is tasked with and focuses on facilitating communications between the Company and its shareholders, as well as with the investment community.

The IR team communicates regularly with shareholders and the investment community, with timely disclosures of material and other pertinent information, through regular dialogues and announcements to SGX-ST. The team conducts roadshows (together with senior management), and participates in investor seminars and conferences to keep the market and investors apprised of the Group's corporate developments and financial performance. During the year, the IR team, together with senior management, engaged with Singapore and foreign investors at investor conferences as well as one-on-one and group meetings. The aim of such engagements is to provide shareholders and investors with prompt disclosure of relevant information, to enable them to have a better understanding of the Company's businesses and performance. The Company makes available all its briefing materials to analysts and the media. Such information, financial information, annual reports and all announcements of the Company are made available to the SGX-ST and on the Company's website at www.fraserandneave.com, with contact details for investors to channel their comments and queries.

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES (cont'd)

Further details on IR's activities and responsibilities during the year can be found in the Investor Relations section of this Annual Report on page 56.

In determining dividends, the Board balances the need for a satisfactory return to shareholders against the Company's investment requirement to ensure sustainable growth in the future. Over the years, the Board has maintained a track record of generous shareholder distributions. The Board remains committed to paying approximately fifty percent (50%) of Group Attributable Profit Before Fair Value Adjustment and Exceptional Items.

Principle 16: Conduct of Shareholder Meetings

The Board supports and encourages active shareholder participation at AGMs. It believes that general meetings serve as an opportune forum for shareholders to meet the Board and senior management, and to interact with them.

The Company's Constitution allows (i) each shareholder who is not a relevant intermediary (as defined in the Companies Act) the right to appoint up to two proxies and (ii) each shareholder who is a relevant intermediary to appoint more than two proxies to attend and vote on their behalf in shareholders' meetings. A copy of each of the Annual Report and Notice of AGM are sent to all shareholders. At general meetings, the Company sets out separate resolutions on each substantially separate issue and shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed.

Board members and senior management are present at each shareholders' meeting to respond to any questions from shareholders. The Company's independent auditor is also present to address queries about the conduct of audit and the preparation and content of the independent auditor's report.

For greater transparency, F&N has implemented electronic poll voting since its 2010 AGM. This entails shareholders being invited to vote on each of the resolutions by poll, using an electronic voting system (instead of voting by hand), thereby allowing all shareholders present or represented at the meeting to vote on a one share, one vote basis. The voting results of all votes cast for, or against, each resolution is then screened at the meeting and announced to the SGX-ST after the meeting. The Company will continue to use the electronic poll voting system at the forthcoming AGM. As the authentication of shareholder identity and other related security and integrity issues still remain a concern, the Company has decided for the time being, not to implement voting in absentia methods such as voting via mail, e-mail or fax.

Code of Business Conduct

F&N has in place a Code of Business Conduct which sets out the business practices, standards and ethical conduct expected of all employees in the course of their employment with the Group. The Code of Business Conduct is disseminated and distributed to all employees for compliance, and covers such aspects of the business operations of the Group as conflicts of interest and dealings with government officials, government employees, and suppliers and customers of the Company. In addition, Directors, officers and employees are required to observe and maintain high standards of integrity in carrying out their roles and responsibilities, and to comply with relevant and applicable laws and regulations, as well as with Company policies.

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

The Company has established a procedure for dealings in the securities of the Company, which sets out the implications of insider trading and guidance on such dealings, including the prohibition on dealings with the Company's securities on short-term considerations. In compliance with best practices in Listing Rule 1207 sub-Rule (19) of the Listing Rules, the Group issues quarterly reminders to its Directors, officers and relevant employees on the restrictions in dealings in listed securities of the Group during the period commencing (i) two weeks prior to the announcement of financial results of each of the first three quarters of the financial year, and (ii) one month before the announcement of full-year results, and ending on the date of such announcements. Directors, officers and relevant employees are also reminded not to trade in listed securities of the Group at any time while in possession of unpublished price sensitive information and to refrain from dealing in the Group's securities on short-term considerations.

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	(a) Fraser and Neave, Limited ("**F&N**" or the "**Company**") has complied in all material respects with the principles and guidelines set out in the Code.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	(b) Please see above.
Board Responsibility Guideline 1.5	What are the types of material transactions which require approval from the Board?	The Company has a Manual of Authority ("**MOA**") which contains a schedule of matters specifically reserved to the Board for approval. In addition to matters such as annual budgets, financial plans and business strategies, Board approval is required for material transactions, such as major acquisitions, divestments, funding and investment proposals. The MOA authorises the Board Executive Committee to approve certain transactions up to specified limits beyond which the approval of the Board needs to be obtained.
Members of the Board Guideline 2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees?	(a) The Board proactively seeks to maintain an appropriate balance of expertise, skills and attributes among Directors. This is reflected in the diversity of backgrounds and competencies of our Directors.
	(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.	(b) The current competencies of the Board range from banking, finance and accounting to relevant industry knowledge including entrepreneurial and management experience and familiarity with regulatory requirements and risk management. The Board also includes two female directors in recognition of the importance and value of gender diversity. The profiles of the directors can be found on pages 12 to 17 of this Annual Report ("**this Report**").
	(c) What steps has the Board taken to achieve the balance and diversity necessary to maximize its effectiveness?	(c) The Board has delegated the Nominating Committee (the "**NC**") to annually review the size and composition of the Board with a view to maintaining an appropriate balance of expertise, skills and attributes taking into account the needs of F&N and its subsidiaries (the "**Group**"). Please also refer to Guideline 4.6 below on the process for Board succession planning.

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Guideline 4.6	Please describe the board nomination process for the Company in the last financial year for:	
	(i) selecting and appointing new directors; and	(i) The NC takes the lead in identifying, evaluating and selecting suitable candidates for new directorships, factoring in the ability of the prospective candidate to contribute to the Board, as well as taking into account the existing mix of expertise, skills and attributes of the Directors to identify needed and/or desired competencies.
	(ii) re-electing incumbent directors.	(ii) The NC will assess whether Directors are properly qualified for re-appointment by virtue of their skills, experience and contributions.
Guideline 1.6	(a) Are new directors given formal training? If not, please explain why.	(a) Yes.
	(b) What are the types of information and training provided to:	
	(i) new directors; and	(b)(i) New Directors are given a letter of appointment setting out, among other things, a Director's duties and obligations including their responsibilities as fiduciaries and, how to deal with conflicts of interest that may arise. A comprehensive orientation programme is also conducted to familiarise new appointees with the business activities, strategic directions, policies and corporate governance practices of the Group.
	(ii) existing directors to keep them up-to-date?	(b)(ii) Directors are kept continually and regularly updated on the Group's businesses and the regulatory and industry-specific environments in which the entities of the Group operate. Updates on relevant legal, regulatory and technical developments and good corporate governance may be in writing or disseminated by way of briefings, presentations and/or handouts. Directors are also encouraged to be members of the Singapore Institute of Directors ("**SID**") and to receive journal updates and training from SID in order to stay abreast of relevant developments in financial, legal and regulatory requirements.

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

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

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Independence of Directors Guideline 2.1	Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	Yes. The current F&N Board comprises nine non-executive Directors of whom three are independent. Independent Directors thus comprise one-third of the Board.
Guideline 2.3	(a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship. (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	(a) No. (b) Not applicable.
Guideline 2.4	Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.	No.
Disclosure on Remuneration Guideline 9.2	Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/ bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Yes.
Guideline 9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/ bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so? (b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	(a) Yes. (b) The Company has disclosed the aggregate remuneration paid to the top five key management personnel on page 68 of this Report. The aggregate remuneration paid to the top five key management personnel is $5,049,746.

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

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

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Risk Management and Internal Controls Guideline 6.1	What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	The Company recognises the importance of providing the Board with accurate and relevant information on a timely basis. Management provides the Board with detailed Board papers specifying relevant information and commercial rationale for each proposal for which Board approval is sought. Such information includes relevant financial forecasts, risk analyses, mitigation strategies, feasibility studies and key commercial issues for the Board's attention and consideration. Reports on major operational matters, business development activities, financial performance, potential investment opportunities and budgets are also circulated to the Board. Board papers and agenda items are dispatched to the Directors about a week before scheduled meetings. This is to give Directors sufficient time to review and consider the matters being tabled and/or discussed. On a quarterly basis, financial statements are presented at Board meetings. Risk-related reports are submitted to the Risk Management Committee ("**RMC**") four times a year. The RMC, comprising selected board members, assists the Board in overseeing risk management for the Group.
Guideline 13.1	Does the Company have an internal audit function? If not, please explain why.	Yes.
Guideline 11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	(a) The Board's view on the adequacy and effectiveness of the Company's internal control and risk management systems is based on reviews and reports from the Audit Committee ("**AC**") and RMC. With the assistance of internal and external auditors, the AC reviews and reports to the Board on the adequacy of the Company's system of controls including financial, compliance operational and information technology controls, established by management. In assessing the effectiveness of internal controls, the AC ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations. The RMC is responsible for among other things, reviewing the Group's enterprise-wide risk management framework, processes and procedures for identifying, measuring, reporting and mitigating key risks in the Group's business and operations.

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Guideline 11.3	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that:	
	(i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and	(b)(i) The Board has received assurance that as at 30 September 2017 the financial records of the Group have been properly maintained and the financial statements for the year ended 30 September 2017 give a true and fair view of the Group's operations and finances, from the CEOs and the Chief Financial Officers ("**CFOs**") or Financial Controllers ("**FCs**") of each of the Group's significant business divisions and from the Chief Financial Officer of the Company.
	(ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	(b)(ii) The Board has received assurance that the system of internal controls in place for the Group is adequate and effective to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations, from the CEOs and the CFOs or FCs of each of the Group' business divisions and from the Chief Financial Officer of the Company[1]. The Board has received assurance that as at 30 September 2017 the risk management system in place for the Group is adequate and effective to address risks which the Group considers relevant and material to its operations, from the CEOs and the CFOs or FCs of each of the Group's business divisions[2] and from the Chief Financial Officer of the Company. **Notes:** 1 Please refer to pages 70 and 71 of this Report. An assurance on internal controls addressing financial, operational, compliance and information technology risks in respect of Food & Beverage (Beer) and Food & Beverage (Food) is not meaningful as at 30 September 2017 given the current scale of operations. 2 Please refer to pages 70 and 71 of this Report. An assurance in respect of the adequacy and effectiveness of the risk management system in place for the Food & Beverage (Beer) and Food & Beverage (Food) businesses has been given by the CEOs of each of these business divisions.

CODE OF CORPORATE GOVERNANCE 2012

Guidelines for Disclosure

GUIDELINE	QUESTIONS	HOW HAS THE COMPANY COMPLIED?
Guideline 12.6	(a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.	(a) As disclosed in Note 4(c) to the Notes to the Financial Statements, the fees paid / payable to external auditors for audit and non-audit services for the financial year ended 30 September 2017 are: **$'000** **Audit fees paid / payable** - Auditor of the Company 751 - Member firms of the Auditor of the Company 633 1,384 **Non-audit fees paid / payable** - Auditor of the Company 131 - Member firms of the Auditor of the Company 73 204
	(b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.	(b) Non-audit fees amount to 15% of the total fees paid/payable to the auditor of the Company, and are not substantial.
Communication with Shareholders Guideline 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	(a) The Company, through its Investor Relations ("**IR**") team communicates regularly with shareholders and the investment community, with timely disclosures of material and other pertinent information, through regular dialogues and announcements to SGX-ST.
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	(b) Yes. Please refer to pages 74 and 75 of this Report.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	(c) The IR team together with senior management conducts roadshows and participates in investor seminars, conferences, one-on-one and group meetings.
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	Not applicable.

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DIRECTORS' STATEMENT

The directors have pleasure in presenting their statement together with the audited financial statements of Fraser and Neave, Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 30 September 2017.

1. DIRECTORS

The directors of the Company in office at the date of this statement are:

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

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

	Direct Interest		Deemed Interest	
Name of Director	**As at 1 Oct 2016**	**As at 30 Sep 2017**	**As at 1 Oct 2016**	**As at 30 Sep 2017**
Charoen Sirivadhanabhakdi				
Fraser and Neave, Limited				
• Ordinary Shares	-	**-**	1,270,503,884 [(1)]	**1,270,503,884 [(1)]**
Frasers Centrepoint Limited				
• Ordinary Shares	-	**-**	2,541,007,768 [(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**	-	**-**

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

	Direct Interest		Deemed Interest	
Name of Director	As at 1 Oct 2016	As at 30 Sep 2017	As at 1 Oct 2016	As at 30 Sep 2017
Khunying Wanna Sirivadhanabhakdi				
Fraser and Neave, Limited				
• Ordinary Shares	-	**-**	1,270,503,884 [(1)]	**1,270,503,884 [(1)]**
Frasers Centrepoint Limited				
• Ordinary Shares	-	**-**	2,541,007,768 [(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**	-	**-**
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**	-	**-**
Frasers 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 Frasers 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 ("Siriwana"). Siriwana holds an aggregate of approximately 45.27% interest in Thai Beverage Public Company Limited ("ThaiBev"). This comprises a direct interest of 43.68% and an indirect interest of 1.59% held through Sirisopha Company Ltd. ("Sirisopha"). Siriwana holds an approximate 99.98% direct interest in Sirisopha which in turn holds an approximate 1.59% direct interest in ThaiBev.

Further, Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi jointly hold a 100% direct interest in MM Group Limited ("MM Group"). MM Group holds a 100% direct interest in each of Maxtop Management Corp. ("Maxtop"), Risen Mark Enterprise Ltd. ("RM") and Golden Capital (Singapore) Limited ("GC"). Maxtop holds a 17.23% direct interest in ThaiBev; RM holds a 3.32% direct interest in ThaiBev; and GC holds a 0.06% direct interest in ThaiBev.

ThaiBev holds a 100% direct interest in International Beverage Holdings Limited, which in turns holds a 100% direct interest in InterBev Investment Limited ("IBIL"). Each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is therefore deemed to be interested in all the shares in the Company in which IBIL has an interest.

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

(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 2017.

(c) By virtue of Section 4 of the Securities and Futures Act, Chapter 289, each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is deemed to have interests in the shares of the subsidiaries held by the Company and in the shares of the subsidiaries held by FCL.

(d) Except as disclosed in this statement, no director who held office at the end of the financial year had any interest in shares in, or debentures of, the Company, or its related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

4. SHARE OPTIONS AND SHARE PLANS

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

The Company has in place the RSP and PSP (collectively, the "Share Plans"). The Share Plans were approved by the shareholders of the Company at the Extraordinary General Meeting held on 22 January 2009.

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

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

Share Grants under RSP and PSP

Under the RSP and PSP, the Company grants a base number of conditional share awards (the "Base Award") to eligible participants annually. The Base Award represents the right to receive fully paid ordinary shares of the Company, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met. The Remuneration Committee, as the administrator of the Share Plans, has absolute discretion in granting the Base Awards.

Depending on the level of achievement of the pre-determined targets over a two-year performance period for the RSP and three-year performance period for the PSP, an achievement factor will be applied to the relevant Base Award to determine the final number of RSP shares and PSP shares to be awarded at the end of the respective performance periods. The 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 vested to the participants. The balance will be vested in equal instalments over a period of two years. All the shares under the PSP Final Award will be vested to the participants at the end of the three-year performance period.

Senior management participants are required to hold a minimum number of shares that are vested 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.

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

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

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

(i) RSP

Shares	Grant Date	Balance as at 1.10.2016 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2017
Year 4	14.12.2012	402,350	-	-	(402,350)	-
Year 5	01.10.2014	545,750	(4,225)	-	(272,425)	269,100
Year 6	06.05.2015	984,800	(8,100)	(45,500)	(468,150)	463,050
Year 7	26.02.2016	1,230,476	(37,000)	-	-	1,193,476
Year 8	28.12.2016	1,070,354	(36,000)	-	-	1,034,354
		4,233,730^	(85,325)*	(45,500)	(1,142,925)	2,959,980

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

* Cancelled due to resignations.

(ii) PSP

Shares	Grant Date	Balance as at 1.10.2016 or Grant Date if later	Achievement Factor	Vested	Balance as at 30.9.2017
Year 5	01.10.2014	32,546	(2,546)	(30,000)	-
Year 6	06.05.2015	30,500	-	-	30,500
Year 7	26.02.2016	84,383	-	-	84,383
Year 8	28.12.2016	67,538	-	-	67,538
		214,967^	(2,546)	(30,000)	182,421

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

(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 expired on 1 October 2017. All options granted under the F&NHB 2007 Scheme have been fully exercised.

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

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

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 vested to the participants. The balance will be vested in equal instalments over a period of two years.

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

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

The first grant of the F&NHB RSP was made in March 2012. The details of the shares awarded under the F&NHB RSP are as follows:

RSP

Shares	Grant Date	Balance as at 1.10.2016 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2017
Year 2	07.02.2013	84,275	(1,900)	-	(82,375)	-
Year 3	12.08.2014	299,700	(29,375)	-	(146,075)	124,250
Year 4	15.01.2015	517,600	(37,250)	(27,300)	(244,050)	209,000
Year 5	05.01.2016	596,500	(120,000)	-	-	476,500
Year 6	22.12.2016	557,100	(63,900)	-	-	493,200
		2,055,175	(252,425)*	(27,300)	(472,500)	1,302,950

* Cancelled due to resignations.

(d) Other than those disclosed in this paragraph 4, no shares of the Company or any corporation in the Group were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or any corporation in the Group, whether granted before or during that financial year.

(e) Other than those reported in this paragraph 4, there were no unissued shares of the Company or any corporation in the Group under options as at the end of the financial year to which this statement relates.

5. AUDIT COMMITTEE

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

(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 auditors at the forthcoming Annual General Meeting.

6. INDEPENDENT AUDITORS

The independent auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

7. OPINION OF THE DIRECTORS

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2017 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 2017; and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board

SIRIPEN SITASUWAN
Director

SITHICHAI CHAIKRIANGKRAI
Director

8 November 2017

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
FRASERS AND NEAVE, LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Frasers and Neave, Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 30 September 2017, the consolidated statement of changes in equity of the Group and statement of changes in equity of the Company and the consolidated profit statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 95 to 175.

In our opinion, the accompanying 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 Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 September 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><td colspan="2">Impairment of fixed assets and investment in subsidiaries
(Refer to Note 2.8, Note 2.18, Note 12 and Note 15 to the financial statements)</td></tr>
<tr><td>The key audit matter
Fixed assets constitutes 10.3% of the Group's total assets and investment in subsidiaries constitutes 64.8% of the Company's total assets as at 30 September 2017. Impairment of $2.0 million was recorded for fixed assets at Group level and $58.4 million was recorded for investment in subsidiaries at Company level during the year. The impairments are mainly from the printing and publishing segment.

When there are indicators of impairment noted in a business segment, the Group will estimate the recoverable amount of the fixed assets and investment in subsidiaries at the Company level based on the discounted future cash flows expected to be generated from the business segment. The net present value of the forecast cash flows is derived from profit forecasts which include key assumptions such as sales growth rates and gross profit margins for the next 5 years, and discount rate.

The assessment of management's judgements in arriving at these key assumptions is a key focus area of our audit.</td>
<td>How the matter was addressed in our audit
Our procedures included, among others, assessing the appropriateness of the methodology used in determining the recoverable amount of the fixed assets and investment in subsidiaries.

We also assessed the reasonableness of the key assumptions used in the 5-year profit forecasts by comparing sales growth rates and gross profit margins to past performance and future plans. We also compared the discount rates applied to the cost of capital of comparable listed companies. We evaluated the sensitivity of the profit forecasts by considering the downside scenarios against reasonably plausible changes to the key assumptions.

Our findings – We found the methodology used to be appropriate and key assumptions applied in the impairment testing to be reasonable.</td></tr>
</table>

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
FRASERS AND NEAVE, LIMITED

<table>
<tr><td colspan="2">Impairment of goodwill and intangible assets (including brands)
(Refer to Note 2.12, Note 2.13, Note 2.18, Note 18, Note 19 and Note 22 to the financial statements)</td></tr>
<tr><td>The key audit matter
As at 30 September 2017, the Group has goodwill of $73.9 million mainly relating to the printing and publishing group and beverages group, and intangible assets (including brands) of $46.8 million mainly relating to development costs of published products and brands owned by the Group.

The Group will estimate the recoverable amount of goodwill and intangible assets with indicators of impairment based on discounted future cash flows expected to be generated from the respective operating unit. The net present value of the forecast cash flows is derived from profit forecasts which include key assumptions such as sales growth rates and gross profit margins for the next 5 years, and discount rate for the operating units which the goodwill and intangible assets are allocated to.

As there are judgement and estimation involved in the preparation of the discounted future cash flows and determination of certain key inputs, this is a key focus area in our audit.</td><td>How the matter was addressed in our audit
We assessed the determination of the operating units that goodwill is allocated to based on our understanding of the nature of the Group's business.

For goodwill and intangible assets with indicators of impairment, our procedures included, among others, assessing the appropriateness of the methodology used in determining the recoverable amount of the goodwill and intangible assets. We assessed the reasonableness of the key assumptions used in the 5-year profit forecasts, by comparing sales growth rates and gross profit margins to past performance and future plans. We also compared the discount rates applied to the cost of capital of comparable listed companies. We evaluated the sensitivity of the profit forecasts by considering the downside scenarios against reasonably plausible changes to the key assumptions.

Our findings – We found the methodology used to be appropriate and key assumptions applied in the impairment testing to be reasonable.</td></tr>
</table>

<table>
<tr><td colspan="2">Classification of investment in Vinamilk
(Refer to Note 2.4, Note 2.15, Note 17 and Note 20 to the financial statements)</td></tr>
<tr><td>The key audit matter
The Group acquired additional interest in Vinamilk during the year and increased the shareholding interest in Vinamilk from 10.95% to 18.74%.

On 15 April 2017, at the annual general meeting of Vinamilk, the Group's representation on the board of directors of Vinamilk increased to two directors.

Assessing when the Group obtained significant influence requires judgement and management assessed that with the increased shareholding and representation on the board of Vinamilk, the Group is deemed to have significant influence in Vinamilk and accordingly, investment in Vinamilk was classified from other investment to an investment in associated company on 15 April 2017.

Consequently, fair value reserve of $1.2 billion was realised from fair value adjustment reserve on the deemed disposal of other investment and a provisional goodwill of $2.1 billion was recognised arising from the acquisition of an associated company according to FRS 28 Investments in Associates and Joint Ventures.</td><td>How the matter was addressed in our audit
We evaluated management's assessment of when significant influence was obtained with reference to FRS 28 Investments in Associates and Joint Ventures.

We assessed the appropriateness of the accounting treatment over the realisation of the fair value reserve by reviewing the computations. Also, we assessed the reasonableness of the computation of the provisional goodwill and the assumptions used in the computation by reviewing the source information the assumptions are based on and basis used.

Our findings – We found that the judgement applied by the Group in determining when significant influence was obtained to be balanced. We also found the accounting treatment over the realisation of the fair value reserve to be appropriate and the assumptions used in the computation of the provisional goodwill to be reasonable.</td></tr>
</table>

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
FRASERS AND NEAVE, LIMITED

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report except for the Shareholding Statistics which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Shareholding Statistics, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors 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 Act and FRSs, 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit 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 Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

The engagement partner on the audit resulting in this independent auditors' report is Quek Shu Ping.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
8 November 2017

PROFIT STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	THE GROUP 2017 ($'000)	THE GROUP 2016 ($'000)
REVENUE	3	**1,897,959**	1,978,622
Cost of sales		**(1,236,660)**	(1,250,256)
GROSS PROFIT		**661,299**	728,366
Other income (net)	4(a)	**1,614**	12,917
Operating expenses			
- Distribution		**(174,595)**	(176,754)
- Marketing		**(271,996)**	(299,640)
- Administration		**(129,363)**	(136,950)
		(575,954)	(613,344)
TRADING PROFIT		**86,959**	127,939
Share of joint venture company's loss		**(668)**	(540)
Share of associated companies' profit		**53,921**	3,186
Gross income from investments	6	**33,394**	48,566
PROFIT BEFORE INTEREST AND TAXATION ("PBIT")		**173,606**	179,151
Finance income		**10,671**	14,779
Finance cost		**(16,187)**	(4,969)
Net finance (cost)/income	4(b)	**(5,516)**	9,810
PROFIT BEFORE FAIR VALUE ADJUSTMENT, TAXATION AND EXCEPTIONAL ITEMS		**168,090**	188,961
Fair value adjustment of investment properties		**(1,724)**	(1,532)
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS	4(c)	**166,366**	187,429
Exceptional items	7	**1,177,566**	735
PROFIT BEFORE TAXATION		**1,343,932**	188,164
Taxation	8	**(14,707)**	(22,506)
PROFIT AFTER TAXATION		**1,329,225**	165,658
ATTRIBUTABLE PROFIT TO:			
Shareholders of the Company			
- Before fair value adjustment and exceptional items		**99,906**	108,963
- Fair value adjustment of investment properties		**(1,728)**	(1,548)
- Exceptional items		**1,184,887**	681
		1,283,065	108,096
Non-controlling interests		**46,160**	57,562
		1,329,225	165,658
Earnings per share attributable to the shareholders of the Company	10		
Basic - before fair value adjustment and exceptional items		**6.9 cts**	7.5 cts
Basic - after fair value adjustment and exceptional items		**88.7 cts**	7.5 cts
Fully diluted - before fair value adjustment and exceptional items		**6.9 cts**	7.5 cts
Fully diluted - after fair value adjustment and exceptional items		**88.5 cts**	7.4 cts

The Notes on pages 103 to 175 form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	THE GROUP	
	2017 ($'000)	2016 ($'000)
Profit after taxation	**1,329,225**	165,658
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit statement		
Share of other comprehensive income of associated companies	**(2,365)**	(762)
Realisation of reserves on dilution of interest in an associated company	**6,795**	-
Realisation of fair value gains on change of interest/disposal of available-for-sale financial assets	**(1,200,750)**	(152)
Realisation of reserve on settlement of a net investment	**-**	(10,915)
Realisation of reserve on liquidation of a subsidiary company	**-**	(621)
Net fair value changes on available-for-sale financial assets	**24,424**	524,301
Currency translation difference	**(74,384)**	8,548
	(1,246,280)	520,399
Items that will not be reclassified to profit statement		
Remeasurement of defined benefit obligations	**1,283**	(2,656)
Revaluation of fixed assets	**-**	9,292
	1,283	6,636
Other comprehensive income for the year, net of taxation	**(1,244,997)**	527,035
Total comprehensive income for the year	**84,228**	692,693
Total comprehensive income attributable to:		
Shareholders of the Company	**40,937**	636,841
Non-controlling interests	**43,291**	55,852
	84,228	692,693

The Notes on pages 103 to 175 form an integral part of the Financial Statements.

BALANCE SHEET
AS AT 30 SEPTEMBER 2017

	Notes	THE GROUP 2017 ($'000)	THE GROUP 2016 ($'000) (Restated)	THE COMPANY 2017 ($'000)	THE COMPANY 2016 ($'000)
SHARE CAPITAL AND RESERVES					
Share capital	11(a)	**849,301**	849,301	**849,301**	849,301
Treasury shares	11(b)	**(267)**	(2,655)	**(267)**	(2,655)
Reserves	11(c)	**1,969,551**	1,996,438	**864,916**	876,012
		2,818,585	2,843,084	**1,713,950**	1,722,658
NON-CONTROLLING INTERESTS		**317,108**	309,460	**-**	-
		3,135,693	3,152,544	**1,713,950**	1,722,658
Represented by:					
NON-CURRENT ASSETS					
Fixed assets	12	**505,643**	492,793	**332**	393
Investment properties	13	**40,581**	42,863	**-**	-
Properties held for development	14	**18,025**	18,232	**-**	-
Subsidiary companies	15	**-**	-	**1,915,824**	1,123,027
Joint venture company	16	**46,669**	46,011	**-**	-
Associated companies	17	**2,380,648**	43,003	**-**	18,100
Intangible assets	18	**93,574**	95,786	**167**	187
Brands	22	**27,115**	27,892	**212**	212
Other investments	20	**30,131**	1,363,389	**222,705**	185,240
Other receivables	24	**1,350**	1,131	**-**	-
Deferred tax assets	30	**9,677**	13,267	**-**	-
Bank fixed deposits	21	**2,927**	2,900	**-**	-
		3,156,340	2,147,267	**2,139,240**	1,327,159
CURRENT ASSETS					
Inventories	23	**247,085**	247,359	**-**	-
Trade receivables	24	**279,654**	267,178	**-**	-
Other receivables	24	**59,165**	53,894	**675**	1,074
Related parties	24	**7,054**	4,565	**1**	6
Subsidiary companies	15	**-**	-	**518,309**	13,905
Joint venture companies	16	**571**	558	**-**	-
Associated companies	17	**1**	3	**-**	-
Bank fixed deposits	21	**291,028**	563,282	**8,684**	231,018
Cash and bank balances	21	**843,953**	479,347	**287,584**	270,726
		1,728,511	1,616,186	**815,253**	516,729
Assets held for sale	26	**9,887**	10,375	**-**	-
		1,738,398	1,626,561	**815,253**	516,729
Deduct: CURRENT LIABILITIES					
Trade payables	27	**155,029**	180,548	**-**	-
Other payables	27	**202,234**	211,685	**7,993**	7,423
Related parties	27	**13,689**	12,650	**1,265**	21
Subsidiary companies	15	**-**	-	**328,014**	6,470
Joint venture companies	16	**11**	-	**-**	-
Associated companies	17	**1,583**	1,565	**-**	-
Borrowings	28	**785,591**	12,223	**360,000**	-
Provision for taxation		**32,990**	30,851	**3,148**	3,972
		1,191,127	449,522	**700,420**	17,886
Liabilities held for sale	26	**2,371**	2,339	**-**	-
		1,193,498	451,861	**700,420**	17,886
NET CURRENT ASSETS		**544,900**	1,174,700	**114,833**	498,843
Deduct: NON-CURRENT LIABILITIES					
Other payables	27	**13,169**	2,710	**-**	-
Related parties	27	**-**	1,265	**-**	1,265
Subsidiary companies	15	**-**	-	**540,123**	101,894
Borrowings	28	**517,498**	124,825	**-**	-
Provision for employee benefits	29	**17,807**	20,671	**-**	-
Deferred tax liabilities	30	**17,073**	19,952	**-**	185
		565,547	169,423	**540,123**	103,344
		3,135,693	3,152,544	**1,713,950**	1,722,658

The Notes on pages 103 to 175 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 2017													
Balance at 1 October 2016		849,301	(2,655)	18,746	889,151	(142,346)	1,177,590	(425)	10,349	43,373	2,843,084	309,460	3,152,544
Comprehensive income													
Share of other comprehensive income of associated companies		-	-	-	(2,542)	199	-	-	(22)	-	(2,365)	-	(2,365)
Realisation of reserves on dilution of interest in an associated company		-	-	-	1,699	4,868	-	425	(197)	-	6,795	-	6,795
Realisation of fair value gains on change of interest in available-for-sale financial asset		-	-	-	-	-	(1,200,750)	-	-	-	(1,200,750)	-	(1,200,750)
Net fair value changes on available-for-sale financial assets		-	-	-	-	-	24,424	-	-	-	24,424	-	24,424
Remeasurement of defined benefit obligations		-	-	-	1,198	-	-	-	-	-	1,198	85	1,283
Currency translation difference		-	-	-	-	(71,430)	-	-	-	-	(71,430)	(2,954)	(74,384)
Other comprehensive income for the year		-	-	-	355	(66,363)	(1,176,326)	425	(219)	-	(1,242,128)	(2,869)	(1,244,997)
Profit for the year		-	-	-	1,283,065	-	-	-	-	-	1,283,065	46,160	1,329,225
Total comprehensive income for the year		-	-	-	1,283,420	(66,363)	(1,176,326)	425	(219)	-	40,937	43,291	84,228
Contributions by and distributions to owners													
Employee share-based expenses		-	-	-	-	-	-	-	3,836	-	3,836	1,318	5,154
Treasury shares reissued pursuant to share plans	11	-	2,388	901	-	-	-	-	(3,289)	-	-	-	-
Purchase of shares by a subsidiary company		-	-	-	(1,608)	-	-	-	-	-	(1,608)	(1,289)	(2,897)
Shares of a subsidiary company reissued pursuant to its share plans		-	-	(231)	1,604	-	-	-	(1,373)	-	-	-	-
Capital repayment to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(70)	(70)
Dividends:	9												
Dividends paid		-	-	-	(21,739)	-	-	-	-	(43,373)	(65,112)	(30,615)	(95,727)
Dividends proposed		-	-	-	(43,408)	-	-	-	-	43,408	-	-	-
Total contributions by and distributions to owners		-	2,388	670	(65,151)	-	-	-	(826)	35	(62,884)	(30,656)	(93,540)
Changes in ownership interests													
Change of interests in subsidiary companies		-	-	-	(2,552)	-	-	-	-	-	(2,552)	(4,987)	(7,539)
Total changes in ownership interests		-	-	-	(2,552)	-	-	-	-	-	(2,552)	(4,987)	(7,539)
Total transactions with owners in their capacity as owners		-	2,388	670	(67,703)	-	-	-	(826)	35	(65,436)	(35,643)	(101,079)
Balance at 30 September 2017		849,301	(267)	19,416	2,104,868	(208,709)	1,264	-	9,304	43,408	2,818,585	317,108	3,135,693

The Notes on pages 103 to 175 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

	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)
		THE GROUP											
YEAR ENDED 30 SEPTEMBER 2016													
Balance at 1 October 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
Comprehensive income													
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
Contributions by and distributions to owners													
Employee share-based expenses		-	-	-	-	-	-	-	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												
Dividends paid		-	-	-	(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)
Changes in ownership interests													
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

The Notes on pages 103 to 175 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

THE COMPANY

	Notes	Share Capital ($'000)	Treasury Shares ($'000)	Capital Reserve ($'000)	Revenue Reserve ($'000)	Fair Value Adjustment Reserve ($'000)	Share-based Payment Reserve ($'000)	Dividend Reserve ($'000)	Total Equity ($'000)
YEAR ENDED 30 SEPTEMBER 2017									
Balance at 1 October 2016		849,301	(2,655)	(2,000)	753,938	75,014	5,687	43,373	1,722,658
Comprehensive income									
Net fair value changes on available-for-sale financial assets		-	-	-	-	8,799	-	-	8,799
Other comprehensive income for the year		-	-	-	-	8,799	-	-	8,799
Profit for the year		-	-	-	45,414	-	-	-	45,414
Total comprehensive income for the year		-	-	-	45,414	8,799	-	-	54,213
Contributions by and distributions to owners									
Employee share-based expenses		-	-	-	-	-	2,191	-	2,191
Treasury shares reissued pursuant to share plans	11	-	2,388	901	-	-	(3,289)	-	-
Dividends:	9								
Dividends paid		-	-	-	(21,739)	-	-	(43,373)	(65,112)
Dividends proposed		-	-	-	(43,408)	-	-	43,408	-
Total transactions with owners in their capacity as owners		-	2,388	901	(65,147)	-	(1,098)	35	(62,921)
Balance at 30 September 2017		849,301	(267)	(1,099)	734,205	83,813	4,589	43,408	1,713,950
YEAR ENDED 30 SEPTEMBER 2016									
Balance at 1 October 2015		849,301	(5,759)	(2,814)	735,604	3,936	6,703	43,327	1,630,298
Comprehensive income									
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
Contributions by and distributions to owners									
Employee share-based expenses		-	-	-	-	-	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

The Notes on pages 103 to 175 form an integral part of the Financial Statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	THE GROUP	
	2017 ($'000)	2016 ($'000) (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and exceptional items	**166,366**	187,429
Adjustments for:		
Depreciation of fixed assets	**44,567**	46,804
Impairment of fixed assets and intangible assets	**1,088**	1,052
Reversal of impairment of fixed assets and intangible assets	**(886)**	(464)
Impairment of other investments	**-**	25
Fixed assets and intangible assets written off	**589**	430
Provision for employee benefits	**329**	1,526
Write back of provision for employee benefits	**(462)**	(140)
(Gain)/Loss on disposal of fixed assets and intangible assets	**(70)**	309
Amortisation of brands and intangible assets	**12,865**	14,943
Interest income	**(10,671)**	(14,779)
Interest expenses	**16,187**	4,969
Share of joint venture company's loss	**668**	540
Share of associated companies' profit	**(53,921)**	(3,186)
Investment income	**(33,394)**	(48,566)
Employee share-based expenses	**5,154**	6,057
Fair value adjustment of financial instruments	**454**	(422)
Fair value adjustment of investment properties	**1,724**	1,532
Loss on disposal of financial instruments	**672**	2,124
Operating cash before working capital changes	**151,259**	200,183
Change in inventories	**275**	7,066
Change in receivables	**(7,493)**	20,263
Change in related parties' and joint venture and associated companies' balances	**(2,698)**	(4,836)
Change in payables	**(50,592)**	(10,563)
Development expenditure on properties held for development	**(235)**	(8)
Currency realignment	**129**	(11,012)
Cash generated from operations	**90,645**	201,093
Interest income received	**8,886**	12,414
Interest expenses paid	**(13,656)**	(4,864)
Income taxes paid	**(12,945)**	(24,417)
Payment of employee benefits	**(1,380)**	(1,059)
Net cash from operating activities	**71,550**	183,167
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends from associated companies	**34,633**	5,779
Investment income	**33,394**	48,566
Proceeds from sale of fixed assets	**1,061**	414
Proceeds from redemption of other investments	**-**	6,069
Payment of deferred consideration for prior years' acquisition of subsidiary companies	**(6,071)**	-
Net cash outflow on acquisition of subsidiary companies	**-**	(20,521)
Investment in an associated company	**(51,252)**	-
Purchase of other investment	**(964,901)**	-
Purchase of fixed assets and investment properties	**(64,733)**	(65,471)
Payment for intangible assets	**(10,506)**	(10,887)
Loan to a joint venture company	**(643)**	-
Deposits pledged in relation to acquisition of subsidiary companies	**3,832**	(2,900)
Deposits made in relation to acquisition of subsidiary companies completed after the financial year	**(8,000)**	-
Net cash used in investing activities	**(1,033,186)**	(38,951)

The Notes on pages 103 to 175 form an integral part of the Financial Statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	THE GROUP	
	2017 ($'000)	2016 ($'000) (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from term loans and bank borrowings	**1,169,532**	32,594
Acquisition of non-controlling interests in subsidiary companies	**(7,539)**	-
Purchase of shares by a subsidiary company	**(2,897)**	(3,978)
Capital repayment to non-controlling interests	**(70)**	-
Proceeds from issue of shares by subsidiary companies to non-controlling interests	**-**	630
Payment of dividends:		
- by subsidiary companies to non-controlling interests	**(30,615)**	(33,875)
- by the Company to shareholders	**(65,112)**	(65,060)
Net cash from/(used in) financing activities	**1,063,299**	(69,689)
Net increase in cash and cash equivalents	**101,663**	74,527
Cash and cash equivalents at beginning of year	**1,037,871**	961,036
Effects of exchange rate changes on cash and cash equivalents	**(5,151)**	2,308
Cash and cash equivalents at end of year	**1,134,383**	1,037,871
Cash and cash equivalents at end of year comprise:		
Cash and bank deposits (Note 21)	**1,137,908**	1,045,529
Bank overdrafts (Note 28)	**(598)**	(802)
	1,137,310	1,044,727
Less: Deposits pledged in relation to acquisition of subsidiary companies (Note 21)	**(2,927)**	(6,856)
	1,134,383	1,037,871
Analysis of acquisition of subsidiary companies		
Net assets acquired:		
Fixed assets	**-**	7,345
Intangible assets	**-**	645
Current assets	**-**	1,251
Bank borrowings	**-**	(1,758)
Other current liabilities	**-**	(2,034)
Other non-current liabilities	**-**	(694)
Cash and cash equivalents	**-**	4,079
	-	8,834
Goodwill on acquisition	**-**	20,688
Consideration paid	**-**	29,522
Deferred consideration	**-**	(4,922)
Less: Cash and cash equivalents of subsidiary companies acquired	**-**	(4,079)
Net cash outflow on acquisition of subsidiary companies	**-**	20,521

The Notes on pages 103 to 175 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The following Notes form an integral part of the Financial Statements on pages 95 to 102.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 8 November 2017.

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 2017 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, except as disclosed below.

On 1 October 2016, the Group and the Company adopted the following new, revised and amendments to standards that are mandatory for application from that date.

FRS 114	Regulatory Deferral Accounts
Amendments to FRS 27	Equity Method in Separate Financial Statements
Amendments to FRS 16 and FRS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 16 and FRS 41	Agriculture: Bearer Plants
Amendments to FRS 111	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 110, FRS 112 and FRS 28	Investment Entities: Applying the Consolidation Exception
Amendments to FRS 1	Disclosure Initiative
Improvements to FRSs 2014:	
Amendment to FRS 105	Non-current Assets Held for Sale and Discontinued Operations
Amendment to FRS 107	Financial Instruments: Disclosures
Amendment to FRS 19	Employee Benefits
Amendment to FRS 34	Interim Financial Reporting

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

2. ACCOUNTING POLICIES (cont'd)

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).

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.

2. ACCOUNTING POLICIES (cont'd)

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

Transactions with non-controlling interests (cont'd)

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 the significant subsidiary companies is shown in Note 41.

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 the significant joint arrangements is shown in Note 41.

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 the significant associated companies is shown in Note 41.

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. ACCOUNTING POLICIES (cont'd)

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. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

(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. ACCOUNTING POLICIES (cont'd)

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.

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. ACCOUNTING POLICIES (cont'd)

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.

(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.

2. ACCOUNTING POLICIES (cont'd)

2.12 Intangible Assets (cont'd)

(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:

Intangible assets	Useful lives
Imprints	5%
Co-publishing rights	21.7%
Non-contractual customers	10.0%
Customer relationships	6.7% to 20.0%
Publishing rights	12.5%
Licensing rights	10.0%
Software	12.5% to 33.3%

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 2017

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.

2. ACCOUNTING POLICIES (cont'd)

2.15 Financial Assets (cont'd)

(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.

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

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

(ii) Assets carried at cost

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

(iii) Available-for-sale financial assets

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

(g) Offsetting of financial assets and financial liabilities

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. ACCOUNTING POLICIES (cont'd)

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.

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. ACCOUNTING POLICIES (cont'd)

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 unit ("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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. ACCOUNTING POLICIES (cont'd)

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 awards as consideration for services rendered.

Equity-settled transactions

The fair value of the employee services received in exchange for the grant of the 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 awards on the date of grant. At each balance sheet date, the number of share awards that are expected to be vested are estimated. The impact of the revision of the original estimates is recognised as an expense and as a corresponding adjustment to equity over the remaining vesting period, unless the revision to the original estimates is due to market conditions. No adjustment is made if the revision or actual outcome differs from the original estimates due to market conditions.

When the awards are released, the share-based payment reserve is credited to share capital if new shares are issued. If treasury shares purchased are re-issued to employees, the share-based payment reserve is credited to treasury shares with any gain/loss on reissuance taken to capital reserve.

(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.

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. ACCOUNTING POLICIES (cont'd)

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.

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.

2. ACCOUNTING POLICIES (cont'd)

2.27 Significant Accounting Estimates and Judgements (cont'd)

(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 CGUs 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 CGU 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 respectively.

Investment in joint venture and associated companies

The Group assesses at each reporting date whether there is any objective evidence that investment in joint venture and associated companies are impaired. Where there is objective evidence of impairment, the recoverable amount is estimated based on the higher of the value-in-use and the fair value less costs to sell. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows to be generated by the joint venture and associated companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows which reflects the risk profile of the investee and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the recoverable amount of the investee. The carrying amount of the investment in joint venture and associated companies at balance sheet date have been disclosed in the balance sheet.

Investment in available-for-sale financial assets

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

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

Loans and receivables

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

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

2. ACCOUNTING POLICIES (cont'd)

2.27 Significant Accounting Estimates and Judgements (cont'd)

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

(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	
	2017 ($'000)	2016 ($'000)
Sale of goods	**1,778,974**	1,857,353
Sale of services	**107,637**	109,995
Others	**11,348**	11,274
Total revenue	**1,897,959**	1,978,622

4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS

	2017	2016
(a) Included in other income (net):		
Management and support services	**1,846**	1,610
Sale of scrap items	**1,605**	1,609
Subscription fee income	**1,155**	1,160
Rental income	**951**	638
Cost recovery	**887**	-
Wage credit allowance	**836**	1,097
Service fee income	**603**	396
Gain/(Loss) on disposal of fixed assets	**70**	(239)
Exchange (loss)/gain	**(6,434)**	5,087
Loss on disposal of derivatives	**(320)**	(2,231)
Fair value (loss)/gain on derivatives	**(468)**	299
Recovery of withholding tax	**-**	2,805
(b) Net finance (cost)/income:		
Finance income		
Interest income from bank and other deposits	**8,676**	12,859
Others	**1,995**	1,920
	10,671	14,779
Finance cost		
Interest expense from bank and other borrowings	**(16,069)**	(4,912)
Others	**(118)**	(57)
	(16,187)	(4,969)
	(5,516)	9,810

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

	THE GROUP	
	2017 ($'000)	2016 ($'000)
(c) Profit before taxation and exceptional items have been arrived at after charging:		
Depreciation of fixed assets	**44,567**	46,804
Impairment of fixed assets	**996**	890
Impairment of other investments	**-**	25
Impairment of intangible assets	**92**	162
Amortisation of brands	**135**	135
Amortisation of intangible assets	**12,730**	14,808
Intangible assets written off	**22**	6
Fixed assets written off	**567**	424
Bad debts written off	**4**	147
Allowance for bad and doubtful trade debts	**1,981**	1,200
Allowance for inventory obsolescence	**8,750**	11,280
Directors of the Company:		
Fee	**586**	651
Remuneration of members of Board committees	**536**	495
Adviser fees and allowances	**1,947**	1,929
Key executive officers:		
Remuneration	**5,173**	5,532
Provident Fund contribution	**98**	86
Employee share-based expense	**246**	621
Staff costs (exclude directors and key executives)	**244,319**	250,609
Employee share-based expense (exclude directors and key executives)	**4,908**	5,436
Defined contribution plans (exclude directors and key executives)	**23,790**	22,190
Defined benefit plans	**329**	1,526
Auditors' remuneration:		
Auditor of the Company	**751**	611
Member firms of the Auditor of the Company	**633**	615
Other auditors	**25**	14
Professional fees paid to:		
Auditor of the Company	**131**	6
Member firms of the Auditor of the Company	**73**	80
Other auditors	**569**	192
and crediting:		
Write back of defined benefit plans	**462**	140
Write back of allowance for bad and doubtful trade debts	**936**	937
Write back of allowance for inventory obsolescence	**575**	2,076
Reversal of impairment of fixed assets	**861**	464
Reversal of impairment of intangible assets	**25**	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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, Thailand, Vietnam and other countries.

Year ended 30 September 2017

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	499,317	1,105,292	293,032	318	-	1,897,959
Revenue - inter-segment	4,553	-	90	108,721	(113,364)	-
Total revenue	**503,870**	**1,105,292**	**293,122**	**109,039**	**(113,364)**	**1,897,959**
Subsidiary companies	(3,897)	156,851	(4,108)	(28,493)	-	120,353
Joint venture and associated companies	-	50,726	(415)	2,942	-	53,253
PBIT	**(3,897)**	**207,577**	**(4,523)**	**(25,551)**	**-**	**173,606**
Finance income						10,671
Finance cost						(16,187)
Profit before fair value adjustment, taxation and exceptional items						**168,090**
Fair value adjustment of investment properties						(1,724)
Exceptional items						1,177,566
Profit before taxation						**1,343,932**
Taxation						(14,707)
Profit after taxation						**1,329,225**
Non-controlling interests						(46,160)
Attributable profit						**1,283,065**
Assets	354,238	590,070	299,157	76,371	-	1,319,836
Investment in joint venture and associated companies	-	2,353,708	-	73,609	-	2,427,317
Tax assets						9,677
Bank deposits & cash balances						1,137,908
Total assets						**4,894,738**
Liabilities	74,908	185,323	90,181	55,481	-	405,893
Tax liabilities						50,063
Borrowings						1,303,089
Total liabilities						**1,759,045**
Other segment information:						
Capital expenditure	41,190	17,325	15,445	1,279	-	75,239
Depreciation and amortisation	16,350	21,826	17,968	1,288	-	57,432
Impairment losses	541	454	92	1	-	1,088
Reversal of impairment losses	(419)	(442)	(25)	-	-	(886)
Attributable (loss)/profit before fair value adjustment and exceptional items	(11,954)	149,351	(6,059)	(31,432)	-	99,906
Fair value adjustment of investment properties	-	-	(1,733)	5	-	(1,728)
Exceptional items	(4,099)	1,197,982	(8,788)	(208)	-	1,184,887
Attributable (loss)/profit	(16,053)	1,347,333	(16,580)	(31,635)	-	1,283,065

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)	Thailand ($'000)	Vietnam ($'000)	Others ($'000)	Per Consolidated Financial Statements ($'000)
Total revenue	473,566	734,333	584,838	346	104,876	1,897,959
PBIT	(29,418)	48,673	73,666	81,962	(1,277)	173,606
Non-current assets	113,691	402,538	109,137	82	90,971	716,419
Investment in joint venture and associated companies	-	73,609	-	2,353,708	-	2,427,317
Current assets	173,163	245,180	138,233	708	46,133	603,417
Capital expenditure	12,990	47,902	8,574	107	5,666	75,239

Others: Myanmar, Brunei, Indonesia, China, India, Australia, Europe and USA

5. SEGMENT INFORMATION (cont'd)

Year ended 30 September 2016 (Restated)

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	167,116	(5,127)	(8,451)	-	176,505
Joint venture and associated companies	-	-	(76)	2,722	-	2,646
PBIT	**22,967**	**167,116**	**(5,203)**	**(5,729)**	**-**	**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	367,541	1,888,761	276,054	93,662	-	2,626,018
Investment 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						**3,773,828**
Liabilities	101,796	184,295	86,617	60,725	-	433,433
Tax liabilities						50,803
Borrowings						137,048
Total liabilities						**621,284**
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	107,597	(6,033)	2,015	-	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	107,531	(7,745)	2,538	-	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)	Thailand ($'000)	Vietnam ($'000)	Others ($'000)	Per Consolidated Financial Statements ($'000)
Total revenue	473,075	855,812	558,919	-	90,816	1,978,622
PBIT	(10,993)	80,440	65,718	48,438	(4,452)	179,151
Non-current assets	123,223	390,321	104,935	1,363,374	60,233	2,042,086
Investment in joint venture and associated companies	-	71,960	-	-	17,054	89,014
Current assets	170,538	245,147	126,006	-	42,241	583,932
Capital expenditure	18,337	37,037	15,858	-	5,126	76,358

Others: Myanmar, Brunei, Indonesia, China, India, Australia, Europe and USA

	THE GROUP	
	2017 ($'000)	2016 ($'000)

6. GROSS INCOME FROM INVESTMENTS

Interest income	**-**	128
Dividend income	**33,394**	48,438
	33,394	48,566

7. EXCEPTIONAL ITEMS

Effect of change of interest in other investment	**1,199,415**	-
Effect of change of interest in an associated company	**4,671**	756
Reversal of provision for litigation claims	**1,843**	-
Provision for restructuring and re-organisation costs of operations	**(16,614)**	(1,170)
Retirement benefit plan buy-out relating to restructuring of operations	**(10,612)**	-
Impairment loss on fixed assets relating to restructuring of operations	**(1,032)**	-
Loss on liquidation of subsidiary and joint venture companies (net)	**(105)**	(144)
Insurance claim relating to flood	**-**	1,263
Gain on redemption of other investment	**-**	30
	1,177,566	735

8. TAXATION

Based on profit for the year:		
Singapore tax	**4,935**	6,296
Overseas tax		
- current year	**8,506**	15,537
- withholding tax	**2,134**	2,728
Deferred tax		
- current year	**753**	5,640
- adjustment of tax rate	**-**	7
	16,328	30,208
(Over)/Under provision in preceding years		
- current income tax	**(2,476)**	(7,300)
- withholding tax	**(145)**	-
- deferred tax	**1,000**	(402)
	14,707	22,506

8. TAXATION (cont'd)

	THE GROUP	
	2017	2016
	%	%
A reconciliation of the statutory tax rate to the Group's effective tax rate applicable to profit for the year is as follows:		
Singapore statutory rate	**17.0**	17.0
Effect of different tax rates of other jurisdictions	**0.3**	4.6
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)	**(2.4)**	(15.5)
Expenses not deductible for tax purposes	**1.0**	5.5
Utilisation of previously unrecognised tax losses	**-**	(0.1)
Over provision in prior years	**(0.1)**	(4.1)
Deferred tax benefits not recognised	**0.5**	3.2
Withholding tax	**0.2**	1.5
Tax benefits on previously unrecognised losses	**(0.2)**	-
Effect of non-taxable exceptional items	**(15.2)**	-
Others	**-**	(0.3)
	1.1	12.0

As at 30 September 2017, certain Singapore subsidiary companies have unutilised tax losses carried forward of approximately $22,497,000 (2016: $22,497,000) and unabsorbed capital allowances of $199,000 (2016: $199,000) available for set off against future profits. In addition, certain overseas subsidiary companies have unutilised tax losses carried forward of approximately $139,165,000 (2016: $139,565,000), unutilised investment allowances of approximately $74,939,000 (2016: $94,466,000) and unabsorbed capital allowances of $16,946,000 (2016: $13,536,000). 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") 2017 certain subsidiary companies have transferred loss items of $16,296,000 (YA 2016: $18,918,000) to offset against the taxable income of other companies in the Group. Tax benefits of $616,000 (YA 2016: $911,000) were recognised on the tax losses utilised under the group relief system. Tax benefits of $4,436,000 (2016: $3,058,000) 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	
	2017	2016
	($'000)	($'000)
Interim paid of 1.5 cents per share (2016: 1.5 cents per share)	**21,739**	21,733
Final proposed of 3.0 cents per share (2016: 3.0 cents per share)	**43,408**	43,373
	65,147	65,106

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 2017

10. EARNINGS PER SHARE

(a) Basic Earnings Per Share

Basic earnings per share is computed by dividing the Group attributable profit to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	THE GROUP	
	2017 ($'000)	2016 ($'000)
Group attributable profit to shareholders of the Company		
- before fair value adjustments and exceptional items	**99,906**	108,963
- after fair value adjustments and exceptional items	**1,283,065**	108,096
	------ **No. of shares** ------	
Weighted average number of ordinary shares in issue	**1,446,751,141**	1,445,519,595
Earnings Per Share (Basic)		
- before fair value adjustments and exceptional items	**6.9 cts**	7.5 cts
- after fair value adjustments and exceptional items	**88.7 cts**	7.5 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 dilutive potential 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 fair value adjustments and exceptional items	**99,906**	108,963
Change in attributable profit due to dilutive potential shares under share plans of a subsidiary company	**(225)**	(297)
Group adjusted attributable profit to shareholders of the Company before fair value adjustments and exceptional items	**99,681**	108,666
Group attributable profit to shareholders of the Company after fair value adjustments and exceptional items	**1,283,065**	108,096
Change in attributable profit due to dilutive potential shares under share plans of a subsidiary company	**(207)**	(297)
Group adjusted attributable profit to shareholders of the company after fair value adjustments and exceptional items	**1,282,858**	107,799

10. EARNINGS PER SHARE (cont'd)

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

The weighted average number of ordinary shares is adjusted to assume exercise of all dilutive potential shares under share plans of the Company. The reconciliation of the weighted average number of ordinary shares used to compute diluted earnings per share is as follows:

	THE GROUP	
	2017	2016
	------ No. of shares ------	
Weighted average number of ordinary shares used to compute the basic earnings per share	**1,446,751,141**	1,445,519,595
Adjustment for dilutive potential shares under share plans of the Company	**3,142,401**	3,310,805
Weighted average number of ordinary shares used to compute diluted earnings per share	**1,449,893,542**	1,448,830,400
Earnings Per Share (Fully diluted)		
- before fair value adjustments and exceptional items	**6.9 cts**	7.5 cts
- after fair value adjustments and exceptional items	**88.5 cts**	7.4 cts

11. SHARE CAPITAL, TREASURY SHARES AND RESERVES

(a) Share capital

	THE GROUP & THE COMPANY			
	2017		2016	
	No. of shares	**($'000)**	No. of shares	($'000)
Ordinary shares issued and fully paid up				
Balance at beginning and 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

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

(b) Treasury shares

	THE GROUP & THE COMPANY			
	2017		2016	
	No. of shares	**($'000)**	No. of shares	($'000)
Balance at beginning of year	**(1,304,051)**	**(2,655)**	(2,828,700)	(5,759)
Reissued during the year:				
- Reissued pursuant to share plans	**1,172,925**	**-**	1,524,649	-
- Transferred from share-based payment reserve	**-**	**3,289**	-	3,918
- Gain on reissuance of treasury shares	**-**	**(901)**	-	(814)
	1,172,925	**2,388**	1,524,649	3,104
Balance at end of year	**(131,126)**	**(267)**	(1,304,051)	(2,655)

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

The Company did not acquire shares in the Company through purchases on the Singapore Exchange during the financial years ended 30 September 2017 and 2016.

The Company reissued 1,172,925 (2016: 1,524,649) treasury shares pursuant to its share plans at a weighted average price of $2.04 (2016: $2.04) in this financial year.

(c) Reserves

	THE GROUP		THE COMPANY	
	2017 ($'000)	2016 ($'000)	**2017 ($'000)**	2016 ($'000)
The reserves comprise the following:				
Capital Reserve	**19,416**	18,746	**(1,099)**	(2,000)
Fair Value Adjustment Reserve	**1,264**	1,177,590	**83,813**	75,014
Hedging Reserve	**-**	(425)	**-**	-
Share-based Payment Reserve	**9,304**	10,349	**4,589**	5,687
Revenue Reserve	**2,104,868**	889,151	**734,205**	753,938
Dividend Reserve (Note 9)	**43,408**	43,373	**43,408**	43,373
Exchange Reserve	**(208,709)**	(142,346)	**-**	-
Total reserves	**1,969,551**	1,996,438	**864,916**	876,012

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.

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.

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

(c) Reserves (cont'd)

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

	THE GROUP	
	2017 ($'000)	2016 ($'000)
Balance at beginning of year	**(425)**	(273)
Realisation of reserve on dilution of interest in an associated company	**425**	-
Share of associated company's hedging reserve	**-**	(152)
Balance at end of year	**-**	(425)

Share-based payment reserve represents the 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 share plans and is reduced by the shares awarded.

Dividend reserve relates to proposed final dividend of 3.0 cents (2016: 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							THE COMPANY
	Freehold Land ($'000)	Leasehold Land ($'000)	Building ($'000)	Plant & Machinery ($'000)	Capital Work-in-Progress ($'000)	Other Assets ($'000)	Total ($'000)	Other Assets and Total ($'000)
For the year ended 30 September 2017								
At cost								
Balance at beginning of year	40,717	41,669	278,012	570,167	42,315	208,398	1,181,278	440
Currency realignment	(397)	(640)	(1,347)	(3,180)	(229)	(902)	(6,695)	-
Additions	-	-	1,747	11,213	40,529	11,244	64,733	3
Disposals	-	-	(15)	(9,179)	-	(15,196)	(24,390)	-
Write off	-	-	(6)	(556)	(23)	(3,092)	(3,677)	-
Reclassification	-	8,367	1,081	30,499	(42,301)	2,354	-	-
Reclassified to intangible assets	-	-	-	-	(670)	(10)	(680)	-
Balance at end of year	40,320	49,396	279,472	598,964	39,621	202,796	1,210,569	443
Accumulated depreciation and impairment								
Balance at beginning of year	775	11,518	88,683	443,064	-	144,445	688,485	47
Currency realignment	(18)	(123)	(210)	(2,233)	-	(197)	(2,781)	-
Depreciation charge	-	713	5,401	20,729	-	17,724	44,567	64
Impairment charge	-	-	1	193	-	1,834	2,028	-
Reversal of impairment charge	-	-	(1)	(341)	-	(519)	(861)	-
Disposals	-	-	(5)	(8,949)	-	(14,445)	(23,399)	-
Write off	-	-	(1)	(440)	-	(2,669)	(3,110)	-
Reclassified to intangible assets	-	-	-	-	-	(3)	(3)	-
Balance at end of year	757	12,108	93,868	452,023	-	146,170	704,926	111
Net book value at end of year	39,563	37,288	185,604	146,941	39,621	56,626	505,643	332

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12. FIXED ASSETS (cont'd)

	THE GROUP							THE COMPANY
	Freehold Land ($'000)	Leasehold Land ($'000)	Building ($'000)	Plant & Machinery ($'000)	Capital Work-in-Progress ($'000)	Other Assets ($'000)	Total ($'000)	Other Assets and Total ($'000)
For the year ended 30 September 2016 (Restated)								
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	440
Acquisition of subsidiary companies *	-	3,500	-	323	-	3,522	7,345	-
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	41,669	278,012	570,167	42,315	208,398	1,181,278	440
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	47
Impairment charge	-	-	4	735	-	151	890	-
Reversal of impairment charge	-	-	-	(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	47
Net book value at end of year	39,942	30,151	189,329	127,103	42,315	63,953	492,793	393

* In accordance with FRS103 *Business Combinations*, the management has assessed the fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition. Accordingly, provisional goodwill recognised last year has now been adjusted to reflect their fair values.

(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 2017 amounted to $39,000 (2016: $1,900,000).

(c) The net book value of leasehold land pledged to financial institutions as security for borrowings at 30 September 2017 amounted to $Nil (2016: $1,789,000).

(d) In the previous 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) During the financial year, the Group's subsidiary company, Times Publishing Group ("TPL"), set out a restructuring plan as a result of a strategic review of its business. As part of this plan, an impairment loss of $1,032,000 (2016: $Nil), representing the write-down of these assets to its recoverable amount was recognised in "Exceptional Items" as disclosed in Note 7. The recoverable amount of these assets were determined based on its value in use. The pre-tax discount rate applied to the cash flow projections range from 7.3% to 10.5%.

13. INVESTMENT PROPERTIES

		THE GROUP	
		2017 ($'000)	2016 ($'000)
(a)	**Completed Investment Properties**		
	Balance at beginning of year	**42,863**	35,018
	Currency realignment	**(558)**	288
	Additions	**-**	102
	Reclassified from fixed assets	**-**	9,510
	Reclassified to fixed assets	**-**	(523)
	Net fair value loss recognised in the profit statement	**(1,724)**	(1,532)
	Balance at end of year	**40,581**	42,863

(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:

	2017	2016
Rental income from investment properties:		
- Minimum lease payments	**925**	1,392
Direct operating expenses arising from rental generating properties	**255**	432

(c) As at 30 September 2017, investment properties amounting to $10,330,000 (2016: $9,544,000) have been pledged to financial institutions as security for bank facilities. The total bank facilities drawn down is $Nil (2016: $291,000).

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	
	2017 ($'000)	2016 ($'000)
Balance at beginning of year	**18,232**	17,848
Currency realignment	**(442)**	376
Cost incurred	**235**	8
Balance at end of year	**18,025**	18,232
Properties held for development comprise:		
Freehold land	**16,010**	16,408
Development costs	**2,015**	1,824
	18,025	18,232

15. SUBSIDIARY COMPANIES

	THE COMPANY	
	2017 ($'000)	2016 ($'000)
Quoted shares at cost	**256,353**	256,353
Unquoted shares at cost	**1,928,754**	861,366
Allowance for impairment	**(269,362)**	(210,929)
	1,915,745	906,790
Amounts owing by subsidiary companies (unsecured)	**79**	216,237
	1,915,824	1,123,027
MARKET VALUE		
Quoted shares	**1,613,658**	1,613,560

During the financial year, the Company increased its shareholdings in F&N Dairy Investments Pte Ltd ("F&NDI") and F&NBev Manufacturing Pte. Ltd. ("F&N Bev Mfg") through capital injections amounting to $672,530,000 and $358,500,000 respectively. There was no change to the Company's effective ownership interest in the subsidiary companies.

During the financial year, an impairment loss of $58,433,000 (2016: $Nil) was recognised on the cost of investment of a subsidiary company to bring its carrying value to its recoverable value. The recoverable amount of the subsidiary company had been determined based on the higher of the fair value less cost to sell and the 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 8.0% and the terminal growth rate was 3.4%.

The amounts owing by subsidiary companies are unsecured, not repayable within the next 12 months and are interest free except for amounts of $Nil (2016: $187,085,000) which bear an interest rate of Nil% (2016: 1.12%) per annum.

The amounts owing to subsidiary companies disclosed under non-current liabilities are unsecured, not repayable within the next 12 months, non-trade in nature, interest free except for amounts of $460,000,000 (2016: $Nil) which bear interest between 2.9% to 3.9% (2016: Nil%) per annum, 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, have no fixed repayment term, interest free except for amounts payable of $320,000,000 (2016: $Nil) which bears interest of 1.6% (2016: Nil%) per annum and amounts receivable of $515,000,000 (2016: $Nil) which bears interest of 1.3% to 1.4% (2016: Nil%) per annum, 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 the significant subsidiary companies are included in Note 41.

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.

In accordance with FRS 103 *Business Combinations*, the fair value of the identifiable assets and liabilities was determined provisionally for the acquisition of WV, WE and WVS as of 30 September 2016. Additional information was obtained as part of the process of finalising the PPA during the 12 months period allowed under FRS 103 and this resulted in certain aspects of the PPA being revised to reflect the finalisation of the allocation process. The impact of these revisions on the acquired assets is as follows:

	As previously reported 30 September 2016 ($'000)	Adjustment ($'000)	Revised as at 30 September 2016 ($'000)
Fixed assets	5,438	1,907	7,345
Intangible assets	-	645	645
Current assets	1,224	27	1,251
Bank borrowings	(1,758)	-	(1,758)
Other current liabilities	(2,034)	-	(2,034)
Other non-current liabilities	(260)	(434)	(694)
Cash and cash equivalents	4,079	-	4,079
Total identifiable net assets at fair value	6,689	2,145	8,834
Goodwill arising from acquisition	22,311	(1,623)	20,688
Consideration paid	29,000	522	29,522
Deferred consideration	-	(4,922)	(4,922)
Less: Cash and cash equivalents in subsidiary companies acquired	(4,079)	-	(4,079)
Net cash outflow on acquisition of subsidiary companies	24,921	(4,400)	20,521

All the above fair value adjustments have been recorded with effect from the date of acquisition by revising the 30 September 2016 reported balance sheet. There is no impact on the profit statement for the year ended 30 September 2016 due to the above fair value adjustments.

As at the date of acquisition, the fair value of purchase consideration yet to be paid amounted to $4,922,000. During the year ended 30 September 2017, the Group paid $2,212,000 in accordance with the Sales and Purchase Agreement and is expected to pay the remaining amount in 2019.

15. SUBSIDIARY COMPANIES (cont'd)

(b) Acquisition of non-controlling interests in subsidiary companies

On 1 December 2016, the Group through Magnolia-PDL Dairies (1993) Sdn Bhd ("MDSB") acquired the remaining 30% of the issued share capital of Yoke Food Industries Sdn Bhd ("YFI"). On completion of the acquisition, MDSB's shareholdings in YFI increased from 70% to 100%. The differences between the consideration and the carrying values of the additional interests acquired has been recognised in revenue reserve within equity.

The following summarises the effect of the change in the Group's ownership in the above subsidiary companies on equity attributable to owners of the Group:

	($'000)
Carrying amount of non-controlling interests acquired	5,577
Consideration paid to non-controlling interests	7,539
Decrease in equity attributable to owners of the Group	(1,962)

(c) Liquidation of subsidiary companies

During the financial year, the Group liquidated the following companies:
(i) F&N Services (L) Bhd
(ii) Goodwill Binding Pte. Ltd.
(iii) F&N Beverages (Thailand) Limited

(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	
	2017 ($'000)	2016 ($'000)
NCI percentage of ownership and voting interest	**44.5%**	44.5%
Carrying amount of NCI	**305,181**	291,136
Profit after taxation allocated to NCI	**46,125**	57,394
Dividends paid to NCI	**30,156**	33,578
Summarised financial information before inter-group elimination		
Non-current assets	**521,232**	506,771
Current assets	**518,018**	549,885
Non-current liabilities	**(80,288)**	(148,085)
Current liabilities	**(273,075)**	(252,943)
Net assets	**685,887**	655,628
Revenue	**1,314,901**	1,395,718
Profit for the year	**103,665**	129,060
Other comprehensive income	**10,220**	(16,394)
Total comprehensive income	**113,885**	112,666
Net cash from operating activities	**70,745**	160,979
Net cash flows used in investing activities	**(45,119)**	(41,556)
Net cash flows used in financing activities	**(83,959)**	(48,867)
Net (decrease)/increase in cash and cash equivalents	**(58,333)**	70,556

16. JOINT VENTURE COMPANIES

		THE GROUP 2017 ($'000)	THE GROUP 2016 ($'000)
(a)	Unquoted investment, at cost	**161**	165
	Share of post acquisition reserves, net	**(2,843)**	(2,227)
		(2,682)	(2,062)
	Shareholder's loan	**49,351**	48,073
		46,669	46,011

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% (2016: KLIBOR + 1.25%) per annum, not repayable within the next 12 months and are denominated in Malaysia Ringgit.

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

	2017 ($'000)	2016 ($'000)
Expenses	**(385)**	(790)
Loss before interest and taxation	**(385)**	(790)
Interest income	**7**	-
Interest expense	**(1,401)**	-
Net interest	**(1,394)**	-
Loss before taxation	**(1,779)**	(790)
Taxation	**444**	(290)
Loss after taxation	**(1,335)**	(1,080)
Non-current assets	**1,178**	760
Cash and bank balances	**542**	102
Other current assets	**91,731**	91,639
Other current liabilities	**(98,822)**	(96,632)
Net liabilities	**(5,371)**	(4,131)
Proportion of F&NHB's ownership	**50.0%**	50.0%
Group's share of net liabilities	**(2,685)**	(2,065)
Goodwill	**3**	3
Shareholder's loan	**49,351**	48,073
Carrying amount of the investment	**46,669**	46,011

(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/to joint venture 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 Singapore Dollar.

(e) There is no share of capital commitments and contingent liabilities of the joint venture company as at 30 September 2017 and 2016.

Details of the significant joint venture company is included in Note 41.

17. ASSOCIATED COMPANIES

	THE GROUP		THE COMPANY	
	2017 ($'000)	2016 ($'000)	**2017 ($'000)**	2016 ($'000)
Vietnam Dairy Products Joint Stock Company ("Vinamilk")	**2,353,708**	-	**-**	-
Other associated companies	**26,940**	43,003	**-**	18,100
	2,380,648	43,003	**-**	18,100
MARKET VALUE				
Quoted shares	**2,480,459**	65,793	**-**	26,014

(a) On 21 December 2016, the Group, through its wholly owned subsidiary companies, F&NDI and F&N Bev Mfg, completed its acquisition of additional shares representing approximately 5.4% interest in Vinamilk through a competitive bid process. Thereafter, F&NDI acquired additional shares representing approximately 2.4% interest through further purchases from the market. This brought the Group's shareholdings in Vinamilk to a total of approximately 18.7%.

At the annual general meeting of Vinamilk on 15 April 2017, its shareholders approved the appointment of Mr Michael Chye, a representative of Fraser and Neave, Limited ("FNL"), to the board of directors of Vinamilk ("the Vinamilk Board"). This increased FNL's representation on the Vinamilk Board to two directors. In accordance with FRS 28, *Investments in Associates and Joint Ventures*, FNL is deemed to have significant influence through its representation on the Vinamilk Board and will henceforth account for its investment in Vinamilk as an "Investment in Associated Company". As a result, the Group's investment in Vinamilk which was previously recorded as available-for-sale financial assets in Other Investments (Note 20) was reclassified to Investment in Associated Company.

The following table summarises the financial information of Vinamilk based on its consolidated financial statements prepared in accordance with FRS and modified for differences in the Group's accounting policies:

	THE GROUP
	2017 ($'000)
Summarised statement of comprehensive income	
Revenue	**1,297,102**
Profit before taxation	**328,756**
Taxation	**(58,200)**
Profit after taxation	**270,556**
Other comprehensive income	**(26,313)**
Total comprehensive income	**244,243**
Attributable to:	
Non-controlling interests	**(13,075)**
Shareholders of Vinamilk	**257,318**

17. ASSOCIATED COMPANIES (cont'd)

	THE GROUP 2017 ($'000)
Summarised balance sheet	
Non-current assets	**775,013**
Current assets	**1,094,174**
Current liabilities	**(27,191)**
Non-current liabilities	**(396,872)**
Net assets	**1,445,124**
Attributable to:	
Non-controlling interests	**1,076**
Shareholders of Vinamilk	**1,444,048**
Proportion of the Group's ownership	**18.7%**
Group's share of net assets	**270,615**
Provisional goodwill	**2,083,093**
Carrying amount of the investment	**2,353,708**

The provisional goodwill of $2,083,093,000 was recognised based on the provisional fair value of the identifiable assets and liabilities at the date of the acquisition and subject to completion of the Purchase Price Allocation exercise.

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

	THE GROUP 2017 ($'000)	THE GROUP 2016 ($'000)
Carrying amount of interest	**26,940**	43,003
Share of profit before taxation	**4,202**	4,554
Share of taxation	**(1,007)**	(1,368)
Share of profit after taxation	**3,195**	3,186
Share of other comprehensive income	**137**	(762)
Share of total comprehensive income	**3,332**	2,424

(c) 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.

(d) The Group's share of contingent liabilities of the associated companies as at 30 September 2017 is $269,000 (2016: $276,000).

Details of the significant associated companies are included in Note 41.

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18. INTANGIBLE ASSETS

	THE GROUP				THE COMPANY
	Goodwill ($'000)	Deferred Development Costs ($'000)	Other Intangible Assets ($'000)	Total ($'000)	Other Intangible Assets and Total ($'000)
For the year ended 30 September 2017					
At cost					
Balance at beginning of year	**80,483**	**80,017**	**41,824**	**202,324**	**200**
Currency realignment	**(620)**	**(591)**	**(353)**	**(1,564)**	**-**
Additional expenditure	**-**	**9,321**	**1,185**	**10,506**	**-**
Reclassified from fixed assets	**-**	**-**	**680**	**680**	**-**
Write off	**-**	**(61,322)**	**(2,513)**	**(63,835)**	**-**
Balance at end of year	**79,863**	**27,425**	**40,823**	**148,111**	**200**
Accumulated amortisation and impairment					
Balance at beginning of year	**5,979**	**66,393**	**34,166**	**106,538**	**13**
Currency realignment	**(43)**	**(670)**	**(275)**	**(988)**	**-**
Amortisation charge	**-**	**10,109**	**2,621**	**12,730**	**20**
Impairment charge	**-**	**92**	**-**	**92**	**-**
Reversal of impairment charge	**-**	**(25)**	**-**	**(25)**	**-**
Reclassified from fixed assets	**-**	**-**	**3**	**3**	**-**
Write off	**-**	**(61,322)**	**(2,491)**	**(63,813)**	**-**
Balance at end of year	**5,936**	**14,577**	**34,024**	**54,537**	**33**
Net book value	**73,927**	**12,848**	**6,799**	**93,574**	**167**
For the year ended 30 September 2016 (Restated)					
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	200
Acquisition of subsidiary companies*	20,688	-	645	21,333	-
Reclassified from fixed assets	-	-	113	113	-
Disposal for the year	-	-	(100)	(100)	-
Write off	-	(834)	(176)	(1,010)	-
Balance at end of year	80,483	80,017	41,824	202,324	200
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	13
Impairment charge	-	162	-	162	-
Write off	-	(834)	(170)	(1,004)	-
Balance at end of year	5,979	66,393	34,166	106,538	13
Net book value	74,504	13,624	7,658	95,786	187

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

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

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 CGUs				
As at 30 September 2017				
Subsidiary companies:				
Printing and Publishing Group	**15,236**	**Value-in-use and Fair value less cost to sell**	**0%**	**7.3% - 7.6%**
Dairies Group	**322**	**Value-in-use**	**0%**	**10.2%**
Beverages Group	**58,369**	**Value-in-use and Fair value less cost to sell**	**0% - 1.0%**	**7.0% - 10.2%**
	73,927			
As at 30 September 2016 (Restated)				
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	58,773	Value-in-use and Fair value less cost to sell	0% - 2.0%	7.3% - 10.5%
	74,504			

Goodwill is allocated for impairment testing purposes to the individual entity which is also the CGU. 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 CGUs at the date of assessment.

There was no impairment loss recognised in the profit statement during the current financial year and the previous financial year.

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

(b) Deferred development costs

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

An impairment loss of $92,000 (2016: $162,000) 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 7.3% (2016: 7.4%) and the terminal growth rate is 0% (2016: 0%).

(c) Other intangible assets

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

There was no impairment loss recognised in the profit statement during the current financial year and the previous financial year.

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	
	2017 ($'000)	2016 ($'000)	**2017 ($'000)**	2016 ($'000)
Quoted available-for-sale financial assets				
Equity investments				
At fair value	**30,117**	1,363,375	**222,691**	185,226
Unquoted available-for-sale financial assets				
Equity investments				
At cost (less impairment loss)	**14**	14	**14**	14
Total	**30,131**	1,363,389	**222,705**	185,240

(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.

(c) As at 30 September 2017, the Group's shareholdings in Vinamilk which was previously recorded as quoted available-for-sale financial assets was reclassified to Investment in Associated Company (Note 17).

21. CASH AND BANK DEPOSITS

	THE GROUP		THE COMPANY	
	2017 ($'000)	2016 ($'000)	**2017 ($'000)**	2016 ($'000)
Non-Current				
Bank fixed deposits	**2,927**	2,900	**-**	-
Current				
Bank fixed deposits	**291,028**	563,282	**8,684**	231,018
Cash and bank balances	**843,953**	479,347	**287,584**	270,726
	1,134,981	1,042,629	**296,268**	501,744
	1,137,908	1,045,529	**296,268**	501,744

The weighted average effective interest rate for non-current fixed deposits is 0.96% (2016: 1.00%) and current fixed deposits is 1.59% (2016: 1.38%).

The Group's non-current bank fixed deposits of $2,927,000 (2016: $2,900,000) and current bank deposit of $Nil (2016: $3,956,000) 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 2017, cash and bank deposits held by the Group are in the following major currencies: Vietnamese Dong - 8.4% (2016: 2.6%), Malaysia Ringgit - 8.1% (2016: 11.8%), United States Dollar - 5.6% (2016: 5.1%) and Thai Baht - 4.6% (2016: 7.1%).

22. BRANDS

	THE GROUP		THE COMPANY	
	2017 ($'000)	2016 ($'000)	**2017 ($'000)**	2016 ($'000)
At cost				
Balance at beginning of year	**41,359**	40,747	**8,647**	8,647
Currency realignment	**(639)**	612	**-**	-
Balance at end of year	**40,720**	41,359	**8,647**	8,647
Accumulated amortisation and impairment				
Balance at beginning of year	**13,467**	13,266	**8,435**	8,435
Currency realignment	**3**	66	**-**	-
Amortisation charge	**135**	135	**-**	-
Balance at end of year	**13,605**	13,467	**8,435**	8,435
Net book value	**27,115**	27,892	**212**	212

Included in the Group's brands are brands with indefinite useful life of carrying amount of $26,040,000 (2016: $26,683,000).

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 CGU operates.

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

The pre-tax discount rates applied to the cash flow projections were 10.2% (2016: 10.5%) and terminal growth rates applied were 1.0% (2016: 1.0% - 2.0%).

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23. INVENTORIES

	THE GROUP	
	2017 ($'000)	2016 ($'000)
		(Restated)
Raw materials	**123,348**	102,836
Manufactured inventories	**78,637**	101,476
Engineering spares, work-in-progress and other inventories	**6,762**	9,493
Packaging materials	**12,572**	10,760
Goods purchased for resale	**25,766**	22,794
	247,085	247,359

The cost of inventories recognised as an expense in cost of sales during the year was $1,152,775,000 (2016: $1,160,336,000).

24. TRADE RECEIVABLES, OTHER RECEIVABLES AND RELATED PARTIES

	THE GROUP		THE COMPANY	
	2017 ($'000)	2016 ($'000)	**2017 ($'000)**	2016 ($'000)
Trade receivables	**279,654**	267,178	**-**	-
Other receivables:				
Current				
Accrued income	**1,444**	2,783	**215**	34
Prepayments	**4,999**	5,043	**68**	120
Deposits paid	**12,669**	4,853	**-**	-
Tax recoverable	**17,921**	15,105	**392**	78
Staff loans	**3,109**	3,541	**-**	-
Derivative financial instruments (Note 25)	**236**	549	**-**	22
Sundry debtors	**9,053**	5,986	**-**	-
Other receivables	**9,734**	16,034	**-**	820
	59,165	53,894	**675**	1,074
Related parties	**7,054**	4,565	**1**	6
	345,873	325,637	**676**	1,080
Non-current				
Staff loans	**300**	615	**-**	-
Tax recoverable	**289**	149	**-**	-
Deposits paid	**761**	367	**-**	-
	1,350	1,131	**-**	-
	347,223	326,768	**676**	1,080

(a) As at 30 September 2017, trade receivables, other receivables and related parties held by the Group are in the following major currencies: Malaysia Ringgit - 36.2% (2016: 37.6%), Thai Baht - 17.2% (2016: 15.8%), United States Dollar - 9.5% (2016: 8.4%) and Chinese Renminbi - 4.3% (2016: 4.7%).

(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.

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

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to $61,107,000 (2016: $58,938,000) 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	
	2017 ($'000)	2016 ($'000)
Trade receivables past due:		
1 to 30 days	**39,452**	41,013
31 to 60 days	**10,011**	8,123
61 to 90 days	**5,512**	3,210
91 to 120 days	**1,452**	1,192
more than 120 days	**4,680**	5,400
	61,107	58,938

Trade receivables that are impaired

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

	THE GROUP			
	Collectively impaired		Individually impaired	
	2017 ($'000)	2016 ($'000)	**2017 ($'000)**	2016 ($'000)
Trade receivables - nominal amounts	**668**	136	**5,219**	7,267
Less: Allowance for impairment	**(668)**	(136)	**(2,889)**	(4,107)
	-	-	**2,330**	3,160
Movement in allowance accounts:				
Balance at beginning of year	**136**	141	**4,107**	5,108
Impairment charge	**1,111**	155	**870**	1,045
Write back	**(575)**	(149)	**(361)**	(788)
Write off	**-**	(16)	**(1,687)**	(1,238)
Currency realignment	**(4)**	5	**(40)**	(20)
Balance at end of year	**668**	136	**2,889**	4,107

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 enhancements.

25. DERIVATIVE FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
	2017 ($'000)	2016 ($'000)	**2017 ($'000)**	2016 ($'000)
Assets				
Current				
Forward currency contracts	**236**	549	**-**	22
Liabilities				
Current				
Forward currency contracts	**799**	242	**2**	20
Net position	**(563)**	307	**(2)**	2

26. ASSETS AND LIABILITIES HELD FOR SALE

The assets and liabilities of a subsidiary company, Shanxi Xinhua Times Packaging Printing Co., Ltd ("SXTP") is presented as held for sale following the commitment of the Group's management to a plan to sell the subsidiary company. As at the date of this report, discussions on the sales terms are still on-going.

	THE GROUP	
	2017 ($'000)	2016 ($'000)
Assets		
Fixed assets	**5,043**	5,476
Inventories	**1,702**	1,227
Trade and other receivables	**3,110**	3,575
Cash and bank balances	**32**	97
	9,887	10,375
Liabilities		
Trade and other payables	**2,371**	2,339

27. TRADE PAYABLES, OTHER PAYABLES AND RELATED PARTIES

	THE GROUP		THE COMPANY	
	2017 ($'000)	2016 ($'000) (Restated)	**2017 ($'000)**	2016 ($'000)
Current				
Trade payables	**155,029**	180,548	**-**	-
Other payables				
Accrued operating expenses	**81,785**	76,836	**254**	59
Sundry accruals	**27,731**	38,189	**316**	270
Sundry deposits	**7,352**	6,150	**-**	-
Staff costs payable	**44,224**	44,913	**-**	-
Accrual for unconsumed annual leave	**2,609**	3,674	**-**	-
Deferred income	**783**	655	**-**	-
Derivative financial instruments (Note 25)	**799**	242	**2**	20
Interest payable	**3,943**	1,412	**215**	-
Other payables *	**33,008**	39,614	**7,206**	7,074
	202,234	211,685	**7,993**	7,423
Related parties	**13,689**	12,650	**1,265**	21
	370,952	404,883	**9,258**	7,444
Non-current				
Other payables *	**13,169**	2,710	**-**	-
Related parties	**-**	1,265	**-**	1,265
	13,169	3,975	**-**	1,265
	384,121	408,858	**9,258**	8,709

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

27. TRADE PAYABLES, OTHER PAYABLES AND RELATED PARTIES (cont'd)

(a) As at 30 September 2017, the trade payables, other payables and related parties held by the Group are in the following major currencies: Malaysia Ringgit - 32.3% (2016: 39.7%), Thai Baht - 25.1% (2016: 22.3%), United States Dollar - 6.8% (2016: 3.7%) and Sterling Pound - 4.3% (2016: 2.0%).

(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.

(d) Included in the Group's current and non-current other payables are amounts of $Nil (2016: $2,212,000) and $2,810,000 (2016: $2,710,000) respectively, relating to deferred consideration payable for acquisition of subsidiary companies.

28. BORROWINGS

	Weighted average effective interest rate		THE GROUP		THE COMPANY	
	%	Notes	**2017 ($'000)**	2016 ($'000)	**2017 ($'000)**	2016 ($'000)
Repayable within one year:						
Unsecured						
Bank loans	1.47%		**736,665**	10,432	**360,000**	-
Bank overdrafts	7.95%		**598**	802	**-**	-
			737,263	11,234	**360,000**	-
Term loans	4.38%	(a)	**48,322**	79	**-**	-
Secured						
Bank loans	-	(b)	**-**	291	**-**	-
Term loans	-	(b)	**-**	84	**-**	-
Finance leases			**6**	535	**-**	-
			785,591	12,223	**360,000**	-
Repayable after one year:						
Unsecured						
Bank loans	2.35%		**10,175**	24,625	**-**	-
Term loans	3.23%	(a)	**507,323**	99,309	**-**	-
Secured						
Term loans	-	(b)	**-**	691	**-**	-
Finance leases			**-**	200	**-**	-
		(d)	**517,498**	124,825	**-**	-
Total			**1,303,089**	137,048	**360,000**	-
Fair value		(c)	**1,308,997**	132,308	**360,000**	-

28. BORROWINGS (cont'd)

Notes

(a) As at 30 September 2017 and 2016, term loans include medium term notes issued by certain subsidiary companies.

(b) As at 30 September 2016, 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 $580,664,000 (2016: $133,355,000) which have a fair value of $586,572,000 (2016: $128,615,000).

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:

	THE GROUP	
	2017 ($'000)	2016 ($'000)
Between 1 and 2 years	**58,501**	49,786
Between 2 and 5 years	**359,475**	74,668
After 5 years	**99,522**	371
	517,498	124,825

(e) As at 30 September 2017, the borrowings held by the Group are in the following major currencies: Singapore Dollar - 90.4% (2016: Nil%), Malaysia Ringgit - 7.6% (2016: 73.5%) and Thai Baht - 2.0% (2016: 25.2%).

29. PROVISION FOR EMPLOYEE BENEFITS

	THE GROUP	
	2017 ($'000)	2016 ($'000)
Defined benefit plan	**17,737**	20,601
Long service leave/severance allowance/gratuity	**70**	70
	17,807	20,671

(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.

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29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(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 a lump sum benefit at normal retirement age.

The following tables summarise the components of net benefit expense and benefit liability:

	THE GROUP	
	2017 ($'000)	2016 ($'000)
Net benefit (income)/expense		
Current service cost	**1,055**	605
Interest cost	**730**	781
Past service credit	**(1,918)**	-
	(133)	1,386
Actual return on plan assets	**488**	2,393
Benefit liability		
Present value of funded defined benefit obligation	**25,702**	26,332
Fair value of plan assets	**(21,074)**	(20,222)
	4,628	6,110
Present value of unfunded defined benefit obligation	**13,109**	14,491
Net liability arising from defined benefit obligation	**17,737**	20,601

The weighted average duration of the defined benefit obligation as at 30 September 2017 was 14.2 years (2016: 13.8 years).

The Group expects to contribute $691,000 to the defined benefit plans in the financial year ended 30 September 2018 (2017: $673,000).

Changes in present value of defined benefit obligations are as follows:		
Balance at beginning of year	**40,823**	40,422
Interest cost	**1,193**	1,560
Current service cost	**1,055**	605
Past service credit	**(1,918)**	-
Benefits paid	**(1,570)**	(1,461)
Remeasurements:		
- actuarial gain arising from change in demographic assumptions	**-**	(1,996)
- actuarial (gain)/losses arising from change in financial assumptions	**(1,065)**	6,548
- experience adjustments	**(253)**	(8)
Currency realignment	**546**	(4,847)
Balance at end of year	**38,811**	40,823

29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(b) Defined Benefit Plan (cont'd)

	THE GROUP 2017 ($'000)	THE GROUP 2016 ($'000)
Changes in fair value of plan assets are as follows:		
Balance at beginning of year	**20,222**	22,291
Interest income	**463**	779
Contributions by employer	**691**	618
Benefits paid	**(881)**	(1,020)
Remeasurements on return on plan assets	**25**	1,614
Currency realignment	**554**	(4,060)
Balance at end of year	**21,074**	20,222
The proportion of fair value of plan assets at the end of the year is analysed as follows:		
Equity instruments	**10,055**	9,099
Debt instruments	**7,817**	8,086
Other assets	**3,202**	3,037
	21,074	20,222
The major assumptions used by the qualified independent actuaries were:		
Future salary growth	**4.0% to 7.0%**	4.0% to 7.0%
Discount rate	**2.5% to 7.8%**	2.3% to 7.5%

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 ($'000)	Increase/(Decrease) in defined benefit obligation: Decrease in assumption ($'000)
The Group			
Year Ended 30 September 2017			
Future salary growth	**1%**	**1,170**	**(1,028)**
Discount rate	**1%**	**(4,404)**	**5,614**
Year Ended 30 September 2016			
Future salary growth	1%	1,615	(1,421)
Discount rate	1%	(5,174)	6,444

(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.

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

The Fraser & Neave Holdings Bhd ("F&NHB") Executives' Share Option Scheme expired on 1 October 2017. All options granted under the F&NHB 2007 Scheme have been fully exercised.

29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(e) Share Plans

Fraser and Neave Limited Restricted Share Plan ("RSP")

The RSP is a share-based incentive plan for senior executives and key senior management, which was approved by shareholders of the Company at an Extraordinary General Meeting held on 22 January 2009.

Information regarding the RSP

(i) Depending on the level of achievement of pre-determined targets over a two-year performance period for the RSP, the final number of RSP shares to be awarded could range between 0% to 150% of the initial grant of the RSP shares.

(ii) Based on meeting stated performance conditions over a two-year performance period, 50% of the RSP share awards will vest. The balance will vest equally over the subsequent two years upon fulfillment of service requirements.

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

Shares	Grant Date	Balance as at 1.10.2016 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2017
Year 4	14.12.2012	402,350	-	-	(402,350)	-
Year 5	01.10.2014	545,750	(4,225)	-	(272,425)	269,100
Year 6	06.05.2015	984,800	(8,100)	(45,500)	(468,150)	463,050
Year 7	26.02.2016	1,230,476	(37,000)	-	-	1,193,476
Year 8	28.12.2016	1,070,354	(36,000)	-	-	1,034,354
		4,233,730^	(85,325)*	(45,500)	(1,142,925)	2,959,980

^ This takes into account the adjustments made on 7 October 2014 following the Company's distribution to its shareholders by way of dividend *in specie* and a capital reduction undertaken by the Company during 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 $2,088,000 (2016: $2,815,000).

The estimated fair value of shares granted during the year ranges from $1.90 to $1.99 (2016: $1.79 to $1.87). 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:

	2017	2016
Dividend yield (%)	**2.2**	2.5
Expected volatility (%)	**15.1**	21.0
Risk-free interest rate (%)	**1.4 to 1.8**	1.1 to 1.5
Expected life (years)	**2.0 to 4.0**	1.9 to 3.9
Share price at date of grant ($)	**2.08**	1.97

29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(e) Share Plans (cont'd)

Fraser and Neave Limited Performance Share Plan ("PSP")

The PSP is a share-based incentive plan for senior executives and key senior management, which were approved by shareholders of the Company at an Extraordinary General Meeting held on 22 January 2009.

Information regarding the PSP

(i) Depending on the level of achievement of pre-determined targets over a three-year performance period, the final number of PSP shares awarded could range between 0% to 200% of the initial grant of the PSP shares.

(ii) PSP share awards will vest based on meeting stated performance conditions over a three-year performance period.

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

Shares	Grant Date	Balance as at 1.10.2016 or Grant Date if later	Achievement Factor	Vested	Balance as at 30.9.2017
Year 5	01.10.2014	32,546	(2,546)	(30,000)	-
Year 6	06.05.2015	30,500	-	-	30,500
Year 7	26.02.2016	84,383	-	-	84,383
Year 8	28.12.2016	67,538	-	-	67,538
		214,967 ^	(2,546)	(30,000)	182,421

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

The expense recognised in profit statement granted under the PSP during the financial year is $103,000 (2016: $87,000).

The estimated fair value of shares granted during the year is $1.65 (2016: $1.78). 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:

	2017	2016
Dividend yield (%)	**2.2**	2.5
Expected volatility (%)	**15.1**	21.0
Cost of equity (%)	**10.5**	9.9
Risk-free interest rate (%)	**1.6**	1.2
Expected life (years)	**3.0**	2.8
Share price at date of grant ($)	**2.08**	1.97

29. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(e) Share Plans (cont'd)

F&NHB Restricted Share Plan ("F&NHB RSP")

The F&NHB RSP is a share-based incentive plan for senior executives and key senior management, which was approved by shareholders of F&NHB at an Extraordinary General Meeting held on 13 January 2012.

Information regarding the F&NHB RSP

(i) Depending on the achievement of pre-determined targets over a two-year performance period, the final number of RSP shares awarded could range between 0% to 150% of the initial grant of the RSP shares.

(ii) Based on meeting stated performance conditions over a two-year performance period, 50% of the F&NHB RSP awards will vest. The balance will vest equally over the subsequent two years with fulfillment of service requirements.

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

Shares	Grant Date	Balance as at 1.10.2016 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2017
Year 2	07.02.2013	84,275	(1,900)	-	(82,375)	-
Year 3	12.08.2014	299,700	(29,375)	-	(146,075)	124,250
Year 4	15.01.2015	517,600	(37,250)	(27,300)	(244,050)	209,000
Year 5	05.01.2016	596,500	(120,000)	-	-	476,500
Year 6	22.12.2016	557,100	(63,900)	-	-	493,200
		2,055,175	(252,425)*	(27,300)	(472,500)	1,302,950

* Cancelled due to resignations.

The estimated fair value of shares granted during the year ranges from RM15.66 to RM16.58 (2016: RM15.36 to RM16.80). The fair value of equity-settled contingent award of shares are determined using Monte Carlo Valuation Model, which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility of returns. The inputs to the model used are as follows:

	2017	2016
Dividend yield (%)	**3.3**	3.6
Expected volatility (%)	**12.7**	8.4
Risk-free interest rate (%)	**3.6 to 3.9**	3.0 to 3.5
Expected life (years)	**2.0 to 4.0**	2.0 to 4.0
Share price at date of grant (RM)	**22.86**	18.50

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 2017, no shares has been granted under F&NHB PSP.

30. DEFERRED TAX ASSETS AND LIABILITIES

	THE GROUP				THE COMPANY	
	Balance Sheet		Profit Statement		Balance Sheet	
	2017 ($'000)	2016 ($'000) (Restated)	**2017 ($'000)**	2016 ($'000)	**2017 ($'000)**	2016 ($'000)
Deferred tax liabilities						
Differences in depreciation	**16,101**	16,220	**138**	(222)	**-**	-
Provisions, expenses and income taken in a different period	**1,394**	1,253	**88**	(338)	**-**	-
Fair value adjustments *	**917**	2,895	**(137)**	65	**-**	185
Other deferred tax liabilities	**1,132**	856	**37**	(47)	**-**	-
Gross deferred tax liabilities	**19,544**	21,224	**126**	(542)	**-**	185
Less: Deferred tax assets						
Employee benefits	**(1,023)**	(778)	**(257)**	98	**-**	-
Unabsorbed losses and capital allowances	**85**	122	**(213)**	(98)	**-**	-
Provisions, expenses and income taken in a different period	**(1,345)**	(616)	**(257)**	(84)	**-**	-
Fair value adjustments	**(188)**	-	**-**	-	**-**	-
Gross deferred tax assets	**(2,471)**	(1,272)	**(727)**	(84)	**-**	-
Net deferred tax liabilities	**17,073**	19,952	**(601)**	(626)	**-**	185

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

	THE GROUP				THE COMPANY	
Employee benefits	**(1,608)**	(1,639)	**11**	472	**-**	-
Differences in depreciation	**10,391**	11,218	**(33)**	1,132	**-**	-
Unabsorbed losses and capital allowances	**3,336**	5,062	**(2,053)**	303	**-**	-
Provisions	**(7,838)**	(8,604)	**281**	(521)	**-**	-
Investment allowances	**(13,917)**	(19,259)	**4,146**	3,895	**-**	-
Fair value adjustments	**(41)**	(45)	**2**	590	**-**	-
Net deferred tax assets	**(9,677)**	(13,267)	**2,354**	5,871	**-**	-

The deferred tax provision of $1,363,000 relating to fair value adjustment in other comprehensive income was written back during the year (2016: tax charge of $525,000).

Deferred tax liabilities of $1,508,000 (2016: $1,285,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the unremitted earnings of $8,870,000 at 30 September 2017 (2016: $7,559,000).

Deferred tax liabilities of $436,000 (2016: $410,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the undistributed earnings of $2,756,000 at 30 September 2017 (2016: $2,602,000) 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.

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

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

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

	THE GROUP	
	2017 ($'000)	2016 ($'000) (Restated)
Deductible temporary differences	**34,858**	32,265
Tax losses	**144,129**	141,037
	178,987	173,302

Tax losses of $90,414,000 (2016: $90,920,000) 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

		THE GROUP	
		2017 ($'000)	2016 ($'000)
Commitments not provided for in the financial statements:			
(a)	Commitments in respect of contracts placed		
	Fixed assets	**41,799**	17,482
(b)	Other amounts approved by directors but not contracted for		
	Fixed assets	**82,826**	94,096
	Total	**124,625**	111,578

32. LEASE COMMITMENTS

Operating Leases

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

	2017	2016
Payable within one year	**11,525**	9,905
Payable between one and five years	**17,830**	17,102
Payable after five years	**27,207**	28,191
	56,562	55,198
Operating lease expense for the year	**19,427**	20,065

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.

32. LEASE COMMITMENTS (cont'd)

Operating Leases (cont'd)

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

	THE GROUP	
	2017 ($'000)	2016 ($'000)
Receivable within one year	**299**	723
Receivable between one and five years	**-**	301
	299	1,024

Finance Leases

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

	THE GROUP			
	2017 ($'000)		2016 ($'000)	
	Minimum lease payments	**Present value of payments**	Minimum lease payments	Present value of payments
Minimum lease payments due:				
Payable within one year	**6**	**6**	567	535
Payable between one and five years	**-**	**-**	214	200
Total minimum lease payments	**6**	**6**	781	735
Less: Future finance charges				
Payable within one year	**-**	**-**	(32)	-
Payable between one and five years	**-**	**-**	(14)	-
	-	**-**	(46)	-
	6	**6**	735	735

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.

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	
		2017 ($'000)	2016 ($'000)
(a)	Transactions with TCC Group of Companies		
	Sales	**18,531**	3,597
	Corporate service recoveries	**1,027**	1,238
	Advertising & promotion support	**5,958**	2,578
	Service fee and other income	**2,776**	2,105
	Purchases	**(30,585)**	(27,109)
	Marketing expense	**(21,043)**	(4,866)
	Insurance premium expense	**(1,080)**	(1,339)
	Management fee expense	**(798)**	(674)
	Payment for intangible assets	**-**	(200)
	Rental and other expenses	**(4,184)**	(4,566)
(b)	Transactions with Joint Operation and Associated Companies		
	Sales	**862**	1,019
	Receipt of corporate service fees	**62**	184
	Finance income	**1,796**	1,916
	Purchases	**(4,762)**	(5,766)
	Shareholder's loan granted	**(641)**	-

34. CONTINGENT LIABILITIES

The Company issued corporate guarantees to the extent of $2,780,000,000 (2016: $2,460,978,000) for the purpose of assisting its subsidiary companies to obtain external borrowings. Of the $2,780,000,000 (2016: $2,460,978,000) corporate guarantees given by the Company, $820,000,000 (2016: $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.

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 2017, the Group had entered into foreign currency forward exchange buy contracts amounting to $46,495,000 (2016: $27,171,000) and sell contracts amounting to $8,378,000 (2016: $13,480,000). 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 losses of $467,000 (2016: gains of $266,000) and $96,000 (2016: gains of $41,000) respectively.

At 30 September 2017, the Company had entered into foreign currency forward exchange sell contracts amounting to $812,000 (2016: $2,625,000). 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 loss of $2,000 (2016: gain of $2,000).

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 2017				
Australia Dollar	**3,012**	**560**	**3,012**	**-**
Sterling Pound	**-**	**(1,035)**	**-**	**-**
United States Dollar	**-**	**6,228**	**-**	**4,544**
Vietnamese Dong	**-**	**7,879**	**19,257**	**-**
Euro	**-**	**103**	**-**	**-**
Singapore Dollar	**-**	**1,325**	**-**	**-**
Malaysia Ringgit	**-**	**(521)**	**-**	**53**
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)

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.

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 2017					
Financial Assets					
Trade receivables	279,654	279,654	279,654	-	-
Other receivables (excluding derivative financial instruments)	24,939	24,939	24,257	682	-
Derivative financial instruments	236	236	236	-	-
Related parties	7,054	7,054	7,054	-	-
Joint venture companies	49,922	49,922	571	-	49,351
Associated companies	1	1	1	-	-
Bank fixed deposits	293,955	295,757	292,805	2,952	-
Cash and bank balances	843,953	847,625	847,625	-	-
	1,499,714	1,505,188	1,452,203	3,634	49,351
Financial Liabilities					
Trade payables	155,029	155,029	155,029	-	-
Other payables (excluding derivative financial instruments)	203,854	203,854	190,685	13,169	-
Derivative financial instruments	799	799	799	-	-
Borrowings	1,303,089	1,394,233	805,130	472,267	116,836
Related parties	13,689	13,689	13,689	-	-
Joint venture companies	11	11	11	-	-
Associated companies	1,583	1,583	1,583	-	-
	1,678,054	1,769,198	1,166,926	485,436	116,836
Total net undiscounted financial (liabilities)/assets		(264,010)	285,277	(481,802)	(67,485)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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 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	568,967	566,067	2,900	-
Cash and bank balances	479,347	482,601	482,601	-	-
	1,396,741	1,402,780	1,351,192	3,515	48,073
Financial Liabilities					
Trade payables	180,548	180,548	180,548	-	-
Other payables (excluding derivative financial instruments)	203,809	203,809	201,099	2,710	-
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	-	-
	537,127	547,163	413,436	133,330	397
Total net undiscounted financial assets/(liabilities)		855,617	937,756	(129,815)	47,676

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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 Company					
Year Ended 30 September 2017					
Financial Assets					
Other receivables	**215**	**215**	**215**	**-**	**-**
Subsidiary companies	**518,388**	**518,616**	**518,537**	**79**	**-**
Related parties	**1**	**1**	**1**	**-**	**-**
Bank fixed deposits	**8,684**	**8,686**	**8,686**	**-**	**-**
Cash and bank balances	**287,584**	**291,257**	**291,257**	**-**	**-**
	814,872	**818,775**	**818,696**	**79**	**-**
Financial Liabilities					
Other payables (excluding derivative financial instruments)	**7,991**	**7,991**	**7,991**	**-**	**-**
Derivative financial instruments	**2**	**2**	**2**	**-**	**-**
Subsidiary companies	**868,137**	**873,422**	**333,299**	**540,123**	**-**
Borrowings	**360,000**	**360,234**	**360,234**	**-**	**-**
Related parties	**1,265**	**1,265**	**1,265**	**-**	**-**
	1,237,395	**1,242,914**	**702,791**	**540,123**	**-**
Total net undiscounted financial (liabilities)/assets		**(424,139)**	**115,905**	**(540,044)**	**-**
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	-

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			
	2017		2016	
	($'000)	**% of total**	($'000)	% of total
By Geographical Segment:				
Singapore	**96,246**	**34%**	92,747	35%
Malaysia	**107,729**	**39%**	104,793	39%
Thailand	**56,056**	**20%**	49,621	19%
Others	**19,623**	**7%**	20,017	7%
	279,654	**100%**	267,178	100%
By Business Segment:				
Beverages	**111,374**	**39%**	67,941	25%
Dairies	**100,968**	**36%**	128,252	48%
Printing & Publishing	**65,886**	**24%**	70,977	27%
Others	**1,426**	**1%**	8	0%
	279,654	**100%**	267,178	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.

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	Fixed rates		
		Less than 1 year	Between 1 to 5 years	After 5 years
	($'000)	($'000)	($'000)	($'000)
The Group				
Year Ended 30 September 2017				
Assets				
Cash and bank deposits	**2,094**	**964,490**	**2,927**	**-**
Liabilities				
Borrowings	**721,017**	**64,911**	**417,639**	**99,522**
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	-	-
The Company				
Year Ended 30 September 2017				
Assets				
Cash and bank deposits	**-**	**295,707**	**-**	**-**
Other financial assets	**-**	**515,000**	**-**	**-**
Liabilities				
Borrowings	**360,000**	**-**	**-**	**-**
Other financial liabilities	**-**	**320,000**	**460,000**	**-**
Year Ended 30 September 2016				
Assets				
Cash and bank deposits	-	499,505	-	-
Other financial assets	-	-	187,085	-

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 cost position for the year ended 30 September 2017 (2016: net finance income).

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 $5,967,000 (2016: $2,000) and the Company's profit after tax by approximately $2,988,000 (2016: $Nil) . 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 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	
	2017 ($'000)	2016 ($'000)	**2017 ($'000)**	2016 ($'000)
Fair value adjustment reserve	**3,012**	136,201	**22,269**	18,504

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 2016 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) 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 bank borrowings and term loans approximate their fair value.

35. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair Values (cont'd)

(vi) Assets and liabilities measured at fair value

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

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

The following table shows an analysis of assets and liabilities financial instruments carried at fair value by level of fair value hierarchy:

	Level 1 ($'000)	Level 2 ($'000)	Level 3 ($'000)	Total ($'000)
The Group				
Year Ended 30 September 2017				
Financial Assets				
Other investments (Note 20)				
- Quoted available-for-sale financial assets	**30,117**	**-**	**-**	**30,117**
Derivative financial instruments (Note 25)	**-**	**236**	**-**	**236**
	30,117	**236**	**-**	**30,353**
Non-Financial Assets				
Investment properties (Note 13)				
- Commercial	**-**	**-**	**40,581**	**40,581**
Financial Liabilities				
Derivative financial instruments (Note 25)	**-**	**799**	**-**	**799**
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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

35. FINANCIAL RISK MANAGEMENT (cont'd)

(f) **Fair Values** (cont'd)

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

	Level 1 ($'000)	Level 2 ($'000)	Level 3 ($'000)	Total ($'000)
The Company				
Year Ended 30 September 2017				
Financial Assets				
Other investments (Note 20)				
- Quoted available-for-sale financial assets	**222,691**	**-**	**-**	**222,691**
Financial Liabilities				
Derivative financial instruments (Note 25)	**-**	**2**	**-**	**2**
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

There have been no transfers between Level 1, Level 2 and Level 3 for the Group and the Company during the financial year ended 2017 and 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 30.9.2017 ($'000)	Valuation techniques	Unobservable inputs	Range
Investment Properties	**40,581**	**Investment Approach**	**Discount rate**	**7.25%**
		Discounted cash flows	**Discount rate**	**8.40%**
		Direct Comparison Approach	**Market value**	**0% to 37%**

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%

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

35. FINANCIAL RISK MANAGEMENT (cont'd)

(f) **Fair Values** (cont'd)

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

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

	2017 ($'000)	2016 ($'000)
The Group		
Balance at beginning of year	**42,863**	35,018
Currency realignment	**(558)**	288
Additions	**-**	102
Reclassified from fixed assets	**-**	9,510
Reclassified to fixed assets	**-**	(523)
Net fair value loss recognised in the profit statement	**(1,724)**	(1,532)
Balance at end of year	**40,581**	42,863

(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 2017						
Assets						
Fixed assets	-	-	-	-	505,643	505,643
Investment properties	-	-	-	-	40,581	40,581
Properties held for development	-	-	-	-	18,025	18,025
Joint venture companies	49,922	-	-	-	(2,682)	47,240
Associated companies	1	-	-	-	2,380,648	2,380,649
Intangible assets	-	-	-	-	93,574	93,574
Brands	-	-	-	-	27,115	27,115
Other investments	-	-	30,131	-	-	30,131
Other receivables	24,939	236	-	-	35,340	60,515
Deferred tax assets	-	-	-	-	9,677	9,677
Inventories	-	-	-	-	247,085	247,085
Trade receivables	279,654	-	-	-	-	279,654
Related parties	7,054	-	-	-	-	7,054
Bank fixed deposits	293,955	-	-	-	-	293,955
Cash and bank balances	843,953	-	-	-	-	843,953
Assets held for sale	3,142	-	-	-	6,745	9,887
	1,502,620	236	30,131	-	3,361,751	4,894,738
Liabilities						
Trade payables	-	-	-	155,029	-	155,029
Other payables	-	799	-	203,854	10,750	215,403
Joint venture companies	-	-	-	11	-	11
Associated companies	-	-	-	1,583	-	1,583
Related parties	-	-	-	13,689	-	13,689
Borrowings	-	-	-	1,303,089	-	1,303,089
Provision for taxation	-	-	-	-	32,990	32,990
Liabilities held for sale	-	-	-	2,371	-	2,371
Provision for employee benefits	-	-	-	-	17,807	17,807
Deferred tax liabilities	-	-	-	-	17,073	17,073
	-	799	-	1,679,626	78,620	1,759,045

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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 2016						
Assets						
Fixed assets	-	-	-	-	492,793	492,793
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	-	-	-	-	95,786	95,786
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	-	-	-	-	247,359	247,359
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	-	1,010,026	3,773,828
Liabilities						
Trade payables	-	-	-	180,548	-	180,548
Other payables	-	242	-	203,809	10,344	214,395
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	-	-	-	-	19,952	19,952
	-	242	-	539,224	81,818	621,284

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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 2017						
Assets						
Fixed assets	-	-	-	-	**332**	**332**
Subsidiary companies	**518,388**	-	-	-	**1,915,745**	**2,434,133**
Intangible assets	-	-	-	-	**167**	**167**
Brands	-	-	-	-	**212**	**212**
Other investments	-	-	**222,705**	-	-	**222,705**
Other receivables	**215**	-	-	-	**460**	**675**
Related parties	**1**	-	-	-	-	**1**
Bank fixed deposits	**8,684**	-	-	-	-	**8,684**
Cash and bank balances	**287,584**	-	-	-	-	**287,584**
	814,872	-	**222,705**	-	**1,916,916**	**2,954,493**
Liabilities						
Other payables	-	**2**	-	**7,991**	-	**7,993**
Subsidiary companies	-	-	-	**868,137**	-	**868,137**
Related parties	-	-	-	**1,265**	-	**1,265**
Borrowings	-	-	-	**360,000**	-	**360,000**
Provision for taxation	-	-	-	-	**3,148**	**3,148**
	-	**2**	-	**1,237,393**	**3,148**	**1,240,543**
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

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 Malaya Glass Products Sdn Bhd ("MGP"), save and except for:

(a) claims relating to Sichuan Malaya Glass Co Ltd ("SMG") as pleaded in the Suit ("SMG Claims"). SMG is one of the subsidiaries of MGP; and

(b) 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:

(a) 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

(b) 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.

No claims have been filed against F&NHB in respect of the SMG Claims and Tax Claims. These claims are now time-barred. F&NHB has reversed the provision during this financial year.

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 2017 and 2016.

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	
	2017 ($'000)	2016 ($'000)	**2017 ($'000)**	2016 ($'000)
Cash & bank deposits	**1,137,908**	1,045,529	**296,268**	501,744
Borrowings	**(1,303,089)**	(137,048)	**(360,000)**	-
Net (borrowings)/cash	**(165,181)**	908,481	**(63,732)**	501,744
Shareholders' fund	**2,818,585**	2,843,084	**1,713,950**	1,722,658
Total equity (including non-controlling interests)	**3,135,693**	3,152,544	**1,713,950**	1,722,658

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.

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
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 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
Amendments to FRS 102	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to FRS 40	Transfers of Investment Property	1 January 2018
INT FRS 122	Foreign Currency Transactions and Advance Consideration Illustrative Examples	1 January 2018
Improvements to FRSs (December 2016)		
Amendment to FRS 112	Disclosures of interests in other entities	1 January 2017
Amendment to FRS 101	First-time adoption of financial reporting standards	1 January 2018
Amendment to FRS 28	Investments in associates and joint ventures	1 January 2018
Amendments to FRS 104	Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts	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.

38. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATION (cont'd)

(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.

39 SUBSEQUENT EVENT

On 9 January 2017, the Company announced that Times Publishing Limited, a wholly-owned subsidiary of the Company, entered into a conditional agreement (the "Share Purchase Agreement") to acquire the entire issued share capital in Penguin Random House Pte. Ltd. and Penguin Books Malaysia Sdn. Bhd. The aggregate consideration for the purchase is $8,000,000, subject to certain post-completion cash, debt and working capital adjustments to be made in accordance with the Share Purchase Agreement. The proposed acquisition was completed on 2 October 2017.

40 COMPARATIVE FIGURES

Certain comparative figures have been changed due to the PPA adjustment for acquisition of WV, WE and WVS, as disclosed in Note 15(a).

41. SIGNIFICANT SUBSIDIARY COMPANIES, JOINT ARRANGEMENTS AND ASSOCIATED COMPANIES

		Effective Shareholding		
		2017	2016	**Principal Activities**
	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&NBev Manufacturing Pte. Ltd.	**100.0%**	100.0%	Investment Holding
(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%**	100.0%	Vending Machine Operator
(A)	Warburg Engineering Pte. Ltd. *(Held by a subsidiary company)*	**100.0%**	100.0%	Machine Repair and Servicing
(A)	Warburg Vending Services Pte. Ltd. *(Held by a subsidiary company)*	**100.0%**	100.0%	Vending Machine Operator
(A)	F&N Myanmar Investments Pte. Ltd.	**100.0%**	-	Investment Holding
	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)	Yoke Food Industries Sdn Bhd *(Held by a subsidiary company)*	**100.0%**	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

Notes:

(A) Audited by KPMG LLP Singapore.

(B) Audited by KPMG in the respective countries.

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

		Effective Shareholding 2017	Effective Shareholding 2016	Principal Activities
	SUBSIDIARY COMPANIES OF THE COMPANY (cont'd)			
	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**			
(B)	F&N Vietnam Limited Liability Company *(Held by a subsidiary company)*	**100.0%**	100.0%	Distribution of Non-alcoholic Beverages and Provision of Management Services
	Country of Incorporation and Place of Business: **Myanmar**			
(C)	F&N Myanmar Services Limited *(Held by a subsidiary company)*	**100.0%**	-	Management Services
	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
	SUBSIDIARY COMPANIES OF YOKE FOOD INDUSTRIES GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(E)	Lee Fah Marketing Sdn Bhd	**100.0%**	70.0%	Dormant
	Country of Incorporation and Place of Business: **Indonesia**			
(B)	PT Yoke Food Industries Indonesia	**100.0%**	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%	Trading of Goods, Management Services and Property Investment Holding
(B)	F&N Beverages Marketing Sdn Bhd	**55.5%**	55.5%	Distribution of Soft Drinks and Dairy Products
(B)	F&N Beverages Manufacturing Sdn Bhd	**55.5%**	55.5%	Manufacture and Distribution of Soft Drinks

Notes:
(B) Audited by KPMG in the respective countries.
(C) To be appointed.
(E) Not required to be audited under the laws of the country of incorporation.

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

		Effective Shareholding 2017	Effective Shareholding 2016	Principal Activities
	SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP (cont'd)			
	Country of Incorporation and Place of Business: **Malaysia** (cont'd)			
(B)	F&N Dairies (Malaysia) Sdn Bhd	**55.5%**	55.5%	Dormant
(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%	Property Development
(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
	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%	Distribution of Soft Drinks and Dairy Products

Notes:
(A) Audited by KPMG LLP Singapore.
(B) Audited by KPMG in the respective countries.
* In voluntary liquidation

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FOR THE YEAR ENDED 30 SEPTEMBER 2017

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

		Effective Shareholding		
		2017	2016	**Principal Activities**
	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
(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
(A)	Times Experience Pte. Ltd.	**100.0%**	100.0%	Organising Conventions/ Conferences and E-retail of Products & Services
(E)	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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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

		Effective Shareholding 2017	2016	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)			
	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 and Commercial Printing
(B)	Everbest Printing Company Limited	**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
(D)(2)	Shanxi Xinhua Times Packaging Printing Co., Ltd	**51.0%**	51.0%	Commercial Printing and Packaging
(E)	Marshall Cavendish (Beijing) Co. Ltd *(All the above companies, incorporated in China, accounting year ends on 31 December)*	**100.0%**	100.0%	Dormant
	Country of Incorporation and Place of Business: **India**			
(B)	Direct Educational Technologies India Pvt. Ltd. *(Accounting year ends on 31 March)*	**100.0%**	100.0%	Distribution of Home Library Reference Books
	Country of Incorporation and Place of Business: **Australia**			
(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

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.

(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).

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

		Effective Shareholding 2017	Effective Shareholding 2016	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)			
	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**			
(D)	Marshall Cavendish Education Chile SpA *(Accounting year ends on 31 December)*	**100.0%**	100.0%	Publishing - Education
	JOINT VENTURE COMPANY OF FRASER & NEAVE HOLDINGS GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(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 *(Accounting year ends on 31 December)*	**50.0%**	50.0%	Retail of Books and Magazines
	ASSOCIATED COMPANY OF THE FRASER AND NEAVE, LIMITED GROUP			
	Country of Incorporation and Place of Business: **Vietnam**			
(B)(3)	Vietnam Dairy Products Joint Stock Company *(Accounting year ends on 31 December)*	**18.7%**	11.0%	Manufacture and Distribution of Dairy Products and Beverages
	ASSOCIATED COMPANY OF FRASER & NEAVE HOLDINGS GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(D)	Cocoaland Holdings Berhad *(Accounting year ends on 31 December)*	**15.1%**	15.1%	Investment Holding
	ASSOCIATED COMPANIES OF TIMES PUBLISHING GROUP			
	Country of Incorporation and Place of Business: **China**			
(E)	Beijing Universal Times Culture Development Co., Ltd. *(Accounting year ends on 31 December)*	**40.0%**	40.0%	Dormant
	Country of Incorporation and Place of Business: **Nigeria**			
(E)	Transworld Times Press (Africa) Limited *(Accounting year ends on 31 December)*	**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 2017 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	3,916
	Peninsular Malaysia				
	F&N	-	12.8	hectares industrial property at No. 1, Jalan Bukit Belimbing 26/38, Persiaran Kuala Selangor, Section 26, Shah Alam, Selangor	11,867	19,050
		-	5.2	hectares industrial park land at Lot 3-2, Lion Industrial Park, Shah Alam, Selangor	3,756	-
		-	2.3	hectares industrial property at 3724 to 3726, Jalan Sungei Nyior, Butterworth, Pulau Pinang	1,518	556
		-	2.7	hectares industrial property at 217, Jalan Lahat, Ipoh, Perak	905	1,030
		-	2.2	hectares industrial property at Batu 4 3/4, Jalan Tampoi, Johor Bahru, Johor	2,464	924
		-	0.6	hectares industrial property at Lot 6, Jalan Tampoi, Johor Bahru, Johor	338	45
		-	0.1	hectares office premise at No. 3, Jalan Metro Pudu 1, Fraser Business Park, Off Jalan Yew, Kuala Lumpur	-	3,962
		-	0.4	hectares industrial property at Seksyen 26, Shah Alam, Selangor	535	253
		-	2.0	hectares industrial property at Lot 7399 & 8081, Jalan Mempaga, Mukim Sabai, Karak, Pahang	742	3,959
		-	0.3	hectares office premise at Level 1, 5, 6 & 7, Kompleks Metro Pudu, No. 1, Jalan Metro Pudu 2, Fraser Business Park, Off Jalan Yew, Kuala Lumpur	-	3,818
		-	Other properties		300	84
	TPL	-	1.2	hectares industrial property at Lot 46, Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam, Selangor	1,239	1,700
	East Malaysia				
	F&N	-	1.1	hectares industrial property at No. 94, Batu 11, Jalan Matang, Kuching, Sarawak	1,408	1,232
	Thailand				
	F&N	-	1.2	hectares industrial property at 90 Moo 8 Mittraparp Road, Phayayen District, Amphur Pakchong, Nakornratchasima Province 30320	-	1,135
		-	9.2	hectares industrial property at 668 Moo 4 Rojana Industrial Park Zone 2, U-thai, Phra Nakhon Si Ayutthaya 13210	6,900	44,604
	Australia				
	TPL	-	0.2	hectares commercial property at Unit 7 & 8 Monash Business Park, 29 Business Park Drive, Nottinghill, Melbourne - Victoria	812	274
	United States of America				
	TPL	-	0.2	hectares commercial property at 99 White Plains Road, Tarrytown, New York	679	2,584
	Total Freehold				**39,563**	**89,126**
	LEASEHOLD				
	Singapore				
	F&N	-	4.0	hectares industrial property at 214 Pandan Loop (Lease expires year 2040)	-	10,247
		-	0.1	hectares industrial property at 51 Quality Road (Lease expires year 2044)	-	29
		-	0.1	hectares industrial property at 53 Loyang Way (Lease expires year 2029)	3,376	-

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)	-	2
		-	1.9 hectares industrial property at 16 & 18 Tuas Avenue 5 (Lease expires year 2043)	-	11,096
	Peninsular Malaysia				
	F&N	-	15.1 hectares industrial property at Lot 56, Jalan Sungai Pinang 4/5, Selangor Halal Hub Taman Perindustrian Pulau Indah Fasa 2, Pulau Indah, Selangor (Lease expires year 2097)	8,572	49,427
		-	2.0 hectares industrial property at Plot 183 & 184, Jalan Cyber 9, Senai, Johor (Lease expires year 2068)	1,425	3,965
		-	2.0 hectares industrial property at Plot 182, Jalan Cyber 9, Senai, Johor (Lease expires year 2073)	955	1,500
		-	Other properties	343	197
	East Malaysia				
	F&N	-	2.6 hectares industrial property at 5 1/2 Mile, Jalan Tuaran, Inanam, Kota Kinabalu, Sabah (Lease expires year 2062)	630	1,603
		-	8.6 hectares industrial park land at Lot 808, Kota Kinabalu Industrial Park, Sabah (Lease expires year 2096)	8,351	-
		-	2.4 hectares industrial property at Lot 1581 Block 4, Matang Land District, Kuching, Sarawak (Lease expires year 2071)	1,275	864
		-	2.9 hectares industrial property at 3 1/2 Mile, Jalan Penrissen, Kuching, Sarawak (Lease expires year 2074)	2,082	5,188
		-	Shop office at Lot 142, Section 63, Kuching, Sarawak (Lease expires year 2784)	72	49
		-	0.4 hectares industrial property at Lot 1008, Bintawa Industrial Estate, Kuching, Sarawak (Lease expires year 2035)	-	88
	Thailand				
	F&N	-	3.5 hectares industrial property at No. 19/111 Moo 7 95 Thakarm Road, Samaedam, Bangkhuntien, Bangkok (Lease expires year 2029)	-	107
	TPL	-	Warehouse at Soi Wat Kok #20/526-527, Rama II Road, Bangkok (Lease expires year 2021)	-	12
	China/Hong Kong				
	TPL	-	Residential property at Unit 1AF Riverside Garden, Shenyang, China (Lease expires year 2054)	-	155
		-	Industrial property at Nansha District, Guangzhou City, Guangdong, China (Lease expires year 2044)	2,212	11,764
		-	Offices at Seaview Estate - 10th Floor Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	4,103	98
		-	Offices at Seaview Estate - 9th Floor Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	3,892	87
	Total Leasehold			**37,288**	**96,478**
	TOTAL PROPERTIES (CLASSIFIED AS FIXED ASSETS)			**76,851**	**185,604**

PARTICULARS OF GROUP PROPERTIES

(B) CLASSIFIED AS COMPLETED INVESTMENT PROPERTIES (Note 13 to the Financial Statements)

			Land ($'000)	Building ($'000)
Singapore				
TPL	-	0.7 hectares industrial property at 438 Ang Mo Kio Industrial Park 1 Leasehold (Lease expires year 2038)	-	13,000
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, Off Jalan Yew, Kuala Lumpur Freehold, lettable area - 4,702 sqm	-	15,686
	-	Office at Lot 682 Seksyen 92, Fraser Business Park, Off Jalan Yew, Kuala Lumpur Freehold, lettable area - 3,787 sqm	-	174
Hong Kong				
TPL	-	Shop unit at Houston Centre, 63 Mody Road, Tsim Sha Tsui, Kowloon Leasehold (Lease expires year 2053), lettable area - 68 sqm	1,283	108
	-	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)	-	10,330
TOTAL PROPERTIES (CLASSIFIED AS INVESTMENT PROPERTIES)			**1,283**	**39,298**

CLASSIFIED AS PROPERTIES HELD FOR DEVELOPMENT (Note 14 to the Financial Statements)

			Stage of Completion %	Estimated Date of Completion	Effective Group Interest %
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, Mukim Hulu Semenyih, District of Hulu Langat, Selangor.	-	-	56
	-	Freehold land of approximately 57,105 sqm for a residential property development at Lot 1954, Mukim Hulu Semenyih, District of Hulu Langat, Selangor.	-	-	56
	-	Freehold land of approximately 12,759 sqm for a commercial property development at Lot 47261, Jalan Balau 1, Jalan Dato Sulaiman, Jalan Tebrau, Mukim Bandar, Johor Bahru.	-	-	56

SHAREHOLDING STATISTICS

AS AT 12 DECEMBER 2017

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

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%*
1 - 99	119	1.63	3,801	0.00
100 - 1,000	1,382	18.97	1,233,219	0.08
1,001 - 10,000	4,455	61.15	19,071,681	1.32
10,001 - 1,000,000	1,316	18.07	61,942,717	4.28
1,000,001 and above	13	0.18	1,364,695,210	94.32
TOTAL	**7,285**	**100.00**	**1,446,946,628**	**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	441,931,235	30.54
2	United Overseas Bank Nominees Pte Ltd	430,465,951	29.75
3	InterBev Investment Limited	412,423,822	28.50
4	Citibank Nominees Singapore Pte Ltd	46,222,629	3.20
5	DBS Vickers Securities (Singapore) Pte Ltd	10,352,830	0.72
6	UOB Kay Hian Pte Ltd	6,457,260	0.45
7	BPSS Nominees Singapore (Pte.) Ltd.	6,001,620	0.42
8	Raffles Nominees (Pte) Ltd	4,864,928	0.34
9	Phay Thong Huat Pte Ltd	1,799,000	0.12
10	Chua Eng Him	1,065,000	0.07
11	HSBC (Singapore) Nominees Pte Ltd	1,057,407	0.07
12	Morgan Stanley Asia (Singapore) Securities Pte Ltd	1,046,808	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	DBSN Services Pte Ltd	728,546	0.05
17	CIMB Securities (Singapore) Pte Ltd	727,722	0.05
18	OCBC Nominees Singapore Pte Ltd	607,860	0.04
19	Chong Kah Yung	600,000	0.04
20	Janice Khoo Bee Khim	585,000	0.04
TOTAL		**1,369,697,013**	**94.66**

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	59.30	-	-
InterBev Investment Limited	412,423,822	28.50	-	-
International Beverage Holdings Limited (1)	-	-	412,423,822	28.50
Thai Beverage Public Company Limited (2)	-	-	412,423,822	28.50
Siriwana Company Limited (3)	-	-	412,423,822	28.50
MM Group Limited (4)	-	-	412,423,822	28.50
Maxtop Management Corp. (4)	-	-	412,423,822	28.50
Risen Mark Enterprise Ltd. (4)	-	-	412,423,822	28.50
Golden Capital (Singapore) Limited (4)	-	-	412,423,822	28.50
Charoen Sirivadhanabhakdi (5)	-	-	1,270,503,884	87.81
Khunying Wanna Sirivadhanabhakdi (5)	-	-	1,270,503,884	87.81

To the best of the Company's knowledge and based on records of the Company as at 12 December 2017, 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 1,446,946,628 shares (excluding 131,126 treasury shares) as at 12 December 2017. For Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi, any discrepancy between the percentage figures for their deemed interests in Shares held by InterBev Investment Limited and TCC Assets Limited and the total thereof is due to rounding.

(1) International Beverage Holdings Limited ("**IBHL**") holds a 100% direct interest in InterBev Investment Limited ("**IBIL**") and is therefore deemed to be interested in all of the shares of Fraser and Neave, Limited ("**F&N**") in which IBIL has an interest.

(2) Thai Beverage Public Company Limited ("**ThaiBev**") holds a 100% direct interest in IBHL, which in turn holds a 100% direct interest in IBIL. ThaiBev is therefore deemed to be interested in all of the shares of F&N in which IBIL has an interest.

(3) Siriwana Company Limited ("**Siriwana**") holds approximately an aggregate of 45.27% direct interest in ThaiBev. This comprises a direct interest of 43.68% and an indirect interest of 1.59% held through Sirisopha Company Limited ("**Sirisopha**"). Siriwana holds an approximate 99.98% direct interest in Sirisopha, which in turn holds an approximate 1.59% direct interest in ThaiBev. ThaiBev holds a 100% direct interest in IBHL. IBHL holds a 100% direct interest in IBIL. Siriwana is therefore deemed to be interested in all of the shares of F&N in which IBIL has an interest.

(4) MM Group Limited ("**MM Group**") holds a 100% direct interest in each of Maxtop Management Corp. ("**Maxtop**"), Risen Mark Enterprise Ltd. ("**RM**") and Golden Capital (Singapore) Limited ("**GC**");
- Maxtop holds a 17.23% direct interest in ThaiBev;
- RM holds a 3.32% direct interest in ThaiBev;
- GC holds a 0.06% direct interest in ThaiBev;
- ThaiBev holds a 100% direct interest in IBHL; and
- IBHL holds a 100% direct interest in IBIL.

MM Group is therefore deemed to be interested in all of the shares of F&N in which IBIL has an interest.

(5) Each of Charoen Sirivadhanabhakdi and his spouse, Khunying Wanna Sirivadhanabhakdi, owns 50% of the issued share capital of TCC Assets Limited ("**TCCA**"), and is therefore deemed to be interested in all of the shares of F&N in which TCCA has an interest. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi also jointly hold:
- a 51% direct interest in Siriwana. Siriwana holds an aggregate of approximately 45.27% interest in ThaiBev. This comprises a direct interest of 43.68% and an indirect interest of 1.59% held through Sirisopha. Siriwana holds an approximate 99.98% direct interest in Sirisopha, which in turn holds an approximate 1.59% 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 2016 to 30 September 2017 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	Nil	1,515
- Provision of management and support services	1,895	707
- Reimbursement and recovery of advertising and promotional expenses	13,956	Nil
- Purchase of products and obtaining of services	Nil	9,289
- Obtaining of marketing services	426	Nil
- Lease of office/commercial space	Nil	6,002

Note:

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

MATERIAL CONTRACTS (RULE 1207(8) OF THE SGX LISTING MANUAL)

There were no material contracts entered into by the Company or any of its subsidiaries involving the interests of any director or controlling shareholder of the Company during the financial year under review, save as disclosed above and in this Annual Report.

NOTICE OF ANNUAL GENERAL MEETING

FRASER AND NEAVE, LIMITED

(COMPANY REGISTRATION NO. 189800001R)
(INCORPORATED IN SINGAPORE)

NOTICE OF ANNUAL GENERAL MEETING

Date : Monday, 29 January 2018

Place : Ballrooms II and III
Level 2, InterContinental Singapore
80 Middle Road
Singapore 188966

NOTICE IS HEREBY GIVEN that the 119th Annual General Meeting of FRASER AND NEAVE, LIMITED (the "**Company**") will be held at Ballrooms II and III, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966 on Monday, 29 January 2018 at 9.30 a.m. for the following purposes:

ROUTINE BUSINESS

1. To receive and adopt the Directors' statement and audited financial statements for the year ended 30 September 2017 and the auditors' report thereon.

2. To approve a final tax-exempt (one tier) dividend of 3.0 cents per share in respect of the year ended 30 September 2017.

3. To pass the following resolutions on the recommendation of the Nominating Committee and endorsement of the Board of Directors in respect of appointment of Directors[1]:

   (a) "That Khunying Wanna Sirivadhanabhakdi, who will retire by rotation pursuant to article 117 of the Constitution of the Company and who, being eligible, has offered herself for re-election, be and is hereby re-appointed as a Director of the Company."

   Subject to her re-appointment, Khunying Wanna will be re-appointed as Vice-Chairman of the Board of Directors.

   (b) "That Mr Thapana Sirivadhanabhakdi, who will retire by rotation pursuant to article 117 of the Constitution of the Company and who, being eligible, has offered himself for re-election, be and is hereby re-appointed as a Director of the Company."

   Subject to his re-appointment, Mr Thapana will be re-appointed as Vice-Chairman of the Board Executive Committee and a Member of each of the Nominating, Remuneration and Risk Management Committees.

   (c) "That Mr Sithichai Chaikriangkrai, who will retire by rotation pursuant to article 117 of the Constitution of the Company and who, being eligible, has offered himself for re-election, be and is hereby re-appointed as a Director of the Company."

   Subject to his re-appointment, Mr Sithichai will be re-appointed as a Member of each of the Board Executive, Risk Management and Audit Committees.

4. To approve Directors' fees of up to S$2,000,000 payable by the Company for the year ending 30 September 2018 (last year: up to S$2,000,000).

5. To re-appoint KPMG LLP as the auditors of the Company and to authorise the Directors to fix their remuneration.

[1] Detailed information on the Directors who are proposed to be re-appointed can be found under "Board of Directors" and "Corporate Governance" in the 2017 Annual Report of the Company.

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolutions, which will be proposed as Ordinary Resolutions:

6. "That authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

7. “That authority be and is hereby given to the Directors of the Company to:

(a) grant awards in accordance with the provisions of the F&N Restricted Share Plan (the “**Restricted Share Plan**”) and/or the F&N Performance Share Plan (the “**Performance Share Plan**”); and

(b) allot and issue such number of ordinary shares of the Company as may be required to be delivered pursuant to the vesting of awards under the Restricted Share Plan and/or the Performance Share Plan,

provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, pursuant to the Restricted Share Plan and the Performance Share Plan, shall not exceed 10% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time, and in this Resolution, “subsidiary holdings” has the meaning given to it in the Listing Manual of the Singapore Exchange Securities Trading Limited.”

8. “That authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of ordinary shares of the Company as may be required to be allotted and issued pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme.”

9. “That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual (“**Chapter 9**”) of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies that are considered to be “entities at risk” under Chapter 9, or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Company’s Letter to Shareholders dated 4 January 2018 (the “**Letter**”), with any party who is of the class of interested persons described in the Appendix to the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions (the “**IPT Mandate**”);

(b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and

(c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.”

10. “That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (“**Shares**”) not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) transacted through the trading system of the SGX-ST and/or any other securities exchange on which the Shares may for the time being be listed and quoted (“**Other Exchange**”); and/or

(ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held;

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and

(iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of a Share over the five consecutive market days on which the Shares are transacted on the SGX-ST or, as the case may be, Other Exchange, immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period;

"**date of the making of the offer**" means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the off-market purchase;

"**Maximum Percentage**" means that number of issued Shares representing 7% of the issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed 105% of the Average Closing Price of the Shares; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution."

BY ORDER OF THE BOARD

Hui Choon Kit
Company Secretary

4 January 2018

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies must be deposited at the office of the share registrar of the Company, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road #11-02, Singapore 068898, not less than 72 hours before the time appointed for holding the Annual General Meeting.

EXPLANATORY NOTES:

(a) The Ordinary Resolution proposed in item 6 above is to authorise the Directors of the Company from the date of the Annual General Meeting until the next Annual General Meeting to issue shares and/or make or grant instruments that might require shares to be issued, and to issue shares in pursuance of such instruments, up to a limit of 50% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) with a sub-limit of 20% for issues other than on a *pro rata* basis, calculated as described in the Resolution. As at 12 December 2017 (the "**Latest Practicable Date**"), the Company had 131,126 treasury shares and no subsidiary holdings.

(b) The Ordinary Resolution proposed in item 7 above is to authorise the Directors of the Company to offer and grant awards and to issue ordinary shares of the Company pursuant to the F&N Restricted Share Plan (the "**Restricted Share Plan**") and the F&N Performance Share Plan (the "**Performance Share Plan**") provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, pursuant to the Restricted Share Plan and the Performance Share Plan, shall not exceed 10% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time. The Committee administering the Restricted Share Plan and the Performance Share Plan currently does not intend, in any given year, to grant awards under the Restricted Share Plan and the Performance Share Plan which would comprise more than 1% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) from time to time (the "**Yearly Limit**"). However, if the Yearly Limit is not fully utilised in any given year, the balance of the unutilised Yearly Limit may be used by the Company to make grants of awards in subsequent years.

(c) The Ordinary Resolution proposed in item 8 above is to authorise the Directors of the Company to allot and issue ordinary shares of the Company pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme to eligible members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

(d) The Ordinary Resolution proposed in item 9 above is to renew the mandate to enable the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9 of the Listing Manual, or any of them, to enter into certain interested person transactions with specified classes of interested persons, as described in the Appendix to the Letter to Shareholders dated 4 January 2018 (the "**Letter**"). Please refer to the Letter for more details.

NOTICE OF ANNUAL GENERAL MEETING

(e) The Ordinary Resolution proposed in item 10 above is to renew the mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares, on the terms and subject to the conditions set out in the Resolution.

The Company intends to use internal resources or external borrowings or a combination of both to finance the purchase or acquisition of its ordinary shares. The amount of financing required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

Purely for illustrative purposes only, the financial effects of an assumed purchase or acquisition of (i) 28,938,932 ordinary shares on the Latest Practicable Date, representing 2% of the issued ordinary shares (excluding treasury shares) as at that date, and (ii) 101,286,263 ordinary shares on the Latest Practicable Date, representing 7% of the issued ordinary shares (excluding treasury shares) as at that date, at the maximum price of S$2.72 for one ordinary share (being the price equivalent to 5% above the average of the closing market prices of the ordinary shares for the five consecutive market days on which the ordinary shares were traded on the Singapore Exchange Securities Trading Limited immediately preceding the Latest Practicable Date), in the case of a market purchase and an off-market purchase respectively, based on the audited financial statements of the Company and its subsidiaries for the financial year ended 30 September 2017 and certain assumptions, are set out in paragraph 3.7 of the Letter.

Please refer to the Letter for more details.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.

IMPORTANT
1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore may appoint more than two proxies to attend, speak and vote at the Annual General Meeting. 2. For CPF/SRS investors who have used their CPF/SRS monies to buy Fraser and Neave, Limited shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies. 3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 4 January 2018.

FRASER AND NEAVE, LIMITED

(COMPANY REGISTRATION NO. 189800001R)
(INCORPORATED IN SINGAPORE)

PROXY FORM

ANNUAL GENERAL MEETING

I/We ____ (Name) ______________________ (NRIC/Passport/Co Reg Number)

of ____ (Address)

being a member/members of Fraser and Neave, Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

or failing him/them, the Chairman of the Annual General Meeting ("**AGM**"), as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the AGM of the Company to be held at 9.30 a.m. on Monday, 29 January 2018 at Ballrooms II and III, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated below. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they may on any other matter arising at the AGM.

NO.	RESOLUTIONS RELATING TO:	No. of Votes For*	No. of Votes Against*
	ROUTINE BUSINESS		
1.	To receive and adopt the Directors' statement and audited financial statements for the year ended 30 September 2017 and the auditors' report thereon.		
2.	To approve a final tax-exempt (one-tier) dividend of 3.0 cents per share in respect of the year ended 30 September 2017.		
3.	(a) To re-appoint Director: Khunying Wanna Sirivadhanabhakdi		
	(b) To re-appoint Director: Mr Thapana Sirivadhanabhakdi		
	(c) To re-appoint Director: Mr Sithichai Chaikriangkrai		
4.	To approve Directors' fees of up to S$2,000,000 payable by the Company for the year ending 30 September 2018.		
5.	To re-appoint KPMG LLP as the auditors of the Company and to authorise the Directors to fix their remuneration.		
	SPECIAL BUSINESS		
6.	To authorise the Directors to issue shares and to make or grant convertible instruments.		
7.	To authorise the Directors to grant awards and to allot and issue shares pursuant to the F&N Restricted Share Plan and/or the F&N Performance Share Plan.		
8.	To authorise the Directors to allot and issue shares pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme.		
9.	To approve the proposed renewal of the mandate for interested person transactions.		
10.	To approve the proposed renewal of the share purchase mandate.		

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (√) within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please indicate the number of shares in the boxes provided.

Dated this ____________ day of ____________ 2018.

Total Number of Shares held (Note 1)	

IMPORTANT: PLEASE READ NOTES OVERLEAF

____
Signature/Common Seal of Member(s)

Fold and seal here

NOTES TO PROXY FORM:

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy or proxies will be deemed to relate to all the shares held by the member.
2. (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the office of the share registrar of the Company, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road #11-02, Singapore 068898, not less than 72 hours before the time appointed for holding the Annual General Meeting.
5. Completion and return of the instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Annual General Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Fold here

Affix Postage Stamp

THE COMPANY SECRETARY
FRASER AND NEAVE, LIMITED
c/o Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #11-02
Singapore 068898

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www.fraserandneave.com

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

For online version of F&N FY2017 Annual Report,
please refer to **www.fraserandneave.com/investor-relations**

Accompanying this report:
F&N Sustainability Report

Only available in digital format. Download it at www.fraserandneave.com/investor-relations

For easy-to-read guides on annual reports, please refer to www.sgx.com/wps/wcm/connect/mp_en/site/highlights/highlight_contents/Investors_Guide

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