



FRASER AND NEAVE, LIMITED

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

RESULTS FOR THE 2ND QUARTER ENDED 31 MARCH 2016 Financial Statements and Dividend Announcement

The Directors are pleased to make the following announcement of the unaudited results for the 2nd Quarter ended 31 March 2016.

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

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

1(a)(i) GROUP PROFIT STATEMENT

| | 2nd Quarter to 31/3/2016 \$'000 | 2nd Quarter to 31/3/2015 \$'000 (Restated)* | Change % | 6 Months to 31/3/2016 \$'000 | 6 Months to 31/3/2015 \$'000 (Restated)* | Change % |
|--|---------------------------------------|--|---------------|------------------------------------|---|---------------|
| Continuing operations | | | | | | |
| Revenue | 474,276 | 498,720 | (4.9) | 962,821 | 1,048,690 | (8.2) |
| Cost of sales | (301,522) | (338,832) | (11.0) | (619,103) | (715,087) | (13.4) |
| Gross profit | 172,754 | 159,888 | 8.0 | 343,718 | 333,603 | 3.0 |
| Other (expenses)/income (net) | (371) | 2,318 | NM | 8,826 | 5,623 | 57.0 |
| Operating expenses | | | | | | |
| - Distribution | (43,462) | (42,802) | 1.5 | (83,831) | (87,960) | (4.7) |
| - Marketing | (66,434) | (60,672) | 9.5 | (123,939) | (122,260) | 1.4 |
| - Administration | (34,784) | (33,840) | 2.8 | (64,457) | (65,958) | (2.3) |
| | (144,680) | (137,314) | 5.4 | (272,227) | (276,178) | (1.4) |
| Trading profit | 27,703 | 24,892 | 11.3 | 80,317 | 63,048 | 27.4 |
| Share of joint venture company's loss | (97) | (121) | (19.8) | (154) | (204) | (24.5) |
| Share of associated companies' profits | 797 | 770 | 3.5 | 1,858 | 1,904 | (2.4) |
| Gross income from investments | - | - | - | 128 | 128 | - |
| Profit before interest and taxation ("PBIT") | 28,403 | 25,541 | 11.2 | 82,149 | 64,876 | 26.6 |
| Finance income | 3,852 | 1,426 | 170.1 | 7,479 | 2,839 | 163.4 |
| Finance cost | (1,309) | (1,606) | (18.5) | (2,374) | (3,154) | (24.7) |
| Net finance income/(cost) | 2,543 | (180) | NM | 5,105 | (315) | NM |
| Profit before taxation and exceptional items | 30,946 | 25,361 | 22.0 | 87,254 | 64,561 | 35.1 |
| Exceptional items | 399 | 848 | (52.9) | 743 | (189) | NM |
| Profit before taxation | 31,345 | 26,209 | 19.6 | 87,997 | 64,372 | 36.7 |
| Taxation | (5,380) | (5,538) | (2.9) | (14,267) | (13,344) | 6.9 |
| Profit from continuing operations, net of tax | 25,965 | 20,671 | 25.6 | 73,730 | 51,028 | 44.5 |
| Discontinued operations | | | | | | |
| Profit from discontinued operations, net of tax | - | 30,665 | NM | - | 60,978 | NM |
| Profit after taxation | 25,965 | 51,336 | (49.4) | 73,730 | 112,006 | (34.2) |
| Attributable profit to: | | | | | | |
| Shareholders of the Company | | | | | | |
| - Before exceptional items | | | | | | |
| Continuing operations | 11,617 | 8,796 | 32.1 | 37,150 | 27,861 | 33.3 |
| Discontinued operations | - | 16,866 | NM | - | 33,538 | NM |
| | 11,617 | 25,662 | (54.7) | 37,150 | 61,399 | (39.5) |
| - Exceptional items from continuing operations | 396 | 498 | (20.5) | 559 | (79) | NM |
| | 12,013 | 26,160 | (54.1) | 37,709 | 61,320 | (38.5) |
| Non-controlling interests | | | | | | |
| Continuing operations | 13,952 | 11,377 | 22.6 | 36,021 | 23,246 | 55.0 |
| Discontinued operations | - | 13,799 | NM | - | 27,440 | NM |
| | 13,952 | 25,176 | (44.6) | 36,021 | 50,686 | (28.9) |
| | 25,965 | 51,336 | (49.4) | 73,730 | 112,006 | (34.2) |

NM – Not meaningful

* Restated upon the sale of Myanmar Brewery Limited

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

| | Group | | | | | |
|---|---------------------------------------|---|-------------|------------------------------------|--|-------------|
| | 2nd Quarter to 31/3/2016 \$'000 | 2nd Quarter to 31/3/2015 \$'000 (Restated) | Change % | 6 Months to 31/3/2016 \$'000 | 6 Months to 31/3/2015 \$'000 (Restated) | Change % |
| Operating expenses | | | | | | |
| Included in operating expenses are: | | | | | | |
| Depreciation & amortisation | (14,203) | (17,612) | (19.4) | (31,148) | (38,514) | (19.1) |
| (Allowance for)/Write back of bad and doubtful debts | (144) | 263 | NM | (27) | (254) | (89.4) |
| Allowance for inventory obsolescence | (681) | (2,290) | (70.3) | (611) | (3,615) | (83.1) |
| Employee share-based expenses | (1,629) | (1,423) | 14.5 | (3,121) | (2,990) | 4.4 |
| Other (expenses)/income (net) | | | | | | |
| Loss on disposal of fixed assets | (187) | (76) | 146.1 | (163) | (16) | NM |
| Foreign exchange (loss)/gain | (3,362) | 615 | NM | 1,888 | 371 | NM |
| Taxation | | | | | | |
| Over provision of prior year taxation | 1,224 | 2,205 | (44.5) | 1,177 | 2,258 | (47.9) |
| Exceptional items | | | | | | |
| Effect of change of interest in an associated company | 396 | - | NM | 396 | - | NM |
| Insurance claim relating to flood | 5 | - | NM | 319 | - | NM |
| Gain on redemption of other investment | - | - | - | 30 | - | NM |
| Loss on liquidation of subsidiary and joint venture companies (net) | (2) | - | NM | (2) | - | NM |
| Impairment reversal/(loss) on fixed assets relating to flood | - | 848 | NM | - | (189) | NM |
| | <u>399</u> | <u>848</u> | (52.9) | <u>743</u> | <u>(189)</u> | NM |
| PBIT as a percentage of revenue | <u>6.0%</u> | <u>5.1%</u> | | <u>8.5%</u> | <u>6.2%</u> | |

NM - Not meaningful

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

| | 2nd Quarter to 31/3/2016 \$'000 | 2nd Quarter to 31/3/2015 \$'000 (Restated) | 6 Months to 31/3/2016 \$'000 | 6 Months to 31/3/2015 \$'000 (Restated) |
|--|---------------------------------------|---|------------------------------------|--|
| Revenue | | | | |
| By Business Activity | | | | |
| Beverages | 144,632 | 141,037 | 276,766 | 303,407 |
| Dairies | 260,384 | 275,249 | 532,369 | 574,277 |
| Printing & publishing | 69,153 | 82,094 | 153,464 | 170,598 |
| Others | 107 | 340 | 222 | 408 |
| | <u>474,276</u> | <u>498,720</u> | <u>962,821</u> | <u>1,048,690</u> |
| By Territory | | | | |
| Singapore | 109,704 | 112,999 | 227,306 | 235,279 |
| Malaysia | 216,908 | 228,522 | 428,459 | 494,678 |
| Other ASEAN | 128,887 | 134,892 | 267,117 | 274,058 |
| North/South Asia | 17,238 | 20,218 | 36,556 | 40,483 |
| Outside Asia | 1,539 | 2,089 | 3,383 | 4,192 |
| | <u>474,276</u> | <u>498,720</u> | <u>962,821</u> | <u>1,048,690</u> |
| PBIT | | | | |
| By Business Activity | | | | |
| Beverages | 9,121 | 8,992 | 19,973 | 22,325 |
| Dairies | 28,099 | 19,918 | 65,562 | 39,435 |
| Printing & publishing | (6,473) | (1,791) | (3,925) | (2,442) |
| Others | (2,344) | (1,578) | 539 | 5,558 |
| | <u>28,403</u> | <u>25,541</u> | <u>82,149</u> | <u>64,876</u> |
| By Territory | | | | |
| Singapore | (4,412) | (1,900) | (5,739) | 8,539 |
| Malaysia | 22,676 | 17,952 | 56,588 | 40,920 |
| Other ASEAN | 13,879 | 12,132 | 35,309 | 19,443 |
| North/South Asia | (2,288) | (1,424) | (2,564) | (2,587) |
| Outside Asia | (1,452) | (1,219) | (1,445) | (1,439) |
| | <u>28,403</u> | <u>25,541</u> | <u>82,149</u> | <u>64,876</u> |
| Attributable profit | | | | |
| By Business Activity | | | | |
| Beverages | 2,858 | 2,106 | 5,699 | 9,178 |
| Dairies | 13,969 | 8,760 | 32,749 | 17,182 |
| Printing & publishing | (5,469) | (2,498) | (3,573) | (4,317) |
| Others | 259 | 428 | 2,275 | 5,818 |
| Continuing operations | 11,617 | 8,796 | 37,150 | 27,861 |
| Discontinued operations* | - | 16,866 | - | 33,538 |
| Exceptional items from continuing operations | 396 | 498 | 559 | (79) |
| | <u>12,013</u> | <u>26,160</u> | <u>37,709</u> | <u>61,320</u> |

* Refers to the sale of Myanmar Brewery Limited.

1(a)(iv) STATEMENT OF COMPREHENSIVE INCOME

| | Group | | | |
|---|---------------------------------------|---|------------------------------------|--|
| | 2nd Quarter to 31/3/2016 \$'000 | 2nd Quarter to 31/3/2015 \$'000 (Restated) | 6 Months to 31/3/2016 \$'000 | 6 Months to 31/3/2015 \$'000 (Restated) |
| Profit after taxation | 25,965 | 51,336 | 73,730 | 112,006 |
| Other comprehensive income: | | | | |
| <u>Items that may be reclassified subsequently to profit statement</u> | | | | |
| Share of other comprehensive income of associated companies | (584) | 397 | (908) | 846 |
| Realisation of fair value gains on disposal of available-for-sale financial asset | - | - | (152) | - |
| Realisation of reserve on settlement of a net investment | (510) | - | (11,419) | - |
| Realisation of reserves on liquidation/disposal of subsidiary and joint venture companies | 625 | (7) | 625 | (716) |
| Net fair value changes on available-for-sale financial assets | 9,598 | 95,494 | 236,744 | 51,488 |
| Currency translation differences | 19,310 | 2,278 | 27,413 | (9,297) |
| | 28,439 | 98,162 | 252,303 | 42,321 |
| Total comprehensive income for the period | 54,404 | 149,498 | 326,033 | 154,327 |
| Total comprehensive income attributable to: | | | | |
| Shareholders of the Company | | | | |
| Continuing operations | 31,035 | 108,180 | 282,444 | 78,109 |
| Discontinued operations | - | 16,696 | - | 32,214 |
| | 31,035 | 124,876 | 282,444 | 110,323 |
| Non-controlling interests | 23,369 | 24,622 | 43,589 | 44,004 |
| | 54,404 | 149,498 | 326,033 | 154,327 |

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

BALANCE SHEET

| | Group | | Company | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | As at 31/3/2016 \$'000 | As at 30/9/2015 \$'000 | As at 31/3/2016 \$'000 | As at 30/9/2015 \$'000 |
| SHARE CAPITAL AND RESERVES | | | | |
| Share capital | 849,301 | 849,301 | 849,301 | 849,301 |
| Treasury shares | (2,655) | (5,759) | (2,655) | (5,759) |
| Reserves | 1,662,778 | 1,424,507 | 796,589 | 786,756 |
| | 2,509,424 | 2,268,049 | 1,643,235 | 1,630,298 |
| NON-CONTROLLING INTERESTS | | | | |
| | 312,232 | 288,028 | - | - |
| | 2,821,656 | 2,556,077 | 1,643,235 | 1,630,298 |
| Represented by: | | | | |
| NON-CURRENT ASSETS | | | | |
| Fixed assets | 478,253 | 464,388 | 424 | - |
| Investment properties | 36,284 | 35,018 | - | - |
| Properties held for development | 19,072 | 17,848 | - | - |
| Subsidiary companies | - | - | 1,004,373 | 961,872 |
| Joint venture company | 47,558 | 43,736 | - | - |
| Associated companies | 43,634 | 41,860 | 18,100 | 18,100 |
| Intangible assets | 76,402 | 78,750 | 200 | - |
| Brands | 29,180 | 27,481 | 212 | 212 |
| Other investments | 1,075,569 | 844,780 | 146,134 | 120,129 |
| Other receivables | 833 | 1,580 | - | - |
| Deferred tax assets | 17,201 | 18,156 | - | - |
| Bank fixed deposits | - | 3,874 | - | - |
| | 1,823,986 | 1,577,471 | 1,169,443 | 1,100,313 |
| CURRENT ASSETS | | | | |
| Inventories | 269,684 | 253,918 | - | - |
| Trade receivables | 288,083 | 278,792 | - | - |
| Other receivables | 58,046 | 53,670 | 615 | 1,387 |
| Related parties | 4,025 | 1,742 | 31 | - |
| Subsidiary companies | - | - | 3,015 | 5,647 |
| Joint venture companies | 500 | 756 | - | - |
| Associated companies | 646 | 3,403 | - | - |
| Bank fixed deposits | 636,216 | 446,462 | 328,518 | 276,978 |
| Cash and bank balances | 328,883 | 515,243 | 179,876 | 261,494 |
| | 1,586,083 | 1,553,986 | 512,055 | 545,506 |
| Assets held for sale | 10,831 | 11,412 | - | - |
| | 1,596,914 | 1,565,398 | 512,055 | 545,506 |
| Deduct: CURRENT LIABILITIES | | | | |
| Trade payables | 189,664 | 201,113 | - | - |
| Other payables | 179,296 | 192,845 | 7,986 | 10,312 |
| Related parties | 7,788 | 14,523 | 68 | - |
| Subsidiary companies | - | - | 850 | 692 |
| Associated companies | 1,589 | 1,843 | - | - |
| Borrowings | 11,776 | 2,551 | - | - |
| Provision for taxation | 35,346 | 31,712 | 3,258 | 3,138 |
| | 425,459 | 444,587 | 12,162 | 14,142 |
| Liabilities held for sale | 2,173 | 1,802 | - | - |
| | 427,632 | 446,389 | 12,162 | 14,142 |
| NET CURRENT ASSETS | | | | |
| | 1,169,282 | 1,119,009 | 499,893 | 531,364 |
| Deduct: NON-CURRENT LIABILITIES | | | | |
| Other payables | - | 3,874 | - | - |
| Related parties | 1,265 | 1,265 | 1,265 | 1,265 |
| Subsidiary companies | - | - | 24,690 | - |
| Borrowings | 132,597 | 97,924 | - | - |
| Provision for employee benefits | 18,178 | 18,201 | - | - |
| Deferred tax liabilities | 19,572 | 19,139 | 146 | 114 |
| | 171,612 | 140,403 | 26,101 | 1,379 |
| | 2,821,656 | 2,556,077 | 1,643,235 | 1,630,298 |

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

Amount repayable in one year or less, or on demand

| | As at 31/3/2016 | As at 30/9/2015 |
|-------------|------------------------|------------------------|
| | \$'000 | \$'000 |
| Secured : | 376 | 760 |
| Unsecured : | 11,400 | 1,791 |
| | <hr/> | <hr/> |
| | 11,776 | 2,551 |
| | <hr/> | <hr/> |

Amount repayable after one year

| | As at 31/3/2016 | As at 30/9/2015 |
|-------------|------------------------|------------------------|
| | \$'000 | \$'000 |
| Secured : | 20 | 25 |
| Unsecured : | 132,577 | 97,899 |
| | <hr/> | <hr/> |
| | 132,597 | 97,924 |
| | <hr/> | <hr/> |

Details of any collateral

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

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

GROUP CASH FLOW STATEMENT

| | 2nd Quarter to 31/3/2016 \$'000 | 2nd Quarter to 31/3/2015 \$'000 (Restated) | 6 Months to 31/3/2016 \$'000 | 6 Months to 31/3/2015 \$'000 (Restated) |
|---|---------------------------------------|---|------------------------------------|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Profit before taxation and exceptional items from continuing operations | 30,946 | 25,361 | 87,254 | 64,561 |
| Profit before taxation and exceptional items from discontinued operations | - | 40,887 | - | 81,305 |
| Profit before taxation and exceptional items | 30,946 | 66,248 | 87,254 | 145,866 |
| Adjustments for: | | | | |
| Depreciation of fixed assets | 11,508 | 17,101 | 23,012 | 34,270 |
| Impairment reversal of fixed assets (net) | (256) | (36) | (225) | (247) |
| Fixed assets written off | 148 | 360 | 201 | 534 |
| Provision for employee benefits | 380 | 404 | 752 | 810 |
| Loss on disposal of fixed assets (net) | 187 | 76 | 163 | 16 |
| Amortisation of brands and intangible assets | 2,695 | 3,094 | 8,136 | 9,375 |
| Interest income | (3,852) | (1,527) | (7,479) | (3,037) |
| Interest expenses | 1,309 | 1,606 | 2,374 | 3,154 |
| Share of joint venture company's loss | 97 | 121 | 154 | 204 |
| Share of associated companies' profits | (797) | (770) | (1,858) | (1,904) |
| Investment income | - | - | (128) | (128) |
| Employee share-based expense | 1,629 | 1,423 | 3,121 | 2,990 |
| Fair value adjustment of financial instruments | 1,267 | (146) | 239 | (145) |
| Loss on disposal of financial instruments | 444 | 21 | 2,569 | 272 |
| Operating cash before working capital changes | 45,705 | 87,975 | 118,285 | 192,030 |
| Change in inventories | (20,990) | (44,557) | (15,766) | (36,627) |
| Change in receivables | 9,944 | 11,537 | (15,446) | (21,014) |
| Change in joint venture and associated companies' balances | (968) | (292) | 1,758 | (1,005) |
| Change in payables | (16,174) | (4,854) | (36,352) | (24,956) |
| Development expenditure on properties held for development | - | (223) | (7) | (223) |
| Currency realignment | 3,572 | 2,186 | (5,948) | 2,584 |
| Cash generated from operations | 21,089 | 51,772 | 46,524 | 110,789 |
| Interest income received | 4,124 | 1,453 | 7,050 | 2,887 |
| Interest expenses paid | (1,027) | (1,671) | (2,174) | (3,232) |
| Income taxes paid | (6,866) | (8,450) | (9,959) | (22,771) |
| Payment of employee benefits | (765) | (903) | (832) | (1,122) |
| Net cash from operating activities | 16,555 | 42,201 | 40,609 | 86,551 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Dividends from associated companies | - | - | 1,248 | 867 |
| Investment income | - | - | 128 | 128 |
| Proceeds from sale of fixed assets | 164 | 226 | 276 | 487 |
| Proceeds from redemption of other investments | - | - | 6,069 | - |
| Purchase of fixed assets | (9,802) | (20,875) | (26,607) | (36,956) |
| Payment for intangible assets | (2,546) | (2,640) | (5,304) | (5,929) |
| Net cash used in investing activities | (12,184) | (23,289) | (24,190) | (41,403) |

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

| | 2nd Quarter to 31/3/2016 \$'000 | 2nd Quarter to 31/3/2015 \$'000 (Restated) | 6 Months to 31/3/2016 \$'000 | 6 Months to 31/3/2015 \$'000 (Restated) |
|--|---------------------------------------|---|------------------------------------|--|
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | | | |
| (Repayment of)/Proceeds from term loans and bank borrowings | (1,370) | 29,167 | 37,196 | 34,737 |
| Purchase of shares by subsidiary company | (652) | - | (861) | - |
| Proceeds from issue of shares by subsidiary companies to non-controlling interests | 29 | 1,600 | 659 | 2,044 |
| Payment of dividends: | | | | |
| - by subsidiary companies to non-controlling interests | (19,952) | (19,933) | (19,952) | (19,933) |
| - by the Company to shareholders | (43,373) | (43,412) | (43,373) | (43,412) |
| Net cash used in financing activities | (65,318) | (32,578) | (26,331) | (26,564) |
| Net (decrease)/increase in cash and cash equivalents | (60,947) | (13,666) | (9,912) | 18,584 |
| Cash and cash equivalents at beginning of period | 1,015,526 | 381,194 | 961,036 | 354,325 |
| Effects of exchange rate changes on cash and cash equivalents | 5,772 | (1,423) | 9,227 | (6,804) |
| Cash and cash equivalents at end of period | 960,351 | 366,105 | 960,351 | 366,105 |
| Cash and cash equivalents at end of period comprise: | | | | |
| Cash and bank deposits | 965,099 | 366,998 | 965,099 | 366,998 |
| Bank overdrafts | (610) | (893) | (610) | (893) |
| | 964,489 | 366,105 | 964,489 | 366,105 |
| Less: Fixed deposits relating to consideration for acquisition of subsidiary companies | (4,138) | - | (4,138) | - |
| Cash and cash equivalents at end of period | 960,351 | 366,105 | 960,351 | 366,105 |

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

STATEMENT OF CHANGES IN EQUITY

| | Group | | | | | | | | | | | |
|---|---------------|-----------------|-----------------|-----------------|------------------|-------------------------------|-----------------|-----------------------------|------------------|-----------|---------------------------|--------------|
| | Share Capital | Treasury Shares | Capital Reserve | Revenue Reserve | Exchange Reserve | Fair Value Adjustment Reserve | Hedging Reserve | Share-based Payment Reserve | Dividend Reserve | Total | Non-controlling Interests | Total Equity |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2nd Quarter ended | | | | | | | | | | | | |
| 31 March 2016 | | | | | | | | | | | | |
| Balance at 1 January 2016 | 849,301 | (2,655) | 9,565 | 875,532 | (142,121) | 880,435 | (273) | 8,132 | 43,373 | 2,521,289 | 308,332 | 2,829,621 |
| Comprehensive income | | | | | | | | | | | | |
| Share of other comprehensive income of associated companies | - | - | - | (853) | 282 | - | (122) | 109 | - | (584) | - | (584) |
| Realisation of reserve on liquidation of subsidiary company | - | - | - | - | 625 | - | - | - | - | 625 | - | 625 |
| Realisation of reserve on settlement of a net investment | - | - | - | - | (283) | - | - | - | - | (283) | (227) | (510) |
| Net fair value changes on available-for-sale financial assets | - | - | - | - | - | 9,598 | - | - | - | 9,598 | - | 9,598 |
| Currency translation difference | - | - | - | - | 9,666 | - | - | - | - | 9,666 | 9,644 | 19,310 |
| Other comprehensive income for the period | - | - | - | (853) | 10,290 | 9,598 | (122) | 109 | - | 19,022 | 9,417 | 28,439 |
| Profit for the period | - | - | - | 12,013 | - | - | - | - | - | 12,013 | 13,952 | 25,965 |
| Total comprehensive income for the period | - | - | - | 11,160 | 10,290 | 9,598 | (122) | 109 | - | 31,035 | 23,369 | 54,404 |
| Contribution by and distributions to owners | | | | | | | | | | | | |
| Employee share-based expense | - | - | - | - | - | - | - | 1,145 | - | 1,145 | 434 | 1,579 |
| Purchase of shares by a subsidiary company | - | - | - | (362) | - | - | - | - | - | (362) | (290) | (652) |
| Shares of a subsidiary company reissued pursuant to its share plans | - | - | (116) | 1,483 | - | - | - | (1,367) | - | - | - | - |
| Contribution of capital by non-controlling interests | - | - | - | - | - | - | - | - | - | - | 29 | 29 |
| Dividends | | | | | | | | | | | | |
| Dividends to non-controlling interests | - | - | - | - | - | - | - | - | - | - | (19,952) | (19,952) |
| Final dividend for the previous year, paid | - | - | - | - | - | - | - | - | (43,373) | (43,373) | - | (43,373) |
| Interim dividend for the year, proposed | - | - | - | (21,687) | - | - | - | - | 21,687 | - | - | - |
| Total contributions by and distributions to owners | - | - | (116) | (20,566) | - | - | - | (222) | (21,686) | (42,590) | (19,779) | (62,369) |
| Changes in ownership interests | | | | | | | | | | | | |
| Change of interests in a subsidiary company | - | - | - | (310) | - | - | - | - | - | (310) | 310 | - |
| Total changes in ownership interests | - | - | - | (310) | - | - | - | - | - | (310) | 310 | - |
| Total transactions with owners in their capacity as owners | - | - | (116) | (20,876) | - | - | - | (222) | (21,686) | (42,900) | (19,469) | (62,369) |
| Balance at 31 March 2016 | 849,301 | (2,655) | 9,449 | 865,816 | (131,831) | 890,033 | (395) | 8,019 | 21,687 | 2,509,424 | 312,232 | 2,821,656 |

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

| | Share Capital | Treasury Shares | Capital Reserve | Revenue Reserve | Exchange Reserve | Fair Value Adjustment Reserve | Hedging Reserve | Share- based Payment Reserve | Dividend Reserve | Total | Non- controlling Interests | Total Equity |
|--|------------------|--------------------|--------------------|--------------------|---------------------|-------------------------------------|--------------------|---------------------------------------|---------------------|-----------|----------------------------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2nd Quarter ended 31 March 2015 | | | | | | | | | | | | |
| Balance at 1 January 2015 | 844,585 | (23) | 8,785 | 326,162 | (109,496) | 466,380 | (605) | 12,590 | 43,347 | 1,591,725 | 416,051 | 2,007,776 |
| Comprehensive income | | | | | | | | | | | | |
| Share of other comprehensive income of associated companies | - | - | - | 46 | 351 | - | - | - | - | 397 | - | 397 |
| Realisation of reserves on liquidation/ disposal of subsidiary and joint venture companies | - | - | - | - | (7) | - | - | - | - | (7) | - | (7) |
| Net fair value changes on available- for-sale financial assets | - | - | - | - | - | 95,494 | - | - | - | 95,494 | - | 95,494 |
| Currency translation difference | - | - | - | - | 2,832 | - | - | - | - | 2,832 | (554) | 2,278 |
| Other comprehensive income for the period | - | - | - | 46 | 3,176 | 95,494 | - | - | - | 98,716 | (554) | 98,162 |
| Profit for the period | - | - | - | 26,160 | - | - | - | - | - | 26,160 | 25,176 | 51,336 |
| Total comprehensive income for the period | - | - | - | 26,206 | 3,176 | 95,494 | - | - | - | 124,876 | 24,622 | 149,498 |
| Contributions by and distributions to owners | | | | | | | | | | | | |
| Employee share-based expense | - | - | - | - | - | - | - | 1,124 | - | 1,124 | 281 | 1,405 |
| Issue of shares in the Company upon vesting of shares awarded | 4,716 | - | - | - | - | - | - | (4,716) | - | - | - | - |
| Contribution of capital by non-controlling interests | - | - | - | - | - | - | - | - | - | - | 1,600 | 1,600 |
| Dividends: | | | | | | | | | | | | |
| Dividends to non-controlling interests | - | - | - | - | - | - | - | - | - | - | (19,933) | (19,933) |
| Additional dividends due to vesting of shares awarded | - | - | - | (65) | - | - | - | - | 65 | - | - | - |
| Final dividend for the previous year, paid | - | - | - | - | - | - | - | - | (43,412) | (43,412) | - | (43,412) |
| Interim dividend for the year, proposed | - | - | - | (28,941) | - | - | - | - | 28,941 | - | - | - |
| Total contributions by and distributions to owners | 4,716 | - | - | (29,006) | - | - | - | (3,592) | (14,406) | (42,288) | (18,052) | (60,340) |
| Changes in ownership interests | | | | | | | | | | | | |
| Change of interests in a subsidiary company | - | - | - | 628 | - | - | - | - | - | 628 | (628) | - |
| Total changes in ownership interests | - | - | - | 628 | - | - | - | - | - | 628 | (628) | - |
| Total transactions with owners in their capacity as owners | 4,716 | - | - | (28,378) | - | - | - | (3,592) | (14,406) | (41,660) | (18,680) | (60,340) |
| Balance at 31 March 2015 | 849,301 | (23) | 8,785 | 323,990 | (106,320) | 561,874 | (605) | 8,998 | 28,941 | 1,674,941 | 421,993 | 2,096,934 |

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

| | Company | | | | | | | |
|---|----------------|-----------------|-----------------|-----------------|-------------------------------|-----------------------------|------------------|------------------|
| | Share Capital | Treasury Shares | Capital Reserve | Revenue Reserve | Fair Value Adjustment Reserve | Share-based Payment Reserve | Dividend Reserve | Total Equity |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2nd Quarter ended 31 March 2016 | | | | | | | | |
| Balance at 1 January 2016 | 849,301 | (2,655) | (2,000) | 735,401 | 34,644 | 3,777 | 43,373 | 1,661,841 |
| <u>Comprehensive income</u> | | | | | | | | |
| Net fair value changes on available-for-sale financial asset | - | - | - | - | 1,304 | - | - | 1,304 |
| Other comprehensive income for the period | - | - | - | - | 1,304 | - | - | 1,304 |
| Profit for the period | - | - | - | 22,860 | - | - | - | 22,860 |
| Total comprehensive income for the period | - | - | - | 22,860 | 1,304 | - | - | 24,164 |
| <u>Contributions by and distributions to owners</u> | | | | | | | | |
| Employee share-based expense | - | - | - | - | - | 603 | - | 603 |
| Dividends | | | | | | | | |
| Final dividend for the previous year, paid | - | - | - | - | - | - | (43,373) | (43,373) |
| Interim dividend for the year, proposed | - | - | - | (21,687) | - | - | 21,687 | - |
| Total transactions with owners in their capacity as owners | - | - | - | (21,687) | - | 603 | (21,686) | (42,770) |
| Balance at 31 March 2016 | 849,301 | (2,655) | (2,000) | 736,574 | 35,948 | 4,380 | 21,687 | 1,643,235 |
| 2nd Quarter ended 31 March 2015 | | | | | | | | |
| Balance at 1 January 2015 | 844,585 | (23) | (2,814) | 31,456 | (21,451) | 9,174 | 43,347 | 904,274 |
| <u>Comprehensive income</u> | | | | | | | | |
| Net fair value changes on available-for-sale financial assets | - | - | - | - | 13,052 | - | - | 13,052 |
| Other comprehensive income for the period | - | - | - | - | 13,052 | - | - | 13,052 |
| Profit for the period | - | - | - | 25,762 | - | - | - | 25,762 |
| Total comprehensive income for the period | - | - | - | 25,762 | 13,052 | - | - | 38,814 |
| <u>Contributions by and distributions to owners</u> | | | | | | | | |
| Employee share-based expense | - | - | - | - | - | 771 | - | 771 |
| Issue of shares in the Company upon vesting of shares awarded | 4,716 | - | - | - | - | (4,716) | - | - |
| Dividends | | | | | | | | |
| Additional dividends due to vesting of shares awarded | - | - | - | (65) | - | - | 65 | - |
| Final dividend for the previous year, paid | - | - | - | - | - | - | (43,412) | (43,412) |
| Interim dividend for the year, proposed | - | - | - | (28,941) | - | - | 28,941 | - |
| Total transactions with owners in their capacity as owners | 4,716 | - | - | (29,006) | - | (3,945) | (14,406) | (42,641) |
| Balance at 31 March 2015 | 849,301 | (23) | (2,814) | 28,212 | (8,399) | 5,229 | 28,941 | 900,447 |

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

| | Share Capital | Treasury Shares | Capital Reserve | Revenue Reserve | Exchange Reserve | Fair Value Adjustment Reserve | Hedging Reserve | Share-based Payment Reserve | Dividend Reserve | Total | Non-controlling Interests | Total Equity |
|---|---------------|-----------------|-----------------|-----------------|------------------|-------------------------------|-----------------|-----------------------------|------------------|-----------|---------------------------|--------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 6 Months ended 31 March 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 | - | - | - | (935) | 208 | - | (122) | (59) | - | (908) | - | (908) |
| Realisation of reserve on liquidation of subsidiary company | - | - | - | - | 625 | - | - | - | - | 625 | - | 625 |
| 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 | - | - | - | - | (6,341) | - | - | - | - | (6,341) | (5,078) | (11,419) |
| Net fair value changes on available-for-sale financial assets | - | - | - | - | - | 236,744 | - | - | - | 236,744 | - | 236,744 |
| Currency translation difference | - | - | - | - | 14,767 | - | - | - | - | 14,767 | 12,646 | 27,413 |
| Other comprehensive income for the period | - | - | - | (935) | 9,259 | 236,592 | (122) | (59) | - | 244,735 | 7,568 | 252,303 |
| Profit for the period | - | - | - | 37,709 | - | - | - | - | - | 37,709 | 36,021 | 73,730 |
| Total comprehensive income for the period | - | - | - | 36,774 | 9,259 | 236,592 | (122) | (59) | - | 282,444 | 43,589 | 326,033 |
| Contributions by and distributions to owners | | | | | | | | | | | | |
| Employee share-based expense | - | - | - | - | - | - | - | 2,416 | - | 2,416 | 657 | 3,073 |
| Treasury shares reissued pursuant to share plans | - | 3,104 | 814 | - | - | - | - | (3,918) | - | - | - | - |
| Purchase of shares by a subsidiary company | - | - | - | (478) | - | - | - | - | - | (478) | (383) | (861) |
| Shares of a subsidiary company reissued pursuant to its share plans | - | - | (116) | 1,483 | - | - | - | (1,367) | - | - | - | - |
| Contribution of capital by non-controlling interests | - | - | - | - | - | - | - | - | - | - | 659 | 659 |
| Dividends: | | | | | | | | | | | | |
| Dividends to non-controlling interests | - | - | - | - | - | - | - | - | - | - | (19,952) | (19,952) |
| Additional dividends due to vesting of shares awarded | - | - | - | (46) | - | - | - | - | 46 | - | - | - |
| Final dividend for the previous year, paid | - | - | - | - | - | - | - | - | (43,373) | (43,373) | - | (43,373) |
| Interim dividend for the year, proposed | - | - | - | (21,687) | - | - | - | - | 21,687 | - | - | - |
| Total contributions by and distributions to owners | - | 3,104 | 698 | (20,728) | - | - | - | (2,869) | (21,640) | (41,435) | (19,019) | (60,454) |
| Changes in ownership interests | | | | | | | | | | | | |
| Change of interests in a subsidiary company | - | - | - | 366 | - | - | - | - | - | 366 | (366) | - |
| Total changes in ownership interests | - | - | - | 366 | - | - | - | - | - | 366 | (366) | - |
| Total transactions with owners in their capacity as owners | - | 3,104 | 698 | (20,362) | - | - | - | (2,869) | (21,640) | (41,069) | (19,385) | (60,454) |
| Balance at 31 March 2016 | 849,301 | (2,655) | 9,449 | 865,816 | (131,831) | 890,033 | (395) | 8,019 | 21,687 | 2,509,424 | 312,232 | 2,821,656 |

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

| | Share Capital | Treasury Shares | Capital Reserve | Revenue Reserve | Exchange Reserve | Fair Value Adjustment Reserve | Hedging Reserve | Share-based Payment Reserve | Dividend Reserve | Total | Non-controlling Interests | Total Equity |
|---|---------------|-----------------|-----------------|-----------------|------------------|-------------------------------|-----------------|-----------------------------|------------------|-----------|---------------------------|--------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 6 Months ended | | | | | | | | | | | | |
| 31 March 2015 | | | | | | | | | | | | |
| Balance at 1 October 2014 | 844,585 | (23) | 8,785 | 290,828 | (103,797) | 510,386 | (605) | 11,322 | 43,347 | 1,604,828 | 396,113 | 2,000,941 |
| Effects of adopting FRS 111 | - | - | - | 2 | - | - | - | - | - | 2 | 2 | 4 |
| Balance at 1 October 2014, restated | 844,585 | (23) | 8,785 | 290,830 | (103,797) | 510,386 | (605) | 11,322 | 43,347 | 1,604,830 | 396,115 | 2,000,945 |
| Comprehensive income | | | | | | | | | | | | |
| Share of other comprehensive income of associated companies | - | - | - | 38 | 808 | - | - | - | - | 846 | - | 846 |
| Realisation of reserves on liquidation/disposal of subsidiary and joint venture companies | - | - | - | - | (716) | - | - | - | - | (716) | - | (716) |
| Net fair value changes on available-for-sale financial assets | - | - | - | - | - | 51,488 | - | - | - | 51,488 | - | 51,488 |
| Currency translation difference | - | - | - | - | (2,615) | - | - | - | - | (2,615) | (6,682) | (9,297) |
| Other comprehensive income for the period | - | - | - | 38 | (2,523) | 51,488 | - | - | - | 49,003 | (6,682) | 42,321 |
| Profit for the period | - | - | - | 61,320 | - | - | - | - | - | 61,320 | 50,686 | 112,006 |
| Total comprehensive income for the period | - | - | - | 61,358 | (2,523) | 51,488 | - | - | - | 110,323 | 44,004 | 154,327 |
| Contributions by and distributions to owners | | | | | | | | | | | | |
| Employee share-based expense | - | - | - | - | - | - | - | 2,392 | - | 2,392 | 571 | 2,963 |
| Issue of shares in the Company upon vesting of shares awarded | 4,716 | - | - | - | - | - | - | (4,716) | - | - | - | - |
| Contribution of capital by non-controlling interests | - | - | - | - | - | - | - | - | - | - | 2,044 | 2,044 |
| Dividends: | | | | | | | | | | | | |
| Dividends to non-controlling interests | - | - | - | - | - | - | - | - | - | - | (19,933) | (19,933) |
| Additional dividends due to vesting of shares awarded | - | - | - | (65) | - | - | - | - | 65 | - | - | - |
| Final dividend for the previous year, paid | - | - | - | - | - | - | - | - | (43,412) | (43,412) | - | (43,412) |
| Interim dividend for the year, proposed | - | - | - | (28,941) | - | - | - | - | 28,941 | - | - | - |
| Total contributions by and distributions to owners | 4,716 | - | - | (29,006) | - | - | - | (2,324) | (14,406) | (41,020) | (17,318) | (58,338) |
| Changes in ownership interests | | | | | | | | | | | | |
| Change of interests in a subsidiary company | - | - | - | 808 | - | - | - | - | - | 808 | (808) | - |
| Total changes in ownership interests | - | - | - | 808 | - | - | - | - | - | 808 | (808) | - |
| Total transactions with owners in their capacity as owners | 4,716 | - | - | (28,198) | - | - | - | (2,324) | (14,406) | (40,212) | (18,126) | (58,338) |
| Balance at 31 March 2015 | 849,301 | (23) | 8,785 | 323,990 | (106,320) | 561,874 | (605) | 8,998 | 28,941 | 1,674,941 | 421,993 | 2,096,934 |

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

| | Company | | | | | | | |
|---|------------------|--------------------|--------------------|--------------------|-------------------------------------|---------------------------------------|---------------------|-----------------|
| | Share Capital | Treasury Shares | Capital Reserve | Revenue Reserve | Fair Value Adjustment Reserve | Share- based Payment Reserve | Dividend Reserve | Total Equity |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 6 months ended 31 March 2016 | | | | | | | | |
| Balance at 1 October 2015 | 849,301 | (5,759) | (2,814) | 735,604 | 3,936 | 6,703 | 43,327 | 1,630,298 |
| <u>Comprehensive income</u> | | | | | | | | |
| Net fair value changes on available-for-sale financial assets | - | - | - | - | 32,164 | - | - | 32,164 |
| Realisation of fair value gains on disposal of available-for-sale financial asset | - | - | - | - | (152) | - | - | (152) |
| Other comprehensive income for the period | - | - | - | - | 32,012 | - | - | 32,012 |
| Profit for the period | - | - | - | 22,703 | - | - | - | 22,703 |
| Total comprehensive income for the period | - | - | - | 22,703 | 32,012 | - | - | 54,715 |
| <u>Contributions by and distributions to owners</u> | | | | | | | | |
| Employee share-based expense | - | - | - | - | - | 1,595 | - | 1,595 |
| Treasury shares reissued pursuant to share plans | - | 3,104 | 814 | - | - | (3,918) | - | - |
| Dividends | | | | | | | | |
| Additional dividends due to vesting of shares awarded | - | - | - | (46) | - | - | 46 | - |
| Final dividend for the previous year, paid | - | - | - | - | - | - | (43,373) | (43,373) |
| Interim dividend for the year, proposed | - | - | - | (21,687) | - | - | 21,687 | - |
| Total transactions with owners in their capacity as owners | - | 3,104 | 814 | (21,733) | - | (2,323) | (21,640) | (41,778) |
| Balance at 31 March 2016 | 849,301 | (2,655) | (2,000) | 736,574 | 35,948 | 4,380 | 21,687 | 1,643,235 |
| 6 months ended 31 March 2015 | | | | | | | | |
| Balance at 1 October 2014 | 844,585 | (23) | (2,814) | 33,138 | (15,394) | 8,270 | 43,347 | 911,109 |
| <u>Comprehensive income</u> | | | | | | | | |
| Net fair value changes on available-for-sale financial assets | - | - | - | - | 6,995 | - | - | 6,995 |
| Other comprehensive income for the period | - | - | - | - | 6,995 | - | - | 6,995 |
| Profit for the period | - | - | - | 24,080 | - | - | - | 24,080 |
| Total comprehensive income for the period | - | - | - | 24,080 | 6,995 | - | - | 31,075 |
| <u>Contributions by and distributions to owners</u> | | | | | | | | |
| Employee share-based expense | - | - | - | - | - | 1,675 | - | 1,675 |
| Issue of shares in the Company upon vesting of shares awarded | 4,716 | - | - | - | - | (4,716) | - | - |
| Dividends | | | | | | | | |
| Additional dividends due to vesting of shares awarded | - | - | - | (65) | - | - | 65 | - |
| Final dividend for the previous year, paid | - | - | - | - | - | - | (43,412) | (43,412) |
| Interim dividend for the year, proposed | - | - | - | (28,941) | - | - | 28,941 | - |
| Total transactions with owners in their capacity as owners | 4,716 | - | - | (29,006) | - | (3,041) | (14,406) | (41,737) |
| Balance at 31 March 2015 | 849,301 | (23) | (2,814) | 28,212 | (8,399) | 5,229 | 28,941 | 900,447 |

1(d)(ii) SHARE CAPITAL

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

| | <u>Number of Shares</u> | |
|--|--|---|
| | <u>2nd Quarter to 31/3/2016</u> | <u>1st Quarter to 31/12/2015</u> |
| Issued and fully paid ordinary shares: | | |
| As at beginning and end of period | <u>1,447,077,754</u> | <u>1,447,077,754</u> |
| | <u>As at 31/3/2016</u> | <u>As at 31/3/2015</u> |
| The number of shares awarded conditionally under Share Plans as at the end of the period | <u>3,369,855</u> | <u>2,491,114</u> |
| The number of issued shares excluding treasury shares at the end of the period | <u>1,445,773,703</u> | <u>1,447,073,654</u> |

The Company held 1,304,051 treasury shares as at 31 March 2016 (31 March 2015: 4,100).

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

The Company's total number of issued shares excluding treasury shares is 1,445,773,703 as at 31 March 2016 and 1,444,249,054 as at 30 September 2015.

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

| | <u>Number of shares</u> |
|-----------------------------------|--|
| | <u>2nd Quarter to 31/3/2016</u> |
| As at beginning and end of period | <u>1,304,051</u> |

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

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

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

Not applicable.

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

The Group and Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared with the audited financial statements for the year ended 30 September 2015.

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

Not applicable.

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

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

| | Group | | | |
|---|-----------------------------|-----------------------------|--------------------------|--------------------------|
| | 2nd Quarter to 31/3/2016 | 2nd Quarter to 31/3/2015 | 6 Months to 31/3/2016 | 6 Months to 31/3/2015 |
| Earnings per ordinary share: | | | | |
| (a) Based on the weighted average number of ordinary shares on issue (cents) | | | | |
| - before exceptional items | 0.8 | 1.8 | 2.6 | 4.2 |
| - after exceptional items | 0.8 | 1.8 | 2.6 | 4.2 |
| (b) On a fully diluted basis (cents) | | | | |
| - before exceptional items | 0.8 | 1.8 | 2.6 | 4.2 |
| - after exceptional items | 0.8 | 1.8 | 2.6 | 4.2 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Attributable profit | 12,013 | 26,160 | 37,709 | 61,320 |
| Change in attributable net profit due to dilutive share options and potential dilutive shares under share plans of a subsidiary company | (72) | (58) | (186) | (117) |
| Adjusted attributable profit | 11,941 | 26,102 | 37,523 | 61,203 |

Continuing operations

Earnings per ordinary share:

| | | | | |
|---|---------------|---------------|---------------|---------------|
| (a) Based on the weighted average number of ordinary shares on issue (cents) | | | | |
| - before exceptional items | 0.8 | 0.6 | 2.6 | 1.9 |
| - after exceptional items | 0.8 | 0.6 | 2.6 | 1.9 |
| (b) On a fully diluted basis (cents) | | | | |
| - before exceptional items | 0.8 | 0.6 | 2.6 | 1.9 |
| - after exceptional items | 0.8 | 0.6 | 2.6 | 1.9 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Attributable profit | 12,013 | 9,294 | 37,709 | 27,782 |
| Change in attributable net profit due to dilutive share options and potential dilutive shares under share plans of a subsidiary company | (72) | (58) | (186) | (117) |
| Adjusted attributable profit | 11,941 | 9,236 | 37,523 | 27,665 |

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

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

| | Group | | Company | |
|--|--------------------|--------------------|--------------------|--------------------|
| | As at 31/3/2016 | As at 30/9/2015 | As at 31/3/2016 | As at 30/9/2015 |
| Net asset value per ordinary share based on issued share capital | \$1.73 | \$1.57 | \$1.14 | \$1.13 |

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

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

REVIEW OF PERFORMANCE

The principal activities of the Group are:

- (i) production and sale of beverages (includes soft drinks & beer) and dairy products; and
- (ii) printing and publishing.

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

Profit Statement – 2nd Quarter

Group revenue of \$474.3 million for the quarter ended 31 March 2016 decreased 4.9% as compared to the corresponding period last year mainly due to lower contributions from Dairies and Printing and Publishing.

Group PBIT (profit before interest and taxation) of \$28.4 million and attributable profit before exceptional items of \$11.6 million were 11.2% and 32.1% respectively higher than the corresponding period last year due to higher contributions from Dairies operations.

Beverages

Overall Beverages revenue and PBIT was 2.5% and 1.4% higher as compared to the same period last year.

Soft Drinks revenue increased by 1.6% as compared to the corresponding period last year mainly due to an increase in volume. Volume was boosted by the introduction of new products, such as *Oishi Green Tea*, *Est Cola*, *Cocolife* and *Ice Mountain Sparkling Water*, and commencement of distribution of *F&N Carbonated Soft Drinks* and *100Plus* in Indonesia. Sales also improved during this period due to the Lunar New Year and festivity-driven consumer and trade marketing programs which were well received by consumers.

Notwithstanding the higher volume, sales was affected by the depreciation of the Malaysian Ringgit against the Singapore Dollar and the loss of *Red Bull* energy drink sales. Excluding sales of *Red Bull* in the previous year, revenue increased 16.0%.

PBIT increased slightly by 1.4% mainly due to higher sales volume, favourable manufacturing overheads and cost management. However these were partially offset by higher advertising and promotional expenses incurred to promote new products and higher operating costs incurred to support expansion into new markets and loss of contribution from *Red Bull*.

Dairies

Dairies revenue was 5.4% lower than the corresponding period last year in Malaysia and Thailand.

Revenue in Dairies Malaysia was affected by the depreciation of the Malaysian Ringgit against the Singapore Dollar, lower domestic sales volume, competitive pricing and higher tactical discounts offered to narrow the price competition.

While revenue in Dairies Thailand was also affected by lost sales from *Bear & Milo* UHT and depreciation of the Thailand Baht against the Singapore Dollar, these were partly offset by volume growth achieved on the back of its increasing network and distribution points and effective trade and consumer marketing campaigns. Excluding sales of *Bear & Milo* UHT in the previous year, Dairies Thailand revenue increased 6.0%.

Although revenue decreased, Dairies PBIT increased 41.1% to \$28.1 million with positive contribution from all sectors as a result of lower milk-based commodity costs and greater operational efficiencies.

Printing and Publishing

Printing and Publishing revenue declined 15.8% from last year to \$69.2 million. The Printing business was affected by weak print demand especially in China. Despite a weak quarter for print, efforts made in Singapore and Malaysia to fill order books have been promising. Publishing reported lower revenue in Latin America and the USA, mainly due to slower demand following the end of the school adoption cycle, and in Singapore due to lower sales in Mother Tongue. Revenue for the Retail and Distribution businesses increased slightly due to higher partwork sales in Hong Kong, higher volume for distribution of new magazine titles in Singapore and strong airport sales arising from promotional efforts.

Losses before interest and taxation increased \$4.7 million to a loss of \$6.5 million for the quarter mainly due to the lower sales. In addition, the Publishing business made investments in the quarter into the development of digital business which are expensed, while the China printing plant was midway through its rationalisation exercise and hence unable to fully mitigate the effect of lower sales.

Tax

The Group effective tax rate ("ETR") of 17.2% (2015: 21.1%) is mainly due to non-deductible expenses, the effect of which has been compensated by an increase in the tax exempt profits of an overseas subsidiary and the write-back of prior year over-provision. These together with a reduction in the withholding tax paid by group companies also contributed to the lower Group ETR in the current quarter.

Balance Sheet as at 31 March 2016

The Group

The increase in Reserves was mainly due to fair value gains on the investment in Vinamilk in Vietnam, profits of \$37.7 million retained for the period and partly offset by payment of last year's final dividend.

Non-current assets increased by \$246.5 million or 15.6% from \$1,577.5 million to \$1,824.0 million as at 31 March 2016 mainly due to:

- (i) fair value gains on the investment in Vinamilk; and
- (ii) increase in fixed assets due to additions partly offset by depreciation charges.

Current assets increased by \$31.5 million or 2.0% from \$1,565.4 million to \$1,596.9 million as at 31 March 2016 attributed mainly to:

- (i) an increase in inventories due to stock build-up for planned machinery maintenance and upcoming Hari Raya Puasa festivities; and
- (ii) an increase in trade receivables mainly due to additional credit limits granted to distributors for the Lunar New Year festivities.

Liabilities increased by \$12.5 million or 2.1% from \$586.8 million to \$599.2 million as at 31 March 2016 mainly due to:

- (i) an increase in borrowings as a result of a Thai Baht term loan facility taken up; and partly offset by
- (ii) a decrease in other payables due to subsequent payments made for accruals outstanding as at 30 September 2015; and
- (iii) a decrease in trade payables due to lower publishing spend and purchasing activities by the Printing and Publishing business.

Group Cash Flow Statement for Quarter Ended 31 March 2016

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

Net cash inflow from operating activities of \$16.6 million is lower as compared to \$42.2 million for the corresponding period last year mainly due to lower cash generated from operations as last year's results included Myanmar Brewery Limited, which had since been disposed in August 2015. This was partly offset by higher interest income received and lower tax payments in the current quarter.

Net cash outflow from investing activities of \$12.2 million is lower as compared to \$23.3 million for the corresponding period last year mainly due to lower investments in fixed assets for the current quarter.

Net cash outflow from financing activities of \$65.3 million was higher than \$32.6 million for the corresponding period last year due to proceeds from term loans taken up last year.

Group Profit Statement – 6 Months-to-Date

Group revenue decreased 8.2% while PBIT increased 26.6% to \$82.1 million as compared to the corresponding period last year. The decrease in revenue was mainly due to the depreciation of the Malaysian Ringgit against the Singapore Dollar, loss of contribution from Red Bull and challenges faced by the Printing and Publishing business.

PBIT increase was largely due to increased contributions from Dairies Malaysia and Dairies Thailand as a result of lower milk based commodity costs, greater operational efficiencies, lower trade discounts extended, and recovery of withholding tax paid on royalties.

Group attributable profit before exceptional items and basic earnings per share before exceptional items were 33.3% and 36.8% higher at \$37.2 million and 2.6 cents respectively.

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

Not applicable.

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

According to IMF, global growth is projected to grow 3.2% in 2016, lower than the previous projection of 3.4%. Economic growth in the countries in which the Group operates are likely to remain uneven with Asean economies expected to grow above global average at 4.8% and with Singapore's growth forecasted at 1.8%.

Consistent with the softened global economy and uncertainty, consumer sentiments in the Food & Beverage segment is expected to be subdued. However, the segment is expected to benefit from lower commodity prices. The Group will continue to monitor the situation closely to respond in a timely manner to changes in consumer sentiments and preferences and potential changes in regulations so as to sustain the operating performance of the Group.

The operating environment for the Printing & Publishing segment is likely to remain challenging in the coming months. Publishing will continue to invest to develop its digital business and strengthen its overseas markets while the focus of the Print business remains on expansion of its commercial and non-traditional print jobs to mitigate the decline in traditional print business.

With the Singapore Dollar expected to remain relatively stronger against the regional Asia Pacific currencies, this will negatively impact the financial performance of the Group as a high proportion of earnings are derived from outside Singapore. The negative currency translation may be partially alleviated by the expected favourable commodity prices.

With \$700.0 million of cash available for business acquisitions and being in a net cash position, the Group will actively pursue new business opportunities.

11. If a decision regarding dividend has been made:

(a) **Whether an interim ordinary dividend has been declared:** Yes

(b) (i) Amount per share : 1.5 cents, tax-exempt (one-tier)

(ii) Previous corresponding period : 2.0 cents, tax-exempt (one-tier)

(c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Tax-exempt (one-tier).

(d) **The date the dividend is payable.**

The Directors have declared an interim dividend of 1.5 cents, tax-exempt (one-tier), to be paid on 9 June 2016 (last year: 2.0 cents, tax-exempt (one-tier)).

(e) **The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Registrable transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road, #02-00, Singapore 068898 up to 5.00 pm on 25 May 2016 will be registered before entitlements to the dividend are determined.

Notice is hereby given that the share registers will be closed on 26 May 2016 and 27 May 2016 for the preparation of dividend warrants.

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

Particulars of interested person transactions ("IPTs") for the period 1 January 2016 to 31 March 2016.

| <u>Name of interested person</u> | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$'000 |
|-------------------------------------|--|
| TCC Group of Companies ¹ | 2,280 |

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

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

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

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

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

On behalf of the Board

Siripen Sitasuwan
Director

Sithichai Chaikriangkrai
Director

BY ORDER OF THE BOARD
Anthony Cheong Fook Seng
Company Secretary

10 May 2016