



FRASER AND NEAVE, LIMITED

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

THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

The Directors are pleased to make the following announcement of the unaudited results for the 3rd Quarter ended 30 June 2019.

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

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

1(a)(i) GROUP PROFIT STATEMENT

	3rd Quarter to 30/6/2019 \$'000	3rd Quarter to 30/6/2018 \$'000 (Restated)*	Change %	9 Months to 30/6/2019 \$'000	9 Months to 30/6/2018 \$'000 (Restated)*	Change %
Revenue	489,737	458,989	6.7	1,421,504	1,373,602	3.5
Cost of sales	(328,556)	(314,362)	4.5	(954,787)	(946,990)	0.8
Gross profit	161,181	144,627	11.4	466,717	426,612	9.4
Other income (net)	11,731	4,461	163.0	16,475	136	NM
Operating expenses						
- Distribution	(41,690)	(40,405)	3.2	(121,945)	(120,632)	1.1
- Marketing	(39,939)	(43,491)	(8.2)	(123,484)	(126,436)	(2.3)
- Administration	(33,619)	(31,507)	6.7	(95,356)	(92,936)	2.6
	(115,248)	(115,403)	(0.1)	(340,785)	(340,004)	0.2
Trading profit	57,664	33,685	71.2	142,407	86,744	64.2
Share of joint venture companies' profit/(loss)	634	(853)	NM	(721)	(1,633)	(55.8)
Share of associated companies' profit	32,353	39,577	(18.3)	85,546	73,367	16.6
Gross income from investments	320	-	NM	320	-	NM
Profit before interest and taxation ("PBIT")	90,971	72,409	25.6	227,552	158,478	43.6
Finance income	1,483	3,485	(57.4)	5,142	10,767	(52.2)
Finance cost	(5,276)	(7,540)	(30.0)	(15,836)	(22,754)	(30.4)
Net finance cost	(3,793)	(4,055)	(6.5)	(10,694)	(11,987)	(10.8)
Profit before taxation and exceptional items	87,178	68,354	27.5	216,858	146,491	48.0
Exceptional items	(106)	-	NM	314	596	(47.3)
Profit before taxation	87,072	68,354	27.4	217,172	147,087	47.6
Taxation	(15,510)	(2,359)	NM	(38,438)	(10,582)	NM
Profit after taxation	71,562	65,995	8.4	178,734	136,505	30.9
Attributable profit to:						
Shareholders of the Company	54,827	50,300	9.0	128,639	91,070	41.3
Exceptional items	(93)	-	NM	135	155	(12.9)
	54,734	50,300	8.8	128,774	91,225	41.2
Non-controlling interests	16,828	15,695	7.2	49,960	45,280	10.3
	71,562	65,995	8.4	178,734	136,505	30.9

NM – Not meaningful

* Restated upon adoption of SFRS(I) 15 as detailed in paragraph 5, page 16 of this report.

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

	Group					
	3rd Quarter to 30/6/2019 \$'000	3rd Quarter to 30/6/2018 \$'000 (Restated)*	Change %	9 Months to 30/6/2019 \$'000	9 Months to 30/6/2018 \$'000 (Restated)*	Change %
Operating expenses						
Included in operating expenses are:						
Depreciation & amortisation	(14,746)	(13,753)	7.2	(44,630)	(42,550)	4.9
(Allowance for)/Write-back of bad and doubtful debts	(104)	168	NM	(265)	(52)	NM
Allowance for inventory obsolescence	(2,464)	(1,348)	82.8	(5,955)	(4,192)	42.1
Employee share-based expense	(1,430)	(1,416)	1.0	(2,044)	(2,955)	(30.8)
Other income (net)						
Gain on disposal of fixed assets	10,751	78	NM	10,852	1,157	NM
Foreign exchange (loss)/gain	(840)	2,693	NM	(1,832)	(6,861)	(73.3)
Taxation						
(Under)/Over provision of prior year taxation	(204)	2,652	NM	499	4,022	(87.6)
Exceptional items						
Insurance claim relating to fire	-	-	NM	579	-	NM
Investment property written off	-	-	NM	(179)	-	NM
(Provision for)/Write back of restructuring and re-organisation cost of operations	(106)	-	NM	(86)	1,342	NM
Insurance claim relating to flood	-	-	NM	-	220	NM
Damaged inventories relating to fire	-	-	NM	-	(966)	NM
	(106)	-		314	596	
PBIT as a percentage of revenue	18.6%	15.8%		16.0%	11.5%	

NM - Not meaningful

* Restated upon adoption of SFRS(I) 15 as detailed in paragraph 5, page 16 of this report.

1(a)(iii) ADDITIONAL INFORMATION

Group Revenue and Profit Analysis

	3rd Quarter to 30/6/2019 \$'000	3rd Quarter to 30/6/2018 \$'000 (Restated)*	9 Months to 30/6/2019 \$'000	9 Months to 30/6/2018 \$'000 (Restated)*
Revenue				
By Business Activity				
Beverages	133,034	119,246	367,754	338,964
Dairies	294,277	278,938	862,874	833,475
Printing & publishing	62,327	60,718	190,584	200,896
Others	99	87	292	267
	<u>489,737</u>	<u>458,989</u>	<u>1,421,504</u>	<u>1,373,602</u>
By Territory				
Singapore	112,762	111,668	323,554	330,016
Malaysia	184,114	176,661	547,168	539,445
Thailand	168,225	145,106	486,807	438,731
Vietnam	35	47	81	228
Others	24,601	25,507	63,894	65,182
	<u>489,737</u>	<u>458,989</u>	<u>1,421,504</u>	<u>1,373,602</u>
PBIT				
By Business Activity				
Beverages	6,658	2,915	4,777	3,694
Dairies	77,198	73,647	222,321	175,084
Printing & publishing	7,402	(4,749)	302	(11,451)
Others	(287)	596	152	(8,849)
	<u>90,971</u>	<u>72,409</u>	<u>227,552</u>	<u>158,478</u>
By Territory				
Singapore	9,279	(1,491)	7,686	(14,538)
Malaysia	18,719	14,996	44,015	39,273
Thailand	34,014	20,068	100,787	67,594
Vietnam	31,237	38,369	82,028	69,453
Others	(2,278)	467	(6,964)	(3,304)
	<u>90,971</u>	<u>72,409</u>	<u>227,552</u>	<u>158,478</u>
Attributable profit				
By Business Activity				
Beverages	1,323	(191)	(3,776)	(4,836)
Dairies	52,741	58,770	146,371	128,246
Printing & publishing	7,042	(4,608)	(633)	(11,437)
Others	(6,279)	(3,671)	(13,323)	(20,903)
	<u>54,827</u>	<u>50,300</u>	<u>128,639</u>	<u>91,070</u>
Exceptional items	(93)	-	135	155
	<u>54,734</u>	<u>50,300</u>	<u>128,774</u>	<u>91,225</u>

* Restated upon adoption of SFRS(I) 15 as detailed in paragraph 5, page 16 of this report.

1(a)(iv) STATEMENT OF COMPREHENSIVE INCOME

	Group			
	3rd Quarter to 30/6/2019 \$'000	3rd Quarter to 30/6/2018 \$'000	9 Months to 30/6/2019 \$'000	9 Months to 30/6/2018 \$'000
Profit after taxation	71,562	65,995	178,734	136,505
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit statement</u>				
Share of other comprehensive income of associated companies	514	170	408	2,464
Net fair value changes on derivative financial instruments	44	-	44	-
Net fair value changes on available-for-sale financial assets	-	(2,636)	-	(21,952)
Currency translation differences	(19,829)	75,155	(24,112)	20,827
	(19,271)	72,689	(23,660)	1,339
<u>Items that will not be reclassified to profit statement</u>				
Remeasurement of defined benefit obligations	-	-	3	-
Changes in fair value of equity investments measured at fair value through other comprehensive income	(2,086)	-	(3,497)	-
	(2,086)	-	(3,494)	-
Other comprehensive income for the period, net of taxation	(21,357)	72,689	(27,154)	1,339
Total comprehensive income for the period	50,205	138,684	151,580	137,844
Total comprehensive income attributable to:				
Shareholders of the Company	35,519	125,680	101,978	79,460
Non-controlling interests	14,686	13,004	49,602	58,384
	50,205	138,684	151,580	137,844

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 SHEETS

	Group		Company	
	As at 30/6/2019 \$'000	As at 30/9/2018 \$'000 (Restated)*	As at 30/6/2019 \$'000	As at 30/9/2018 \$'000
SHARE CAPITAL AND RESERVES				
Share capital	853,549	851,941	853,549	851,941
Treasury shares	-	(267)	-	(267)
Reserves	2,002,977	1,968,272	786,733	860,910
	2,856,526	2,819,946	1,640,282	1,712,584
NON-CONTROLLING INTERESTS	381,058	347,586	-	-
	3,237,584	3,167,532	1,640,282	1,712,584
Represented by:				
NON-CURRENT ASSETS				
Fixed assets	623,107	561,459	1,108	269
Investment properties	41,205	41,672	-	-
Properties held for development	18,339	18,529	-	-
Subsidiary companies	-	-	2,164,007	2,087,620
Joint venture companies	165,765	48,257	38,965	-
Associated companies	2,569,544	2,560,292	-	-
Intangible assets	128,495	104,430	173	147
Brands	27,330	27,704	212	212
Other investments	10,382	13,879	195,504	222,485
Other receivables	3,054	1,298	22	-
Deferred tax assets	3,749	6,609	-	-
	3,590,970	3,384,129	2,399,991	2,310,733
CURRENT ASSETS				
Inventories	235,985	242,512	-	-
Trade receivables	302,905	272,192	-	-
Other receivables	64,782	50,310	644	358
Related parties	8,347	9,607	671	9
Subsidiary companies	-	-	45,790	22,486
Joint venture companies	1,172	1,863	-	-
Associated companies	15	12	2	-
Bank fixed deposits	95,788	214,830	8,252	92,263
Cash and bank balances	212,197	315,295	39,737	108,704
	921,191	1,106,621	95,096	223,820
Deduct: CURRENT LIABILITIES				
Trade payables	164,122	160,961	-	-
Other payables	214,359	199,710	9,470	7,996
Related parties	6,699	9,121	1,385	1,265
Subsidiary companies	-	-	67,650	9,137
Associated companies	1,249	1,253	-	-
Borrowings	192,636	374,131	106,000	180,000
Provision for taxation	42,315	32,959	2,287	3,931
	621,380	778,135	186,792	202,329
NET CURRENT ASSETS/(LIABILITIES)	299,811	328,486	(91,696)	21,491
Deduct: NON-CURRENT LIABILITIES				
Other payables	9,776	12,575	-	-
Subsidiary companies	-	-	668,013	619,640
Borrowings	607,050	497,288	-	-
Provision for employee benefits	18,009	18,256	-	-
Deferred tax liabilities	18,362	16,964	-	-
	653,197	545,083	668,013	619,640
	3,237,584	3,167,532	1,640,282	1,712,584

* Restated upon adoption of SFRS(I) 15 and SFRS(I) 1 as detailed in paragraph 5, page 16 of this report.

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

Amount repayable in one year or less, or on demand

	As at 30/6/2019	As at 30/9/2018
	\$'000	\$'000
Secured :	81	-
Unsecured :	192,555	374,131
	<u>192,636</u>	<u>374,131</u>

Amount repayable after one year

	As at 30/6/2019	As at 30/9/2018
	\$'000	\$'000
Secured :	124	-
Unsecured :	606,926	497,288
	<u>607,050</u>	<u>497,288</u>

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

	3rd Quarter to 30/6/2019 \$'000	3rd Quarter to 30/6/2018 \$'000	9 Months to 30/6/2019 \$'000	9 Months to 30/6/2018 \$'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Profit before taxation and exceptional items	87,178	68,354	216,858	146,491
Adjustments for:				
Depreciation of fixed assets	12,305	11,542	36,403	33,935
(Reversal of impairment)/Impairment of fixed assets(net)	(8)	157	(27)	96
Fixed assets written off	36	71	162	692
Provision for employee benefits	1,155	399	1,899	1,187
Gain on disposal of fixed assets	(10,751)	(78)	(10,852)	(1,157)
Gain on disposal of intangible assets	-	-	(1)	-
Amortisation of brands and intangible assets	2,441	2,211	8,227	8,615
Interest income	(1,483)	(3,485)	(5,142)	(10,767)
Interest expenses	5,276	7,540	15,836	22,754
Share of joint venture companies' (profit)/loss	(634)	853	721	1,633
Share of associated companies' profit	(32,353)	(39,577)	(85,546)	(73,367)
Investment income	(320)	-	(320)	-
Employee share-based expense	1,430	1,416	2,044	2,955
Fair value adjustment of financial instruments	(67)	(964)	133	(129)
Gain on disposal of financial instruments	(23)	(10)	(31)	(786)
Operating cash before working capital changes	64,182	48,429	180,364	132,152
Change in inventories	13,846	(2,554)	7,281	3,486
Change in trade and other receivables	(41,051)	(15,264)	(42,098)	(26,723)
Change in related parties' and joint venture and associated companies' balances	(2,066)	102	(478)	(7,887)
Change in trade and other payables	8,027	5,411	11,653	(15,896)
Currency realignment	2,061	(623)	2,409	9,671
Cash generated from operations	44,999	35,501	159,131	94,803
Interest income received	1,115	2,907	4,263	9,216
Interest expenses paid	(3,666)	(5,938)	(15,150)	(21,005)
Income taxes paid	(18,629)	(4,230)	(24,309)	(8,634)
Payment of employee benefits	(474)	(61)	(2,115)	(1,084)
Net cash from operating activities	23,345	28,179	121,820	73,296
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Dividends from associated companies	30,617	28,303	52,419	53,047
Investment income	320	-	320	-
Proceeds from sale of fixed assets	10,737	75	10,927	1,471
Proceeds from sale of intangible assets	-	-	19	-
Purchase of fixed assets	(40,073)	(16,013)	(94,658)	(60,841)
Net cash outflow on acquisition of subsidiary companies	(22,638)	-	(22,638)	-
Purchase of other investments	-	(10,969)	-	(10,969)
Investments in an associated company	-	(9,373)	-	(213,182)
Payment for intangible assets	(3,797)	(5,827)	(12,837)	(9,942)
Investment in joint venture companies	(114,722)	-	(115,309)	-
Net cash used in investing activities	(139,556)	(13,804)	(181,757)	(240,416)

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

	3rd Quarter to 30/6/2019 \$'000	3rd Quarter to 30/6/2018 \$'000	9 Months to 30/6/2019 \$'000	9 Months to 30/6/2018 \$'000
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Proceeds from/(Repayment of) term loans and bank borrowings	132,075	38,829	(73,716)	(127,252)
Purchase of shares by a subsidiary company	-	(667)	(624)	(667)
Capital contribution by non-controlling interests	4,641	104	10,117	104
Payment of dividends:				
- by subsidiary companies to non-controlling interests	(14,182)	(14,776)	(30,701)	(31,647)
- by the Company to shareholders	(21,735)	(21,722)	(65,206)	(65,165)
Net cash from/(used in) financing activities	100,799	1,768	(160,130)	(224,627)
Net (decrease)/increase in cash and cash equivalents	(15,412)	16,143	(220,067)	(391,747)
Cash and cash equivalents at beginning of period	323,007	733,325	527,166	1,134,383
Effects of exchange rate changes on cash and cash equivalents	(2,574)	(169)	(2,078)	6,663
Cash and cash equivalents at end of period	305,021	749,299	305,021	749,299
Cash and cash equivalents at end of period comprise:				
Cash and bank deposits	307,985	752,405	307,985	752,405
Bank overdrafts	-	(174)	-	(174)
	307,985	752,231	307,985	752,231
Less: Fixed deposits relating to consideration for acquisition of subsidiary companies	(2,964)	(2,932)	(2,964)	(2,932)
Cash and cash equivalents at end of period	305,021	749,299	305,021	749,299
<u>Analysis of acquisition of subsidiary companies</u>				
Net assets acquired:				
Non-current assets	1,781	-	1,781	7,630
Current assets	8,643	-	8,643	6,783
Borrowings	(219)	-	(219)	-
Other current liabilities	(2,541)	-	(2,541)	(6,864)
Other non-current liabilities	(119)	-	(119)	-
Non-controlling interests	(4,073)	-	(4,073)	-
Cash and cash equivalents	2,637	-	2,637	231
	6,109	-	6,109	7,780
Provisional goodwill on acquisition	19,666	-	19,666	451
Consideration paid	25,775	-	25,775	8,231
Less: Deposit paid in last financial year	-	-	-	(8,000)
Deferred consideration	(500)	-	(500)	-
Cash and cash equivalents of subsidiary companies acquired	(2,637)	-	(2,637)	(231)
Net cash outflow on acquisition of subsidiary companies	22,638	-	22,638	-

- 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	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
3rd Quarter ended											
30 June 2019											
Balance at 1 April 2019	853,549	18,733	2,004,046	(35,650)	(27,286)	-	6,591	21,735	2,841,718	371,434	3,213,152
Comprehensive income											
Share of other comprehensive income of associated companies	-	-	283	(7)	238	-	-	-	514	-	514
Net fair value changes on derivative financial instruments	-	-	-	-	-	44	-	-	44	-	44
Changes in fair value of equity investments measured at fair value through other comprehensive income	-	-	-	-	(2,086)	-	-	-	(2,086)	-	(2,086)
Currency translation difference	-	-	-	(17,687)	-	-	-	-	(17,687)	(2,142)	(19,829)
Other comprehensive income for the period	-	-	283	(17,694)	(1,848)	44	-	-	(19,215)	(2,142)	(21,357)
Profit for the period	-	-	54,734	-	-	-	-	-	54,734	16,828	71,562
Total comprehensive income for the period	-	-	55,017	(17,694)	(1,848)	44	-	-	35,519	14,686	50,205
Contributions by and distributions to owners											
Employee share-based expense	-	-	-	-	-	-	1,022	-	1,022	408	1,430
Shares of a subsidiary company reissued pursuant to its share plans	-	3	(18)	-	-	-	15	-	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	4,641	4,641
Dividends:											
Dividends paid	-	-	-	-	-	-	-	(21,735)	(21,735)	(14,182)	(35,917)
Total contributions by and distribution to owners	-	3	(18)	-	-	-	1,037	(21,735)	(20,713)	(9,133)	(29,846)
Changes in ownership interests											
Change of interests in subsidiary companies	-	-	2	-	-	-	-	-	2	(2)	-
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	4,073	4,073
Total changes in ownership interests	-	-	2	-	-	-	-	-	2	4,071	4,073
Total transactions with owners in their capacity as owners	-	3	(16)	-	-	-	1,037	(21,735)	(20,711)	(5,062)	(25,773)
Balance at 30 June 2019	853,549	18,736	2,059,047	(53,344)	(29,134)	44	7,628	-	2,856,526	381,058	3,237,584

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

	Group										
	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Exchange Reserve	Fair Value Adjustment Reserve	Share-based Payment Reserve	Dividend Reserve	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
3rd Quarter ended											
30 June 2018											
Balance at 1 April 2018	851,941	(267)	18,668	1,914,578	(70,103)	(18,055)	6,801	21,722	2,725,285	344,526	3,069,811
Comprehensive income											
Share of other comprehensive income of associated companies	-	-	-	22	37	89	22	-	170	-	170
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	(2,636)	-	-	(2,636)	-	(2,636)
Currency translation difference	-	-	-	-	77,846	-	-	-	77,846	(2,691)	75,155
Other comprehensive income for the period	-	-	-	22	77,883	(2,547)	22	-	75,380	(2,691)	72,689
Profit for the period	-	-	-	50,300	-	-	-	-	50,300	15,695	65,995
Total comprehensive income for the period	-	-	-	50,322	77,883	(2,547)	22	-	125,680	13,004	138,684
Contributions by and distributions to owners											
Employee share-based expense	-	-	-	-	-	-	988	-	988	428	1,416
Purchase of shares by a subsidiary company	-	-	-	(370)	-	-	-	-	(370)	(297)	(667)
Shares of a subsidiary company reissued pursuant to its share plans	-	-	4	(10)	-	-	6	-	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	104	104
Dividends:											
Dividends paid	-	-	-	-	-	-	-	(21,722)	(21,722)	(14,776)	(36,498)
Total transactions with owners in their capacity as owners	-	-	4	(380)	-	-	994	(21,722)	(21,104)	(14,541)	(35,645)
Balance at 30 June 2018	851,941	(267)	18,672	1,964,520	7,780	(20,602)	7,817	-	2,829,861	342,989	3,172,850

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

	Company							
	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Fair Value Adjustment Reserve	Share- based Payment Reserve	Dividend Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
3rd Quarter ended 30 June 2019								
Balance at 1 April 2019	853,549	-	(1,091)	728,254	66,852	2,995	21,735	1,672,294
<u>Comprehensive income</u>								
Changes in fair value of equity investments measured at fair value through other comprehensive income	-	-	-	-	(21,209)	-	-	(21,209)
Other comprehensive income for the period	-	-	-	-	(21,209)	-	-	(21,209)
Profit for the period	-	-	-	10,420	-	-	-	10,420
Total comprehensive income for the period	-	-	-	10,420	(21,209)	-	-	(10,789)
<u>Contributions by and distributions to owners</u>								
Employee share-based expense	-	-	-	-	-	512	-	512
Dividends:								
Dividends paid	-	-	-	-	-	-	(21,735)	(21,735)
Total transactions with owners in their capacity as owners	-	-	-	-	-	512	(21,735)	(21,223)
Balance at 30 June 2019	853,549	-	(1,091)	738,674	45,643	3,507	-	1,640,282
3rd Quarter ended 30 June 2018								
Balance at 1 April 2018	851,941	(267)	(1,099)	718,811	124,359	3,260	21,722	1,718,727
<u>Comprehensive income</u>								
Net fair value changes on available-for-sale financial assets	-	-	-	-	(37,084)	-	-	(37,084)
Other comprehensive income for the period	-	-	-	-	(37,084)	-	-	(37,084)
Profit for the period	-	-	-	12,925	-	-	-	12,925
Total comprehensive income for the period	-	-	-	12,925	(37,084)	-	-	(24,159)
<u>Contributions by and distributions to owners</u>								
Employee share-based expense	-	-	-	-	-	453	-	453
Dividends:								
Dividends paid	-	-	-	-	-	-	(21,722)	(21,722)
Total transactions with owners in their capacity as owners	-	-	-	-	-	453	(21,722)	(21,269)
Balance at 30 June 2018	851,941	(267)	(1,099)	731,736	87,275	3,713	-	1,673,299

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

	Group											
	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Exchange Reserve	Fair Value Adjustment Reserve	Hedging Reserve	Share-based Payment Reserve	Dividend Reserve	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
9 Months ended												
30 June 2019												
Balance at 30 September 2018, previously reported	851,941	(267)	18,943	2,162,297	(238,179)	(25,873)	-	8,910	43,444	2,821,216	348,604	3,169,820
Effects of adopting SFRS (I) 1	-	-	-	(208,671)	208,671	-	-	-	-	-	-	-
Effects of adopting SFRS (I) 15	-	-	-	(1,270)	-	-	-	-	-	(1,270)	(1,018)	(2,288)
Balance at 30 September 2018, restated	851,941	(267)	18,943	1,952,356	(29,508)	(25,873)	-	8,910	43,444	2,819,946	347,586	3,167,532
Effects of adopting SFRS (I) 9	-	-	-	(936)	-	-	-	-	-	(936)	(295)	(1,231)
Balance at 1 October 2018, restated	851,941	(267)	18,943	1,951,420	(29,508)	(25,873)	-	8,910	43,444	2,819,010	347,291	3,166,301
Comprehensive income												
Share of other comprehensive income of associated companies	-	-	-	254	(82)	236	-	-	-	408	-	408
Net fair value changes on derivative financial instruments	-	-	-	-	-	-	44	-	-	44	-	44
Remeasurement of defined benefit obligations	-	-	-	3	-	-	-	-	-	3	-	3
Changes in fair value of equity investments measured at fair value through other comprehensive income	-	-	-	-	-	(3,497)	-	-	-	(3,497)	-	(3,497)
Currency translation difference	-	-	-	-	(23,754)	-	-	-	-	(23,754)	(358)	(24,112)
Other comprehensive income for the period	-	-	-	257	(23,836)	(3,261)	44	-	-	(26,796)	(358)	(27,154)
Profit for the period	-	-	-	128,774	-	-	-	-	-	128,774	49,960	178,734
Total comprehensive income for the period	-	-	-	129,031	(23,836)	(3,261)	44	-	-	101,978	49,602	151,580
Contributions by and distributions to owners												
Employee share-based expense	-	-	-	-	-	-	-	1,634	-	1,634	410	2,044
Treasury shares reissued pursuant to share plans	-	267	8	-	-	-	-	(275)	-	-	-	-
Issue of shares in the Company upon vesting of shares awarded	1,608	-	-	-	-	-	-	(1,608)	-	-	-	-
Purchase of shares by a subsidiary company	-	-	-	(346)	-	-	-	-	-	(346)	(278)	(624)
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(215)	1,248	-	-	-	(1,033)	-	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	10,117	10,117
Dividends:												
Dividends paid	-	-	-	(21,762)	-	-	-	-	(43,444)	(65,206)	(30,701)	(95,907)
Total contributions by and distributions to owners	1,608	267	(207)	(20,860)	-	-	-	(1,282)	(43,444)	(63,918)	(20,452)	(84,370)
Changes in ownership interests												
Change of interests in subsidiary companies	-	-	-	(544)	-	-	-	-	-	(544)	544	-
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	-	4,073	4,073
Total changes in ownership interests	-	-	-	(544)	-	-	-	-	-	(544)	4,617	4,073
Total transactions with owners in their capacity as owners	1,608	267	(207)	(21,404)	-	-	-	(1,282)	(43,444)	(64,462)	(15,835)	(80,297)
Balance at 30 June 2019	853,549	-	18,736	2,059,047	(53,344)	(29,134)	44	7,628	-	2,856,526	381,058	3,237,584

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

	Group										
	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Exchange Reserve	Fair Value Adjustment Reserve	Share-based Payment Reserve	Dividend Reserve	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
9 Months ended											
30 June 2018											
Balance at 1 October 2017	849,301	(267)	19,416	2,101,244	(208,671)	1,264	9,304	43,408	2,814,999	317,108	3,132,107
Effects of adopting SFRS(I) 1	-	-	-	(208,671)	208,671	-	-	-	-	-	-
Effects of adopting SFRS(I) 15	-	-	-	(1,488)	-	-	-	-	(1,488)	(1,193)	(2,681)
Balance at 1 October 2017, restated	849,301	(267)	19,416	1,891,085	-	1,264	9,304	43,408	2,813,511	315,915	3,129,426
Comprehensive income											
Share of other comprehensive income of associated companies	-	-	-	2,299	57	86	22	-	2,464	-	2,464
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	(21,952)	-	-	(21,952)	-	(21,952)
Currency translation difference	-	-	-	-	7,723	-	-	-	7,723	13,104	20,827
Other comprehensive income for the period	-	-	-	2,299	7,780	(21,866)	22	-	(11,765)	13,104	1,339
Profit for the period	-	-	-	91,225	-	-	-	-	91,225	45,280	136,505
Total comprehensive income for the period	-	-	-	93,524	7,780	(21,866)	22	-	79,460	58,384	137,844
Contributions by and distributions to owners											
Employee share-based expense	-	-	-	-	-	-	2,425	-	2,425	530	2,955
Issue of shares in the Company upon vesting of shares awarded	2,640	-	-	-	-	-	(2,640)	-	-	-	-
Purchase of shares by a subsidiary company	-	-	-	(370)	-	-	-	-	(370)	(297)	(667)
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(744)	2,038	-	-	(1,294)	-	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	104	104
Dividends:											
Dividends paid	-	-	-	(21,757)	-	-	-	(43,408)	(65,165)	(31,647)	(96,812)
Total transactions with owners in their capacity as owners	2,640	-	(744)	(20,089)	-	-	(1,509)	(43,408)	(63,110)	(31,310)	(94,420)
Balance at 30 June 2018	851,941	(267)	18,672	1,964,520	7,780	(20,602)	7,817	-	2,829,861	342,989	3,172,850

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
9 months ended 30 June 2019								
Balance at 1 October 2018	851,941	(267)	(1,099)	741,673	72,624	4,268	43,444	1,712,584
<u>Comprehensive income</u>								
Changes in fair value of equity investments measured at fair value through other comprehensive income	-	-	-	-	(26,981)	-	-	(26,981)
Other comprehensive income for the period	-	-	-	-	(26,981)	-	-	(26,981)
Profit for the period	-	-	-	18,763	-	-	-	18,763
Total comprehensive income for the period	-	-	-	18,763	(26,981)	-	-	(8,218)
<u>Contributions by and distributions to owners</u>								
Employee share-based expense	-	-	-	-	-	1,122	-	1,122
Issue of shares in the Company upon vesting of shares awarded	1,608	-	-	-	-	(1,608)	-	-
Treasury shares reissued pursuant to share plans	-	267	8	-	-	(275)	-	-
Dividends:								
Dividends paid	-	-	-	(21,762)	-	-	(43,444)	(65,206)
Total transactions with owners in their capacity as owners	1,608	267	8	(21,762)	-	(761)	(43,444)	(64,084)
Balance at 30 June 2019	853,549	-	(1,091)	738,674	45,643	3,507	-	1,640,282
9 months ended 30 June 2018								
Balance at 1 October 2017	849,301	(267)	(1,099)	734,205	83,813	4,589	43,408	1,713,950
<u>Comprehensive income</u>								
Net fair value changes on available-for-sale financial assets	-	-	-	-	3,462	-	-	3,462
Other comprehensive income for the period	-	-	-	-	3,462	-	-	3,462
Profit for the period	-	-	-	19,288	-	-	-	19,288
Total comprehensive income for the period	-	-	-	19,288	3,462	-	-	22,750
<u>Contributions by and distributions to owners</u>								
Employee share-based expense	-	-	-	-	-	1,764	-	1,764
Issue of shares in the Company upon vesting of shares awarded	2,640	-	-	-	-	(2,640)	-	-
Dividends:								
Dividends paid	-	-	-	(21,757)	-	-	(43,408)	(65,165)
Total transactions with owners in their capacity as owners	2,640	-	-	(21,757)	-	(876)	(43,408)	(63,401)
Balance at 30 June 2018	851,941	(267)	(1,099)	731,736	87,275	3,713	-	1,673,299

1(d)(ii) SHARE CAPITAL

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

	Number of Shares	
	3rd Quarter to 30/6/2019	2nd Quarter to 31/3/2019
Issued and fully paid ordinary shares:		
As at beginning and end of period	<u>1,449,028,178</u>	<u>1,449,028,178</u>
	As at 30/6/2019	As at 30/6/2018
The number of shares awarded conditionally under Share Plans as at the end of the period	<u>3,319,438</u>	<u>3,007,575</u>
The number of issued shares excluding treasury shares at the end of the period	<u>1,449,028,178</u>	<u>1,448,121,153</u>

The Company did not hold any treasury shares as at 30 June 2019 (30 June 2018: 131,126). The treasury shares held represents NIL% (30 June 2018: 0.01%) of the total number of issued shares (excluding treasury shares).

The Company does not have any subsidiary holdings as at 30 June 2019 and 30 June 2018.

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 1,449,028,178 as at 30 June 2019 and 1,448,121,153 as at 30 September 2018.

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

There were no sales, transfers, cancellation and/or use of treasury shares by the Company during the three months ended 30 June 2019.

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

The Company does not have any subsidiary holdings as at 30 June 2019 and 30 June 2018.

There were no sales, transfers, cancellation and/or use of subsidiary holdings during the three months ended 30 June 2019.

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

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

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group and Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared with the audited financial statements for the year ended 30 September 2018.

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

As required by the listing requirements of the Singapore Exchange, the Group has adopted the Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 October 2018. In adopting the new framework, the Group applied the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The adoption of SFRS(I)s has no material impact on the financial statements in the year of initial application, other than the election of optional exemption to reset its cumulative currency translation differences for all foreign operations to nil at the date of transition at 1 October 2017. After the date of transition, any gain or loss on disposal of foreign operations excludes the currency translation differences that arose before the date of transition.

The following are the new, amendments to and interpretations of the standards that are mandatory for application from 1 October 2018:

SFRS(I) 15	Revenue from Contracts with Customers
Amendments to SFRS(I) 15	Clarifications to FRS 115 Revenue from Contracts with Customers
SFRS(I) 9	Financial Instruments
Amendments to SFRS(I) 2	Classification and Measurement of Share-based Payment Transactions
Amendments to SFRS(I) 40	Transfers of Investment Property
SFRS(I) INT 22	Foreign Currency Transactions and Advance Consideration Illustrative Examples
Amendment to SFRS(I) 1	First-time adoption of financial reporting standards
Amendment to SFRS(I) 1- 28	Investments in associates and joint ventures
Amendments to SFRS(I) 4	Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts

Except for SFRS(I) 15 and SFRS(I) 9, the adoption of the above new, amendments to and interpretations of the standards had no material impact on the financial statements of the Group and the Company.

SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. SFRS(I) 15 superseded the current revenue recognition guidance including FRS 18 Revenue, FRS 11 Construction Contracts and the related interpretations when it became effective. The core principle of SFRS(I) 15 is that an entity should recognize 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 SFRS(I) 15, 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.

The Group adopted SFRS(I) 15 using the retrospective approach with practical expedients.

The Group's contracts with customers contain product sales and also consideration payable to customers. Each of these components is either recognised as revenue or operating expenses. With the adoption of SFRS(I) 15, the consideration payable to customers which were previously recognised as expenses would be required to be recognised as part of the transaction price and hence to be reclassified and netted off against revenue.

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.**
(cont'd)

SFRS(I) 9 Financial Instruments

SFRS(I) 9 Financial Instruments replaces the existing guidance in FRS 39 Financial Instruments: Recognition and Measurement. SFRS(I) 9 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.

The Group adopted the new standard on 1 October 2018 and elected to apply the short term exemption under SFRS(I) 1, which allowed the Group not to restate the comparative information in its FY2019 financial statements. Differences in the carrying amounts of financial assets and liabilities resulting from the adoption of SFRS(I) 9 are to be recognised in the opening retained earnings.

- (i) **Classification and measurement: financial assets**
For financial assets currently held at amortised cost and at fair value, the Group continues to measure these financial assets at amortised cost and fair value under SFRS(I) 9. The adoption of SFRS(I) 9 has resulted in the reclassification of certain equity investments previously classified as available for sale financial assets at fair value to financial assets at fair value through other comprehensive income.
- (ii) **Impairment**
SFRS(I) 9 requires the Group to record expected credit losses on all its loans and receivables, either on a 12 month or lifetime basis. The Group applied the simplified approach and recorded lifetime expected losses on all trade receivables.

Upon applying SFRS(I) 1, SFRS(I) 15 and SFRS(I) 9, the comparatives have been restated. The effects on the Group's financial statements are as follows:

GROUP PROFIT STATEMENT

	3rd Quarter to 30/6/2018 \$'000	9 Months to 30/6/2018 \$'000
(Decrease)/Increase in:		
Revenue	(25,982)	(71,521)
Cost of sales	380	1,157
Distribution expense	(2,711)	(15,194)
Marketing expense	(23,651)	(57,484)

GROUP BALANCE SHEET

	As at 1/10/2018 \$'000	As at 30/9/2018 \$'000	As at 1/10/2017 \$'000
(Decrease)/Increase in:			
Revenue reserve	(210,877)	(209,941)	(210,159)
Exchange reserve	208,671	208,671	208,671
Non-controlling interests	(1,313)	(1,018)	(1,193)
Trade receivables	(1,231)	-	-
Other payables	2,288	2,288	2,681

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

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

	Group			
	3rd Quarter to 30/6/2019	3rd Quarter to 30/6/2018	9 Months to 30/6/2019	9 Months to 30/6/2018
Earnings per ordinary share:				
(a) Based on the weighted average number of ordinary shares on issue (cents)				
- before exceptional items	3.8	3.5	8.9	6.3
- after exceptional items	3.8	3.5	8.9	6.3
(b) On a fully diluted basis (cents)				
- before exceptional items	3.8	3.5	8.8	6.3
- after exceptional items	3.8	3.5	8.9	6.3
	\$'000	\$'000	\$'000	\$'000
Attributable profit	54,734	50,300	128,774	91,225
Change in attributable profit due to dilutive potential shares under share plans of a subsidiary company	(60)	(81)	(180)	(234)
Adjusted attributable profit	54,674	50,219	128,594	90,991

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

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

	Group		Company	
	As at 30/6/2019	As at 30/9/2018	As at 30/6/2019	As at 30/9/2018
Net asset value per ordinary share based on issued share capital	\$1.97	\$1.95	\$1.13	\$1.18

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonable or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

REVIEW OF PERFORMANCE

The principal activities of the Group are:

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

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

Profit Statement – 3rd Quarter

Group revenue increased 6.7% to \$489.7 million from \$459.0 million in the corresponding period last year. PBIT (profit before interest and taxation) of \$91.0 million increased 25.6% while attributable profit before exceptional items increased 9.0% to \$54.8 million as compared to the corresponding period last year.

Beverages

Beverages revenue increased by 11.6% as compared to the corresponding period last year. This was mainly due to growth in Soft Drinks Malaysia and Singapore. Growth in Soft Drinks Malaysia was mainly due to successful Hari Raya festive campaign and trade loading of existing and new healthier products while revenue increases in Soft Drinks Singapore were mainly contributed by improved sales of *100Plus* and its variants.

PBIT more than doubled to a profit of \$6.7 million as compared to the corresponding period last year. The PBIT growth was mainly driven by Soft Drinks Malaysia and Singapore, on the back of revenue growth, lower commodities cost and lower marketing spend. PBIT was partly impacted by pre-operating costs incurred for the greenfield brewery in Myanmar.

Dairies

Revenue increased 5.5% to \$294.3 million. Dairies Thailand recorded double digit growth mainly due to successful loyalty programs and campaigns for both domestic and export markets. Dairies Malaysia revenue increased due to continued efforts to strengthen the route-to-market amidst continuing price competition. The increase were partly offset by the decrease in revenue in Dairies Singapore which was mainly due to a one-off supply contract last year.

PBIT increased 4.8% to \$77.2 million as compared to the corresponding period last year. The increase was mainly due to stronger performances by Dairies Thailand as a result of favourable input costs and lower marketing spend in the quarter.

Printing and Publishing

Revenue was up 2.6% to \$62.3 million against the corresponding period last year due to improvement in both Publishing and Printing. Revenue was lifted by strong education orders and maiden revenue contribution from Print Lab Pte. Ltd.

Printing and Publishing registered a positive PBIT of \$7.4 million as compared to a loss of \$4.7 million last year driven by higher margins, prudent cost management, maiden profit contribution from Print Lab Pte. Ltd. and non-operating income from the sale of non-core assets divested to fund acquisitions.

Tax

The Group effective tax rate ("ETR") of 17.8% (2018: 3.5%) is higher than the Singapore corporate tax rate of 17%. This is mainly attributed to foreign withholding tax and non-deductible expenses. The current ETR is higher than its comparative because of the increased income tax and withholding tax payable after the expiry of the tax incentive period of an overseas subsidiary.

Group Balance Sheet as at 30 June 2019

The increase in Reserves was mainly due to profits of \$128.8 million retained for the period partly offset by dividends paid and negative currency translation arising from the depreciation of the Vietnamese Dong against the Singapore Dollar on the Group's interest in Vinamilk.

Non-current assets increased by \$206.8 million or 6.1% from \$3,384.1 million to \$3,591.0 million as at 30 June 2019 mainly due to investments made in joint venture companies in relation to the acquisition of Starbucks Thailand and Genki Sushi Thailand and acquisition of fixed assets during the year.

Current assets decreased by \$185.4 million or 16.8% from \$1,106.6 million to \$921.2 million as at 30 June 2019 attributed mainly to a decrease in cash and bank deposits which were utilised for the repayment of borrowings and acquisition of fixed assets. This was partly offset by the increase in trade receivables arising from higher sales.

Liabilities decreased by \$48.6 million or 3.7% from \$1,323.2 million to \$1,274.6 million as at 30 June 2019 mainly due to the decrease in borrowings as a result of the repayment of loans previously taken up for the purchase of shares in Vinamilk. This was partly offset by loans taken up in the current year for the investments made in joint venture companies in relation to the acquisition of Starbucks Thailand and Genki Sushi Thailand.

Group Cash Flow Statement for Quarter Ended 30 June 2019

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

Net cash inflow from operating activities of \$23.3 million is slightly lower than the \$28.2 million last year mainly due to an increase in payments made for income taxes partly offset by higher cash generated from operations.

Net cash outflow from investing activities of \$139.6 million was higher than the \$13.8 million last year mainly due to the investments made in joint venture companies in relation to the acquisition of Starbucks Thailand and Genki Sushi Thailand and acquisition of subsidiary company, Print Lab, during the quarter.

Financing activities recorded a cash inflow of \$100.8 million mainly due to proceeds from bank loans drawn down in the quarter offset by the payment of interim dividends.

Group Profit Statement – 9 Months-to-Date

Group revenue increased 3.5% to \$1,421.5 million as compared to the corresponding period last year. The increase in revenue was mainly due to increases in Dairies Thailand and Soft Drinks Singapore and Malaysia mainly as a result of effective marketing and branding initiatives. The increase was partly offset by challenges faced by the Printing and Publishing business.

PBIT increased 43.6% to \$227.6 million as compared to the corresponding period last year. The increase was mainly due to higher profit contribution from Dairies Thailand and Vinamilk.

Group attributable profit before exceptional items and basic earnings per share before exceptional items were 41.3% higher at \$128.6 million and 8.9 cents respectively.

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

Not applicable.

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

Consumer sentiments in the Food & Beverage segment is expected to remain challenging with continuing competition as well as volatility in foreign currency movements and raw and packaging material prices. In Malaysia, conditions are expected to remain challenging given the intensifying competition especially in the canned milk segment and the implementation of excise duty on sugar sweetened beverages. Management has taken necessary actions, including introducing an extensive portfolio of healthier options, to mitigate the impact of the sugar sweetened beverages excise duty which was effective from 1st July 2019. Management will also continue to monitor market acceptance and offtake while continuing our efforts to introduce innovative products that will meet our consumers' needs. In Thailand, prospects are expected to be better following improvements in both sweetened and unsweetened condensed milk segment. The Group will continue to invest in brand building to strengthen our product portfolio and expect to increase advertising and promotion investments in the last quarter of this financial year. With the expiry of tax incentive on the profits of an overseas subsidiary in the current financial year, the Group will focus on strengthening its commercial strategies, improving operation efficiencies, expanding distribution network and maximising the benefits of recent capex projects to mitigate the increase in tax expenses. The Group will also continue to explore new investment opportunities to further grow its beverages and dairies businesses.

The Group will continue its on-going efforts to diversify its printing and publishing portfolio to address the challenging business landscape. Leveraging on our strength as a major international content provider, Publishing will continue to focus on international markets for growth opportunities. The recent acquisition in April 2019 of 60% stake in Print Lab Pte. Ltd., a one-stop integrated marketing and print solution provider in Singapore, forms part of our on-going diversification strategy to help mitigate the fall in volume of our traditional print business. Our first standalone children concept store under the Times Junior brand opened at Jewel Changi Airport in April 2019. Retail & Distribution will sharpen its focus on delivering refreshing concepts and merchandise to our customers.

11. If no dividend has been declared (recommended), a statement to the effect and the reason(s) for the decision.

No dividend has been declared for the current financial period (as per the corresponding period of the immediately preceding financial year). The Board remains committed to paying dividends, and this is usually paid every half year.

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

Particulars of interested person transactions ("IPTs") for the period 1 April 2019 to 30 June 2019.

<u>Name of interested person</u>	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$'000
TCC Group of Companies ¹	3,115

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

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

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

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

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

On behalf of the Board

Siripen Sitasuwan
Director

Sithichai Chaikriangkrai
Director

BY ORDER OF THE BOARD
Hui Choon Kit
Company Secretary

7 August 2019