FRASER AND NEAVE, LIMITED

A Legacy of Enterprise, A Future of Promise

ANNUAL REPORT 2005

Legacy

Future

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A Legacy of Enterprise, A Future of Promise

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A Legacy of Enterprise, A Future

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Future

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At the same time, F&N's rich legacy turned the Group into an enterprise with unparalleled domain expertise. It also provided the Group with a compelling blueprint for the future. The challenge now is to deliver on that blueprint.

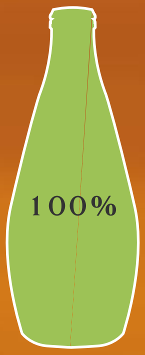
Ahead, our firm purpose is to build on our past efforts and achievements. Today, there is a palpable sense of expectation as we work to lift this institution to new heights of excellence and reputation.

Working hand in hand with you, our stakeholders, we are poised to achieve the next level of greatness.

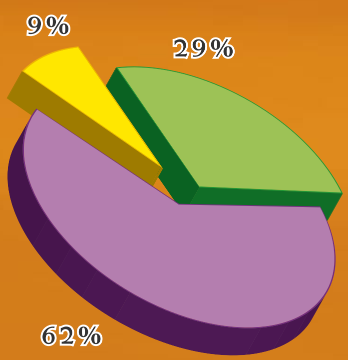
What lies ahead, we believe, will be as extraordinary as what has come to pass.

The Roar of the Lions

APBE[1] – 1983 versus 2005



1983
F&B is the sole contributor



2005
Three pillars of growth

- Food & Beverage
- Properties & Others[2]
- Publishing & Printing

1 Attributable Profit before Exceptional Items
2 Includes investment income and corporate office expenses

1983

F&N's celebrates its first centennial.

Tan Sri Dr Tan Chin Tuan retires; Dr Michael Fam is new Chairman of F&N - beginning of the modern enterprise.

Milestones:

- Launch of *Heineken* beer in Singapore and Malaysia (1984-85).
- Decision to relocate soft drinks and breweries to Tuas, freeing up prime land for future development and sowing the seeds for the property business (1985).
- New joint venture agreement signed with Heineken covering brewery investments in selected markets in the Asia Pacific region through Malayan Breweries (1986).
- *100PLUS* is launched (1983).

Market Capitalisation

1983—$762 mil

Revenue

1983—$239 mil

APBE[1]

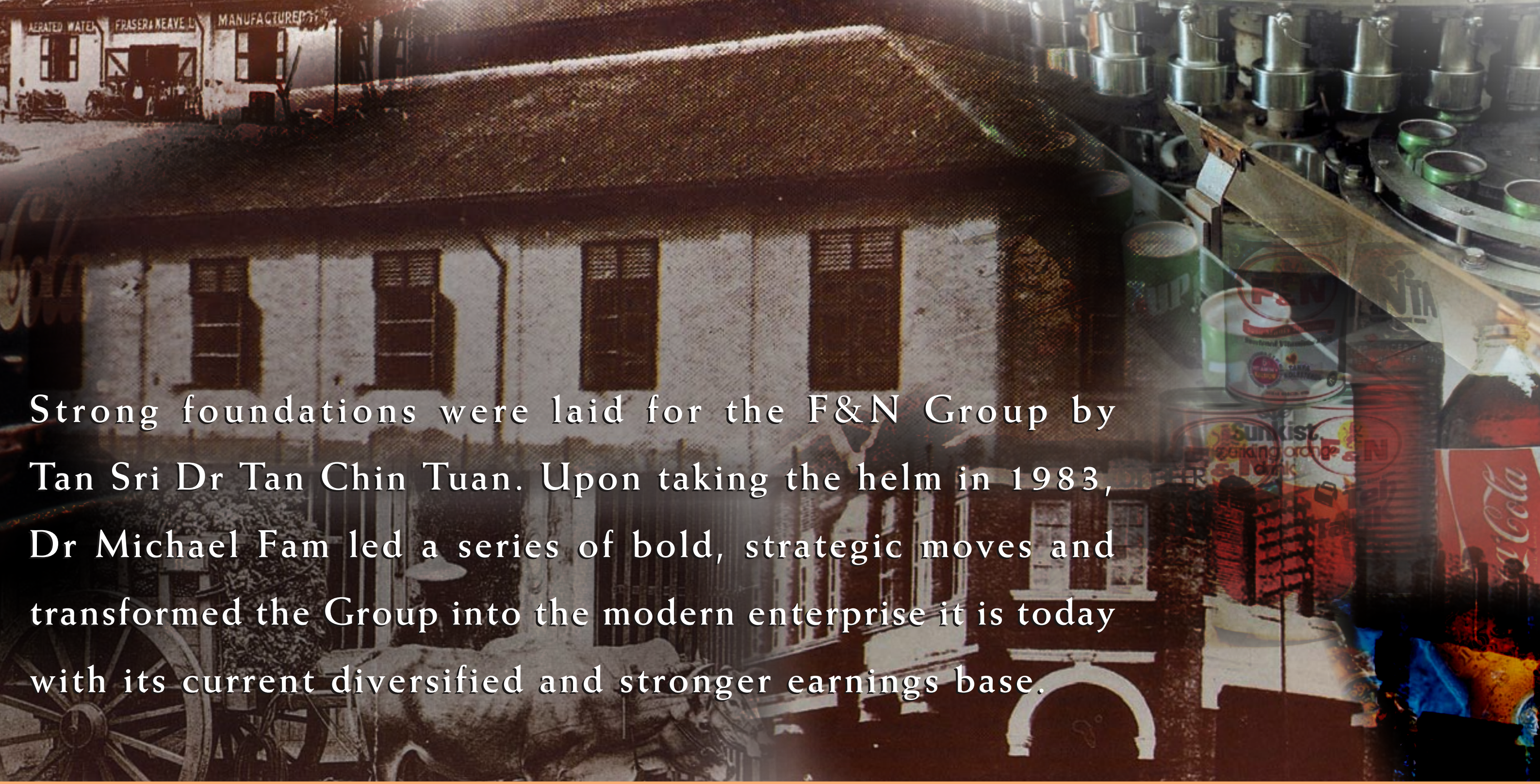
1983—$30 mil

1987

Strategic diversification move - property becomes second growth engine.

Milestones:

- Acquires controlling interest in Cold Storage Holdings PLC (jointly with Goodman Fielders Wattie in 1987-88).
- Dr Fam becomes Executive Chairman (CEO and Chairman of the Board) (1988).
- Cold Storage's property business under Centrepoint Properties (CPL), goes public(1988).



Strong foundations were laid for the F&N Group by Tan Sri Dr Tan Chin Tuan. Upon taking the helm in 1983, Dr Michael Fam led a series of bold, strategic moves and transformed the Group into the modern enterprise it is today with its current diversified and stronger earnings base.

1989

Breweries expands into China.

Milestones:

- Joint venture in Shanghai with Heineken and other partners (1989).
- Guinness Anchor Berhad formed in Malaysia (via merger of Malayan Breweries (M) and Guinness Malaysia (1989).

1990

Malayan Breweries becomes Asia Pacific Breweries (APB).

Milestones:

- Official opening of new state-of-the-art soft drinks plant and Tiger Brewery (1990).
- Dairies and property interests (CPL) of Cold Storage are acquired, marking the end of the JV with Goodman Fielders Wattie (1990)
- APB expands into Vietnam via joint venture in Ho Chi Minh City (1990).
- APB expands in New Zealand market with acquisition of interest in DB Group (1990).

1992

Food & Beverage (F&B) and Properties businesses expand into South Asia and Australia.

Milestones:

- F&N Coca-Cola Pte Ltd formed to be anchor bottler for Coca-Cola in Singapore, Malaysia, Brunei, Vietnam, Cambodia, Sri Lanka, Nepal and Pakistan (1992).
- CPL acquires Bridgepoint Shopping Centre in Sydney, Australia (1992).
- APB enters Thailand (1993 joint venture) and Cambodia (1995 joint venture) markets, expands to Hainan, China with new brewery (1994).
- CPL launches maiden residential development project "The Anchorage" on the former Anchor Brewery site (1993) and rides the property boom with a string of successful projects.

1996

Fraser & Neave Holdings Berhad is formed after restructuring in Malaysia.

Milestones:

- CPL enters Vietnam market to develop Me Linh Point, an office cum retail development, in Ho Chi Minh City (1996).
- State-of-the-art soft drinks plant commences production in Shah Alam, Malaysia (1997).
- Fraser Suites Serviced Residences and Fraser Place Serviced Residences opens for business in Singapore (1998).

1999

Strategic diversification move - publishing & printing becomes third growth engine.

Milestones:

- Charts new vision and strategic direction for the Group – to be a world-class multinational enterprise with Asian base, supported by three pillars: F&B, Properties and New Ventures (1999).
- In line with new vision and strategic direction to build a third core business, F&N increases stake in Times Publishing (TPL) to 21% and subsequently launches a takeover offer for TPL (1999-2000).
- Management of F&N Coca-Cola Malaysia reverts to F&N and F&N Coca-Cola Pte Ltd sold to The Coca-Cola Company (1999).
- CPL makes maiden residential developments in Australia and the UK.

2000

F&N expands further into Southeast Asia, China and Australia.

Milestones:

- Divestment of equity stake in CarnaudMetalbox Asia (2000).
- Kuala Lumpur Glass Manufacturers Company Sdn Bhd acquired to consolidate market leadership (2000).
- Residential development expands into Shanghai, China (2001).
- Times Publishing expands in Australia with acquisition of Diamond Press (2001).

2002

The Group increases its pace of globalisation.

Milestones:

- CPL and TPL are privatised by F&N (2002).
- Fraser Serviced Residences expands global footprint and enters UK, Seoul and Manila markets (2002).
- Dairy plant in Vietnam commences packaging of milk powder and manufacturing of sterilised milk (2002).
- TPL acquires majority stake in a printing plant specialising in high quality, case-bound coffee table books for export in Guangdong, China (2002).
- APB doubles capacity of brewery in Thailand (2003).

2004

Expands and rebrands for global competition.

2005—$4,270 mil

2005—$3,944 mil

2005—$275 mil

Milestones:

- The publishing arm is rebranded under Marshall Cavendish (2004).
- Acquires 27% stake in Fung Choi Printing and Packaging Group (2004).
- APB establishes Regional HQ in Shanghai, and expands UK operation via new Tiger Beer UK Ltd (2004).
- Dairies acquires and increases stake to 29.5% in China Dairy Group, the largest manufacturer of dairy products in the north-western region of China (2004-05).
- Soft drinks innovations with new flavours/ packaging (2004-05).
- TPL acquires Pansing to strengthen distribution (2005).
- CPL expands in Thailand and China. Fraser Property Group branding launched for overseas property activities (2005).

2006

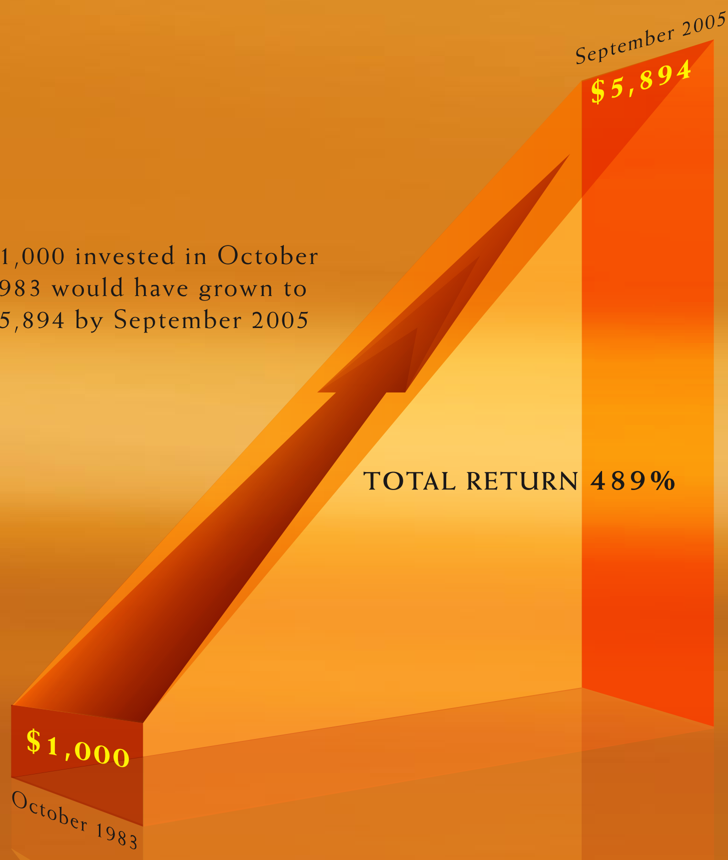
Begins separation of roles of Chairman and CEO.

Milestone:

- Dr Han Cheng Fong will assume the position of Group CEO; Dr Fam agrees to stay on as non-executive Chairman and Consultant to assist in succession planning and to ensure smooth transition to new management team.

Total Shareholders' Return*
October 1983 to September 2005

$1,000 invested in October 1983 would have grown to $5,894 by September 2005



* Total Shareholders' Return includes:
- Cash returns of $1,248 per $1,000 invested which comprise net dividends received plus capital reduction & distribution less cash re-invested in rights issues over the period
- Increase in market value of F&N shares of $3,646 per $1,000 invested due to the increase in share price from $6.05 to $17.20 over the period, plus the increase in shares held through rights and bonus issues

We often forget how much strength lies in the hands and heart of an organisation with vision.

In the coming year, however, the transition of senior management in the F&N Group leads us to reflect on the key legacy of the Group.

Undeniably, the lasting legacy of F&N's 122-year-old history is its spirit of enterprise.

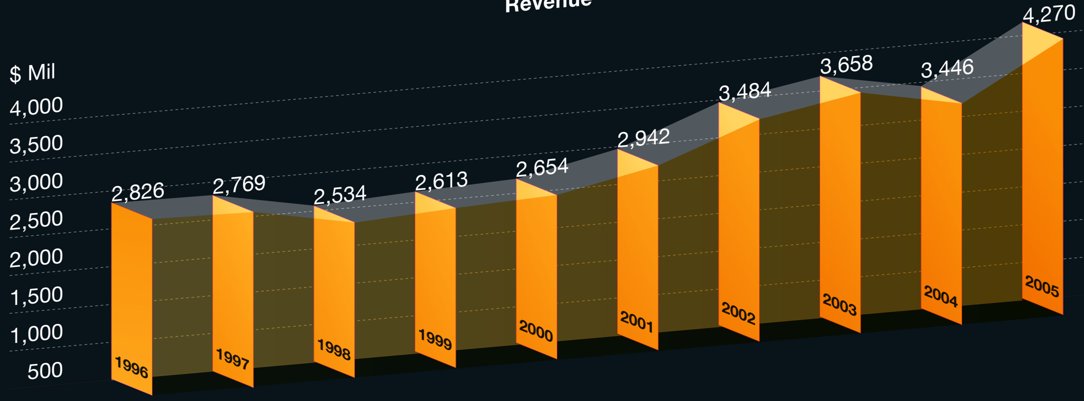
With its entrepreneurial fire, F&N changed the competitive landscape in all the spheres of business it participates in. Its passion and commitment enabled it to enlarge its footprint and to stamp its mark in every field it is engaged in.

Ten-Year Group Statistics

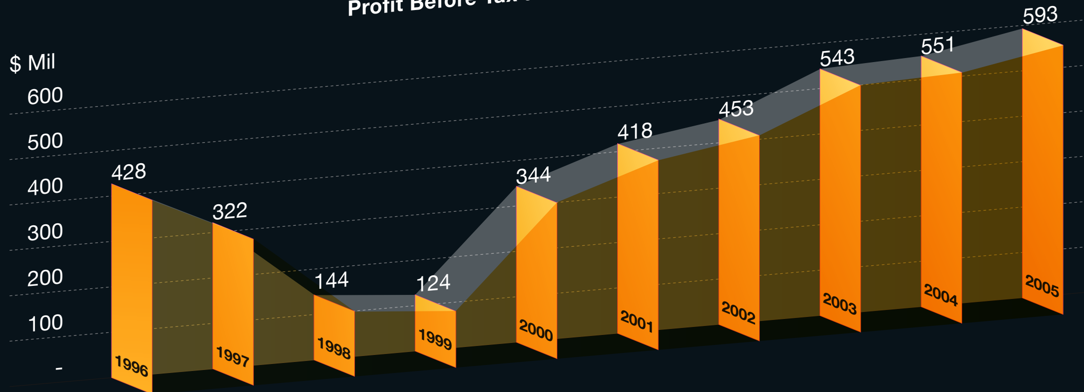
Year ended 30 September (all figures in $ million)		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Note											
	Profit Statement										
	Revenue	2,826	2,769	2,534	2,613	2,654	2,942	3,484	3,658	3,446	**4,270**
	Profit before taxation										
	- before exceptional items	428	322	144	124	344	418	453	543	551	**593**
	- after exceptional items	623	426	174	287	345	452	471	597	571	**622**
	Profit after taxation attributable to shareholders										
	- before exceptional items	209	120	38	68	182	201	226	273	266	**275**
	- after exceptional items	414	210	63	238	192	217	241	333	292	**300**
	Balance Sheet										
1	Net asset value (Share capital & reserves)	2,491	2,816	2,600	2,881	3,054	3,098	2,986	2,839	2,926	**3,097**
	Total assets employed	6,311	6,467	6,692	6,371	7,327	7,575	7,794	7,730	8,122	**8,949**
	Long-term borrowings	900	1,320	1,696	1,224	882	1,698	1,447	1,442	2,114	**2,186**
	Market Capitalisation at close of business on the first trading day after announcement of full-year results	4,277	2,341	1,444	1,879	2,043	2,189	2,069	2,628	3,271	**3,944**

Note
1 Pursuant to Capital Reduction and Capital Distribution Exercises carried out in 2003 and 2002, the share capital and reserves of the Company and of the Group were reduced by a sum of $317.6 million in 2003 and $237.2 million in 2002.

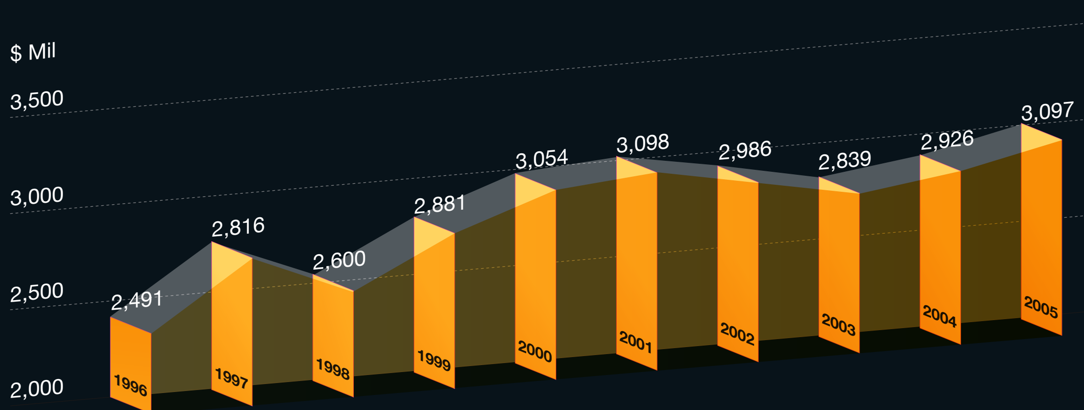
Revenue



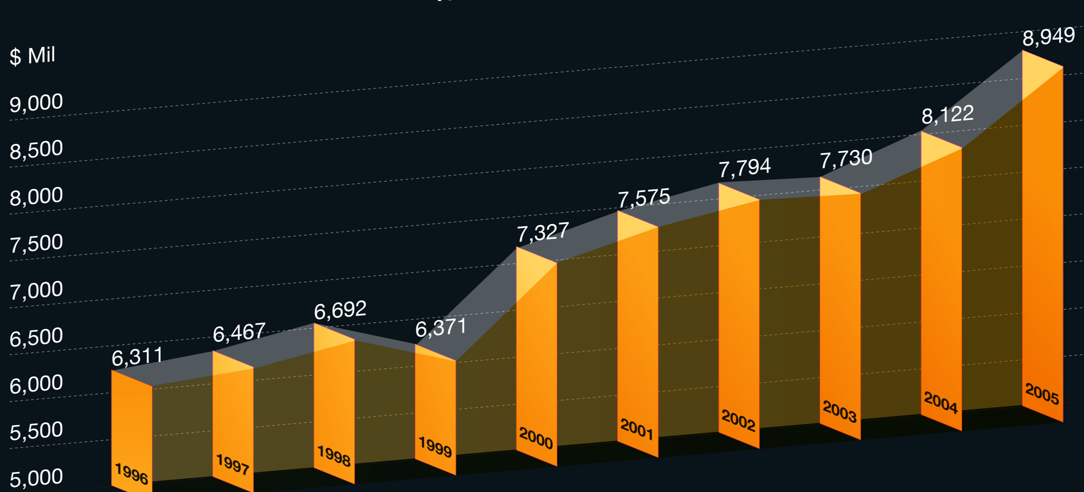
Profit Before Tax and Exceptional Items



Net Asset Value



Total Assets Employed



Five-Year
Group Financial Ratios

Notes	Year ended 30 September	2001	2002	2003	2004	2005
	Financial Ratio					
	Return on average shareholders' equity					
	- profit before taxation and exceptional items (%)	13.6	14.9	18.7	19.1	**19.7**
1	- attributable net profit before exceptional items (%)	6.5	7.4	9.4	9.2	**9.1**
2	Gearing ratio (%)					
	(a) without minority interest	59.1	78.5	75.2	83.9	**89.0**
	(b) with minority interest	43.6	61.6	57.5	63.9	**65.3**
	Per $1 Share					
	Profit before taxation and exceptional items (cents)	140.3	161.0	205.4	238.1	**254.7**
	Attributable net profit					
	- before exceptional items (cents)	67.4	80.3	103.2	115.1	**118.1**
	- after exceptional items (cents)	72.7	85.7	125.9	126.2	**128.7**
3	Net asset value ($)	10.47	11.18	12.32	12.61	**13.27**
	Dividend					
	- gross (cents)	41.1	44.9	64.1	68.8	**68.8**
	- net (cents)	30.0	35.0	50.0	55.0	**55.0**
4	- cover (times)	2.2	2.3	2.1	2.1	**2.1**
	F&NL Share Price					
	at close of business on the first trading day after announcement of full-year results ($)	7.40	7.75	11.40	14.10	**16.90**

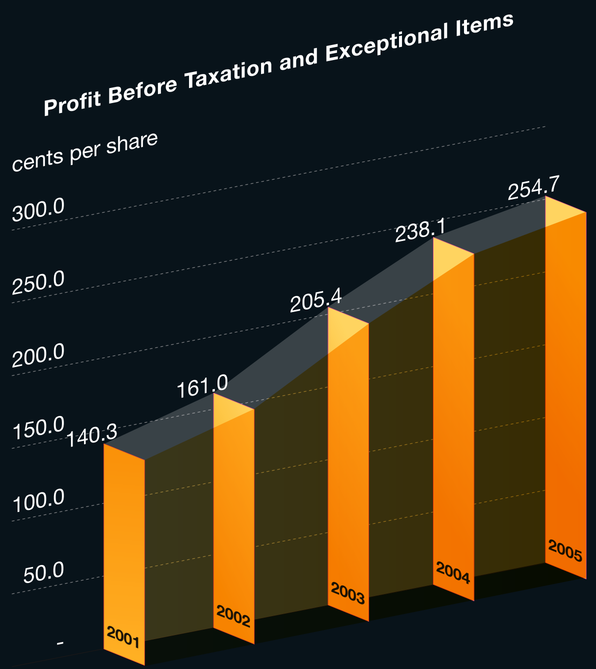
Notes

1 Attributable net profit before exceptional items : Profit after taxation and minority interest but before exceptional items.

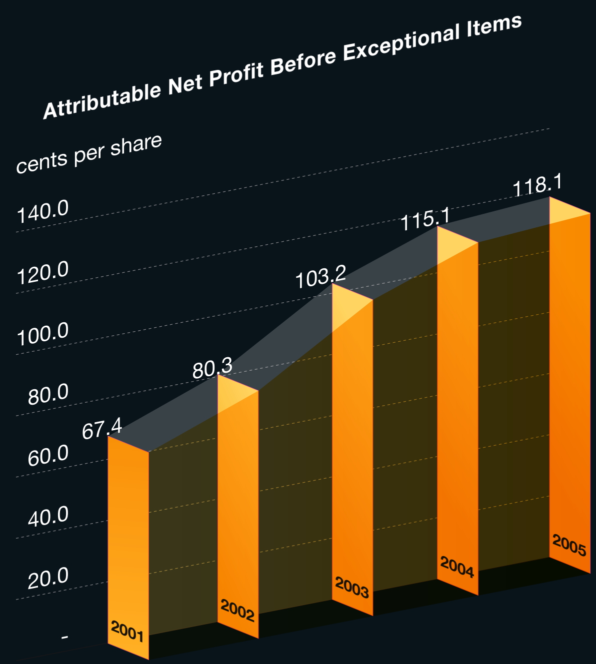
2 Gearing ratio : Sum of bank borrowings and term loans, less fixed deposits and cash and bank balances, expressed as a percentage of
(a) Shareholders' funds;
(b) Shareholders' funds and minority interest.

3 Net asset value : Share capital and reserves.

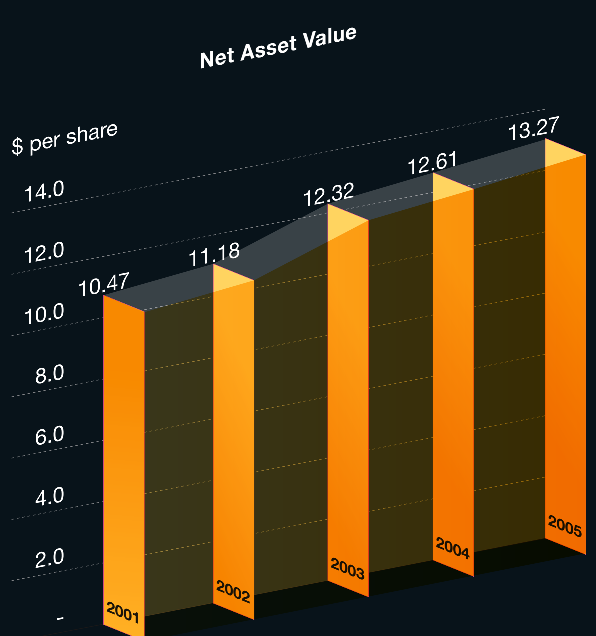
4 Dividend cover : Attributable net profit before exceptional items per share divided by net dividend per share.



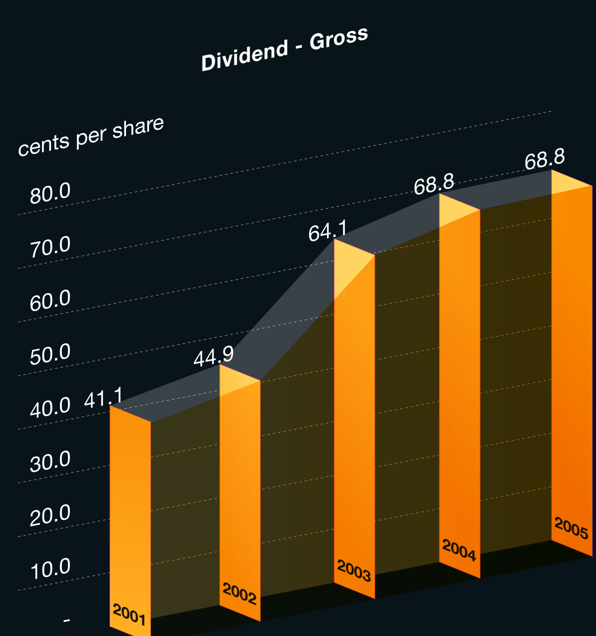
Profit Before Taxation and Exceptional Items
cents per share
300.0
250.0
200.0
150.0
100.0
50.0
-
140.3
161.0
205.4
238.1
254.7
2001
2002
2003
2004
2005



Attributable Net Profit Before Exceptional Items
cents per share
140.0
120.0
100.0
80.0
60.0
40.0
20.0
-
67.4
80.3
103.2
115.1
118.1
2001
2002
2003
2004
2005



Net Asset Value
$ per share
14.0
12.0
10.0
8.0
6.0
4.0
2.0
-
10.47
11.18
12.32
12.61
13.27
2001
2002
2003
2004
2005



Dividend - Gross
cents per share
80.0
70.0
60.0
50.0
40.0
30.0
20.0
10.0
-
41.1
44.9
64.1
68.8
68.8
2001
2002
2003
2004
2005

A Legacy of Enterprise,

A Legacy of Enterprise, A Future of Promise

A Future of Promise

Chairman's Statement

A TRIBUTE TO THE LATE TAN SRI DR TAN CHIN TUAN

Our Honorary Life President Tan Sri Dr Tan Chin Tuan passed away on 13 November 2005, at the age of 98. Tan Sri Dr Tan was held in the highest esteem and will be greatly missed.

Tan Sri Dr Tan was the embodiment of the spirit of enterprise and he firmly upheld and fostered this cherished tradition within Fraser and Neave, Limited ("F&NL"). He joined the Board in 1950 and was appointed Chairman in 1957. He served in that capacity until his retirement in 1983. He was then appointed Honorary Life President in recognition of his sterling service and dedication.

F&NL flourished under the visionary leadership of Tan Sri Dr Tan. He was the driving force behind bold investments to expand the Company's activities. Under his stewardship, new soft drinks plants were constructed throughout Malaysia and a second plant was built in Singapore. These helped entrench "F&N" as a household name within the region. In our brewery business, a new brewery was constructed in Kuala Lumpur and acquisitions were made in Papua New Guinea, New Zealand and France. Diversification into the dairy business was also undertaken, with plants set up in Singapore and Malaysia.

On behalf of my Board of Directors, I salute the passing of a great and honourable man and place on record our deep gratitude for the solid foundations laid by Tan Sri Dr Tan for the growth of F&NL.

OVERVIEW

The theme for the Annual Report this year – A Legacy of Enterprise, A Future of Promise – succinctly describes F&NL and its Group of companies. A hallmark of F&NL is its enterprising spirit. Since its founding as a soft drinks company in Singapore in 1883, our Company has successfully transformed into an "entrepreneurial shareholder", playing a pivotal role in charting the strategic direction of its Food & Beverage, Properties and Printing & Publishing businesses across the globe.

During the year under review, the F&N Group continued to make strong inroads in new markets. New frontiers were opened in markets such as the Middle East (for our hospitality business) and Mongolia (for our brewery business). Particularly noteworthy was the significant progress achieved in China.

All our core businesses have now established a good presence in the Chinese market. In the year just ended, the Chinese market contributed almost 15% of the Group's attributable net profit (before exceptional items). The profit from our Chinese ventures came from our Properties, Printing and Dairies businesses; our Brewery and Glass businesses incurred small losses.

Besides China, the Indian sub continent promises to be another strong longer-term engine of growth for the Group. The Group is actively seeking opportunities and hopes to make its first investment in India in the near future.

FINANCIAL RESULTS

In my AGM Address in early 2005, I had warned of some weakness in consumer sentiment in certain markets in the immediate aftermath of the tsunami, which hit the region on 26 December 2004. The situation improved in the ensuing months and I am happy to report that the Group was able to achieve another year of record Earnings Per Share ("EPS").

I am pleased that we have been able to maintain our growth momentum despite a much smaller capital base. Since FY 2000, we have reduced our share capital by 23.6%, returning $578.7 million to shareholders. Over this period, the market capitalisation of F&NL grew 122% to reach $4 billion by the end of FY 2005.

The Group's EPS before exceptional items of $1.18 in FY 2005 was an increase of about 3% over the peak earnings of the previous year. Including exceptional items, EPS was 2% ahead of last year, at $1.29.

Group revenue rose 24% to $4.27 billion, buoyed by a robust increase in development property sales (up 165% to $924 million). In Singapore, strong economic growth and favourable policy changes announced in July 2005 boosted demand for residential properties. Our Food & Beverage and Printing & Publishing businesses posted steady and more modest revenue growth during the year under review.

Group trading profit grew 25% to $556 million. Group trading profit margin improved slightly, despite higher direct material costs. This was achieved through better cost efficiencies in the areas of distribution, marketing and administration throughout the Group.

Although Group trading profit grew 25%, Group profit before interest and tax ("PBIT") was only 9% above the previous year. This was because FY 2004 had a hefty profit of almost $60 million from the securitisation of Compass Point.

Net asset value per share increased by 5% to reach $13.27. Return on equity was marginally lower at 9.1%. Our net debt as a percentage of total equity was slightly higher at 65.3% (compared to 63.9% a year ago), reflecting our continued

investments to position the Group for profitable growth in the years ahead. Net interest cover was 15.9 times, compared to 18.5 times in the previous financial year.

DIVIDENDS

The Group's strong performance has enabled the Company to consistently raise its dividend payments over the past five years. For FY 2005, it is proposed that after-tax dividend be maintained at the previous year's payment of 55 cents.

The Directors recommend for shareholders' approval, a final dividend of 35 cents per $1 share, being after deduction of tax. Together with the interim dividend already paid, this will give a total distribution for the year of 55 cents per share after tax.

A payout of up to 50% of attributable profit (before exceptional items) has been adopted by the Board. Assuming that the proposed final dividend is approved by shareholders, the after-tax dividend for FY 2005 is about 47% of Group attributable profit. This compares with 48% in FY 2004.

The final dividend will be paid on 17 February 2006, if approved by shareholders at the AGM on 26 January 2006.

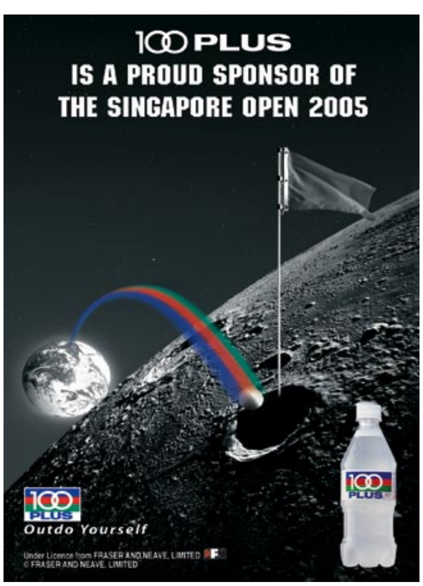
Barring unforeseen upheavals, it is the Board's intention to maintain the after-tax dividend at not less than FY 2005's normal dividend of 55 cents per share, and to fully utilise the Section 44 tax credits before they expire in 2007.[1]

With our available Section 44 tax credits, F&NL can distribute a tax-franked dividend of up to $0.84 per share. This estimate assumes no change to our current share capital and corporate tax rate and is before payment of the proposed final net dividend of 35 cents.

OPERATIONS

Soft Drinks

Revenue from our soft drinks business in Malaysia rose 7% (to $440 million), aided by an across-the-board price increase of around 7% (w.e.f. April 2005) and a 3% improvement in volumes. PBIT was only 4% higher (at $51 million), due mainly to margin erosion caused by higher packaging and freight costs.



In January 2005, our Coca-Cola bottling and distribution agreements in Malaysia were renewed for another five years. These agreements seal a mutually rewarding relationship that we have with The Coca-Cola Company, dating back to 1936.

In July 2005, our Malaysian subsidiary completed the conversion of the soft drinks plant in Shah Alam to natural gas. In September 2005, it completed the construction of an in-house PET bottle blowing plant. These strategic investments are just two examples of continuous actions being taken to ensure the cost efficiency of our operations.

Dairies

Revenue from our dairy subsidiaries in Malaysia, Singapore, Thailand, Vietnam and Australia was about 8% higher (at $406 million). With the exception of Australia (where we have a new A2 Milk business), all markets experienced higher sales over the previous year.

The combined PBIT from our dairy operations, including contribution from our associated company, China Dairy, was 9% higher (at $17 million).

In August 2005, we increased our shareholding in China Dairy Group Limited to 29.5% (from 22.1%) through an exercise of warrants. Our strategic investment in this leading dairy company in north-western China will help pave the way for F&NL to tap into the exciting potential of the fast-growing dairy market in China.

Glass Containers

Sales (at $105 million) were flat as higher volumes in China and Vietnam were offset by lower output in Malaysia, where production was disrupted by a furnace leakage and resulting fire. The Malaysian glass factory was insured against losses arising from this unfortunate incident.

PBIT of our Glass business (at $6 million) was 11% higher due mainly to lower operating expenses.

The construction of our new joint venture glass plant in Thailand is on schedule for start up of commercial production by the first half of 2007.

Breweries

Our Breweries operation achieved another record year, with revenue and PBIT surging ahead by about 11% and 14%, to $1.72 billion and $235 million respectively. With the exception of operations in Thailand, all other markets turned in better results.

In Thailand, a marginally lower profit was recorded because of higher brand marketing expenses. Tiger Beer posted good volume growth in its first full year of local production in Thailand.

In Singapore, revenue was marginally lower (at $414 million) due to lower export and contract brew sales. Effective cost management enabled PBIT to edge up slightly (to $44 million).

In Malaysia, volumes were 5% lower due to weaker consumer demand, following price hikes to recover excise duty increases of 26% in September 2004 and 9% in September 2005. PBIT, however, grew 3% (to $17 million) due to effective cost controls and improved margins.

A strong economy in Papua New Guinea helped boost PBIT by 19% (to $31 million). This brewing operation benefited from a 3% increase in sales volume, marginal price increases and improved operating cost efficiencies.

Asia Pacific Breweries Limited ("APB") successfully privatised New Zealand-based brewer, DB Breweries Ltd in October 2004. Revenue in New Zealand was 8% higher due to translation gains, higher sales and price increases. PBIT rose by 20% due mainly to an improvement in sales mix and volume, augmented by translation gains due to a stronger NZ dollar.

In Cambodia and Vietnam, a strong volume growth of 17% was achieved. This resulted in a 20% increase in PBIT (to $102 million). The robust demand for beer in these markets reflects the rapid growth of disposable incomes in these economies.

In China, losses were sharply reduced to $3.2 million (from $7.3 million in the previous year). The improvement was the result of strong volume growth of 29% and 36% in Shanghai and Hainan respectively, and contributions from our investments in Kingway Brewery and Jiangsu DaFuHao, which were acquired in February 2004 and June 2005 respectively.

In a reflection of its strong pioneering spirit, APB unveiled plans for a joint venture greenfield brewery in Mongolia in November 2005. This announcement followed closely upon its acquisition of a 60% stake in United Brewery Lanka in Sri Lanka in September 2005.

Printing & Publishing

Revenue was 4% higher (at $458 million) due mainly to new business acquisitions during the year and higher sales achieved by our printing plants in China, Australia and Malaysia.

PBIT improved significantly (up 39% to $36 million), aided by a full year contribution from our investment in Fung Choi Printing and Packaging Group Limited and elimination of losses from the closure of an under-performing UK printing plant and the Hong Kong publishing and retailing operations.

During the year, Times Publishing Ltd ("TPL") became the largest books and magazines distributor in Singapore and Malaysia when it acquired Pansing Distribution. Other strategic investments included a 100% stake in Educational Technologies Limited (HK) and a 51% stake in an Australian-based magazine export distribution business (now re-named Pansing IMM).

Educational Technologies (formerly Time Life Asia) is a market leader in children's reference books with a sales network covering 21 countries across Asia Pacific, the Gulf States and Mexico. Pansing IMM is a leading consolidator and exporter of Australian magazines to 22 countries. These acquisitions provide scope for substantial operational synergies.

TPL also raised its stake in Everbest Printing to 85.3% (from 51%) during the year. Everbest Printing, based in Guangdong, continues to attract strong orders from Australia, UK and North America. With the installation of a new web press, it is now positioned to also capture a slice of the commercial printing market in Southern China.

Development Property

Our decision to actively build up our land bank in Singapore in FY 2004 proved to be well timed. Demand for residential properties has gained good momentum. During the year under review, Centrepoint Properties Ltd ("CPL") sold 1,103 apartments in Singapore. With its market share estimated at close to 13%, CPL has the distinction of being the second best-selling developer in the local private housing market during the period under review.

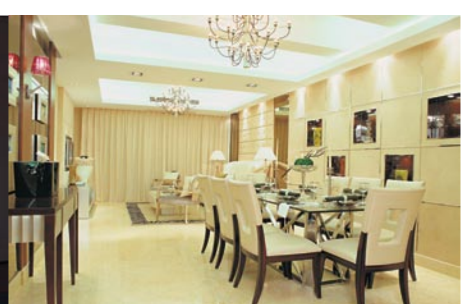
By the financial year-end, CPL sold 440 units from its three newly launched developments, 8 @ Mount Sophia, The Spectrum and Tangerine Grove. CPL also re-launched several existing projects and its specially tailored marketing initiatives resulted in the sale of another 663 units in Singapore.

Shortly before the financial year-end, CPL launched The Azure, its luxurious condominium development in Sentosa Cove. All 116 units were sold out within days of the launch because of their unique, unimpeded seafront view.

In the overseas arena, CPL rebranded its international operations under Frasers Property Group, its new global brand name. In China, Frasers Property Group achieved a major coup when it sold all 227 units of its Jingan Four Seasons Phase I development in Shanghai within weeks of its launch in late August 2005. Despite cautious buying sentiment in the wake of official measures to cool property speculation in China, Jingan Four Seasons enjoyed overwhelming success due to its superior quality and location on Wujiang Lu, a fashionable district.

In Australia, Frasers Property Group sold a total of 130 units. It launched its upmarket development, Lumiere at Regent Place in Sydney. Designed by the internationally renowned architectural firm of Lord Norman Foster, Lumiere is located in the historic centre of Sydney on the site of the former Regent Theatre.

In the United Kingdom, Frasers Property Group sold another 86 units, mainly from its Vincent Square development. It also launched the second phase of the Wandsworth Riverside Quarter development, on the banks of the Thames, after its first phase was substantially sold.



During the year, the CPL Group continued to replenish its land bank with acquisitions of development sites in Singapore, Australia, New Zealand and China.

In September 2005, the F&N Group successfully completed the restructuring of Vision Century Corporation Limited. The Group now holds an effective stake of 56% in the company. This HK-listed entity was re-named Frasers Property (China) and will be an important vehicle for expansion of our property business in China.

Investment Property

Revenue from our investment properties increased by 5%, to $191 million. Occupancy at the Malls of Centrepoint remained high, at around 99%. Average occupancy for our Office & Industrial properties was at 91%. Excluding newly opened serviced apartment developments, Fraser Serviced Residences enjoyed an average occupancy of 84% during the year under review. PBIT dipped marginally to $112 million due mainly to weakness in the Office and Industrial properties segment, which was offset by stable profit from our Malls of Centrepoint and higher profit from Fraser Serviced Residences.

At the close of the financial year, Fraser Serviced Residences had under its management 1,743 apartment units in 8 countries, compared to 1,124 units in 6 countries a year ago. Fraser Serviced Residences is on track to meet its target of 6,000 apartments under its management by FY 2010.

Restructuring of selected shopping malls for injection into a Real Estate Investment Trust ("REIT") is in progress. A launch is planned in FY 2006. Centrepoint Shopping Centre will not be part of the proposed REIT due to ongoing construction of a 6-storey extension tower, which will increase net lettable area by about 58,000 sqf when completed in late 2006. The Group is also reviewing opportunities to dispose of our remaining non-core property assets.

OUTLOOK

Barring unforeseen circumstances, we expect Group attributable net profit (before exceptional items) to be higher in the new financial year.

The improved buying sentiment in the Singapore residential market is gaining traction. This will greatly benefit the eight launches being planned for the new financial year. Profits from our Properties business will also be underpinned by the progressive recognition of development properties already sold.

Our Food & Beverage businesses continue to face the challenge of margin erosion caused by higher material, energy and packaging costs. Steps have been taken to raise prices, (wherever possible) to mitigate the impact on profit. There is steady sales volume growth, reflecting the general strength of the regional economies.

Our Printing & Publishing businesses have been rationalised with the divestment and closure of under-performing businesses. Looking ahead, profit growth is expected to come from expanded production capacities, more integrated publishing and distribution operations, and new acquisitions.

ACKNOWLEDGEMENTS

This will be my final Statement as Executive Chairman. As indicated in our news release in August 2005, Dr Han Cheng Fong, currently our Group Managing Director and Deputy CEO, will assume the position of Group CEO upon my retirement as Executive Chairman at the AGM on 26 January 2006. This separation of the roles of CEO and Chairman complies with the best practice in Corporate Governance.

I have accepted the Board's invitation to stay on as non-executive Chairman until the appointment of a new Group Chairman. I have also agreed to continue as Consultant to the Company to assist in succession planning to ensure a smooth and seamless transition to a new management team.

I would like to place on record my appreciation for the support and advice from all my directors on the main and subsidiary boards. I am especially grateful to Mr Lim Kim San for his agreement to continue as Chairman of TPL, after its acquisition by F&NL in 2000. We have reluctantly accepted Mr Lim's recent request to retire from the TPL Board (w.e.f. 11 January 2006) and wish him the very best of health.

I also thank the Management and Staff for their dedication and hard work, which is reflected in the dynamic growth of the F&N Group. My gratitude extends to all our loyal customers and consumers, who have helped to ensure that our strong portfolio brands retain their leading positions throughout the region.

I am also grateful for the support we continue to enjoy from our strategic partners, Heineken NV, The Coca-Cola Company and the Board of F&NHB, and our shareholders.

Dr Michael Fam
Executive Chairman
3 January 2006

1 With effect from 1 January 2003, Singapore changed from an imputation system of taxation to a 1-tier system. Under the 1-tier system, dividend payments to shareholders will not have any tax credit. However, a transitional provision allows companies such as F&NL to remain on the imputation system by using Section 44 tax credits still remaining as at 31 December 2002 to frank tax-paid dividend to shareholders up to 31 December 2007.

Board of Directors


Dr Michael Fam


Dr Han Cheng Fong


Mr Ho Tian Yee


Mr Stephen Lee

Dr Michael Fam

Dr Fam was appointed to the Board of Directors in 1978 and has held the position of Chairman since 1983 and Executive Chairman since 1988. He serves as Chairman of Asia Pacific Breweries Limited, Centrepoint Properties Ltd and Asia Pacific Investment Pte Ltd and is on the board of Times Publishing Limited. Dr Fam was formerly the Chairman of Singapore Airlines Limited, the Housing and Development Board, Mass Rapid Transit Corporation, the Public Transport Council and the Council of Nanyang Technological University. He was also on the boards of Singapore Press Holdings Ltd, Oversea-Chinese Banking Corporation Limited, the Singapore International Foundation, Temasek Holdings (Pte) Ltd, the Public Utilities Board and the Economic Development Board and was a Member of the Council of Presidential Advisers of the Republic of Singapore.

Dr Han Cheng Fong

Dr Han was appointed Managing Director in April 2002. He was made the Group's Managing Director cum Deputy CEO in October 2004. He joined the Group in May 2001 as Deputy Chairman of Centrepoint Properties Ltd, a position that he still holds. Dr Han currently holds directorship positions in Asia Pacific Breweries Limited, Centrepoint Properties Ltd, Fraser & Neave Holdings Berhad, Asia Pacific Investment Pte Ltd, Times Publishing Limited and DB Breweries Ltd. He is also the Chairman of Frasers Property (China) Limited. Up to 11 January 2004, he was the Deputy Chairman of the Board of Trustees of Singapore Management University. Until April 2000, he held directorships in companies related to DBS Land Limited, including Deputy Chairman and Group Chief Executive Officer of DBS Land Limited, Chairman of Raffles Hotel (1886) Ltd, Raffles City Pte Ltd, RC Hotels Pte Ltd and Ascott Ltd and was Deputy Chairman of Raffles Holdings Ltd and Parkway Holdings Ltd. Dr Han also held previous regional business appointments as Chairman of Australand Holdings Ltd and Deputy Chairman of United Malayan Land Bhd.

Mr Ho Tian Yee

Mr Ho was appointed a Director in December 1997. He is currently the Executive Director of Pacific Asset Management (S) Pte Ltd. Mr Ho was previously the General Manager and Managing Director of Bankers Trust Company Singapore. He also serves on the boards of Singapore Exchange Limited, Great Eastern Holdings Ltd and Singapore Power Ltd.

Mr Stephen Lee

Mr Lee was appointed a Director in July 1997. He is currently the Managing Director of Great Malaysia Textile MFG Co. Pte Ltd and Shanghai Commercial & Savings Bank (Taiwan). Mr Lee was Chairman of PSA International Limited from December 2003 till November 2005 and being appointed as the Chairman of Singapore Airlines Limited in January 2006. He is also the Chairman of Singapore Business Federation, President of Singapore National Employers Federation and Director of Singapore Labour Foundation.


Mr Lee Ek Tieng


Dr Lee Tih Shih


Mr Nicky Tan Ng Kuang


Mr Anthony Cheong Fook Seng


Mr Patrick Goh

Mr Lee Ek Tieng

Mr Lee was appointed as a Director in January 2001. He is currently the Group Managing Director of the Government of Singapore Investment Corporation, a position he has held since 1989. He is also on the panel of advisors to Temasek Holdings (Pte) Ltd. Mr Lee was previously the Chairman of the Public Utilities Board and Temasek Holdings (Pte) Ltd, and Deputy Chairman of the Monetary Authority of Singapore. Prior to his retirement in 1999, Mr Lee was the Head of Civil Service and Permanent Secretary (Special Duties) in the Prime Minister's Office.

Dr Lee Tih Shih

Appointed a director in 1997, Dr Lee is a medical doctor licensed in Singapore and the United States, and he divides his time between the two countries. He is a graduate of Yale University School of Medicine and currently holds an appointment of assistant professor. He also graduated from Imperial College, London, with a Master of Business Administration with Distinction. He has served at senior levels at Oversea-Chinese Banking Corporation and the Monetary Authority of Singapore. He is currently on the board of Oversea-Chinese Banking Corporation.

Mr Nicky Tan Ng Kuang

Mr Tan was appointed a Director in October 2003. He currently runs nTan Corporate Advisory Pte Ltd and is also a Director of Singapore Telecommunications Ltd. Mr Tan was previously Partner, Head of Global Corporate Finance of Arthur Andersen Singapore and ASEAN region; Partner, Head of Financial Advisory Services of Price Waterhouse Singapore and Chairman of Financial Advisory Services of PricewaterhouseCoopers Asia Pacific region.

Mr Anthony Cheong Fook Seng

Mr Cheong was appointed as a Director in February 2005. He joined the Fraser & Neave Group ("F&N Group") in Times Publishing Ltd as Corporate General Manager (Group Finance) and Company Secretary in 2001. Mr Cheong is the Group Company Secretary, and currently holds directorships in a number of the Group's other subsidiaries as well as Centrepoint Properties Ltd, Fraser & Neave Holdings Bhd and Asia Pacific Investment Pte Ltd and is also an alternate director to Dr Han Cheng Fong on the Asia Pacific Breweries Limited Board. Mr Cheong is a member of the Institute of Chartered Accountants in England & Wales and the Institute of Certified Public Accountants of Singapore.

Mr Patrick Goh

alternate to Dr Han Cheng Fong

Mr Goh, a member of the Institute of Certified Public Accountants of Singapore, was appointed as an Alternate Director to Dr Han Cheng Fong in November 2002. He joined the Group in January 1969 and currently heads the Corporate Finance Office as Group Financial Controller. In addition, Mr Goh currently holds directorship positions in Frasers Property (China) Limited, a company listed in The Hongkong Stock Exchange, Centrepoint Properties Ltd and other subsidiaries and associated companies of the Group.

[unleashing the *power* of a commanding legacy]

FOOD & BEVERAGE

Food & Beverage

Breweries

The year was a chronicle of the re-energising, growth and scaling up of core brands as the Beer division focused on its brand story. The result: an exciting narrative of brand development and groundbreaking innovations.

The *Tiger* brand was ever-present on the football scene in the region. To further reinforce the brand's association with football, *Tiger* kicked-off Tiger FC in Singapore, Malaysia and Thailand. Intended to cater to *Tiger* drinkers who are football fans, the Tiger FC events showed exciting promise and attracted sizeable crowds since their launch.

At home, *Tiger* remains Singapore's number one mainstream beer brand. Its leadership position was buttressed by a series of dynamic promotions including *Million Dollar Signing* and *Live Like A Rock Star*. *Million Dollar Signing* drew an overwhelming response.

For *Heineken*, providing fresh and engaging experiences for its young adult consumers was key to bolstering brand loyalty. *Heineken* concerts like *Elevation 280* – a rooftop concert held atop the Market Street Carpark – and *Heineken All Stars Programme*, which featured live international acts and DJs in unique settings, delivered on this.

Another key event for *Heineken* was its sponsorship of *WOMAD* in Singapore. This partnership with the world music event has allowed *Heineken* to associate itself with one of the world's greatest celebrations of international music and culture.

To combat increasing competition, *Heineken* will continue to find innovative ways to grow through unique events, innovative packaging and creative consumer and trade activities. For instance, to build *Heineken*'s relationship with outlets retailing the brand, it launched a trade campaign called *Heineken All Stars Programme*.

Heineken's marketing savvy was affirmed in the year when it bagged three trophies at **Promotional Marketing Awards Asia 2005**. It took home the gold for *Most Effective Long-term Marketing Campaign* for its *Heineken Green Room Sessions*. It also picked up the gold for *Best Activity Generating Brand Loyalty* for its *Heineken All Stars Programme*, and the silver for *Best Sponsorship or Tie-In Campaign in Sport, Movies, Music or Tourism* for *Heineken Music*.

For *Guinness*, however, the focus was on brand repositioning to recruit a new niche of middle-class consumers to complement current consumers, while maintaining its bond with its loyal older patrons. Activities were carried out to strengthen the brand's connection to its target audience. Additionally campaigns were launched based on the positioning that *Guinness* reflects 'the inner strength of its drinkers'. The principal component of this platform was the *Why Not You?* and *Credential* campaigns.

These promotion efforts, together with a focused trade strategy, helped the Group to successfully improve sales volume.

The *Why Not You?* Campaign was widely acclaimed by the advertising industry, garnering prestigious awards including a bronze accolade in the **Effie Singapore 2005 Award** for its advertising effectiveness. Meanwhile, *Guinness* was awarded a gold Effie as **Advertiser of the Year for 2004**.

Overall, *Guinness* showed encouraging growth on the back of its sharp marketing strategy and successful staging of popular events such as *Guinness® Live*, *Guinness® Halloween Festival* and *Guinness® Irish Festival*.

Meanwhile *Baron's Strong Brew* continued to focus on the 'strong' and 'European heritage' values of the brand through events such as the *Strong Man Challenge* and *Slipknot Concert Sponsorship*. *Baron's Strong Brew*'s *Strong* campaign was a finalist in the **Effie Singapore 2005 Award**.

Finally, *ABC Extra Stout* achieved both reach and impact in its marketing effort. The brand exploited the opportunity for product placement through its sponsorship of television programmes; *ABC Extra Stout* was woven into locally produced dramas with different degrees of product placement.

To extend the reach of the brand, a series of concerts were organised in the year.

Now in its third year, the *ABC True Heroes Mega Star Concert* has been highly effective in promoting brand acceptance. Meanwhile, the *ABC Idol Roadshows*, the road version of *Singapore Idol*, sent excitement levels to fever pitch at heartland shopping malls throughout Singapore.

Also held in the heartland were the *ABC Silk Route Roadshows*, which provided entertainment in the form of music, dance and a beauty contest.

Geography-wise, the year for the Group was characterised by

general growth throughout the network of countries in which it operates. Individual countries either enjoyed a growth in market share or benefited from investments in plant expansion or upgrade.

Plants and production capacity were expanded in Malaysia, Cambodia, China, and Vietnam, helping the Group meet increasing demand in these countries.

Singapore

As part of its commitment to establish Singapore as the innovation hub for the APB Group, APB Singapore launched a $40 million packaging line in April.

This flexible and cost-efficient facility will allow the Group to package its portfolio of beers creatively and enable Singapore to be a leading player in creating new market opportunities. It will also elevate Singapore's packaging for its beer to a standard that will rival that in Western Europe and the USA.

The year also marked the 10th consecutive year APB Singapore achieved an "A" grading in the Agri-Food & Veterinary Authority of Singapore's (AVA) Factory Grading Scheme. The company was presented with a silver award at the **AVA Food Safety Awards 2005** in recognition of its continuous efforts to maintain high food safety standards.

Malaysia

To offset the increase in excise duties that had affected beer sales, Guinness Anchor Berhad intensified its marketing and promotional activities. It also launched several brand initiatives to improve its overall brand profile.

Tiger, *Heineken* and *Guinness* outperformed the market and further enlarged their market share on the back of innovative and creative marketing.

Heineken led in innovation with the launch of three exciting new presentations: *5L DraughtKeg*, *1.5L Magnum* and *PACO*.

At the same time, *Heineken* successfully projected itself as the international premium brand worth paying extra for by associating itself with hip sought-after events. Among these were the invitation-only *Heineken Music Green Room Sessions* featuring cutting-edge music acts and *Thirst Malaysia 2005*, a popular event for clubbers. Held at Sepang F1 circuit, *Thirst Malaysia 2005* attracted 4,000 clubbers and was a highlight of the year for the Malaysian music scene. *Heineken* also sponsored international movies to appeal to a wider audience, especially residents outside Klang Valley.

Meanwhile *Guinness* demonstrated convincingly its marketing edge with its sweep of five major awards at **DM Asia 2005 Singapore**. It was the first from Malaysia to win the *Best of the Best* and *Best of Show* for its Guinness MasterClass DM (Direct Marketing) Pack. *Guinness* also scooped the gold award in the *Direct Marketing Low Volume Mail* category and another gold in the *DM 3-Dimensional Mail* category. It was a finalist for *Best Craft in Art Direction*.

Internationally, it clinched the *PLUS Finalist Certificate* at the prestigious **New York Festivals 2005.**

Finally its *Why Not You?* cinema campaign was awarded a gold at the **Malaysian Media Awards 2005** for *Best Use of Ambient Media*.

New Zealand

The year marked DB Breweries' 75th year in New Zealand. DB Breweries celebrated the grand occasion by showcasing its rich brewing heritage and brand success through a series of festivities. Most notable among those was the tremendously successful *Shout the Nation* campaign where DB Breweries offered New Zealanders a free beer on its birthday.

DB Breweries had a lot to rejoice in, apart from its 75th milestone.

Once again the Group enjoyed growth in market share in New Zealand in the Group's fourth straight year of growth. In particular, the Group improved its position with sales growth from *Amstel Light*, one of DB Breweries' brands, which already owns more than 40% of the light beer market. With this, *Amstel Light* has become the light beer market leader in a little over two years – an extraordinary achievement.

Equally impressive was the performance of *Double Brown*, *Monteith's*, *Tui*, and the newly launched *Tiger*, *Sol*, *Budejovicky Budvar* and *Export Dry*.

Double Brown was the big player in the Economy segment. *Monteith's* also performed well, supported by strong on- and off-premise sales. *Tiger* showed its strength with a surge in volume, expanding rapidly from its small base. Meanwhile *Tui* was the strongest performer in the Mainstream market for the year.

Crowning a year of achievements, the Group bagged an impressive number of awards in the two beer award competitions that it entered.

For the second year running, *Export Gold* won the *NZ Lager* trophy while *Export Dry* took home the *Premium Lager* trophy at the BrewNZ Beer Awards. At the same award, DB Breweries also carried away two silver and three bronze awards, as well as the *Best In Class NZ Hop Marketing Board Trophy*, *Silver Best In Class Pall (NZ) Trophy* and *Silver Best In Class Hospitality Association NZ Trophy*.

DB Breweries' brands were as feted at the **Australian Brewing Awards 2005**, where they secured two silver and three bronze awards.

Internationally, *Monteith's Winter Ale* clinched the bronze at the **Brewing Industry International Awards** held in Munich, Germany.

Two premium brands, *Sol* and *Budejovicky Budvar*, joined DB Breweries' stable in the year.

Going forward, DB Breweries will focus on growing the strength of its existing brands.

Papua New Guinea

The Group maintained its dominance of the beer market in Papua New Guinea with a market share of 99%. With the national beer market growing by 3% in 2004, SP Breweries enjoyed its highest volume in 12 years. This growth is driven partly by an improved economy and partly by SP Breweries' aggressive commercial activities.

SP Breweries increased distribution through an improved supply chain, closer cooperation with distributors and effective marketing and brand building activities.

Marketing activities included *SP Lager*'s relaunch of the Rugby League's *SP Cup*, and *Ice Beer*'s sponsorship of the television talent show, *Ice Discovered*. *Export Lager* also sponsored the *Papua New Guinea Tourism Expo*.

Vietnam

Robust economic growth in Vietnam – the country enjoyed a GDP growth of 7% in the year – and an accompanying rise in disposable income has stimulated dynamic growth in the beer industry. The Vietnam beer market is currently expanding at 8% per annum.

The outlook for the market is particularly positive for international, premium brands as the market continues to grow in sophistication. Young local drinkers are becoming both brand-savvy and brand-conscious, with regular brand upgrading. With no major international competitors operating aggressively as yet in the market, a window of opportunity is open for the Group to embed its brands as the leading international brands in the country.

The year, however, saw the Group facing off challenges in the shape of aggressive competition from new market entrants.

In the year, the Group worked hard to have *Heineken* and *Tiger* dominate the Premium segment. The Group achieved this by associating the two brands with international tennis and movies through events such as *Heineken Challenger*, *Vietnam Open 2005*, and *Movie of The Week* on television. *Heineken* also raised its retail price to ensure it is the highest priced brand in the Premium segment, to reinforce its high-status positioning.

The two brands had to fend off aggressive brand expansion programmes by international beer brands. Despite this, *Tiger* enjoys a high level of brand awareness and a promising scope of brand strengths while *Heineken* is the fastest-growing brand in the portfolio of the Group-owned Hatay Brewery.

Meanwhile the introduction of *Anchor* in 330ml cans will give the Group a true-blue mainstream product to engage in the battle for market share in the Mainstream segment.

Finally, it was a landmark year for Hatay Brewery when it was bestowed its first **Golden Dragon Award** by the *Vietnam Economic Times*, in recognition of its footing as one of Vietnam's most excellent foreign companies.

It was an equally noteworthy year for the Group's Vietnam Brewery. It picked up a string of awards including the **2004 Saigon Times Top 40 Award, Golden Dragon Award 2004, Vietnamese High Quality Product Award 2004, Heineken Brewery Award 2004** and **Tiger Quality Award 2004-2005**.

Growth prospects are rosy and in keeping with this, the Group boosted its capacity substantially in the year. Hatay Brewery installed a new canning line while Vietnam Brewery is increasing its plant capacity from 1.5 million hectolitres to 2.3 million hectolitres and adding a second bottling line. In the year, the brewery also opened a commercial department and general warehouse in Ho Chi Minh City.

Thailand

Despite the tightening of government regulations (on advertising guidelines, allowed points of sale, sales hours and social order), violence in the South, bird flu and high oil prices, Thai Asia Pacific Brewery continued to dominate the Premium beer segment with the 94% market share held by *Heineken*.

The year saw Heineken drawing on innovative musical events to reinforce its positioning as a leader in music happenings.

One such event was the invitation-only Heineken Green Carpet Party. Held on the roof of Central World Plaza in Bangkok, the first Heineken Green Carpet Party was attended by over 1,000 invited socialites and celebrities in the fields of fashion, music, sports and lifestyle activities.

Another highlight was Heineken Jazz Festival Hua Hin 2005 – Jazz on the Beach. A showcase of Thailand's most talented jazz musicians as well as prominent international guest artistes, the three-day event attracted over 20,000 jazz fans.

Also a hit was Heineken Music Thirst Asia Final 2005, a regional competition to select the best Thirst DJ in Asia Pacific. The event drew thousands of spectators, including Thailand's most famous celebrities and DJs.

Meanwhile Tiger Beer contributed to the 5% growth of the Thai Standard segment in the year.

Now in its second year in the Thai market as a locally brewed beer, Tiger has achieved high brand awareness through unique marketing events such as Tiger Dome, where a giant air-conditioned tent was erected in the heart of Bangkok city, showcasing entertainment such as games, food, Thai musical superstars and the Tiger signature dancers. Tiger Dome was one of Thailand's most successful events of the year.

Tiger Skins 2005, a congregation of some of the world's elite golfers, was another successful event.

The year also saw the launch of *Cheers Beer* to further develop the Group's brand portfolio in Thailand.

Cambodia

The year saw exciting growth for the Cambodian beer industry, fuelled largely by the expansion of the Group's Cambodia Brewery. The biggest growths were registered in the Economy segment; *Gold Crown* was the best-selling and fastest growing beer brand in this segment.

Additionally, Cambodia Brewery's brewery output has increased by

more than 22% with the boost in performance of its canning line.

Cambodia Brewery is also muscling up for growth ahead. In the year, four new fermentation and storage tanks were added to increase capacity. And a new heavy fuel generator replaced the existing three smaller diesel generators for better cost efficiency.

Overall, Cambodia Brewery, which has captured the lion's share of the pie, continued to gain in market share.

China

The Group had an eventful year in the consolidating beer market of China.

The Group's Shanghai Asia Pacific Brewery hit record production of two million hectolitres. Another cause for celebration was the many awards picked up by its brand, *Reeb*; it was named *1995-2005 Shanghai Famous Brands*, *2004 Shanghai Famous Trademark* and *2004 Top-selling Brand of Shanghai*. The company is currently in the process of commissioning a new packaging line.

Hainan Asia Pacific Brewery had an equally uplifting year. Its mainstay brand, *Anchor*, overshot by 9% the target set, to achieve a market share of 73%. The company also remained number one in the Hainan market, due to the success of the launch campaign for *Anchor Red Crown*.

Hainan Asia Pacific Brewery also clinched the Cost Control Management Champions 2003/2004 Award and, for the second year running, the Best Brewery Cup In Asia Pacific for 2004.

DaFuHao extended its foothold in Jiangsu with the acquisition of a brewery in Wujiang. The year also saw DaFuHao honoured as one of the *Top 10 Enterprises in China Beer Industry*.

Kingway adopted innovative marketing strategies to enhance brand awareness. During the first half of 2004, *Kingway* co-produced and sponsored the *Kingway 2004 International Supermodel Contest*, which featured 46 contestants from 33 countries or regions. In addition, the Kingway art performance troupe staged over 100 shows in various cities to promote the *Kingway* brand.

Kingway is so popular that demand consistently outstrips supply. With the first phase of construction of the 200,000-tonne Shantou brewery plant completed, the plant has been up and running since January 2005. Construction of another 200,000-tonne plant in Dongguan is expected to be completed in December 2005.

The year also saw construction work begin on two 200,000-tonne plants – one in Tianjin and the other in Xian, Shaanxi Province. The Tianjin plant is scheduled for completion in the middle of 2006 while the Xian plant is expected to be operational in the first half of 2007.

Looking forward, the Group is confident that with its well-developed corporate culture, strong financial position, and comprehensive and efficient distribution network, it will continue to grow its sales volume and turn its business around in China.

Soft Drinks

The soft drinks division made history in the year with sales breaching the RM1 billion mark for the first time. With foundations deeply entrenched, the division is primed to further extend its market dominance. Armed with a new strategic roadmap, the Group has set its sights on aggressively penetrating and expanding into new beverage categories.

Malaysia

It was an exhilarating year for the soft drinks division as it passed the historic RM1 billion sales mark.

The division also enjoyed record operating profits. Almost all its brands lifted sales, with many setting new volume records.

Despite a significant escalation in the costs of essential raw materials and energy, most regions turned in better operating profits.

These achievements marked the culmination of five years of steady revenue growth averaging 9% per annum. It also reflects the success of a strategy that included implementing rationalisation and restructuring initiatives and schemes such as trade loyalty programmes to retain customers.

In the year the division continued to strengthen its market presence through consistent investments in both 'hardware' and 'heart-ware'.

In terms of 'hardware', the division upgraded and bought coolers and sales equipment, and invested RM43 million in an in-house polyethylene terephthalate, or PET, bottle blowing facility which was completed in September 2005, bringing about manufacturing efficiencies and significant savings in logistics and warehousing.

The division was as dynamic in the sponsoring of key sports and entertainment events, allowing it to capture the hearts and minds of consumers in the region.

Winning the hearts of its partners was also a priority, as seen in the implementation of the *SMART Partnership Programme*, designed to assist distributors in building up their infrastructure and capabilities for long-term growth.

Marketing Leadership

Revenue grew 10% in the year while sales volume increased 3% despite rising fuel and raw material prices and weak consumer sentiment.

The Group consolidated its leadership of the Malaysian carbonated soft drinks market by enlarging its market share to over two-thirds.

It was also the clear leader in the Malaysian ready-to-drink market, with its portfolio of products led by *100PLUS*, *Coca-Cola*, *F&N* and *SEASONS* Asian selection accounting for a 40% share of the market.

Coca-Cola remained Malaysia's top-selling carbonated soft drink, while *100PLUS'* dominance of the isotonic segment was strengthened by a growth of 15% in sales volume, up from last year's 12% growth.

SEASONS was another expanding brand in Malaysia with sales swelling 6%. Beyond growth in sales, *SEASONS* also enlarged its product line with the introduction of *SEASONS Soya Bean Milk with Rose Syrup and Selasih Seeds*.

The *Fruit Tree* range of juices was marketed aggressively in Malaysia in the year. The resultant 150% surge in sales points to the brand's strong potential. Two new *Fruit Tree* flavours, *Mango Nata de Coco* and *Blackcurrant Aloe*, made their debut. *F&N Blazt* and *Sprite Remix* were also launched in the same period.

With the acquisition of new accounts and the renewal of existing ones, the division now has more than 1,800 retail outlets and establishments throughout Malaysia.

Marketing Highlights

Marketing for the year was driven by innovative answers to the lifestyle needs and interests of soft drinks consumers.

For instance, the Group tapped into Malaysians' fascination with both the music scene and reality shows by tying up with the country's latest reality TV show, *Thirst for Passion: Music Executive*. The show offers insights into the workings of the recording industry and the winner will walk away with a job with record company EMI to produce an album.

Meanwhile, banking on the power of aspirations, the *100PLUS Dream Challenge* exhorted consumers to share their wildest dreams via writing or voice recording. The brand then proceeded to turn the wildest dream of the winners into reality.

Coca-Cola Light also exploited the passion for diamonds among its female consumers by running *One Calorie, One Carat*, a promotion that offered the winner of a fun crossword puzzle the top prize of a jewellery set worth RM50,000.

Finally, *100PLUS* continued to promote sports among all Malaysians. The brand sponsored numerous grassroots, national and regional events in cycling, hockey, badminton, soccer, golf, triathlons, marathons, walking events, beach volleyball and bowling.

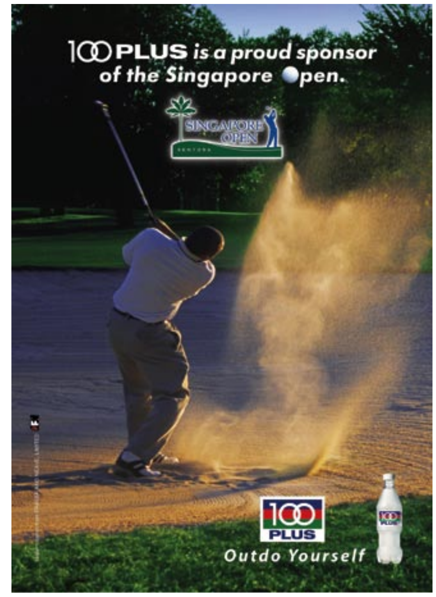
Singapore

In Singapore, the marketing efforts were very much focused on renewing excitement for its portfolio of brands through innovative product launch to cater to consumer lifestyle and health trends, as well as integrated brand communication and ground activation to connect with its consumers.

For instance, *F&N Blazt* was launched with a new television advertising campaign to renew interest in the brand and to connect with younger consumers who are looking for beverages that are more innovative, hip and cool.

A new *100PLUS* television advertising campaign was also kicked off, to augment stepped-up efforts in ground activation and sponsorships of major sports and active lifestyle events. For example, *100PLUS* was the official beverage partner for the Singapore Health Promotion Board's *National Healthy Lifestyle* campaign in 2005 as well as for major sports events such as *The Singapore Open*, *NUS Heritage Run*, *Real Run* and the *Singapore Standard Chartered International Marathon*. These integrated renewed efforts helped bump sales figures up 10% for *100PLUS*.

In line with health trends and consumers' demand for healthier beverage options, two new products – *SEASONS Ice Apple Tea* and *SEASONS Ice Peach Tea* – were introduced to extend the *SEASONS* range of fruit tea drinks. These two new products helped the sales of *SEASONS* tea drinks to expand by 16% last year.



F&N, with a long history in Singapore that is synonymous with quality, has been able to stay relevant to new generations of consumers by constantly invigorating the beverage market with innovative products. It therefore came as no surprise when F&N was ranked among *Singapore's 15 Most Valuable Brands* in the **Singapore Brand Award 2005**. This marks the fourth consecutive year that F&N has been conferred the **Singapore Brand Award**, since the inception of the award.

Dairies

Demonstrating its enterprise pedigree, the Group's Dairy operations recorded improved operating profit despite a difficult and challenging economic environment and sluggish consumer sentiment. This was made possible by the implementation of innovative and strategic measures that reaped sustained market leadership, higher productivity and improved manufacturing efficiencies.

Malaysia

Despite escalating prices of key raw materials, fuel, packaging and transportation, the Group's Malaysian dairy operations achieved higher operating profit of RM39 million.

During the year, total sales revenue increased by 9%. Additionally, almost all brands in most regions registered improved revenue, with new volume records set by brands across most categories.

Key strategies improved market performance and mitigated rising production costs. They included the reformulation of products and the introduction of new products to cater to market demand and the adoption of energy-saving processes such as the conversion from medium boiler fuel to natural gas.

The Group also embarked on the Forecast-To-Stock (FTS) system, a powerful IT tool that enables timely and accurate reporting to aid sales, manufacturing and management decision-making.

In the highly competitive sweetened condensed milk segment, the division generated 7% higher sales. This allowed F&N's sweetened condensed milk to maintain its market leadership at 49%.

The Group's sales volume for the evaporated milk category also expanded by 8%. Meanwhile, the sterilised milk segment posted a remarkable increase of 15% in revenue over the previous year.

The pasteurised juice sector also enjoyed robust growth. *Sunkist* and *Fruit Tree Fresh* together surged 21% in sales volume and 26% in revenue. Sales volume of *Fruit Tree Fresh* swelled by a phenomenal 61%, for an extraordinary 77% increase in revenue. The growth was driven by product innovation with the launch of several exciting new flavours, supported by an integrated innovative marketing programme.

In the highly competitive ice cream segment, F&N's *Magnolia* brand managed to sustain sales volume, while pasteurised milk brought in marginally higher sales.

Product brand building and elevating awareness of the diversified range of F&N dairy products among Malaysian consumers were strongly emphasised in the year.

To reinforce the brand equity of *F&N Sweetened Condensed Milk* as the number one brand in the country, the seventh edition of *Cabaran Tariking F&N*, the family entertainment programme, was televised nationally over a two-month period. It attracted a record two million viewers. It was also well integrated with a national consumer promotion contest that attracted over 120,000 entries nationwide.

The consumption of *Fruit Tree Fresh* juices has gained increasing momentum, especially among young Malaysian adults. This is mainly due to growing affluence and a favourable response to the tropical flavoured beverage. During the year, several new variants such as *Soursop with Nata de Coco bits* and *Blackcurrant Aloe with Aloe Vera bits* were launched to stimulate interest among consumers.

To keep abreast with consumer preference and taste, a total packaging revamp was carried out that uplifted the *Daisy* brand. For the same reason, the sterilised *Magnolia Full Cream Milk* was launched in June 2005. This new product is fast gaining popularity and promises to boost the *Magnolia* brand.

In the ice cream sector, *Magnolia* ice cream scored a first as the only local industry player to offer yogurt ice-cream.

The Group's success in ensconcing *F&N Sweetened Condensed Milk* as the number one brand in Malaysia was recognised with a gold award in *Reader's Digest* **Superbrands Malaysia 2005 Awards (milk category)**. In the same award, the Group bagged another gold for *Sunkist Juice* in the juice category.

Additionally the success of the seventh edition of *Cabaran TariKing F&N 2005* enabled F&N to clinch the bronze award for *Best Long-Term Marketing and Branding Campaign* in the **Asian Brand Marketing Effectiveness Awards 2005**. F&N was the only Malaysian entry – from among several hundred entries from the Asia Pacific region – to win this prestigious accolade.

Singapore

In Singapore, product innovation and effective marketing campaigns fuelled a healthy 5% rise in revenue.

In the milk category, *Magnolia Fresh Milk* and *UHT Milk* maintained their pole position in the market. Meanwhile, leveraging on the growing health consciousness of consumers, *Low Fat High Cal* continued to grow year on year.

The addition of *Magnolia Smoo Milk*, a nutrient-rich milk containing taurine for children aged four to six, to the portfolio of brands contributed to the strong 12% growth in the UHT category, and maintained the high profile of the *Magnolia* brand. *Smoo's* friendly mascot, Smoo the cow, enjoys great appeal among its target audience. It was featured in a strong marketing programme of interactive song and dance sessions with schoolchildren at 240 pre-schools and kindergartens. A dedicated school delivery programme contributed to the strong success of the product.

Daisy Low Fat High Calcium Milk underwent a logo and packaging update to project a new stylish look. To better meet consumer needs, *Daisy* reduced its fat level from 1.5% to 1% and launched the *Same Great Taste Now 99% Fat-free* integrated campaign comprising TV, press and outdoor advertising, with consumer programmes and sampling exercises.

The *NutriSoy* brand continued to shine as the number one fresh soya brand in Singapore, while *Reduced Sugar with Organic Brown Rice* variant, launched in March 2005, has become the second best-selling fresh soya variant in Singapore. This early success can be attributed to a successful tie-up with FM97.2's health programme. Nutrisoy was also positioned as being part of a healthier lifestyle with its sponsorship of the popular Channel U programme, *A New You*, hosted by Jacelyn Tay.

The pasteurised fruit juice segment posted outstanding double-digit growth in revenue, and maintained its leadership position with two strong brands in *Fruit Tree Fresh* and *Sunkist*.

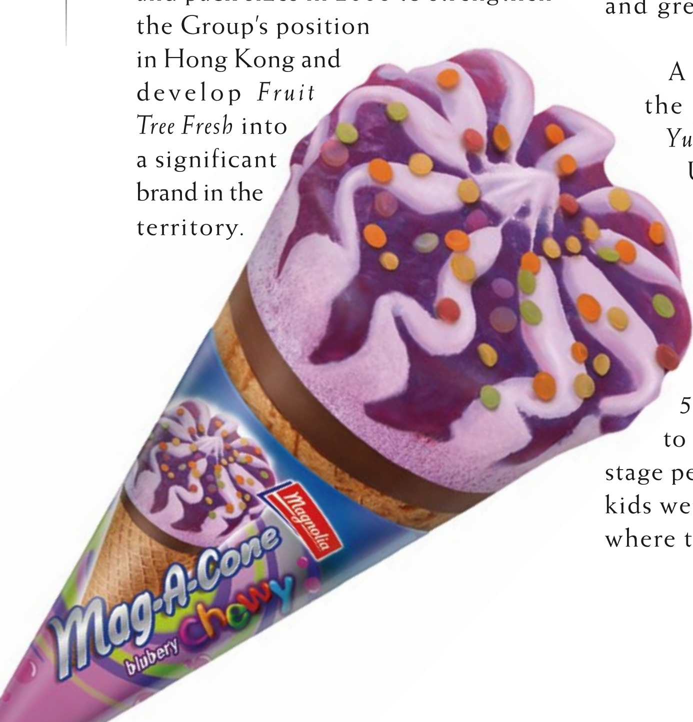
Magnolia's leadership in the ice cream category was supported by quarterly launches of new and innovative products that refreshed the brand among consumers. *Magnolia's* share of the ice cream tub market grew stoutly with the launch of yoghurt-based ice cream *Magnolia Escapade*. The effective marketing campaign for *Magnolia Escapade* employed creative publicity stunts and programme sponsorship on prime time TV with celebrity endorsement by Joanne Peh. *Magnolia* also extended its *Mag-A-Cone* portfolio with the launch of *Bluberry Chewy*. The product was promoted successfully through bus stop shelter advertising. *Magnolia Moments* ice cream also impressed with a great debut year.

The Singapore dairy operation garnered a handful of prestigious awards throughout 2005. *Magnolia's* status as a much-loved local brand for over 65 ears was reaffirmed with a **SuperBrand** award for the seventh year running. *Fruit Tree Fresh* was also honoured with a **Reader's Digest Gold** award for the second consecutive year while a *Magnolia Moments'* TV game-show concept was a finalist at **Effie 2005**, a competition that rates the effectiveness of marketing campaigns.

Export

Among its export markets, with lower growth emanating from Africa, growth was driven by sales to Hong Kong, the Philippines, Papua New Guinea and new markets.

In Hong Kong, the well-supported launch of *Fruit Tree Orange Aloe Vera* accelerated the growth of the *Fruit Tree Fresh* brand. With the success of the brand, plans are underway to introduce more varieties of flavours and pack sizes in 2006 to strengthen the Group's position in Hong Kong and develop *Fruit Tree Fresh* into a significant brand in the territory.



Thailand

In a landmark year, the Group's Thailand operation raked in record sales of THB 437 million.

The results were due to the launch of 19 new products, which extended the consumer base and fuelled consumption. Cost-effective measures such as the replacement of dry ice with reusable eutectic packs – a move that reduced cost by 70% – also contributed to the sterling performance.

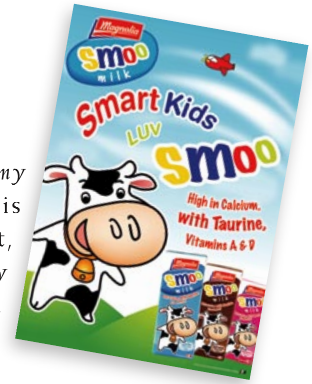
The Group invested in 4,700 new freezers and 210 carts in the year to keep pace with rising demand.

Vietnam

Vietnam Dairy Operations saw improvements in sales, margin and bottom line. Sales revenue grew 15%. This was despite intense competition with new players in the market and rising raw material prices.

The improvements were achieved through product rationalisation, price increases, better cost management and greater plant utilisation.

A highlight of the year was the successful launch of *Daisy Yummy Milk*, which swelled UHT Milk volume by 32% for the year. The launch was planned to coincide with Children's Day, with the kick-off feted by a stream of activities. In an event held at a park, some 50,000 children were treated to a fun-filled day of games and stage performances. Another 25,000 kids were treated to an *Aladdin* play, where they were also introduced to the *Daisy Yummy* mascot. In this live-wire event, the *Daisy Yummy* cows danced, mingled with children and sang the *Daisy Yummy* song.



The launch was also supported by television commercials, print advertisements in popular magazines and wide sampling.

Since launching into the UHT Milk market, the company has lifted its volume by 77%.

China

The Group's 29.5%-owned China Dairy Group Ltd ("CDG") enjoyed encouraging sales. CDG, the largest manufacturer of dairy products in the north-western region of China, recorded sales growth of 27% to achieve revenue of $75 million for its half-year ended 30 June 2005. This was partly due to the kicking off of phase 2 of the liquid milk production facility at Lintong Economic Development Zone in January 2005, which boosted the plant's liquid milk production capacity five-fold, to 590 tonnes a day. The new facility will enable CDG to capitalise on the fast-growing liquid milk segment in the country.

Packaging

The Group's glass packaging division achieved a 2% rise in turnover, to RM281 million. This is due to the reinstatement of production capacity in Malaysia and Vietnam, where two glass furnaces were closed for rebuilding last year, and increased volume in China. However, the increase is offset by lower output in Malaysia due to furnace leakage.

The furnace at Malaya Glass that leaked during the last financial year was fully restored in March 2005. Throughput for the year, however, was down by 17% and supplies had to be outsourced to meet commitments to customers. Higher operating cost as a result of business interruptions and the cost of outsourcing supplies, although insured, were not fully recoverable.

China remained the division's weak spot.

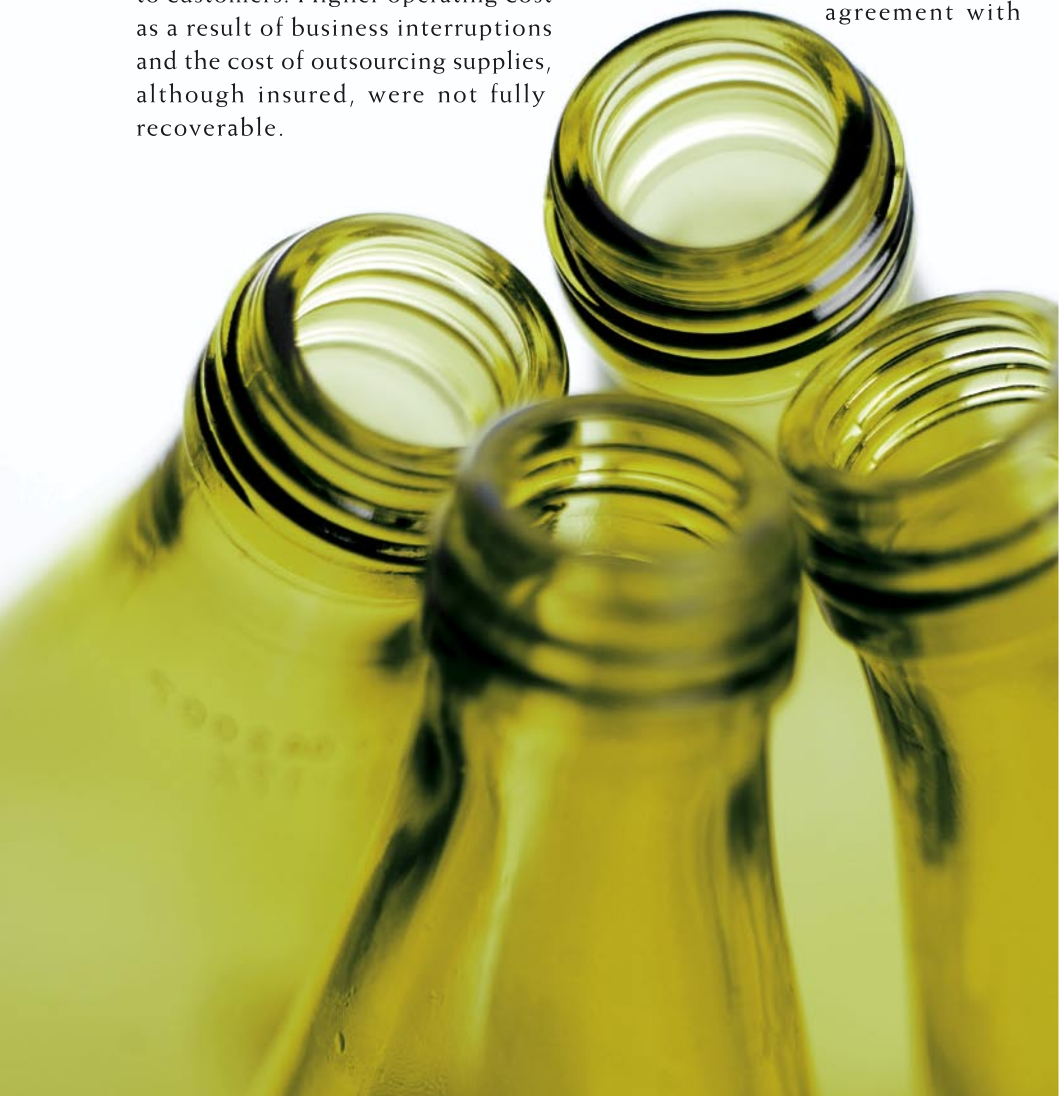
Sichuan Malaya Glass, the Group's plant in China, continued to perform below expectation despite operating at full capacity. This was due to its low pricing structure and small customer base in Sichuan.

However the China operation is targeted to break even in 2006 after two consecutive years of losses, as steps taken by management begin to bear results. Already there is evidence of a marked improvement in operating efficiency.

The Group signed a joint venture agreement with Thai Asia Pacific Brewery Co Ltd and Siam Glass Industry Co Ltd to build a greenfield glass bottle plant costing US$35 million in Thailand. The Group will hold a 70% stake in the plant. With this new addition, the glass division will operate five production facilities in four countries, ranking it among the handful of leading regional players able to handle multi-location multinational clients.

When operational in 2007, the 280-tonne per day plant will be able to produce 70,000 tonnes of glass containers a year to serve local and overseas customers.

The year ahead will continue to be challenging for the Glass division. But the Malaysian operations are gearing up to meet these challenges by increasing efficiency and controlling costs while meeting the stringent quality and competitive pricing required by customers.



PROPERTIES

[unlocking the *promise* of the future]

Properties

As the Group's property arm seeks to upkeep the excellence that has characterised the division through the years, its legacy of enterprise continues to unfold and grow. What lies ahead is a breathtaking view of the future.

Malls of Centrepoint

www.centrepoint.com.sg

Once again, the Group's property division turned in an impressive performance in the face of competition and a tough retail climate. Clever marketing strategies and a firm footing in the business helped the Group reinforce its position as one of the leading property owners and managers in the country.

The *Malls of Centrepoint* comprises Centrepoint, Causeway Point, Compass Point, Northpoint, Anchorpoint, Robertson Walk and Valley Point. Together, the malls received 7 million shoppers per month, with most of the malls maintaining healthy occupancy rates and patronage. This remarkable record was due to a combination of differentiating factors: the attractive location of the malls, excellent mix of quality tenants, and strong tenant relations.

Its success was also driven through the execution of compelling crowd-pulling advertising and promotional programmes.

Aggressive strategic promotions were instrumental in increasing traffic and shopper spending in the malls. Besides staging regular festive and school holiday events at the malls, tactical promotions like shopper loyalty and credit card programmes were organised jointly with tenants. Sales of shopping vouchers, for instance, soared when the Group launched five new reward/redemption programmes with partners like UOB, DBS, Citibank, and OCBC.

Another successful promotional vehicle was the *Malls of Centrepoint* website, which enjoyed high traffic, registering a record of more than 2.6 million hits in the month of September.

Given its astute finger on the retail pulse, *Malls of Centrepoint* will be on the lookout for more regional retail management opportunities.

Centrepoint Shopping Centre is the Group's 23-year-old flagship mall located in Orchard Road. It is a household name with a loyal base of shoppers and sterling anchor tenants like Robinsons, Marks & Spencer and Cold Storage.

This year, however, saw some fresh injection of retailers. They are: Leonard Drake, Hess Education International, Linguaphone, ALDO, Savoir Fair, PINC, Mexx, Oregon Scientific, La Pagayo, Peach Blossom Gallery, The Lens Men, Royal Fabrics, Rustic Room and RISIS.

The mall is currently undergoing upgrading works to add an extension to the building. To be completed by the fourth quarter of 2006, the upgrading will enlarge the mall's net lettable area by approximately 58,000 square feet.

In the year, Centrepoint became the first shopping centre in Singapore to be awarded the **Singapore Service Class** by *SPRING Singapore* (Singapore's Standards, Productivity and Innovation Board), in recognition of the centre's commitment to service excellence. It was also one of three shopping centres short-listed for Singapore's **Effie Awards**, which recognise effective advertising in the industry.

Causeway Point Shopping Centre, the largest mall in the Group's portfolio, is situated in Woodlands. Due to its close proximity to a transport hub, offices and a library, it enjoys high shopper traffic averaging 2.2 million a month. This year, the mall renewed a majority of leases, while welcoming new tenants like Lee Hwa Jewellery, RISIS, ebase, Samuel & Kevin, Hang Ten, TS, Cold Wear, Spring Maternity, Power 9, Check, Mini Bits, Whatever Icon, Cute Tink, AUF, Gelare, Sweet Talk, More Than Words, Kidz Republic, Red Earth, Raffles Denticare and Hecom.

The mall was also voted the **Best Suburban Mall** in a poll done by the national daily, *The Straits Times*, and was accorded a **Best A&P Efforts Award** by the *Singapore Retail Association*.

Compass Point in Sengkang is Singapore's first themed 'Learning & Discovery' mall. The mall enjoyed 100% occupancy for the past three years.

A majority of the leases were renewed this year at Compass Point. New tenants include Swensen's, Citigems, Time Zone, Polar Puffs & Cakes, Missha, Wym Boutique, Veeko, 3Foods, Yakun Kaya Toast, 1901 Hot Dog & Venezia, Bits & Pieces, Mini Toons and Capitol Optical.

Northpoint Shopping Centre is a flourishing suburban mall in Yishun. The decade-old mall continues to be popular with residents, and enjoys brisk business all year round. This year, its new tenants include Lee Hwa Jewellery, Heidi's, Print Club, Beijing 101, Citigems and Tenchi Comics.

Anchorpoint Shopping Centre, with its frontage on Alexandra Road, continues to benefit from a repositioning strategy and a newly created F&B hub. The mall constantly fine-tunes its tenant mix to stay relevant to shoppers. This year, new retailers include Bloomington Greetings, Watson's Personal Care Store and Mei Heong Yuen Dessert.

Robertson Walk remains the place for cosy alfresco dining, with its enticing spread of restaurants, cafes and pubs. Set in the affluent River Valley residential district, the Mediterranean-styled courtyard entertains a sports-loving crowd on weekends, when sports programmes are telecast on multiple screens. Its new tenants include Beboz Wine & Dine, Mu Dian, Sage The Restaurant and Wine Connection.

This year, Robertson Walk was again conferred the **Friend of the Arts** award by the *Singapore National Arts Council* for its support in promoting the arts in Singapore.

Valley Point Shopping Centre is a two-storey retail podium offering convenient shopping for the guests of Fraser Suites Serviced Residences and tenants of Valley Point Office Tower. It also serves residents in the prime River Valley area. This year saw the arrival of Galerie Aum, Jazz Cats and The Ice Cream Gallery.

Overseas Shopping Mall

Bridgepoint North, Australia, achieved a higher rental income in a tough market and occupancy was about 96%.

Fraser Serviced Residences

www.fraserhospitality.com

Fraser Serviced Residences is a premier global serviced residence company with gold standard residences in London, Paris, Glasgow, Seoul, Singapore, Shenzhen, Manila, Bangkok and a boutique resort in Phetchaburi, Thailand.

Since its inception in 1998, Fraser has grown from a Singapore brand with two local flagship properties to an established regional and international name in the medium-to long-term stay market. Fraser's reputation as an outstanding manager of premier properties stems from its focus on continuous product and service development to meet unique needs locally and globally.

In this financial year, all of Fraser's properties performed better than the industry average. Additionally Fraser enlarged its footprint with its entry into the Middle East market, undertaking two new properties in Dubai and Bahrain.

Fraser's dedicated quest for excellence also saw the company garnering numerous awards and accolades, a testimony to the strength of its philosophy of achieving outstanding customer satisfaction through innovative lifestyle offerings and a customer-centric service culture.

In September 2005, Fraser became the first serviced residence to be conferred the **Singapore Service Class** by *SPRING Singapore*, in acknowledgment of Fraser's commitment to service excellence. In the year, Fraser also received the **Distinctive Brand Award** from *ASME Singapore* and Chinese-language daily *Lianhe Zaobao*, the **Standard of Excellence Web Award 2005** from *Web Marketing Association, USA* for the Fraser website and the **Friend of the Arts Award 2005** from the *Singapore National Arts Council* in recognition of Fraser's support of the arts in Singapore.

Fraser also won acclaim in the region for its branding, service and management. The accolades included the **Best Premier International Serviced Residence Award** conferred by the *Philippine National Consumers Quality Awards* and *People's Choice Awards* for Fraser Place Manila, and the **Best Brand Awards** bestowed for the fourth consecutive year by *Korea Herald and Korea Times* for Fraser Suites Seoul. Fraser Suites Seoul was also presented with the **2005 Global Management Prize** by *Herald Business Korea* and the **Korea Quality Management Award 2005** by *Seoul Economic Daily*.

In line with the Group's overall strategy to increase fee-based income, Fraser will continue to minimise equity participation while retaining management. The Group will perpetuate the Fraser brand globally through its four lifestyle offerings: Fraser Suites Serviced Residences, Fraser Place Serviced Residences, Fraser Corporate Residences and Fraser Boutique Resorts.

Singapore Serviced Residences

Fraser Suites Singapore enjoyed occupancy of about 92% in the year, a figure that is well above the industry average. Located in the heart of Singapore's prime residential district in River Valley, the 251 fully furnished serviced residences continues to be the preferred accommodation choice for top multinational and Fortune 500 corporations.

Fraser Place Singapore sustained its strong occupancy of about 90%. Strategically located at Robertson Quay by the banks of the historic Singapore River, the 161 apartments infused with a Mediterranean ambience continued to be popular with corporate executives who are in Singapore on extended stays.

Overseas Serviced Residences

Fraser Suites Insadong, Seoul, previously known as Fraser Suites Rodamco Place, was renamed in August 2005. Its new name points to its unique location in Insadong, the traditional arts and culture hub of central Seoul. This premier development of 213 exquisitely furnished suites achieved occupancy of over 93% in 2005.

Fraser Place Forbes Tower, Manila, maintained its sparkling performance, with occupancy of over 95%. Located in the heart of Metro Manila's Central Business District in Salcedo Village, it is close to the city's banking and financial districts as well as the entertainment and restaurant belt.

Fraser Suites Kensington, London, offers ready access to internationally renowned shops, restaurants, café bars, royal parks, museums and West End theatres with its superb location in Central London's Stanhope Gardens. It is the only serviced apartment building in London fronted by a private landscaped garden. Fraser Suites Kensington has maintained a robust average occupancy of around 83% since 2003.

Fraser Place Chelsea, London, with its location adjacent to Fulham Road and close to King's Road, offers guests an enviably fashionable London lifestyle. The immediate area features a kaleidoscopic selection of shops, restaurants, bistros, cinemas and health clubs. Constructed originally as artists' studios, the 30 galleried apartments were refurbished in September 2003 to retain many of the charming and unique original features. After this refurbishment, occupancy has averaged 84%.

Fraser Place Canary Wharf, London, is strategically located in the fashionable Canary Wharf area, London's fast-growing modern new business district in the Docklands. Each of its 63 stylish contemporary apartments boasts a spacious living area and a private balcony with ceiling-to-floor windows for waterfront views of Canary Wharf and the Millennium Dome. Its immense appeal to global travellers is reflected in its steady occupancy of 87%.

Fraser Corporate Residence – Prince of Wales Terrace, London, is located in one of London's most prestigious areas; it faces Kensington Palace and has High Street Kensington and the Royal Park at its doorstep. This elegant Victorian-style property features spacious 3- and 4-bedroom apartments, each with a fully fitted kitchen and a lounge with sitting and dining areas. In the year its 10 apartments maintained an occupancy rate above 70%.

Fraser Suites Glasgow, Scotland, was opened in October 2004. Built in the 1850s, this extensively renovated baronial building boasts a stunning Victorian façade designed by the celebrated JT Rochead and is located in the heart of Merchant City among sophisticated and elegant Victorian merchant houses. The 102 spacious residences offer contemporary and stylish furnishings with fully equipped kitchenettes, as well as entertainment and communication facilities. It is currently enjoying occupancy above 70%.

Fraser Suites Harmonie, Paris La Défense, France, opened in September 2004. Located in the futuristic business district of La Défense, where form and function meet to produce poignant beauty, the stately 134-room apartment block overlooks the majestic La Défense, or the River Seine. Most apartments boast a private balcony for delightful views of the river. This sanctuary in the city features a comfortable and functional layout and a warm, energising atmosphere generated by its trendy contemporary design. Another distinctive feature is the street-level garden with an eye-catching terrace. In its first year of operations, Fraser Suites Harmonie achieved an impressive occupancy of over 70%.

Fraser Place Shekou, Shenzhen, China, is Fraser's flagship property in China. Opened in December 2004, its 232 apartments cater to varied needs, with units ranging from one-bedroom deluxe apartments to four-bedroom penthouses. Its location in the largest premier residential area in Whale Garden also means convenient access to the commercial administration area in Guishan Road and the financial district. Perched atop Nanshan Hill, it offers a panoramic view of the coast. Fraser Place Shekou was specially designed by a US-based agency along environment-friendly precepts. Its eco-friendly design reduces waste, saves energy and space and protects the environment.

Fraser Corporate Residences Futian, Shenzhen, located on the main Shennan Avenue in Futian's central business district, is a short walk from the subway line and close to a new convention centre and golf course. Opened in January 2005, the property offers excellent views of the golf course and enjoys high visibility from the main road. Its facilities include a gymnasium, an observation deck, a rooftop jet pool, a gazebo-style massage room and outdoor barbeque, all offering panoramic views of the city skyline.

Fraser Boutique Resort – Fisherman's Village, Thailand, is Fraser's first boutique resort. Nestled in Haad Chao Samran, the site of the royal lodging pavilion of King Rama IV in Phetchaburi, it is only two hours from Bangkok and a 40-minute drive from Hua Hin International Airport. Fisherman's Village is an exclusive retreat set in a private enclave fronting the beach. It consists of only 34 private villas, including two honeymoon suites, and is set in a meticulously designed landscape created to harmonise with the surrounding environment. Encircled by lush greenery, water courts, flora and fauna and a variety of marine life, the development balances the elegance of Thai architecture with the relaxed ease of contemporary living.

Fraser Place Langsuan, Bangkok, is an idyllic sanctuary in the midst of Bangkok's bustling commercial hub.

It was opened with a soft launch in October 2005. Its 129 units range from studio to 4-bedroom penthouse apartments, with a full suite of personalised lifestyle services such as daily complimentary breakfast. The building is outfitted with wireless Internet access as well as an outdoor borderless sky pool on the 32nd floor that offers a panoramic view of the surrounding greenery and an entrancing cityscape. To add to its appeal, prime shopping centres like Central Department Store, Gaysorn Plaza and the World Trade Centre are close by, as are entertainment and dining outlets. The Chitlom and Ratchadumri BTS Skytrain stations are also within walking distance.

Fraser Suites Seef, Bahrain, situated in the prestigious Seef District in the heart of Manama, the capital of Bahrain, will be launched in 2007. Its prime location in this fast-growing business district will meet the demand from corporations seeking premier serviced accommodations in the area. The property is conveniently located above the renowned Seef Mall. It is also situated opposite the Bahrain International Exhibition Centre, which hosts standard-setting exhibitions in the Middle East. A mixed-use development, Fraser Suites Seef will have 91 spacious apartments and penthouses, located on the 8th to the 19th floors of the building. All units offer either a view of Manama city or a panoramic ocean view of the Arabian Gulf. Each unit will be fully outfitted, with features including wireless broadband Internet connectivity, a state-of-the-art entertainment centre, comprehensive kitchen, washing machine and dryer.

Fraser Suites Dubai Internet City, Dubai, is located within Dubai Internet City, the Emirates' multimedia hub. Within a 10-minute radius of the apartment are the American University, Dubai Marina and Emirates Golf Club. Also close by is the Mall of Emirates, the largest retail centre in the United Arab Emirates with 3 million square feet of retail space. Fraser Suites offers 158 generously sized apartments and penthouses. The units will be on the 23rd to 44th floors of the mixed-use development. Each apartment will be outfitted with top-of-the-line facilities. Besides broadband Internet connectivity, a full-function entertainment centre, and a comprehensive kitchen complete with crockery unique to the property, each apartment will have a walk-in wardrobe and rain shower with a teak bench for a unique experience. This prestigious development will debut in 2008.

Centrepoint Homes

www.centrepointhomes.com

Riding on the recovery of the residential property market this year, Centrepoint Homes sold over 1,000 residential units in Singapore, more than double the 500 units sold last

year. The increase was due to the successful launches of four new projects – 8@Mount Sophia, The Spectrum, Tangerine Grove and The Azure – as well as better sales achieved from existing projects like Ris Grandeur, Lakeholmz, The Quintet, Yishun Sapphire, Yishun Emerald and The Petals.

The July 2005 announcement of a relaxation in CPF rules for the purchase of residential properties also helped to stimulate demand, especially in the HDB upgrader segment. Hence the market is expected to be primed for the lower mid-end freehold projects scheduled to be launched by the Group in 2006.

In an effort to sustain year-on-year market share and profitability, the Group acquired a large prime site located in St Thomas Walk. The development planned on this site will appeal to both local and foreign well-heeled purchasers.

Local Residential Projects Updates

Lakeholmz, a 99-year leasehold condominium, is just a short walk from the Lakeside MRT Station. It obtained its Temporary Occupation Permit in June 2005. About 75% of the units have been sold.

The Quintet is the Group's second Executive Condominium project. Located at Choa Chu Kang Street 64, this 459-unit project is almost 70% sold and is expected to obtain its Temporary Occupation Permit by the third quarter of 2006.

Ris Grandeur, the Group's first en-bloc acquisition, sits on 26,442 sqm of freehold land at Elias Road. Its 453 condominium units are 75% sold. It obtained its Temporary Occupation Permit in Dec 2005.

The Spectrum, a 72-unit development on a freehold site near the junction of Clementi Road and Pasir Panjang Road, is fully sold out. It is targeted to obtain its Temporary Occupation Permit by first quarter of 2006.

8@Mount Sophia, a 103-year leasehold development on a 16,170 sqm site purchased in August 2002, is located along Mount Sophia, close to the Dhoby Ghaut MRT Station. All 277 units were sold within one month of the project's launch in March 2005.

Tangerine Grove is a 5-storey freehold development located in Paya Lebar Crescent. Launched in June this year, it has achieved 80% sales.

The Azure is a luxurious condominium located on Sentosa Cove, Sentosa Island. Most of the units were snapped up during the preview and the project is now fully sold.

Jalan Ulu Sembawang Site, is a freehold plot of 6,196 sqm purchased in October 2002. Construction of a 73-unit condominium has commenced and the sales launch is scheduled for the second quarter of 2006.

Jervois Close Site, a freehold site, was acquired in April 2003 for $105 million through the en-bloc sale of Goldhill Mansion, Jervois Court, a two-storey shophouse and a substation. It sits on prime land of 11,669 sqm that is located just a few minutes from Orchard Road. A 275-unit condominium development has been planned with sales scheduled to be launched in the first quarter of 2006.

The Raintree is a 310-unit condominium development on Hindhede Road, adjacent to the Bukit Timah Nature Reserve. It sits on a 99-year leasehold site of 16,253 sqm. Purchased in November 2003, it is scheduled to be launched in the first quarter of 2006.

Woodsville Site is a freehold site of 10,221 sqm acquired through

an en-bloc sale. It is located off Jalan Toa Payoh next to the new St Andrew's Village. Planning approval has been obtained for an 18-storey condominium development with 194 units.

Faber Hills Site sits on 23,018 sqm of freehold land and is located off the Ayer Rajah Expressway. It was acquired en-bloc by the Group in April 2004. Planning approval has been obtained to build a condominium development of 315 units.

Serangoon Site is a freehold site of 5,227 sqm acquired in July 2004. Located along Serangoon Road near the Boon Keng MRT Station, it offers easy access to the Pan-Island Expressway and Central Expressway. The site is slated for a condominium development of about 140 units.

St Thomas Walk Site is a prime freehold site of 13,000 sqm acquired in August 2005. Located close to the main retail strip of Orchard Road, this site is designated for the development of a high-end condominium that will appeal to both local and foreign buyers.

Frasers Property Group

www.fraserpropertygroup.com

Overseas, the Group has built up a sizeable development portfolio in key markets like China, Thailand, Australia, New Zealand and the United Kingdom. These projects will be launched progressively in the next three years to bolster the Group's bottom-line.

Overseas Residential Projects Update

Wandsworth Riverside Quarter, United Kingdom, is a four-hectare riverside property located on the south bank of the River Thames in London. The first phase of construction, comprising two residential blocks of 116 apartments, has been completed and substantially sold. The second phase consisting of 87 apartments is due for completion in the first quarter of 2006. A total of 422 residential units and almost 14,000 sqm of ancillary office and retail space will eventually be developed. The apartments enjoy a 300-metre river frontage and an unimpeded view of the river. Frasers (UK) Pte Ltd has a 66.7% effective interest in this project.

68 Vincent Square, United Kingdom, is a venture between Frasers (UK) Pte Ltd and Fairbriar Plc, an associate company of Frasers (UK) Pte Ltd. The construction of the 70-apartment development will be completed by December 2006. More than 80% of the apartments have been pre-sold.

Habitat, Australia, at 11 Chandos Street, North Sydney, is currently more than 80% sold. The Group has a 75% interest in this project.

Lumiere, Australia, is a prime freehold site of 3,966 sqm in Sydney's Central Business District. Adjacent to the Town Hall Station, it is within easy walking distance to Darling Harbour, Chinatown and Martin Place. Construction has commenced on a 56-level tower that will house 456 luxury residential apartments, a 44-level tower that will be home to 145 serviced apartments and a podium consisting of 8,922 sqm retail and commercial space. The serviced apartments will be managed by Fraser Serviced Residences when it is operational in September 2006. The whole development will be completed by the second quarter of 2008. The Group has an 80.5% effective interest in this project.

Lorne Avenue, Australia, was recently purchased by Frasers Lorne Pty Ltd. Planning approval is currently pending for 40 units of 2- and 3-bedroom apartments in the leafy North Sydney suburb of Killara. The Group has a 75% interest in this project.

Wanjeep Street, Mandurah, Australia, is a large site consisting of 193 hectares of bushland – of which 53 hectares has been zoned residential – in Western Australia. It was acquired by Frasers Mandurah Pty Ltd in the second quarter of 2005. A master plan for 1,000 households has been submitted for planning approval. The Group has about 56.3% effective interest in this project.

Papamoa Gateway, New Zealand, was purchased by Frasers Papamoa Ltd in November 2004. It is a 24-hectare freehold property situated in the fast-growing city of Tauranga in North Island, with direct access to the beach facing the Pacific Ocean. A development application has been submitted for 450 households. The Group has a 67.5% effective interest in this project.

Broadview Rise, New Zealand, is a 6,831 sqm freehold property acquired by Frasers Broadview Ltd in 2004. A beautiful site overlooking Lake Wakatipu in South Island, it has been approved for the development of 15 luxury apartments. An application has been lodged to increase the density of this project.

Jingan Four Seasons, China, is located next to an underground MRT station along the main Nanjing Road in Shanghai. The development features four blocks comprising two blocks of 27-storey and 32-storey towers that will yield 452 residential apartments, and a supporting two-storey retail podium providing approximately 69,100 sqm of gross floor area. The first phase of this development – encompassing 227 apartments – was fully sold within a month of its launch. This project is expected to be completed in 2007.

Jin Lin Tian Di, China, comprises 88 residential units, 120 serviced apartments, a clubhouse and about 4,000 sqm of retail space. The serviced apartments were sold out during the year. The Group has a 32% effective interest in this project, and the Temporary Occupation Permit was issued in the second quarter of 2005.

Residential Development in Song Jiang District, China, is a 711,101 sqm leasehold land parcel located near the future Light Rapid Transit station at Si Chen Road in Shanghai's Song Jiang district. This exclusive residential development will be built in several phases that will yield about 4,900 residential units with communal club facilities and a supporting retail component. The Group has about 72% effective interest in this project, which is to be developed over the next five years.

Commercial cum Retail Development in Xi Cheng District, China, is a 7,111 sqm leasehold land parcel located within the 2nd Ring Road, along Xin Jie Kou Road in Beijing. The Group has a 95% interest in this project, which is expected to be completed in 2008.

The Pano, Thailand, is a 397-unit riverfront condominium development located on the bank of the Chao Phraya River in Bangkok. Situated south of Central Bangkok, it is just minutes away from Bangkok's Central Business District. Designed by Wong & Hassel, the resort-like development is the tallest condominium by the riverfront, with all apartments facing the river. The first phase of the construction will begin in the second quarter of 2006, and a Temporary Occupation Permit is expected to be obtained in the first quarter of 2009. CPL has a 49% share in the project.

Office & Industrial Properties

The year continued to be a tough one for the Office and Industrial Property segment. Nevertheless, indications are that the situation will improve.

In Singapore, rents of high-end office premises have gone up with robust demand and this has begun to trickle down to Grade B buildings. This should bode well for buildings in secondary locations in the near future.

In Singapore, industrial leasing activities continued to be slow, particularly for conventional factory space. There was more interest in high-tech space, keeping rents for high-tech buildings at stable levels.

Local Office Property

Alexandra Point lifted its occupancy rate in the latter half of the year to 67%. This compares to the average market occupancy of about 86%.

Alexandra Technopark continued to maintain a good occupancy rate of 97%. This surpasses the market average of 78% in the high-tech segment.

Valley Point Office Tower enjoyed increased demand in the year. As a result, occupancy at the 20-storey office tower surged to 91%.

Overseas Office Property

Me Linh Point Tower, Vietnam, a 22-storey office cum retail complex strategically located in the prime business district of Ho Chi Minh's downtown area, continued to enjoy robust occupancy throughout the year. The complex, with a newly upgraded main lobby that reflects a modern and trendy design, is fully leased. Vietnam's strong overall economic growth, coupled with a strong demand for international grade office space in the city, augurs well for this development, making the outlook for the coming year a good one.

Fraser Business Park, Malaysia, was formerly home to F&N's manufacturing plant in Kuala Lumpur. The 20 acres of prime freehold land located in the heart of Kuala Lumpur in Jalan Sungei Besi will be developed into three commercial components comprising shop-cum-office blocks, an office tower and a retail centre. Phase I, which comprises 80 shop-cum-office blocks called the Fraser Business Park, has been fully sold and is currently under construction. Phase II is at present in the planning stage of development.

Legacy Future

articulating a *realm* of possibilities

A Legacy of Enterprise, A Future of Promise

Enterprise Promise

A Legacy of Enterprise, A Future of Promise

PUBLISHING & PRINTING

Publishing & Printing

The Group's Publishing & Printing division is seamed with a legacy of enterprise that has enabled it to thrive in an ever-changing environment. And with every evolution it is enlarging this legacy for a brighter future. This was amply demonstrated in this financial year as the division continued to spread its wings in new spheres, while consolidating its lead in existing businesses.

Marshall Cavendish Publishing Group

The Marshall Cavendish brand was profiled prominently at international book fairs in Frankfurt and London where it unveiled a fresh new look that made it stand out from competitors. To further reinforce the brand, the Group also launched the Marshall Cavendish Education imprint in the Singapore school market.

The year under review also saw the Group acquiring Educational Technologies Limited, the leading children's books publishing and direct sales company in Asia Pacific. With an established regional direct sales network, the acquisition will provide the Group with a powerful additional sales channel for its home and library reference products.

Education Publishing

Education

Marshall Cavendish demonstrated that it is a rising star in the international educational publishing scene with a sparkling performance in the year under review.

The Federal imprint (now rebranded as Marshall Cavendish Education) is firmly established in the Asia Pacific region for its decades of dedication to developing educational content with superb

quality and proven pedagogy. In recent years, this business has been expanding its presence in countries such as USA and the Middle East.

This year the global footprint of Marshall Cavendish Education was further enhanced with the establishment of the International Division.

Set up in January 2005 to meet the increasing demand for Marshall Cavendish products worldwide, the International Division received excellent response from its partners for the launch of *Young Learners Go!*, a brand new series in the English Language Teaching category. The

publication of this series boosted the Group's English Language Teaching portfolio in London and further reinforced Marshall Cavendish's commitments to international English Language Teaching publishing. The year also saw the launch of the Hong Kong edition of *My Pals Are Here!* in the Special Administrative Region. The international edition will soon follow.

Geographically, the Education Publishing business continues to be driven predominantly by the Singapore operation, both in terms of sales and product development.

In Singapore, Marshall Cavendish reinforced its position as the country's leading textbook publisher by enlarging its market share, particularly in the upper secondary subjects segment as well as in the primary school English segment. The Group launched its new Secondary 1 Geography and History, Food and Nutrition and Upper Secondary Art textbooks to good response in July.

Looking ahead, Singapore will continue to be a challenging market due to the falling national birthrate. However, Marshall Cavendish's track record, holistic publishing concept and growing reputation should help catapult our educational publishing activities to its next level of success in Singapore.

In Malaysia, following an organisational restructuring, a reinvigorated Marshall Cavendish tackled the challenges of the market with gusto. With a new publishing direction and a strategic partnership with a local prominent distributor, the division is now primed to defend its market share in the STPM (*Sijil Tinggi Pelajaran Malaysia*, equivalent to the GCE "A" level), PMR (*Penilaian Menengah Rendah*, equivalent to the lower secondary level) and SPM (*Sijil Pelajaran Malaysia*, equivalent to the GCE "O" level) markets.

Thailand, meanwhile, tripled its turnover from its founding year, when Marshall Cavendish first set up a presence in the country. It has quickly built a name for itself by bringing in high quality publications in the English language. Moving ahead it will develop its publishing expertise by producing publications specifically for the Thai market.

Cooperative publishing remained the focus for the huge market in North Asia, as the Group collaborated with the Liaoning Publishing Group to jointly launch the *1000 Words Series* and *Ladder Series (Reading Programme)*. In Hong Kong, Marshall Cavendish re-established its presence by collaborating with Educational Publishing House for the publication of *My Pals Are Here!* in English for the Hong Kong market.

The Group's academic publishing arm enjoyed a year that was equally upbeat; with 200 titles as its backlist, Marshall Cavendish achieved sales better than the year before. The division continues to be focused on producing quality research in Asian Studies in the high-interest fields of contemporary politics, economics, security and education.

To increase the global brand equity of Marshall Cavendish Academic, the division will be launching in late 2006 an international Asia-oriented journal covering culture and politics. The journal is supported by a board of advisors and reviewers that comprises 27 top scholars from prestigious institutions like Harvard, Princeton, Massachusetts Institute of Technology and Cambridge University.

English Language Teaching

The Group's development of its English Language Teaching segment gathered momentum with the publication of critically acclaimed titles.

The *Just Right* series, expanded from one to three levels, continued to receive excellent reviews in professional journals. This year also saw the Group's debut in the competitive grammar market with the title, *Real English Grammar*. Our first full-colour textbook, *Real English Grammar*, has received praise for its innovative design as well as fun and easy-to-use content.

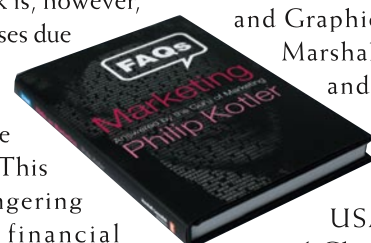
Two new titles were published to win key growth audiences. They are: *English for Business Life* – targeting those learning English for business or improving language skills for the work environment – and the *Achieve IELTS* course – aimed at the fast-growing exam market for students in international education.

With a distributor base operating in some 35 countries and 27 new titles added in the last year, the Marshall Cavendish brand in English Language Teaching has made real headway into the English Language Teaching Market.

Education Services

It was a good year for the Group's Education Services division, as its revenue improved due to better enrolment in undergraduate and postgraduate programmes as well as test preparatory courses. Additionally the division was also awarded the CaseTrust for Education scheme, an important accreditation that will boost confidence in the quality of training provided by the division among international students.

The positive outlook is, however, dampened by cost increases due to the spike in oil prices and this has led some corporations to reduce their training budgets. This is likely to have a lingering effect into the new financial year and may affect the division's performance ahead.



Going forward, the division has set itself new targets. It is aiming to secure the Singapore Quality Class accreditation for Private Education Organisations. This important accreditation will further strengthen its credentials as a quality player in the industry.

Another target is to grow the number of degree programmes, especially in niche areas, through more proactive business development with university partners. The division is also seeking to build up an extensive agency network in other countries, Vietnam.

There will also be an increased focus on Corporate Training through collaboration with university professors and overseas trainers.

General & Reference Publishing

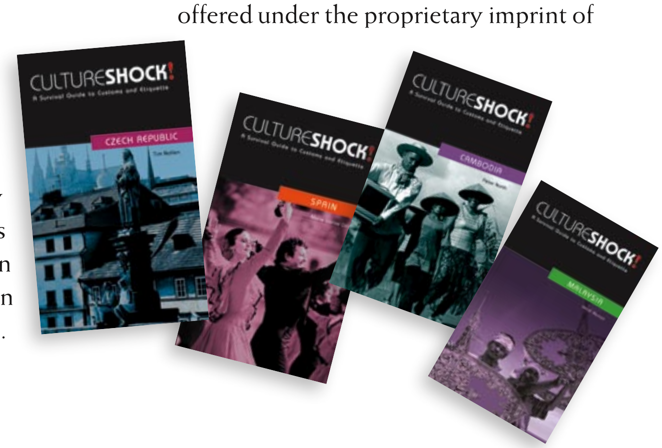
General & Reference

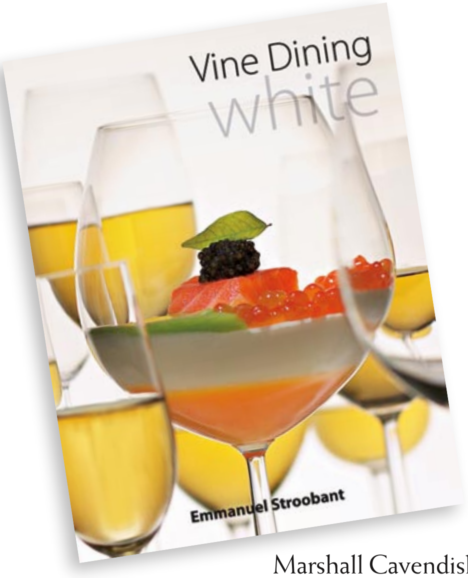
The Group's General & Reference Publishing entered more markets in the year with the launch of new Marshall Cavendish imprints in new territories.

Aided by strategic alliances with foreign publishing firms such as Cyan Communications Limited of London and Graphic Art of the USA, the Marshall Cavendish Business and Marshall Cavendish Editions imprints were officially introduced into markets like the USA, United Kingdom and China.

One fruit of such a collaboration was the debut of a book by renowned author Philip Kotler in Asia and UK, the division's first truly international book.

After undergoing a revamp, *CultureShock!*, our flagship series on customs and etiquette, was released worldwide as the first batch of 22 titles offered under the proprietary imprint of





Marshall Cavendish Editions, with sales and marketing led by our London office.

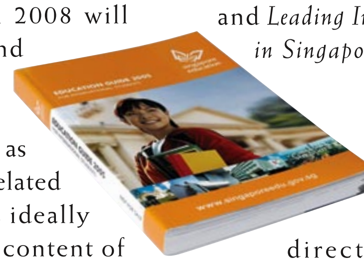
Meanwhile, *Not Just A Good Food Guide*, a new series developed as a complementary line to *CultureShock!*, was launched in the last quarter to enthusiastic receptions from partners in several countries.

Our culinary list saw good launches this year with *Feast of Flavours* and works from renowned Asian chefs. Marketed under the imprint Marshall Cavendish Cuisine, these titles were distributed to South Africa, Japan, France, the USA and UK as the brand began to gain greater recognition as a market leader for cookbooks **on** the strength of its international authors.

The year also saw the Malaysia office become a full-fledged publishing unit. The new entity experienced a vibrant year, bagging prominent projects from local institutions and government bodies. Its adult fiction – created through tie-ups with mass-media owners – also generated much interest and publicity in Malaysia.

In total, the division produced 324 titles on subjects covering travel, art, language, gastronomy, illustrated reference and corporate projects. Profitability however, was affected by a drastic drop in book ordering from the library and school segments in the USA. Fortunately, this was cushioned by an increase in the sale of General Trade books as well as rights sales to new territories.

Looking forward, the upcoming Olympic Games in Beijing will fuel interest in all things Chinese and Asian. The expected influx of tourists to the country and increase in media coverage of the Chinese capital for the event to be held in 2008 will also likely spur a demand for travel and cultural literature, with spin-off effect in other genres such as cookbooks and lifestyle-related subjects. The division is ideally positioned to source for content of this nature to cater to the expected demand, which will also serve to help us attain market leadership in this area. Already, propelled by the world's quest for information on and about China, our office in Beijing has been acquiring titles for our China International series, which covers subjects ranging from business to travel and culture.



The USA and UK are the other focus markets for the General & Reference list in the forthcoming year. Our brand-centric approach to managing our product lines has allowed us to gain the confidence and support of our partners worldwide. Hence, the key imprints and product brands will be more actively promoted to create awareness and recognition of our excellent content and quality.

Business Publishing

Business Information

The Business Information Cluster performed well in the year with all segments achieving growth. A steep upsurge in sales and profits was registered in the offices of Singapore, Malaysia, Hong Kong and China.

In Singapore, the division enjoyed robust growth in sales and profit with the strong economic expansion in Singapore. Revenue was also bolstered by sales from two new directories, *Singapore Education Guide* and *Leading International Companies in Singapore*.

In addition, it further strengthened its position as one of the leading trade directory publishers in Singapore by securing the contract to publish the *Singapore Printing Industry Directory*.

Another notable event in the year was the hosting of the *World Book Fair*, an annual event organised jointly with the Chinese Newspapers Division of the Singapore Press Holdings Group. In celebration of its 20th anniversary, the event showcased *The Singapore Story*, a collection of books on Singapore. The event was honoured by a special visit by Minister Mentor, Lee Kuan Yew.

In Malaysia, the division took delight in an outstanding year as all its directories registered increased sales. The division also launched a new title, *Malaysia Builders' Directory*, in the year. To grow further, it plans to launch two new directories next year.

In Hong Kong and China, the division also registered strong growth with increased sales for its magazines and directories.

In fact, *Cargonews Asia*, the premier magazine for Asia's logistics industry, achieved record sales. The magazine's brand was further enhanced when it successfully organised the third Asian Freight and Supply Chain Awards in Hong Kong. The event was attended by key decision-makers in the freight and logistics industry worldwide.

Healthy growth was recorded in directories with revenue bolstered by the launch of *Asia Horeca*, a regional directory on hotel, restaurant and catering equipment and supplies.

Looking ahead, the outlook is upbeat for all four regions (Singapore, Malaysia, Hong Kong and China) with growth momentum expected to be sustained into the next year.

Home & Library Reference Publishing

Home Reference (Partworks)

The Group continued to maintain its partwork publishing for France and Eastern Europe. Capitalising on the rise of nationalism in the Ukraine, the Group launched Marshall Cavendish's acclaimed product, *Tree of Knowledge*, in the Ukrainian language in the year. It was the first partwork ever to be launched in the native language in Ukraine.

The Group will continue to explore opportunities for the *Tree of Knowledge* brand, with particular focus on major untapped markets such as China and India. Publishing is expected in at least one of these markets in 2006.

Library Reference

The Group continued to be confronted by a challenging economic environment for the library reference market, with school libraries and public libraries facing budget contraction. The problem of tight budgets was compounded by libraries diverting funds away from print to digital reference.

In spite of these difficulties, Marshall Cavendish in US increased its sales by 6% last year, chiefly through sales growth in Marshall Cavendish Reference and Marshall Cavendish Children books.

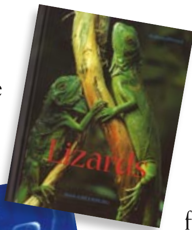
Nonetheless, to tackle these challenges, the division strategically focused on titles in its Marshall Cavendish Benchmark and Marshall Cavendish Reference imprints that are closely aligned to the school curriculum in core subjects like science, social studies, and reading. The reason being that when school budgets are tightened, funds will only be spent on books needed to support what is being taught in the classroom.

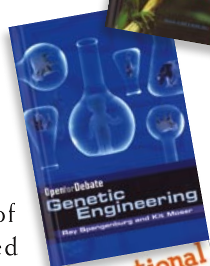
Another strategic move was to publish children's books titles with mass-market appeal. The success of this latter strategy was seen in the more than 18% increase in the sales of Marshall Cavendish Children imprint.

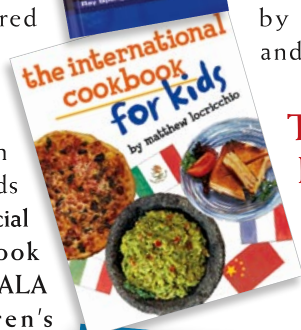
What remains is the division's number of award-winning books. Once again, the group's books won a string of awards in the year. Reference works from Marshall Cavendish Reference were again selected as **Best Bets for Student Researchers** by *Booklist*, a publication of the American Library Association. Meanwhile *Business and Industry*, also produced by Marshall Cavendish Reference, was named as an **Outstanding Business Source** by *RHUSA*, another publication of the American Library Association.

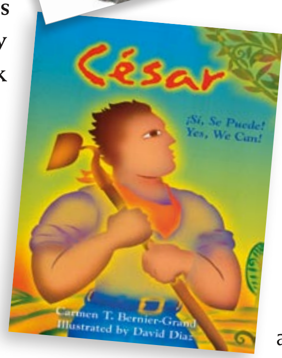
The Marshall Cavendish Benchmark imprint also won a number of accolades

for its titles, including **Notable Social Studies Trade Book for Young People**, **Outstanding Science Trade Book for Young People**, and a **Best Book** citation from *Science Books & Films*.









Finally, on top of a number of starred reviews from library review media, Marshall Cavendish Children titles earned awards such as **Notable Social Studies Trade Book for Young People**, **ALA Notable Children's Book**, and the **Disney Adventures Book Award**.

Going forward, four key areas have been singled out to drive growth for the Cluster.

Growth is on the cards for Marshall Cavendish Children, where the trend of growth in sales seen in recent years is expected to continue. To bolster growth, the number of titles to be published will be increased by late 2006.

Growth is also expected from international sales. The focus now is on developing new distribution arrangements in Europe, Africa, Asia, and the Middle East.

A third area of growth is projected to be that of digital publishing, which has become an important segment in the reference market. Plans are being developed for the creation of Marshall Cavendish Digital, which will launch its first reference product in late 2006.

Finally, growth is also expected to be generated by distribution within the USA of titles published by Marshall Cavendish in Asia and UK.

Times International Printing Group

In the recent 3rd Asian Print Awards 2005, the group bagged 6 awards comprising 3 gold, 1 silver and 2 bronze awards. The plants that achieved the prestigious recognition were Times Printers in Singapore and Everbest Printing in Panyu Nansha, China. The objective of the awards is to raise the standard and promote the achievements in excellence of Asia printing and winners are selected primarily based on quality.

All Times International Printing plants across Australia, Singapore, Malaysia and China enjoyed steady growth in the year despite rising paper prices and intense competition.

This was largely due to the strategy by Times International Printing to focus on its core competency and expertise by offering strongly integrated one-stop service; a capability that helped it to retain key customers.

Today, its portfolio of services extends from the commercial printing of books, magazines (weeklies and periodicals) and packaging products, to fast turnaround print-on-demand digital printing.

To address the changing landscape in the industry, the Group is developing new value-added print services to assist print buyers in improving their products. At the same time, it is exploring opportunities for growth through acquisitions. Above all, the Group sees investment in technology and skills upgrading as the cornerstone of its competitive advantage.

Singapore

At the Singapore plant new web printing presses offering better quality and greater efficiency were installed in the year. This raised sales locally and internationally. Capable of meeting the stringent demands of time-sensitive magazines, this print site has always served as the development centre for processes adopting new technologies within the printing group.

Malaysia

One of the chain's key printing sites for hard and soft cover books, the group further improved its capability with the installation of a new M600 web press. The equipment was acquired to meet anticipated future growth, as it had recently secured a number of new clients in the American book publishing scene as well as local clients. Currently its major customers are from Britain and the USA.

Australia

The group is now a leading high quality magazine and catalogue printer in Australia, equipped with the latest technology in web printing equipment and bindery systems to meet the demands for fast turnaround of high quality large volume publications. Its existing clientele includes leading publishers and print buyers from the catalogue industry.

China

The Group has been established in the China market for more than 10 years and has a network of plants in Northern, Central and Southern China.

Equipped with various presses and binding facilities, Everbest Printing, a subsidiary of Times International Printing, is a leading printer of high quality case-bound books for the Australian, American and British markets. To better serve both the local and international markets, Everbest further increased its printing capacity by adding new presses and a binder this year.

Fung Choi Printing and Packaging Group, the Group's 27% listed associate, recorded a 53% growth in turnover for the year ended June 2005, with net profit leaping a hefty 41% to $22 million. The printing and packaging business in China continued to grow strongly, benefiting Fung Choi, which has plants in Guangzhou, Qingdao and Beijing. Fung Choi specialises in the printing of magazine, catalogue, packaging, corrugated boards and paper bags for both domestic and major international manufacturers. Meanwhile, another Times International subsidiary, Shenyang Times Packaging Printing Co. in the Liaoning province, produces offset cartons and labels for the pharmaceutical, food and beverage industry.

The Group will be adding yet another company, Xinhua Times Packaging Printing Co., to its Chinese portfolio. This new joint venture company in the Shanxi province is under construction and will be operational in 2006. With several printing presses and converting machines, this plant will print cartons, laminated boxes and other packaging materials for the Taiyuan, Beijng-Tianjin and Datong region.

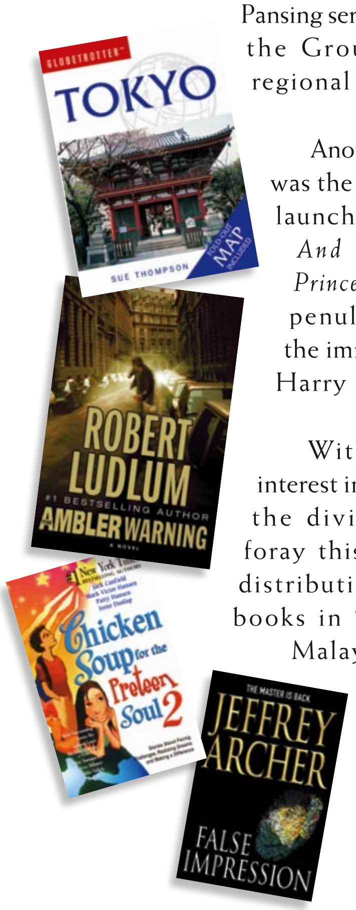
Pansing Distribution Group

Books Distribution

The Group is a leading regional distributor of English language books and magazines, with a network that spans the Asia Pacific.

The Books division enjoyed a very successful year. Among the key achievements in the year was the acquisition of Pansing. An established player with strong

publisher representations from UK, the USA and Australia such as Macmillan and Random House (UK), Pansing serves to strengthen the Group's local and regional channels.



Another achievement was the successful Asian launch of *Harry Potter And The Half-blood Prince*, the sixth and penultimate title in the immensely popular Harry Potter series.

With the growing interest in Chinese books, the division made its foray this year into the distribution of Chinese books in Singapore and Malaysia. The move will enlarge the range of products and services offered by the Group.

Magazine Distribution

In magazine distribution, the Group maintained its market position in Malaysia, Singapore and Hong Kong, with good revenue growth in Singapore due to the representation of new publishers.

In Australia, the Group acquired a 51% stake in International Media Marketing, a leading exporter of Australian magazines to over 22 countries. The move is expected to generate business synergies in the magazine division.

The Group's other Australian subsidiaries, Rainbow Products Ltd and Musicway Ltd, though profitable, continued to face challenges as growth in the Australian economy plateaus. Consumer spending is now more discretionary as major retailers continue to battle for a bigger share of the consumer dollar. In addition, the stronger Australian dollar and higher fuel costs add further pressure to the cost of distribution and goods.

Retail

The retail arm of the Group enjoyed higher sales despite intense competition. In Singapore, business at Changi Airport is expected to be more buoyant where the group operates 10 bookstores at the airport.

Across the Causeway, the future is less certain, with competitors planning a big foray in a market that is already crowded.

Going forward, the retail arm aims to take a prudent stance in its cautious expansion locally and regionally.

Community Development

Charity

From aiding tsunami victims to building schools, from supporting the arts to restoring the environment, in every way, the Group worked towards creating a future of promise for thousands in the communities that it is in.

Moved by the acute needs of those left devastated when the tsunami struck Asia on Boxing Day 2004, the Group as well as its employees moved quickly to reach out with a helping hand. Whether it was a donation of milk or cash, or the organising of fundraising events, the disaster spurred every division to action.

In Singapore, the Group swiftly donated close to 6,000 cartons of UHT milk to victims of the tsunami.

In Malaysia, Guinness Anchor Berhad donated RM200,000 to *The Star Fund* to provide aid for the tsunami victims. Additionally its employees initiated a fundraising charity dinner that raised more than RM75,000. This money, together with the same amount from the Diageo Foundation, which had pledged to match the funds raised ringgit for ringgit, was donated to the United Nations Children's Fund. In China, Hainan Asia Pacific Brewery's efforts to help the tsunami victims saw the brewery honoured with an award by the Hainan Red Cross.

The Group was as quick to act to help distribute relief supplies to Nias Island in Indonesia, which was hit by a magnitude 8.7 earthquake in March 2005, killing more than 600 people and flattening major towns.

Working through Global Aid Network International, the Group shipped more than 2,000 cartons of Daisy UHT full cream milk to the island.

The Group worked in many other ways to make a difference in the lives of needy people in diverse communities.

In Singapore, the Group sponsored a number of fundraising and community activities, including the MILK (Mainly I Love Kids) Fund, Methodist Welfare Services, Make-A-Wish Foundation, various Community Clubs and Central Singapore Community Development Council.

In Vietnam, the Group was a significant presence in community work. For instance, the Trade Union of Vietnam Brewery distributed gifts and food to the elderly, disadvantaged children and orphans in the Binh Duong province, and delivered gifts and food to poor children in Cu Chi district during the mid-autumn festival.

Meanwhile Hatay Brewery presented donations to an association for the blind and to welfare programmes. Indeed, to underline the importance it places on caring for the community, Hatay Brewery created a special badge of honour to recognise employees who devote themselves to community service.

In Malaysia, F&N Dairies continued its monthly contributions of milk products to several orphanages, homes for the aged and charitable organisations in the Klang Valley, while F&NCC adopted children from three needy institutions in the Klang Valley for a day of fun and team building exercises.

Meanwhile in Cambodia, the suffering brought about by a long-drawn drought prompted Cambodia Brewery to provide relief by distributing rice to the worst-hit areas.

In Papua New Guinea, the Group was a hearty supporter of charity works. The Group provided aid to the Salvation Army, Rotary Club, Cheshire Home, Port Moresby City Mission and Cancer Society. It also funded events such as the Hiri Moale Festival and Goroka Show, one of the biggest sustainable development exhibitions in the Highlands.

In Singapore, the Group worked hand in hand with the Singapore Red Cross Society on community projects.

Educational Development

The Group found creative ways to promote educational opportunities in the community in the year.

Hatay Brewery in Vietnam, for instance, built an English school for the benefit of local children while F&NCC refurbished over 100 computers for donation to district schools in Muar, Malaysia.

In Singapore, the Marshall Cavendish CARE Programme saw to it that textbooks and workbooks published by Marshall Cavendish were provided free to needy students from primary and secondary schools. This year, 500 students from 50 schools benefited from the programme.

Meanwhile in Shanghai, Shanghai Asia Pacific Brewery held a charity auction to help needy students. Proceeds from the Reeb Charity Auction, together with further contributions from the brewery, were used to set up a RMB500,000 educational trust fund to aid outstanding students who need financial assistance.

Others such as Vietnam Brewery offered scholarships for bright students who need financial assistance.

DB Breweries also provided scholarships for students studying at the Manukau and Auckland Institute of Technology. This year, however, DB Breweries extended its support to include the Auckland School of Business, located at Auckland University. The company also offers financial support to schools within its local communities to assist with reading and sports programmes.

Guinness Anchor Berhad continued to provide financial assistance to Chinese school students through the *Guinness Torch Fund*. Now in its ninth year, the fund raised RM130,000 in the year.

Social development

The Group also sought to enrich

and better the social life of the communities that it is a part of.

In Singapore, the Group vigorously engaged in the war against drink driving in the face of a grave 44% increase in the number of offenders caught for driving while under the influence of alcohol or drugs.

Asia Pacific Breweries Singapore has been a sponsor of the Traffic Police's *Anti-Drink Drive Campaign* since 1995. This year, apart from monetary sponsorship, Asia Pacific Breweries Singapore also printed anti-drink driving coasters and car decals. These were distributed to entertainment outlets and motorists respectively.

Asia Pacific Breweries Singapore also supported *Carnival by the Bay* at the *Singapore Fireworks Festival*, the *Singapore Heart Foundation - Pfizer Heart Charity Golf* and the *Tanjong Pagar Group Representative Constituency Lunar New Year Celebration Dinner 2005*.

Over in New Zealand, DB Breweries was as ardently involved in the anti-drink driving fight. Working with the Accident Compensation Council, DB Breweries piloted an anti-drink drive initiative that used clever on-premise marketing initiatives to deliver its message.

In addition, DB Breweries supported the Alcohol Liquor Advisory Council's *Culture Change* programme, which looks at the role of education in changing society's unhealthy approach to drinking. The brewery also funded the Beer Wines and Spirits Council's initiatives that promoted the moderate consumption of alcohol and public programmes that aimed to educate drinkers about the misuse of alcohol.

Drink driving was also a concern in Thailand. To combat the problem, Thai Asia Pacific Brewery, together with four other alcoholic beverage partners, established *Responsible And Ethical Alcohol Consumption In Thailand*, or *REACT*, to promote self regulation, responsible marketing and responsible drinking.

In Vietnam, Vietnam Brewery supported the building of a bridge in the Ben Tre province to facilitate traffic and transport in the rural area.

Culture

In Singapore, the Group continued to support a series of exciting cultural programmes.

Marshall Cavendish's annual *Budding Writers Project*, for instance, grooms young writers by allowing them to experience the hard reality of the writing process, while giving them a taste of the fun of the publishing process. The programme culminates in the exciting moment of putting the budding writers' stories to print. This year, over 300 students in Singapore submitted

their manuscripts. Of these, the two eventual winners, ten-year-old Ho Li Ting and 14-year-old Sharyl Thung, impressed the judges with the literary and artistic abilities they showed in their self-illustrated works titled *My Brother* and *The Silent Teacher*.

Marshall Cavendish is also the creator of *WORDS + Art Programme 2005*, a creative writing programme for youths aged seven to sixteen. Now in its fourth year, the event encompasses a calendar of activities ranging from architectural tours and creative writing workshops to assembly talks and the publishing of the *WORDS + Art* Book.

This year's theme of *Building Blocks - Inspiration from Architecture* attracted 1,471 entries and revealed inspired originality in the writing of the participants.

Finally, Times Publishing boosted the collection of the Singapore Art Museum with the donation of 95 pieces of work by prominent Singaporean artists of the 1970s and early 1980s. Depicting vanishing trades, street scenes and the socio-cultural landscape of the people during these two periods, the artworks hold great educational value for young Singaporeans. By handing over a collection that represents a significant part of the national art heritage and social history of Singapore, the Group played an active role in helping to preserve the country's heritage.

Environment

The Group demonstrated its complete commitment to the environment with a slew of high-impact programmes.

Staying true to its environmental focus, DB Breweries entered into a five-year partnership with Mt Bruce-Pukaha to support the restoration of New Zealand's native bush and a native bird breeding programme in the Wairarapa.

DB Breweries also continued to be a benchmark for eco-efficiency in the local market with its sustainable approach to water and energy use. DB Breweries received two notable awards for its efforts in this. The first was the Excellence In **Waste Management Award**, from the Packaging Council of New Zealand, and the second, the **Award in Eco-efficiency** from the New Zealand Institute of Food Service and Technology.

Meanwhile, to promote environmental awareness, the brewery organised the *Waste Wearable Arts Competition*, where young designers were challenged to assemble fashion items out of waste materials. It included great fundraising initiatives for the local area.

To commemorate its tenth year of operation in Thailand, Thai Asia Pacific Brewery launched a mangrove planting project that saw over 16,000 sqm of mangrove forest planted at the 6th Mangrove Resources Station, Baan Laem District, Petchaburi, restoring its mangrove ecosystem.

Finally, as a strong advocate of protecting and preserving the environment, F&N Dairies made investments to switch from using medium fuel oil to natural gas in its manufacturing operations.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Dr Michael Fam (Executive Chairman)
Dr Han Cheng Fong
Mr Ho Tian Yee
Mr Stephen Lee
Mr Lee Ek Tieng
Dr Lee Tih Shih
Mr Nicky Tan Ng Kuang
Mr Anthony Cheong
Mr Patrick Goh (Alternate to Dr Han Cheng Fong)

EXECUTIVE COMMITTEE
Dr Michael Fam (Chairman)
Mr Ho Tian Yee
Mr Stephen Lee

AUDIT COMMITTEE
Mr Lee Ek Tieng (Chairman)
Mr Stephen Lee
Mr Nicky Tan Ng Kuang

NOMINATING COMMITTEE
Mr Ho Tian Yee (Chairman)
Dr Michael Fam
Mr Stephen Lee
Dr Lee Tih Shih

REMUNERATION COMMITTEE
Mr Stephen Lee (Chairman)
Mr Ho Tian Yee
Mr Lee Ek Tieng

GROUP MANAGEMENT

Dr Michael Fam	Executive Chairman, Fraser and Neave Group
Dr Han Cheng Fong	Group Deputy Chief Executive Officer / Managing Director, Fraser and Neave Group
Mr Anthony Cheong	Group Company Secretary
Mr Koh Poh Tiong	Chief Executive Officer, Asia Pacific Breweries Group
Mr Lim Ee Seng	Chief Executive Officer, Centrepoint Properties Group
Mr Lai Seck Khui	Chief Executive Officer, Times Publishing Group
Mr Tan Ang Meng	Chief Executive Officer, Fraser & Neave Holdings Group
Mr Patrick Goh	Group Financial Controller, Fraser and Neave Group
Mr Huang Hong Peng	Chief Operating Officer – Food & Beverage
Dr Kwok Kain Sze	Chief Scientific Officer – Food & Beverage

REGISTERED OFFICE
#21-00 Alexandra Point
438 Alexandra Road
Singapore 119958
Tel : (65) 6318 9393
Fax : (65) 6271 0811

AUDITOR
Mr Kevin Kwok
Ernst & Young

SHARE REGISTRAR AND TRANSFER OFFICE
Tricor Barbinder Share Registration Services
8 Cross Street
#11-00 PWC Building
Singapore 048424
Tel : (65) 6236 3333
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PRINCIPAL BANKER
Oversea-Chinese Banking Corporation Ltd

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REPORT ON CORPORATE GOVERNANCE
for the year ended 30 September 2005

A legacy of enterprise, a future of promise - Fraser and Neave, Limited (**"F&N"**) is committed to good corporate governance. Upholding the values of integrity, transparency and accountability, and pursuing entrepreneurial and strategic direction for the Group, F&N adheres to the principles and guidelines set out in the new Code of Corporate Governance 2005 (**"Code 2005"**).

F&N's corporate governance practices are described with reference to Code 2005.

Code 2005
Principle 1
The Board's Conduct of Affairs

The Board of Directors comprises:

Dr Michael Fam	(Executive Chairman)
Dr Han Cheng Fong	(Group Managing Director/Deputy Chief Executive Officer)
Mr Ho Tian Yee	(Non-executive)
Mr Stephen Lee	(Non-executive)
Mr Lee Ek Tieng	(Non-executive)
Dr Lee Tih Shih	(Non-executive)
Mr Nicky Tan Ng Kuang	(Non-executive)
Mr Anthony Cheong Fook Seng*	(Executive)
Mr Patrick Goh (alternate to Dr Han Cheng Fong)	(Executive)

*On 1 February 2005, Mr Anthony Cheong was appointed to the Board.

Note: Mr Fock Siew Wah, Deputy Chairman and Non-executive Director, retired from the Board at F&N's Annual General Meeting on 27 January 2005. In F&N's annual report 2004, the Executive Chairman, on behalf of the Board, had expressed deep appreciation for the years of sterling service that Mr Fock had contributed to the F&N Group.

Effectively leading the F&N Group, the Board provides entrepreneurial leadership, sets strategic goals and works with Management to achieve the mission and vision for the F&N Group, ensuring values and standards under its Code of Business Conduct, are met.

Code 2005
Guideline 1.3
Delegation of authority on certain Board matters.

The Executive Committee (**"EXCO"**) is a specialized Committee of the Board, and except for certain matters specifically reserved for decision by the Board, EXCO is empowered to exercise full powers and authority of the Board, when the Board does not meet. EXCO, with the Board's endorsement, formulates for the F&N Group, strategic development initiatives, provides direction for new investments and material financial and non-financial matters to ensure the achievement of its desired performance objectives and enhancement of long-term shareholder value, as well as oversees the F&N Group's conduct and corporate governance structure. EXCO comprises the following members :

Dr Michael Fam	(Chairman)
Mr Ho Tian Yee	(Member)
Mr Stephen Lee	(Member)

Code 2005
Guideline 1.4
Meetings of the Board and of Specialised Committees

Regular meetings of the Board and of specialized committees established by the Board, are convened, and the number of meetings and attendance by Board members are set out in the table on page 68. F&N's Articles of Association have been amended to provide for telephone, video conference or any other form of electronic or instantaneous communication meetings.

Code 2005
Guideline 1.5
Chart of Authority

A Chart of Authority approved by the Board, setting out the levels of authorization for specified types of transaction has been disseminated to relevant employees.

The F&N Group has in place a programme for Directors, to orientate and update Directors on the F&N Group's facilities and operations, and major new projects. During the year, as part of the orientation progamme, some Directors visited the F&N Group's facilities in Shanghai.

A session for Directors and senior management, on the Companies (Amendment) Act 2005 and the revised Code of Corporate Governance 2005, was conducted in August 2005. With a few exceptions, all Directors are members of the Singapore Institute of Directors (**"SID"**), and eligible to receive updates and training from SID.

REPORT ON CORPORATE GOVERNANCE
for the year ended 30 September 2005

A formal letter is provided to each Director, upon his appointment, setting out the Director's duties and obligations. Directors and Senior Management are encouraged to attend SID courses and receive journal updates on matters of topical interest.

Code 2005
Principle 2
Board Composition and Guidance

The Board has a strong and independent element with more than one-third of independent non-executive directors, who are able to exercise objective judgement on corporate affairs independently from Management.

Given the scope and nature of the core businesses of the F&N Group, the proposed size as well as composition of the Board (including planned new directors) is appropriate, and facilitates effective decision making. The Board comprises directors of stature in the business community, and the Board's combined experience and expertise in various fields (including finance, management, industry knowledge, strategic planning as well as customer-based experience and expertise), provides the leadership, resilience and dynamism for the F&N Group's continued thrust forward in its mission and vision. The non-executive directors constructively challenge and help strategise, and review the performance of management in meeting agreed goals and objectives, as well as monitor the reporting of performance.

Code 2005
Guideline 2.2
Nature of a Director's Relationship

The Board, on the recommendation of the Nominating Committee, has confirmed the non-independent status of Dr Lee Tih Shih in view of his position as a non-executive director on the Board of Oversea-Chinese Banking Corporation Limited (**"OCBC"**), and his relationship with one non-executive director on the Board of OCBC who is also a member of the OCBC Executive Committee. OCBC is a substantial shareholder of F&N, with which the F&N Group has a business relationship, under normal commercial terms.

Code 2005
Principle 3
Chairman and Chief Executive Officer

In accordance with the best practice of corporate governance, to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making, the position of the Chairman and the Chief Executive Officer will be separated. It was announced on 1 August 2005, that upon the planned retirement of the Executive Chairman, Dr Michael Fam, at F&N's AGM to be held on 26 January 2006, Dr Han Cheng Fong will assume the position of Group Chief Executive Officer. Dr Fam will continue as Chairman of the Board until the appointment of a new Group Chairman.

The division of responsibilities between the Chairman and the Group Chief Executive Officer has been clearly established, set out in writing, and agreed by the Board. The Chairman, with his wealth of experience and expertise will, among other responsibilities, continue to lead the Board, ensure effective communication with shareholders, encourage constructive relations between the Board and Management, as well as between Board members, and promote high standards of corporate governance.

All Board and specialised Committee meetings are formally convened, with the prior circulation of agenda and relevant supporting papers to members. There is control over the quality, quantity and timeliness of information flow between Management, the Board and between Management and the specialised Committees.

Code 2005
Guideline 3.1
Relationship between the Chairman and Group CEO

The Chairman and the Group Chief Executive Officer (Designate) have no familial relationship with each other.

Code 2005
Principle 4
Board Membership

The Nominating Committee comprises the following Directors, the majority of whom, including the Chairman, are independent from Management. In addition, the Chairman is not directly associated with the substantial shareholder, OCBC, as explained in the next paragraph:

Mr Ho Tian Yee	(Chairman)
Dr Michael Fam	(Member)
Mr Stephen Lee	(Member)
Dr Lee Tih Shih*	(Member)

*Appointed on 23 December 2004

REPORT ON CORPORATE GOVERNANCE
for the year ended 30 September 2005

Code 2005
Guideline 4.1
Association with Substantial Shareholder (with interest of 5% or more in the voting shares of F&N)

Mr Ho Tian Yee is a non-executive director of both Oversea Assurance Company Ltd, as well as the holding company, Great Eastern Holdings Limited, which in turn is a subsidiary of OCBC. OCBC is a substantial shareholder of F&N, with which the F&N Group has a business relationship, under normal commercial terms. Mr Ho is not *directly associated with OCBC.

Note: *A director will be considered "directly associated" to a substantial shareholder when the director is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the substantial shareholder.

The Nominating Committee makes recommendations to the Board on all board appointments. The Nominating Committee is responsible for re-nomination of directors at regular intervals and at least every three years. In recommending to the Board any re-nomination and re-election of existing Directors, the Nominating Committee takes into consideration the Directors' contribution and performance at Board meetings, including attendance, preparedness, participation and candour.

It is also responsible for determining annually, the independence of directors. In its annual review, the Nominating Committee, having considered the guidelines set out in the Code, has confirmed the status of the following non-Executive Directors :

Mr Ho Tian Yee	Independent
Mr Stephen Lee	Independent
Mr Lee Ek Tieng	Independent
Dr Lee Tih Shih	Non-independent
Mr Nicky Tan Ng Kuang	Independent

The Nominating Committee is satisfied that sufficient time and attention are being given by the Directors to the affairs of the F&N Group, notwithstanding that some of the Directors have multiple board representations.

Code 2005
Guideline 4.5
Description of Search & Nomination Process for New Directors

In its search and nomination process for new directors, the Nominating Committee has, at its disposal, search companies, personal contacts and recommendations, to cast its net as wide as possible for the right candidates.

Code 2005
Guideline 4.6
Key Information regarding Directors

Key information regarding directors is set out on pages 69 and 70.

Code 2005
Principle 5
Board Performance

The Nominating Committee has assessed the effectiveness of the Board as a whole and the contribution of each director.

Code 2005
Guideline 5.1
Process for Assessing Effectiveness of the Board and each Director

An objective performance criteria was used in such assessment, which criteria includes achieving of financial targets set, performance of the Board as a whole, and of individual directors vis-à vis their attendance and contributions during Board meetings, as well as consideration of other factors as set out in the *Guidelines to Principle 5 of the Code 2005.* The differing roles, skills and expertise of the Board members, as well as their commitment to their respective roles, facilitate effective decision making for F&N.

Code 2005
Principle 6
Access to Information

Board members are provided with adequate and timely information prior to Board meetings, and on an on-going basis. They have separate and independent access to the Company's senior management, including the Group Company Secretary who attends all Board meetings, and ensures board procedures are followed and applicable rules and regulations are complied with. Under the direction of the Chairman, the Group Company Secretary is responsible for ensuring good information flows within the Board and its committees and between senior management and non-Executive Directors, as well as facilitating orientation and assisting with professional development as required.

REPORT ON CORPORATE GOVERNANCE
for the year ended 30 September 2005

Directors may, in the furtherance of their duties, take independent professional advice at F&N's expense.

Code 2005
Principle 7
Remuneration
Matters

The Remuneration Committee is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration, and for fixing the remuneration packages of individual directors and senior management. The Remuneration Committee recommends to the Board for endorsement, a framework of remuneration which should cover all aspects of remuneration, including directors' fees, salaries, allowances, bonuses, options and benefits in kind, and the specific remuneration packages for each director. It also administers the F&N Executives Share Option Scheme (the **"F&N ESOS"**).

The Remuneration Committee comprises entirely non-executive Directors, all of whom, including the Chairman, are independent :

Mr Stephen Lee	(Chairman)
Mr Ho Tian Yee	(Member)
Mr Lee Ek Tieng	(Member)

Mr Stephen Lee, as Chairman and independent non-executive Director, has a wealth of experience and expertise in the field of executive compensation, being Chairman of the Singapore Business Federation, President of the Singapore National Employers' Federation and a council member of the National Wages Council. Members comprise non-executive directors who are independent of Management and free from any business or other relationships which may materially interfere with the exercise of their independent judgement.

Code 2005
Principle 8
Level and Mix of
Remuneration

Consistent with the national wages restructuring policy, F&N is continuing its adoption of a flexible and competitive wage system with its implementation in October 2004, of the monthly variable component.

In setting remuneration packages, the Remuneration Committee considers the level of remuneration as appropriate, to attract, retain and motivate the directors needed to run F&N successfully. The Remuneration Committee recognises that F&N should avoid paying more than is necessary, and a significant proportion of executive directors' remuneration is structured to link rewards to corporate and individual performance.

In respect of Executive Directors, the performance-related elements of remuneration is designed to align their interests with those of shareholders, and to link rewards to corporate and individual performance. There are appropriate and meaningful measures for assessing the Executive Directors' performance.

In respect of non-Executive Directors, their remuneration is appropriate to their level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Directors.

In the case of service contracts for Executive Directors, there is a fixed appointment period which is not excessively long or with onerous removal clauses. The Remuneration Committee aims to be fair and avoids rewarding poor performance.

Long term incentive schemes are encouraged. The Remuneration Committee administers the F&N ESOS. Executive Directors are eligible for the grant of options under the F&N ESOS. Options can only be exercised by employees upon effluxion of 33 months from the offering date. Directors are encouraged to hold their shares beyond the vesting period, subject to the need to finance any costs of acquisition and associated tax liability.

Code 2005
Principle 9
Disclosure on
Remuneration

F&N's remuneration policy is based on the criteria of five core values, competencies, key result areas, performance rating and potential, and training needs, using the annual appraisal system. The remuneration of directors and key executives is set out below. Disclosure is provided to enable investors to understand the link between remuneration paid to Directors, and key executives, and performance.

REPORT ON CORPORATE GOVERNANCE
for the year ended 30 September 2005

Code 2005
Guidelines 9.1
& 9.2
Remuneration of
Directors and Top
5 Key Executives

			Fee %	Salary %	Bonus %	Allowances & Benefits %	Total %
a)	Directors of the Company						
	i)	Between $2,250,001 to $2,500,000					
		Dr Michael Fam*	12	69	17	2	100
	ii)	Between $1,500,000 to $1,750,000					
		Dr Han Cheng Fong	-	55	31	14	100
	iii)	Between $500,001 to $750,000					
		Mr Patrick Goh	-	62	28	10	100
		Mr Anthony Cheong Fook Seng	-	55	34	11	100
	iv)	Below $250,000					
		Mr Fock Siew Wah**	100	-	-	-	100
		Mr Stephen Lee	100	-	-	-	100
		Mr Ho Tian Yee	100	-	-	-	100
		Dr Lee Tih Shih	100	-	-	-	100
		Mr Lee Ek Tieng	100	-	-	-	100
		Mr Nicky Tan Ng Kuang	100	-	-	-	100

*In addition, Dr Michael Fam is entitled to a retirement gratuity of $3,000,000 upon his retirement as Executive Chairman at the Company's annual general meeting to be held on 26 January 2006.

**Mr Fock Siew Wah retired from the Board at F&N's Annual General Meeting on 27 January 2005.

			Fee %	Salary %	Bonus %	Allowances & Benefits %	Total %
b)	Key Executives of the Group						
	i)	Between $1,000,001 to $1,250,000					
		Mr Koh Poh Tiong	-	61	30	9	100
	ii)	Between $750,001 to $1,000,000					
		Mr Lim Ee Seng	-	59	38	3	100
	iii)	Between $500,001 to $750,000					
		Mr Lai Seck Khui	-	70	18	12	100
		Mr Tan Ang Meng	-	68	29	3	100
		Mr Huang Hong Peng	-	69	15	16	100

Code 2005
Guideline 9.4
Details of
Employee Share
Option Scheme.

Information on key executives is set out on page 71. Information on the F&N ESOS is set out in the Directors' Report on page 73.

Code 2005
Principle 10
Accountability and
Audit

The Board is responsible for providing a balanced and understandable assessment of F&N's performance, position and prospects, including interim and other price sensitive public reports, and reports to regulators, if required. Management provides to members of the Board for their endorsement, annual budgets and targets, and monthly management accounts which present a balanced and understandable assessment of F&N's performance, position and prospects.

Code 2005
Principle 11
Audit Committee

The Audit Committee comprises the following non-executive directors, all of whom including the Chairman, are independent.

Code 2005
Guideline 11.8
Disclosure
of Names of
Members of Audit
Committee & their
Activities.

Mr Lee Ek Tieng	(Chairman)
Mr Stephen Lee	(Member)
Mr Nicky Tan Ng Kuang*	(Member)

*Appointed on 27 January 2005

REPORT ON CORPORATE GOVERNANCE
for the year ended 30 September 2005

The Board ensures that members of the Audit Committee are appropriately qualified to discharge their responsibilities, possessing the requisite accounting and related financial management expertise and experience.

The Audit Committee is empowered to investigate any matter within its terms of reference, and has full access to, and the co-operation of Management, with full discretion to invite any director or executive officer to attend its meetings. It has reasonable resources to enable it to discharge its functions properly.

The responsibilities of the Audit Committee include reviewing the scope and results of the audit and its cost effectiveness, the independence and objectivity of the external auditors, significant financial reporting issues and judgements to ensure the integrity of the financial statements, any formal announcements relating to F&N's financial performance, the adequacy of F&N's internal controls, the effectiveness of F&N's internal audit function, and recommending to the Board on the appointment, re-appointment and removal of the external auditor.

Management is putting in place, arrangements for endorsement by the Audit Committee, by which staff of F&N may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters with the Audit Committee. The objective for such arrangement is to ensure independent investigation of such matters and for appropriate follow-up action.

In performing its functions, the Audit Committee met with the internal and external auditors, without the presence of Management, and reviewed the overall scope of both internal and external audits, and the assistance given by Management to the auditors.

The internal and external auditors have unrestricted access to the Audit Committee. The Audit Committee has full access to and cooperation of Management, and has full discretion to invite any director and executive officer to attend its meetings. Reasonable resources have been made available to the Audit Committee to enable it to discharge its functions properly.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and recommends to the Board of Directors, the nomination of the external auditors for re-appointment.

Code 2005
Principle 12
Internal Controls

The Board is responsible for ensuring that Management maintains a sound system of internal controls to safeguard shareholders' investments and the assets of F&N. The Audit Committee reviews the adequacy of such controls, including financial, operational and compliance controls, and risk management policies and systems established by Management.

Code 2005
Guideline 12.2
Internal Controls, including financial operational and compliance controls, and risk management.

Enterprise-wide risk management (**"ERM"**) continues to cascade to all levels of the F&N Group, in Singapore and overseas, in a consistent and integrated manner, to embed and operationalise ERM throughout the F&N Group. Key risks, control measures and management actions are continually identified, updated and monitored, validated by Management, with oversight from the Group Managing Director/Deputy Chief Executive Officer. The internal auditors review the adequacy of ERM, as part of their routine audit.

The Audit Committee, with the assistance of the internal and external auditors, have reviewed, and the Board is satisfied with, the adequacy of F&N's material internal controls, including financial, operational and compliance controls, and risk management systems.

Code 2005
Principle 13
Internal Audit

The Internal Audit Department of the F&N Group is independent of the activities it audits. The Head of Internal Audit has a direct reporting line to the Chairman of the Audit Committee, with administrative reporting to the Group Company Secretary.

The Internal Audit function is adequately resourced, and has appropriate standing within the F&N Group. The Head of Internal Audit is a certified public accountant.

The Audit Committee has reviewed and is satisfied with the adequacy of the Internal Audit function.

The Board is satisfied that F&N is in compliance with the Singapore Exchange's Best Practices Guide on Audit Committees.

REPORT ON CORPORATE GOVERNANCE
for the year ended 30 September 2005

Code 2005
Principle 14
Communication
with Shareholders

F&N engages in regular, effective and fair communication with its shareholders, striving for timeliness and transparency, in its disclosures to shareholders and the public. Regular meetings and dialogues are held with investors, analysts, fund managers and the press. When material information is disseminated to SGX, such information is simultaneously posted on the Company's website at www.fraserandneave.com.

Code 2005
Principle 15
Communication with
Shareholders

F&N encourages greater shareholder participation at its annual general meetings, and allows shareholders the opportunity to communicate their views on various matters affecting F&N. The Chairpersons of the Audit, Nominating and Remuneration Committees are present and available to address questions at general meetings. The external auditors are also present to address shareholders' queries on the conduct of audit and the preparation and content of the auditors' report.

Code of Business
Conduct

F&N's Code of Business Conduct also regulates the standards and ethical conduct of the F&N Group. Directors, officers and employees are required to observe and maintain high standards of integrity, as are in compliance with the law and the regulations, and company policies.

SGX Best Practices
Guide on Dealings in
Securities

In line with SGX's Best Practices Guide on Dealings in Securities, the F&N Group issues a quarterly circular to its Directors, officers and employees prohibiting dealings in listed securities of the F&N Group from one month or two weeks, as the case may be, before the announcement of F&N's quarterly, half-year and full-year financial results, and at any time they are in possession of unpublished material price sensitive information.

ATTENDANCE AT BOARD & SPECIALISED COMMITTEE MEETINGS

	BOARD		**EXCO**		**AUDIT**		**REMUNERATION**		**NOMINATING**	
Directors	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance
Dr Michael Fam	9	9	10	10	NA	NA	NA	NA	3	3
Dr Han Cheng Fong	9	9	NA	NA	NA	NA	NA	NA	NA	NA
Mr Ho Tian Yee	9	9	10	10	NA	NA	2	2	3	3
Mr Stephen Lee	9	9	10	10	5	5	2	2	3	3
Mr Lee Ek Tieng	9	9	NA	NA	5	5	2	2	NA	NA
Dr Lee Tih Shih*	9	5	NA	NA	NA	NA	NA	NA	3	2
Mr Nicky Tan Ng Kuang **	9	9	NA	NA	5	2	NA	NA	NA	NA
Mr Anthony Cheong Fook Seng #	9	6	NA	NA	NA	NA	NA	NA	NA	NA
Mr Patrick Goh ##	-	-	NA	NA	NA	NA	NA	NA	NA	NA

Notes :
* Dr Lee Tih Shih was appointed Nominating Committee member on 23 December 2004.
** Mr Nicky Tan Ng Kuang was appointed Audit Committee member on 27 January 2005.
# Mr Anthony Cheong Fook Seng was appointed to the Board on 1 February 2005.
Mr Patrick Goh is an alternate to Dr Han Cheng Fong.
NA Not applicable

Report on Corporate Governance
Particulars of Directors as at 30 September 2005

Name of Director/ Academic & Professional Qualifications	Age	Board Committees as Chairman or Member	Directorship: Date first appointed Date last re-elected	Board appointment Executive/ Non-executive Independent/ Non-Independent	Due for re-election at next AGM
Dr Michael Fam BBM, PJG, DUBC, DUNU (1st Class), Hon LLD, Hon D Eng, Hon D Litt, Bachelor of Engineering with 1st Class Honours in Civil Engineering Fellow of The Institution of Civil Engineers, London Hon Fellow of The Institution of Engineers, Australia	78	Chairman: Executive Committee Member : Nominating Committee	16.08.1978 27.01.2005	Executive Non-Independent	Retirement pursuant to S153(6)
Dr Han Cheng Fong Bachelor of Science (Hons)(1st Class) in Physics, University of Singapore Master of Science, Doctor of Philosophy, University of Birmingham, UK	63	Nil	01.04.2002 30.01.2003	Executive Non-Independent	Retirement by rotation
Mr Ho Tian Yee Bachelor of Arts (Honours) Economics (CNAA), Portsmouth University, UK Executive Program, Carnegie-Mellon University, USA	53	Chairman: Nominating Committee Member: Executive Committee Member: Remuneration Committee	01.12.1997 29.01.2004	Non-Executive Independent	-
Mr Stephen Lee MBA, Northwestern University, Evanston, USA	58	Chairman: Remuneration Committee Member: Executive Committee Member: Audit Committee Member: Nominating Committee	01.07.1997 27.01.2005	Non-Executive Independent	-
Mr Lee Ek Tieng DSO, PJG, Bachelor of Engineering Diploma in Public Health Engineering Fellow, Institution of Civil Engineers, UK Fellow, Chartered Institution of Water & Environmental Management, UK Hon Fellow, Institution of Engineers, Singapore, Member, Institution of Engineers, Malaysia	72	Chairman: Audit Committee Member: Remuneration Committee	08.01.2001 27.01.2005	Non-Executive Independent	Retirement pursuant to S153(6)

Report on Corporate Governance
Particulars of Directors as at 30 September 2005

Name of Director/ Academic & Professional Qualifications	Age	Board Committees as Chairman or Member	Directorship: Date first appointed Date last re-elected	Board appointment Executive/ Non-executive Independent/ Non-Independent	Due for re-election at next AGM
Dr Lee Tih Shih Bachelor of Science (Honours Program) (Northwestern) Doctor of Medicine (Yale) Master of Business Administration with Distinction (London)	42	Member: Nominating Committee	01.12.1997 29.01.2004	Non-Executive Non-Independent	Retirement by rotation
Mr Nicky Tan Ng Kuang Member, The Institute of Chartered Accountants in England and Wales Certified Public Accountant, Institute of Certified Public Accountants of Singapore	47	Member: Audit Committee	21.10.2003 29.01.2004	Non-Executive Independent	-
Mr Anthony Cheong Fook Seng Member of the Institute of Chartered Accountants in England and Wales and the Institute of Certified Public Accountants of Singapore	51	Nil	01.02.2005	Executive Non-Independent	Appointed during the year
Mr Patrick Goh Fellow of The Association of Chartered Certified Accountants of UK, Associate of The Chartered Institute of Management Accountants of UK, and Member of the Institute of Certified Public Accountants of Singapore	61	Nil	-	Executive	Appointed on 15.11.2002 as Alternate Director to Dr Han Cheng Fong

Notes:

1) Directors' shareholdings in the Company and its related Companies: please refer to pages 72 and 73.
2) Directorships or Chairmanships in other listed Companies and other major appointments, both present and over the preceding 3 years: please refer to pages 20 and 21.

PARTICULARS OF KEY MANAGEMENT STAFF

Name	Age	Academic & Professional Qualifications	Working Experience	Area of Responsibility
Koh Poh Tiong	59	Bachelor of Science -University of Singapore	1985-1991 General Manager Asia Pacific Breweries Limited 1991-1993 Deputy Group General Manager Asia Pacific Breweries Limited 1993 Asia Pacific Breweries Limited	Director and Chief Executive Officer Asia Pacific Breweries Limited (Date appointed: 1 October 1993)
Lim Ee Seng	54	Bachelor of Engineering (Civil) -University of Singapore Master of Science (Project Management)-University of Singapore	1982-1989 Project Manager, Singapore Land Ltd 1989-1996 General Manager (Property Division)-First Capital Corporation Ltd 1996-2004 Managing Director, MCL Land Ltd	Director and Chief Executive Officer, Centrepoint Properties Ltd (Date joined: 15 October 2004)
Lai Seck Khui	53	Master of Business Administration (Technology Management) -Deakin University Master of Public Administration in Management and Public Policy -Harvard University Master of Science in Industrial Engineering-National University of Singapore Bachelor of Science in Electronic Engineering (1st class Hons) -University of Birmingham Professional Engineer, Singapore Chartered Engineer, UK	1996-1999 Chief Operating Officer, Dairies Division and Head, Group Strategic Planning 2000-2001 Chief Operating Officer, New Ventures	Chief Executive Officer, Times Publishing Limited (Date appointed: 16 February 2001)
Tan Ang Meng	50	Certified Public Accountant Member, Malaysian Institute of Certified Public Accountants	1983-1991 Financial Controller Guinness Malaysia Berhad 1991-2001 Regional Director Asia Pacific Breweries Limited 2001 Chief Executive Officer Fraser & Neave Holdings Bhd	Director and Chief Executive Officer, Fraser & Neave Holdings Bhd (Date appointed: 24 May 2001)
Huang Hong Peng	46	Degree in Air Transport from the Ecole National de l'Aviation Civile, Toulouse, France Advanced Management Program -Harvard Business School, USA	1987-1994 Civil Aviation Authority of Singapore 1994-2004 Asia Pacific Breweries Limited	Chief Operating Officer, Food & Beverage, Fraser and Neave Group (Date appointed: 1 January 2005)

DIRECTORS' REPORT

Your directors have pleasure in submitting their report and the audited financial statements of the Company and of the Group for the financial year ended 30 September 2005.

1. DIRECTORATE

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

Dr Michael Fam	
Dr Han Cheng Fong	
Mr Ho Tian Yee	
Mr Stephen Lee	
Mr Lee Ek Tieng	
Dr Lee Tih Shih	
Mr Nicky Tan Ng Kuang	
Mr Anthony Cheong Fook Seng	(Appointed on 1 February 2005)
Mr Patrick Goh	(Alternate to Dr Han Cheng Fong)

At the forthcoming Annual General Meeting the following directors retire and, being eligible, offer themselves for re-election :

- Pursuant to Section 153 of the Companies Act, Cap. 50 :
  - Dr Michael Fam
  - Mr Lee Ek Tieng

- By rotation pursuant to Article 117 of the Company's Articles of Association :
  - Dr Han Cheng Fong
  - Dr Lee Tih Shih

- Pursuant to Article 122 of the Company's Articles of Association, having been appointed since the last Annual General Meeting :
  - Mr Anthony Cheong Fook Seng

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of, nor at any time during the financial year did there subsist any arrangements to which the Company or the Group is a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except for the options granted under the Fraser and Neave, Limited Executives' Share Option Scheme and Frasers Property (China) Limited ("FPCL") Share Option Scheme referred to under paragraphs 5(a) and 5(d) respectively. The options granted under the FPCL Share Option Scheme were offered prior to FPCL becoming a subsidiary of the Company. No executive shall, at any one time, be entitled to participate in more than one share option scheme implemented by the Company or any of its subsidiaries.

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors who held office at the end of the financial year and their beneficial or deemed interests in the issued capital of the Company and its related corporations as recorded in the register required to be kept under Section 164 of the Companies Act, Cap. 50 were as follows :

	ORDINARY SHARES OF THE COMPANY		OTHER SECURITIES IN GROUP COMPANIES		NAME OF COMPANY
	As at 1 Oct 2004	As at 30 Sep 2005	As at 1 Oct 2004	As at 30 Sep 2005	
Michael Fam	1,165,005 (1)	1,165,005 (1)	516,000	774,000	Fraser and Neave, Limited Share Options
			50,000 (2)	50,000 (2)	Asia Pacific Breweries Limited Ordinary Shares
			2,315,794 (3)	2,315,794	Frasers Property (China) Limited Ordinary Shares

DIRECTORS' REPORT

	ORDINARY SHARES OF THE COMPANY		OTHER SECURITIES IN GROUP COMPANIES		NAME OF COMPANY
	As at 1 Oct 2004	As at 30 Sep 2005	As at 1 Oct 2004	As at 30 Sep 2005	
Han Cheng Fong	Nil	Nil	371,520	526,320	Fraser and Neave, Limited Share Options
			3,000,000 (3)	3,000,000	Frasers Property (China) Limited Share Options
(Alternate: Patrick Goh)	94,492 (1)	112,288 (1)	165,636	216,720	Fraser and Neave, Limited Share Options
			60,000 (4)	60,000 (4)	Asia Pacific Breweries Limited Ordinary Shares
			1,000,000 (3)	1,000,000	Frasers Property (China) Limited Share Options
Ho Tian Yee	Nil	Nil	Nil	Nil	
Lee Ek Tieng	67,500	67,500	34,000	34,000	Asia Pacific Breweries Limited Ordinary Shares
Stephen Lee	Nil	Nil	Nil	Nil	
Lee Tih Shih	Nil	Nil	Nil	Nil	
Nicky Tan Ng Kuang	Nil	Nil	Nil	Nil	
Anthony Cheong Fook Seng	4,050 (5)	4,050	204,800 (5)	204,800	Fraser and Neave, Limited Share Options

(1) Includes deemed interest in 80,000 ordinary shares held by Fraser & Neave (Singapore) Ltd Staff Provident Fund ("Fund") whereby Dr Michael Fam is the Chairman of the Trustees and Mr Patrick Goh is a Trustee of the Fund.
(2) Deemed interest in 50,000 ordinary shares held by the Fund.
(3) Frasers Property (China) Limited (formerly known as Vision Century Corporation Limited) became a subsidiary of Fraser and Neave, Limited on 22 September 2005.
(4) Includes deemed interest in 50,000 ordinary shares held by the Fund.
(5) As at date of appointment i.e. 1 February 2005.

4. DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or has become entitled to receive a benefit required to be disclosed by Section 201(8) of the Companies Act, Cap. 50 by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he had a substantial financial interest except in respect of remuneration as shown in the financial statements and in respect of participation by Dr Michael Fam, Dr Han Cheng Fong, Mr Anthony Cheong Fook Seng and Mr Patrick Goh in the Executives' Share Option Scheme of the Company.

5. SHARE OPTIONS

(a) Share Options pursuant to the Fraser and Neave, Limited Executives' Share Option Scheme Approved by Shareholders on 7 August 1989 ("the 1989 Scheme")

The 1989 Scheme expired on 30 September 1999 but Options already granted under that Scheme remain exercisable until the end of the relevant Option Period.

Share Options pursuant to the Fraser and Neave, Limited Executives' Share Option Scheme Approved by Shareholders on 30 September 1999 ("the 1999 Scheme")

The 1999 Scheme succeeded the 1989 Scheme.

The Schemes are administered by the Remuneration Committee which comprises the following three non-executive directors who do not participate in the Schemes :

Mr Stephen Lee (Chairman)
Mr Ho Tian Yee
Mr Lee Ek Tieng

DIRECTORS' REPORT

No options have been granted to controlling shareholders or their associates, or parent group employees and no employee has received 5% or more of the total options available under the schemes.

The following are details of options granted to and exercised by Executive Directors :

Name of Participant	Number of Ordinary Shares granted under Options during the financial year under review	Aggregate Number of Ordinary Shares granted under Options since commencement of Schemes to end of the financial year under review	Aggregate Number of Ordinary Shares granted under Options exercised since commencement of Schemes to end of the financial year under review	Options Lapsed	Aggregate Number of Ordinary Shares granted under Options outstanding as at end of the financial year under review
Michael Fam	258,000	3,232,881	1,495,835	963,046	774,000
Han Cheng Fong	154,800	526,320	-	-	526,320
Anthony Cheong Fook Seng	104,490	204,800	-	-	204,800
Patrick Goh	92,880	678,623	285,045	176,858	216,720

Year 6 Options of the 1999 Scheme

During the financial year ended 30 September 2005, in consideration of the payment of $1 for each offer accepted, offers of options were granted pursuant to the 1999 Scheme in respect of 2,180,966 unissued shares of $1 each of the Company at an exercise price of $14.08 per share.

Information pertaining to Outstanding Options

At the end of the financial year, there were 5,447,448 unissued ordinary shares of the Company under Options granted pursuant to the Schemes. Details of the options to subscribe for ordinary shares of $1 each in the capital of the Company granted to executives pursuant to the Schemes are as follows :

Options	Offer Date	Balance as at 1.10.2004 or Offer Date if later	Options Lapsed #	Options Exercised	Balance as at 30.9.2005	Exercise Price	Exercise Period
1989 Scheme							
1999	23.12.1998	30,496	-	(13,623)	16,873	$ 3.86	23.09.2001 - 22.11.2008
1999 Scheme							
Year 1	23.11.1999	6,966	-	(6,966)	-	$ 6.67	23.08.2002 - 22.10.2009
Year 2	21.11.2000	77,871	-	(50,053)	27,818	$ 6.43	22.08.2003 - 21.10.2010
Year 3	08.10.2001	433,017	(2)	(304,501)	128,514	$ 6.98	09.07.2004 - 08.09.2011
Year 3A	28.01.2002	229,179	-	(217,334)	11,845	$ 7.81	29.10.2004 - 28.12.2011
Year 3B	02.07.2002	168,732	-	(38,081)	130,651	$ 7.79	03.04.2005 - 02.06.2012
Year 4	01.10.2002	1,945,681	(135,760)	(721,055)	1,088,866	$ 7.54	01.07.2005 - 31.08.2012
Year 5	08.10.2003	2,170,249	(184,521)	-	1,985,728	$10.58	08.07.2006 - 07.09.2013
Year 6	08.10.2004	2,180,966	(123,813)	-	2,057,153	$14.08	08.07.2007 - 07.09.2014
		7,243,157	(444,096)	(1,351,613)	5,447,448		

lapsed due to resignations (428,616) and non-acceptance (15,480).

Subsequent to the financial year ended 30 September 2005, a total of 2,394,857 share options of Year 7 of the 1999 Scheme were offered on 10 October 2005 at an exercise price of $17.32 per share.

DIRECTORS' REPORT

Statutory and other information regarding the Options

i) The Exercise Price is equal to the market value of a share based on the average of the last done price on the Singapore Exchange Securities Trading Limited for the five market days preceding the option offer date.

ii) The grantee may exercise an option during the Exercise Period (which commences 33 months after the Offer Date) by notice in writing accompanied by a remittance for the number of options at the full amount of the Exercise Price.

iii) Options expire 119 months after the Offer Date unless an option has previously lapsed by reason of the resignation of the grantee from employment with the Group after the grant of an option and before its exercise.

iv) The number of shares which may be acquired by a grantee and the Exercise Price are subject to adjustment, as confirmed by the auditors of the Company that such adjustment is fair and reasonable, by reason of any issue of additional shares in the Company by way of rights or capitalisation of profits or reserves, or repayment and reduction of capital, made while an option remains unexercised.

v) The persons to whom the options have been issued have no right to participate by virtue of the options in any share issue of any other company.

(b) Share Options pursuant to the Asia Pacific Breweries Limited Executives' Share Option Scheme ("APBL Scheme")

The APBL Scheme expired in July 2004 but options already granted under that Scheme remains exercisable until the end of the relevant Option Period. The Phantom Share Option Plan approved by the Remuneration Committee of APBL on 24 September 2004 and endorsed by the APBL Board succeeded the APBL Scheme.

Information pertaining to Outstanding Options

At the end of the financial year, 1,892,999 unissued ordinary shares of APBL were under options granted pursuant to the APBL Scheme. Details of the options to subscribe for ordinary shares of $1 each in the capital of APBL granted to executives pursuant to the APBL Scheme are as follows :

Options	Offer Date	Balance as at 1.10.2004	Options Lapsed due to resignations	Options Exercised	Balance as at 30.9.2005	Exercise Price	Exercise Period
1999	23.12.1998	12,879	-	(500)	12,379	$3.61	22.09.2001 - 21.11.2008
2000	22.12.1999	103,460	-	(85,640)	17,820	$4.28	21.09.2002 - 20.11.2009
2001	20.12.2000	184,730	-	(131,030)	53,700	$3.91	19.09.2003 - 18.11.2010
2002	08.10.2001	532,700	-	(392,075)	140,625	$3.79	08.07.2004 - 07.09.2011
2003	15.10.2002	1,003,050	(20,750)	(345,350)	636,950	$4.79	15.07.2005 - 14.09.2012
2004	08.10.2003	1,041,950	(10,425)	-	1,031,525	$6.29	08.07.2006 - 07.09.2013
		2,878,769	(31,175)	(954,595)	1,892,999		

Statutory and other information regarding the APBL Options

The statutory and other information provided above at paragraph 5(a), sub-paragraphs (i) to (v) inclusive in respect of the Fraser and Neave, Limited Executives' Share Option Scheme, applies also to the APBL options.

(c) Share Options pursuant to the Fraser & Neave Holdings Bhd Executives' Share Option Scheme ("F&NHB Scheme")

During the financial year ended 30 September 2005, in consideration of the payment of RM1 for each offer accepted, offers of options were granted by Fraser and Neave, Limited pursuant to the F&NHB Scheme to executives to acquire :

2005 Options - 2,453,700 shares of RM1 each in the capital of F&NHB at an exercise price of RM4.89 per share

2006 Options - 2,386,300 shares of RM1 each in the capital of F&NHB at an exercise price of RM5.54 per share

DIRECTORS' REPORT

Information pertaining to Outstanding Options
At the end of the financial year, 8,926,087 F&NHB ordinary shares held by Fraser and Neave, Limited were under Options granted pursuant to the F&NHB Scheme. Details of the options granted to executives pursuant to the F&NHB Scheme to acquire ordinary shares of RM1 each in the capital of F&NHB from Fraser and Neave, Limited are as follows :

Options	Offer Date	Balance as at 1.10.2004 or Offer Date if later	Options Lapsed #	Options Exercised	Balance as at 30.9.2005	Exercise Price	Exercise Period
2000	07.12.1999	138,361	(40,779)	(97,582)	-	RM 3.07	07.09.2002 - 06.11.2004
2001	08.12.2000	606,540	-	(560,941)	45,599	RM 3.13	08.09.2003 - 07.11.2005
2002	31.12.2001	1,749,300	-	(1,343,112)	406,188	RM 3.56	01.10.2004 - 30.11.2006
2003	21.11.2002	2,205,100	(96,300)	(577,000)	1,531,800	RM 3.49	21.08.2005 - 20.10.2007
2004	24.11.2003	2,321,900	(88,700)	-	2,233,200	RM 3.83	24.08.2006 - 23.10.2008
2005	24.11.2004	2,453,700	(124,800)	-	2,328,900	RM 4.89	24.08.2007 - 23.10.2009
2006	26.08.2005	2,386,300	(5,900)	-	2,380,400	RM 5.54	26.05.2008 - 25.07.2010
		11,861,201	(356,479)	(2,578,635)	8,926,087		

Lapsed due to expiry (40,779), resignations (307,500) and non-acceptance (8,200).

Statutory and other information regarding the F&NHB Options
The statutory and other information provided above at paragraph 5(a), sub-paragraphs (i) to (v) inclusive in respect of the Fraser and Neave, Limited Executives' Share Option Scheme, applies to the F&NHB options except that Singapore Exchange Securities Trading Limited should be replaced by Bursa Malaysia and that all options expire 59 months after the option offer date.

(d) Share Options pursuant to Frasers Property (China) Limited Share Option Scheme ("FPCL Scheme")
During the financial year ended 30 September 2005, Frasers Property (China) Limited ("FPCL") became a subsidiary of Fraser and Neave, Limited. FPCL has in place a share option scheme, FPCL Scheme, since 20 May 2003 and, unless otherwise cancelled or amended will remain in force for 10 years from that date.

Information pertaining to Outstanding Options
At the end of the financial year, there were 24,600,000 unissued ordinary shares of FPCL under Options granted pursuant to the FPCL Scheme. Details of the options to subscribe for ordinary shares of HK$0.10 each in the capital of FPCL granted to employees pursuant to the FPCL Scheme are as follows :

Options	Offer Date	Balance as at 22.9.2005*	Options Lapsed	Options Exercised	Balance as at 30.9.2005	Exercise Price	Exercise Period
2003	31.12.2003	12,600,000	-	-	12,600,000	HK$0.1706	31.12.2004 - 30.12.2013
2004	31.12.2004	12,000,000	-	-	12,000,000	HK$0.1670	31.12.2005 - 30.12.2014
		24,600,000	-	-	24,600,000		

* date FPCL became a subsidiary of Fraser and Neave, Limited.

Statutory and other information regarding the Options

(i) The Exercise Price will be determined by FPCL Board, but shall not be less than the highest of :

1) the closing price as stated in the daily quotation sheet of the Stock Exchange of Hong Kong Limited ("HKEX") on the date of grant, which must be a trading day;
2) the average closing prices as stated in the HKEX's daily quotation sheets for the five trading days immediately preceding the date of grant;
3) the nominal value of FPCL share.

DIRECTORS' REPORT

(ii) The vesting period of the share options is in the following manner :

Vesting Schedule	Percentage of shares over which a share option is exercisable	
	2003 (%)	2004 (%)
Before the first anniversary of the date of grant	Nil	Nil
On or after the first but before the second anniversary of the date of grant	25	40
On or after the second but before the third anniversary of the date of grant	25	30
On or after the third but before the fourth anniversary of the date of grant	25	30
On or after the fourth anniversary of the date of grant	25	NA

In relation to the share options, if the grantee, during any of the periods specific above, exercised that share options for such number of shares which, in aggregate, represents less than the number of shares for which the eligible participant may exercise in respect of such period, the balance of the shares comprised in that share option for which the grantee could have exercised (but did not exercise) in that period shall be carried forward and added to the number of shares which the grantee may exercise in the next succeeding period or periods.

(e) Other than those reported in this paragraph 5, no shares of the Company or any corporation in the Group were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or any corporation in the Group, whether granted before or during that financial year.

(f) Other than those reported in this paragraph 5, there were no unissued shares of the Company or any corporation in the Group under options as at the end of the financial year to which this report relates.

6. AUDIT COMMITTEE

At a series of meetings convened during the twelve months up to the date of this report, the Audit Committee reviewed reports prepared respectively by the external and the internal auditors and approved proposals for improvement in internal controls. The announcement of results quarterly and the financial statements of the Company and of the Group and the audit report thereon for the full year were also reviewed prior to consideration and approval of the Board.

The Audit Committee has nominated Ernst & Young for re-appointment by shareholders as auditor for the ensuing financial year.

7. AUDITORS

The auditors, Ernst & Young, Certified Public Accountants, Singapore has expressed willingness to accept re-appointment.

DIRECTORS' REPORT

8. OTHER INFORMATION REQUIRED BY SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

(a) The interests of the directors of the Company in the share capital of the Company and of its related companies as at the 21st day after the end of the financial year remained unchanged from those at 30 September 2005 as set out at paragraph 3 hereof, except for :

Dr Michael Fam, Dr Han Cheng Fong, Mr Anthony Cheong Fook Seng and Mr Patrick Goh who were respectively granted, under the 1999 Executives' Share Option Scheme, 258,000, 174,150, 127,710 and 92,880 Year 7 Options exercisable not earlier than 10 July 2008 at $17.32 per share.

(b) Since the end of the previous financial year, the Company and its subsidiary companies did not enter into any material contracts involving interests of the directors or controlling shareholders and no such material contracts still subsist at the end of the financial year, except for :

i) the Sale and Purchase contracts entered into in August 2005 with Dr Han Cheng Fong, Mr Nicky Tan Ng Kuang and Mr Stephen Lee for the purchase of a condominium unit each at Jingan Four Seasons in Shanghai, for a price of RMB6,893,517, RMB7,344,257 and RMB7,746,339 respectively.

ii) the Options to Purchase granted in March 2005 to Mr Patrick Goh for the purchase of two condominium units at 8 @ Mount Sophia , Singapore, for a price of S$652,719 and S$790,527 and to Mr Edward Lee Hing Yun (brother of Mr Stephen Lee) for the purchase of a condominium unit at 8 @ Mount Sophia for a price of S$1,172,512, and announced in March and April 2005 respectively.

iii) the Options to Purchase granted in September 2005 to Ms Jessica Lee Ding Waye (daughter of Mr Stephen Lee), Dr Lee Tih Shih, Dr Michael Fam and Dr Han Cheng Fong for the purchase of a condominium unit each at The Azure, Singapore, for a price of S$4,220,370, S$1,691,910, S$1,647,360 and S$1,605,631.50 respectively, and announced in September 2005.

iv) those disclosed in this Directors' Report and in the Financial Statements.

On behalf of the Board

MICHAEL FAM
Director

LEE EK TIENG
Director

Singapore,
11 November 2005

STATEMENT BY DIRECTORS
Persuant to Section 201(15)

We, MICHAEL FAM and LEE EK TIENG, being two of the Directors of Fraser and Neave, Limited, do hereby state that in the opinion of the Directors :

(a) the balance sheet, profit statement, statement of changes in equity and consolidated cash flow statement together with the notes thereto, set out on pages 81 to 136, are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 September 2005 and of the results of the businesses and changes in equity of the Company and of the Group and the cash flows of the Group for the year ended 30 September 2005; and

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

On behalf of the Board

MICHAEL FAM
Director

LEE EK TIENG
Director

Singapore,
11 November 2005

AUDITORS' REPORT
To the Members of Fraser and Neave, Limited

We have audited the financial statements of FRASER AND NEAVE, LIMITED (the "Company") and its subsidiary companies (the "Group") set out on pages 81 to 136 for the year ended 30 September 2005. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

(a) the consolidated financial statements of the Group and the financial statements of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 September 2005, and of the results and changes in equity of the Company and of the Group and the cash flows of the Group for the year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company and by those subsidiary companies incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

ERNST & YOUNG
Certified Public Accountants

Singapore,
11 November 2005

PROFIT STATEMENT
for the year ended 30 September 2005

	Notes	THE GROUP 2005 ($'000)	THE GROUP 2004 ($'000)	THE COMPANY 2005 ($'000)	THE COMPANY 2004 ($'000)
REVENUE	3				
Sale of goods		**4,263,239**	3,440,224	**-**	-
Other revenue		**6,569**	6,035	**3,094**	2,285
		4,269,808	3,446,259	**3,094**	2,285
Cost of sales		**(2,841,772)**	(2,188,956)	**-**	-
Gross profit		**1,428,036**	1,257,303	**3,094**	2,285
Operating expenses					
- Distribution		**(156,848)**	(140,267)	**-**	-
- Marketing		**(456,111)**	(417,650)	**-**	-
- Administration		**(258,963)**	(255,881)	**(5,726)**	(6,425)
		(871,922)	(813,798)	**(5,726)**	(6,425)
TRADING PROFIT/(LOSS)		**556,114**	443,505	**(2,632)**	(4,140)
Gross dividends from subsidiary companies	6	**-**	-	**145,255**	138,158
Share of joint venture companies' profits		**35,046**	27,568	**-**	-
Share of associated companies' profits		**31,854**	30,066	**-**	-
Gain on Compass Point securitisation	7	**-**	59,794	**-**	-
Gross income from investments	8	**9,326**	21,248	**1,620**	2,641
PROFIT BEFORE INTEREST, TAXATION AND EXCEPTIONAL ITEMS		**632,340**	582,181	**144,243**	136,659
Net interest expense	4	**(39,739)**	(31,413)	**(19,889)**	(14,412)
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS	4	**592,601**	550,768	**124,354**	122,247
Exceptional items	9	**29,594**	20,630	**10,005**	84,172
PROFIT BEFORE TAXATION		**622,195**	571,398	**134,359**	206,419
Taxation	10	**(171,266)**	(141,099)	**(29,193)**	(22,508)
PROFIT AFTER TAXATION		**450,929**	430,299	**105,166**	183,911
Minority interests, net of taxes		**(151,429)**	(138,391)	**-**	-
ATTRIBUTABLE PROFIT					
- Before exceptional items		**274,815**	266,204	**95,161**	99,739
- Exceptional items		**24,685**	25,704	**10,005**	84,172
		299,500	291,908	**105,166**	183,911

		Notes	2005	2004
Earnings per $1 share		12		
Basic	- before exceptional items		**118.1 cts**	115.1 cts
	- after exceptional items		**128.7 cts**	126.2 cts
Fully diluted	- before exceptional items		**116.9 cts**	113.8 cts
	- after exceptional items		**127.4 cts**	124.8 cts

The Notes on pages 88 to 136 form an integral part of the Financial Statements.

BALANCE SHEET
as at 30 September 2005

	Notes	THE GROUP 2005 ($'000)	THE GROUP 2004 ($'000)	THE COMPANY 2005 ($'000)	THE COMPANY 2004 ($'000)
SHARE CAPITAL AND RESERVES					
Share capital	13	**233,359**	232,008	**233,359**	232,008
Reserves	13	**2,863,529**	2,694,192	**2,507,874**	2,521,983
		3,096,888	2,926,200	**2,741,233**	2,753,991
MINORITY INTERESTS		**1,124,438**	915,348	**-**	-
		4,221,326	3,841,548	**2,741,233**	2,753,991
Represented by :					
FIXED ASSETS	14	**1,499,004**	1,333,023	**-**	-
INVESTMENT PROPERTIES	15	**2,305,537**	2,227,432	**-**	-
PROPERTIES UNDER DEVELOPMENT	16	**1,994,012**	1,833,290	**-**	-
SUBSIDIARY COMPANIES	17	**-**	-	**3,608,227**	3,583,715
JOINT VENTURE COMPANIES	18	**144,733**	122,213	**-**	-
ASSOCIATED COMPANIES	19	**308,074**	184,561	**-**	-
INTANGIBLE ASSETS	20	**164,873**	224,512	**-**	-
OTHER INVESTMENTS	22	**116,749**	81,180	**6,579**	7,952
BRANDS	24	**5,747**	7,591	**169**	1,336
DEFERRED TAX ASSETS	34	**10,247**	12,399	**-**	-
BANK FIXED DEPOSITS	23	**4,600**	157,887	**-**	-
CURRENT ASSETS					
Properties held for sale	25	**431,867**	398,862	**-**	-
Inventories	26	**434,090**	355,008	**-**	-
Trade debtors	27	**632,450**	412,514	**-**	-
Subsidiary companies	17	**-**	-	**45,033**	7,406
Joint venture companies	18	**228**	304	**-**	-
Associated companies	19	**7,547**	8,106	**-**	-
Other debtors	28	**235,937**	172,457	**2,942**	3,237
Short term investments	29	**11,796**	13,123	**-**	-
Bank fixed deposits	23	**360,425**	443,824	**22,618**	21,688
Cash and bank balances	23	**280,687**	133,546	**452**	364
		2,395,027	1,937,744	**71,045**	32,695
Deduct : CURRENT LIABILITIES					
Trade creditors		**486,645**	360,615	**-**	-
Subsidiary companies	17	**-**	-	**20,329**	28,272
Joint venture companies	18	**3,938**	14,038	**-**	686
Associated companies	19	**33,874**	33,317	**-**	-
Other creditors	30	**512,533**	432,992	**6,132**	5,365
Bank borrowings	31	**716,153**	890,642	**112,340**	32,980
Term loans	32	**500,000**	184,500	**-**	-
Provision for taxation		**167,550**	138,758	**5,986**	4,404
		2,420,693	2,054,862	**144,787**	71,707
NET CURRENT LIABILITIES		**(25,666)**	(117,118)	**(73,742)**	(39,012)
		6,527,910	6,066,970	**3,541,233**	3,553,991
Deduct : DEFERRED LIABILITIES					
Bank borrowings	31	**686,011**	128,542	**-**	-
Term loans	32	**1,500,000**	1,985,266	**800,000**	800,000
Provision for employee benefits	33	**23,951**	23,760	**-**	-
Deferred tax liabilities	34	**96,622**	87,854	**-**	-
		2,306,584	2,225,422	**800,000**	800,000
		4,221,326	3,841,548	**2,741,233**	2,753,991

The Notes on pages 88 to 136 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

	Notes	Share Capital ($'000)	Share Premium ($'000)	Capital Redemption Reserve ($'000)	Capital Reserve ($'000)	Revenue Reserve ($'000)	Exchange Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)
		THE GROUP							
YEAR ENDED 30 SEPTEMBER 2005									
Balance at 1 October 2004		232,008	143,598	3,228	561,251	1,922,457	(17,545)	81,203	2,926,200
Revaluation deficit on properties		-	-	-	(28,365)	-	-	-	(28,365)
Revaluation surplus reversed on transfer of investment properties to fixed assets		-	-	-	(1,467)	-	-	-	(1,467)
Revaluation surplus on investment and properties for sale realised		-	-	-	(1,799)	1,742	-	-	(57)
Deferred taxation on revaluation of assets		-	-	-	(3,448)	-	-	-	(3,448)
Share of joint venture and associated companies' reserves		-	-	-	685	(2,898)	-	-	(2,213)
Change in minority interests' in reserves upon the issue of shares by subsidiary companies		-	-	-	(22)	50	-	-	28
Transfer of reserves by overseas subsidiary companies in compliance with statutory requirements		-	-	-	55	(55)	-	-	-
Currency translation difference		-	-	-	122	-	24,512	-	24,634
Net (losses)/gains not recognised in the profit statement		-	-	-	(34,239)	(1,161)	24,512	-	(10,888)
Issue of shares in the Company upon exercise of share options	13	1,351	8,625	-	-	-	-	-	9,976
Attributable profit		-	-	-	-	299,500	-	-	299,500
Dividends	11								
Additional dividend due to exercise of share options		-	-	-	-	(177)	-	177	-
Final dividend for the previous year, paid		-	-	-	-	-	-	(81,380)	(81,380)
Interim dividend for the year, paid		-	-	-	-	(46,520)	-	-	(46,520)
Final dividend for the year, proposed		-	-	-	-	(81,676)	-	81,676	-
		-	-	-	-	(128,196)	-	81,676	(46,520)
Balance at 30 September 2005		233,359	152,223	3,228	527,012	2,092,423	6,967	81,676	3,096,888

The Notes on pages 88 to 136 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

	Notes	THE GROUP Share Capital ($'000)	Share Premium ($'000)	Capital Redemption Reserve ($'000)	Capital Reserve ($'000)	Revenue Reserve ($'000)	Exchange Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)
YEAR ENDED 30 SEPTEMBER 2004									
Balance at 1 October 2003		230,517	135,111	3,228	650,750	1,755,025	(4,495)	69,155	2,839,291
Adjustment of prior year's revaluation reserves resulting from release of completion cost provisions		-	-	-	22	-	-	-	22
Revaluation deficit on properties		-	-	-	(33,943)	-	-	-	(33,943)
Revaluation surplus on investment in associated companies		-	-	-	9,290	-	-	-	9,290
Revaluation surplus on investment and properties for sale realised		-	-	-	(63,188)	2,647	-	-	(60,541)
Deferred taxation on revaluation of assets		-	-	-	(2,342)	-	-	-	(2,342)
Change in minority interests' in reserves upon the issue of shares by subsidiary companies		-	-	-	(40)	344	-	-	304
Transfer of reserves by overseas subsidiary companies in compliance with statutory requirements		-	-	-	(228)	228	-	-	-
Currency translation difference		-	-	-	930	-	(13,050)	-	(12,120)
Net (losses)/gains not recognised in the profit statement		-	-	-	(89,499)	3,219	(13,050)	-	(99,330)
Issue of shares in the Company upon exercise of share options	13	1,491	8,487	-	-	-	-	-	9,978
Attributable profit		-	-	-	-	291,908	-	-	291,908
Dividends	11								
Additional dividend due to exercise of share options		-	-	-	-	(227)	-	227	-
Final dividend for the previous year, paid		-	-	-	-	-	-	(69,382)	(69,382)
Interim dividend for the year, paid		-	-	-	-	(46,265)	-	-	(46,265)
Final dividend for the year, proposed		-	-	-	-	(81,203)	-	81,203	-
		-	-	-	-	(127,468)	-	81,203	(46,265)
Balance at 30 September 2004		232,008	143,598	3,228	561,251	1,922,457	(17,545)	81,203	2,926,200

The Notes on pages 88 to 136 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

		THE COMPANY						
	Notes	Share Capital ($'000)	Share Premium ($'000)	Capital Redemption Reserve ($'000)	Capital Reserve ($'000)	Revenue Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)
YEAR ENDED 30 SEPTEMBER 2005								
Balance at 1 October 2004		232,008	143,598	3,228	1,039,274	1,254,680	81,203	2,753,991
Issue of shares in the Company upon exercise of share options	13	1,351	8,625	-	-	-	-	9,976
Attributable profit		-	-	-	-	105,166	-	105,166
Dividends	11							
Additional dividend due to exercise of share options		-	-	-	-	(177)	177	-
Final dividend for the previous year, paid		-	-	-	-	-	(81,380)	(81,380)
Interim dividend for the year, paid		-	-	-	-	(46,520)	-	(46,520)
Final dividend for the year, proposed		-	-	-	-	(81,676)	81,676	-
		-	-	-	-	(128,196)	81,676	(46,520)
Balance at 30 September 2005		233,359	152,223	3,228	1,039,274	1,231,473	81,676	2,741,233
YEAR ENDED 30 SEPTEMBER 2004								
Balance at 1 October 2003		230,517	135,111	3,228	1,229,393	1,198,464	69,155	2,865,868
Revaluation surplus realised upon disposal of subsidiary companies not recognised in the profit statement		-	-	-	(190,119)	-	-	(190,119)
Issue of shares in the Company upon exercise of share options	13	1,491	8,487	-	-	-	-	9,978
Attributable profit		-	-	-	-	183,911	-	183,911
Dividends	11							
Additional dividend due to exercise of share options		-	-	-	-	(227)	227	-
Final dividend for the previous year, paid		-	-	-	-	-	(69,382)	(69,382)
Interim dividend for the year, paid		-	-	-	-	(46,265)	-	(46,265)
Final dividend for the year, proposed		-	-	-	-	(81,203)	81,203	-
		-	-	-	-	(127,468)	81,203	(46,265)
Balance at 30 September 2004		232,008	143,598	3,228	1,039,274	1,254,680	81,203	2,753,991

The Notes on pages 88 to 136 form an integral part of the Financial Statements.

CASH FLOW STATEMENT
for the year ended 30 September 2005

	THE GROUP 2005 ($'000)	2004 ($'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and exceptional items	**592,601**	550,768
Adjustments for :		
Depreciation of fixed assets and investment properties	**136,973**	131,120
Impairment of fixed assets	**439**	-
Impairment reversal of fixed assets	**(280)**	(2,089)
Write off of intangible assets	**1,870**	218
Provision for employee benefits	**3,119**	2,550
Write back of employee benefits	**(804)**	(278)
Provision for loan to associated company	**-**	356
Provision for foreseeable losses in properties held for sale	**16,517**	10,000
Loss/(profit) on disposal of fixed assets (net)	**1,347**	(2,810)
Profit on disposal of investment properties and other investments (net)	**(727)**	-
Gain on Compass Point securitisation	**-**	(59,794)
Amortisation of development properties	**105**	109
Amortisation of brands and intangible assets	**6,089**	10,902
Interest expenses (net)	**39,739**	31,413
Share of joint venture companies' profits	**(35,046)**	(27,568)
Share of associated companies' profits	**(31,854)**	(30,066)
Investment income	**(9,326)**	(21,248)
Profit on properties developed for sale and properties held for sale	**(151,569)**	(62,292)
Operating cash before working capital changes	**569,193**	531,291
Change in inventories	**(66,756)**	(17,124)
Change in trade and other debtors	**(198,846)**	207,572
Change in joint venture and associated companies' balances	**(8,908)**	39,019
Change in trade and other creditors	**140,307**	(59,850)
Currency realignment	**4,163**	(18,039)
Cash generated from operations	**439,153**	682,869
Interest expenses paid, net	**(39,739)**	(31,413)
Income taxes paid	**(121,583)**	(140,366)
Payment of employee benefits	**(2,663)**	(2,786)
Progress payment received/receivable on properties developed for sale and properties held for sale	**1,017,407**	165,377
Development expenditure on properties developed for sale	**(889,595)**	(658,084)
Net cash from operating activities	**402,980**	15,597
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends from joint venture and associated companies	**20,885**	17,174
Investment income	**9,333**	22,623
Proceeds from return of capital from joint venture and associated companies	**62**	336
Proceeds from Compass Point securitisation	**-**	28,178
Proceeds from sale of fixed assets and properties	**6,894**	101,772
Proceeds from sale of associated companies	**2,433**	-
Proceeds from sale of other investments and short term investments	**21,014**	345,839
Proceeds from disposal of subsidiary companies	**1,251**	-
Purchase of fixed assets	**(267,226)**	(186,841)
Purchase of other investments	**(35,438)**	(24,272)
Acquisition of minority interests of subsidiary companies	**(17,155)**	(117,169)
Acquisition of subsidiary companies	**(86,610)**	10,631
Payment for intangible assets	**(11,735)**	(11,111)
Development expenditure on investment properties	**(602)**	(1,034)
Investments in joint venture and associated companies	**(39,620)**	(215,723)
Net cash used in investing activities	**(396,514)**	(29,597)

The Notes on page 88 to 136 form an integral part of the Financial Statements.

CASH FLOW STATEMENT
for the year ended 30 September 2005

	THE GROUP 2005 ($'000)	2004 ($'000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from term loans and bank borrowings	**90,877**	58,149
Transfer from/(to) secured bank deposits	**153,287**	(69,031)
Loan from minority interests	**4,166**	3,826
Proceeds from issue of shares :		
- by subsidiary companies to minority interests	**11,351**	12,315
- by the Company to shareholders	**9,976**	9,978
Payment of dividends :		
- by subsidiary companies to minority interests	**(80,862)**	(78,116)
- by the Company to shareholders	**(127,900)**	(115,647)
Net cash from/(used in) financing activities	**60,895**	(178,526)
Net increase/(decrease) in cash and cash equivalents	**67,361**	(192,526)
Cash and cash equivalents at beginning of year	**564,913**	754,964
Effects of exchange rate changes on cash and cash equivalents	**3,591**	2,475
Cash and cash equivalents at end of year	**635,865**	564,913
Cash and cash equivalents at end of year comprise :		
Cash and bank deposits (Note 23)	**641,112**	577,370
Bank overdrafts (Note 31)	**(5,247)**	(12,457)
	635,865	564,913
Analysis of acquisition and disposal of subsidiary companies		
Net assets acquired :		
Fixed assets	**21,283**	20,281
Development properties	**122,197**	153,890
Investment properties	**108,833**	-
Other non-current assets	**17,883**	-
Current assets	**143,791**	92,607
Current liabilities	**(43,533)**	(71,156)
Non-current liabilities	**(122,150)**	(142,747)
Minority interests	**(124,276)**	(11,705)
Cash	**63,641**	21,447
	187,669	62,617
Cost of investment as joint venture/associated companies	**(37,290)**	(53,156)
Translation difference	**-**	1,242
Goodwill on acquisition (net)	**4,033**	113
Consideration paid	**154,412**	10,816
Add : Loan on acquisition	**(4,161)**	-
	150,251	10,816
Less : Cash of subsidiary companies	**(63,641)**	(21,447)
Cash flow on acquisition net of cash and cash equivalents acquired	**86,610**	(10,631)
Net assets disposed :		
Current assets	**(2,681)**	
Current liabilities	**16**	
Minority interests	**1,522**	
Cash	**(3,896)**	
	(5,039)	
Translation difference	**589**	
Gain on disposal	**(697)**	
Consideration received	**(5,147)**	
Less : Cash of subsidiary companies	**3,896**	
Cash flow on disposal net of cash and cash equivalent disposed	**(1,251)**	

The Notes on page 88 to 136 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

The following Notes form an integral part of the Financial Statements on pages 81 to 87.

1. GENERAL

Fraser and Neave, Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore. The registered office of the Company is located at #21-00 Alexandra Point, 438 Alexandra Road, Singapore 119958.

The principal activities of the Group are :

(a) production and sale of soft drinks, beer, stout, dairy products and glass containers,

(b) development of and investment in property, and

(c) printing, publishing and provision of education services.

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

There were no significant changes in the nature of these activities during the financial year.

The Company's operation is managed through a wholly-owned subsidiary company. As at the balance sheet date, the Group has 15,134 (2004 : 14,518) employees.

The financial statements of the Company and the consolidated financial statements of the Group were authorised for issue in accordance with a resolution of the Directors on 11 November 2005.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Company and the consolidated financial statements of the Group are expressed in Singapore dollars. The financial statements of the Company and of the Group are prepared under the historical cost convention as modified by the revaluation of certain fixed assets, properties under development and investments. The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Companies Act, Cap. 50.

The accounting policies have been consistently applied by the Company and the Group and, except for the changes in accounting policies discussed more fully below, are consistent with those used in the previous financial year.

2.2 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except that the Group has adopted FRS 103 Business Combinations, revised FRS 36 Impairment of Assets and revised FRS 38 Intangible Assets.

The Group adopted these standards with effect from 1 October 2004 which resulted in a change in the accounting treatment for goodwill. FRS 103 requires goodwill acquired in a business combination to be measured at cost less any accumulated impairment losses. Goodwill is no longer amortised. Instead, impairment is tested annually, or more frequently if events or changes in circumstances indicate that the goodwill might be impaired. The effect of the adoption of these standards has led to an increase in current year attributable profit of the Group by $9.2 million.

2.3 Basis of Consolidation

Subsidiary companies are consolidated from the effective date of acquisition or up to the effective date of disposal. Acquisitions of subsidiary companies are accounted for using the purchase method of accounting.

Subsidiary companies are those controlled by the Group or as defined in Section 5 of the Companies Act, Cap. 50. The financial year of the Company and all its subsidiary companies ends on 30 September unless otherwise stated. The consolidated financial statements of the Group incorporate the financial statements of the Company and all its subsidiary companies made up to 30 September. The financial statements of subsidiary companies are prepared using consistent accounting policies. Adjustments are made to any dissimilar material accounting policies to conform to the Group's significant accounting policies. A list of the Company's subsidiary companies is shown in Note 43.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

2.4 Investments

The Company's investments in subsidiary companies are stated at cost less accumulated impairment losses. Other investments held on a long term basis, are stated at cost or directors' valuation. Short term quoted investments are measured at the lower of cost and market value determined on an aggregate basis. Short term unquoted investments are stated at cost.

An assessment of the book value is performed when there is an indication that the investment has been impaired or the impairment losses recognised in prior years no longer exist.

2.5 Joint Venture Companies

These are companies (not being subsidiary companies) in which the Group has a long term interest of not more than 50% of the equity and has joint control in the companies' commercial and financial affairs.

The Group's investments in joint venture companies are recorded at cost less accumulated impairment losses and adjusted to recognise the Group's share of the post acquisition reserves of the joint venture companies.

The Group's share of the consolidated results, which also includes the Group's share of taxation and exceptional items, and net assets of the joint venture companies and their subsidiary companies are included in the consolidated financial statements under the equity method based on their latest audited financial statements except where their financial periods do not end on 30 September, then management accounts to 30 September are used.

Where an investment in a joint venture company is acquired or sold during the year, its results are included from the date of acquisition or excluded from the date of sale.

A list of the joint venture companies is shown in Note 43.

2.6 Associated Companies

These are companies (not being subsidiary companies or joint venture companies) in which the Group has a long term interest of not less than 20% of the equity and in whose financial and operating policy decisions the Group exercises significant influence.

The Group's investments in associated companies are recorded at cost less accumulated impairment losses and adjusted to recognise the Group's share of post-acquisition reserves of the associated companies.

The Group's share of the results of associated companies is included in the consolidated profit statement under the equity method on the same basis as joint venture companies.

A list of associated companies is shown in Note 43.

2.7 Revenue Recognition

Revenue from the sale of goods is recognised upon delivery.

The profit and interest on hire purchase sales are credited to the profit statement by apportioning the estimated gross profit and interest evenly over the period to which the contract relates.

Rental and fee income is taken up on an accrual basis.

Revenue on properties developed for sale represents the proportion of sales proceeds of the actual floor area sold to the balance sheet date based on the percentage of completion method.

Revenue from completed properties held for sale is recognised upon signing of the sale and purchase agreement.

Interest income and all other categories of revenue are taken up on an accrual basis.

Dividend income from funds under management is taken up upon receipt. Other dividend income is taken up according to the date when dividend is declared payable.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

2.8 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

Amounts are set aside on certain sales as a provision against possible sales returns inherent in the printing and publishing business.

2.9 Taxation

The tax charge is based on the profit for the year, as adjusted for tax purposes, together with a charge or credit for deferred taxation. Deferred income tax is provided in full, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation of fixed assets, revaluations of certain non-current assets and of derivative contracts, provisions for pensions and other post retirement benefits and tax losses carried forward; and, in relation to acquisitions, on the difference between the fair values of the net assets acquired and their tax base.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at or subsequently enacted after the balance sheet date.

Deferred income tax is provided on all temporary differences arising on investments in subsidiary, joint venture and associated companies, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax are charged or credited directly to equity if the tax relates to items that are charged or credited, in the same or a different period, directly to equity.

2.10 Fixed Assets

Fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit statement. When assets are sold or retired, their cost or valuation and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit statement.

Where fixed assets are revalued, any surplus on revaluation is credited to asset revaluation reserve. A decrease in net carrying amount arising on revaluation of fixed assets is charged to the profit statement to the extent that it exceeds any surplus held in asset revaluation reserve relating to previous revaluations of the same class of assets. The revaluation of fixed assets is only undertaken whenever a specific need arises.

Depreciation is calculated on the straight line method to write off the cost or valuation of fixed assets less residual value over their estimated useful lives. No depreciation is charged for freehold land and uncommissioned capital works-in-progress. The annual depreciation rates applied to write down the fixed assets over their estimated useful lives are as follows :

Leasehold land	-	The term of the lease
Building	-	2% to 5%
Plant, machinery and equipment	-	3.3% to 33%
Motor vehicle and forklift	-	10% to 20%
Postmix and vending machine	-	10%
Furniture and fitting, computer equipment and beer cooler	-	9% to 33%

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

2.10 Fixed Assets *(continued)*

Capital work-in-progress is not depreciated until each stage of development is completed and becomes operational.

The carrying amounts, both revalued and those measured at cost, are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amount, and if carrying values exceed this recoverable amount, assets are impaired.

2.11 Investment Properties

Investment properties are held for their income and long term investment potential.

Short leasehold investment properties (those with the balance of their lease of 50 years or less) are stated at cost (or directors' valuation carried out in the past, where applicable) less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight line basis over 50 years or the term of the lease, if shorter.

Freehold and long leasehold investment properties (those with lease balance of more than 50 years) are stated at directors' valuation. The directors' valuation is guided by the open market value determined annually by independent professional valuer as follows :

(a) when the open market value as at the balance sheet date is lower than the book value the directors will take the open market value, or

(b) when the open market value as at the balance sheet date is higher than the book value the directors will take the open market value if it is materially higher than the book value, otherwise the directors will retain the book value.

An increase arising from a revaluation is transferred to the asset revaluation reserve and a deficit is offset against this reserve to the extent of any previous revaluation surplus on the same class of investment properties, with any shortfall charged in the profit statement.

2.12 Properties Under Development

Properties under development are stated at cost (or directors' valuation based on an independent professional valuation, when applicable) less provision for foreseeable losses. The cost of properties under development includes cost of land and construction, related overhead expenditure and financing charges incurred during the period of construction and up to the completion of construction.

Provision for foreseeable losses of property under development is made when it is anticipated that the net realisable value has fallen below cost.

Developments are considered complete upon the issue of Temporary Occupation Permit. When completed, properties held for investment are classified as investment properties and properties for sale are transferred to current assets as completed properties held for sale.

Profit on properties developed for sale is recognised on partly completed projects which have been sold and is based on the percentage of completion. The percentage of completion is deemed to be the construction and related overhead costs incurred to the balance sheet date divided by the expected construction and related overhead costs of the project. The percentage of sales is deemed to be the floor area sold at the balance sheet date divided by the floor area in the project offered for sale. Profit is taken up on the basis of the total expected profit of the area sold multiplied by the percentage of completion, less profit if any, taken up in previous financial periods. The expected profit is assessed having regard to the sale proceeds less attributable total costs including the cost of land, construction and interest and after making due allowance for known potential cost over-runs and allowance for contingencies.

Revenue on development represents the proportion of sales proceeds of the actual floor area sold to the balance sheet date based on the percentage of completion.

Progress payments received from purchasers of residential units for sales are shown as a deduction from the cost of the property under development.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

2.13 Borrowing Costs

Borrowing costs that are directly attributable to acquisition and construction are capitalised as part of the cost of fixed assets or property under development. Capitalisation of borrowing costs commences when activities to prepare the fixed assets and property under development are in progress until the fixed asset is ready for its intended use or completion of development. Borrowing costs capitalised in property under development are after netting off interest income earned from progress billings received and placed on fixed deposits.

2.14 Intangible Assets

Intangible assets acquired separately are capitalised at cost. Intangible assets from a business acquisition are capitalised at fair value as at the date of acquisition. After initial recognition, an intangible asset is carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Amortisation charged on finite intangible assets are taken to the profit statement as amortisation expenses.

Internally generated goodwill and internally generated intangible asset arising from research are not capitalised and expenditure is charged to the profit statement when it is incurred. Internally generated intangible asset arising from development is capitalised only when its future recoverability can reasonably be regarded as assured.

Intangible assets are tested for impairment annually. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

(a) Deferred publishing development costs are amortised in accordance with their estimated economic useful lives, upon completion of published products as follows :

	Curriculum	General	Reference
1st year	33%	50%	33%
2nd year	33%	30%	27%
3rd year	34%	20%	20%
4th year	-	-	13%
5th year	-	-	7%

At each balance sheet date, the Group assesses whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated.

(b) Goodwill on acquisition is identified as being the excess of the cost of acquisition over the Group's share of net fair value of the identifiable assets, liabilities and contingent liabilities acquired as at the date of acquisition. Where the cost of acquisition is lower than the Group's share of net fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is recognised as negative goodwill. Negative goodwill is recognised immediately in profit statement.

Positive goodwill is carried at cost less any accumulated impairment losses. Goodwill after 1 October 2004 is not amortised but is subject to impairment test annually or more frequently if events or changes in circumstances indicate that it might be impaired.

Positive goodwill acquired is allocated to the cash-generating units expected to benefit from the acquisition synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

2.15 Brands

Brands with a finite life are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated to write off their cost over their estimated useful lives of up to 15 years on a straight line method.

Brands with indefinite lives are not amortised but tested for impairment annually.

Internally generated brands are not capitalised and expenditure is charged against profit in the year in which expenditure is incurred.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

2.16 Properties Held For Sale

Properties developed for sale, when completed, are transferred to current assets as properties held for sale.

Properties held for sale are stated at the lower of cost and net realisable value. Provision is made when it is anticipated that the net realisable value has fallen below cost. Cost includes cost of land and construction, and interest incurred during the period of construction.

2.17 Inventories

All inventories including containers (comprising returnable bottles, cases and pallets) are stated at the lower of cost and net realisable value. In arriving at the net realisable value, due allowance is made for obsolete and slow moving items.

Cost in respect of raw materials, consumable stores and goods purchased for resale is stated based on first-in-first-out, weighted average or standard cost (which approximates average actual cost). Cost in respect of manufactured inventories and work-in-progress includes attributable production overheads. Engineering and other inventories are valued on the weighted average cost basis less appropriate allowances for obsolete items.

Soft drink container inventories comprise both containers on hand and those estimated to be in the market at deposit values. Cost is amortised to deposit value over a period up to the container's expected useful life of 36 months for returnable bottles and 96 months for plastic crates.

Beer containers comprise returnable bottles and crates. Returnable bottles are valued at repurchase price/deposit value (including freight where significant; and the difference between the original cost and repurchase price/deposit value is written off over a period not exceeding 5 years) and crates are amortised over a period not exceeding 8 years; alternatively these assets are valued at net realisable value, if lower. Abnormally large purchases of bottles are accounted for by writing off, based on the estimated lifespan, a portion of the costs in excess of repurchase prices.

2.18 Trade and Other Debtors

Trade debtors are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Receivables from related parties are recognised and carried at cost less an allowance for any uncollectible amounts.

2.19 Cash and Cash Equivalents

Cash on hand and in bank and bank deposits which are held to maturity are carried at cost. For the purpose of the Consolidated Cash Flow Statement, cash and cash equivalents consist of cash on hand and in bank, and deposits in bank, net of bank overdrafts.

2.20 Trade and Other Creditors

Trade and other creditors are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether billed or not.

Payables to related parties are carried at cost.

2.21 Employee Benefits

(a) Retirement Benefits
Provision for retirement benefits is made in accordance with :

i) the terms of agreements concluded by group companies with various categories of employees, or

ii) pension and retirement benefit schemes, or

iii) defined contribution plans under statutory regulations in the country, where applicable.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

2.21 Employee Benefits *(continued)*

(a) Retirement Benefits *(continued)*

Retirement Benefits in accordance with agreements

The provisions represent the present value of the amounts likely to become payable in respect of services already rendered. An independent actuarial calculation of the provision is made every three years. Internal calculation of the provision is made each intervening year on the same basis as those used for the independent actuarial calculation.

Pension and Retirement Benefit Schemes

Certain companies within the Group operate pension and retirement benefit schemes. The cost of retirement benefits is determined by using accrued or projected benefit valuation methods as appropriate. Costs are charged to the profit statement systematically relating to the receipt of the employees' services. Actuarial gains and losses are recognised as income or expenses when the cumulative unrecognised actuarial gains or losses for each plan exceeds the greater of 10% of present value of the obligation and 10% of the fair value of plan assets. These gains or losses are recognised over the average remaining working lives of the employees participating in the plans.

Defined contribution plans under statutory regulations

As required by the law in certain countries, companies within the Group, make contribution to the state pension scheme. Contributions to state pension schemes are recognised as compensation expense in the profit statement, in the same period as the employment that gives rise to the contribution.

(b) Share Options

The Company and certain listed subsidiary companies have in place Executives' Share Option Scheme for the granting of options to eligible executives of the Group to subscribe for shares or to acquire shares in the companies under the respective schemes. Details of the respective schemes are disclosed under paragraph 5 of the Directors' Report. There are no charges to profit statement upon the grant or exercise of the options as the exercise price equals the market value of the shares at the time of grant. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(c) Accrued Annual Leave

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for employee entitlements to annual leave as a result of services rendered by employees up to the balance sheet date.

2.22 Foreign Currencies

Foreign currency transactions are recorded in the measurement currency of the respective group companies at rates of exchange approximating those ruling at transaction date. Foreign currency monetary assets and liabilities at the balance sheet date are translated at the rates ruling at that date. Exchange differences are dealt with in the profit statement except where exchange differences arising on foreign currency monetary items that in substance form part of the Group's net investment in the foreign entity are taken to exchange reserve as a separate component of the shareholders' funds until the disposal of the net investment at which time they are recognised in the profit statement.

Exchange differences arising from events which are treated as exceptional are dealt with as exceptional items in the profit statement.

On consolidation of subsidiary companies and equity accounting for joint venture companies and associated companies, profit statement items are translated into Singapore dollars at average exchange rates ruling during the year and assets and liabilities are translated into Singapore dollars at exchange rates ruling at the balance sheet date. Exchange differences arising from translation of foreign subsidiary companies, joint venture companies and associated companies are taken directly to exchange reserve as a separate component of the shareholders' funds.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

2.23 Exceptional Items

Exceptional items are items of income and expense of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company and Group for the year.

2.24 Government Grants

Approved government grants for the development of multimedia products are taken up in profit statement based on actual qualifying expenditure incurred.

2.25 Leases

When the Group is the lessee, a finance lease which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item is capitalised at the present value of the minimum lease payments at the inception of the lease term and disclosed as fixed asset. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit statement.

When the Group is the lessee, a lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, is classified as an operating lease. Operating lease payments are recognised as an expense in the profit statement on a straight line basis over the lease term.

When the Group is the lessor, a lease whereby the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, is classified as an operating lease. Assets leased out under operating leases are included in investment properties and are stated at revalued amounts and not depreciated. Rental income (net of any incentives given to lessees) is recognised on a straight line basis over the lease term.

2.26 Impairment

The carrying amounts of the Group's assets, other than inventories and debtors, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss is charged to the profit statement unless it reverses a previous revaluation in which case it will be charged to equity.

Reversal of impairment losses previously recognised is recorded when the decrease in impairment loss can be objectively related to an event occurring after the write down. Such reversal is taken to the profit statement. However, the increased carrying amount is only recognised to the extent it does not exceed what amortised cost would have been had the impairment loss not been recognised.

2.27 Derivative Financial Instruments

The Group uses foreign exchange forward contracts to hedge its risks associated primarily with foreign currency fluctuations. The Group also uses interest rate swap contracts to hedge its risks associated with interest rate fluctuations. It is the Group's policy not to trade in derivative financial instruments. Details of foreign exchange forward contracts and interest rate swap contracts entered into by the Group are recorded as off-balance sheet items at their notional principal amounts. The Group's financial risk management objectives and policies are set out in Note 39.

3. REVENUE

(a) Sale of goods
Sale of goods represents the invoiced value of goods delivered and services rendered (including excise but excluding container deposits, trade discounts, and Goods and Services Tax) and rental income. Revenue on properties developed for sale represents the proportion of sales proceeds of the actual floor area sold based on the percentage of completion method. The revenue of joint venture and associated companies and intra-group transactions are excluded.

(b) Other revenue
Other revenue represents service fees, management fees and technical fees income.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS

	THE GROUP		THE COMPANY	
	2005 ($'000)	2004 ($'000)	**2005 ($'000)**	2004 ($'000)
Profit before taxation and exceptional items have been arrived at after charging :				
Depreciation of fixed assets	**134,744**	128,144	**-**	-
Depreciation of investment properties	**2,229**	2,976	**-**	-
Impairment of fixed assets	**439**	-	**-**	-
Amortisation of properties under development	**105**	109	**-**	-
Amortisation of brands	**1,861**	1,868	**1,167**	1,167
Amortisation of intangibles	**4,228**	9,034	**-**	-
Goodwill written off	**-**	6,099	**-**	-
Intangible assets written off	**1,870**	218	**-**	-
(Write back of)/Provision for doubtful trade debts and bad debts	**(144)**	2,573	**-**	-
Provision for inventory obsolescence	**12,510**	6,005	**-**	-
Provision for employee benefits	**3,119**	2,550	**-**	-
Directors of the Company :				
Fee	**641**	700	**436**	493
Remuneration of members of Board committees	**204**	216	**204**	216
Remuneration of executive directors	**5,057**	4,022	**-**	-
Central Provident Fund contribution for executive directors	**19**	12	**-**	-
Retirement gratuity of an executive director	**3,000**	-	**-**	-
Key executive officers :				
Remuneration	**3,886**	3,856	**-**	-
Provident Fund contribution	**143**	134	**-**	-
Staff costs (exclude directors and key executives)	**365,016**	340,472	**-**	-
Defined contribution plans (exclude directors and key executives)	**25,573**	24,502	**-**	-
Auditors' remuneration :				
Auditor of the company	**1,205**	1,021	**158**	133
Other auditors	**2,443**	1,830	**-**	-
Professional fees paid to :				
Auditor of the company	**146**	147	**7**	3
Other auditors	**1,063**	955	**-**	-
Interest expense (see below)	**63,113**	52,750	**25,990**	20,661
Exchange loss	**-**	791	**-**	178
Loss on disposal of fixed assets	**1,347**	2,701	**-**	-
Provision for foreseeable losses on properties held for sale	**16,517**	10,000	**-**	-
and crediting :				
Interest income (see below)	**23,374**	21,337	**6,101**	6,249
Exchange gain	**7,148**	10,273	**72**	-
Write back of provision for employee benefits	**804**	278	**-**	-
Gain on disposal of fixed assets	**-**	5,511	**-**	-
Impairment reversal of fixed assets	**280**	2,089	**-**	-
Net Interest Expense :				
Interest income				
Subsidiary companies	**-**	-	**329**	172
Bank and other deposits	**16,170**	13,904	**276**	139
Interest rate swap contracts	**5,496**	5,938	**5,496**	5,938
Others	**1,708**	1,495	**-**	-
	23,374	21,337	**6,101**	6,249
Interest expense				
Subsidiary companies	**-**	-	**(334)**	-
Bank loans and overdrafts	**(61,888)**	(52,171)	**(24,930)**	(20,661)
Interest rate swap contracts	**(726)**	-	**(726)**	-
Others	**(499)**	(579)	**-**	-
	(63,113)	(52,750)	**(25,990)**	(20,661)
	(39,739)	(31,413)	**(19,889)**	(14,412)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

5. SEGMENT INFORMATION

The Group's operating businesses are organised and managed separately according to the nature of activities, namely soft drinks, dairies, breweries, printing and publishing, glass containers, investment property, development property and others. The Group operates in seven main geographical areas, namely Singapore, Malaysia, Rest of South East Asia, North East Asia, South Asia, South Pacific, and Europe and USA. Geographical segment revenue are based on geographical location of the Group's customers. Geographical segment assets are based on geographical location of the Group's assets. Segment accounting policies are the same as the policies described in Note 2, inter-segment sales are based on terms determined on a commercial basis.

Year ended 30 September 2005

The following table presents financial information regarding business segments :

Business Segment	Soft Drinks ($'000)	Dairies ($'000)	Breweries ($'000)	Printing & Publishing ($'000)	Glass Containers ($'000)	Investment Property ($'000)	Development Property ($'000)	Others ($'000)	Elimination ($'000)	Group ($'000)
Revenue - external	439,877	406,334	1,720,381	458,526	105,120	190,995	923,748	24,827	-	4,269,808
Revenue - inter-segment	5	49	-	328	17,491	2,480	-	80,657	(101,010)	-
Total revenue	**439,882**	**406,383**	**1,720,381**	**458,854**	**122,611**	**193,475**	**923,748**	**105,484**	**(101,010)**	**4,269,808**
Subsidiary companies	50,598	13,613	192,589	29,013	6,417	113,999	139,755	19,456	-	565,440
Joint venture and associated companies	-	3,484	42,408	6,970	-	(1,828)	16,032	(166)	-	66,900
PBIT *	**50,598**	**17,097**	**234,997**	**35,983**	**6,417**	**112,171**	**155,787**	**19,290**	**-**	**632,340**
Interest income										23,374
Interest expense										(63,113)
Profit before taxation and exceptional items										**592,601**
Exceptional items										29,594
Profit before taxation										**622,195**
Taxation										(171,266)
Profit after taxation										**450,929**
Minority interests, net of taxes										(151,429)
Attributable profit										**299,500**
Assets	261,022	308,604	1,421,872	697,271	185,042	2,385,505	2,773,489	259,839	-	8,292,644
Tax assets										10,247
Bank deposits & cash balances										645,712
Total assets										**8,948,603**
Liabilities	103,774	74,237	333,811	123,143	21,449	68,038	299,276	37,213	-	1,060,941
Tax liabilities										264,172
Bank borrowings & term loans										3,402,164
Total liabilities										**4,727,277**
Other segment information :										
Capital expenditure	16,117	8,955	126,194	115,549	7,531	2,434	-	2,783	-	279,563
Depreciation & amortisation	14,283	15,687	60,733	27,420	18,018	3,422	18	3,586	-	143,167
Impairment losses	230	44	165	-	-	-	-	-	-	439
Attributable profit before exceptional items	21,447	4,058	50,708	25,963	2,206	80,843	104,021	(14,431)	-	274,815
Exceptional items	(681)	(787)	(388)	5,631	-	1,433	2,543	16,934	-	24,685
Attributable profit	20,766	3,271	50,320	31,594	2,206	82,276	106,564	2,503	-	299,500

The following table presents financial information regarding geographical segments :

Geographical Segment	Singapore ($'000)	Malaysia ($'000)	Rest of South East Asia ($'000)	North East Asia ($'000)	South Asia ($'000)	South Pacific ($'000)	Europe & USA ($'000)	Group ($'000)
Total revenue	1,604,373	801,995	580,742	460,923	1,203	681,151	139,421	4,269,808
PBIT *	221,286	97,640	136,788	56,695	311	100,466	19,154	632,340
Other geographical information :								
Assets	4,713,625	660,230	547,865	1,382,464	5,605	560,573	422,282	8,292,644
Capital expenditure	62,522	42,384	49,572	62,068	-	57,823	5,194	279,563

* PBIT = Profit before interest, taxation and exceptional items.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

5. SEGMENT INFORMATION *(continued)*

Year ended 30 September 2004
The following table presents financial information regarding business segments :

Business Segment	Soft Drinks ($'000)	Dairies ($'000)	Breweries ($'000)	Printing & Publishing ($'000)	Glass Containers ($'000)	Investment Property ($'000)	Development Property ($'000)	Others ($'000)	Elimination ($'000)	Group ($'000)
Revenue - external	412,908	377,510	1,550,398	441,214	106,383	182,297	349,024	26,525	-	3,446,259
Revenue - inter-segment	39	52	-	326	12,961	3,741	-	74,011	(91,130)	-
Total revenue	**412,947**	**377,562**	**1,550,398**	**441,540**	**119,344**	**186,038**	**349,024**	**100,536**	**(91,130)**	**3,446,259**
Subsidiary companies	48,737	15,701	168,149	23,425	5,764	113,621	115,793	33,357	-	524,547
Joint venture and associated companies	-	(2)	38,862	2,449	-	(828)	16,285	868	-	57,634
PBIT *	**48,737**	**15,699**	**207,011**	**25,874**	**5,764**	**112,793**	**132,078**	**34,225**	**-**	**582,181**
Interest income										21,337
Interest expense										(52,750)
Profit before taxation and exceptional items										**550,768**
Exceptional items										20,630
Profit before taxation										**571,398**
Taxation										(141,099)
Profit after taxation										**430,299**
Minority interests, net of taxes										(138,391)
Attributable profit										**291,908**
Assets	245,625	259,658	1,227,524	527,616	175,615	2,296,967	2,392,511	248,660	-	7,374,176
Tax assets										12,399
Bank deposits & cash balances										735,257
Total assets										**8,121,832**
Liabilities	104,829	70,287	271,559	108,405	22,004	79,635	172,212	35,791	-	864,722
Tax liabilities										226,612
Bank borrowings & term loans										3,188,950
Total liabilities										**4,280,284**
Other segment information :										
Capital expenditure	11,525	9,695	64,399	73,594	29,672	2,865	115	5,741	-	197,606
Depreciation & amortisation	14,352	14,976	59,535	29,755	16,240	3,267	-	4,006	-	142,131
Impairment losses	-	-	-	-	-	-	-	6,237	-	6,237
Attributable profit before exceptional items	21,392	1,451	41,417	16,084	2,440	89,071	90,323	4,026	-	266,204
Exceptional items	(705)	(914)	(1,624)	1,243	(537)	2,202	-	26,039	-	25,704
Attributable profit	20,687	537	39,793	17,327	1,903	91,273	90,323	30,065	-	291,908

The following table presents financial information regarding geographical segments :

Geographical Segment	Singapore ($'000)	Malaysia ($'000)	Rest of South East Asia ($'000)	North East Asia ($'000)	South Asia ($'000)	South Pacific ($'000)	Europe & USA ($'000)	Group ($'000)
Total revenue	1,203,959	744,965	505,506	304,202	-	594,013	93,614	3,446,259
PBIT *	286,460	92,760	111,425	(9,422)	-	85,922	15,036	582,181
Other geographical information :								
Assets	4,601,619	585,111	488,840	850,180	-	450,256	398,170	7,374,176
Capital expenditure	57,248	40,763	30,009	19,089	-	44,236	6,261	197,606

* PBIT = Profit before interest, taxation and exceptional items.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

	THE GROUP 2005 ($'000)	THE GROUP 2004 ($'000)	THE COMPANY 2005 ($'000)	THE COMPANY 2004 ($'000)
6. GROSS DIVIDENDS FROM SUBSIDIARY COMPANIES				
Quoted subsidiary companies			**39,317**	24,606
Unquoted subsidiary companies			**105,938**	113,552
			145,255	138,158

7. GAIN ON COMPASS POINT SECURITISATION

In the previous financial year, Sengkang Mall Limited ("SML") ceased to be an associated company when the Group disposed of 21% of the Junior Bonds in SML bringing the Group's shareholding of SML to 19% and the remaining investment in the Junior Bonds was re-classified to other investments. As the Group ceased to equity account SML's results, the remaining profit on the securitisation of $59,794,000 was realised and taken to the profit statement in 2004.

	THE GROUP 2005 ($'000)	THE GROUP 2004 ($'000)	THE COMPANY 2005 ($'000)	THE COMPANY 2004 ($'000)
8. GROSS INCOME FROM INVESTMENTS				
Quoted equity investments in companies	**1,282**	8,217	**948**	508
Unquoted equity investments in companies	**1,075**	3,172	**60**	1,982
Unquoted non-equity investments in companies	**4,458**	3,184	**612**	151
Quoted government securities and bonds	**2,511**	2,857	**-**	-
Income from funds under management	**-**	3,818	**-**	-
	9,326	21,248	**1,620**	2,641
9. EXCEPTIONAL ITEMS				
Profit on disposal of portfolio investments	**12,150**	30,093	**10,005**	222
Gain/(loss) on disposal of investments in subsidiary and associated companies and change in interest in associated company	**12,634**	(45)	**-**	109,950
Profit on disposal of properties	**875**	29,051	**-**	-
Write back of/(Provision for) impairment in value of investment and investment in subsidiary companies	**-**	2,202	**-**	(26,000)
Write back of/(Provision for) assets and other costs in respect of re-organisation and restructuring of operations	**1,760**	(32,908)	**-**	-
Provision for professional fees	**(5,779)**	(3,389)	**-**	-
Negative goodwill arising from investment in subsidiary company	**6,384**	-	**-**	-
Share of associated and joint venture companies' write back of/(provision for) impairment in value of assets and restructuring costs	**1,570**	(4,374)	**-**	-
	29,594	20,630	**10,005**	84,172

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

	THE GROUP		THE COMPANY	
	2005 ($'000)	2004 ($'000)	**2005 ($'000)**	2004 ($'000)
10. TAXATION				
Based on profit for the year :				
Singapore tax	**61,964**	52,345	**18,232**	15,893
Overseas tax	**82,465**	73,515	**9,961**	6,615
Deferred tax	**10,914**	(2,790)	**-**	-
	155,343	123,070	**28,193**	22,508
Under/(Over) provision in preceding years				
- Current income tax	**5,362**	3,563	**1,000**	-
- Deferred tax	**(2,801)**	(1,504)	**-**	-
Share of taxation of joint venture companies	**8,768**	8,164	**-**	-
Share of taxation of associated companies	**4,594**	7,806	**-**	-
	171,266	141,099	**29,193**	22,508

A reconciliation of the statutory tax rate to the Company's and Group's effective tax rate applicable to profit for the year is as follows :

	THE GROUP		THE COMPANY	
	2005 %	2004 %	**2005 %**	2004 %
Singapore statutory rate	**20.0**	20.0	**20.0**	20.0
Effect of different tax rate of other countries	**5.0**	3.3	**2.1**	0.9
Effect of tax losses of subsidiary not available for set-off against profits of other companies within the group	**1.7**	2.0	**-**	-
Income not subject to tax (tax incentive/exemption)	**(2.7)**	(7.0)	**(4.7)**	(15.1)
Expenses not deductible for tax purposes	**3.7**	6.9	**3.3**	4.5
Utilisation of previously unrecognised tax losses in determining taxable profit	**(0.4)**	(0.3)	**-**	-
Under provision in prior years	**0.3**	0.2	**0.7**	-
Other reconciliation items				
Adjustment due to change in tax rate	**-**	(0.8)	**-**	-
Others	**(0.1)**	0.4	**0.3**	0.6
	27.5	24.7	**21.7**	10.9

As at 30 September 2005, certain Singapore subsidiary companies have unutilised tax losses of approximately $77,779,000 (2004 : $80,052,000) and unabsorbed capital allowances of $1,021,000 (2004 : $2,516,000) available for set off against future profits. In addition, certain overseas subsidiary companies have unutilised tax losses carried forward of approximately $163,153,000 (2004 : $170,825,000) and unabsorbed capital allowances of $19,785,000 (2004 : $21,008,000). The availability of these losses and capital allowances to set-off against future profits is subject to the meeting of certain statutory requirements by those subsidiary companies in their countries of incorporation. The deferred tax benefits of these losses recognised in the financial statements are disclosed in Note 34.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

11. DIVIDENDS

	THE GROUP & THE COMPANY 2005 ($'000)	2004 ($'000)
Interim paid of 20 cents after deducting Singapore income tax at 20% (2004 : 20 cents after deducting Singapore income tax at 20%)	**46,520**	46,265
Final proposed of 35 cents after deducting Singapore income tax at 20% (2004 : 35 cents after deducting Singapore income tax at 20%)	**81,676**	81,380
	128,196	127,645

The final dividend is proposed by the Directors after the balance sheet date and subject to the approval of shareholders at the next annual general meeting of the Company.

12. EARNINGS PER $1 SHARE

(a) Basic Earnings Per Share

Basic earnings per share is computed by dividing the Group attributable profit by the weighted average number of ordinary shares of $1 each in issue during the year.

		THE GROUP 2005 ($'000)	2004 ($'000)
Attributable profit	- before exceptional items	**274,815**	266,204
	- after exceptional items	**299,500**	291,908
		No. of shares	
Weighted average number of ordinary shares in issue		**232,637,791**	231,281,515
Earnings Per Share (Basic)	- before exceptional items	**118.1 cts**	115.1 cts
	- after exceptional items	**128.7 cts**	126.2 cts

(b) Diluted Earnings Per Share

Diluted earnings per share is computed by dividing the Group adjusted attributable profit by the adjusted weighted average number of ordinary shares in issue during the year.

For diluted earnings per share, the Group attributable profit is adjusted for changes in subsidiary companies' attributable profit resulting from exercise of all dilutive share options. The reconciliation of the Group adjusted attributable profit used to compute diluted earnings per share is as follows :

	2005	2004
Attributable profit before exceptional items	**274,815**	266,204
Change in attributable profit due to dilutive share options of subsidiary companies	**(1,016)**	(1,124)
Adjusted attributable profit before exceptional items	**273,799**	265,080
Attributable profit after exceptional items	**299,500**	291,908
Change in attributable profit due to dilutive share options of subsidiary companies	**(1,004)**	(1,091)
Adjusted attributable profit after exceptional items	**298,496**	290,817

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

		No. of shares	
Weighted average number of ordinary shares used to compute the basic earnings per share		**232,637,791**	231,281,515
Effect of dilutive share options		**1,580,593**	1,673,684
Weighted average number of ordinary shares used to compute diluted earnings per share		**234,218,384**	232,955,199
Earnings per share (Fully diluted)	- before exceptional items	**116.9 cts**	113.8 cts
	- after exceptional items	**127.4 cts**	124.8 cts

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

13. SHARE CAPITAL AND RESERVES

	THE GROUP & THE COMPANY 2005 ($'000)	THE GROUP & THE COMPANY 2004 ($'000)
SHARE CAPITAL		
Authorised :		
500,000,000 ordinary shares of $1 each	**500,000**	500,000
Issued and fully paid :		
Balance at beginning of year		
232,007,722 (2004 : 230,516,592) ordinary shares of $1 each	**232,008**	230,517
Issued during the year		
1,351,613 (2004 : 1,491,130) shares following exercise of Executives' Share Options	**1,351**	1,491
Balance at end of year		
233,359,335 (2004 : 232,007,722) ordinary shares of $1 each	**233,359**	232,008

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

During the year, the consideration received following the exercise of Executives' Share Options was $9,976,000 (2004 : $9,978,000).

	THE GROUP 2005 ($'000)	THE GROUP 2004 ($'000)	THE COMPANY 2005 ($'000)	THE COMPANY 2004 ($'000)
RESERVES				
The reserves comprise the following :				
Non-distributable reserves				
Share Premium	**152,223**	143,598	**152,223**	143,598
Capital Redemption Reserve	**3,228**	3,228	**3,228**	3,228
Capital Reserve	**527,012**	561,251	**1,039,274**	1,039,274
Exchange Reserve	**2,606**	2,728	**-**	-
	685,069	710,805	**1,194,725**	1,186,100
Distributable reserves				
Revenue Reserve	**2,092,423**	1,922,457	**1,231,473**	1,254,680
Dividend Reserve	**81,676**	81,203	**81,676**	81,203
Exchange Reserve	**4,361**	(20,273)	**-**	-
	2,178,460	1,983,387	**1,313,149**	1,335,883
Total reserves	**2,863,529**	2,694,192	**2,507,874**	2,521,983

Based on prevailing legislation and income tax rates of 20% and 28% for Singapore and Malaysia respectively, the Company has sufficient tax credits to pay up to $195,704,000 (2004 : $323,604,000) as Singapore tax franked dividend and $38,961,000 (2004 : $38,709,000) as Malaysian tax franked dividend out of revenue reserves. The Company did not exercise the option to move to the one tier corporate tax system in Singapore during the financial year.

Capital reserve of the Company comprises mainly surplus from revaluation of investments. The capital reserve of the Group comprises statutory reserve and asset revaluation reserve of subsidiary companies.

During the year, $55,000 (2004 : $48,000) of revenue reserve was transferred to capital reserve by certain subsidiary companies as required by local legislation. The reserve is all realised profits and can only be distributed with approval from their respective local authorities.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

14. GROUP FIXED ASSETS

	Freehold Land ($'000)	Leasehold Land ($'000)	Building ($'000)	Plant & Machinery ($'000)	Capital Work-in-Progess ($'000)	Other Assets ($'000)	Total ($'000)
At cost/valuation							
Balance at beginning of year	68,467	87,633	491,274	1,439,691	56,117	346,278	2,489,460
Currency realignment	879	883	4,796	18,907	512	3,517	29,494
Additions	-	3,296	3,482	128,185	101,640	30,623	267,226
Acquisition of subsidiary companies	9,009	398	10,956	5,269	-	6,681	32,313
Disposals	(150)	(323)	(5,660)	(51,330)	-	(30,296)	(87,759)
Reclassification	736	-	12,668	64,936	(84,876)	7,270	734
Transfer to current assets	-	-	-	-	(972)	(4)	(976)
Transfer from investment properties	103	-	917	-	-	-	1,020
Balance at end of year	79,044	91,887	518,433	1,605,658	72,421	364,069	2,731,512
Analysis of cost/valuation							
At cost	55,045	71,657	484,658	1,590,571	72,421	364,069	2,638,421
At directors valuation 1976	-	-	-	2,800	-	-	2,800
At directors valuation 1983	-	-	1,385	-	-	-	1,385
At directors valuation 1988	-	-	4,851	12,287	-	-	17,138
At directors valuation 1996	23,999	20,230	27,539	-	-	-	71,768
	79,044	91,887	518,433	1,605,658	72,421	364,069	2,731,512
Accumulated depreciation and impairment							
Balance at beginning of year	45	20,177	137,679	764,259	-	234,277	1,156,437
Currency realignment	-	189	1,453	10,338	-	2,825	14,805
Depreciation charge for the year	-	2,006	13,108	87,878	-	31,752	134,744
Impairment charge for the year	-	-	-	132	-	307	439
Impairment reversal for the year	(696)	-	(4,322)	(16)	-	(174)	(5,208)
Acquisition of subsidiary companies	-	84	2,120	3,825	-	5,001	11,030
Disposals	-	(51)	(3,284)	(49,885)	-	(27,652)	(80,872)
Reclassification	734	-	531	(531)	-	-	734
Transfer to current assets	-	-	-	-	-	(4)	(4)
Transfer from investment properties	-	-	403	-	-	-	403
Balance at end of year	83	22,405	147,688	816,000	-	246,332	1,232,508
Net book value							
At 30 September 2005	78,961	69,482	370,745	789,658	72,421	117,737	1,499,004
At 30 September 2004	68,422	67,456	353,595	675,432	56,117	112,001	1,333,023

(a) The valuations for 1976, 1983, 1988 and 1996 were made by the directors of the respective subsidiary companies and were based on appraisals by independent valuers.

(b) Other assets comprise motor vehicle, postmix and vending machine, beer cooler, fixture and fitting and computer equipment.

The net book value of the fixed assets which had been revalued if these are stated at cost less depreciation :

	Freehold Land ($'000)	Leasehold Land ($'000)	Building ($'000)	Plant & Machinery ($'000)	Capital Work-in-Progess ($'000)	Other Assets ($'000)	Total ($'000)
At 30 September 2005	18,360	7,014	10,341	120	-	-	35,835
At 30 September 2004	25,193	7,090	11,729	239	-	-	44,251

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

15. GROUP INVESTMENT PROPERTIES

	Freehold Land ($'000)	Leasehold Land ($'000)	Building ($'000)	Total ($'000)
At cost/valuation				
Balance at beginning of year	631,721	811,584	796,514	2,239,819
Currency realignment	906	(25)	1,412	2,293
Additions	-	-	602	602
Disposals	(238)	-	(190)	(428)
Revaluation deficit	(15,219)	(8,110)	(5,036)	(28,365)
Acquisition of subsidiary companies	-	55,548	53,285	108,833
Transfer to fixed assets	(103)	-	(514)	(617)
Transfer to properties held for sale	-	-	(563)	(563)
Transfer to revaluation reserves	-	-	(1,467)	(1,467)
Balance at end of year	617,067	858,997	844,043	2,320,107
Analysis of cost/valuation				
At cost	-	59,500	103,650	163,150
At directors' valuation 2005	617,067	799,497	740,393	2,156,957
	617,067	858,997	844,043	2,320,107
Accumulated depreciation and impairment				
Balance at beginning of year	-	561	11,826	12,387
Currency realignment	-	(2)	(44)	(46)
Depreciation charge for the year	-	110	2,119	2,229
Balance at end of year	-	669	13,901	14,570
Net book value				
At 30 September 2005	617,067	858,328	830,142	2,305,537
At 30 September 2004	631,721	811,023	784,688	2,227,432

Investment properties of the Group stated at 2005 valuation made by the directors are based on open market valuation at 30 September 2005 carried out by independent professional valuers, DTZ Debenham Tie Leung (Singapore and Hong Kong), BEM Property Consultants (Australia), CB Richard Ellis (Hong Kong and Australia), The Landmark Appraisal Group (United States of America) and Regroup Associates (Malaysia). The investment properties of the Group are situated in Singapore, Hong Kong, Australia, United States of America and Malaysia.

The directors have adopted all the valuations except for the valuations of Centrepoint, Northpoint, Causeway Point, Fraser Place, Fraser Suites and an apartment unit at Centrepoint. The directors are of the opinion that the valuations of these six properties approximate their current book value.

The amount of valuation surplus not adopted in the accounts is approximately 2.7% (2004 : 1.7%) of the net book value of the underlying investment properties.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

16. GROUP PROPERTIES UNDER DEVELOPMENT

	THE GROUP 2005 ($'000)	2004 ($'000)
Balance at beginning of year	**1,833,290**	1,100,052
Expenditure incurred during the year	**851,034**	641,858
Acquisition of subsidiary companies	**122,197**	153,890
	2,806,521	1,895,800
Development profit	**129,789**	46,105
Progress payments received and receivable	**(737,838)**	(92,925)
Amortisation charge	**(105)**	(109)
Transfer to properties held for sale	**(215,364)**	(17,471)
Currency realignment	**11,009**	1,890
Balance at end of year	**1,994,012**	1,833,290
Group properties under development comprise :		
Freehold land		
At cost	**739,304**	535,942
At directors' valuation 1996	**99,000**	99,000
Leasehold land		
At cost	**405,575**	740,966
Development expenditure	**902,114**	481,202
Interest cost	**88,563**	94,569
Currency realignment	**13,536**	2,549
Property tax	**12,680**	11,300
	2,260,772	1,965,528
Development profit	**109,620**	101,519
Progress payments received and receivable	**(320,291)**	(177,896)
Accumulated amortisation	**(1,259)**	(1,031)
Provision for foreseeable losses	**(54,830)**	(54,830)
	1,994,012	1,833,290

Interest capitalised during the year was $47,516,000 (2004 : $41,524,000). A capitalisation rate of 4.00% (2004 : 4.16 %) per annum was used, representing the borrowing cost of the loans used to finance the projects.

Certain subsidiary companies have granted fixed and floating charge over their assets and undertaking to banks as well as mortgage on their freehold and leasehold land. As at 30 September 2005, the bank loans drawn down amounted to $358,397,000 (2004 : $217,467,000).

a) The valuation for 1996 was made by the directors based on appraisals by independent professional valuers.

b) Properties under development include :

		Effective Group Interest %
	Singapore	
i)	The Azure - leasehold land (99-year tenure commencing 3 January 2005) of approximately 10,926.5 sqm on Land Parcel C½ at Sentosa Cove on Lot 1391C Mukim 34, Sentosa Island for the development of 116 condominium units of 19,675 sqm of gross floor area for sale.	100
ii)	Freehold land of approximately 5,227 sqm at MK 17 Lot 3309 situated at St Michael's Road for the development of approximately 140 condominium units of approximately 15,288 sqm of gross floor area for sale.	100
iii)	Ris Grandeur - freehold land of approximately 26,441.5 sqm situated at Lots 892, 894 and 896 of MK 29 at Elias Road for the development of 453 condominium units of approximately 60,968 sqm of gross floor area for sale.	80
iv)	The Spectrum - freehold land of approximately 6,697.7 sqm at Lots 98696T, 98693W, 98692M, 1586P and 1588A of Mukim 3 at Pasir Panjang Road for the development of 72 condominium units of 9,531 sqm of gross floor area for sale.	100

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

16. GROUP PROPERTIES UNDER DEVELOPMENT *(continued)*

b) Properties under development include :

		Effective Group Interest %
v)	Freehold land of approximately 23,819.7 sqm situated at Holland Park, off Holland Road, for the development of approximately 12 bungalow units of approximately 19,137 sqm of gross floor area for sale.	100
vi)	Freehold land of approximately 6,196.5 sqm at Lot 994W MK 13 at No. 1 Jalan Ulu Sembawang for the development of approximately 73 condominium units of approximately 8,243 sqm of gross floor area for sale.	100
vii)	Quintet – leasehold land (99-year tenure commencing 19 June 2003) of approximately 20,954.6 sqm at Lot 3254X MK 11 at Choa Chu Kang Street 36/46 for the development of 459 executive condominium units of approximately 61,804 sqm of gross floor area for sale.	100
viii)	8 @ Mount Sophia - 103-year leasehold land title commencing from the date of issuance of subsidiary strata certificate of title on Lots 361, 593V, 594 and 183N of Town Subdivision 19 at Mount Sophia for the development of 277 condominium units of 33,971 sqm of gross floor area for sale.	100
ix)	Tangerine Grove - freehold land of approximately 10,236.1 sqm at Lots 1595T and 1596A Mukim 23 at 1 Paya Lebar Crescent for the development of 125 condominium units of 14,336 sqm of gross floor area for sale.	100
x)	The Raintree - leasehold land (99-year tenure commencing 1 March 2003) of approximately 16,253.5 sqm at Mk16 Lot 2253 situated at Hindhede Road for the development of approximately 310 condominium units of approximately 38,011 sqm of gross floor area for sale.	100
xi)	Freehold land of approximately 11,669 sqm at Lots 803V, 787V, 788P and on Town Subdivision 24 at Jervois Road/Close and Nos. 5, 5A, 6 and 6A at Jervois Road for the development of approximately 275 condominium units of approximately 32,673.2 sqm of gross floor area for sale.	100
xii)	Freehold land of approximately 10,221.1 sqm at Lots 4840A, 5804W, 5805V, 5806P, 6096M, 6097W(SL), 61363K, 6164N, 6165X, 6749V, 6750M, 97844P, 97845T and 97846A of Mukim 17 at Leicester Road/Jalan Toa Payoh/Woodsville Close for a residential development comprising approximately 194 condominium units of approximately 21,906.4 sqm of gross floor area for sale.	100
xiii)	Freehold land of approximately 23,018.6 sqm at Lot 3385K of Mukim 5 at 89 West Coast Park (Clementi Planning Area) for a residential development comprising approximately 315 condominium units of approximately 36,829.8 sqm of gross floor area for sale.	100
	Malaysia	
xiv)	Fraser Park - freehold land of approximately 23,354 sqm at Jalan Yew, Kuala Lumpur, Malaysia for the development of shop office of approximately 15,001 sqm of gross floor area for sale.	59
	Vietnam	
xv)	Leasehold land (35-year tenure commencing 3 April 1995) of approximately 2,160 sqm at No. 3 Nguyen Sieu Street, Ho Chi Minh City, Vietnam for the development of approximately 106 residential units of approximately 11,845 sqm of gross floor area for sale.	70

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

16. GROUP PROPERTIES UNDER DEVELOPMENT *(continued)*

b) Properties under development include :

		Effective Group Interest %
	Australia	
xvi)	Freehold land of approximately 3,966 sqm situated at the junction of George Street, Bathurst Street and Kent Street, Sydney, Australia for the development of a retail podium of 8,922 sqm, a block of approximately 456 residential units and a block of approximately 145 serviced apartment units of a total of approximately 62,000 sqm of gross floor area for sale.	81
xvii)	Freehold land of approximately 193 hectares situated at Wanjeep Street, Mandurah, Western Australia for a proposed development of approximately 1,000 landed housing units for sale.	56
	China	
xviii)	Leasehold land (70-year tenure commencing 7 November 2001) of approximately 13,843 sqm situated at No. 169 Wujiang Road, Shanghai, China for a mixed development comprising 4 blocks of approximately 452 apartment units and a retail podium of a total of approximately 69,100 sqm of gross floor area for sale.	95
xix)	Leasehold land (40/50-year tenure commencing 15 June 2005) of approximately 7,111 sqm situated in Xi Cheng District, Xin Jie Kou, Beijing, China for a retail mall development of a total of approximately 20,774 sqm of gross floor area for sale.	95
xx)	Leasehold land (50-year tenure commencing 22 August 1999) of approximately 633,153 sqm situated at Teng Qiao He Chu Hai Kou, Hainan, China for a low density resort and tourist development of a total of approximately 316,577 sqm of gross floor area for sale.	100
xxi)	Leasehold land (50-year tenure commencing 21 April 1999) of approximately 338,577.6 sqm at Lots Nos. T205-0021, T205-0050 and T205-0030 situated at High and New Technological Industrial Park South Zone, Shenzhen, Guangdong, China for the development of a composite development with a total gross floor area of 536,480 sqm.	52
xxii)	Leasehold land (70-year tenure commencing 6 December 2003) of approximately 711,101 sqm located near the future Light Rapid Transit station at Si Chen Road in Song Jiang district, Shanghai, China for the exclusive residential development comprising three phases yielding 4,928 residential units with communal club facilities and a small commercial quantum of a total of 837,291 sqm of gross floor area for sale.	72
	New Zealand	
xxiii)	Freehold land of approximately 6,831 sqm in Queenstown, South Island New Zealand for a proposed development of 15 luxury residential apartments of approximately 5,200 sqm of gross floor area for sale. Approval from the relevant authorities is being sought to double the number of apartments.	75
xxiv)	Freehold land of approximately 24 hectares located in Tauranga in the Bay of Plenty, New Zealand for a proposed development of approximately 450 houses and a beach front condominium complex for sale.	68
	United Kingdom	
xxv)	Freehold land of approximately 4 hectares on the south bank of River Thames, London, United Kingdom for a proposed residential and commercial development of 219 residential units and 13,940 sqm of ancillary office and retail space of a total of approximately 8,300 sqm of gross floor area for sale.	49
xxvi)	Freehold land of approximately 2,346 sqm situated at 63-69 Rochester Row, 68 Vincent Square, London, United Kingdom for a proposed development of 70 residential units of approximately 6,197 sqm of gross floor area for sale.	49

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

17. SUBSIDIARY COMPANIES

	THE COMPANY 2005 ($'000)	2004 ($'000)
Quoted shares at cost	**299,184**	302,352
Unquoted shares at cost	**4,063,809**	4,046,967
	4,362,993	4,349,319
Amounts owing by subsidiary companies (unsecured)	**41,130**	41,083
Amounts owing to subsidiary companies (unsecured)	**(795,896)**	(806,687)
	3,608,227	3,583,715
Market Value		
Quoted shares	**637,232**	485,530

The Company's investments in subsidiary companies include an interest in 59.37% (2004 : 60.09%) of the issued ordinary shares of Fraser & Neave Holdings Bhd. This interest will be reduced to 55.75% by 31 December 2006 by the operation of an Executives' Share Option Scheme.

The amounts owing by subsidiary companies are due on loan account, not repayable within the next 12 months and are interest-free except for an amount of $3,361,000 (2004 : $3,357,000) which bears interest at an average rate of 5.34% (2004 : 3.51%) per annum.

The amounts owing from and to subsidiary companies disclosed under current assets and current liabilities are unsecured, trade in nature and interest-free.

(a) During the financial year, the Group incorporated the following subsidiaries :

Name of Company	Country of incorporation and place of business	Effective shareholding %	Date of incorporation
CPL View Pte Ltd	Singapore	100.0	26 October 2004
Fraser Serviced Residences (China) Pte Ltd	Singapore	100.0	3 January 2005
CPL (Xian) Pte Ltd	Singapore	100.0	28 June 2005
CPL Tower Pte Ltd	Singapore	100.0	26 July 2005
CPL Loft Pte Ltd	Singapore	100.0	26 July 2005
Beijing Sin Hua Yan Real Estate Development Co., Ltd	China	95.0	20 June 2005
Frasers Mandurah Pty Limited	Australia	56.3	8 February 2005
Tiger Beer UK Ltd	United Kingdom	37.4	6 May 2005
Heineken-APB (China) Management Services Co., Ltd	China	43.7	2 June 2005
F&N Services (L) Bhd	Malaysia	100.0	8 August 2005
Siam Malaya Glass (Thailand) Company Limited	Thailand	41.6	23 May 2005

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

17. SUBSIDIARY COMPANIES *(continued)*

(b) During the financial year, the Group acquired the following subsidiary companies :

Properties

i) On 8 February 2005, the Group's subsidiary company, Frasers (Australia) Pte Ltd ("Frasers (Australia)") (formerly CPL (Australia) Pte Ltd), entered into a joint venture with a third party to establish a company in Australia known as Frasers Mandurah Pty Ltd ("Frasers Mandurah") for the acquisition and development of property in Western Australia. Under the terms of the joint venture, Frasers (Australia) and the third party hold 75% and 25% shareholding interest in Frasers Mandurah, respectively.

ii) On 1 March 2005, the Group's subsidiary company, Frasers (NZ) Pte Ltd ("Frasers (NZ)") (formerly CPL (NZ) Pte Ltd), increased its effective shareholding in Frasers Papamoa Limited (formerly Palo Cedro (Papamoa) Ltd) from 85% to 90% for a cash consideration of NZ$5.

iii) On 20 July 2005, the Group's subsidiary company, CPL China Development Pte Ltd, acquired a 100% shareholding interest in Metro Charm Holdings Limited ("MCHL"), a company incorporated in Hong Kong, at a cash consideration of RMB 383,000,000. MCHL owns a 100% shareholding interest in a PRC company which owns a piece of land of approximately 60 hectares in Hainan, China for development and sale.

iv) On 22 September 2005, the Group's subsidiary company, Fraser & Neave Investments (Hong Kong) Limited ("FNIHK"), acquired the remaining shares in the issued share capital of Vision Century Limited ("VCL"), thereby increasing F&NIHK's shareholding interest in VCL from 50% to 100%. The consideration is the transfer by VCL of 783,445,670 shares representing 27.625% of the issued share capital of Frasers Property (China) Limited (formerly Vision Century Corporation Limited).

On the same day, the Group's subsidiary company, CPL (China) Pte Ltd ("CPL China"), sold to Frasers Property (China) Limited ("FPCL") 54.78% of the issued share capital of Supreme Asia Investments Limited ("SAI") and a proportionate share of the shareholder's loan, amounting to US$14,014,279, owing by SAI to CPL China. The consideration was 1,725,462,776 new shares in FPCL, resulting in CPL China holding 37.8% of the enlarged share capital of FPCL.

As a result of the above transactions, the Group now holds in aggregate 55% of the issued share capital of FPCL.

v) On 8 November 2004, the Group's subsidiary company, Fraser & Neave Holdings Bhd, acquired a 100% shareholding interest in Elsinburg Holdings Sdn Bhd and Vacaron Company Sdn Bhd, companies incorporated in Malaysia for cash consideration of RM2 each.

vi) On 9 December 2004, the Group's subsidiary company, Fraser & Neave Holdings Bhd, acquired a 100% shareholding interest in Lettricia Corporation Sdn Bhd, a company incorporated in Malaysia for a cash consideration of RM2.

vii) On 18 February 2005, the Group's subsidiary company, Fraser & Neave Holdings Bhd, acquired a 100% shareholding interest in Nuvak Company Sdn Bhd and Greenclipper Corporation Sdn Bhd, companies incorporated in Malaysia for cash consideration of RM2 each.

viii) On 20 September 2005, the Group's subsidiary company, Fraser & Neave Holdings Bhd, acquired a 100% shareholding interest in Utas Mutiara Sdn Bhd, a company incorporated in Malaysia for a cash consideration of RM1,940,000.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

17. SUBSIDIARY COMPANIES *(continued)*

(b) During the financial year, the Group acquired the following subsidiary companies *(continued)* :

Breweries

i) On 4 October 2004, the Group's subsidiary company, Asia Pacific Breweries Ltd ("APBL"), purchased the remaining 0.54% of DB Breweries Limited ("DB") shares in issue at a cash consideration of $2,842,000, hence completing the compulsory acquisition of DB which started in financial year 2004.

ii) On 5 November 2004, the Group's subsidiary company, APBL increased its investment in Vietnam Brewery Ltd ("VBL") via conversion of dividends declared by VBL into its share capital.

iii) On 21 September 2005, the Group's subsidiary company, APBL, subscribed for new shares in United Breweries Lanka Limited ("UBL"), resulting in it holding 60% of the enlarged share capital of UBL at a cash consideration of $6,139,000. UBL is a limited liability company incorporated in Sri Lanka that brews and distributes beer in Sri Lanka.

Printing and Publishing

i) On 1 October 2004, the Group's subsidiary company, Times Publishing Limited ("TPL"), acquired a 100% shareholding interest of Pansing Distribution Pte Ltd (formerly Pansing Distribution Sdn Bhd) ("Pansing") for cash consideration of $7,331,000. Pansing is a company incorporated in Singapore and its main business activity is in the distribution of books.

ii) On 2 March 2005, the Group's subsidiary company, Times Publishing (HK) Ltd, acquired a 100% shareholding interest of Educational Technologies Limited ("ETL") for a cash consideration of US$14,800,000. ETL is a company incorporated under the laws of Hong Kong, S.A.R. and its main business activities are in publishing, licensing and distributing educational and children's books and publications in Latin America, and the Asia Pacific and Gulf regions.

iii) On 2 March 2005, the Group's subsidiary company, Pansing, acquired a 51% shareholding interest of IMM Singapore Holdings Pte Limited ("IMM") for a cash consideration of A$3,320,000. IMM in turn owns 100% of Pansing IMM Pty Limited, a company incorporated in Australia. Its main business activity is in export distribution of Australian magazines, books and periodicals.

iv) On 8 April 2005, the Group's subsidiary company, Times Printers (Hong Kong) Limited ("TPHKL"), acquired additional 2,058,000 ordinary shares of HK$1 in Everbest Printing Holdings Limited ("EPHL") for a consideration of HK$67,633,818. Following the acquisition, TPHKL now holds 85.3% of EPHL.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

17. SUBSIDIARY COMPANIES *(continued)*

The fair value of the indentifiable assets and liabilities of subsidiary companies acquired as at the date of acquisition are :

	Fair value at date of acquisition ($'000)	Carrying value at date of acquisition ($'000)
Fixed assets	21,283	21,240
Development properties	122,197	45,238
Investment properties	108,833	108,833
Other non-current assets	17,883	7,560
Current assets	143,791	142,637
Current liabilities	(43,533)	(43,771)
Non-current liabilities	(122,150)	(121,662)
Minority interests	(16,385)	(16,385)
Cash	63,641	63,641
Net asset value as at acquisition	295,560	207,331
Minority interests arising upon acquisition	(107,891)	
	187,669	
Cost of investment as a joint venture company	(37,290)	
Goodwill on acquisition, net	4,033	
Consideration	154,412	
Add : Loan on acquisition	(4,161)	
	150,251	
Less : Cash of subsidiary companies	(63,641)	
Cash flow on acquisition net of cash and cash equivalents acquired	86,610	

The effect of the acquisition of the subsidiary companies on the financial position of the Group at 30 September 2005 and its results for the year is shown below :

	($'000)
Total assets at 30 September 2005	695,967
Total liabilities at 30 September 2005	(440,963)
Contributions to the Group for the period :	
- Revenue	45,136
- Profit before tax	2,731
- Attributable profit	1,686

If the above acquisition of subsidiaries had taken place at the beginning of the financial year, the Group's results would increase by :

- Revenue	79,167
- Profit before tax	14,363
- Attributable profit	7,453

(c) During the financial year, the Group's subsidiary company, Times Publishing Limited, disposed of the following companies via liquidation :

i) BBD Distributors Limited

ii) Eastern Universities Press Sdn Bhd

iii) United Publishers Services Private Limited

iv) TPL Digital (UK) Limited

The disposals resulted in a gain of $697,000. The effect of the above disposals is disclosed in the Consolidated Cash Flow Statement.

Details of significant subsidiaries are included in Note 43.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

	THE GROUP 2005 ($'000)	2004 ($'000)
18. JOINT VENTURE COMPANIES		
Investments in joint venture companies		
At net asset values on acquisition	**63,103**	201,413
Acquisition	**47,461**	-
Share of net post acquisition surplus/(deficit)	**34,169**	(79,200)
	144,733	122,213

(a) The amounts due from/to joint venture companies classified under current assets and current liabilities are unsecured, trade in nature and interest-free.

(b) On 2 June 2005, the Group's subsidiary, Heineken-APB (China) Pte Ltd, acquired a 40% interest in Jiangsu DaFuHao Breweries Co. Ltd, for a consideration of $47,461,000.

(c) On 22 September 2005, the Group acquired an additional 27.375% interest in Frasers Property (China) Limited ("FPCL") (formerly known as Vision Century Corporation Limited) bringing the Group's interest in FPCL from 27.625% to 55%, and FPCL became a subsidiary on that date. See Note 17. The Group's share of FPCL's results up to 22 September 2005 was included in the Group's share of joint venture results. And from that same date, the carrying amount of investment in FPCL was transferred out of investment in joint venture companies and consolidated with the Group.

(d) The Group's share of the consolidated results of the joint venture companies for the year is as follows :

	2005	2004
Profit before taxation and exceptional items	**35,046**	27,568
Exceptional items	**2,357**	(4,374)
Taxation	**(8,768)**	(8,164)

(e) The Group's share of the consolidated assets and liabilities of the joint venture companies comprises :

	2005	2004
Non-current assets	**149,066**	147,185
Current assets	**121,134**	162,218
Current liabilities	**(84,289)**	(129,652)
Long term liabilities	**(56,136)**	(57,538)
	129,775	122,213

(f) The share of the results, assets and liabilities as stated in paragraphs (d) and (e) above is based on the accounts of the joint venture companies to 30 September 2005 except for FPCL explained in (c) above.

(g) The Group's share of capital commitments of the joint venture companies is $nil (2004 : $4,690,000).

(h) There are no contingent liabilities relating to the Group's interest in joint venture companies.

Details of joint venture companies are included in Note 43.

19. ASSOCIATED COMPANIES

	2005	2004
Investments in associated companies		
At net asset values on acquisition	**109,223**	113,257
Reclassification of goodwill (net of amortisation) from intangible assets	**99,619**	-
Acquisition of interests	**18,776**	-
Share of net post acquisition reserves	**7,099**	14,627
	234,717	127,884
Loans owing from associated companies (unsecured)	**73,357**	56,677
	308,074	184,561

The loans owing from associated companies are interest-free, non-trade in nature and are not repayable within one year.

The amounts due from/to associated companies classified under current assets and current liabilities are unsecured, trade in nature and interest-free.

Details of associated companies are included in Note 43.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

20. INTANGIBLE ASSETS

	THE GROUP				
	Goodwill ($'000)	Franchise ($'000)	Deferred Development Costs ($'000)	Other Intangible Assets ($'000)	Total ($'000)
At cost					
Balance at beginning of year	226,363	219	21,769	-	248,351
Currency realignment	59	-	277	-	336
Additional expenditure during the year	-	-	11,735	-	11,735
Acquisition of subsidiary companies and additional interests in subsidiary companies	21,470	-	2,458	10,324	34,252
Reclassification to associated companies	(99,619)	-	-	-	(99,619)
Write-off for the year	(1,715)	-	(4,351)	(102)	(6,168)
Reclassification	(102)	-	-	102	-
Reclassification from accumulated amortisation	(10,758)	-	-	-	(10,758)
Balance at end of year	135,698	219	31,888	10,324	178,129
Accumulated amortisation and impairment					
Balance at beginning of year	12,539	134	11,166	-	23,839
Currency realignment	(66)	-	311	-	245
Amortisation charge for the year	-	22	3,412	794	4,228
Write-off for the year	(1,715)	-	(2,583)	-	(4,298)
Reclassification to cost	(10,758)	-	-	-	(10,758)
Balance at end of year	-	156	12,306	794	13,256
Net book value					
30 September 2005	135,698	63	19,582	9,530	164,873
30 September 2004	213,824	85	10,603	-	224,512

Except for goodwill, all intangible assets have finite useful lives of not more than 10 years.

21. IMPAIRMENT TESTS FOR GOODWILL

In accordance with FRS 103, the carrying value of the Group's goodwill arising from acquisitions of subsidiary and associated companies were assessed for impairment during the financial year.

Carrying value of capitalised goodwill based on cash generating units	As at 30 Sep 2005 ($'000)	Basis on which recoverable values are determined	Terminal growth rate	Discount rate
Subsidiary companies :				
Breweries Group	104,087	Value-in-use	2%	9.0% - 11.9%
Printing and Publishing Group	13,338	Value-in-use	0%	7.0% - 7.4%
Dairies Group	631	Value-in-use	0%	7.1%
Soft Drinks Group	17,642	Fair value less cost to sell		
	135,698			

Goodwill is allocated for impairment testing purposes to the individual entity which is also the cash generating unit. The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management covering 3 to 5 year periods. Cash flows beyond these periods are extrapolated using the estimated growth rates stated in the table above. The fair value less costs to sell calculations are based on quoted market prices obtained from active markets.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

21. IMPAIRMENT TESTS FOR GOODWILL *(continued)*

The terminal growth rates used do not exceed the long term average growth rate of the respective industry and country in which the entity operates.

The discount rates applied to the cash flow projections are derived from the cost of capital plus a reasonable risk premium at the date of assessment of the respective cash generating units.

Changes to the assumptions used by the management, particularly the discount rates and terminal growth rates, can significantly affect the results of the impairment test.

No impairment loss was required for the financial year ended 30 September 2005 for the goodwill assessed as their recoverable values were in excess of their carrying values.

22. OTHER INVESTMENTS

	THE GROUP		THE COMPANY	
	2005 ($'000)	2004 ($'000)	**2005 ($'000)**	2004 ($'000)
Quoted				
Non-equity investments in companies				
At cost	**25,450**	25,450	**-**	-
Equity investments in companies				
At cost	**17,196**	15,880	**6,039**	7,378
Provision for impairment				
Balance at beginning of year	**(175)**	(3,183)	**-**	-
Write back	**-**	3,008	**-**	-
Balance at end of year	**(175)**	(175)	**-**	-
Quoted total	**42,471**	41,155	**6,039**	7,378
Unquoted				
Non-equity investments in companies				
At cost	**42,182**	37,050	**512**	499
Equity investments in companies				
At cost	**33,251**	4,130	**28**	75
Provision for impairment				
Balance at beginning of year	**(1,155)**	(3,357)	**-**	-
Write back	**-**	2,202	**-**	-
Balance at end of year	**(1,155)**	(1,155)	**-**	-
Unquoted total	**74,278**	40,025	**540**	574
Total Other Investments	**116,749**	81,180	**6,579**	7,952
Market Value of Quoted Investments				
Non-equity investments in companies	**25,450**	25,450	**-**	-
Equity investments in companies	**25,056**	23,091	**6,251**	12,691
	50,506	48,541	**6,251**	12,691

The quoted non-equity investments carry interest rate of 8% .

The unquoted non-equity investments carry interest rates of 8.5% to 14% (2004 : 7.5% to 14%).

The unquoted investments do not have quoted market prices in an active market nor are other methods of reasonably estimating the fair values readily available. Hence it is not practicable to determine their fair value with sufficient reliability without incurring excessive costs.

Market value of quoted investments are determined by reference to stock exchange quoted prices.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

	THE GROUP		THE COMPANY	
	2005 ($'000)	2004 ($'000)	**2005 ($'000)**	2004 ($'000)
23. CASH AND BANK DEPOSITS				
Cash and bank balances	**280,687**	133,546	**452**	364
Bank fixed deposits	**360,425**	443,824	**22,618**	21,688
	641,112	577,370	**23,070**	22,052
Secured bank fixed deposits	**4,600**	157,887	**-**	-
	645,712	735,257	**23,070**	22,052

The weighted average rate for bank deposit is 3.07% (2004 : 2.19%).

Included in the Group's cash and bank balances, and bank fixed deposits are amounts of $2,233,000 (2004 : $3,065,000) and $50,707,000 (2004 : $33,285,000) respectively held under the Project Account Rules (1997 Ed), withdrawals from which are restricted to payments for development expenditure incurred on properties developed for sale.

Included in secured fixed deposits are :

a) Nil (2004 : $35,751,000) held in escrow to meet interest payment and development costs.

b) Nil (2004 : $43,372,000 (US$25,650,000) which serves as collateral deposit for a $40,862,000 (RMB200,000,000) bank facility granted to a subsidiary company).

c) $4,600,000 (2004 : $78,764,000) which served as collateral deposit for a $4,154,000 (RMB20,000,000) (2004 : $71,968,000 (RMB 352,250,000)) bank facility granted to a subsidiary company.

	THE GROUP		THE COMPANY	
	2005 ($'000)	2004 ($'000)	**2005 ($'000)**	2004 ($'000)
24. BRANDS				
At cost				
Balance at beginning of year	**17,695**	17,831	**8,435**	8,435
Currency realignment	**31**	(136)	**-**	-
Balance at end of year	**17,726**	17,695	**8,435**	8,435
Accumulated amortisation				
Balance at beginning of year	**10,104**	8,295	**7,099**	5,932
Currency realignment	**14**	(59)	**-**	-
Amortisation for the year	**1,861**	1,868	**1,167**	1,167
Balance at end of year	**11,979**	10,104	**8,266**	7,099
Net book value	**5,747**	7,591	**169**	1,336

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

25. PROPERTIES HELD FOR SALE

	THE GROUP 2005 ($'000)	2004 ($'000)
At cost		
Balance at beginning of year	**443,070**	406,552
Currency realignment	**1,500**	63
Transfer from properties under development	**215,364**	17,471
Transfer from investment properties	**563**	-
Transfer from fixed assets	**-**	11,391
Acquisition of subsidiary companies	**46,708**	67,340
Withdrawal of sales	**-**	923
Cost adjustments	**(229)**	(1,250)
Sold during the year	**(239,947)**	(59,420)
Balance at end of year	**467,029**	443,070
Less : Provision for foreseeable losses		
Balance at beginning of year	**44,208**	37,052
Acquisition of subsidiary companies	**700**	-
Provision for the year	**16,517**	10,000
Sold during the year	**(26,263)**	(2,844)
Balance at end of year	**35,162**	44,208
Net book value	**431,867**	398,862

26. INVENTORIES

	THE GROUP					
	2005			2004		
	At cost ($'000)	**At net realisable value ($'000)**	**Total ($'000)**	At cost ($'000)	At net realisable value ($'000)	Total ($'000)
Containers	**48,923**	**2,298**	**51,221**	37,298	2,583	39,881
Raw materials	**69,715**	**28,175**	**97,890**	46,901	28,352	75,253
Manufactured inventories	**110,969**	**15,498**	**126,467**	96,270	15,657	111,927
Engineering spares, work-in progress and other inventories	**85,266**	**6,553**	**91,819**	67,460	9,184	76,644
Packaging materials	**23,646**	**121**	**23,767**	20,297	331	20,628
Goods purchased for resale	**18,398**	**24,528**	**42,926**	13,688	16,987	30,675
	356,917	**77,173**	**434,090**	281,914	73,094	355,008

Write back of provision for inventory obsolescence during the year amounted to $2,599,000 (2004 : $4,563,000).

27. TRADE DEBTORS

Trade debtors of the Group are stated after deducting provision for doubtful debts of $15,897,000 (2004 : $20,696,000).

Included in trade debtors is an amount of $210,443,000 (2004 : $nil) which relates to the balance of sale proceeds from completed condominium projects which will be received upon issuance of certificate of statutory completion, notice of vacant possession, expiry of defect liability period and/or title subdivision.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

28. OTHER DEBTORS

	THE GROUP		THE COMPANY	
	2005 ($'000)	2004 ($'000)	**2005 ($'000)**	2004 ($'000)
Accrued income	**4,538**	4,804	**1,806**	1,264
Prepayments	**24,826**	19,909	**-**	-
Deposits paid	**105,916**	45,160	**1**	1
Tax recoverable	**17,434**	46,189	**-**	27
Staff loans	**10,755**	11,523	**-**	-
Amount receivable from joint venture partners	**3,192**	3,757	**-**	-
Other receivables	**69,276**	41,115	**1,135**	1,945
	235,937	172,457	**2,942**	3,237

Included in deposits paid and prepayments of the Group are $21,019,000 (2004 : $33,365,000) being payments for purchase of land which will be transferred to properties under development upon the completion of sale and purchase agreement.

Included in deposits paid is payment of approximately $67,190,000 (2004 : $nil) for certain land in China of which formal land use right certificates have not yet been issued.

29. SHORT TERM INVESTMENTS

	THE GROUP	
	2005 ($'000)	2004 ($'000)
Quoted		
Equity investments in companies, at cost	**132**	-
Non-equity investments in companies, at cost	**183**	-
	315	-
Unquoted		
Non-equity investments in companies, at cost	**11,481**	13,123
	11,796	13,123
Market Value Of Quoted Investments		
Equity investments in companies	**132**	-
Non-equity investments in companies	**183**	-
	315	-

Included in unquoted non-equity investments are notes with interest rates of 8.5% to 14% (2004 : 1.5% to 14%) per annum and maturing within the next 12 months.

30. OTHER CREDITORS

	THE GROUP		THE COMPANY	
	2005 ($'000)	2004 ($'000)	**2005 ($'000)**	2004 ($'000)
Advances from joint venture partners	**33,863**	13,916	**-**	-
Interest payable	**21,106**	17,170	**4,217**	3,313
Accrued operating expenses	**146,798**	101,034	**320**	559
Sundry accruals	**51,500**	52,499	**68**	-
Sundry deposits	**47,852**	59,532	**-**	-
Staff costs payable	**66,445**	62,625	**-**	-
Accrual for unconsumed leave	**12,393**	11,208	**-**	-
Amounts due to minority shareholders of subsidiary companies	**57,203**	53,461	**-**	-
Deferred income	**1,333**	1,747	**-**	-
Provisions	**2,779**	3,029	**-**	-
Other payables	**71,261**	56,771	**1,527**	1,493
	512,533	432,992	**6,132**	5,365

Except for $nil (2004 : $6,640,000) which bears interest at rate of nil (2004 : 10%) per annum, amounts due to minority shareholders are non-trade in nature, unsecured, interest-free and repayable on demand.

Advances from joint venture partners are non-trade in nature, unsecured, interest-free and have no fixed terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

31. BANK BORROWINGS

	Weighted average effective interest rate %	Notes	THE GROUP 2005 ($'000)	THE GROUP 2004 ($'000)	THE COMPANY 2005 ($'000)	THE COMPANY 2004 ($'000)
Repayable within one year :						
Unsecured						
Bank loans	3.37		**395,230**	600,047	**112,340**	32,980
Bank overdrafts			**3,255**	10,955	**-**	-
			398,485	611,002	**112,340**	32,980
Secured						
Bank loans	5.97	(a)	**315,676**	278,138	**-**	-
Bank overdrafts		(a)	**1,992**	1,502	**-**	-
			317,668	279,640	**-**	-
			716,153	890,642	**112,340**	32,980
Repayable after one year :						
Unsecured						
Bank loans	5.13		**179,832**	39,399	**-**	-
Secured						
Bank loans	3.46	(a)	**506,179**	89,143	**-**	-
		(c)	**686,011**	128,542	**-**	-
Total			**1,402,164**	1,019,184	**112,340**	32,980
Fair value		(b)	**1,384,096**	1,019,184	**112,340**	32,980

Notes

(a) The secured bank loans and overdrafts are secured by certain subsidiary companies by way of a charge over fixed deposit, plant and machinery, pledge of shares of a subsidiary company, fixed and floating charge over certain assets and mortgages on freehold and leasehold land under development.

During the year, a subsidiary company, Centrepoint Properties Ltd ("CPL") raised financing by way of allotment and issue of 330,000 redeemable non-voting Class A Preference Shares of par value $1.00 each ("Subscription Shares") at an aggregate subscription price of $330 million to a financial institution. Concurrently, a subsidiary company, F&N Services (L) Bhd, ("F&NS(L)"), has entered into a Forward Purchase Agreement under which F&NS(L) has agreed to purchase from the financial institution the Subscription Shares at an agreed purchase price, secured over certain assets of F&NS(L). The Forward Purchase Agreement resulted in the Group being obligated to deliver cash in settlement. Therefore the Subscription Shares are classified as bank borrowings in the consolidated financial statements of the Group.

(b) The carrying amount of bank borrowings approximate fair value as they bear interest at rates which approximate the current incremental borrowing rate for similar types of lending and borrowing arrangements except for an amount of $795,108,000 (2004 : $nil) bank loan which has a fair value of $777,039,000 (2004 : $nil).

(c) Maturity of non-current borrowings is as follows :

	THE GROUP 2005	THE GROUP 2004	THE COMPANY 2005	THE COMPANY 2004
Between 1 and 2 years	**163,362**	27,484	**-**	-
Between 2 and 5 years	**495,121**	95,112	**-**	-
After 5 years	**27,528**	5,946	**-**	-
	686,011	128,542	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

32. TERM LOANS

	Weighted average effective interest rate %	Notes	THE GROUP 2005 ($'000)	THE GROUP 2004 ($'000)	THE COMPANY 2005 ($'000)	THE COMPANY 2004 ($'000)
Repayable within one year :						
Unsecured	5.05		**500,000**	184,500	**-**	-
Repayable after one year :						
Unsecured	3.22	(b)	**1,500,000**	1,700,000	**800,000**	800,000
Secured	1.88	(c)	**-**	285,266	**-**	-
			1,500,000	1,985,266	**800,000**	800,000
Total			**2,000,000**	2,169,766	**800,000**	800,000
Fair value		(d)	**2,010,108**	2,201,266	**809,800**	809,800

Notes

(a) Term loans comprise variable rate notes, medium term notes, fixed rate notes, transferable term loan and floating rate bonds issued by the Company and subsidiary companies.

(b) Maturity of unsecured term loans repayable after one year is as follows :

	THE GROUP 2005	THE GROUP 2004	THE COMPANY 2005	THE COMPANY 2004
Between 1 and 2 years	**480,000**	500,000	**300,000**	300,000
Between 2 and 5 years	**1,020,000**	1,000,000	**500,000**	300,000
After 5 years	**-**	200,000	**-**	200,000
	1,500,000	1,700,000	**800,000**	800,000

(c) The secured term loans in 2004 were secured by trade receivables and were redeeemed in full under the terms and conditions of the loans on 29 March 2005.

(d) The aggregate fair value of term loans are determined by reference to market value.

(e) As at 30 September 2005, the Company and Group had interest rate swaps in place, which have the economic effect of converting borrowings from fixed rates to variable rates or vice versa. The fair value of these interest rate swaps is discussed in Note 39. The weighted average effective interest rates are as at 30 September 2005 and include the effect of related interest rate swaps.

33. PROVISION FOR EMPLOYEE BENEFITS

	THE GROUP 2005 ($'000)	THE GROUP 2004 ($'000)
Balance at beginning of year	**23,760**	24,650
Currency realignment	**191**	(376)
Acquisition of subsidiary companies	**348**	-
Write back	**(804)**	(278)
Provision for the year	**3,119**	2,550
Payment for the year	**(2,663)**	(2,786)
Balance at end of year	**23,951**	23,760

Defined Contribution Plan

The Group makes contributions to several post employment benefit plans. Most of these plans are defined contribution plans whereby contributions are made to approved provident and superannuation funds in Singapore, Malaysia, Hong Kong, Australia, Papua New Guinea, Vietnam, Cambodia, Sri Lanka, the USA and Europe.

Defined Benefit Plan

The defined benefit plans in the United Kingdom, New Zealand and Japan are funded, defined benefit pension scheme, the assets of which are held in separate trustee-administrated funds. The defined benefit plans in Malaysia do not have separately funded assets. They provide lump sum benefit at normal retirement age.

The major assumptions used by the qualified independent actuaries were :

	THE GROUP 2005	THE GROUP 2004
Rate of increase in salaries	**3.5% to 5.0%**	3.5% to 5.0%
Expected rate of return on assets	**5.0% to 6.1%**	5.0% to 6.0%
Discount rate	**4.1% to 7.0%**	3.9% to 7.0%

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33. PROVISION FOR EMPLOYEE BENEFITS *(continued)*

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

	THE GROUP	
	2005 ($'000)	2004 ($'000)
Net benefit expense		
Benefits earned during the year	**248**	1,284
Interest cost on benefit obligation	**862**	874
Net actuarial loss	**314**	-
Curtailment loss	**-**	1,871
Transition obligation recognised	**166**	(171)
Net benefit expense	**1,590**	3,858
Benefit liability		
Present value of benefit obligation	**22,375**	21,643
Fair value of plan assets	**(2,194)**	(1,699)
Unfunded benefit obligation	**20,181**	19,944
Unrecognised net actuarial loss	**(734)**	-
Unrecognised transition obligation	**(1,576)**	(317)
Benefit liability	**17,871**	19,627
Present value of unfunded benefit obligation	**16,837**	16,043
Present value of funded benefit obligation	**5,538**	5,600
	22,375	21,643

The following table summaries the components of benefit liability not taken up in the Group's consolidated financial statements :

	2005	2004
Benefit liability		
Present value of benefit obligation	**62,195**	55,058
Fair value of plan assets	**(60,390)**	(52,694)
Unfunded benefit obligation	**1,805**	2,364
Unrecognised net actuarial gain	**1,080**	686
Deferred tax	**(1,865)**	(2,110)
Benefit liability	**1,020**	940

Long Service Leave/Severance Allowances

Long service leave/severance allowances are provided by subsidiary companies based on the number of years of service the employees have rendered at the end of each financial year as required by local legislation in Vietnam, Papua New Guinea, Cambodia and Sri Lanka.

Share Options

Details of the share option schemes of the Company and subsidiary companies are disclosed under paragraph 5 of the Directors' Report.

The share option schemes are :

a) Fraser and Neave, Limited Executives' Share Option Scheme, 1989.
b) Fraser and Neave, Limited Executives' Share Option Scheme, 1999.
c) Asia Pacific Breweries Limited Executives' Share Option Scheme.
d) Fraser & Neave Holdings Bhd Executives' Share Option Scheme.
e) Frasers Property (China) Limited's Share Option Scheme.

Phantom Shares Option Plan

A subsidiary company, Asia Pacific Breweries Limited, has in place a Phantom Share Option Plan ("PSOP") which succeeds their Executives' Share Option Scheme. No shares will be issued and participants of the plan are not entitled to, and have no right or interest in the shares of that subsidiary. Grantees are granted options, at a specified exercise price which has been calculated as the average of the closing market price for the thirty market days immediately before the grant ("Exercise Price"). The total number of phantom shares that may be granted under options in any one year shall not exceed 1% of the subsidiary company's issued share capital at the time of the grant. Grantees may exercise the options at any time during a 24-month exercise period (which commences 33 months after the effective date of the grant of the option). Upon exercise of the options, an amount in cash equal to the excess (if any) of the average of the closing market price for the thirty days immediately preceding the date the options are exercised of the phantom shares over their Exercise Price would be paid to the grantee. In the event the excess exceeds the Exercise Price, the amount payable by the subsidiary company to the grantee shall not exceed the Exercise Price. Options expire at the end of 57 months after the offer date unless an option has previously lapsed by reason of the cessation of the employment of the grantee after the grant of an option and before its exercise.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

34. DEFERRED TAX ASSETS AND LIABILITIES

	THE GROUP	
	2005 ($'000)	2004 ($'000)
The deferred tax liabilities of certain subsidiary companies at the end of the financial year related to the following :		
Deferred tax liabilities		
Differences in depreciation	**93,176**	90,599
Tax effect on revaluation surplus	**7,684**	4,236
Provisions	**9,985**	9,808
Other deferred tax liabilities	**5,020**	4,590
Gross deferred tax liabilities	**115,865**	109,233
Less : Deferred tax assets		
Employee benefits	**(5,624)**	(7,679)
Unabsorbed losses and capital allowances	**(8,120)**	(10,846)
Provisions	**(5,337)**	(2,844)
Other deferred tax assets	**(162)**	(10)
Gross deferred tax assets	**(19,243)**	(21,379)
Net deferred tax liabilities	**96,622**	87,854
Some overseas subsidiary companies have net deferred tax assets related to the following :		
Employee benefits	**(3,611)**	(3,571)
Differences in depreciation	**5,690**	6,885
Unabsorbed losses and capital allowances	**(4,439)**	(4,402)
Provisions	**(7,566)**	(11,024)
Others	**(321)**	(287)
Net deferred tax assets	**(10,247)**	(12,399)

The deferred tax taken to equity during the year relating to revaluation surpluses was $3,448,000 (2004 : $5,021,000).

Deferred tax liabilities of $40,759,000 (2004 : $40,641,000) have not been recognised in the consolidated financial statements for the withholding and other taxes that would be payable on the unremitted earnings as such amounts are permanently reinvested; such unremitted earnings totalled $206,464,000 at 30 September 2005 (2004 : $205,873,000).

35. FUTURE COMMITMENTS

Commitments not provided for in the financial statements :

	2005	2004
(a) Commitments in respect of contract placed :		
- Fixed assets	**90,135**	99,381
- Properties under development	**612,773**	529,153
- Share of joint venture companies commitments	**-**	2,453
	702,908	630,987
(b) Other amounts approved by directors but not contracted for :		
- Fixed assets	**53,955**	45,322
- Properties under development	**1,943,062**	1,418,273
	1,997,017	1,463,595
	2,699,925	2,094,582

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

	THE GROUP	
	2005 ($'000)	2004 ($'000)
36. LEASE COMMITMENTS		
Lease commitments under non-cancellable operating leases where the Group is a lessee :		
Payable within one year	**16,894**	14,187
Payable between one and five years	**32,915**	31,975
Payable after five years	**70,695**	65,570
	120,504	111,732
Operating lease expense	**30,177**	27,640

The operating leases do not contain any escalation clauses and do not provide for contingent rents. Lease terms do not contain restrictions on the Group activities concerning dividends, additional debts or entering into other leasing agreements.

Lease commitments under non-cancellable operating leases where the Group is a lessor :		
Receivable within one year	**149,757**	141,529
Receivable between one and five years	**187,748**	200,041
Receivable after five years	**6,116**	1,888
	343,621	343,458

The operating leases do not provide for contingent rents.

37. RELATED PARTY TRANSACTIONS

The following were the significant related party transactions entered into by the Group with :

Directors		
Sale of condominium units	**15,175**	-
Joint venture companies		
Royalties received	**2,011**	2,019
Service fees received	**3,784**	3,796
Sales of beer	**33,217**	31,915
Sales of spares	**426**	487
Purchase of beer	**(5,907)**	(3,686)

These transactions were based on agreed fees or terms determined on a commercial basis.

38. CONTINGENT LIABILITIES

Contingent liabilities not provided for in the financial statements are as follows :

(a) Guarantees given by subsidiary companies to lessors for the granting of leases on properties	**5,250**	5,029
(b) Guarantee given to bank on overdraft of an associated company	**585**	565

39. FINANCIAL RISK MANAGEMENT

The Company and the Group are exposed to financial risks, including primarily the effects of changes in currency exchange rates and interest rates and use derivatives and other instruments in connection with their risk management activities. The Company and the Group do not hold or issue derivative financial instruments for trading purposes.

The Group has established processes to monitor and control hedging transactions in a timely and accurate manner.

These policies are reviewed regularly by the Audit and Executive Committees to ensure that the Group's policies and guidelines are adhered to. The Group's accounting policies in relation to derivatives are set out in Note 2.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

39. FINANCIAL RISK MANAGEMENT *(continued)*

Foreign Currency Risk

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

At 30 September 2005, the Group had entered into foreign currency forward exchange buy contracts amounting to $87 million (2004 : $132 million) and foreign currency forward exchange sell contracts amounting to $58 million (2004 : $71 million). The fair value adjustments of the buy contracts and sell contracts (which is the difference between the notional principal amount and market value of the contracts) are loss of $1,672,000 (2004 : $28,000) and loss of $763,000 (2004 : gain of $219,000) respectively.

The fair values of foreign currency forward exchange contracts have been calculated using rates quoted by the Group's bankers to terminate the contracts at the balance sheet date.

Liquidity Risk

The Company's and the Group's exposure to liquidity risk arises in the general funding of the Company's and the Group's business activities. It includes the risks of being able to fund business activities in a timely manner.

The Group adopts a prudent approach to managing its liquidity risk. The Group always maintain sufficient cash and marketable securities, and have available funding through a diverse sources of committed and uncommitted credit facilities from various banks.

As at 30 September 2005, the Group's net borrowings to shareholders' fund and total equity ratios are as follows :

	THE GROUP	
	2005 ($'000)	2004 ($'000)
Cash & bank deposits	**645,712**	735,257
Borrowings	**(3,402,164)**	(3,188,950)
Net borrowings	**(2,756,452)**	(2,453,693)
Shareholders' fund	**3,096,888**	2,926,200
Total equity (including Minority Interests)	**4,221,326**	3,841,548
Net borrowings/Shareholders' fund	**0.89**	0.84
Net borrowings/Total equity	**0.65**	0.64

Credit Risk

The Company's and the Group's maximum exposure to credit risk in the event that the counter parties fail to perform their obligations as of 30 September 2005 in relation to each class of recognised financial assets, other than derivatives, is the carrying amount of those assets as indicated in the balance sheet. The Company and the Group have no significant concentration of credit risk. The Company and the Group have policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

With respect to derivative financial instruments, credit risk arises from the potential failure of counter parties to meet their obligations under the contract or arrangement. The Group's maximum credit risk exposure for foreign exchange contracts and interest rate swap contracts are limited to the fair value adjustments of these contracts. It is the Company's and the Group's policy to enter into financial instruments with a diversity of credit worthy counter parties. The Company and the Group do not expect to incur material credit losses on their financial assets or other financial instruments.

The Company and the Group do not have significant exposure to any individual customer or counter party.

Interest Rate Risk

The Company's and the Group's exposure to market risk for changes in interest rates relate primarily to debt obligation with financial institutions. The Company's and the Group's policy is to manage interest cost using a mix of fixed and variable rate debts, and interest rate swaps. The Company and the Group sometimes use interest rate swaps as cash flow hedges of future interest payments, which have the economic effect of converting borrowings from fixed rates to variable rates or vice versa.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

39. FINANCIAL RISK MANAGEMENT *(continued)*

Interest Rate Risk *(continued)*
Under the interest rate swaps, the Company and the Group agree with other parties to exchange, at specified intervals mainly quarterly, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

The Company and the Group have the following interest rate swap arrangements in place :

	THE GROUP		THE COMPANY	
	2005 ($'000)	2004 ($'000)	**2005 ($'000)**	2004 ($'000)
Notional Amount				
Within one year	**10,000**	200,000	-	-
Between one to three years	**165,000**	898,000	**90,000**	130,000
After three years	**645,238**	545,000	**465,000**	545,000
	820,238	1,643,000	**555,000**	675,000
Net Fair Value				
Fair value gain on interest rate swap contracts	**8,373**	19,623	**7,474**	15,490
Fair value loss on interest rate swap contracts	**(5,477)**	(6,706)	**(4,950)**	(5,962)

The fair values of interest rate swap contracts as at the balance sheet date have been calculated using rates quoted by the Group's bankers to terminate the contracts at the balance sheet date.

At 30 September 2005, the fixed interest rate of the outstanding interest rate swap contracts vary from 2.1% to 3.0% (2004 : 1.2% to 6.3%), while the floating interest rates are mainly linked to Singapore and London Interbank Offered Rates.

The Company and the Group are in a net interest expense position for the years ended 30 September 2005 and 2004.

Market Risk
The Company and the Group are exposed to market risk and the risk of impairment in the value of investments held. The Company and the Group manage the risk of impairment by evaluation of investment opportunities, continuously monitoring the performance of investments held and assessing market risk relevant to which the investments operate.

Fair Values
The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value :

(a) Cash and bank balances, other debtors and other creditors
The carrying amounts of these items approximate fair value due to their short term nature.

(b) Trade debtors and trade creditors
The carrying amounts of receivables and payables approximate fair value because these are subject to normal trade credit terms.

(c) Amounts due from/to related companies
The carrying amounts of amounts due from/to related companies in current assets and current liabilities approximate fair value due to their short term nature. For amounts due from related companies included in long term assets, no disclosure of the fair value has been made, as it is not practicable to determine the fair value with sufficient reliability since these balances have no fixed terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

39. FINANCIAL RISK MANAGEMENT *(continued)*

Fair Values *(continued)*

(d) Short term investments

Market value of quoted investment is determined by reference to stock exchange quoted prices.

The unquoted investment do not have quoted market prices in an active market nor are there other methods of reasonably estimating the fair value readily available. It is not practicable to determine fair value with sufficient reliability without incurring excessive costs.

(e) Bank Borrowings and Term Loans

The fair value of fixed rate bank borrowings and term loans are disclosed in Note 31 and Note 32 respectively. The carrying value of bank borrowings, and term loans within one year and the floating rates borrowings and loans approximate their fair value.

40. UNUSUAL ITEM

As previously announced in September 2003, the former Finance Manager of subsidiary, Asia Pacific Breweries (S) Pte Ltd ("APBS"), Chia Teck Leng ("CTL"), was arrested by the police and subsequently charged in Court on multiple charges for cheating and using forged documents to obtain and operate unauthorised bank accounts in the name of APBS with CTL as the sole signatory.

In September 2004, four banks, Bayerische Hypo-und Vereinsbank Aktiengesellschaft, Skandinaviska Enskilda Banken, Mizuho Corporate Bank Ltd and Sumitomo Mitsui Banking Corporation, commenced separate actions against APBS for a total sum amounting to approximately $117.1 million.

Drew & Napier LLC has been instructed to defend APBS in each of these actions. Parties are in the midst of discovery and the trials are expected to take place early next year. Our lawyers have advised that based on the existing documents and instructions, APBS has good arguable defences and will be vigorously defending the claims. Consequently, no provision in the financial statements is considered necessary.

41. SUBSEQUENT EVENTS

On 5 October 2005, a subsidiary company,CPL (China) Pte Ltd, acquired a further 56,098,151 shares in Frasers Property (China) Limted ("FPCL") (formerly Vision Century Corporation Limited), a subsidiary company, representing approximately 1.23% of the issued share capital of FPCL at an average price of HK$0.15 each, thereby increasing the Group's aggregate shareholding interest in FPCL to 56.23%.

42. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the requirements of the new and revised FRS, as disclosed in Note 2.2.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES

		Effective Shareholding 2005	2004	Principal Activities
	SUBSIDIARY COMPANIES OF THE COMPANY			
	Country of Incorporation and Place of Business : **Singapore**			
	Asia Pacific Investment Pte Ltd	**50.0%**	50.0%	Investment Holding
	Fraser & Neave (Singapore) Pte Ltd	**100.0%**	100.0%	Management Services
	F&N Investments Pte Ltd	**100.0%**	100.0%	Investment Holding
	F&N Foods Pte Ltd	**100.0%**	100.0%	Manufacture of Dairy Products
	Premier Milk (S) Pte Ltd	**100.0%**	100.0%	Dormant
	Asia Dairies (S) Pte Ltd	**100.0%**	100.0%	Dormant
	F&N Dairy Investments Pte Ltd	**100.0%**	100.0%	Investment Holding
	Interflavine Pte Ltd	**100.0%**	100.0%	Beverage Base Manufacturing
	International Theme Parks (Singapore) Pte Ltd	**100.0%**	100.0%	Dormant
	Phoenix (Singapore) Pte Ltd	**100.0%**	100.0%	Dormant
	Fannet Online Pte Ltd	**100.0%**	100.0%	Dormant
	Times Publishing Ltd	**100.0%**	100.0%	Investment Holding
	Centrepoint Properties Ltd	**100.0%**	100.0%	Investment Holding
	F&N Boncafe Beverages Pte Ltd #	**60.0%**	60.0%	Marketing Ready-To-Drink Coffee Beverages
	F&N DCH Holding Pte Ltd #	**51.0%**	51.0%	Dormant
	F&N Services (L) Bhd	**100.0%**	-	Investment Holding
	Country of Incorporation and Place of Business : **Hong Kong**			
*	Fraser & Neave Investments (HK) Ltd	**100.0%**	100.0%	Investment Holding
	Country of Incorporation and Place of Business : **Malaysia**			
*	Fraser & Neave Holdings Bhd	**59.4%**	60.1%	Investment Holding
*	Tiger Taverns Sdn Bhd	**100.0%**	100.0%	Dormant
*	Magnolia - PDL Dairies (1993) Sdn Bhd	**100.0%**	100.0%	Dormant
*	Fannet Online Sdn Bhd	**100.0%**	100.0%	Dormant
	Country of Incorporation and Place of Business : **Vietnam**			
*	F&N Vietnam Foods Co Ltd #	**100.0%**	100.0%	Manufacture and Distribution of Dairy Products and Beverages
	Country of Incorporation and Place of Business : **Thailand**			
*	F&N United Ltd #	**95.0%**	95.0%	Manufacture and Distribution of Dairy Products
	Country of Incorporation and Place of Business : **Myanmar**			
**	Myanmar Brewery Ltd (2)	**55.0%**	55.0%	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business : **Australia**			
*	A2 Australia Pty Limited #	**100.0%**	-	Marketing and Sales of Milk
	Country of Incorporation : **British Virgin Islands** Place of Business : **Hong Kong**			
***	Vision Century Limited (&&) #	**100.0%**	50.0%	Investment Holding
	Country of Incorporation : **Bermuda** Place of Business : **Hong Kong**			
©	Frasers Property (China) Limited ++ [formerly Vision Century Corporation Ltd]	**55.0%**	27.6%	Investment Holding

= Held by a subsidiary company

Asia Pacific Investment Pte Ltd ("APIPL") which holds 65.3% of the issued capital of Asia Pacific Breweries Limited is owned equally by Fraser and Neave, Limited and the Heineken Group. Under the provisions of the Companies Act, Cap. 50, Fraser and Neave, Limited is the ultimate holding company by reason of its rights to appoint a majority of the directors of APIPL.

++ F&N Group's effective shareholdings in Frasers Property (China) Limited is 55% and are held through Vision Century Limtied (17.17%) and Centrepoint Properties Ltd (37.83%).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES *(continued)*

		Effective Shareholding 2005	2004	Principal Activities
	SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP			
	Country of Incorporation and Place of Business : **Malaysia**			
*	Fraser & Neave (Malaya) Sdn Bhd	**59.4%**	60.1%	Management Services and Property Investment Holdings
*	F&N Coca-Cola (Malaysia) Sdn Bhd	**53.4%**	54.1%	Distribution of Soft Drinks
*	F&NCC Beverages Sdn Bhd	**53.4%**	54.1%	Manufacture of Soft Drinks
*	F&N Dairies (Malaysia) Sdn Bhd	**59.4%**	60.1%	Distribution of Dairy Products
*	Premier Milk (Malaya) Sdn Bhd	**44.5%**	45.1%	Manufacture of Dairy Products
*	Four Eights Sdn Bhd	**59.4%**	60.1%	Dormant
*	F&N Foods Sdn Bhd	**59.4%**	60.1%	Manufacture of Dairy Products
*	Malaya Glass Products Sdn Bhd	**59.4%**	60.1%	Manufacture and Sale of Glass Containers
*	Kuala Lumpur Glass Manufacturers Company Sdn Bhd	**59.4%**	60.1%	Manufacture and Sale of Glass Containers
*	Wimanis Sdn Bhd	**59.4%**	60.1%	Property Development
*	Brampton Holdings Sdn Bhd	**59.4%**	60.1%	Property Investment Holding
*	Lettricia Corporation Sdn Bhd	**41.6%**	-	Property Development
*	Elsinburg Holding Sdn Bhd	**59.4%**	-	Property Development
*	Vacaron Company Sdn Bhd	**59.4%**	-	Dormant
*	Nuvak Company Sdn Bhd	**59.4%**	-	Dormant
*	Greenclipper Corporation Sdn Bhd	**59.4%**	-	Dormant
**	Utas Mutiara Sdn Bhd	**59.4%**	-	Property Investment Holding
	Country of Incorporation and Place of Business : **Thailand**			
*	Siam Malaya Glass (Thailand) Co Ltd	**41.6%**	-	Manufacture and Sale of Glass Containers
	Country of Incorporation and Place of Business : **Vietnam**			
*	Malaya Vietnam Glass Ltd	**41.6%**	42.1%	Manufacture and Sale of Glass Containers
	Country of Incorporation and Place of Business : **China**			
*	Sichuan Malaya Glass Co Ltd (1)	**35.6%**	36.1%	Manufacture and Sale of Glass Containers
	SUBSIDIARY COMPANIES OF CENTREPOINT PROPERTIES GROUP			
	Country of Incorporation and Place of Business : **Singapore**			
	CPL Property Investments Pte Ltd	**100.0%**	100.0%	Property Investment
	CPL Enterprises Pte Ltd	**100.0%**	100.0%	Property Investment
	Riverside Property Pte Ltd	**100.0%**	100.0%	Property Investment
	CS Centrepoint Pte Ltd	**100.0%**	100.0%	Investment Holding
	Anchor Developments Pte Ltd	**100.0%**	100.0%	Property Investment and Development
	Orrick Investments Pte Ltd	**100.0%**	100.0%	Property Investment
	Yishun Development Pte Ltd	**100.0%**	100.0%	Property Investment
	Centrepoint Developments Pte Ltd	**100.0%**	100.0%	Dormant
	CPL Alexandra Point Pte Ltd	**100.0%**	100.0%	Property Investment
	Woodlands Complex Pte Ltd	**100.0%**	100.0%	Property Investment
	CPL Woodlands Pte Ltd	**100.0%**	100.0%	Dormant
	Chempaka Development Pte Ltd	**100.0%**	100.0%	Property Development
	Riverside Walk Pte Ltd	**100.0%**	100.0%	Property Development
	CPL Ventures Pte Ltd	**100.0%**	100.0%	Property Development
	Nasidon Investments Pte Ltd	**100.0%**	100.0%	Property Development
	CPL Management Services Pte Ltd	**100.0%**	100.0%	Management Services

NOTES TO THE FINANCIAL STATEMENTS
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43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES *(continued)*

		Effective Shareholding 2005	2004	Principal Activities
	SUBSIDIARY COMPANIES OF CENTREPOINT PROPERTIES GROUP *(continued)*			
	Country of Incorporation and Place of Business : **Singapore** *(continued)*			
	Northspring Development Pte Ltd	**100.0%**	100.0%	Property Development
	Riverside Investments Pte Ltd	**100.0%**	100.0%	Property Development
	Yishun Land Pte Ltd	**100.0%**	100.0%	Property Development
	Yishun Property Pte Ltd	**100.0%**	100.0%	Property Development
	CPL Tampines Pte Ltd	**80.0%**	80.0%	Property Development
	CPL Homes Pte Ltd	**100.0%**	100.0%	Property Development
	CPL Land Pte Ltd	**100.0%**	100.0%	Property Development
	CPL Assets Pte Ltd	**100.0%**	100.0%	Property Development
	CPL Estates Pte Ltd	**100.0%**	100.0%	Property Development
	CPL (Korea) Pte Ltd	**100.0%**	100.0%	Investment Holding
	Fraser Serviced Residences Pte Ltd	**100.0%**	100.0%	Management Services
	Frasers (UK) Pte Ltd [formerly CPL (UK) Pte Ltd]	**75.0%**	75.0%	Investment Holding
	Frasers (Australia) Pte Ltd [formerly CPL (Australia) Pte Ltd]	**75.0%**	75.0%	Investment Holding
	CPL (China) Pte Ltd	**100.0%**	100.0%	Investment Holding
	Marine Parade View Pte Ltd	**100.0%**	100.0%	Property Development
	CPL (Fraser) Pte Ltd	**100.0%**	100.0%	Investment Holding
	CPL Boon Lay Pte Ltd	**100.0%**	100.0%	Property Development
	CPL Sophia Pte Ltd	**100.0%**	100.0%	Property Development
	Centrepoint Retail Concepts Pte Ltd	**100.0%**	100.0%	Management Services
	CPL Choa Chu Kang Pte Ltd	**100.0%**	100.0%	Property Development
	CPL Joo Chiat Place Pte Ltd	**100.0%**	100.0%	Property Development
	Frasers (NZ) Pte Ltd [formerly CPL (NZ) Pte Ltd]	**75.0%**	75.0%	Investment Holding
	CPL China Development Pte Ltd	**100.0%**	100.0%	Investment Holding
	CPL Court Pte Ltd	**100.0%**	100.0%	Property Development
	CPL Lodge Pte Ltd	**100.0%**	100.0%	Property Development
	CPL Place Pte Ltd	**100.0%**	100.0%	Property Development
	CPL Rise Pte Ltd	**100.0%**	100.0%	Property Development
	Frasers (Thailand) Pte Ltd [formerly CPL (Thailand) Pte Ltd]	**100.0%**	100.0%	Investment Holding
	MLP Co Pte Ltd	**100.0%**	100.0%	Investment Holding
	SAJV Co Pte Ltd	**100.0%**	100.0%	Investment Holding
	River Valley Properties Pte Ltd	**100.0%**	100.0%	Investment Holding & Property Development
	River Valley Shopping Centre Pte Ltd	**100.0%**	100.0%	Property Investment
	River Valley Tower Pte Ltd	**100.0%**	100.0%	Property Investment
	River Valley Apartments Pte Ltd	**100.0%**	100.0%	Property Investment
	Lion (Singapore) Pte Ltd	**100.0%**	100.0%	Property Development
	Sinomax International Pte Ltd	**100.0%**	100.0%	Investment Holding
	CPL View Pte Ltd	**100.0%**	-	Property Development
	Fraser Serviced Residence (China) Pte Ltd	**100.0%**	-	Property Investment
	CPL (Xian) Pte Ltd	**100.0%**	-	Dormant
	CPL Tower Pte Ltd	**100.0%**	-	Property Development
	CPL Loft Pte Ltd	**100.0%**	-	Dormant
	Riviera Investment Ltd (1)	**##**	##	Investment Holding
	Emerald Hill Developments Pte Ltd	**100.0%**	100.0%	Property Investment
	Country of Incorporation and Place of Business : **Malaysia**			
*	Centrepoint Utama Sdn Bhd	**100.0%**	100.0%	Dormant
	Country of Incorporation and Place of Business : **Vietnam**			
*	Me Linh Point Ltd	**75.0%**	75.0%	Property Investment
*	Saigon Apartments Joint Venture Company	**70.0%**	70.0%	Property Investment

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43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES *(continued)*

		Effective Shareholding 2005	2004	Principal Activities
	SUBSIDIARY COMPANIES OF CENTREPOINT PROPERTIES GROUP *(continued)*			
	Country of Incorporation and Place of Business : **China**			
*	Shanghai Sian Jin Property Development Co, Ltd (1)	**100.0%**	100.0%	Property Development
*	Shanghai Frasers Management Consultancy Co., Ltd (1) [fomerly Shanghai Centrepoint Management Consultancy Co. Ltd]	**100.0%**	100.0%	Management Services
*	Beijing Sin Hua Yan Real Estate Development Co., Ltd (1)	**95.0%**	-	Property Development
*	Hainan Jian Feng Tourism Development Co., Ltd (1)	**100.0%**	-	Property Development
	Country of Incorporation and Place of Business : **Hong Kong**			
*	Metro Charm Holdings Limited	**100.0%**	-	Investment Holding
	Country of Incorporation and Place of Business : **Philippines**			
**	Fraser Serviced Residences Philippines, Inc	**100.0%**	100.0%	Provision of Management Services in the Lodging Industry
	Country of Incorporation : **Singapore** Place of Business : **Australia**			
	CPL Bridgepoint Pte Ltd	**100.0%**	100.0%	Property Investment
	Country of Incorporation and Place of Business : **Australia**			
*	Frasers Glede Point Pty Ltd	**75.0%**	75.0%	Property Development
*	Frasers Greencliff Developments Pty Ltd [formerly Greencliff (CPL) Developments Pty Ltd]	**75.0%**	75.0%	Management Services
*	Frasers (Chandos) Pty Ltd	**75.0%**	75.0%	Property Development
*	Frasers Town Hall Pty Ltd	**80.5%**	80.5%	Property Development
*	Frasers Lorne Pty Limited	**75.0%**	75.0%	Property Development
*	Frasers Mandurah Pty Limited	**56.3%**	-	Property Development
	Country of Incorporation and Place of Business : **New Zealand**			
*	Frasers Broadview Ltd	**75.0%**	75.0%	Property Development
*	Frasers Palo Cedro (Papamoa) Ltd [formerly Palo Cedro (Papamoa) Ltd]	**67.5%**	63.8%	Property Development
	Country of Incorporation : **Singapore** Place of Business : **United Kingdom**			
	CPL Resort Pte Ltd	**75.0%**	75.0%	Property Development
	Country of Incorporation and Place of Business : **United Kingdom**			
**	Fraser Property Developments Limited [formerly LCR Development Ltd]	**75.0%**	75.0%	Management Services
**	Wandsworth Riverside Quarter Ltd (&&)	**50.0%**	48.5%	Property Development
**	Fairpoint Properties (Vincent Square) Ltd (&&)	**50.0%**	48.5%	Property Development
**	Fraser Residences Ltd (&&)	**61.0%**	61.0%	Management Consultancy Services & Serviced Apartments
	Country of Incorporation and Place of Business : **British Virgin Islands**			
***	Reaves Ltd	**100.0%**	100.0%	Dormant
	SUBSIDIARY COMPANIES OF ASIA PACIFIC BREWERIES GROUP			
	Country of Incorporation and Place of Business : **Singapore**			
	Asia Pacific Breweries Ltd	**37.4%**	37.5%	Investment Holding and Management Services
	Asia Pacific Breweries (Singapore) Pte Ltd	**37.4%**	37.5%	Brewing and Distribution of Beer and Stout
	Tiger Export Pte Ltd	**37.4%**	37.5%	Export of Beer and Stout
	Archipelago Brewery Co (1941) Pte Ltd	**37.4%**	37.5%	Dormant

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for the year ended 30 September 2005

43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES *(continued)*

		Effective Shareholding 2005	2004	Principal Activities
	SUBSIDIARY COMPANIES OF ASIA PACIFIC BREWERIES GROUP *(continued)*			
	Country of Incorporation and Place of Business : **Singapore** *(continued)*			
	Tiger Marketing Pte Ltd	**37.4%**	37.5%	Investment Holding
	Heineken-APB (China) Pte Ltd	**43.7%**	43.8%	Investment Holding
	Country of Incorporation and Place of Business : **Cambodia**			
©	Cambodia Brewery Ltd	**29.9%**	30.0%	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business : **Vietnam**			
*	Vietnam Brewery Ltd	**22.4%**	22.5%	Brewing and Distribution of Beer
*	Hatay Brewery Ltd	**37.4%**	37.5%	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business : **China**			
*	Hainan Asia Pacific Brewery Co Ltd (1)	**43.7%**	43.8%	Brewing and Distribution of Beer
*	Shanghai Asia Pacific Brewery Co Ltd (1)	**42.4%**	42.5%	Brewing and Distribution of Beer
*	Heineken Trading (Shanghai) Co Ltd (1)	**43.7%**	43.8%	Distribution of Beer
*	Heineken-APB (China) Management Services Co Ltd (1)	**43.7%**	-	Provision of Investment, Management and Consulting Services
	Country of Incorporation and Place of Business : **India**			
**	Asia Pacific Breweries (India) Private Ltd	**37.4%**	37.5%	Dormant
	Country of Incorporation and Place of Business : **Sri Lanka**			
*	United Breweries Lanka Limited	**22.4%**	-	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business : **New Zealand**			
*	DB Breweries Ltd	**37.4%**	37.3%	Investment Holding and Brewing and Distribution of Beer
*	DB Nominees Ltd	**37.4%**	37.3%	Trustee Company
*	DB South Island Brewery Ltd	**20.5%**	20.4%	Brewing and Distribution of Beer
*	DBG Insurances Ltd	**37.4%**	37.3%	Insurance Company
*	Liquorland Ltd	**37.4%**	37.3%	Franchise Manager
*	Monteith's Brewing Company Ltd	**37.4%**	37.3%	Dormant
*	Robbie Burns Ltd	**37.4%**	37.3%	Dormant
*	Tui Brewery Ltd	**37.4%**	37.3%	Dormant
*	Black Dog Brewery Ltd	**37.4%**	37.3%	Dormant
*	O Pure Water Ltd	**37.4%**	37.3%	Dormant
*	Mainland Brewery Ltd	**37.4%**	37.3%	Dormant
*	Waitemata Brewery Ltd	**37.4%**	37.3%	Dormant
	Country of Incorporation and Place of Business : **Papua New Guinea**			
**	South Pacific Brewery Ltd	**28.4%**	28.5%	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business : **United Kingdom**			
****	Tiger Beer UK Ltd	**37.4%**	-	Distribution of Beer and Stout
	Country of Incorporation and Place of Business : **United States of America**			
**	Tiger Beer USA Inc	**37.4%**	37.5%	Distribution of Beer
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP			
	Country of Incorporation and Place of Business : **Singapore**			
	Marshall Cavendish International Pte Ltd	**100.0%**	100.0%	Investment Holding
	Marshall Cavendish International (Asia) Pte Ltd	**100.0%**	100.0%	Electronic Publishing
	Marshall Cavendish International (Singapore) Pte Ltd	**100.0%**	100.0%	Electronic Publishing

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES *(continued)*

		Effective Shareholding 2005	2004	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP *(continued)*			
	Country of Incorporation and Place of Business : **Singapore** *(continued)*			
	STP Distributors Pte Ltd	**100.0%**	100.0%	Books and Magazines
	Times Business Information Pte Ltd	**100.0%**	100.0%	Directory Publishing and Conferences & Exhibitions
	Times-Dharmala Pte Ltd	**51.0%**	51.0%	Distribution of Books
	Times Educational Services Pte Ltd	**100.0%**	100.0%	Education and Training
	Times Graphic Pte Ltd	**100.0%**	100.0%	Commercial Printing
	Eastern Universities Press Sdn Bhd	**+**	100.0%	Dormant
	Times Conferences & Exhibitions Pte Ltd	**100.0%**	100.0%	Dormant
	Times Editions Pte Ltd	**100.0%**	100.0%	Dormant
	Times Media Pte Ltd	**100.0%**	100.0%	Dormant
	TransQuest Asia Publishers Pte Ltd	**+**	100.0%	Dormant
	United Publishers Services Pte Ltd	**+**	100.0%	Dormant
**	Cultured Lotus Pte Ltd	**100.0%**	-	Books and Magazines
	IMM Singapore Holdings Pte Ltd	**51.0%**	-	Magazines Distribution
**	Pansing Distribution Pte Ltd [formerly Pansing Distribution Sdn Bhd]	**100.0%**	-	Books and Magazines
**	Pansing International Library Services Pte Ltd	**100.0%**	-	Books and Magazines
	Country of Incorporation : **Singapore**			
	Place of Business : **Singapore and Malaysia**			
	Times The Bookshop Pte Ltd	**100.0%**	100.0%	Retail
	Country of Incorporation : **Singapore**			
	Place of Business : **Singapore, Australia, United Kingdom and United States of America**			
	Times Printers Pte Ltd	**100.0%**	100.0%	Commercial Printing
	Country of Incorporation and Place of Business : **Malaysia**			
*	Eastern Universities Press (Malaysia) Sdn Bhd	**60.0%**	60.0%	Dormant
*	Marshall Cavendish (Malaysia) Sdn Bhd	**100.0%**	100.0%	Books
*	Pansing Marketing Sdn Bhd [formerly Times Information Systems Sdn Bhd]	**100.0%**	100.0%	Distribution of Books & Magazines
*	STP Distributors (M) Sdn Bhd (&)	**30.0%**	30.0%	Books and Magazines
*	Times Corporation Sdn Bhd	**100.0%**	100.0%	Dormant
*	Times Distri-Services Sdn Bhd	**100.0%**	100.0%	Distribution of Books & Magazines
*	Times Offset (Malaysia) Sdn Bhd	**100.0%**	100.0%	Commercial Printing
	Country of Incorporation : **Hong Kong**			
	Place of Business : **Thailand**			
*	Far East Publications Ltd	**100.0%**	100.0%	Books
	Country of Incorporation and Place of Business : **Thailand**			
*	Marshall Cavendish International (Thailand) Co. Ltd	**49.0%**	49.0%	Publishing
	Country of Incorporation and Place of Business : **Hong Kong**			
*	BBD Distributors Limited	**+**	60.0%	Commission Agent
*	Educational Associates Ltd	**100.0%**	100.0%	Investment Holding
*	Educational Technologies Limited	**100.0%**	-	Publishing and Distribution of Home Library Reference Books
**	Everbest Printing Holdings Ltd	**85.3%**	51.0%	Investment Holding
**	Everbest Printing Investment Ltd	**85.3%**	51.0%	Investment Holding
**	Everbest Printing Company Ltd	**85.3%**	51.0%	Printing
*	Times Business Information (Hong Kong) Ltd	**100.0%**	100.0%	Publishing
*	Times Education (Hong Kong) Ltd	**100.0%**	100.0%	Dormant

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43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES *(continued)*

		Effective Shareholding 2005	2004	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP *(continued)*			
	Country of Incorporation and Place of Business : **Hong Kong** *(continued)*			
*	Times Printers (Hong Kong) Ltd	**100.0%**	100.0%	Investment Holding
*	Times Publising (Hong Kong) Ltd	**100.0%**	100.0%	Books and Magazines
*	United Publishers Services Ltd	**100.0%**	100.0%	Books
	Country of Incorporation and Place of Business : **China**			
**	Everbest Printing (Panyu Nansha) Co. Ltd (1)	**85.3%**	51.0%	Property Investment
*	Liaoning Times Xinhua Printers Ltd (1)	**51.0%**	51.0%	Commercial Printing
*	Shenyang Times Packaging Printing Co Ltd (1)	**60.0%**	60.0%	Commercial Printing & Packaging
**	Times Publications Design and Production (Beijing) Co., Ltd (1)	**100.0%**	100.0%	Publishing Design & Production Services
**	Guangzhou Times Advertising Company Limited (1)	**100.0%**	100.0%	Publication and Distribution of Directories
*	Shanxi Xinhua Times Packaging Printing Co Ltd (1)	**51.0%**	51.0%	Commercial Printing & Packaging
###	Beijing 21st Century Times Education Centre (1)	**90.0%**	90.0%	Education and Training
	Country of Incorporation and Place of Business : **Japan**			
*	Kabushiki Kaisha Educational Technologies Limited	**100.0%**	-	Educational Training and Distribution of Home Library Reference Books
	Country of Incorporation and Place of Business : **India**			
*	Direct Educational Technologies India Pte Ltd	**100.0%**	-	Distribution of Home Library Reference Books
	Country of Incorporation and Place of Business : **Australia**			
*	Argyle Times Graphics Pty Limited	**100.0%**	100.0%	Commercial Printing
*	Marshall Cavendish (Australia) Pty Ltd	**100.0%**	100.0%	Dormant
*	Musicway Corporation Ltd	**100.0%**	100.0%	Distribution of Cassettes & Hi-fi Accessories
*	Rainbow Products Ltd	**100.0%**	100.0%	Distribution of Records, Cassettes & Videos
*	Times Properties Pty Limited	**100.0%**	100.0%	Investment Holding
*	Pansing IMM Pty Limited	**51.0%**	-	Magazines Distribution
	Country of Incorporation and Place of Business : **Czech Republic**			
*	Marshall Cavendish CR,s.r.o.	**100.0%**	100.0%	Partworks
	Country of Incorporation and Place of Business : **France**			
*	Marshall Cavendish Editions S.A.	**100.0%**	100.0%	Partworks
	Country of Incorporation : **United Kingdom** Place of Business : **Russia**			
*	MC East Limited	**100.0%**	100.0%	Partworks
	Country of Incorporation and Place of Business : **United Kingdom**			
*	ALP Ltd	**100.0%**	100.0%	Investment Holding
*	Hazeldean Ltd	**100.0%**	100.0%	Dormant
*	Marshall Cavendish Ltd	**100.0%**	100.0%	Investment Holding
*	Shendene Ltd	**100.0%**	100.0%	Dormant
*	Marshall Cavendish International Ltd	**100.0%**	100.0%	Partworks
*	Marshall Cavendish Partworks Ltd	**100.0%**	100.0%	Partworks
*	TPL Printers (UK) Ltd	**100.0%**	100.0%	Commercial Printing/Binders Manufacturing
*	TPL Digital (UK) Limited	**+**	100.0%	Media Representation
*	Marshall Cavendish Language Centre Ltd	**100.0%**	100.0%	Dormant
	Country of Incorporation and Place of Business : **Poland**			
*	Marshall Cavendish Polska Sp. zo.o	**100.0%**	100.0%	Partworks

NOTES TO THE FINANCIAL STATEMENTS
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43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES *(continued)*

		Effective Shareholding 2005	2004	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP *(continued)*			
	Country of Incorporation and Place of Business : **Romania**			
*	Marshall Cavendish Romania S.R.L	**100.0%**	100.0%	Partworks
	Country of Incorporation and Place of Business : **Ukraine**			
*	A Wholly Owned Subsidiary Marshall Cavendish Ukraine	**100.0%**	100.0%	Partworks
	Country of Incorporation and Place of Business : **United States of America**			
**	Marshall Cavendish Corporation	**100.0%**	100.0%	Books
	SUBSIDIARY COMPANIES OF FRASERS PROPERTY (CHINA) LIMITED GROUP			
	Country of Incorporation and Place of Business : **Hong Kong**			
©	Vision Century Secretaries Limited	**55.0%**	27.6%	Secretarial and Nominee Services
©	Best Keeping Resources Limited	**55.0%**	27.6%	Property and Golf Club Membership Holding
©	Glory Honour Development Limited	**55.0%**	27.6%	Property Development
©	Great Project Property Limited	**55.0%**	27.6%	Investment Holding
©	Million Wealth Development	**55.0%**	27.6%	Property Development
©	Prosper Advance Investments Limited	**55.0%**	27.6%	Property Development
©	Readworld.com Limited	**55.0%**	27.6%	Club Membership Holding
©	Victory Great Investment Limited	**55.0%**	27.6%	Property Development
©	Vision Century Administration Limited	**55.0%**	27.6%	Management Consultancy Services
©	Vision Century Capital Limited	**55.0%**	27.6%	Group Financing
©	Vision Century Estate Agents Limited	**55.0%**	27.6%	Real Estate Agency
©	Vision Century Investment (Dalian) Limited	**55.0%**	27.6%	Investment Holding
©	Vision Century Property Management Limited	**55.0%**	27.6%	Property Management
©	Vision Century PRC Investments Limited	**55.0%**	27.6%	Property Holding
©	Wide Best Development Limited	**55.0%**	27.6%	Property Development
	Country of Incorporation : **British Virgin Islands** Place of Business : **Hong Kong**			
***	Bestday Assets Limited	**55.0%**	27.6%	Investment Holding
***	Billion Property Limited	**55.0%**	27.6%	Investment Holding
***	E-Commerce Technology Limited	**55.0%**	27.6%	Investment Holding
***	Ideal Investment Holdings Ltd	**55.0%**	27.6%	Investment Holding
***	Limbo Enterprise Limited	**55.0%**	27.6%	Property Development
***	Tenways Investments Limited	**55.0%**	27.6%	Investment Holding
***	VCC iCapital Limited	**55.0%**	27.6%	Investment Holding
***	Vision Business Park (TH) Limited	**55.0%**	27.6%	Investment Holding
***	Vision Business Park Marketing Services Ltd	**55.0%**	27.6%	Marketing Services
***	Vision Century Infocomm Investments Limited	**55.0%**	27.6%	Investment Holding
***	Vision Century Property Consultancy Services Ltd	**55.0%**	27.6%	Property Consultancy Services
	Country of Incorporation : **Cayman Islands** Place of Business : **Hong Kong**			
©	Readworld.com Corporation	**53.8%**	27.0%	Investment Holding
	Country of Incorporation and Place of Business : **China**			
**	Beijing Gang Lu Real Estate Development Co. Ltd	**55.0%**	27.6%	Property Development
**	Beijing Vision Century Property Management Co. Ltd	**55.0%**	27.6%	Property Management
**	Vision Century Real Estate Development (Dalian) Co. Ltd	**55.0%**	27.6%	Property Development
**	Vision Century Investment (Shenzhen) Co, Ltd	**55.0%**	27.6%	Business Consulting Services
**	Vision Huaqing (Beijing) Development Co. Ltd	**33.0%**	16.6%	Business Park Development
**	Vision (Shenzhen) Business Park Co. Ltd	**52.3%**	26.2%	Business Park Development
**	Vision Property Management (Dalian) Co. Ltd	**55.0%**	27.6%	Property Management
*	Shanghai Zhong Jun Real Estate Development Co. Ltd (1)	**71.6%**	95.0%	Property Development

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43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES *(continued)*

		Effective Shareholding 2005	2004	Principal Activities
	SUBSIDIARY COMPANIES OF FRASERS PROPERTY (CHINA) LIMITED GROUP *(continue)*			
	Country of Incorporation and Place of Business : **British Virgin Islands**			
***	Supreme Asia Investments Limited	**75.3%**	100.0%	Investment Holding
	JOINT VENTURE COMPANIES OF THE COMPANY			
	Country of Incorporation and Place of Business : **Singapore**			
	Unilac Dairy Products Pte Ltd (4)	**+**	50.0%	Dormant
	JOINT VENTURE COMPANIES OF CENTREPOINT PROPERTIES GROUP			
	Country of Incorporation and Place of Business : **Thailand**			
*	Riverside Homes Development Co, Ltd	**49.0%**	49.0%	Property Development
	JOINT VENTURE COMPANIES OF ASIA PACIFIC BREWERIES GROUP			
	Country of Incorporation and Place of Business : **Singapore**			
###	GAPL Pte Ltd	**18.7%**	18.8%	Investment Holding & Distribution of Stout
	Country of Incorporation and Place of Business : **China**			
###	Jiangsu DaFuHao Breweries Co. Ltd (1)	**17.5%**	-	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business : **Thailand**			
###	Thai Asia Pacific Brewery Co Ltd	**13.1%**	13.1%	Brewing and Distribution of Beer
###	Thai Asia Pacific Trading Co Ltd	**13.1%**	13.1%	Distribution of Beer
	ASSOCIATED COMPANIES OF THE COMPANY			
	Country of Incorporation : **Singapore** Place of Business : **China**			
	China Dairy Group Ltd (1)	**29.5%**	22.1%	Manufacturing & Distribution of Dairy Products
	Country of Incorporation : **Bermuda** Place of Business : **China**			
	Fung Choi Printing and Packaging Group Limited (3)	**27.1%**	33.0%	Printing & Packaging
	ASSOCIATED COMPANIES OF CENTREPOINT PROPERTIES GROUP			
	Country of Incorporation and Place of Business : **United Kingdom**			
###	Fairbrair Residential Investment Partnership (1)	**20.0%**	20.0%	Investment in Residential Property Fund
###	Pressdale Ltd	**32.3%**	32.3%	Property Ownership and Investment
###	Fairbrair Plc	**-**	21.9%	Investment Holding
###	BidFair Limited	**25.0%**	-	Investment Holding
	Country of Incorporation and Place of Business : **Singapore**			
*	Hua Li Holdings Pte Ltd	**45.7%**	45.7%	Investment Holding
	ASSOCIATED COMPANIES OF ASIA PACIFIC BREWERIES GROUP			
	Country of Incorporation and Place of Business : **New Zealand**			
*	The Associated Bottlers Company Ltd	**18.7%**	18.7%	Hire of Returnable Beer Bottles

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43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES *(continued)*

		Effective Shareholding 2005	2004	Principal Activities
	ASSOCIATED COMPANIES OF ASIA PACIFIC BREWERIES GROUP *(continued)*			
	Country of Incorporation : **Bermuda**			
	Place of Business : **Hong Kong**			
*	Kingway Brewery Holdings Limited (1)	**9.4%**	9.4%	Brewing and Distribution of Beer
	ASSOCIATED COMPANIES OF TIMES PUBLISHING GROUP			
	Country of Incorporation and Place of Business : **Singapore**			
	Times-Newslink (1)	**50.0%**	50.0%	Retail of Books and Magazines
###	Learning Edvantage Pte Ltd	**31.0%**	31.0%	Multi Media Publishing
	Country of Incorporation and Place of Business : **China**			
###	Shanghai Times Sanyin Printers Co Ltd (1)	**40.0%**	40.0%	Commercial Printing
###	Beijing Universal Times Culture Development Co Ltd (1)	**40.0%**	40.0%	Publishing

* Audited by Ernst & Young in the respective countries

**	Audited by :	Name of Auditors
	Subsidiary Companies of the Company	
	Myanmar Brewery Ltd	U Tin Win Group, CPA
	Subsidiary Companies of Fraser & Neave Holdings Group	
	Utas Mutiara Sdn Bhd	Deloitte & Touche
	Subsidiary Companies of Centrepoint Properties Group	
	Fraser Property Developments Limited	Elliotts, UK
	Fairpoint Properties (Vincent Square) Ltd (&&)	KPMG, London
	Fraser Residences Ltd	KPMG, London
	Fraser Serviced Residences Philippines, Inc	Punongbayan & Araullo
	Wandsworth Riverside Quarter Ltd (&&)	KPMG, London
	Subsidiary Companies of Times Publishing Group	
	Cultured Lotus Pte Ltd	TeoFoong WongLCLoong
	Everbest Printing Company Ltd	Tony Kwok Tung Ng & Co., CPA
	Everbest Printing Holdings Ltd	Tony Kwok Tung Ng & Co., CPA
	Everbest Printing Investment Ltd	Tony Kwok Tung Ng & Co., CPA
	Everbest Printing (Panyu Nansha) Co. Ltd	Guangzhou Yeqin Certified Public Accountants Co, Ltd
	Guangzhou Times Advertising Company Ltd	Guangzhou Zhong Cheng Certified Public Accountants
	Marshall Cavendish Corporation	Marks Paneth & Shron LLP, CPA
	Pansing Distribution Pte Ltd	TeoFoong WongLCLoong
	Pansing International Library Services Pte Ltd	TeoFoong WongLCLoong
	Times Publications Design and Production (Beijing) Co., Ltd	Beijing Jindu CPAs Co., Ltd
	Subsidiary Companies of Asia Pacific Breweries Group	
	Asia Pacific Breweries (India) Private Ltd	Sushmita Chowdhury & Co
	South Pacific Brewery Ltd	Deloitte & Touche Tohmatsu
	Tiger Beer USA Inc	Metis Group CPA's LLC
	Subsidiary Companies of Frasers Property (China) Limited Group	
	Beijing Gang Lu Real Estate Development Co. Ltd	Beijing Xin Shi Dai Xing Sheng Certified Public Accountants
	Beijing Vision Century Property Management Co. Ltd	Beijing Xin Shi Dai Xing Sheng Certified Public Accountants
	Vision Century Real Estate Development (Dalian) Co. Ltd	Dalian HongAn Certified Public Accounts Co. Ltd
	Vision Century Investment (Shenzhen) Co, Ltd	Dalian HongAn Certified Public Accounts Co. Ltd
	Vision Huaqing (Beijing) Development Co. Ltd	Hua Xia Tian Hai Certified Public Accountants
	Vision (Shenzhen) Business Park Co. Ltd	Shenzhen Nanfang-Minhe Certified Public Accountants
	Vision Property Management (Dalian) Co. Ltd	Dalian HongAn Certified Public Accounts Co. Ltd

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2005

43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES *(continued)*

+ Liquidated during the year/In voluntary liquidation

© Audited by PricewaterhouseCoopers

*** Not required to be audited under the laws of the country of incorporation

**** No audit is required at 30 Sep 05 as it is less than 18 months from date of its incorporation

A special purpose company held by Trustee

Audited by other auditors

& Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.

&& It was an associated/joint venture company in the previous financial year.

&&& These companies were 100% owned by the Company in the previous financial year.

(1) Accounting year ends on 31 December
(2) Accounting year ends on 31 March
(3) Accounting year ends on 30 June
(4) Accounting year ends on 31 January

PARTICULARS OF GROUP PROPERTIES

The main properties as at 30 September 2005 and their net book values are indicated below :
("F&N" refers to Fraser and Neave Group, "APBL" refers to Asia Pacific Breweries Group, "CPL" refers to Centrepoint Properties Group , "TPL" refers to Times Publishing Group and "FPCL" refers to Frasers Property (China) Group)

(A) CLASSIFIED AS GROUP FIXED ASSETS

(Note 14 to the Financial Statements)

				Land ($'000)	Building ($'000)
FREEHOLD					
Singapore					
F&N	-	Other properties		45	-
TPL	-	1.1	hectares industrial property at Times Centre, 1 New Industrial Road	6,100	6,546
APBL	-	Other properties		768	233
Peninsular Malaysia					
F&N	-	18.0	hectares industrial property at Lion Industrial Park, Shah Alam	21,797	25,386
	-	1.6	hectares industrial property at Jln Foss, Kuala Lumpur	9,786	1,508
	-	1.0	hectare industrial property at Jln Yew and Jln Chan Sow Lin, Kuala Lumpur	5,217	85
	-	2.1	hectares industrial property at 3724 to 3726 Sungei Nyior, Butterworth	2,118	1,103
	-	2.7	hectares industrial property at Jln Lahat, Ipoh	1,263	1,185
	-	0.5	hectare industrial property at 79 & 81 Jln Tun Perak, Ipoh	163	-
	-	1.0	hectare industrial property at Jln Bkt Gedong, Malacca	256	-
	-	2.2	hectares industrial property at Jln Tampoi, Johor Bahru	3,455	90
	-	5.8	hectares industrial property at Jln Tampoi, Johor Bahru	2,361	3,064
	-	0.6	hectare industrial property at Jln Liat, Seremban	1,539	132
	-	0.6	hectare industrial property at Jln Tampoi, Johor Bahru	472	1,876
	-	1.1	hectare vacant land, Johor Bahru	9,009	-
	-	Other properties		46	-
TPL	-	Residential property at Ria Apartments 18/A5, Genting Highlands		-	144
	-	3.4	hectares industrial property at Lot 46 Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam	1,717	3,508
New Zealand					
APBL	-	17.4	hectares industrial property for Waitemata Brewery site at Auckland	7,864	42,382
	-	9.1	hectares industrial property for Mainland Brewery at Timaru	335	6,030
	-	10.8	hectares industrial property for Tui Brewery at Pahiatua	685	-
Australia					
TPL	-	0.2	hectare commercial property at Unites 7 & 8 Monash Business Park, 29 Business Park Drive, Nottinghill, Melbourne - Victoria	988	539
	-	1.7	hectares industrial property at 1 Diamond Drive, Sunshine - Victoria	1,373	13,512
	-	0.1	hectare industrial property at Frenchs Forest,Sydney, NSW	764	759
United State of America					
TPL	-	3.4	hectares commercial property at 99 White Plains Road, Tarrytown, New York	840	4,516
Total Freehold				78,961	112,598

PARTICULARS OF GROUP PROPERTIES

A) CLASSIFIED AS GROUP FIXED ASSETS *(continued)*

(Note 14 to the Financial Statements)

	Land ($'000)	Building ($'000)
LEASEHOLD		
Singapore		
F&N - 4.0 hectares industrial property at 214 Pandan Loop (Lease expires year 2010)	-	16,113
- Other properties	2,186	35
APBL - 8.8 hectares industrial property at Jurong (Lease expires year 2046)	-	39,573
- Other properties	2,370	574
TPL - Commercial property at Unit #04-08/11 Centrepoint (Lease expires year 2078)	-	653
- 1.8 hectares industrial property at 16 & 18 Tuas Avenue 5 (Lease expires year 2013)	-	16,148
- 0.7 hectares industrial property at 438 Ang Mo Kio industrial park (Lease expires year 2038)	-	6,585
Peninsular Malaysia		
F&N - 3.6 hectares industrial property at 70 Jln University, Petaling Jaya (Lease expires year 2058)	9,217	7,752
- 1.6 hectares industrial property at 16 Jln Bersatu 13/4, Petaling Jaya (Lease expires year 2058)	4,863	2,227
- 1.9 hectares industrial property at Lot 5, Jalan Kilang, 460500 Petaling Jaya, State 3136 (Lease expires year 2058)	3,142	1,910
- Other properties	828	1,140
East Malaysia		
F&N - 1.8 hectares industrial property at Penrissen Road, Kuching (Lease expires year 2038)	791	3,314
- 2.6 hectares industrial property at Tuaran Road, Kota Kinabalu (Lease expires year 2062)	1,436	912
Cambodia		
APBL - 11.3 hectares industrial property at Kandal Province (Land rights expires year 2065)	-	16,761
Vietnam		
F&N - 3.4 hectares industrial property at Ton That Thuyet, Vietnam (Lease expires year 2005)	412	4,618
- 6.0 hectares industrial property at VSIP, Thuan An District, Binh Duong Province (Lease expires year 2045)	6,161	6,780
APBL - 13.0 hectares industrial property at Ho Chi Minh City (Lease expires year 2021)	4,881	17,611
- 30.0 hectares industrial property at Van Tao Village - Hatay Province (Lease expires year 2046)	-	21,200
Thailand		
F&N - 0.9 hectare industrial property at No. 19/111 Moo 7 Thakarm Road, Samaedam, Bangkhuntien, Bangkok 10150 (Lease expires year 2029)	559	2,539
TPL - Warehouse at Soi Wat Kok #20/526-527, Rama II Road, Bangkok (Lease expires year 2021)	-	49

PARTICULARS OF GROUP PROPERTIES

A) CLASSIFIED AS GROUP FIXED ASSETS *(continued)*
(Note 14 to the Financial Statements)

	Land ($'000)	Building ($'000)
LEASEHOLD *(continued)*		
Myanmar		
F&N - 5.0 hectares industrial property at Mingaladon Township, Yangon (Lease expires year 2023)	2,263	12,281
China/Hong Kong		
F&N - Residential property at Liu Shu Town, SheHong Country, Sichuan Province, China (Lease expires year 2058)	-	52
APBL - 20.0 hectares industrial property at Haikou, Hainan, China (Lease expires year 2065)	10,971	36,437
- 11.0 hectares industrial property at Shanghai, China (Lease expires year 2038)	11,568	18,157
TPL - Residential property at Unite 1AF Riverside Garden, Shenyang, China.	-	211
- Residential property at Vanke Garden, Shenyang , China.	-	106
- 0.4 hectare industrial property at 13A Xingshun Street, Tiexi District, Shenyang, China (Lease expires year 2009)	88	798
- Warehouse at Unit D, 2nd Floor, Freder Centre 68 Sung Wong Toi Road, Tokwawan, Kowloon, Hong Kong (Lease expires year 2022)	-	134
- Industrial property at Dachong Western Industrial District Nansha Panyu, Guangdong, China (Lease expires year 2044)	1,544	8,779
- Industrial property at Unit A1,C5, Ko Fai Industrial Building, 7 Ko Fai Road, Yau Tong , Kowloon, Hong Kong (Lease expires year 2048)	-	749
- 1.9 hectares commercial property at 18 Jianshe Zhong Road, China	3,693	2,895
FPCL - Residential property at Shenzhen, China	266	867
- Commercial property at Scenic Place, Beijing, China (Lease expires year 2034)	-	395
- Residential property at Dalian, China (Lease expires year 2063)	-	29
Papua New Guinea		
APBL - 2.2 hectares industrial property at Port Moresby (Lease expires year 2067)	1,295	8,309
- 7.7 hectares industrial property at Lae and Goroka (Lease expires year 2057 and year 2067)	614	313
- 1.0 hectare residential properties (Lease expires year 2057 and year 2071)	286	298
Sri Lanka		
APBL - 2.3 hectares industrial property at Mawathagama (Lease expires year 2027)	48	843
Total Leasehold	69,482	258,147
TOTAL PROPERTIES (CLASSIFIED AS GROUP FIXED ASSETS)	148,443	370,745

PARTICULARS OF GROUP PROPERTIES

(B) CLASSIFIED AS GROUP INVESTMENT PROPERTIES

(Note 15 to the Financial Statements)

		Land ($'000)	Building ($'000)
Singapore			
CPL	- A 24-storey office building at 438 Alexandra Road Freehold, lettable area - 18,372 sqm	68,120	53,720
	- Retained interests (excluding apartments) in a 7-storey shopping cum residential complex with 2 basement floors at Centrepoint, 176 Orchard Road Freehold and Leasehold (lease expires year 2078), lettable area - 30,959 sqm	369,830	94,491
	- Retained interests in a 4-storey shopping complex with 2 basement shopping levels and one basement carpark at 930, Yishun Avenue 2 Leasehold (Lease expires year 2089), lettable area - 10,616 sqm	84,000	32,100
	- A 2-storey shopping complex at 368 & 370 Alexandra Road, situated on the 1st storey and 1st basement level of a 5-storey commercial cum residential block and a 2-storey free-standing restaurant building Freehold, lettable area - 6,596 sqm	20,260	21,740
	- Two 8-storey high-tech industrial building with basement carpark at 438A and 438B Alexandra Road Freehold, lettable area - 97,230 sqm	191,510	162,590
	- A 10-storey commercial cum serviced apartment complex at Robertson Walk Shopping Centre and Fraser Place Serviced Residences, 11 Unity Street, with 2 basement carparks comprising a 2-storey retail podium and serviced apartment units Leasehold (999 years) Lettable area : Retail 9,068 sqm Serviced apartments 14,293 sqm Total 23,361 sqm	110,600	67,970
	- A 7-storey shopping/entertainment complex at 1, Woodlands Square with 3 basement floors (comprising 2 basement carparks and 1 basement shop) Leasehold (Lease expires year 2094), lettable area - 39,506 sqm	359,920	137,250
	- A 20-storey commercial cum serviced apartment complex with a 3-storey covered carpark, a 5-storey podium block, a 2-storey retail podium and serviced apartment units at River Valley Road Leasehold (999 years) Lettable area : Retail 3,699 sqm Serviced apartments 20,232 sqm Office 16,937 sqm Total 40,868 sqm	190,290	130,310
	- Other properties	357	927
Peninsular Malaysia			
TPL	- Commercial Property at 59/61 Jalan Nilam 1/2, Subang Square, Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam Freehold, lettable area - 645 sqm	320	197
Vietnam			
CPL	- A 22-storey retail/office building plus 2 basements at 2 Ngoc Duc Ke Street, District 1, Ho Chi Minh City Leasehold (Lease expires year 2045), lettable area - 17,864 sqm	3,284	36,464

PARTICULARS OF GROUP PROPERTIES

(B) CLASSIFIED AS GROUP INVESTMENT PROPERTIES *(continued)*

(Note 15 to the Financial Statements)

	Land ($'000)	Building ($'000)
China		
FPCL - A 5-storey buildings for I.T research and development centres and offices, and for ancillary uses at Shenzhen Hi-Tech industrial Park GaoXin South Ring Road/Keji South Road, Shen Zhen Leasehold (Lease expires year 2049), lettable area - 23,500 sqm	13,124	13,036
- A 13-storey office and/or research and development facilities with two levels of basement car parks and ancillary facilities at Tsinghua Scinece Park No 1 Zhongguancun East Road, Haidian District, Beijing Leasehold (Lease expires year 2053), lettable area - 33,090 sqm	42,424	40,249
Hong Kong		
TPL - Shop unit at Houston Centre, Tsimshatsui East, Kowloon Leasehold (Lease expires year 2053), lettable area - 68 sqm	-	541
- Offices at Seaview Estate - 10th Floor Block C, No. 2-8 Watson Road, North Point, Hong Kong Leasehold (Lease expires year 2056), lettable area 1,052 sqm	-	3,832
- Offices at Seaview Estate - 9th Floor Block C, No. 2-8 Watson Road, North Point, Hong Kong Leasehold (Lease expires year 2056), lettable area 1,052 sqm	-	3,594
Australia		
CPL - Bridgepoint Shopping Centre and Viewpoint Apartments, Mosman, Sydney Freehold, lettable area - 6,672 sqm	19,878	20,267
TPL - Office/warehouse unit at 19 Rodborough Road, French Forrest, Sydney Freehold, lettable area - 3,620 sqm	1,179	3,872
United States of America		
TPL - Offices at 333 Post Road, Westport Freehold, lettable area - 16,500 sqm	299	6,992
TOTAL PROPERTIES (CLASSIFIED AS GROUP INVESTMENT PROPERTIES)	**1,475,395**	**830,142**

PARTICULARS OF GROUP PROPERTIES

(C) CLASSIFIED AS PROPERTIES HELD FOR SALES *(continued)*
(Note 25 to the Financial Statements)

			Effective Group interest %
Singapore			
CPL	-	The Petal Freehold land of approximately 20,454.4 square metres situated at 85 Hillview Avenue. The development has a gross floor area of 39,365 sqm and consists of 270 condominium units.	100
	-	Euphony Gardens Leasehold land of approximately 26,383.6 square metres situated at Jalan Mata Ayer. The development has a gross floor area of 36,937 sqm and consists of 304 condominium units.	100
	-	Yishun Sapphire Leasehold land of approximately 22,383 square metres situated at Yishun. The development has a gross floor area of 47,004 sqm and consists of 380 condominium units.	100
	-	Yishun Emerald Leasehold land of approximately 21,038.5 square metres situated at Yishun. The development has a gross floor area of 52,596 sqm and consists of 436 condominium units.	100
	-	Compass Heights Leasehold land of approximately 27,067.3 square metres situated at Sengkang Square for a mixed development comprising a block of 4-storey commercial building with 4 basements and 2 blocks of 15-storey of 536 condominium units. The condominium development has a gross floor area of 68,209 sqm.	100
	-	Camelot Leasehold land of approximately 10,607 square metres situated at Tanjong Rhu. The development has a gross floor area of 29,700 sqm and consists of 99 condominium units.	100
	-	Lake Holmz Freehold land of approximately 17,000 square metres situated at Boon Lay Way/Corporation Road. The development has a gross floor area of 48,455 sqm and consists of 369 condominium units.	100
	-	Seletaris Freehold land of approximately 35,745.1 square metres situated at Sembawang. The development has a gross floor area of 50,039 sqm and consists of 328 condominium units.	100
Australia			
CPL	-	The Habitat Freehold land of approximately 862 square metres situated at Chandos Streets, North Sydney. The development has a gross floor area of 7,855 sqm and consists of 60 condominium untis.	75
China/Hong Kong			
FPCL	-	Scenic Place Leasehold land of approximately 26,052 square metres situated at No. 305 Guang An Men Wai Avenue, Beijing, China. The development has a gross floor area of 95,855 sqm and consists of 788 residential units and 154 carpark lots.	55
	-	Ninth ZhongShan Leasehold land of approximately 73,152 square metres situated at No. 2 Xinglin Street Zhongshan District, Dalian, China. The development has a gross floor area of 63,054 sqm and consists of 439 residential units and 107 carpark lots.	55
	-	Greenery Place Leasehold land of approximately 6,796 square metres situated at Town Park Road South, Yuan Long, Hong Kong. The development has a gross floor area of 22,106 sqm and consists of 330 residential units and 133 carpark lots.	55
	-	Elite Court Leasehold land of approximately 307 square metres situated at 33 Centre Street, Sai Ying Pun, Hong Kong. The development has a gross floor area of 3,363 sqm and consists of 46 residential units and 3 shops for sale.	55

PARTICULARS OF GROUP PROPERTIES

(C) CLASSIFIED AS PROPERTIES HELD FOR SALES *(continued)*
(Note 25 to the Financial Statements)

			Effective Group interest %
TPL	-	Leasehold property of approximately 54 square metres situated at Hunghom Commercial Centre, Kowloon, Hong Kong. Office unit at Hunghom Commercial Centre.	100
United Kingdom			
CPL	-	Wandsworth Freehold land of approximately 40,000 square metres situated at South bank of River Thames. The development has a gross floor area of 27,000 sqm and consists of 422 condominium units.	50
TPL	-	Freehold property of approximately 15,817 square metres situated at Hartlebury, Worcestershire.	100

(D) CLASSIFIED AS PROPERTIES UNDER DEVELOPMENT
(Note 16 to the Financial Statements)

Details of the properties under development are included in Note 16 to the Financial Statements.
Additional information as follows :

			Stage of Completion	Estimated Date of Completion
Singapore				
CPL	-	Ris Grandeur	100%	1st Quarter FY 2006
	-	The Spectrum	100%	2nd Quarter FY 2006
	-	Quintet	68%	4th Quarter FY 2006
	-	8 @ Mount Sophia	42%	3rd Quarter FY 2007
	-	Tangerine Grove	39%	2nd Quarter FY 2007
	-	Jalan Ulu Sembawang Site	23%	1st Quarter FY 2007
	-	The Raintree	16%	2nd Quarter FY 2008
	-	Holland Park	3%	1st Quarter FY 2008
	-	The Azure	1%	2nd Quarter FY 2008
	-	Leicester Road Site	3%	2nd Quarter FY 2008
	-	West Coast Park Site	3%	3rd Quarter FY 2008
	-	Jervois Road Site	-	3rd Quarter FY 2009
	-	St Michael's Road Site	-	2nd Quarter FY 2009
Malaysia				
F&NHB	-	Fraser Park	46%	1st Quarter FY 2007
Vietnam				
CPL	-	Nguyen Sieu Street Site	-	1st Quarter FY 2007
Australia				
CPL	-	Regent Theatre Site	26%	3rd Quarter FY 2008
	-	Wanjeep Street Site	-	-
China				
CPL	-	Jingan Four Seasons (Wu Jiang Lu Site)	55%	1st Quarter FY 2007
	-	Xi Cheng Site	-	3rd Quarter FY 2008
	-	Teng Qiao He Chu Hai Kou Site	-	-
FPCL	-	Scenic Place Phase 2	49%	2nd Quarter FY 2006
	-	Vision (ShenZhen) Business Park Phase 3	-	-
	-	Song Jiang Site	-	-
New Zealand				
CPL	-	Broadview Queenstown Site	-	-
	-	Tauranga in the Bay of Plenty	-	-
United Kingdom				
CPL	-	Vincent Square	26%	1st Quarter FY 2007
	-	Wandsworth Site	-	3rd Quarter FY 2008

SHAREHOLDING STATISTICS
as at 8 December 2005

Class of shares	-	Ordinary share of $1
Voting rights	-	One vote per share

SIZE OF HOLDING	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 - 999	1,438	25.94	798,199	0.34
1,000 - 10,000	3,240	58.45	11,469,709	4.91
10,001 - 1,000,000	850	15.34	33,641,515	14.41
1,000,001 and over	15	0.27	187,556,976	80.34
	5,543	100.00	233,466,399	100.00

TWENTY LARGEST SHAREHOLDERS (as shown in the Register of Members)

NO.	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD	%
1.	DBS Nominees Pte Ltd	43,242,598	18.52
2.	Raffles Nominees Pte Ltd	37,918,500	16.24
3.	Citibank Nominees Singapore Pte Ltd	18,980,043	8.13
4.	The Great Eastern Life Assurance Co Ltd	16,706,351	7.16
5.	Great Eastern Life Assurance (Malaysia) Berhad	15,985,064	6.85
6.	HSBC (Singapore) Nominees Pte Ltd	13,613,822	5.83
7.	United Overseas Bank Nominees Pte Ltd	13,097,773	5.61
8.	Oversea-Chinese Bank Nominees Pte Ltd	9,865,501	4.23
9.	The Overseas Assurance Corporation Ltd	9,687,745	4.15
10.	Lee Latex Pte Limited	2,131,223	0.91
11.	Tropical Produce Company Pte Ltd	1,733,080	0.74
12.	The Asia Life Assurance Society Ltd	1,428,990	0.61
13.	Fam Yue Onn Michael	1,085,005	0.46
14.	Selat Pte Limited	1,053,000	0.45
15.	Merrill Lynch (Singapore) Pte Ltd	1,028,281	0.44
16.	National University of Singapore	953,920	0.41
17.	Lee Pineapple Company Pte Ltd	773,503	0.33
18.	DBS Vickers Securities (S) Pte Ltd	561,974	0.24
19.	DB Nominees (Singapore) Pte Ltd	515,542	0.22
20.	The Shaw Foundation Pte Ltd	455,566	0.20
		190,817,481	81.73

SUBSTANTIAL SHAREHOLDERS (as shown in the Register of Substantial Shareholders)

	DIRECT INTEREST No. of shares	DEEMED INTEREST No. of shares
Oversea-Chinese Banking Corporation Limited	9,245,370	42,458,737
Great Eastern Life Assurance Company Limited	16,714,451	15,985,064
Great Eastern Holdings Limited	-	42,458,737
Great Eastern Life Assurance (Malaysia) Berhad	15,985,064	-
GEL Capital (Malaysia) Berhad	-	15,985,064
Franklin Resources, Inc	-	16,590,162

Based on the Register of Substantial Shareholders, the shareholding spread of the Company complies with Rule 723 of the Listing Manual.

Note:
- 'Substantial Shareholders' are those shareholders who own at least 5% of the equity of the Company.
- 'Deemed Interests' in shares arise, for example, when a person (including a company) owns at least 20% of another company which in turn owns shares in Fraser and Neave, Limited. The person is "deemed" to have an interest in the Fraser and Neave, Limited shares owned by that other company. It is, therefore, possible for several persons to be deemed interested in the same shares.

  This note is merely illustrative. For a full understanding of the scope of the regulations, it is necessary to refer to the Companies Act.

FRASER AND NEAVE, LIMITED

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

NOTICE OF ANNUAL GENERAL MEETING
Date : Thursday 26 January 2006
Place : Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958

NOTICE IS HEREBY GIVEN that the 107th Annual General Meeting of FRASER AND NEAVE, LIMITED will be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on Thursday 26 January 2006 at 10.00am for the following purposes:-

ROUTINE BUSINESS

1. To receive and adopt the report of the directors and audited financial statements for the year ended 30 September 2005.

2. To approve a final dividend of 35 cents per share, being after deduction of Singapore tax, in respect of the year ended 30 September 2005.

3. To pass the following resolutions in respect of appointment of Directors:-

   (a) "That pursuant to Section 153(6) of the Companies Act, Cap. 50, Dr Michael Fam be and is hereby re-appointed as a Director of the Company to hold such office until the next Annual General Meeting of the Company." Subject to his re-appointment, Dr Fam will be re-appointed as Chairman of the Executive Committee and a Member of the Nominating Committee.
   (b) "That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Lee Ek Tieng be and is hereby re-appointed as a Director of the Company to hold such office until the next Annual General Meeting of the Company." Subject to his re-appointment, Mr Lee who is considered an independent director, will be re-appointed as Chairman of the Audit Committee and a Member of the Remuneration Committee.
   (c) "That Dr Lee Tih Shih, who retires by rotation, be and is hereby re-appointed as a Director of the Company." Subject to his re-appointment, Dr Lee will be re-appointed as a Member of the Nominating Committee.
   (d) "That Dr Han Cheng Fong, who retires by rotation, be and is hereby re-appointed as a Director of the Company."
   (e) "That Mr Anthony Cheong Fook Seng, who was appointed during the year, be and is hereby re-appointed as a Director of the Company."

4. To approve directors' fees of $980,000 payable by the Company for the year ending 30 September 2006 (last year: $547,000).

5. To re-appoint auditors for the ensuing year and authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

6. To pass the following resolutions in respect of the appointment of new Directors:

   (a) "That Mr Timothy Chia Chee Ming be and is hereby appointed as a new Director of the Company."

   (b) "That Mr Koh Beng Seng be and is hereby appointed as a new Director of the Company."

   Personal particulars of Messrs Chia and Koh can be found on pages 148 to 149 on "Proposed Directors".

To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without any modifications:-

7. " That authority be and is hereby given to the Directors of the Company to:

   (a) i) issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or
   ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time this Resolution is passed, after adjusting for:

i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
ii) any subsequent consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. "

8. "That approval be and is hereby given to the Directors to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the Fraser and Neave, Limited Executives' Share Option Scheme."

9. "That approval be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the Fraser and Neave Limited, Executives' Share Option Scheme 1999 (the "**1999 Scheme**") and to allot and issue such shares as may be issued pursuant to the exercise of options under the 1999 Scheme, provided always that the aggregate number of shares to be issued pursuant to the 1999 Scheme shall not exceed 15 per cent of the issued share capital of the Company from time to time."

OTHER

10. To transact any other business which may properly be brought forward.

By Order of the Board
Anthony Cheong Fook Seng
Group Company Secretary

Singapore, 3 January 2006

A member of the Company entitled to attend the meeting and vote is entitled to appoint a proxy to attend and vote instead of him; a proxy need not be a member of the Company. The instrument appointing a proxy (a form is enclosed) must be deposited with the Company Secretary at the registered office not less than 48 hours before the time appointed for holding the meeting.

STATEMENT PURSUANT TO ARTICLE 64 OF THE COMPANY'S ARTICLES OF ASSOCIATION
The effects of the resolutions under the heading "Special Business" in the Notice of the forthcoming Annual General Meeting are:

(a) Ordinary Resolution No. 6 - New directors, if elected, will contribute their particular skills and expertise to further enhance the workings of the Board.

(b) Ordinary Resolution No. 7 is to allow the Directors of the Company from the date of that meeting until the next Annual General Meeting to issue, or agree to issue shares and/or grant instruments that might require shares to be issued, up to an amount not exceeding 50 per cent of the issued share capital of the Company (calculated as described) of which the total number of shares to be issued other than on a *pro rata* basis to shareholders of the Company does not exceed 20 per cent of the share capital of the Company (calculated as described).

(c) Ordinary Resolution No. 8 is to authorise the Directors to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the exercise of such options under the Fraser and Neave, Limited Executives' Share Option Scheme.

(d) Ordinary Resolution No. 9 is to authorise the Directors to offer and grant options in accordance with the provisions of the Fraser and Neave, Limited Executives' Share Option Scheme 1999 (the "**1999 Scheme**") and to allot and issue such shares as may be issued pursuant to the exercise of options under the 1999 Scheme up to an amount not exceeding 15 per cent of the issued share capital of the Company from time to time.

FRASER AND NEAVE, LIMITED
NOTICE OF ANNUAL GENERAL MEETING
SPECIAL BUSINESSES - PROPOSAL FOR THE APPOINTMENT OF NEW DIRECTORS

PROPOSED DIRECTORS

The Board of Directors propose, for the approval of shareholders, at the Annual General Meeting, the appointment of Mr Timothy Chia Chee Ming and Mr Koh Beng Seng as new directors of the Company.

Their personal particulars are shown below:

Mr Timothy Chia Chee Ming

Mr Chia, aged 55, is the Founding Chairman of Hup Soon Global Pte Ltd. Prior to setting up Hup Soon Global, he was President of PAMA Group Inc. (previously known as Prudential Asset Management Asia Limited, the Asian investment and asset management arm of The Prudential Insurance Company of America). He retired from PAMA Group of Companies on 1 January 2005.

Mr Chia currently serves on the boards of several private and publicly listed companies and government-linked companies in Singapore and the region. They include Macquarie Pacific Star Prime REIT Management Limited, The Hour Glass Limited, FJ Benjamin Holdings Ltd, Banyan Tree Holdings Pte Ltd and SP PowerGrid Limited in Singapore. In Thailand, he sits on the board of Magnecomp Precision Technology Public Co., Ltd and is also a board member of Meritz Securities Co., Ltd in Korea.

He is a Trustee of the Singapore Management University and is a keen supporter of the arts and other philanthropic efforts in Singapore.

Mr Chia graduated with a cum laude in Management from Fairleigh Dickinson University in the United States.

Upon his appointment, he will be considered an independent non-executive Director.

FRASER AND NEAVE, LIMITED
NOTICE OF ANNUAL GENERAL MEETING
SPECIAL BUSINESSES - PROPOSAL FOR THE APPOINTMENT OF NEW DIRECTORS

PROPOSED DIRECTORS *(continued)*

Mr Koh Beng Seng

Mr Koh, aged 54, has had extensive experience in the financial services sector. He joined United Overseas Bank Ltd as Deputy President in 2000 and was responsible for the bank's Risk Management, Operations, Information Technology, Delivery Channel and Corporate Services functions, and played a key role in the post acquisition integration of Overseas Union Bank Ltd.

He spent 24 years, up to 1998, with the Monetary Authority of Singapore where he held various positions, from monetary policy to banking supervision and financial sector development. His last appointment at the MAS was Deputy Managing Director, Banking and Financial Institutions Group.

After leaving MAS he was appointed an advisor to the International Monetary Fund to reform Thailand's financial sector, until 2000.

He is presently the Chief Executive Officer of Octagon Advisors, and a non-executive director of Singapore Technologies Engineering Ltd.

He holds a Bachelor of Commerce (First Class Honours) from the former Nanyang University, Singapore, and a Masters of Business Administration from Columbia University, New York.

Upon his appointment, he will be considered an independent non-executive Director.

FRASER AND NEAVE, LIMITED

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

PROXY FORM - ANNUAL GENERAL MEETING

IMPORTANT:

1. **For investors who have used their CPF monies to buy Fraser and Neave, Limited shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.**
2. **This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used, or purported to be used, by them.**
3. **CPF Investors who wish to attend the Annual General Meeting as OBSERVERS have to submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format, with the Company Secretary, Fraser and Neave, Limited. (Agent Banks: please see note No. 9 on required format).**

I/We ______________________________ being a member/members of Fraser and Neave, Limited hereby appoint Michael Fam whom failing Han Cheng Fong, whom failing Ho Tian Yee, whom failing Stephen Lee, whom failing Lee Ek Tieng, whom failing Lee Tih Shih, whom failing Nicky Tan Ng Kuang, whom failing Anthony Cheong Fook Seng all being Directors of the Company or (note 2)

NAME	**ADDRESS**	**NRIC/PASSPORT NO.**	**PROPORTION OF SHAREHOLDINGS (Note 3)**

and/or (delete as appropriate)

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday 26 January 2006 and at any adjournment thereof. The proxy is to vote on the business before the meeting as indicated below (if no indication is given, the proxy may vote or abstain from voting at his discretion, as he may on any other matter arising at the meeting):

(Please indicate with an "X" in the spaces provided, whether you wish your vote(s) to be cast for or against the Resolutions as set out in the Notice of Annual General Meeting.)

NO.	RESOLUTIONS RELATING TO:	FOR	AGAINST
	Routine Business		
1.	To receive and adopt the report of the directors and audited financial statements for the year ended 30 September 2005.		
2.	To approve a final dividend of 35 cents per share, being after deduction of Singapore tax, in respect of the year ended 30 September 2005.		
3.	(a) To re-appoint Director: Dr Michael Fam		
	(b) To re-appoint Director: Mr Lee Ek Tieng		
	(c) To re-appoint Director: Dr Lee Tih Shih		
	(d) To re-appoint Director: Dr Han Cheng Fong		
	(e) To re-appoint Director: Mr Anthony Cheong Fook Seng		
4.	To approve Directors' Fees of $980,000 payable by the Company for the year ending 30 September 2006.		
5.	To re-appoint auditors for the ensuing year and authorise Directors to fix their remuneration.		
	Special Business		
6.	(a) To appoint new Director: Mr Timothy Chia Chee Ming		
	(b) To appoint new Director: Mr Koh Beng Seng		
7.	To authorise Directors to issue shares, make or grant offers.		
8.	To authorise Directors to allot and issue shares pursuant to the Fraser and Neave, Limited Executives' Share Option Scheme.		
9.	To authorise Directors to offer and grant options and to allot and issue shares in accordance with the provisions of the Fraser and Neave, Limited Executives' Share Option Scheme 1999.		

As witness my/our hand this __________ day of __________________ 2006.

Total Number of Shares in:	No. of shares (Note 5)
Depository Register	
Register of Members	

____
Signature/Common Seal of Member(s)

IMPORTANT : PLEASE READ NOTES OVERLEAF

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NOTES TO PROXY FORM:

1. A member of the Company entitled to attend the meeting and vote is entitled to appoint a proxy to attend and vote instead of him; a proxy need not be a member of the Company. The instrument appointing a proxy must be deposited with the Company Secretary at the registered office not less than 48 hours before the time appointed for holding the meeting.
2. If any other proxy is preferred, the member should strike out the names of the directors mentioned and add the name and address of the proxy desired in the blank boxes provided.
3. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under this instrument of proxy, to the meeting.
5. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap.50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the number of shares entered against his name in the Depository Register and registered in his name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all shares held by the member.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.
9. Agent Banks acting on the request of CPF Investors who wish to attend the meeting as Observers are required to submit in writing, a list with details of the investors' name, NRIC/Passport numbers, addresses and numbers of shares held. The list, signed by an authorised signatory of the agent bank, should reach the Company Secretary, at the registered office of the Company not later than 48 hours before the time appointed for holding the meeting.

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Affix
Postage
Stamp

THE COMPANY SECRETARY
FRASER AND NEAVE, LIMITED
#21-00 Alexandra Point
438 Alexandra Road
Singapore 119958

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Financial
Calendar

26 January 2006 (10am)
Annual General Meeting

10 February 2006 (after close of trading) (tentative)
Announcement of 1st Quarter Results

17 February 2006
Payment of Final Dividend for Year ended 30 September 2005

11 May 2006 (after close of trading) (tentative)
Announcement of 2nd Quarter and Half Year Results

11 August 2006 (after close of trading) (tentative)
Announcement of 3rd Quarter Results

10 November 2006 (after close of trading) (tentative)
Announcement of Full Year Results

Fraser and Neave, Limited
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A Legacy of Enterprise, A Future of Promise