FRASER AND NEAVE, LIMITED

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

RESULTS FOR THE HALF YEAR ENDED 31 MARCH 2021
Financial Statements and Dividend Announcement

The Directors are pleased to make the following announcement of the unaudited results for the half year ended 31 March 2021.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF 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

	6 Months to 31/3/2021 $'000	6 Months to 31/3/2020 $'000	Change %
Revenue	988,560	969,443	2.0
Cost of sales	(669,146)	(650,351)	2.9
Gross profit	319,414	319,092	0.1
Other income	9,578	5,160	85.6
Operating expenses			
- Distribution	(84,414)	(85,608)	(1.4)
- Marketing	(78,571)	(87,363)	(10.1)
- Administration	(63,023)	(66,072)	(4.6)
	(226,008)	(239,043)	(5.5)
Trading profit	102,984	85,209	20.9
Share of results of joint venture companies	361	2,997	(88.0)
Share of results of associated companies	49,939	53,680	(7.0)
Profit before interest and taxation ("PBIT")	**153,284**	**141,886**	**8.0**
Finance income	900	2,088	(56.9)
Finance cost	(12,285)	(12,542)	(2.0)
Net finance cost	(11,385)	(10,454)	8.9
Profit before taxation and exceptional items	**141,899**	**131,432**	**8.0**
Exceptional items	(1,271)	(199)	NM
Profit before taxation	**140,628**	**131,233**	**7.2**
Taxation	(22,892)	(25,666)	(10.8)
Profit after taxation	**117,736**	**105,567**	**11.5**
Attributable profit to:			
Shareholders of the Company	83,446	71,847	16.1
Exceptional items	(1,035)	(199)	NM
	82,411	71,648	15.0
Non-controlling interests	35,325	33,919	4.1
	117,736	**105,567**	11.5

NM – Not meaningful

* Reclassification has been made to the comparative period to conform with current period's presentation.

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

	6 Months to 31/3/2021 $'000	6 Months to 31/3/2020 $'000	Change %
Operating expenses			
Included in operating expenses are:			
Depreciation & amortisation	(45,734)	(44,135)	3.6
Write back of/(Allowance for) bad and doubtful debts	124	(147)	NM
Allowance for inventory obsolescence	(3,061)	(4,158)	(26.4)
Employee share-based expense	(2,077)	(2,696)	(23.0)
Other income			
(Loss)/Gain on disposal of fixed assets	(8)	70	NM
Foreign exchange gain	229	566	(59.5)
Taxation			
Over/(Under) provision of prior year taxation	1,005	(32)	NM
Exceptional items			
Provision for restructuring and re-organisation cost of operations	(1,271)	(199)	NM
PBIT as a percentage of revenue	15.5%	14.6%	

1(a)(iii) ADDITIONAL INFORMATION

	Revenue		PBIT	
	6 Months to 31/3/2021 $'000	6 Months to 31/3/2020 $'000	6 Months to 31/3/2021 $'000	6 Months to 31/3/2020 $'000
Group revenue and profit analysis				
By Business Activity				
Beverages	250,256	233,812	21,828	7,596
Dairies	617,883	609,230	128,173	139,229
Printing & publishing	115,417	126,192	(2,760)	(11,018)
Others	5,004	209	6,043	6,079
	988,560	969,443	153,284	141,886
By Territory				
Singapore	216,059	220,523	9,936	541
Malaysia	357,607	347,848	21,628	23,081
Thailand	351,336	350,576	71,173	73,022
Vietnam	48	56	48,556	51,251
Others	63,510	50,440	1,991	(6,009)
	988,560	969,443	153,284	141,886

	Attributable profit to shareholders of the Company	
	6 Months to 31/3/2021 $'000	6 Months to 31/3/2020 $'000
By Business Activity		
Beverages	9,998	172
Dairies	86,270	91,571
Printing & publishing	(3,428)	(11,478)
Others	(9,394)	(8,418)
	83,446	71,847
Exceptional items	(1,035)	(199)
	82,411	71,648

* Reclassification has been made to the comparative period to conform with current period's presentation.

1(a)(iii) STATEMENT OF COMPREHENSIVE INCOME

	Group	
	6 Months to 31/3/2021 $'000	**6 Months to 31/3/2020 $'000**
Profit after taxation	117,736	105,567
Other comprehensive income:		
Items that may be reclassified subsequently to profit statement		
Share of other comprehensive income of associated and joint venture companies	(917)	4
Fair value changes on derivative financial instruments	5,935	(6,065)
Currency translation differences	(56,426)	59,534
	(51,408)	53,473
Items that will not be reclassified to profit statement		
Fair value changes on equity investments measured at fair value through other comprehensive income	(108)	(1,328)
	(108)	(1,328)
Other comprehensive income for the period, net of taxation	(51,516)	52,145
Total comprehensive income for the period	66,220	157,712
Total comprehensive income attributable to:		
Shareholders of the Company	37,363	123,591
Non-controlling interests	28,857	34,121
	66,220	157,712

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 31/3/2021 $'000	As at 30/9/2020 $'000	As at 31/3/2021 $'000	As at 30/9/2020 $'000
SHARE CAPITAL AND RESERVES				
Share capital	858,830	855,870	858,830	855,870
Reserves	2,096,723	2,112,668	739,854	771,355
	2,955,553	2,968,538	1,598,684	1,627,225
NON-CONTROLLING INTERESTS	438,415	427,115	-	-
	3,393,968	3,395,653	1,598,684	1,627,225
Represented by:				
NON-CURRENT ASSETS				
Fixed assets	766,992	771,571	4,285	5,288
Investment properties	16,820	17,075	-	-
Properties held for development	17,850	18,114	-	-
Subsidiary companies	-	-	2,172,879	2,172,844
Joint venture companies	166,204	166,605	38,965	38,965
Associated companies	2,657,215	2,668,602	-	-
Intangible assets	144,199	133,695	827	652
Brands	27,263	27,354	212	212
Other investments	6,039	6,147	184,596	206,298
Other receivables	1,331	2,272	138	249
Deferred tax assets	5,038	4,516	-	-
	3,808,951	3,815,951	2,401,902	2,424,508
CURRENT ASSETS				
Inventories	260,896	296,724	-	-
Trade receivables	315,204	271,823	-	-
Other receivables	47,554	94,899	1,882	4,813
Related parties	8,803	8,664	612	735
Subsidiary companies	-	-	72,048	49,862
Joint venture companies	1,214	1,179	-	-
Associated companies	50	7	-	4
Cash and bank deposits	354,350	285,479	10,014	8,622
	988,071	958,775	84,556	64,036
Deduct: CURRENT LIABILITIES				
Trade payables	172,838	161,122	-	-
Other payables	219,725	211,759	11,798	13,850
Related parties	6,479	4,891	163	220
Subsidiary companies	-	-	25,884	5,174
Associated companies	209	398	-	-
Lease liabilities	12,961	14,268	2,232	2,353
Borrowings	203,528	42,701	-	-
Provision for taxation	51,513	49,639	5,011	4,296
	667,253	484,778	45,088	25,893
NET CURRENT ASSETS	320,818	473,997	39,468	38,143
Deduct: NON-CURRENT LIABILITIES				
Other payables	24,883	30,262	-	-
Subsidiary companies	-	-	841,322	833,019
Lease liabilities	28,630	25,168	1,337	2,380
Borrowings	636,057	795,888	-	-
Provision for employee benefits	18,129	18,414	-	-
Deferred tax liabilities	28,102	24,563	27	27
	735,801	894,295	842,686	835,426
	3,393,968	3,395,653	1,598,684	1,627,225

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

Amount repayable in one year or less, or on demand

		As at 31/3/2021 $'000	As at 30/9/2020 $'000
Unsecured	:	203,528	42,701

Amount repayable after one year

		As at 31/3/2021 $'000	As at 30/9/2020 $'000
Unsecured	:	636,057	795,888

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.

	6 Months to 31/3/2021 $'000	6 Months to 31/3/2020 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and exceptional items	141,899	131,432
Adjustments for:		
Depreciation of fixed assets	38,926	37,481
Amortisation of brands and intangible assets	6,808	6,654
Impairment of fixed assets	122	-
Impairment reversal of fixed assets	(6)	(6)
Fixed assets written off	118	165
Provision for employee benefits	952	947
Loss/(Gain) on disposal of fixed assets	8	(70)
(Gain)/Loss on lease termination/modification	(37)	95
Interest income	(900)	(2,088)
Interest expenses	12,285	12,542
Share of results of joint venture companies	(361)	(2,997)
Share of results of associated companies	(49,939)	(53,680)
Employee share-based expense	2,077	2,696
Fair value adjustment of financial instruments	(612)	(565)
Loss/(Gain) on disposal of financial instruments	319	(210)
Operating cash before working capital changes	151,659	132,396
Change in inventories	35,828	(28,848)
Change in receivables	11,540	(36,546)
Change in related parties' and joint venture and associated companies' balances	1,182	(4,353)
Change in payables	16,085	(52,119)
Currency realignment	(2,403)	(4,987)
Cash generated from operations	213,891	5,543
Interest income received	849	2,319
Interest expenses paid	(12,298)	(12,212)
Income taxes paid	(17,978)	(20,665)
Payment of employee benefits	(1,066)	(1,242)
Net cash from/(used in) operating activities	**183,398**	**(26,257)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends from associated companies	25,994	22,443
Proceeds from disposal of fixed assets	110	11,356
Purchase of fixed assets	(38,460)	(57,480)
Payment for intangible assets	(5,154)	(8,571)
Net cash outflow on acquisition of subsidiary companies	(16,359)	-
Investments in associated and joint venture companies	-	(41,747)
Payment of deferred consideration for prior years' acquisition of subsidiary companies	-	(3,025)
Deposits pledged in relation to acquisition of subsidiary companies	-	3,025
Net cash used in investing activities	**(33,869)**	**(73,999)**

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

	6 Months to 31/3/2021 $'000	6 Months to 31/3/2020 $'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	30,205	19,062
Repayment of borrowings	(28,701)	(4,449)
Repayment of lease liabilities	(9,410)	(9,902)
Acquisition of non-controlling interests in a subsidiary company	-	(115)
Purchase of shares by a subsidiary company	(1,029)	(1,257)
Capital contribution by non-controlling interests	-	1,595
Payment of dividends:		
- by subsidiary companies to non-controlling interests	(17,582)	(17,793)
- by the Company to shareholders	(50,814)	(58,003)
Net cash used in financing activities	**(77,331)**	**(70,862)**
Net increase/(decrease) in cash and cash equivalents	72,198	(171,118)
Cash and cash equivalents at beginning of period	285,479	417,327
Effects of exchange rate changes on cash and cash equivalents	(3,327)	3,016
Cash and cash equivalents at end of period	**354,350**	**249,225**
Analysis of acquisition of subsidiary companies		
Net assets acquired:		
Fixed assets	341	-
Current assets	5,984	-
Current liabilities	(2,600)	-
Non-current liabilities	(23)	-
Cash and cash equivalents	3,128	-
	6,830	-
Provisional goodwill on acquisition	12,657	-
Consideration paid	19,487	-
Less: Cash and cash equivalents of subsidiary companies acquired	(3,128)	-
Net cash outflow on acquisition of subsidiary companies	16,359	-

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
6 Months ended 31 March 2021											
Balance at 1 October 2020	855,870	(6,387)	2,106,230	1,342	(33,634)	(14,776)	9,140	50,753	2,968,538	427,115	3,395,653
Comprehensive income											
Share of other comprehensive income of associated and joint venture companies	-	-	(772)	(106)	(39)	-	-	-	(917)	-	(917)
Fair value changes on derivative financial instruments	-	-	-	-	-	5,935	-	-	5,935	-	5,935
Fair value changes on equity investments measured at fair value through other comprehensive income	-	-	-	-	(108)	-	-	-	(108)	-	(108)
Currency translation difference	-	-	-	(49,958)	-	-	-	-	(49,958)	(6,468)	(56,426)
Other comprehensive income for the period	-	-	(772)	(50,064)	(147)	5,935	-	-	(45,048)	(6,468)	(51,516)
Profit for the period	-	-	82,411	-	-	-	-	-	82,411	35,325	117,736
Total comprehensive income for the period	-	-	81,639	(50,064)	(147)	5,935	-	-	37,363	28,857	66,220
Contributions by and distributions to owners											
Employee share-based expense	-	-	-	-	-	-	1,594	-	1,594	483	2,077
Issue of shares in the Company upon vesting of shares awarded	2,960	-	-	-	-	-	(2,960)	-	-	-	-
Purchase of shares by a subsidiary company	-	-	(571)	-	-	-	-	-	(571)	(458)	(1,029)
Shares of a subsidiary company reissued pursuant to its share plans	-	(279)	1,195	-	-	-	(916)	-	-	-	-
Dividends:											
Dividends paid	-	-	(61)	-	-	-	-	(50,753)	(50,814)	(17,582)	(68,396)
Dividends proposed	-	-	(21,778)	-	-	-	-	21,778	-	-	-
Total contributions by and distributions to owners	2,960	(279)	(21,215)	-	-	-	(2,282)	(28,975)	(49,791)	(17,557)	(67,348)
Changes in ownership interests											
Changes in carrying value of put option granted to non-controlling interests	-	(557)	-	-	-	-	-	-	(557)	-	(557)
Total changes in ownership interests	-	(557)	-	-	-	-	-	-	(557)	-	(557)
Total transactions with owners in their capacity as owners	2,960	(836)	(21,215)	-	-	-	(2,282)	(28,975)	(50,348)	(17,557)	(67,905)
Balance at 31 March 2021	858,830	(7,223)	2,166,654	(48,722)	(33,781)	(8,841)	6,858	21,778	2,955,553	438,415	3,393,968

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

	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
6 Months ended 31 March 2020											
Balance at 1 October 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
Comprehensive income											
Share of other comprehensive income of associated companies	-	-	103	(92)	(7)	-	-	-	4	-	4
Fair value changes on derivative financial instruments	-	-	-	-	-	(6,065)	-	-	(6,065)	-	(6,065)
Fair value changes on equity investments measured at fair value through other comprehensive income	-	-	-	-	(1,328)	-	-	-	(1,328)	-	(1,328)
Currency translation difference	-	-	-	59,332	-	-	-	-	59,332	202	59,534
Other comprehensive income for the period	-	-	103	59,240	(1,335)	(6,065)	-	-	51,943	202	52,145
Profit for the period	-	-	71,648	-	-	-	-	-	71,648	33,919	105,567
Total comprehensive income for the period	-	-	71,751	59,240	(1,335)	(6,065)	-	-	123,591	34,121	157,712
Contributions by and distributions to owners											
Employee share-based expense	-	-	-	-	-	-	2,445	-	2,445	635	3,080
Issue of shares in the Company upon vesting of shares awarded	2,321	-	-	-	-	-	(2,321)	-	-	-	-
Purchase of shares by a subsidiary company	-	-	(697)	-	-	-	-	-	(697)	(560)	(1,257)
Shares of a subsidiary company reissued pursuant to its share plans	-	(88)	1,172	-	-	-	(1,084)	-	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	1,595	1,595
Dividends:											
Dividends paid	-	-	(42)	-	-	-	-	(57,961)	(58,003)	(17,793)	(75,796)
Dividends proposed	-	-	(21,751)	-	-	-	-	21,751	-	-	-
Total contributions by and distributions to owners	2,321	(88)	(21,318)	-	-	-	(960)	(36,210)	(56,255)	(16,123)	(72,378)
Changes in ownership interests											
Change of interests in a subsidiary company	-	-	(14)	-	-	-	-	-	(14)	14	-
Changes in carrying value of put option granted to non-controlling interests	-	(521)	-	-	-	-	-	-	(521)	-	(521)
Acquisition of non-controlling interests in a subsidiary company	-	-	-	-	-	-	-	-	-	(115)	(115)
Total changes in ownership interests	-	(521)	(14)	-	-	-	-	-	(535)	(101)	(636)
Total transactions with owners in their capacity as owners	2,321	(609)	(21,332)	-	-	-	(960)	(36,210)	(56,790)	(16,224)	(73,014)
Balance at 31 March 2020	855,870	(5,866)	2,081,553	80,918	(33,434)	(7,512)	6,951	21,751	3,000,231	416,844	3,417,075

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

	Company						
	Share Capital	Capital Reserve	Revenue Reserve	Fair Value Adjustment Reserve	Share-based Payment Reserve	Dividend Reserve	Total Equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
6 months ended 31 March 2021							
Balance at 1 October 2020	855,870	(1,091)	660,393	56,437	4,863	50,753	1,627,225
Comprehensive income							
Fair value changes on equity investments measured at fair value through other comprehensive income	-	-	-	(21,702)	-	-	(21,702)
Other comprehensive income for the period	-	-	-	(21,702)	-	-	(21,702)
Profit for the period	-	-	42,983	-	-	-	42,983
Total comprehensive income for the period	-	-	42,983	(21,702)	-	-	21,281
Contributions by and distributions to owners							
Employee share-based expense	-	-	-	-	992	-	992
Issue of shares in the Company upon vesting of shares awarded	2,960	-	-	-	(2,960)	-	-
Dividends:							
Dividends paid	-	-	(61)	-	-	(50,753)	(50,814)
Dividends proposed	-	-	(21,778)	-	-	21,778	-
Total transactions with owners in their capacity as owners	2,960	-	(21,839)	-	(1,968)	(28,975)	(49,822)
Balance at 31 March 2021	858,830	(1,091)	681,537	34,735	2,895	21,778	1,598,684
6 months ended 31 March 2020							
Balance at 1 October 2019	853,549	(1,091)	722,593	57,939	3,953	57,961	1,694,904
Comprehensive income							
Fair value changes on equity investments measured at fair value through other comprehensive income	-	-	-	(58,227)	-	-	(58,227)
Other comprehensive income for the period	-	-	-	(58,227)	-	-	(58,227)
Profit for the period	-	-	1,702	-	-	-	1,702
Total comprehensive income for the period	-	-	1,702	(58,227)	-	-	(56,525)
Contributions by and distributions to owners							
Employee share-based expense	-	-	-	-	1,652	-	1,652
Issue of shares in the Company upon vesting of shares awarded	2,321	-	-	-	(2,321)	-	-
Dividends:							
Dividends paid	-	-	(42)	-	-	(57,961)	(58,003)
Dividends proposed	-	-	(21,751)	-	-	21,751	-
Total transactions with owners in their capacity as owners	2,321	-	(21,793)	-	(669)	(36,210)	(56,351)
Balance at 31 March 2020	855,870	(1,091)	702,502	(288)	3,284	21,751	1,582,028

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	
	6 Months to 31/3/2021	**6 Months to 30/9/2020**
Issued and fully paid ordinary shares:		
As at beginning of the period	1,450,085,578	1,450,085,578
Issued during the period – pursuant to share plans	1,749,698	-
As at end of the period	1,451,835,276	1,450,085,578

	As at 31/3/2021	**As at 31/3/2020**
The number of shares awarded conditionally under Share Plans as at the end of the period	4,011,436	2,399,450
The number of issued shares excluding treasury shares at the end of the period	1,451,835,276	1,450,085,578

The Company did not hold any treasury shares as at 31 March 2021 (31 March 2020: Nil). The treasury shares held represents Nil% (31 March 2020: Nil%) of the total number of issued shares (excluding treasury shares).

The Company does not have any subsidiary holdings as at 31 March 2021 and 31 March 2020.

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 1,451,835,276 as at 31 March 2021 and 1,450,085,578 as at 30 September 2020.

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 six months ended 31 March 2021.

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 31 March 2021 and 31 March 2020.

There were no sales, transfers, cancellation and/or use of subsidiary holdings during the six months ended 31 March 2021.

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 2020.

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 disclosed in paragraph 4 above, the Group and Company have adopted the following amendments to SFRS(I) which became effective from this financial year.

Various	*Amendments to References to the Conceptual Framework in SFRS(I) standards* *Amendments to illustrative examples, implementation guidance and SFRS(I) practice statements*
Amendments to SFRS(I) 3	*Definition of a Business*
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8	*Definition of Material*
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7	*Interest Rate Benchmark Reform*

The adoption of the above amendments to the standards had no material impact on the financial statements of the Group and the Company.

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	
	6 months to 31/3/2021	**6 months to 31/3/2020**
Earnings per ordinary share:		
(a) Based on the weighted average number of ordinary shares on issue (cents)		
- before exceptional items	5.8	5.0
- after exceptional items	5.7	4.9
(b) On a fully diluted basis (cents)		
- before exceptional items	5.7	4.9
- after exceptional items	5.7	4.9
	$'000	**$'000**
Attributable profit	82,411	71,648
Change in attributable profit due to dilutive potential shares under share plans of a subsidiary company	(142)	(121)
Adjusted attributable profit	82,269	71,527

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

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

	Group		Company	
	As at 31/3/2021	As at 30/9/2020	As at 31/3/2021	As at 30/9/2020
Net asset value per ordinary share based on issued share capital	$2.04	$2.05	$1.10	$1.12

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 for the 6 Months Ended 31 March 2021

Revenue increased 2.0% to $988.6 million from $969.4 million in the corresponding period last year. PBIT of $153.3 million increased 8.0% from $141.9 million while attributable profit before exceptional items of $83.4 million increased 16.1% as compared to the corresponding period last year.

Beverages

Overall Beverages revenue of $250.3 million was 7.0% higher as compared to the corresponding period last year. The increase in revenue was mainly due to the ramp up in sales volume at Emerald Brewery, which is in its second year of operations, aided by the distribution of functional products and improvement in vending operations in Singapore.

PBIT increased substantially from $7.6 million in the corresponding period last year to $21.8 million this year. Earnings improved on the back of higher sales volume, favourable sales mix, favourable input costs and controlled marketing spend.

Dairies

Dairies revenue at $617.9 million increased 1.4% from $609.2 million for the corresponding period last year. This was mainly attributed to Dairies Malaysia on the back of higher contributions from *Teapot, F&N* and *Gold Coin* in the domestic market and *Teapot* and 3rd party brands in the export markets. Dairies Thailand also contributed to the increase through recovery of domestic canned milk sales and improvements in export market sales.

Despite the improvement in revenue, Dairies PBIT decreased by 7.9% to $128.2 million as compared to the corresponding period last year due to higher provisions for bulk milk, higher freight costs and unfavourable input costs. Lower profit contribution from Vietnam Dairy Products Joint Stock Company ("Vinamilk"), the Group's associated company in Vietnam, as a result of lower sales and unfavourable currency translation also contributed to the decrease.

Printing and Publishing

Printing and Publishing ("P&P") revenue declined by 8.5% to $115.4 million against the same corresponding period last year. The Coronavirus Disease ("COVID-19") pandemic continued to impact P&P as cancellation or deferment of print orders, border closures and dampened consumer sentiment continued to affect sales. However, Education Publishing remained resilient as revenue has stabilised. Despite lower revenue this half year, P&P losses have reduced substantially to $2.8 million, from $11.0 million in the corresponding period last year largely due to savings from internal cost cutting measures and improved operational efficiency.

Tax

The Group effective tax rate ("ETR") of 16.3% (2020:19.6%) is mainly due to non-taxable income and tax benefits. These together with the write back of over-provision for tax in prior years, resulted in a lower ETR for the current period.

Group Balance Sheet as at 31 March 2021

The decrease in Reserves was mainly due to the currency translation loss arising from the depreciation of the Vietnamese Dong against the Singapore Dollar on the Group's interest in Vinamilk and partly offset by profits of $82.4 million retained for the period.

Current assets increased by $29.3 million or 3.1% from $958.8 million to $988.1 million as at 31 March 2021 mainly due to the increase in cash balances generated from operations. This was partly offset by the decrease in inventories held due to production timing to cater to seasonal festive holidays and strict inventory management.

Liabilities increased by $24.0 million or 1.7% from $1,379.1 million to $1,403.1 million as at 31 March 2021 mainly due to the increase in trade and other payables as a result of increased purchases made to support the increase in sales volume.

Group Cash Flow Statement for the 6 months Ended 31 March 2021

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

Net cash inflow due to operating activities for the period was $183.4 million as compared to net cash outflow of $26.3 million for the corresponding period last year. This was mainly due to timing of payments resulting in positive working capital cashflow for the period.

Net cash outflow due to investing activities of $33.9 million was lower than $74.0 million for the corresponding period last year mainly due to the additional investment made in Vinamilk last year.

Net cash outflow due to financing activities for the period was $77.3 million while the corresponding period's net cash outflow was $70.9 million. The higher cash outflow this year was mainly due to lower net proceeds from bank borrowings partly offset by lower dividends paid to shareholders.

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.

While the Group has performed well in the first-half of this fiscal year, we remain cautious in the near-term, given the challenges of rising raw material prices and higher shipping charges, in addition to the challenging market conditions posed by COVID-19 pandemic.

In our F&B business, as our key markets continue to battle with the resurgence of COVID-19, safeguarding the health and well-being of employees remain our top priority, while also ensuring the continued availability and accessibility of our products. To that end, we continue to implement proactive safety measures in our workplace to alleviate infection risk. We remain mindful of the ongoing effects of the pandemic on consumer sentiment, the retail sector and economies of the markets we operate in. We expect consumer sentiment to remain cautious, and impact our F&B business, particularly recovery of the on-premise sector. Despite the near-term sentiment of caution, management is focused on long-term growth. Our plans include adapting our delivery channels and product portfolio to evolving consumer requirements. We look towards driving innovation as well as improving efficiencies to build a stronger and more sustainable business for the future.

Our P&P business has seen some recovery in Singapore, but revenue derived from overseas sources remains uneven. Ongoing steps taken to review, align and revamp business models have mitigated losses in P&P in the current period. These measures are expected to benefit the business upon normalisation of the business environment post COVID-19 pandemic.

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

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

(b) (i) Amount per share : 1.5 cents

(ii) Previous corresponding period : 1.5 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 have declared an interim dividend of 1.5 cents per share, tax-exempt (one-tier), to be paid on 17 June 2021 (last year: 1.5 cents per share, tax-exempt (one-tier)).

(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 pm on 2 June 2021 will be registered before entitlements to the dividend are determined.

Notice is hereby given that the share registers will be closed on 3 – 4 June 2021 for the preparation of dividend warrants.

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

Particulars of interested person transactions ("**IPTs**") for the 6 months to 31 March 2021.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) $'000
Companies and entities in the TCC Group	Associates (as defined in the SGX Listing Manual) of Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi, who are the Chairman and Vice-Chairman of the Board of Directors respectively, and the controlling shareholders of the Company.	7,857

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	Sithichai Chaikriangkrai
Director	Director

BY ORDER OF THE BOARD
Hui Choon Kit
Company Secretary

10 May 2021