



FRASER AND NEAVE, LIMITED

(Company Registration No. 18980001R)
(Incorporated in the Republic of Singapore)

RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 Financial Statements and Dividend Announcement

The Directors are pleased to make the following announcement of the unaudited results for the year ended 30 September 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

	30/9/2019 \$'000	30/9/2018 \$'000 (restated)*	Change %
Revenue	1,902,337	1,834,772	3.7
Cost of sales	(1,278,646)	(1,251,770)	2.1
Gross profit	623,691	583,002	7.0
Other income (net)	18,513	5,264	NM
Operating expenses			
- Distribution	(163,162)	(159,590)	2.2
- Marketing	(179,177)	(181,351)	(1.2)
- Administration	(130,308)	(126,165)	3.3
	(472,647)	(467,106)	1.2
Trading profit	169,557	121,160	39.9
Share of results of joint venture companies	(445)	(3,568)	(87.5)
Share of results of associated companies	113,941	97,697	16.6
Gross income from investments	470	-	NM
Profit before interest and taxation ("PBIT")	283,523	215,289	31.7
Finance income	6,968	14,628	(52.4)
Finance cost	(21,663)	(30,491)	(29.0)
Net finance cost	(14,695)	(15,863)	(7.4)
Profit before fair value adjustment, taxation and exceptional items	268,828	199,426	34.8
Fair value adjustment of investment properties	(1,370)	301	NM
Profit before taxation and exceptional items	267,458	199,727	33.9
Exceptional items	1,106	719	53.8
Profit before taxation	268,564	200,446	34.0
Taxation	(56,190)	(19,786)	184.0
Profit after taxation	212,374	180,660	17.6
Attributable profit to:			
Shareholders of the Company			
- Before fair value adjustment and exceptional items	153,193	123,106	24.4
- Fair value adjustment of investment properties	(1,370)	301	NM
- Exceptional items	733	155	NM
	152,556	123,562	23.5
Non-controlling interests	59,818	57,098	4.8
	212,374	180,660	17.6

NM – Not meaningful

* Restated upon adoption of SFRS(I) 15 as detailed in paragraph 5, page 12 of this report.

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

	30/9/2019 \$'000	Group 30/9/2018 \$'000 (restated)*	Change %
Operating expenses			
Included in operating expenses are:			
Depreciation & amortisation	(60,706)	(58,008)	4.7
(Allowance for)/Write-back of bad and doubtful debts	(308)	198	NM
Allowance for inventory obsolescence	(7,529)	(8,262)	(8.9)
Employee share-based expense	(2,213)	(4,431)	(50.1)
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Other income (net)			
Gain on disposal of fixed assets	11,631	3,271	NM
Foreign exchange loss	(1,431)	(7,485)	(80.9)
	<hr/>	<hr/>	
Taxation			
(Under)/Over provision of prior year taxation	(6,312)	3,239	NM
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Exceptional items			
Gain on disposal of investment property	1,176	-	NM
Insurance claim relating to fire	1,019	-	NM
Investment property written off	(179)	-	NM
(Provision for)/Write back of restructuring and re-organisation costs of operations	(910)	1,046	NM
Insurance claim relating to flood	-	219	NM
Provision for damaged inventories relating to fire	-	(546)	NM
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PBIT as a percentage of revenue	<hr/> <hr/>	<hr/> <hr/>	
	14.9%	11.7%	

NM - Not meaningful

* Restated upon adoption of SFRS(I) 15 as detailed in paragraph 5, page 12 of this report.

1(a)(iii) STATEMENT OF COMPREHENSIVE INCOME

	Group	
	30/9/2019	30/9/2018
	\$'000	\$'000
		(restated)
Profit after taxation	212,374	180,660
Other comprehensive income:		
<u>Items that are or may be reclassified subsequently to profit statement</u>		
Share of other comprehensive income of associated companies	103	2,688
Fair value changes on derivative financial instruments	(1,447)	-
Fair value changes on available-for-sale financial assets	-	(27,221)
Currency translation difference	55,618	(21,221)
	54,274	(45,754)
<u>Items that will not be reclassified to profit statement</u>		
Fair value changes on equity investments measured at fair value through other comprehensive income	(6,223)	-
Remeasurement of defined benefit obligations	(839)	284
Revaluation of fixed assets	-	256
	(7,062)	540
Other comprehensive income for the year, net of taxation	47,212	(45,214)
Total comprehensive income for the year	259,586	135,446
Total comprehensive income attributable to:		
Shareholders of the Company	196,232	69,761
Non-controlling interests	63,354	65,685
	259,586	135,446

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 30/9/2019 \$'000	As at 30/9/2018 \$'000 (restated)*	As at 30/9/2019 \$'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	2,079,881	1,965,124	841,355	860,910
	2,933,430	2,816,798	1,694,904	1,712,584
NON-CONTROLLING INTERESTS				
	398,947	347,586	-	-
	3,332,377	3,164,384	1,694,904	1,712,584
Represented by:				
NON-CURRENT ASSETS				
Fixed assets	687,140	561,459	1,101	269
Investment properties	17,501	41,672	-	-
Properties held for development	18,490	18,529	-	-
Subsidiary companies	-	-	2,222,649	2,087,620
Joint venture companies	169,898	48,257	38,965	-
Associated companies	2,620,675	2,560,292	-	-
Intangible assets	130,062	104,430	175	147
Brands	27,513	27,704	212	212
Other investments	7,656	13,879	207,800	222,485
Other receivables	2,735	1,298	2	-
Deferred tax assets	2,884	6,391	-	-
	3,684,554	3,383,911	2,470,904	2,310,733
CURRENT ASSETS				
Inventories	262,130	243,262	-	-
Trade receivables	277,025	283,679	-	-
Other receivables	66,256	53,669	855	358
Related parties	7,871	9,607	807	9
Subsidiary companies	-	-	12,000	22,486
Joint venture companies	1,162	1,863	-	-
Associated companies	14	12	5	-
Cash and bank deposits	420,333	530,125	15,418	200,967
	1,034,791	1,122,217	29,085	223,820
Deduct: CURRENT LIABILITIES				
Trade payables	182,475	171,477	-	-
Other payables	247,223	207,720	11,773	7,996
Related parties	7,222	9,121	1,593	1,265
Subsidiary companies	-	-	4,376	9,137
Associated companies	1,186	1,253	-	-
Borrowings	9,226	374,131	-	180,000
Provision for taxation	54,275	32,959	2,964	3,931
	501,607	796,661	20,706	202,329
NET CURRENT ASSETS	533,184	325,556	8,379	21,491
Deduct: NON-CURRENT LIABILITIES				
Other payables	25,564	12,575	-	-
Subsidiary companies	-	-	784,258	619,640
Borrowings	820,458	497,288	-	-
Provision for employee benefits	20,167	18,256	-	-
Deferred tax liabilities	19,172	16,964	121	-
	885,361	545,083	784,379	619,640
	3,332,377	3,164,384	1,694,904	1,712,584

* Restated upon adoption of SFRS(I) 15 and SFRS(I) 1 as detailed in paragraph 5, page 12 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 30/9/2019	As at 30/9/2018
	\$'000	\$'000
Secured :	93	-
Unsecured :	9,133	374,131
	<u>9,226</u>	<u>374,131</u>

Amount repayable after one year

	As at 30/9/2019	As at 30/9/2018
	\$'000	\$'000
Secured :	209	-
Unsecured :	820,249	497,288
	<u>820,458</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.**

	<u>30/9/2019</u> \$'000	<u>30/9/2018</u> \$'000 (restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and exceptional items	267,458	199,727
Adjustments for:		
Depreciation of fixed assets	49,407	45,918
Amortisation of brands and intangible assets	11,299	12,090
Impairment of fixed assets and intangible assets	209	118
Reversal of impairment of fixed assets	(355)	(804)
Fixed assets written off	1,272	1,000
Provision for employee benefits	2,527	1,652
Write back of provision for employee benefits	(70)	-
Gain on disposal of fixed assets and intangible assets	(11,633)	(3,271)
Interest income	(6,968)	(14,628)
Interest expenses	21,663	30,491
Share of results of joint venture companies	445	3,568
Share of results of associated companies	(113,941)	(97,697)
Gross income from investments	(470)	-
Employee share-based expense	2,213	4,431
Fair value adjustment of investment properties	1,370	(301)
Fair value adjustment of financial instruments	135	173
Gain on disposal of financial instruments	(22)	(804)
Operating cash before working capital changes	224,539	181,663
Change in inventories	(18,114)	7,504
Change in receivables	(1,927)	4,734
Change in related parties' and joint venture and associated companies' balances	469	(6,904)
Change in payables	45,213	(3,504)
Currency realignment	7,978	5,489
Cash generated from operations	258,158	188,982
Interest income received	5,399	12,737
Interest expenses paid	(21,543)	(30,265)
Income taxes paid	(28,903)	(11,289)
Payment of employee benefits	(2,476)	(1,216)
Net cash from operating activities	210,635	158,949
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends from associated companies	93,695	87,146
Gross income from investments	470	-
Proceeds from disposal of fixed assets and intangible assets	15,110	4,871
Proceeds from disposal of investment property	12,948	-
Net cash (outflow)/inflow on acquisition of subsidiary companies and business assets	(22,638)	687
Investments in joint venture companies	(115,309)	-
Investment in an associated company	-	(213,182)
Purchase of other investment	-	(10,969)
Purchase of fixed assets	(158,996)	(93,187)
Payment for intangible assets	(17,068)	(13,369)
Net cash used in investing activities	(191,788)	(238,003)

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

	30/9/2019 \$'000	30/9/2018 \$'000 (restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from term loans and bank borrowings	442,962	50,759
Repayment of term loans and bank borrowings	(488,754)	(485,617)
Purchase of shares by a subsidiary company	(1,658)	(938)
Capital contribution by non-controlling interests	15,082	102
Payment of dividends:		
- by subsidiary companies to non-controlling interests	(30,954)	(31,000)
- by the Company to shareholders	(65,206)	(65,165)
Net cash used in financing activities	(128,528)	(531,859)
Net decrease in cash and cash equivalents	(109,681)	(610,913)
Cash and cash equivalents at beginning of year	527,166	1,134,383
Effects of exchange rate changes on cash and cash equivalents	(158)	3,696
Cash and cash equivalents at end of year	417,327	527,166
Cash and cash equivalents at end of year comprise:		
Cash and bank deposits	420,333	530,125
Less: Deposits pledged in relation to acquisition of subsidiary companies	(3,006)	(2,959)
Cash and cash equivalents at end of year	417,327	527,166
Analysis of acquisition of subsidiary companies and business assets		
Net assets acquired:		
Intangible assets	-	7,135
Other non-current assets	1,781	892
Current assets	8,643	7,290
Borrowings	(219)	-
Other current liabilities	(2,541)	(8,788)
Other non-current liabilities	(119)	-
Non-controlling interests	(4,073)	-
Cash and cash equivalents	2,637	1,585
	6,109	8,114
Provisional goodwill/goodwill on acquisition	19,666	784
Consideration paid	25,775	8,898
Deferred consideration	(500)	-
Less: Deposit paid in previous financial year	-	(8,000)
Cash and cash equivalents of subsidiary companies and business assets acquired	(2,637)	(1,585)
Net cash outflow/(inflow) on acquisition of subsidiary companies and business assets	22,638	(687)

- 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
Year ended 30 September 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	-	-	-	(4,374)	(44)	-	-	-	-	(4,418)	(1,018)	(5,436)
Balance at 30 September 2018, restated	851,941	(267)	18,943	1,949,252	(29,552)	(25,873)	-	8,910	43,444	2,816,798	347,586	3,164,384
Effects of adopting SFRS (I) 9	-	-	-	(405)	-	-	-	-	-	(405)	(295)	(700)
Balance at 1 October 2018, restated	851,941	(267)	18,943	1,948,847	(29,552)	(25,873)	-	8,910	43,444	2,816,393	347,291	3,163,684
Comprehensive income												
Share of other comprehensive income of associated companies	-	-	-	145	(39)	(3)	-	-	-	103	-	103
Realisation of reserve upon disposal of asset	-	-	(9,548)	9,548	-	-	-	-	-	-	-	-
Fair value changes on derivative financial instruments	-	-	-	-	-	-	(1,447)	-	-	(1,447)	-	(1,447)
Fair value changes on equity investments measured at fair value through other comprehensive income	-	-	-	-	-	(6,223)	-	-	-	(6,223)	-	(6,223)
Remeasurement of defined benefit obligations	-	-	-	(26)	-	-	-	-	-	(26)	(813)	(839)
Currency translation difference	-	-	-	-	51,269	-	-	-	-	51,269	4,349	55,618
Other comprehensive income for the year	-	-	(9,548)	9,667	51,230	(6,226)	(1,447)	-	-	43,676	3,536	47,212
Profit for the year	-	-	-	152,556	-	-	-	-	-	152,556	59,818	212,374
Total comprehensive income for the year	-	-	(9,548)	162,223	51,230	(6,226)	(1,447)	-	-	196,232	63,354	259,586
Contributions by and distributions to owners												
Employee share-based expense	-	-	-	-	-	-	-	1,926	-	1,926	287	2,213
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)	-	-	-	-
Purchase of shares by a subsidiary company	-	-	-	(920)	-	-	-	-	-	(920)	(738)	(1,658)
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(217)	1,259	-	-	-	(1,042)	-	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	15,082	15,082
Dividends:												
Dividends paid	-	-	-	(21,762)	-	-	-	-	(43,444)	(65,206)	(30,954)	(96,160)
Dividends proposed	-	-	-	(57,961)	-	-	-	-	57,961	-	-	-
Total contributions by and distributions to owners	1,608	267	(209)	(79,384)	-	-	-	(999)	14,517	(64,200)	(16,323)	(80,523)
Changes in ownership interests												
Change of interests in subsidiary companies	-	-	-	(552)	-	-	-	-	-	(552)	552	-
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	-	4,073	4,073
Recognition of put option granted to non-controlling interests	-	-	(13,956)	-	-	-	-	-	-	(13,956)	-	(13,956)
Fair value changes on put option granted to non-controlling interests	-	-	(487)	-	-	-	-	-	-	(487)	-	(487)
Total changes in ownership interests	-	-	(14,443)	(552)	-	-	-	-	-	(14,995)	4,625	(10,370)
Total transactions with owners in their capacity as owners	1,608	267	(14,652)	(79,936)	-	-	-	(999)	14,517	(79,195)	(11,698)	(90,893)
Balance at 30 September 2019	853,549	-	(5,257)	2,031,134	21,678	(32,099)	(1,447)	7,911	57,961	2,933,430	398,947	3,332,377

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
Year ended 30 September 2018											
Balance at 1 October 2017, previously reported	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	-	-	-	(5,767)	-	-	-	-	(5,767)	(1,193)	(6,960)
Balance at 1 October 2017, restated	849,301	(267)	19,416	1,886,806	-	1,264	9,304	43,408	2,809,232	315,915	3,125,147
Comprehensive income											
Share of other comprehensive income of associated companies	-	-	-	2,378	204	84	22	-	2,688	-	2,688
Revaluation of fixed assets	-	-	256	-	-	-	-	-	256	-	256
Fair value changes on available-for-sale financial assets	-	-	-	-	-	(27,221)	-	-	(27,221)	-	(27,221)
Remeasurement of defined benefit obligations	-	-	-	232	-	-	-	-	232	52	284
Currency translation difference	-	-	-	-	(29,756)	-	-	-	(29,756)	8,535	(21,221)
Other comprehensive income for the year	-	-	256	2,610	(29,552)	(27,137)	22	-	(53,801)	8,587	(45,214)
Profit for the year	-	-	-	123,562	-	-	-	-	123,562	57,098	180,660
Total comprehensive income for the year	-	-	256	126,172	(29,552)	(27,137)	22	-	69,761	65,685	135,446
Contributions by and distributions to owners											
Employee share-based expense	-	-	-	-	-	-	3,491	-	3,491	940	4,431
Issue of shares in the Company upon vesting of shares awarded	2,640	-	-	-	-	-	(2,640)	-	-	-	-
Purchase of shares by a subsidiary company	-	-	-	(521)	-	-	-	-	(521)	(417)	(938)
Shares of a subsidiary company reissued pursuant to its share plans	-	-	(729)	1,996	-	-	(1,267)	-	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	102	102
Dividends:											
Dividends paid	-	-	-	(21,757)	-	-	-	(43,408)	(65,165)	(31,000)	(96,165)
Dividends proposed	-	-	-	(43,444)	-	-	-	43,444	-	-	-
Total contributions by and distributions to owners	2,640	-	(729)	(63,726)	-	-	(416)	36	(62,195)	(30,375)	(92,570)
Changes in ownership interests											
Change of interests in a subsidiary company	-	-	-	-	-	-	-	-	-	(3,639)	(3,639)
Total changes in ownership interests	-	-	-	-	-	-	-	-	-	(3,639)	(3,639)
Total transactions with owners in their capacity as owners	2,640	-	(729)	(63,726)	-	-	(416)	36	(62,195)	(34,014)	(96,209)
Balance at 30 September 2018	851,941	(267)	18,943	1,949,252	(29,552)	(25,873)	8,910	43,444	2,816,798	347,586	3,164,384

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
Year ended 30 September 2019								
Balance at 1 October 2018	851,941	(267)	(1,099)	741,673	72,624	4,268	43,444	1,712,584
Comprehensive income								
Fair value changes on equity investments measured at fair value through other comprehensive income	-	-	-	-	(14,685)	-	-	(14,685)
Other comprehensive income for the year	-	-	-	-	(14,685)	-	-	(14,685)
Profit for the year	-	-	-	60,643	-	-	-	60,643
Total comprehensive income for the year	-	-	-	60,643	(14,685)	-	-	45,958
Contributions by and distributions to owners								
Employee share-based expense	-	-	-	-	-	1,568	-	1,568
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)
Dividends proposed	-	-	-	(57,961)	-	-	57,961	-
Total transactions with owners in their capacity as owners	1,608	267	8	(79,723)	-	(315)	14,517	(63,638)
Balance at 30 September 2019	853,549	-	(1,091)	722,593	57,939	3,953	57,961	1,694,904
Year ended 30 September 2018								
Balance at 1 October 2017	849,301	(267)	(1,099)	734,205	83,813	4,589	43,408	1,713,950
Comprehensive income								
Fair value changes on available-for-sale financial assets	-	-	-	-	(11,189)	-	-	(11,189)
Other comprehensive income for the year	-	-	-	-	(11,189)	-	-	(11,189)
Profit for the year	-	-	-	72,669	-	-	-	72,669
Total comprehensive income for the year	-	-	-	72,669	(11,189)	-	-	61,480
Contributions by and distributions to owners								
Employee share-based expense	-	-	-	-	-	2,319	-	2,319
Issue of shares in the Company upon vesting of shares awarded	2,640	-	-	-	-	(2,640)	-	-
Dividends:								
Dividends paid	-	-	-	(21,757)	-	-	(43,408)	(65,165)
Dividends proposed	-	-	-	(43,444)	-	-	43,444	-
Total transactions with owners in their capacity as owners	2,640	-	-	(65,201)	-	(321)	36	(62,846)
Balance at 30 September 2018	851,941	(267)	(1,099)	741,673	72,624	4,268	43,444	1,712,584

1(d)(ii) SHARE CAPITAL

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

	<u>Number of Shares</u>	
	<u>4th Quarter to 30/9/2019</u>	<u>3rd Quarter to 30/6/2019</u>
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>
	<u>As at 30/9/2019</u>	<u>As at 30/9/2018</u>
The number of shares awarded conditionally under Share Plans as at the end of the year	<u>3,245,688</u>	<u>2,971,850</u>
The number of issued shares excluding treasury shares at the end of the year	<u>1,449,028,178</u>	<u>1,448,121,153</u>

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

The Company does not have any subsidiary holdings as at 30 September 2019 and 30 September 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 September 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, disposal, cancellation and/or use of treasury shares by the Company during the three months ended 30 September 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 September 2019 and 30 September 2018.

There were no sales, transfers, cancellation and/or use of subsidiary holdings during the three months ended 30 September 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) 1 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) 1- 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

	12 Months to 30/9/2018 \$'000
(Decrease)/Increase in:	
Revenue	(91,765)
Cost of sales	2,421
Distribution expense	(21,622)
Marketing expense	(69,543)
Taxation	218
Non-controlling interests	210

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	(213,450)	(213,045)	(214,438)
Exchange reserve	208,627	208,627	208,671
Non-controlling interests	(1,313)	(1,018)	(1,193)
Deferred tax assets	(218)	(218)	-
Inventories	750	750	-
Trade receivables	10,787	11,487	8,461
Other receivables	3,359	3,359	2,346
Trade payables	10,516	10,516	6,792
Other payables	10,298	10,298	10,975

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	
	30/9/2019	30/9/2018 (restated)
Earnings per ordinary share:		
(a) Based on the weighted average number of ordinary shares on issue (cents)		
- before fair value adjustment and exceptional items	10.6	8.5
- after fair value adjustment and exceptional items	10.5	8.5
(b) On a fully diluted basis (cents)		
- before fair value adjustment and exceptional items	10.5	8.5
- after fair value adjustment and exceptional items	10.5	8.5
	\$'000	\$'000
Attributable profit	152,556	123,562
Change in attributable profit due to dilutive potential shares under share plans of a subsidiary company	(176)	(232)
Adjusted attributable profit	152,380	123,330

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 30/9/2019	As at 30/9/2018	As at 30/9/2019	As at 30/9/2018
Net asset value per ordinary share based on issued share capital	\$2.02	\$1.95	\$1.17	\$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 – Financial Year Ended 30 September 2019

Revenue increased 3.7% to \$1,902.3 million from \$1,834.8 million last year. PBIT (profit before interest and taxation) of \$283.5 million increased 31.7% while attributable profit before fair value adjustment and exceptional items of \$153.2 million increased 24.4% as compared to last year.

Beverages

Overall Beverages revenue of \$470.7 million was 6.5% higher as compared to last year. This was mainly driven by successful festive campaigns and continued rollout of new healthier products in F&N's core markets of Malaysia and Singapore.

PBIT of \$6.7 million for the current year showed significant improvement as compared to \$0.4 million for the previous year. Earnings improved on the back of higher sales, lower sugar prices, and lower manufacturing overheads and marketing spend. The increase was partly impacted by pre-operating costs incurred for the greenfield brewery in Myanmar.

Dairies

Dairies revenue at \$1,153.8 million increased 3.6% as compared to last year. The growth in revenue was mainly attributed to Dairies Thailand as a result of successful execution of marketing and branding campaigns for both domestic and export markets, supported by capacity expansion. The growth was partly offset by the decrease in revenue in Dairies Singapore which was mainly due to a one-off supply contract last year.

Dairies PBIT increased 19.3% to \$275.5 million mainly due to the increase in profit contribution from Dairies Thailand as a result of higher revenue, favourable input costs and lower packaging costs. The increase in profit was also due to a higher profit share in Vietnam Dairy Products Joint Stock Company ("Vinamilk"), the Group's associated company in Vietnam.

Printing and Publishing

Printing and Publishing achieved a revenue of \$277.4 million, a marginal decline of 0.6% as compared to last year. The maiden contribution from Print Lab Pte Ltd ("Print Lab" acquired in 2019) and the improvement in Distribution sales has cushioned the decline in other units.

Printing and Publishing registered a positive PBIT of \$9.6 million as compared to \$0.1 million last year mainly driven by better performance from its core businesses, positive contribution from the recent strategic investment in Print Lab and one-off gain from the disposal of non-core assets to fund the acquisition of Print Lab.

Tax

The Group effective tax rate ("ETR") of 20.9% (2018: 9.9%) is higher than the Singapore corporate tax rate of 17%. This is mainly attributed to non-deductible expenses and the taxes imposed on profitable subsidiary companies operating in high tax countries. The comparatively higher ETR for the current year is due to the increase in income tax expenses incurred by an overseas subsidiary after its tax incentive period expired and the recognition of prior year under provision.

Group Balance Sheet as at 30 September 2019

The increase in Reserves was mainly due to profits of \$152.6 million retained for the year and positive currency translation arising from appreciation of the Vietnamese Dong against the Singapore Dollar on our investment in Vinamilk partly offset by dividends paid.

Non-current assets increased by \$300.6 million or 8.9% from \$3,383.9 million to \$3,684.6 million as at 30 September 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 \$87.4 million or 7.8% from \$1,122.2 million to \$1,034.8 million as at 30 September 2019 mainly due to cash and bank deposits utilised for the repayment of borrowings, investments in joint venture companies and acquisition of fixed assets.

Liabilities increased by \$45.2 million or 3.4% from \$1,341.7 million to \$1,387.0 million as at 30 September 2019 mainly due to the increases in trade and other payables and tax provision. This was offset by a net decrease in borrowings. Short-term borrowings decreased as a result of the repayment of loans previously taken up for the purchase of shares in Vinamilk 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 – Financial Year Ended 30 September 2019

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

Net cash inflow from operating activities of \$210.6 million was higher than \$158.9 million last year mainly due to increase in cash generated from operations and lower interest expenses paid. This was partly offset by higher income taxes paid during the year.

Net cash outflow from investing activities of \$191.8 million was lower than \$238.0 million last year. Investments made in the current year included investments in joint venture companies in relation to the acquisition of Starbucks Thailand and Genki Sushi Thailand and the acquisition of subsidiary company, Print Lab. Investments were also made in the construction of a new brewery in Myanmar and an ice-cream plant in Thailand. Last year's cash outflow was mainly for the acquisition of additional shares in Vinamilk .

Net cash outflow from financing activities of \$128.5 million was lower than \$531.9 million last year. Current year's cash outflow was mainly for payment of dividends while last year's cash outflow was mainly due to repayment of borrowings taken for the acquisition of shares in Vinamilk.

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 amidst the continuing competition especially in the canned milk and ready-to-drink beverage segment. Following the successful reformulation of most beverages to keep within the sugar tax threshold, management will accelerate new product innovations to meet consumer needs in the new financial year. The Group had also entered into a conditional agreement to acquire 4,454-hectare of agricultural land for the development of dairy and crop farming capabilities. In Thailand, although the economy is projected to grow at a slightly higher rate of 3% in 2020 as compared to the current year, external and domestic headwinds remain. Nevertheless, management's outlook remain positive on the basis of strong brand equity & product portfolio, supported by our pipeline of innovations. The Group will focus on strengthening its commercial strategies, improving operation efficiencies, expanding distribution network and maximising the benefits of recent capex projects. The Group will also continue to explore new investment opportunities to further grow its beverages and dairies businesses.

Printing and Publishing embarked on a transformation programme since 2017 which resulted in a leaner and more agile operations. With this renewed stronger foundation and the recent acquisition of Print Lab, the business is now better positioned to deliver sustainable profitability.

11. If a decision regarding dividend has been made:-

(a) Whether a final ordinary dividend has been recommended: Yes

(b) (i) Amount per share : 4.0 cents

(ii) Previous corresponding period : 3.0 cents

(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 propose, subject to shareholders' approval at the Annual General Meeting to be held on 29 January 2020, a final dividend of 4.0 cents (last year: 3.0 cents) per share, to be paid on 18 February 2020. Taken with the interim dividend of 1.5 cents per share already paid, this will give a total distribution for the year of 5.5 cents per share (last year: 4.5 cents).

(e) The date on which Registrable Transfers received by the Company (up to 5.00 p.m.) 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 p.m. on 5 February 2020 will be registered before entitlements to the dividend are determined.

Notice is hereby given that the share registers will be closed on 6 - 7 February 2020 for the preparation of dividend warrants.

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

Not applicable.

13. **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 financial year ended 30 September 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	30,312

¹ This refers to the companies and entities in the TCC Group which are regarded as associates (as defined in the SGX Listing Manual) of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi.

SEGMENTAL RESULTS
For year ended 30 September 2018 (restated)*

	Beverages	Dairies	Printing & Publishing	Others	Elimination	Per Consolidated Financial Statements
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Segment						
Revenue - external	442,006	1,113,293	279,113	360	-	1,834,772
Revenue - inter segment	2,882	9	142	95,636	(98,669)	-
Total revenue	444,888	1,113,302	279,255	95,996	(98,669)	1,834,772
Subsidiary companies	416	136,029	1,497	(16,782)	-	121,160
Joint venture and associated companies	-	94,836	(1,379)	672	-	94,129
PBIT	416	230,865	118	(16,110)	-	215,289
Finance income						14,628
Finance cost						(30,491)
Profit before fair value adjustment, taxation and exceptional items						199,426
Fair value adjustment of investment properties						301
Exceptional items						719
Profit before taxation						200,446
Taxation						(19,786)
Profit after taxation						180,660
Non-controlling interests						(57,098)
Attributable profit						123,562
Assets	396,584	604,780	278,288	81,411	-	1,361,063
Investment in joint venture and associated companies	-	2,532,438	523	75,588	-	2,608,549
Tax assets						6,391
Cash and Bank deposits						530,125
Total assets						4,506,128
Liabilities	92,838	190,380	100,973	36,211	-	420,402
Tax liabilities						49,923
Borrowings						871,419
Total liabilities						1,341,744
Other segment information:						
Capital expenditure	61,485	22,994	18,507	3,570	-	106,556
Depreciation and amortisation	15,582	23,825	17,627	974	-	58,008
Impairment losses	49	55	14	-	-	118
Reversal of impairment losses	(436)	(357)	(11)	-	-	(804)
Attributable (loss)/profit before fair value adjustment and exceptional items	(10,902)	167,149	(1,822)	(31,319)	-	123,106
Fair value adjustment of investment properties	-	-	300	1	-	301
Exceptional items	221	49	(312)	197	-	155
Attributable (loss)/profit	(10,681)	167,198	(1,834)	(31,121)	-	123,562
						Per Consolidated Financial Statements
Geographical Segment	Singapore	Malaysia	Thailand	Vietnam	Others	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue	446,415	704,739	589,908	-	93,710	1,834,772
PBIT	(14,473)	52,178	87,591	92,719	(2,726)	215,289
Non-current assets	116,617	442,570	115,690	90	94,004	768,971
Investment in joint venture and associated companies	-	75,588	-	2,532,438	523	2,608,549
Current assets	165,527	254,671	134,687	492	36,715	592,092
Capital expenditure	16,026	56,999	11,388	17	22,126	106,556

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

15. In the review of performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments.

Refer to No. 8.

16. A breakdown of sales and profit after taxation (before deduction of non-controlling interests) for the continuing operations are as follows:-

	Group		Change %
	30/9/2019 \$'000	30/9/2018 \$'000 (restated)*	
(a) Sales reported for first half year	931,767	914,613	1.9
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	107,172	70,510	52.0
(c) Sales reported for second half year	970,570	920,159	5.5
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	105,202	110,150	(4.5)

* Restated upon adoption of SFRS(I) 15 as detailed in paragraph 5, page 12 of this report.

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	30/9/2019 \$'000	30/9/2018 \$'000
Ordinary	79,723	65,201

18. SUBSEQUENT EVENT

On 8 October 2019, Fraser & Neave Holdings Bhd ("F&NHB"), a subsidiary company of the Company, announced that its direct wholly-owned subsidiary company, F&N AgriValley Sdn Bhd had on the same date entered into a conditional sale and purchase agreement with MSM Perlis Sdn Bhd, a direct wholly-owned subsidiary company of MSM Malaysia Holdings Berhad, to acquire 9 pieces of leasehold land in Mukim Chuping, Daerah Perlis in the state of Perlis, Malaysia, measuring in total approximately 4,453.92 hectares, for a total cash consideration of RM156 million (approximately S\$51 million). Further details of the proposed acquisition are set out in the said 8 October 2019 announcement and the 11 October 2019 announcement by F&NHB.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive office or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX Listing Manual"), the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is related to the director, chief executive officer or substantial shareholder of the Company.

20. 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.

BY ORDER OF THE BOARD
Hui Choon Kit
Company Secretary

14 November 2019