Fraser and Neave, Limited
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(Company Registration No. 189800001R)
(Incorporated in the Republic of Singapore)

Design and production by Su Yeang Pte Ltd

Enterprise Asia

Fraser and Neave, Limited Annual Report 2007

Fraser and Neave, Limited
Annual Report 2007

Enterprise Asia

Enterprise Asia

Integrity, the pursuit of excellence, and an entrepreneurial spirit – they are the hallmarks of F&N. These core principles are what make F&N the formidable multi-national enterprise that we are today, with an international reach in our core businesses of Food & Beverage, Properties and Publishing & Printing, extending as far as the US, Europe and the Middle East.

Yet we remain true to our heritage. As a long term investor rooted in Asia, F&N is as committed to contributing to her development today as we were over a century ago. Our F&B brands are household names in Asia, and our Properties segment is burgeoning both in numbers and scale throughout the region. Asia is primed for greatness, with economies ringing in hearty growth figures, and F&N is well positioned to capitalise on her growth and share in her future, which looks extraordinarily bright.

As we commemorate our 125th anniversary in 2008, this milestone will be marked by our renewed commitment towards delivering on our promises of innovation and quality, so as to reinforce the trust and confidence that our customers and shareholders have placed in us. Even as we celebrate the past, we eagerly await the future. By holding fast and constant to our promises, we are confident that we can achieve sustainable and continued success.

CONTENTS

Vision

To be a world-class multinational enterprise with an Asian base, providing superior returns with a focus on the Food & Beverage, Properties and Publishing & Printing businesses.

Mission

To be a world-class multinational enterprise providing superior returns to our shareholders, excellent value for our customers and a rewarding career for our employees.

Strategies

F&N's role as the parent company and entrepreneurial shareholder of our core businesses will remain unchanged. We will play a proactive and pivotal role, on the respective boards and board committees, in charting the strategic directions of the individual businesses, identifying and creating new opportunities of growth for our subsidiaries, and leveraging on our foundations, strengths and networks to steer the Group to even greater heights.

Our 3 Core Businesses

Food & Beverage

A household name to many, F&N has established itself as a leader in the Food & Beverage arena in Singapore and Malaysia since the 1930s. Beyond soft drinks, it has successfully ventured into beer brewing, glass manufacturing as well as dairy products. Through established distribution networks and joint partnerships, F&N looks to reinforce its foothold in the Food & Beverage industry geographically across the Asia Pacific region, further expand its portfolio of reputable brands and strengthen its research and development capabilities.

Properties

A wholly-owned subsidiary of F&N, Frasers Centrepoint Limited is one of the leading Singapore-based property companies with a strong foothold in property development, property investment, serviced residences and investment funds. Its global footprint covers projects in Australia, China, Japan, Korea, New Zealand, Philippines, Thailand, UAE, UK and Vietnam.

Publishing & Printing

Singapore's largest publishing and printing company, Times Publishing has a well established track record in the publishing, printing, direct sales, distribution and retailing of books and magazines. It is also a major provider of educational services. It operates a global network of 20 international offices, 40 subsidiaries and four associated companies in key cities in Southeast Asia, East Asia, Australia, Europe, UK and USA.

FINANCIAL CALENDAR

31 January 2008
Annual General Meeting

14 February 2008
(after close of trading) (tentative)
Announcement of 1st Quarter Results

09 May 2008
(after close of trading) (tentative)
Announcement of 2nd Quarter Results
Declaration of Interim Dividend

08 August 2008
(after close of trading) (tentative)
Announcement of 3rd Quarter Results

14 November 2008
(after close of trading) (tentative)
Announcement of Full Year Results
Declaration of Final Dividend

Singapore
$1,732 million
$334 million

China
Japan
Korea
Mongolia
Taiwan
$483 million
$75 million

Malaysia
$950 million
$96 million

India
Sri Lanka
$18 million
$(3 million)

Cambodia
Laos
Myanmar
Thailand
Vietnam
$731 million
$125 million

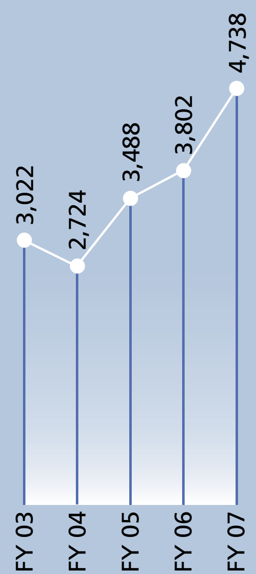
Europe
United States of America
$204 million
$26 million

Australia
New Zealand
Papua New Guinea
$620 million
$79 million

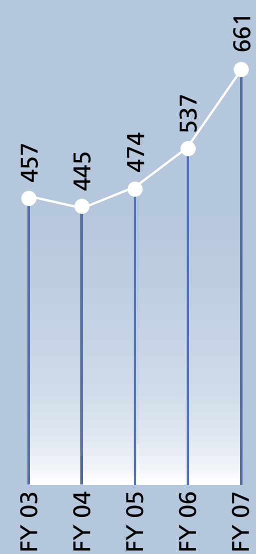
Revenue
PBIT

PBIT = Profit before interest, taxation and exceptional items
Unless otherwise stated, all figures in this report are quoted in Singapore dollars

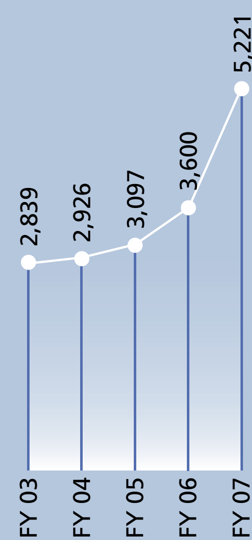
Revenue
($ million)



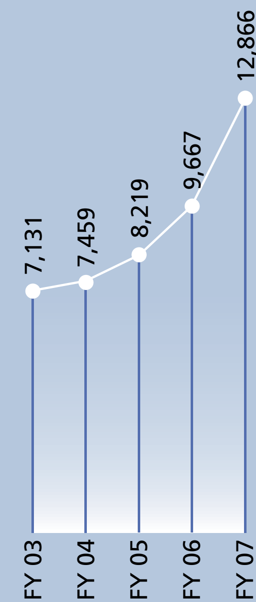
Profit before Taxation and Exceptional Items
($ million)



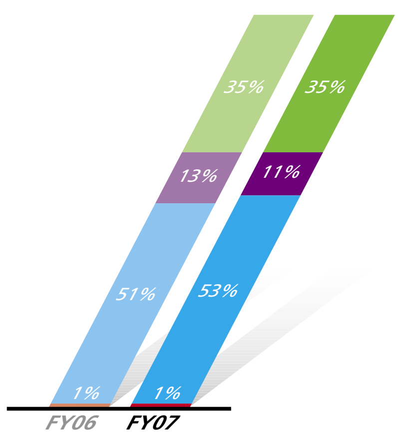
Net Asset Value
($ million)



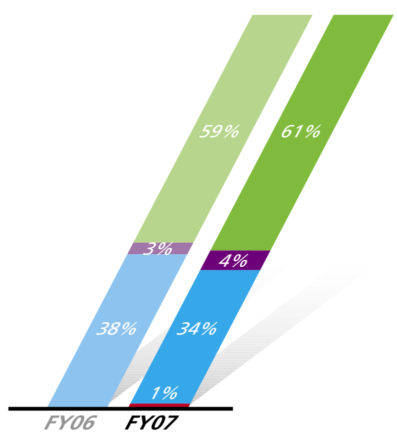
Total Assets Employed
($ million)



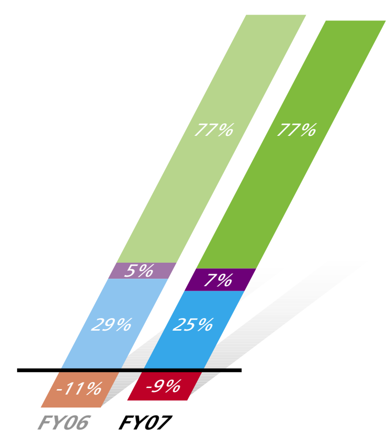
Group Financi



Revenue
FY07: $4,738 million
FY06: $3,802 million



Profit Before Interest, Taxation and Exceptional Items (PBIT)
FY07: $732 million
FY06: $597 million

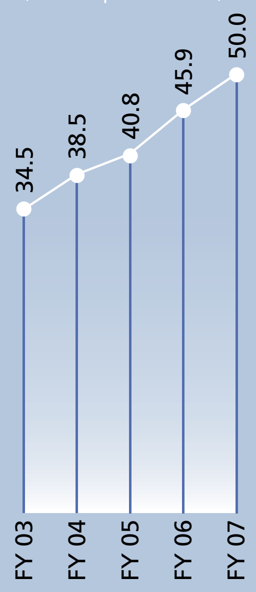


Attributable Profit Before Exceptional Items (APBE)
FY07: $378 million
FY06: $295 million

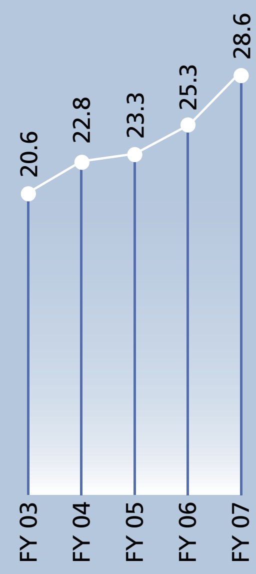
By Business Segment (%)

Food & Beverage (Including Glass Packaging)
Publishing & Printing
Properties
Others

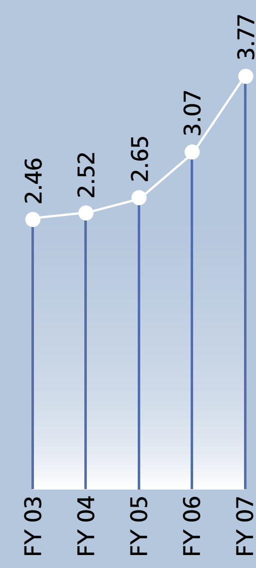
Profit before Taxation and Exceptional Items
(cents per share)*



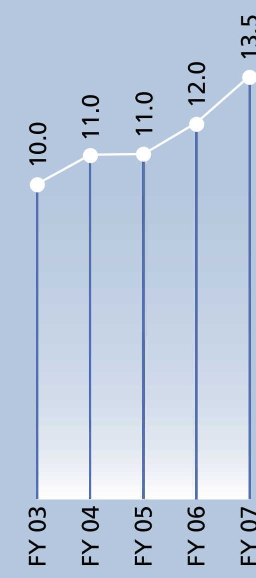
Attributable Profit before Exceptional Items
(cents per share)*



Net Asset Value
($ per share)

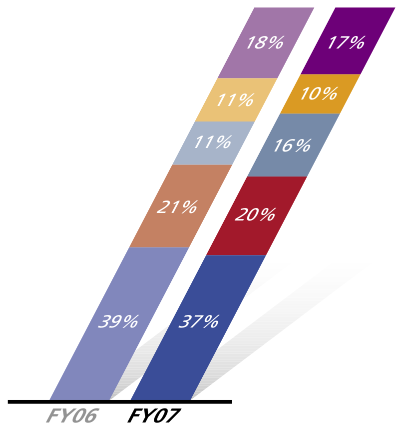


Dividend – Net
(cents per share)



** Weighted average number of shares*

al Highlights



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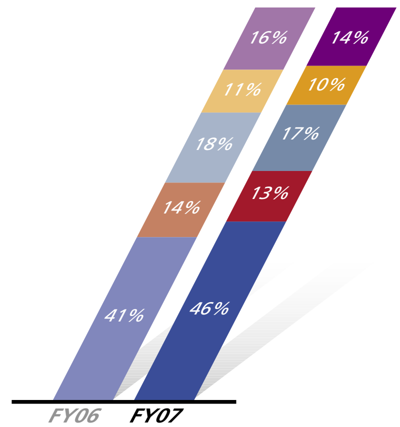

Profit Before Interest, Taxation and Exceptional Items (PBIT)
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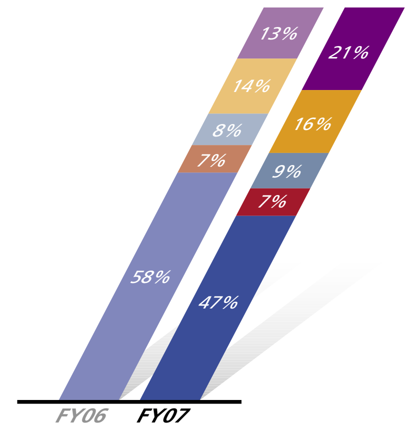
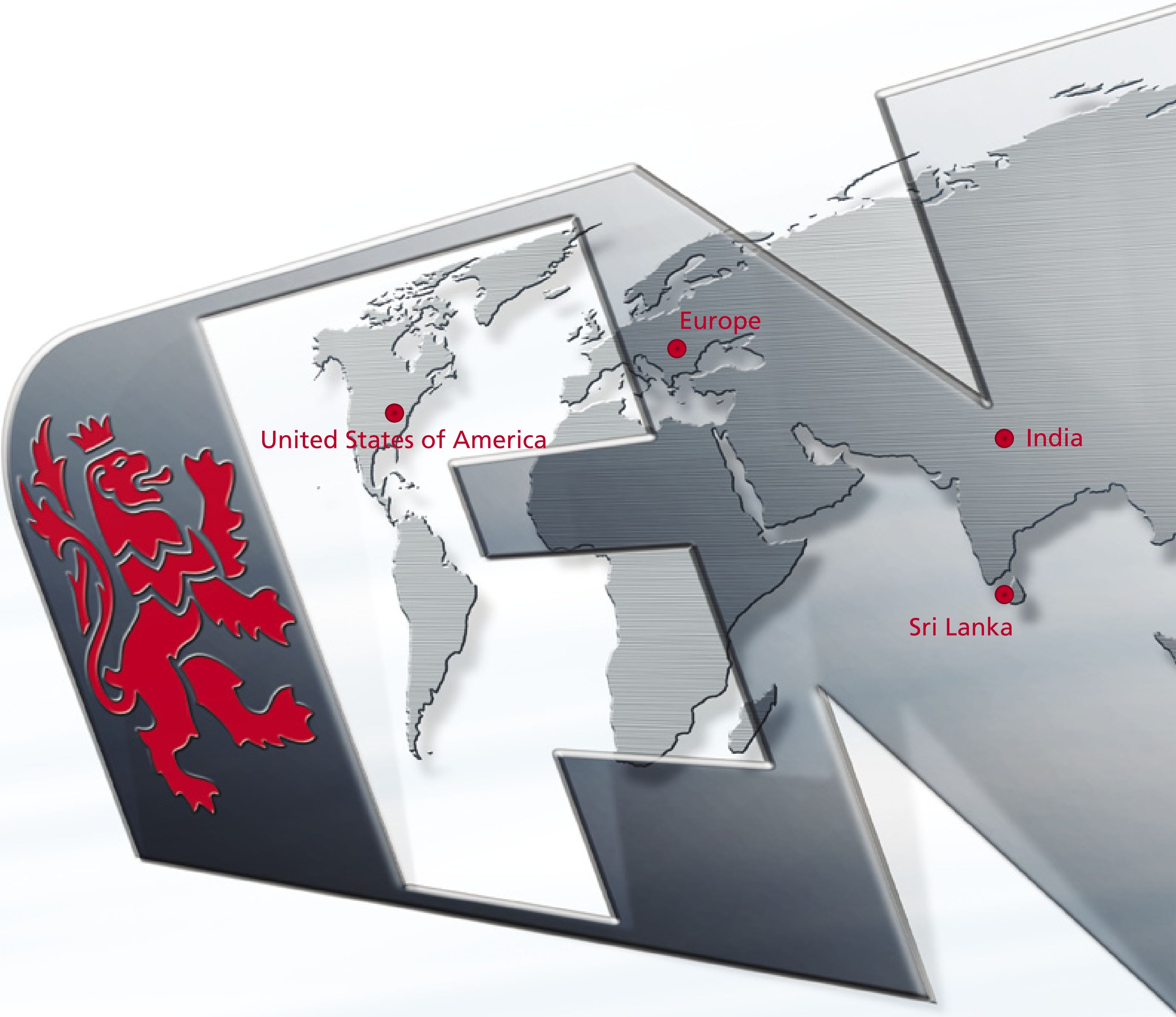


Asset Allocation
FY07: $11,698 million
FY06: $8,813 million

By Geographical Segment (%)

Singapore
Malaysia
Rest of Southeast Asia
Northeast Asia
Others



Enterprise Asia

Embracing New Paradi

Armed with a visionary outlook and clear focus, F&N is poised to seize opportunities in untapped markets, and redefine traditional businesses for optimal performance. The adoption of an asset-light property fund model is a classic example of our innovative approach towards our core business, ensuring that we continue to deliver high value and returns to our shareholders.

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Enterprise Asia

Rising with Asia

With our roots entrenched in Asia, F&N remains vested in the region's rapid growth. Asia's burgeoning middle class has generated an escalating demand for quality housing and lifestyle products – an opportunity that F&N is well positioned to capitalise on. Leveraging on our firm foundation, local knowledge and global networks, we are ready to contribute to and share in Asia's wealth creation.

Enterprise Asia

Nurturing a Winning Cul

years

An impeccable track record spanning 125 years speaks for the quality upheld by F&N in all of our businesses. Our shared knowledge and experience, coupled with the entrepreneurial spirit of our people, drive the success of F&N amidst a competitive marketplace. Complementing our focus on human capital is our unwavering rigour in corporate governance, which enables us to maintain our reputation as one of Asia's household names.

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CHAIRMAN'S STATEMENT

OVERVIEW

FY2007 was another successful year for the Group. I have great pleasure in reporting that the Group's attributable profit (before exceptional items) reached an all time high of $378 million, an increase of 28% over last year. Earnings per share (before exceptional items) on an enlarged share capital was 13% higher, at 28.6 cents. Top-line growth was healthy and broad based, with Group revenue rising 25% to $4.7 billion.

Return on equity was marginally below last year, at 8.6%, due mainly to a $900 million share placement to Temasek Holdings and a revaluation surplus of $312 million on investment properties, which was credited to revaluation reserve. Overall, our balance sheet remains strong and our core businesses are well positioned to seize strategic opportunities in the year ahead.

The proceeds from the share placement to Temasek Holdings have been earmarked for investments to accelerate the growth of the Group's Food & Beverage business. In February 2007, our Malaysian subsidiary acquired Nestle's liquid canned milk business in Malaysia, Indochina, Singapore and Brunei at a cost of RM285 million. This acquisition gave Fraser & Neave Holdings Bhd a quantum improvement in sales, entry into new markets as well as opportunities to extract economies of scale. Our search for more value-creating strategic acquisitions to radically transform our Food & Beverage business will continue with renewed vigour in the new year.

In the year under review, all our core businesses recorded solid growth in PBIT despite significant cost pressures. Group PBIT grew 23% to $732 million.

- Properties continued to be the key driver of earnings growth, with PBIT surging ahead by $100 million (or 29%), to reach $450 million.

- PBIT from our Food & Beverage business rose about 11% to $236 million.

- Within our Publishing & Printing businesses, PBIT improved by 62%, to $33 million as a result of further consolidation and rationalisation initiatives.

Mr Lee Hsien Yang
Chairman

DIVIDENDS

In view of the strong profits, the Directors recommend for shareholders' approval, a final dividend of 8.5 cents per share (1-tier tax exempt). Taken with the interim dividend, this will give a total distribution of 13.5 cents per share (1-tier tax exempt). This is 12.5% higher than last year's distribution. Since FY1998, our dividend payment has grown steadily and at a compound annual growth rate of about 17.5%.

If approved by shareholders at the AGM on 31 January 2008, the final dividend will be paid on 26 February 2008 to shareholders on our register on 13 February 2008.

The proposed dividend is in line with the Board's stated dividend policy of paying up to 50% of attributable profit before exceptional items. With effect from FY2008, the Group will be required to adopt FRS 40. This means that changes in fair values of investment properties will have to flow through the Group's profit statement (instead of being taken directly to the balance sheet). With this change in accounting treatment, we will refine our dividend policy to pay up to 50% of attributable profit before exceptional items and changes in fair value of investment properties.

OPERATIONS

Development Property

The residential property development business remained our main contributor to Group PBIT, growing 35% to $306 million. During the year under review, Frasers Centrepoint Limited ("FCL"), our wholly owned property arm sold close to 1,700 residential units in 19 developments in Singapore and about 200 units from five development projects overseas. Profits from these sales will underpin development earnings over the next two to three years.

The Group also has a stream of projects to sustain profit growth. Depending on market conditions, FCL plans to launch Martin Place Residences and Waterfront Waves in early 2008, followed by three other residential projects in Singapore; and about 10 projects in Australia, China and United Kingdom ("UK") over the course of FY2007/08.

In Singapore, FCL's current land bank can yield an estimated 2,250 residential units when fully developed. In China, Australia/New Zealand and UK, the Group has accumulated about 34 million sq ft of land for development on its own or via joint ventures.

Details of these sites (including the keenly contested former Carlton United Brewery site in Sydney) are contained in the Operations Report. When fully developed over the next five years or so, these overseas sites can yield about 18,000 residential units and 12 million sq ft of commercial space. The Group has stepped up our search for opportunities in the growth markets of India and Vietnam.

Commercial Property

Commercial Property (comprising our investment properties and real estate investment trust) recorded a PBIT improvement of 17%, to $144 million. This was due mainly to the high occupancy of our malls, offices and industrial parks, better rental rates and fees from new hospitality management contracts.

Our wholly-owned Frasers Hospitality is on track to double its portfolio to 5,000 owned and/or managed serviced apartments by 2009. During the year, Frasers Hospitality commenced operations at Fraser Suites Sydney, Fraser Place Queensgate (London) and Fraser Suites Urbana Sathorn (Bangkok), and signed new contracts with owners to manage properties in Bangalore, Beijing, Chengdu, Hanoi, Hong Kong, Kuala Lumpur, Shanghai, Tianjin and Tokyo.

Frasers Centrepoint Trust ("FCT"), 51% owned by FCL, completed its first full year of operations, with distribution per unit 12% above forecast (at 6.55 cents). FCT is poised for further growth given its pipeline of quality malls for future injection, rising rental reversions, asset enhancement initiatives and overseas expansion thrust. In its first foray overseas, FCT acquired a 27% stake in Hektar REIT, Malaysia's only pure retail REIT, during the year.

Food & Beverage

Breweries

Our Breweries business delivered steady PBIT growth of 8% to $165 million, despite start-up losses from new breweries, non-recurring items and translation differences.

This year, Asia Pacific Breweries Limited ("APB"), which we jointly control with Heineken NV, our strategic partner, expanded its portfolio to 32 breweries in 11 countries by adding four new plants in Mongolia (1), Vietnam (1) and China (2). Three more new breweries in China, India and Laos are on schedule to begin operations in the 1st Quarter of 2008.

In the year under review, APB chalked up a 44% volume growth in its largest market, Indochina. Excluding the effects of gestation losses, one-off adjustments and translation differences, PBIT from Indochina grew organically by 23%. APB achieved PBIT improvements in all its other markets except for operations in Malaysia, where PBIT was down 8% due to higher commercial expenses and overheads. In China, PBIT turned positive ($3 million) due to volume growth of 14% and integration of operational activities.

Soft Drinks & Dairies

Soft drinks sales in Malaysia were buoyed by improved consumer sentiment. Revenue was 10% higher but PBIT grew 7% (to $47 million) due to rising raw material and other costs.

Our Dairies business in Singapore, Malaysia, Thailand and Vietnam recorded accelerated growth arising from the acquisition of Nestle's liquid canned milk business. Revenue was 88% higher but PBIT grew 39% (to $24 million), reflecting sharply higher raw material and packaging prices and start-up costs associated with the integration of the newly acquired dairy operations.

Publishing & Printing

PBIT from our Printing business rose by 47% (to $25 million). This was due to optimisation of capacity, improvement in operational efficiencies and better inventory management. We also had a higher share of profits from our listed associate, Fung Choi Media Group Limited, which posted strong growth. During the year, we raised our interest in Fung Choi to 29.5% (from 25%).

In September 2007, Times Publishing Limited ("TPL") entered into a conditional agreement to sell Times Printers (Australia) to PMP Limited for about A$80 million to be paid in the form of PMP shares and some cash. PMP is an ASX Top 200 listed company and Australasia's largest commercial printer. The merger of the two companies will yield operating synergies. With the approval of the relevant Australian authorities for the transaction in November 2007, TPL is now the largest corporate shareholder in PMP.

Within our Publishing business, strong PBIT growth from Education Publishing and Business Directories in Singapore, Hong Kong and Malaysia was offset by restructuring costs in United States of America ("USA") and UK.

Our Retail and Distribution businesses turned in better results reflecting good demand for books and magazines during the year.

OUTLOOK

The new financial year is fraught with uncertainties arising from the US sub-prime mortgage issue and the high price of crude oil. The Group will need to address the challenges of more cautious consumer spending and higher costs of doing business. However, economic growth in Asia is expected to continue albeit at a slower rate. Barring unforeseen circumstances, the Group remains cautiously optimistic that underlying profit (before exceptional items) can continue to improve in the new year, underpinned by progressive recognition of profits from our successful property launches.

ACKNOWLEDGEMENTS

As you know, I took over the chairmanship of the Company from Dr Michael Fam on 15 October 2007. The astute leadership of Dr Fam, the strong support of an able Board and dedication and drive of our management and staff contributed in no small measure to the Group's achievement of its ninth consecutive year of growth in attributable profit before exceptional items.

On 5 October 2007, the Company announced the departure of Dr Han Cheng Fong, our former Group CEO. I would like to thank him for his contributions and wish him well in his new endeavor. Our search for a new Group CEO is underway.

I wish to express my gratitude also to all members on the main and subsidiary boards for their active support during the past year. Mr Lee Ek Tieng and Dr Lee Tih Shih have decided not to stand for re-election as directors of F&NL. Mr Anthony Cheong will relinquish his seat to further increase the representation of independent directors on the F&NL Board. He will continue as Group Company Secretary. Dr Andrew Chew and Mr Alan Choe have decided to step down as directors on the FCL Board. I would like to thank them all for their contributions.

Mr Soon Tit Koon has offered himself for election as F&NL director. He is the Chief Financial Officer of OCBC Bank and was appointed Dr Lee's alternate on the F&NL Board in May 2007. Mr Soon's experience and expertise will be of value to the Board's deliberation so I urge you to give him your support at the AGM on 31 January 2008.

My appreciation also extends to our strategic partners, especially Heineken NV and The Coca-Cola Company, our customers and our shareholders.

Mr Lee Hsien Yang
Chairman
08 January 2008

In Recognition of Dr Michael Fam

A Visionary Leader

Dr Michael Fam retired as Chairman of Fraser and Neave, Limited ("F&NL") on 14 October 2007 as part of a planned succession. As Chairman of F&NL for 24 years, he was the chief architect and main driving force in shaping the F&N Group as we know it today. He can, undoubtedly, be credited with much of the Group's success and growth as an international conglomerate. His far-sighted decisions have laid solid foundations for the development of the Group well into the future.

Dr Fam's association with F&NL dates back to 1978 when he was appointed a Director. When he was appointed Chairman in 1983 on the retirement of Tan Sri Dr Tan Chin Tuan, the Group's attributable profit for the year was $30 million and shareholders' funds stood at $290 million. By the end of FY2007, the Group's attributable profit had grown more than 12 times to $378 million and shareholders' funds had swelled 18 times to $5.2 billion.

The Group's strong financial record and performance over the years, especially its resilience in difficult economic times, are a testament to Dr Fam's vision, bold leadership and passion for entrepreneurship. Dr Fam will be best remembered for his pivotal role in steering F&NL into the Properties business. The well-timed relocation of old plants to modernise facilities and realise the development potential of former factory sites is a prime example of the many value creation strategies that Dr Fam had formulated to deliver quantum profit growth for the Group. This was a brilliant diversification strategy. In FY2007, Properties accounted for 77% of the Group's attributable profit.

Another far-reaching contribution of Dr Fam was his idea to form a 50:50 regional brewing joint venture between F&NL and Heineken NV in 1986. This joint venture has enabled Asia Pacific Breweries Limited ("APB") to successfully expand its brewery presence beyond its original markets of Singapore, Malaysia and Papua New Guinea. Today, APB in which F&NL effectively owns 39.7%, has a portfolio of 32 breweries in 11 countries. By the end of 1st Quarter 2008, APB will have three more breweries in China, India and Laos.

It is not possible to list all of Dr Fam's contributions in this short statement and we would like to refer shareholders to Dr Fam's Accountability Statement* issued as part of his AGM Address on 26 January 2006.

Dr Fam's multi-core business model has proven to be a winning formula for the Group. The Group has grown into an enterprise with over $4.7 billion in revenues. F&NL's market capitalisation currently exceeds $7.9 billion, placing us amongst the Top 25 listed companies on the Singapore Stock Exchange. The Company's core businesses are now well positioned to play leading roles in the regional and international arena.

On behalf of all shareholders, management and staff, the Directors say a warm "Thank You and we all wish you good health and much happiness in your well deserved retirement".

Lee Hsien Yang

Timothy Chia

Ho Tian Yee

Simon Israel

Koh Beng Seng

Lee Ek Tieng

Stephen Lee

Lee Tih Shih

Nicky Tan

Anthony Cheong

04 December 2007

* *Note: This Statement is available on our website www.fraserandneave.com*

BOARD OF DIRECTORS

Mr Lee Hsien Yang

Mr Lee was appointed a Director & Chairman-Designate on 8 September 2007 and assumed Chairmanship on 15 October 2007. Mr Lee joined Singapore Telecommunications Limited (SingTel) in April 1994 and served as its Chief Executive Officer from May 1995 till he relinquished his appointment as Group CEO in March 2007. Prior to his joining SingTel, Mr Lee served in command and staff positions in the Singapore Armed Forces (SAF) reaching the rank of Brigadier-General.

Mr Lee is also the Chairman of Republic Polytechnic, Chairman of the Audit Committee of the Singapore Exchange Limited and an independent director of the Islamic Bank of Asia Private Limited (a DBS Bank subsidiary). He also sits on the Governing Board of the Lee Kuan Yew School of Public Policy.

Mr Lee was a President's Scholar and SAF Scholar. He graduated with a double first in Engineering Science from Cambridge University, UK and has a Master of Science (Management) from Stanford University, USA.

Mr Anthony Cheong Fook Seng

Mr Cheong was appointed a Director in February 2005. He joined the Fraser & Neave Group in Times Publishing Limited 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 Frasers Centrepoint Limited, Fraser & Neave Holdings Bhd and Asia Pacific Investment Pte Ltd and is also an alternate director to Dr Michael Fam 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 Timothy Chia Chee Ming

Mr Chia was appointed a Director in January 2006. He is currently the Deputy Chairman and Group Chief Executive Officer of Hup Soon Global Corporation Limited. Mr Chia was President of PAMA Group (previously known as Prudential Asset Management Asia Limited). He also serves on the boards of several private and public listed companies and government-linked companies. They include FJ Benjamin Holdings Ltd, Banyan Tree Holdings Ltd, SP PowerGrid Limited, Singapore Post Limited. Mr Chia is a trustee of the Singapore Management University.

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. He also serves on the boards of Singapore Exchange Limited and Singapore Power Ltd. Mr Ho was previously the General Manager and Managing Director of Bankers Trust Company Singapore. He was also a director of Great Eastern Holdings Ltd.

Mr Simon Israel

Mr Simon Israel was appointed a Director in January 2007. He has been an Executive Director of Temasek Holdings (Private) Limited, the Singapore-headquartered investment firm, since July 2006. Previously, Mr Israel spent ten years as Chairman Asia Pacific of the Danone Group and as a member of that group's Executive Committee. Prior to this, he worked across the Asia Pacific region in a 22-year career with Sara Lee Corporation. Mr Israel chairs the Singapore Tourism Board, is the Chairman-Designate of Asia Pacific Breweries Limited, and a director of SingTel and Neptune Orient Lines Ltd. He also sits on the Business Advisory Board of the Lee Kong Chian School of Business at the Singapore Management University.

from left to right:
Mr Anthony Cheong Fook Seng
Mr Lee Hsien Yang *(Chairman)*
Mr Timothy Chia Chee Ming
Mr Ho Tian Yee
Mr Simon Israel

BOARD OF DIRECTORS

Mr Koh Beng Seng

Mr Koh was appointed a Director in January 2006. He is currently the Chief Executive Officer of Octagon-Advisors. He is also a non-executive director of Singapore Technologies Engineering Ltd, BOC Hong Kong (Holdings), Bank of China (Hong Kong) Limited, Sing-Han Financial Services and Japan Wealth Management Securities Company Ltd. He has held various positions in his 24 years, up to 1998, with Monetary Authority of Singapore and his last appointment was Deputy Managing Director, Banking and Financial Institution Group. Thereafter, he was an advisor to the International Monetary Fund to reform Thailand's financial sector until 2000. He was also the Deputy President of Singapore's United Overseas Bank Ltd, a leading banking group in the country, from 2000 to 2004.

Mr Stephen Lee

Mr Lee was appointed a Director in July 1997. He is currently the Managing Director of Great Malaysia Textile Investments Pte Ltd and Shanghai Commercial & Savings Bank (Taiwan). Mr Lee is also the Chairman of Singapore Airlines Limited, Singapore Business Federation, President of Singapore National Employers Federation and Director of Singapore Labour Foundation. He was the Chairman of PSA International Limited from September 2002 till October 2005.

Mr Lee Ek Tieng

Mr Lee was appointed a Director in January 2001. He is currently the Chairman of GIC Asset Management Pte Ltd. Mr Lee was previously the Chairman of the Public Utilities Board and Temasek Holdings (Private) Limited, Managing Director & Deputy Chairman of the Monetary Authority of

from left to right:
Mr Koh Beng Seng
Mr Stephen Lee
Mr Nicky Tan Ng Kuang
Mr Lee Ek Tieng
Dr Lee Tih Shih
Mr Soon Tit Koon

Singapore and Group Managing Director of the Government of Singapore Investment Corporation. 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 currently an associate professor in Duke-NUS Graduate Medical School, Singapore. Dr Lee graduated with a MD (Doctor of Medicine) degree from Yale University, and MBA with Distinction from University of London. He also serves on the board of Oversea-Chinese Banking Corporation Limited.

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 SingTel. 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 Soon Tit Koon
Alternate to Dr Lee Tih Shih

Mr Soon was appointed an Alternate Director to Dr Lee Tih Shih on 15 May 2007. Mr Soon has been the Chief Financial Officer of Oversea-Chinese Banking Corporation Limited since September 2002. Prior to that, Mr Soon was the Chief Financial Officer of Wilmar Holdings, and before that, Managing Director of Citicorp Investment Bank. His 17-year career in Singapore included managerial responsibilities in several investment banking businesses of Citigroup. Mr Soon currently sits on the boards of Bank of Ningbo and several subsidiaries of Oversea-Chinese Banking Corporation Limited.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Mr Lee Hsien Yang *(Chairman)*
Mr Timothy Chia Chee Ming
Mr Ho Tian Yee
Mr Simon Israel
Mr Koh Beng Seng
Mr Stephen Lee
Mr Lee Ek Tieng
Dr Lee Tih Shih
Mr Nicky Tan Ng Kuang
Mr Anthony Cheong Fook Seng
Mr Soon Tit Koon
(Alternate to Dr Lee Tih Shih)

BOARD EXECUTIVE COMMITTEE
Mr Lee Hsien Yang *(Chairman)*
Mr Ho Tian Yee
Mr Simon Israel
Mr Stephen Lee
Mr Lee Ek Tieng

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

REMUNERATION & STAFF ESTABLISHMENT COMMITTEE
Mr Stephen Lee *(Chairman)*
Mr Ho Tian Yee
Mr Lee Ek Tieng

NOMINATING COMMITTEE
Mr Ho Tian Yee *(Chairman)*
Mr Stephen Lee
Mr Timothy Chia Chee Ming

RISK MANAGEMENT COMMITTEE
Mr Koh Beng Seng *(Chairman)*
Mr Timothy Chia Chee Ming
Mr Nicky Tan Ng Kuang

GROUP MANAGEMENT
Mr Koh Poh Tiong
Chief Executive Officer
Asia Pacific Breweries Group

Mr Lim Ee Seng
Chief Executive Officer
Frasers Centrepoint Group

Mr Ang Ah Lay
Chief Executive Officer
Frasers Property (China) Limited

Dato' Ng Jui Sia
Chief Executive Officer
Times Publishing Group

Mr Tan Ang Meng
Chief Executive Officer
Fraser & Neave Holdings Bhd

Mr Christopher Tang
Chief Executive Officer
Frasers Centrepoint Asset Management Ltd
(Manager of Frasers Centrepoint Trust)

Mr Anthony Cheong Fook Seng
Group Company Secretary
Fraser and Neave Group

Mr Patrick Goh Yong Chian
Group Financial Controller
Fraser and Neave Group

Dr Kwok Kain Sze
Chief Scientific Officer
– Food & Beverage

Mr Wang Eng Chin
Acting Chief Executive Officer
– Food & Beverage

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

SHARE REGISTRAR AND TRANSFER OFFICE
Tricor Barbinder Share Registration Services
8 Cross Street
#11-00 PWC Building
Singapore 048424
Tel: (65) 6236 3333
Fax: (65) 6236 3405

AUDITOR
Ernst & Young
Partner-in-charge: Mr Kevin Kwok
(since financial year ended 30 Sep 2004)

PRINCIPAL BANKER
Oversea-Chinese Banking Corporation Limited

Fraser and Neave, Limited

Food & Beverage

Asia Pacific Breweries Group
- *44 Subsidiary companies*
- *4 Joint venture companies*
- *2 Associated companies*

Fraser & Neave Holdings Bhd
- *26 Subsidiary companies*

Other Listed and Unlisted Companies
- *15 Subsidiary companies*

Asia Dairies (S) Pte Ltd
F&N Boncafe Beverages Pte Ltd
F&N Dairy Investments Pte Ltd
F&N DCH Holding Pte Ltd
F&N Foods Pte Ltd
F&N United Ltd
F&N Vietnam Foods Co Ltd
Interflavine Pte Ltd
Magnolia – PDL Dairies (1993) Sdn Bhd
Myanmar Brewery Ltd
Paedia Nutrition Company Ltd
Premier Milk (S) Pte Ltd
Red Lion Holdings Pte Ltd
Tien Chun Pte Ltd
Tiger Taverns Sdn Bhd

- *1 Joint venture company*

Asia Pacific Investment Pte Ltd

- *1 Associated company*

China Dairy Group Ltd

Properties

Frasers Centrepoint Limited Group
- *137 Subsidiary companies*
- *9 Joint venture companies*
- *5 Associated companies*

Frasers Centrepoint Trust

Frasers Property China Group
- *75 Subsidiary companies*
- *5 Associated companies*

Publishing & Printing

Times Publishing Group
- *65 Subsidiary companies*
- *2 Joint venture companies*
- *2 Associated companies*

Other Listed Companies
- *1 Associated company*

Fung Choi Media Group Limited

Others

Other Listed & Unlisted Companies
- *10 Subsidiary companies*

F&N Investment Pte Ltd
F&N Services (L) Bhd
F&N Treasury Pte Ltd
Fannet Online Pte Ltd
Fannet Online Sdn Bhd
Fraser & Neave (Singapore) Pte Ltd
Fraser & Neave Investment (HK) Ltd
International Theme Parks (Singapore) Pte Ltd
Phoenix (Singapore) Pte Ltd
Vision Century Limited

Delivering Results

FY2007 was a record year for F&N with revenue and profit before tax well ahead of the previous year, reflecting strong underlying fundamentals of our businesses. The Group's outstanding performance was due in part to our core strategy of regionalisation in the Asia Pacific, brand building and business expansion.

The Group has achieved strong growth in this decade. With a higher earnings base, underpinned by the progressive recognition of income from pre-sold property development, the Group's performance is expected to improve.

Enhancing Value

The strategy for growth based on the three core businesses is clear. Given Singapore's small domestic market, growth for the Group can only be achieved by extracting operating efficiencies, expanding into new markets and venturing into new businesses – measures that have been actively pursued by F&N. Continuing to drive shareholder value, the Group targets the following:

- Re-deployment of assets to higher yielding activities to focus on asset-light, fee-based businesses;
- Effective capital management to improve returns to shareholders;
- Expand and grow core businesses through intra-market growth, expand to new markets and new synergistic ventures; and
- Balance the existing business portfolios by increasing contribution from Food & Beverage and Publishing & Printing businesses.

GROUP FINANCIAL PERFORMANCE – 5-YEAR STATISTICS

F&N registered another year of strong earnings growth with record profit before interest and taxation of $732 million. Despite the impact of rising costs, the Group is able to sustain our earnings growth momentum through business expansion, a singular focus on brands, and geographic diversification. The Group has achieved a growth of close to 25% for revenue and 28% growth for APBE, to $4,738 million and $378 million, respectively. Earnings per share increased to 28.6 cents from 25.3 cents, despite an enlarged share capital.

Notes	Year ended 30 September	2003	2004	2005	2006	**2007**
	Profit Statement ($ million)					
	Revenue	3,022	2,724	3,488	3,802	**4,738**
	Profit before taxation					
	– before exceptional items	457	445	474	537	**661**
	– after exceptional items	511	468	504	571	**673**
	Attributable profit					
	– before exceptional items	273	264	271	295	**378**
	– after exceptional items	333	290	296	320	**379**
	Balance Sheet ($ million)					
3	Net asset value	2,839	2,926	3,097	3,600	**5,221**
	Total assets employed	7,131	7,459	8,219	9,667	**12,866**
	Long-term borrowings	1,442	2,114	2,185	2,829	**2,477**
	Market Capitalisation ($ million) at close of business on the first trading day after preliminary announcement of results	2,628	3,271	3,944	5,231	**7,955**
	Financial Ratio (%)					
	Return on average shareholders' equity					
	– profit before taxation and exceptional items	15.7	15.4	15.7	16.0	**15.0**
1	– attributable profit before exceptional items	9.4	9.2	9.0	8.8	**8.6**
2	Gearing ratio					
	– without minority interest	78.5	84.1	89.7	82.4	**72.1**
	– with minority interest	67.9	72.5	74.7	64.4	**59.0**
	Per Share					
	Profit before taxation and exceptional items (cents)	34.5	38.5	40.8	45.9	**50.0**
	Attributable profit (cents)					
	– before exceptional items	20.6	22.8	23.3	25.3	**28.6**
	– after exceptional items	25.2	25.1	25.4	27.3	**28.7**
3	Net asset value ($)	2.46	2.52	2.65	3.07	**3.77**
	Dividend					
	– net (cents)	10.0	11.0	11.0	12.0	**13.5**
4	– cover (times)	2.1	2.1	2.1	2.1	**2.1**
	Stock Exchange Prices ($)					
	at close of business on the first trading day after preliminary announcement of results	2.28	2.82	3.38	4.46	**5.75**

Notes:
1 Attributable 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 shareholders' funds.
3 Net asset value: Share capital and reserves.
4 Dividend cover: Attributable profit before exceptional items per share divided by net dividend per share.
5 Pursuant to the approval given by the shareholders at an Extraordinary General Meeting of the Company held on 31 May 2006 each ordinary share was sub-divided into 5 ordinary shares on 4 July 2006. The above ratios for 2003 to 2005 have been adjusted from that previously reported to reflect this sub-division of ordinary shares.

Food & Beverage

Revenue $2,528 million
Increased by 31%

PBIT $250 million
Increased by 11%

APBE $95 million
Increased by 12%

PERFORMANCE OVERVIEW

The Group's Food & Beverage (F&B) division, including Glass Packaging, delivered strong positive results for the year, recording an increase of 31% in revenue and 11% in PBIT, to reach $2.5 billion and $250 million respectively.

The robust results were achieved by the Group's concerted efforts in executing on its two key strategies, namely investing in brands and product innovations, and continuing to deepen and broaden our overseas presence.

F&B CORPORATE BRANDING

Cementing F&N as a Household Name in Asia

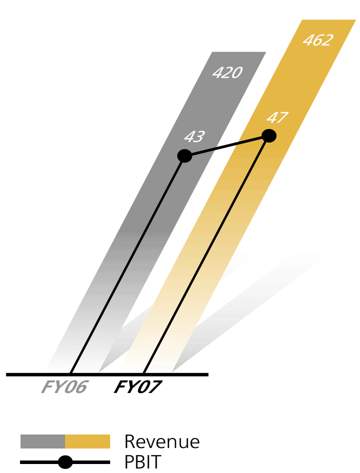
In June 2007, the F&B corporate brand underwent re-positioning to forge a strong and readily recognisable identity in line with lifestyle needs of consumers today. Emblazoned with the powerful banner "Pure Enjoyment Pure Goodness", the new F&B brand serves to unify all the individual category brands in the non-beer category under one compelling identity and function as the platform to springboard the company's regional expansion.

The brand launch was expressed through an aggressive advertising campaign spanning television, radio, online, print media and outdoor media, heightening awareness and reinforcing F&N's proposition of healthy enjoyment. Also in line with the brand's promise, the Group sponsored the National Healthy Lifestyle Campaign 2007 organised by the Health Promotion Board in Singapore, and rolled out contests and exhibitions to reach consumers.

Apart from Singapore, the F&B corporate brand was also introduced in Thailand and Vietnam, and will be officially launched in Malaysia in early 2008. Moving forward, we will shape our marketing activities and product portfolio around the core theme of our corporate F&B brand and continue to drive growth through product innovations, regionalisation, strategic acquisitions and alliances with strategic partners.

Pure Enjoyment. Pure Goodness

Soft Drinks



Soft Drinks:
Revenue and PBIT
($ million)

Strong optimism in the regional economy boosted consumer confidence, causing the soft drinks division to bounce back from its slowdown in the previous financial year to register a record revenue of $462 million in FY2007, an increase of 10% over the previous year. PBIT rose by 7% to $47 million.

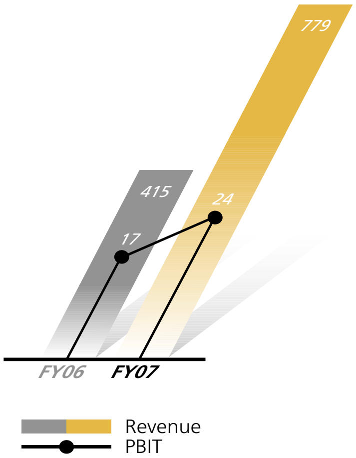
Marketing efforts were focused on fortifying core strengths in order to drive incremental sales volume. Driven by increased shelf space and successful marketing activities, in particular, during the festive periods such as Chinese New Year and Hari Raya, the Group gained market shares across most beverage categories. Notably, we solidified our leadership positions in the carbonated soft drinks and isotonic segments in Malaysia, with market shares of approximately 67% and 93%, respectively.

An intensive campaign was also put in place to position the division as a cost-efficient producer with excellent sales and distribution networks, as well as high responsiveness in the supply chain.

Rising key packaging material costs, especially aluminium and resin, continued to put pressure on margins. To minimise the impact on profitability, a price increase for the cans category was instituted. Due to the strength of our brands, the price increase had no adverse effect on overall sales.

The division is also a major bottled water producer in Malaysia with two separate mineral water sources in both Peninsular and East Malaysia. Following the acquisition of Borneo Springs Sdn Bhd, we further entrenched our position in the water segment by commencing operations at our water plant in Bentong, as well as establishing a new mineral water well at the Kuching plant.

Looking ahead, innovation and brand building strategies will continue to facilitate strong top-line growth. Despite the expected increase in raw material costs, compelling brands and enhanced efficiencies will support the growth momentum in our Soft Drinks business.



Dairies:
Revenue and PBIT
($ million)

Dairies

The dairies division recorded a sterling performance in FY2007, retaining its leading market positions in both Singapore and Malaysia, particularly in the milk and juice categories. Despite the upward spiral in milk costs worldwide, operating profits rose by almost 40% to $24 million.

In a bold move to corner the milk market in the region, F&N inked a RM285 million deal to acquire Nestle's liquid canned milk business in Malaysia, Indochina, Singapore and Brunei in February 2007. Under this transaction, F&N acquired relevant Nestle production facilities and equipment in Thailand, as well as the Tea Pot sweetened condensed milk brand. The acquisition of Tea Pot and licensing of Nestle's other canned milk products propelled the Malaysia and Thailand dairies division's sales revenue to leap almost two-fold to surpass the RM2 billion mark for the first time, making F&N the No. 1 canned milk player in ASEAN.

The move is in line with the Group's overall strategy to make Asia the cornerstone of our business and the launchpad into new markets. The acquisition provided synergies and economies of scale, and consolidated the fragmented canned milk market. The setting up of F&N Dairies Thailand following the acquisition of the two Nestle Thailand plants also opened up access to emerging markets in Indochina. In its first eight months of operations, F&N Dairies Thailand registered a revenue of RM635 million and operating profit of RM13.7 million – a commendable achievement, taking into account the high cost of raw materials and fuel, and start-up costs.

Back home, Magnolia celebrated its 70th anniversary with a marketing campaign that reinforced its rich heritage and nurturing attributes. Magnolia Fresh Milk and Magnolia UHT Milk remained the leading brands in the categories of fresh pasteurised milk and UHT milk respectively. Magnolia Smoo is also the leader in the kids' UHT milk segment.

In a sector where consumers are constantly on the lookout for something different and novel, innovation is the key to growing the Group's F&B business. To appeal to the health-conscious consumers of today, F&N has embarked on many new offerings that promise to be healthy, nutritious and convenient. The first of this series was aLIVE by Magnolia Yoghurt, specially formulated with tasty chunks of fruit in low fat yoghurt, aimed at delivering a specific benefit.

In May 2007, Fruit Tree Fresh introduced the No Sugar Added Cranberry Pomegranate Apple as part of its popular No Sugar Added juice drink range. This exciting new variant heralded the European berry craze which is quickly winning over Asia. The successful launch of the drink gave a substantial boost to overall sales of Fruit Tree Fresh.

Nutritea, the first pasteurised tea in Singapore, had a successful first year. Brewed from natural ingredients and contains no preservatives, this year, two new drinks were successfully launched – Water Chestnut & Sugar Cane and Jasmine Green Tea.

NutriSoy maintained its market leadership as the No.1 brand in the fresh soya beverage category in Singapore, claiming more than half the market share. A new Red Bean variant was introduced during the year to add excitement and variety to the healthy soya drink brand.

In the coming year, our expansion efforts will continue to accelerate and we will leverage our Halal certification to penetrate the Middle East markets, including Syria, Iran and Yemen. In addition, the Group will accelerate efforts to yield synergistic benefits from the integration of Nestle's liquid canned milk business. The consolidation of the canned milk category looks set to bring economies of scale to the Group's dairy manufacturing operations during a period of escalating packaging and raw materials costs such as milk powder and aluminium.

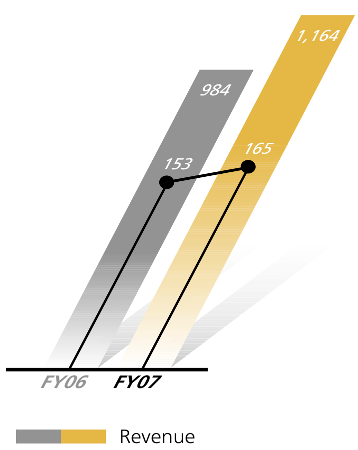
BREWERIES

A Trailblazer in the Beer Trade

The majority of F&N's brewery business operates through Asia Pacific Breweries (APB), a joint venture with Heineken NV that dates back 76 years. The F&N Group operates 33 breweries in 12 countries spanning the Asia Pacific. With a portfolio of over 40 beer brands and brand variants including Tiger Beer, Heineken, Anchor and ABC Stout, APB is one of the key players in the beer industry.

For eight consecutive years, the Group's beer sales volume has grown at double-digit rates. Consequently, revenue rose by 18% to $1.2 billion. PBIT climbed 8% to $165 million, despite non-recurring items, translation differences, gestation losses and reinvestment credit. Organically, PBIT rose by 22% to $176 million.

F&N's strategy for our breweries division, much like the rest of our F&B operations, is to cultivate our brands and increase our market share through value-creating acquisitions and organic growth in key, fast-growing countries.



Breweries:
Revenue and PBIT
($ million)

Making Waves in Asia Pacific

The Group continued to be a keen player in the Singapore beer market. During the year, beer volumes (including export) were up 11%, helped by higher Tiger sales, as strategic marketing activities such as the launch of the credentials campaign and Super Cold Tiger effectively strengthened Tiger's position as a truly world-acclaimed beer. In FY2007, several new beers including ABC Ginseng and Baron's Extra Strong Brew were introduced.

Despite a weak beer market, volumes in Malaysia grew marginally, at 3%. PBIT, however, fell 8% due to higher marketing expenses and overheads. Such marketing investments are integral parts of the business to forge consumer relationships and stimulate brand demand.

Thailand continued to face strict government rules curtailing consumption and advertising of alcohol products. PBIT improved, however, by 33% due to lower marketing investments. To sustain a good rapport with consumers, innovative consumer programmes have been developed to boost brand awareness and engage drinkers.

Continued favourable beer market conditions in Cambodia and Vietnam, coupled with robust distribution and portfolio optimisation fuelled the growth of our beers in Indochina. Once again, Indochina retained its position as the largest profit contributor, accounting for close to 40% of the brewery PBIT. Excluding a one-off royalty adjustment which boosted FY2006's profits, reinvestment credit that was added to FY2007's profits, gestation losses and translation difference, PBIT grew organically by 23%.

In China, the largest beer market in the world, Heineken APB China (HAPBC) reported strong double-digit volume growth of 14%, boosted by effective marketing spend and an enhanced distribution network. Coupled with the synergies realised from the integration of operational activities within the Group, PBIT stood at $3 million. HAPBC operates 14 breweries in Chengdu, Guangdong, Hainan, Jiangsu, Shanghai, Tianjin and Xi'an through its subsidiaries and joint venture companies. Kingway Brewery is in the process of building an additional brewery in Foshan, Guangdong.

APB in New Zealand faced another year of intense competition. Despite continued pressure, APB managed to increase its volume by 11%, with Tiger growing as a choice brand there. APB also saw commendable results from Papua New Guinea, sales volumes and PBIT grew at a record of 16% each in FY2007.

Expanding our International Reach

Beyond Asia, Tiger further extended its reach in the USA and Canada via Anheuser-Busch and Molson respectively. During the year, Tiger sales volumes in North America and Canada grew an impressive 50%. In the UK, Tiger remained the leading Asian imported beer brand and booked an 11% volume gain. Today, Tiger is available in 60 countries spanning the globe.

Venturing into New Markets

APB's expansion into the region continued full throttle with its second phase of regionalisation. New ventures in India, Laos, Mongolia and Sri Lanka laid the ground for a new growth trajectory and further bolstered the Group's presence in the Asia Pacific.

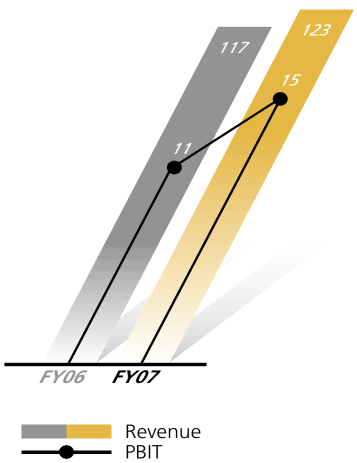
Following the establishment of the 55%-owned MCS-Asia Pacific Brewery, APB's maiden brewery in Ulaanbaatar, Mongolia has become the eighth country to brew Tiger. Although Mongolian-brewed Tiger was only recently introduced, the brand has enjoyed the reputation as a premium import brand for over 15 years. Today, the brand has built a substantial presence in some 1,500 bars, pubs, restaurants and retail outlets amongst others in Ulaanbaatar.

As the Group moves into its third phase of regionalisation, we will carry on our momentum to forge ahead in the Asia Pacific in the year to come. By the 1st Quarter of 2008, the F&N Group will have 36 operating breweries in 13 countries.

GLASS PACKAGING

Delivering Sustainable Returns

The glass containers division turned in outstanding results for FY2007, achieving double-digit improvements in key performance metrics and an operating profit of $15 million – the highest since its inception. It recorded total revenue of $123 million, a 5% increase from the previous year.



Glass Packaging:
Revenue and PBIT
($ million)

The division's exemplary performance can be attributed to improved operating, sales and marketing performance at three of the four glass container operating companies. The three operating companies exceeded their performance targets in production outputs, costs control as well as in sales and marketing.

The fifth plant, a US$43 million state-of-the-art glass plant in Thailand, commenced operations in October 2007 and is a 70%-owned joint venture with Thai Asia Pacific Brewery Co. Ltd. The plant's order book for its first seven months was fully committed and studies will be conducted to explore the possibility of building a second furnace to expand the plant's production capacity.

Vietnam continued to perform creditably and recorded its highest profit level since its establishment in 1993.

In Malaysia, dedicated efforts to improve efficiency, product margin and costs containment contributed to the division's stronger overall performance. Rebuilding of the M1 furnace in the Malaya Glass Products plant in Tampoi is underway and is expected to be operational in the 2nd Quarter of 2008.

The plant in Sichuan, China registered strong demand for its bottles. Its advanced technology and quality manufacturing processes won a string of orders from higher margin multinational customers of internationally recognised brands, including Anheuser-Busch and Coca Cola. Now operating at full capacity, the plant has more than doubled its profit level over the previous year. Construction work has begun for a new 250-tonne a day furnace and manufacturing facility. With favourable market conditions in China, costs leveraging and selling price improvements, its future prospects and profitability look bright.

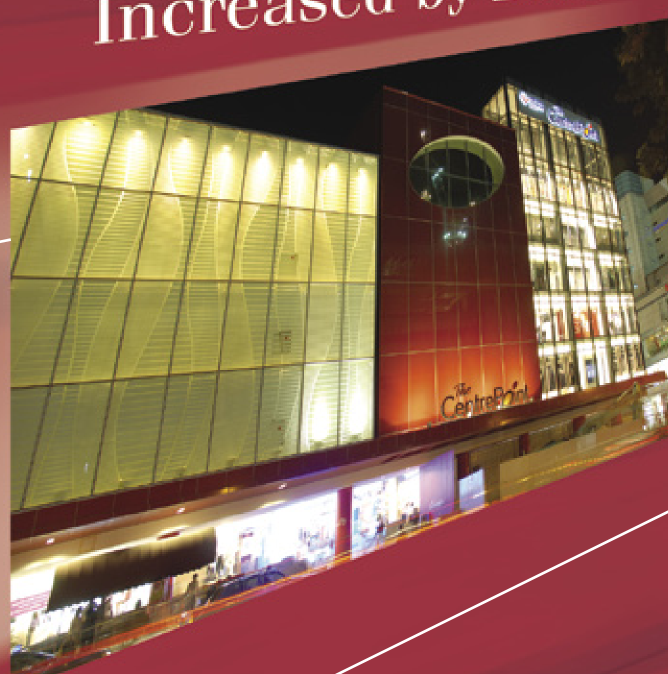
The outlook for the coming year is positive. The division aims to continue with its strategy of building a sustainable and profitable regional business by pursuing product innovation, quality and cost competitiveness. With further improvements in operating efficiency, production output and margin sales, the division is confident of achieving better profitability in the year to come.

Properties

Revenue $1,648 million
Increased by 22%

PBIT $450 million
Increased by 29%

APBE $293 million
Increased by 29%



PERFORMANCE OVERVIEW

The majority of F&N's Properties business operates through its wholly-owned subsidiary, Frasers Centrepoint Limited (FCL), one of the leading Singapore-based property companies.

The Properties division recorded another stellar year on the back of a buoyant Singapore economy, achieving a 22% surge in revenue and 29% in PBIT to reach $1,648 million and $450 million respectively. All core business units, particularly Development Property, registered strong financial results.

In the year under review, we remained focused on driving value by consistently employing a corporate strategy of adopting an integrated commercial real estate model; enhancing and consolidating our position in Singapore as one of the leading property companies; and balancing our portfolio by diversifying overseas and across multiple sectors.

Moving forward, we aim to leverage our strategy to extend our leading position and continue to deliver sustainable earnings to our shareholders.

DEVELOPMENT PROPERTY

Building Homes of Distinction

Riding on the upward trend of the property market in Singapore, the Group enjoyed another exceptional year as sales exceeded FY2006's by 24% to reach $1.4 billion. In Singapore, a record 1,683 units were sold this year compared with 1,140 units the previous year, and close to 200 units were sold from five development projects overseas.

Four residences were successfully launched during the year – One St. Michael's, ClementiWoods Condominium, St. Thomas Suites and Soleil @ Sinaran. Within weeks of its launch in August 2007, Soleil @ Sinaran was already 86% sold. In addition, we also set a new record price for 99-year leasehold properties in the prime district 11 area.

Soleil @ Sinaran, Singapore

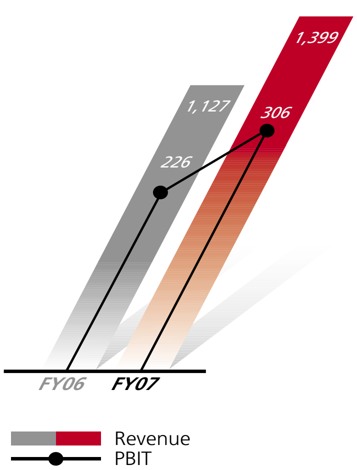
Fraser Suites Top Glory, Shanghai (2008)

Lumiere Residences, New South Wales

DEVELOPMENT PROPERTY

Building Homes of Distinction

Riding on the upward trend of the property market in Singapore, the Group enjoyed another exceptional year as sales exceeded FY2006 by 24% to reach $1.4 billion. PBIT surged 35% to $306 million. At the close of the financial year, a record 1,683 residential units in Singapore were sold compared with 1,140 units the previous year while close to 200 units were sold from five development projects overseas. Out of the 19 residential developments which were fully sold in Singapore, seven were completed developments, while the remaining 12 are still under construction. The sales of these projects will underpin the Group's development earnings for the next two to three years.



Development Property
Revenue and PBIT
($ million)

Frasers Centrepoint Homes – Singapore

Four residences were successfully launched during the year – the 131-unit One St. Michael's, the 240-unit ClementiWoods Condominium, the 176-unit St. Thomas Suites and the 417-unit Soleil @ Sinaran. Within weeks of its launch in August 2007, Soleil @ Sinaran was already 86% sold. In addition, we also set a new record price for 99-year leasehold properties in prime district 11 area.


Martin Place Residences, Singapore

During the year, the Group acquired four new mid-end segment sites in Singapore, covering some 2.7 million sq ft of gross development area, which is expected to yield a potential pipeline of 1,900 units. With Singapore's upgrader and mid-end markets gathering speed, the Group is well poised to benefit from this upswing with our total land bank of five million sq ft of developable area.

Following the successful launch of Soleil @ Sinaran, the Group is currently preparing for the debut of our high-end project, Martin Place Residences located in Kim Yam Road and Phase 1 of the Bedok waterfront development, Waterfront Waves, a mid-end project. Both are expected to launch in early 2008.

Frasers Centrepoint Homes' competitive edge lies in its innovative design, efficiency and consistent quality. We will continue to build our reputation as Singapore's leading residential property developer by forging synergistic relationships with customers and adopting a selective land banking strategy.

Launched Projects in Singapore

RESIDENCES	NO. OF UNITS	PERCENTAGE SOLD	EXPECTED TEMPORARY OCCUPATION PERMIT	PERCENTAGE OF COMPLETION
The Quintet	459	100%	Oct 2006	100%
Tangerine Grove	125	100%	Apr 2007	100%
The Sensoria	73	100%	May 2007	100%
8 @ Mount Sophia	277	100%	Sep 2007	100%
The Raintree	315	100%	Dec 2008	81%
The Azure	116	100%	Dec 2008	72%
One Leicester	194	100%	Jan 2009	75%
The Infiniti	315	100%	Jun 2009	41%
One St. Michael's	131	100%	Jun 2010	32%
ClementiWoods Condominium	240	100%	Dec 2010	10%
St. Thomas Suites	176	100%	Dec 2010	0%
One Jervois	275	100%	Dec 2011	32%
Soleil @ Sinaran	417	86%*	Sep 2012	0%

* *Includes 111 options signed*

Singapore Land Bank

PROPERTIES	EST NO. OF RESIDENTIAL UNITS	EST SALEABLE AREA (MIL SQ FT)	TENURE	EST LAUNCH DATE
Bedok Waterfront*	1,430	2.1	99 yrs	1Q2008#
Flamingo Valley+	350	0.5	Freehold	3Q2008
Martin Place Residences	302	0.4	Freehold	1Q2008
Sirat Road	72	0.1	Freehold	1Q2008
Tampines Court*+	1,400	2.0	99 yrs	4Q2008
Woodsville Close	110	0.1	99 yrs	4Q2008
Total	3,664	5.2		

* *50:50 JV with Far East Organisation*
\+ *Subject to STB approval*
\# *Phase 1 – A 405-unit waterfront development with an unblocked view of the Bedok Reservoir*

Frasers Property – Overseas

The Group forged ahead with our aggressive expansion strategy into the UK, Australia and China. To date, we have successfully acquired some 34 million sq ft of gross development area for the development of about 18,000 residential units and over 11 million sq ft of commercial space, further deepening our presence in these key hubs.

Of notable mention is the acquisition of the coveted 5.7 hectare freehold Carlton & United Breweries site in Sydney from Foster's Group Limited for A$208 million, through an international tender. At the end of the financial year, the Group has accumulated up to 7 million sq ft of gross development area in Australia and New Zealand. The strong pipeline in these countries of about 5,000 residential units will be developed over the next five years.


Jingan Four Seasons, Shanghai

In January 2007, we undertook a restructuring exercise through our 75% owned subsidiary Frasers (UK) Pte Ltd, to consolidate our property assets in the UK. The Group's interests in the relevant holding companies were transferred to Fairbriar Holdings Limited, which was subsequently renamed "Frasers Property (UK) Limited". Following the restructuring, we increased our shareholding interest in Frasers Property (UK) Limited from 33% to 68%. The other shareholders of Frasers Property (UK) Limited are Scarborough Group and Uberior Investments PLC holding about 20% and 12% respectively.

Through this new hub, we made further inroads into London and the Greater UK by acquiring two new sites and entering into a joint venture for development in Shrubhill, Edinburgh. A land bank of 1.4 million sq ft of Gross Floor Area (GFA) translating into 1,480 residential units will be developed directly by the Group or via joint ventures, over the next few years.


Trio City Quarter, New South Wales

In China, we have further deepened our presence into second tier cities. A 3.4 million sq ft Suzhou Baitang site was acquired for the development of approximately 4,000 residential units. More recently, the Group also signed an agreement to develop a 5.8 million sq ft high-tech logistics park in Chengdu.

In March 2008, the Group will be launching our retail mall, In Point, located within the mixed-use Jingan Four Seasons development along Wujiang Road and Nanjing West Road in Shanghai, as a modern shopping hub. Another retail project taking shape is Crosspoint in Beijing, which is marketed as a retail hub for the young and trendy.


Gardens at Riverside Quarter, London

Throughout the year, sales and construction of residential projects in the Australia, China, Malaysia, New Zealand, Thailand, UK and Vietnam proceeded smoothly. Even as we scale up activities in these countries, we continue to explore investments in new markets, particularly rising economies which are experiencing a surge in demand for quality residences, such as India.

Overseas Projects Currently Under Development

PROJECTS	TYPE OF DEVELOPMENT	GROSS FLOOR AREA (MIL SQ FT)	NO. OF RESIDENTIAL UNITS	PERCENTAGE OF COMPLETION
China				
Jingan Four Seasons	Mixed-use	0.75	452	100%
Australia				
Lumiere Residences	Mixed-use	0.67	456	93%
Thailand				
The Pano	Residential	0.67	397	31%

Overseas Land Bank

PROJECTS	TYPE OF DEVELOPMENT	EST SALEABLE AREA (MIL SQ FT)	EST NO. OF RESIDENTIAL UNITS	EST LAUNCH DATE
Australia				
Lorne Killara (NSW)	Residential	0.07	40	4Q2007
Trio, City Quarter (NSW)	Residential	0.40	413	4Q2007
Queens Riverside, East Perth	Mixed-use	0.43*	285	1Q2008
Frasers Landing (WA)	Residential	1.80	1,250	2Q2008
Killara Pavilions (NSW)	Residential	0.09	66	2Q2008
CUB site (NSW)	Mixed-use	2.50*	1,600	2009
Parramatta River (NSW)	Residential	0.54	550	2009
New Zealand				
Papamoa	Residential	1.10	700	Jan 2008
Broadview Rise, Queenstown	Residential	0.07	15	2008
China				
Chengdu Logistics Park	Commercial	5.77	NA	TBC
Haitang Bay, Hainan	Mixed-use	0.73*	230	TBC
Sheshan Four Seasons, Songjiang	Mixed-use	8.87*	7,500	1Q2008
Suzhou Baitang	Mixed-use	6.00*	4,000	2008
Vision (Shenzhen) Business Park+ (Phase 3)	Commercial	4.40	NA	TBC
United Kingdom				
Granton Harbour, Edinburgh#	Residential	0.11	120	Nov 2007
Water Street, Edinburgh#	Residential	0.05	44	Nov 2007
Gardens at Riverside Quarter, London	Residential	0.44	395	Jan 2008
143 - 161 Wandsworth Road, London	Residential	0.16+	146+	May 2009
Camberwell Green, London	Residential	0.12	130	2009
Collins Theatre, London	Residential	0.08	72	2009
Ferry Village, Glasgow	Residential	0.17	190	TBC
Shoppenhangers Road, Berkshire#	Residential	0.03	28	Jan 2008
Shrubhill, Edinburgh#	Residential	0.28	356	Jan 2008

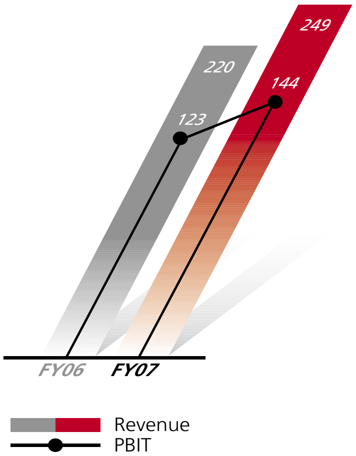
* *Includes commercial space*
\+ *Subject to planning approval*
\# *Undertaken through joint ventures*

FRASERS CENTREPOINT COMMERCIAL

Integrating Real Estate for Optimum Value

The vision to transform FCL from a traditional landlord model to an integrated real estate business was further realised with the establishment of Frasers Centrepoint Commercial (FCC) in January 2007. Consolidating the Investment Properties and Asset Management divisions, FCC is poised to maximise opportunities in the thriving Asian real estate market.

To enhance returns, FCC will grow its portfolio in Singapore and overseas by diversifying into three key areas: commercial property development (development of greenfield and brownfield projects), real estate investment, and property and asset management.



Commercial Property*: Revenue and PBIT ($ million)

* *Comprising Frasers Centrepoint Commercial and Frasers Hospitality*

Commercial Property Development

This year, three Singapore malls were acquired and are awaiting injection into the Group's retail real estate investment trust, Frasers Centrepoint Trust (FCT): Northpoint 2, YewTee Point and Bedok Mall. Of these, Northpoint 2 is targeted to obtain temporary occupation permit and will be injected in 4th Quarter 2008, with YewTee Point in early 2009 and Bedok Mall in 2010. These three new malls, together with The Centrepoint Shopping Centre, are set to double FCT's Singapore portfolio, from close to 640,000 sq ft to over 1.2 million sq ft upon injection.

Real Estate Investment Trust – Frasers Centrepoint Trust (REIT)

FCT, launched in July 2006, is the Group's vehicle to grow our global retail property portfolio while seeding a fee-based fund and property management business. By expanding our investments in retail malls and focusing on active asset management, we are creating a viable avenue for delivering increased shareholder value and sustainable DPU growth to our unitholders.

Anchorpoint, Singapore

In FY2007, FCT turned in a robust financial performance, with gross revenue of $77 million, net property income of $52 million and distribution of $40 million, exceeding forecast by 11%. These exceptional results were achieved through increasing rental reversions, assets enhancement initiatives and overseas expansion.

FCT's initial portfolio consisted of three well established suburban malls, Causeway Point, Northpoint and Anchorpoint. All located in densely populated residential areas with excellent connectivity to the MRT and other means of public transportation, these malls enjoy high occupancy rates and dominate their respective trading areas.

During the year, FCT also embarked on its first in a series of three asset enhancement initiatives at Anchorpoint. It was re-positioned, at a cost of over $12 million, as a village mall, offering a refreshed, vibrant shopping and dining experience, complemented by a unique retail concept of factory outlet cluster – a first in Singapore.

The CentrePoint, Singapore

Northpoint 2, Singapore

Causeway Point, Singapore

Overseas expansion also fueled the growth of FCT's global retail property portfolio. In May 2007, FCT laid the ground for real estate investment in Malaysia by acquiring a 27% stake in Hektar Real Estate Investment Trust (Hektar), Malaysia's only pure retail REIT. This provides FCT with a yield-accretive investment in an underlying portfolio of prominent and high quality suburban regional malls in Malaysia, namely Subang Parade in Selangor and Mahkota Parade in Melaka, which together have a total net lettable area of about 944,500 sq ft, housing more than 230 major international and domestic retailers, with high transient traffic.

In its inaugural year, the net lettable area of FCT's investment portfolio, including pipeline assets under development, has more than tripled to over 2.2 million sq ft, and its market capitalisation has leapt almost two-fold to $1.1 billion.

During the year, FCT's portfolio recorded an increase of over 12% on positive rental reversion with new and renewed leases above preceding rates, due to strong branding, active asset enhancement initiatives, the strong domestic economy and a buoyant retail sector. FCT will continue to tailor its leasing strategy to maximise the returns of its assets.

Looking ahead, FCT's primary focus is to be a leading retail mall owner and manager delivering sustainable Distribution Per Unit growth through four strategic growth thrusts. In addition, F&N will continue to diversify our property development and investment incomes into fee-based income, to enhance the quality of earnings. In line with this strategy, the Group plans to launch our Commercial REIT in 2008.

FCT's Current Portfolio**

RETAIL MALLS	CAUSEWAY POINT	NORTHPOINT	ANCHORPOINT
Location (Singapore)	Woodlands	Yishun	Alexandra
Tenure	99-yr leasehold (2094)	99-yr leasehold (2089)	Freehold
Book Value	$636 million	$263 million	$45 million
Valuation	$676 million	$266 million	$47 million
Net Lettable Area	418,543 sq ft	149,243 sq ft	72,000 sq ft
Occupancy	99.9%	100%	*
Annual Visitorship	25.9 million	18.4 million	*

* *Not meaningful as Anchorpoint was under asset enhancement for most of FY2007*

** *Effective Equity Interest: 51.11%*

FCT's Identified Pipeline

RETAIL MALLS	NORTHPOINT 2	YEWTEE POINT	BEDOK MALL	THE CENTREPOINT
Location (Singapore)	Yishun (Suburban)	Choa Chu Kang (Suburban)	Bedok (Suburban)	Orchard (City)
Estimated Net Lettable Area	83,000 sq ft	80,000 sq ft	80,000 sq ft	390,000 sq ft
Connectivity	Next to Yishun MRT & Bus Interchange	Next to YewTee MRT	Next to Bedok MRT	Next to Somerset MRT

Investment Property

Alexandra Technopark, Singapore

Besides FCT, FCC's investment property portfolio comprises four local and one overseas retail malls, and four office towers and three high-tech business parks in Singapore, China and Vietnam. These retail properties cover more than 800,000 sq ft of retail space, while the combined commercial space offers an aggregate net lettable area of close to 3.5 million sq ft.

The retail portfolio in Singapore is marketed under the Frasers Centrepoint Malls brand, and consists of The Centrepoint, Compass Point, Robertson Walk and Valley Point. Spurred by the upbeat sentiment of the local retail and property sectors, the Group's retail malls enjoyed high occupancies of almost 100% on average throughout the year. Average rentals from shop leases and cart space, as well as revenue from car parks also rose significantly.

The new wing of The Centrepoint, which has a floor space of 59,000 sq ft, was officially launched on 8 March 2007. The makeover added over 20% more retail space and transformed the mall into a stylish haven, with trendy brands like Gap, Esprit, In-box and Tateossian. Befitting its prime location in the heart of Orchard Road, The Centrepoint now spans eight floors and boasts disabled and family-friendly facilities, such as a special chair lift, child-friendly toilets and wider linkways.

Overseas, the Group's shopping centre in Sydney, Bridgepoint Shopping Centre, achieved 95% occupancy. With a net lettable area of 73,130 sq ft and 40 tenants including anchors such as national retailers Franklins Supermarket and Harris Farm Markets, customer traffic improved 4% over the year to 2.7 million, while sales turnover increased 3% to A$54.5 million.

Occupancy at the office towers and high-tech business parks also experienced higher averages compared with the previous year. Alexandra Point, in particular, saw occupancy and rental rates rise appreciably by about 18% and 41% respectively.

In Vietnam, the 22-storey office tower – Me Linh Point Tower with a net lettable area of 190,995 sq ft achieved 100% occupancy. It is an international standard office building in Ho Chi Minh City which was awarded the gold medal for high quality building construction by the Ministry of Construction in 1999. In China, our business parks also recorded significant jumps in revenue, reflecting improved occupancy and rental rates, and the impact of first full year income contribution from the newly completed phase 2A.

FCC Retail Portfolio

RETAIL MALLS (NON-REIT)	NET LETTABLE AREA (SQ FT)	OCCUPANCY AS AT 30 SEP 2007 (%)	TOTAL TRAFFIC COUNT FOR FY2006/2007	BOOK VALUE (SEP 2007)
Singapore				
The Centrepoint	331,722*	99%	15 million	$623 million
Compass Point+	266,586	100%	16 million	-
Robertson Walk	97,605	98%	-	$46 million
Valley Point	39,817	98%	-	$22 million
Overseas				
Bridgepoint Shopping Centre (Australia)	73,130	95%	2.7 million	A$42.5 million

* *Floor space excludes the new wing, comprising of 59,000 sq ft which is owned by Management Corporation Strata Title*

\+ *Managed by Frasers Centrepoint Group*

FCC Office and High-Tech Business Parks Portfolio

OFFICE & HIGH-TECH BUSINESS PARKS	NET LETTABLE AREA (SQ FT)	OCCUPANCY AS AT 30 SEP 2007 (%)	BOOK VALUE (SEP 2007)
Singapore			
Alexandra Point	198,142	99%	$159 million
Alexandra Technopark	1,048,157	100%	$384 million
Valley Point Office Tower	182,308	96%	$167 million
Overseas			
Me Linh Point (Vietnam)	190,995	100%	US$21 million
Vision (Shenzhen) Business Park (Phase 1&2A) (China)	744,860	99%	HK$299 million
Vision (Shenzhen) Business Park (Phase 2B) (China)	951,640	*	HK$313 million
SOHU.com Internet Plaza (formerly known as Vision International Centre) (China)	159,520#	99%	HK$184 million

* *Construction of Phase 2B was completed in September 2007*

\# *The lettable area held in the SOHU.com is in respect of the remaining six floors held after the disposal of the seven floors in early 2007*

FRASERS HOSPITALITY

Creating a Brand Name in Hospitality

Over the years, Frasers Hospitality has consistently reinforced its identity of being a premier hospitality services provider, with its brand equity expressed through its Gold Standard properties – Fraser Suites, Fraser Place and Fraser Residences. This has contributed to its outstanding performance of an average occupancy of over 90% in FY2007, surpassing the industry average.

In alignment with its business strategy of internationalisation, Frasers Hospitality has stepped up expansion efforts in the global market, rapidly extending its brand to Europe, Australia, Asia and the Middle East.

Asia continues to be a vital market for Frasers Hospitality, particularly in burgeoning economies like China and India. New serviced residences are rapidly being established through management contracts in major cities. In cities where we have already instituted a residence, we are boldly exploring ways to enlarge our presence beyond just one Frasers property.

In the year under review, five properties in London, Paris, Seoul, Bangkok and Sydney commenced management contracts with Frasers Hospitality, while three management contracts in Hanoi, Shanghai and Chengdu were secured. In addition, Frasers Hospitality secured five Memorandums of Understanding (MOU) to manage residences in Bangalore, Kuala Lumpur, Hong Kong, Tianjin and Shanghai.

Looking ahead, Frasers Hospitality's three-year target is to have a total of 10,000 apartments, either in operation or under development, under the Frasers Hospitality's portfolio. By 2009/2010, we aim to open 23 more new Gold Standard serviced residences in the key gateway cities of Australia, Bahrain, China, Europe, Hong Kong, India, Japan, Malaysia, Singapore, Thailand, UAE and Vietnam, further stamping the Frasers Hospitality brand on the world map – a brand that is uniquely renowned for its warmth and hospitality, aptly encapsulated in its promise "where you are more than just a guest".

Fraser Suites Sathorn, Bangkok

Fraser Suites Top Glory, Shanghai (2008)


Fraser Place Queens Gate, London


Fraser Suites, Sydney

Properties in operation as at 30 September 2007

COUNTRIES	PROPERTIES	NO. OF ROOMS
Australia	Fraser Suites, Sydney	202
China	Fraser Residence Futian, Shenzhen	165
	Fraser Place Shekou, Shenzhen	232
	Fraser Residence CBD East, Beijing	228
	Fraser Suites Nanjing	210
France	Fraser Suites Harmonie, Paris La Defense	134
	Le Claridge, Champs-Elysees, Paris	110
Korea	Fraser Suites Insadong, Seoul	213
	Fraser Place Central, Seoul	237
Philippines	Fraser Place, Manila	146
Singapore	Fraser Place, Singapore	161
	Fraser Suites, Singapore	251
Thailand	Fraser Place Langsuan, Bangkok	135
	Fraser Suites Sathorn, Bangkok	140
	Fraser Suites Sukhumvit	163
United Kingdom	Fraser Place Canary Wharf, London	63
	Fraser Place Chelsea, London	30
	Fraser Suites Kensington, London	69
	Fraser Residence, Prince of Wales, London	18
	Fraser Place Queens Gate, London	106
	Fraser Suites, Glasgow	99
	Total	3,112

Publishing & Printing

Revenue $537 million
Increased by 8%

PBIT $33 million
Increased by 62%

APBE $25 million
Increased by 56%

PERFORMANCE OVERVIEW

The Group's Publishing & Printing division turned in encouraging results for FY2007, despite increased competition and rising raw material costs. Sales grew 8% to $537 million while PBIT surged 62% to $33 million.

The excellent performance can be attributed to a combination of continued growth in most of our core businesses, supported by strong contribution from Printing and Educational Publishing. During the year, the Group focused efforts on improving the operating efficiency of our businesses and strengthening our relationships with customers.

In the year to come, the Group will continue to build our position in the markets where we currently operate, focusing on our core businesses and expanding into related areas. Globalisation, promoting enterprise and innovation, building new capabilities, and expanding our talent pool will remain our key growth strategies.

PUBLISHING: EDUCATION

Mathematics programme adopted by State of California, USA

Marshall Cavendish in Singapore achieved a publishing milestone when its mathematics programme was recommended for adoption by the Board of Education for State Funds in California. This means that as from next year, elementary school teachers will be able to use state funds to purchase the Singapore developed mathematics programme. Marshall Cavendish also concluded a co-publishing deal with Houghton Mifflin – one of USA's largest educational publishers.

PUBLISHING

Establishing a Global Presence

A home-grown company, Marshall Cavendish has grown from strength to strength as a leading publisher in Asia. This year, it continued to take its educational content to the world, with increasing sales to the Middle East, Indonesia, Malaysia and Vietnam.

Marshall Cavendish in Singapore achieved a publishing milestone when its mathematics programme was recommended for adoption by the Board of Education for State Funds in California. From 2008, elementary school teachers will be able to use state funds to purchase the Singapore developed mathematics programme, which has helped students in Singapore earn first-place rankings in three widely cited studies of student mathematics performance conducted in 1995, 1999 and 2003. The global study, Trends in International Mathematics and Science Study (TIMSS), is conducted every four years. Marshall Cavendish also concluded a co-publishing deal with Houghton Mifflin – one of USA's largest educational publishers.

The business information segment turned in a sterling performance for the year. The new titles introduced in Malaysia met with great success, especially the Malaysian Sports and Fitness Directory. The segment also made its debut in Thailand with the launch of three titles, with more to follow in the coming year.

The launch of "Child's First Library", the flagship product of the educational technologies unit, was well received as it was rolled out across the region. Sales in India and the Gulf states hit a record high, laying the ground for a strong 2008.

During the year, Marshall Cavendish further integrated the PanPac Educational Publishing business acquired in 2005. The two backend fulfillment operations were successfully amalgamated and outsourced to a third party logistics company.

In spite of a challenging library publishing US market, this year, Marshall Cavendish's digital reference portal generated considerable interest at both the school and municipal levels.

After many years, 2007 marked the final year of publishing and selling part works products. From 2008, Marshall Cavendish's UK operations will focus entirely on the English Language teaching market. Since it began three years ago, sales in this segment, albeit small, have been doubling each year. The release of a new series in 2008 is expected to provide the platform for further growth of this segment in other parts of the globe.

PRINTING

Harnessing Capabilities for Optimal Performance

Times Printing Group, the printing division, reported strong revenue growth of 12% from operations in Singapore, Malaysia, China and Australia. As a testimony to its excellent quality, Times Printers Singapore garnered the Asian Print Awards again in 2007, including the Gold Award for Web-offset printing of Time Magazine (Time Inc).

In Southern China, Everbest Printing (Everbest) continued to be the star performer. Profit contribution improved despite the weakened Hong Kong (HK) dollar. Everbest Printing became a fully-owned subsidiary during the year. The building facilities were extended and the production equipment expanded to boost capacity in the coming year. Everbest made a strong entry into the domestic comic magazine segment which is growing at a rapid rate in China.

The Group's listed associate, Fung Choi Media Group Limited, enjoyed another year of sterling performance for FY2007. In addition, the Group also raised our interest in Fung Choi to 29.5%, from 25%.

During the year, Times Printers acquired 51% of Starprint Production Pte Ltd which specialises in bindery, to boost its post-press capacity. It also entered the case book market in an effort to enlarge its scope of services.

In Australia, following a strategic review, the decision was made to merge Times Printers (Australia) (TPA) with PMP, the largest printer in Australia, for 11.5% in the share of PMP. Going forward, this merger is expected to bring forth greater opportunities for synergy both in Australia and Asia.

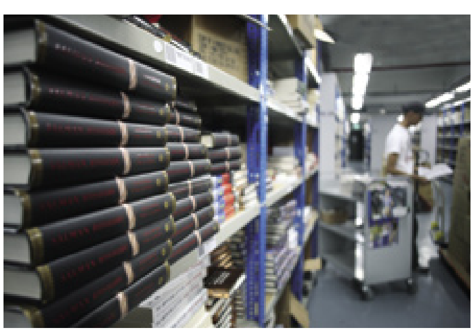
The Group's new packaging printing plant in Taiyuan (Shanxi Province) also saw a steady increase in revenue in its second year of operation. However, its packaging print plant in Shenyang was affected by the closure and suspension of several pharmaceutical plants in Northeast China with the government tightening its regulatory grip on the control of production licences. The Group's two commercial printing joint venture plants in Liaoning and Shanghai too, experienced a challenging year, amidst competition from liberalisation of textbook publishing and printing.

Even as the market faces increased competition and escalating costs of paper, freight and energy, revenue and profit expectations for the coming year remain positive, especially in the light of continued demand from Western publishers for Asian printers. In FY2008, the Group will persist with efforts to expand in the region, eyeing opportunities in India and Vietnam. We will also continue to explore acquisitions in South China to complement our existing China business.

DISTRIBUTION

Delivering Results Through Innovation

Pansing Distribution Group



Pansing Distribution Group, the Group's distribution arm, saw its highest revenue for its books division in its 21-year history. Revenue increased 18% over the previous year. The strong performance was helped by a bullish consumer market, evident from major bookstore openings in the region. The decision made to devolve divisional structures to focus efforts on the company's diverse list of over 50,000 active titles, also contributed to the improved performance. The bestselling title for the year was "False Impression" by Jeffrey Archer, with 15,000 copies sold.

The books division intends to develop its distribution capabilities beyond its Singapore and Malaysia base. It plans to offer publishers who are Pansing's principals throughout Asia a wider range of services, in logistics and fulfillment.

Magazine distribution in Singapore did admirably as well, registering an 11% increase in sales due to organic growth of imported titles and new agencies. In Malaysia, sales rose by 9% over the previous year mainly due to increase in local titles and channel efficiency. Moving forward, Pansing will continue to expand its dominant market share in imported magazines from USA, UK and Australia while catering to the Chinese market by offering Chinese titles imported from Hong Kong and China.

During the year, Pansing sold its entire indirect shareholding interest in United Publishers Services Limited. The company is in the business of distribution of academic books, publications and materials primarily in Japan.

RETAIL

Staying Fresh and Relevant for the Modern Shopper

The retail arm of the Group, Times Bookstores, successfully completed its re-branding exercise and image overhaul to project a more dynamic and trendy image in keeping with the modern retail milieu. The new identity will be rolled out across all outlets in the coming year.

Times continued with its regional expansion plans during the year, both in the books and magazines sectors. A new flagship store was opened at the Pavilion Kuala Lumpur, Malaysia, featuring novel services such as self-help online book search kiosks and a special book order for out-of-stock or rare titles. Two new stores were also launched at the Venetian Resort Macau Cotai Strip, bringing the total number of stores in the region to 26.

Mag@zing – a modern newsstand concept – was launched during the year to provide a convenient source of easy pick-me-ups for those on the run. With a wide range of products from magazines to best-seller books to candy to greeting cards, mag@zing is a boon for busy shoppers. During the year, five outlets were opened in Singapore and eight in Kuala Lumpur, all located in vibrant shopping malls with high visitor traffic.

In the year under review, the Group gained a foothold in the school retailing business with the acquisition of Pacific Bookstores, the largest school bookshop operator in Singapore. The chain has amassed over 30 years of experience, and operates more that 100 bookshops in the primary, secondary and junior colleges. Pacific Bookstores is a pioneer in online school book sales, a welcome initiative particularly during the peak periods of annual textbook sales. Parents enjoy the convenience of purchasing textbooks online and having their purchases delivered to their doorstep.

Although consumer sentiment in the retail market for Singapore and Malaysia remains generally bullish, Times continues to face stiff competition from other major book retailers in the region. The Group will continue to drive customer-centric initiatives and improve on our retail management.

Building And Edifying People

Holistic Human Resource Management

As a leading Asia-based multinational enterprise with a global team of over 17,000 staff, F&N recognises human resource as our most vital and valuable asset. Our Corporate Human Resource (CHR) continuously strives to strengthen the competencies and capabilities of our people through progressive human resource initiatives, to support the Group's further expansion in the global arena and to prepare them for future challenges.

At F&N, we adopt the Total Performance Management System (TPMS) which integrates performance evaluation, assessment of potential, training needs analysis, career development and succession planning. The TPMS also provides a consistent performance-based system for employee compensation and reward, providing the Group with an invaluable instrument for holistic human resource planning.

The TPMS, along with the Group Crisis Management Guidelines, Human Resource Policies and Training & Development Guidelines, acts as a consistent guide for policy, procedural and systems alignment across the various business units of F&N.

Developing Our Human Capital

F&N has in place a Total Company Training Plan (TCTP) to serve as a compass for the Group's training and development needs. In-house corporate training programmes were conducted throughout the year to equip employees with the necessary skills and competencies to succeed in the competitive business environment.

The Group has also sponsored selected executives for external advanced management programmes at Singapore-based and overseas tertiary institutions, including the National University of Singapore, Nanyang Technological University, INSEAD and Harvard University.

These sponsorships are part of our senior leadership development plans. Leadership grooming is an essential part of human development, and we are committed to the development of our high-potential executives. Post-graduate programmes, international assignments and other development programmes support the Group's expansion needs and help employees reach their maximum potential and contribute positively at the workplace.

The F&N Group Management Development Programme (MDP) is one such programme specially identified for potential leaders, as part of the Group's long-term career development and succession strategy. The six-day residential programme aims to fast-track individuals into key leadership positions, by providing the tools necessary for an immersion experience in the fundamentals of general management. The programme has developed many capable leaders from within the Group's various business units.

Following the programme, MDP graduants are put into the F&N Group MDP Alumni, which was established to actively engage them, create a platform for sharing experiences, and enhance bonding among participants from all business units, both locally and overseas. The alumni's advanced management programmes are part of the Group's continued efforts to further develop our next generation of leaders.

TREASURY HIGHLIGHTS

The Group aims to maintain a prudent financial structure to ensure that we will be able to access adequate capital at an attractive cost. The main sources of cash flow for the Group are from our three business divisions, and investment and management fee income. Management monitors the Group's cash flow position, debt maturity profile, cost of funds, interest rates exposures and overall liquidity position on a continuous basis. To ensure that the Group has adequate overall liquidity to finance our operations and investment requirements, the Group maintains a significant amount of available banking facilities with a number of banks.

Net Group Borrowings (net of cash) rose from $2.99 billion to $3.76 billion during the financial year under review. The increase in debt resulted from the continuing expansion of the Group's Assets from $9.67 billion to $12.87 billion during the financial year. Net Gearing (borrowings less cash) fell from 0.65 to 0.59 times as a result of a 39% increase in total equity to $6.38 billion during the financial year. Group cash increased from $834.89 million to $1,150.79 million mainly due to strong cash flows from the Group's residential development projects.

Pursuant to the subscription in January 2007 by Seletar Investments Pte Ltd (a subsidiary of Temasek Holdings (Private) Limited) of an aggregate 205,500,000 new shares in the Company (the "**Subscription Shares**") representing approximately 14.9% of the enlarged share capital of the Company, the Company received aggregate issue proceeds of approximately $900,000,000 (the "**Net Proceeds**") for the Subscription Shares. The Net Proceeds is intended to be used as working capital for new investments in, and funds to grow, our Food & Beverage business and enhance values for all our stakeholders. Pending the identification of such new investments and deployment of the funds, the Company has used the Net Proceeds to reduce the Group's borrowings.

Interest cost in 2007 was $180.1 million (of which $82.1 million was capitalised), 35% higher than the previous year's interest cost of $133.2 million (of which $49.6 million was capitalised) mainly due to higher borrowings and higher interest rates.

Source of Funding

The Group relies on the debt capital markets, equity market and bilateral banking facilities for its funding. As at 30 September 2007, the Group has $5.2 billion in banking facilities, $0.6 billion in Transferable Term Loan Facilities and $3.0 billion in Medium Term Note Programs to meet the funding requirements of the Group.

Available Bank Lines by Banks as at 30 September 2007

The Group maintains an active relationship with a network of more than 20 banks of various nationalities located in various countries where the Group operates. Four core banks provide 53% of the banking requirements to the Group. Two of these banks are headquartered in Singapore and the remaining two are international foreign banks with extensive global networks. The remaining 47% of the banking facilities are extended to the Group by a group of international banks and one Singapore bank. All banking relationships for the entire Group are maintained by Corporate Treasury in Singapore.

Maturity Profile of Group Debt (exclude Finance Leases)

Maturing within one year	$2,437 million
Maturing within one to two years	$1,078 million
Maturing within two to five years	$1,220 million
Maturing after five years	$ 179 million
	$4,914 million

Interest Rate Profile and Derivatives

The Group manages its interest cost by maintaining a prudent mix of fixed and floating rate borrowings. On a portfolio basis, 46% of the Group's borrowings are in fixed rates with an average fixed rate tenor of two years and 10 months as at 30 September 2007. Another 8% of the Group's borrowings are on floating interest rates with interest rates caps. The remaining 46% of the Group's borrowings are on floating rates as at 30 September 2007. The floating rate loan portfolio allows the Group to maintain a flexible maturity profile to support divestments and expected cash inflows from sales of development property where debt can be reduced quickly.

In managing the interest rate profile, the Group takes into account the interest rate outlook, cash flow generated from our business operations, holding period of long term investments and any acquisition and divestments plans.

The Group makes use of interest rates derivatives for the purpose of hedging interest rates risks and managing its portfolio of fixed and floating rate borrowings. The Group does not engage in trading in interest rates derivatives. The Group's total interest rate derivatives and the mark to market values as at 30 September 2007 is disclosed in the financial statement in Note 38.

Gearing and Interest Cover

The Group aims to maintain a Net Debt to Total Equity ratio of below 1. As at 30 September 2007, this ratio was 0.59. Total interest paid during the year amounted to $180.1 million, of which $82.1 million was capitalised as part of Properties Under Development. The net interest charged to profit statement for the year was $71.1 million and net interest cover was at 10.3 times.

Foreign Exchange Risks and Derivatives

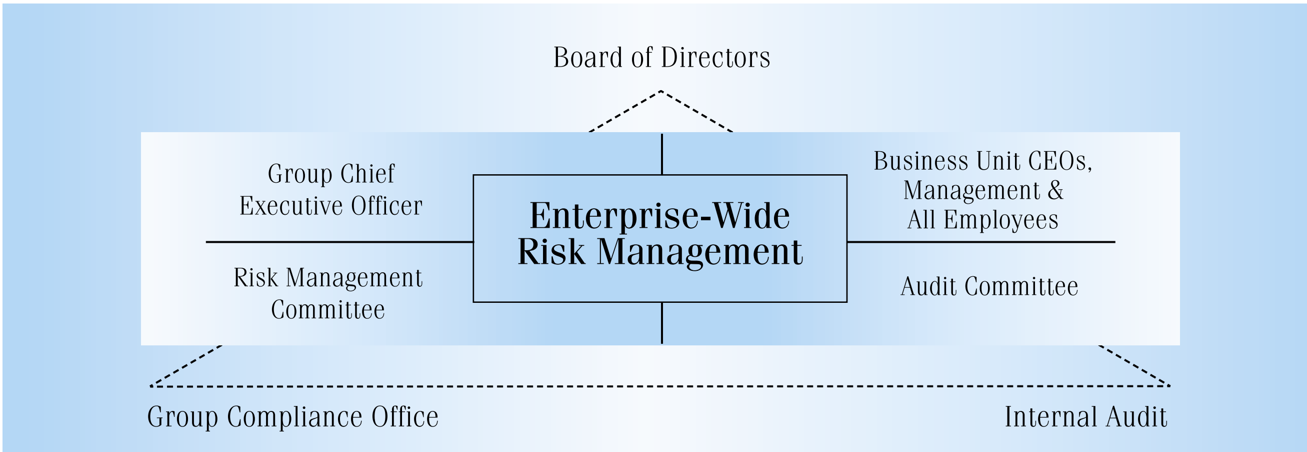
The Group has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from normal trading and investment activities. Where exposures are certain, it is the Group's policy to hedge these risks as they arise. For those exposures less certain in their timing 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.

The Group does not engage in trading of foreign exchange contracts and derivatives. The Group uses foreign exchange contracts and derivatives solely for hedging actual underlying foreign exchange requirements in accordance with hedging limits set by the Audit Committee and the Board under the Group Treasury Policy. 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 foreign exchange contracts and derivatives and the mark to market values as at 30 September 2007 are disclosed in the financial statement in Note 38.

The Group does not hedge its foreign exchange risks of its investments in overseas subsidiary, joint venture and associated companies. Such investments are long term in nature and therefore not feasible and economical to hedge. The Group only hedges the cash flows to and from its overseas subsidiary, joint venture and associated companies.

ENTERPRISE-WIDE RISK MANAGEMENT



Risk management is equivalent to sound business management. The F&N Group is committed to taking well managed risks to create value for the organisation and our shareholders.

The Group established a consistent, systematic and on-going Enterprise-Wide Risk Management (ERM) programme in 2002 to manage and review the Company's operational and key material risks that may have adverse impact on its mission and vision, shareholders' investments and the assets of the F&N Group.

The ERM Framework is an integrated and coordinated effort with oversight by the Board of Directors, the Group Compliance Office and Internal Audit. The ERM methodology is operationalised and embedded within the divisional, operational and process levels in the F&N Group in Singapore and overseas. Every employee of the F&N Group is involved in the risk management system and the process of identifying, analysing, assessing, treating and monitoring business risks.

Risk Management Committee ("RMC")

The RMC assists the Board in exercising oversight of the corporate and financial risk profiles of the F&N Group, safeguarding shareholders' investments and the assets of the F&N Group. The Committee reviews and guides management to ensure the timely identification, mitigation, and management of key material risks that may have a material impact on the F&N Group, our profit and loss, and balance sheet, taking into account the mission and vision of the F&N Group, our risk appetite and risk profile. The management of such risks includes business continuity plans and the use of insurance as a tool for the transfer of certain portions of risks.

The formalisation of the ERM framework for all business and operating units encompasses the following key elements:

a) The F&N Group ERM Policy and the ERM Process and Procedures Manual, which depict the ERM reporting structure and responsibilities at the Board, Audit Committee, Risk Management Committee and management levels.

b) Regular Risk Awareness Programmes and ERM Workshops for all business and operating units' management and operational staff to inculcate a uniform understanding of the F&N Group ERM methodology.

c) Creation and maintenance of risk registers by all business and operating units through the use of the corporate risk scorecard system for:
   1. risks identified;
   2. possibility of occurrence;
   3. impact on the F&N Group; and
   4. controls and management actions in place to mitigate risks, minimise losses and maximise opportunities.

d) Appointments of risk managers and coordinators of all business and operating units for ERM.

e) Meetings of the Risk Management Committee at least three times a year to review the adequacy and effectiveness of the business units' risk management processes, business continuity plans and insurances. ERM progress and findings are reported to the Audit Committee and the Board after each review.

f) Key material risks of all business units are reviewed and discussed at the annual Group Risk Validation Session chaired by Top Management, and attended by CEOs and management staff of all Business Units.

g) A report is submitted to the Audit Committee and Risk Management Committee on the key material risks affecting the F&N Group; and

h) Internal audit reviews the ERM process as part of their audit plan.

A range of risk factors affects the operations and performance of the F&N Group. As many of the risk factors identified are inherent risks, diversification is one of the cornerstones for risk management. The Group diversifies our risks by spreading our businesses in different geographical regions and industries. By leveraging on our strengths and core expertise in three core businesses, the Group can minimise the impact of any industry specific risks.

An analysis of the six key material risks faced by the Group is as follows:

Reputational Risks

The reputation of the Group depends on our ability to meet and exceed our stakeholders' expectations. The Group continuously strives to achieve good corporate governance, trusted product quality and brands, responsible environmental awareness, strong customers and employees relations, and deliver financial performances to sustain and grow its reputation as well as shareholders' values. ERM works to guard potential loss from events that may result in negative impact on the Group's reputation, public perception and branding.

Property Risks

Properties of the F&N Group include both real property such as land and buildings, and intangible property such as intellectual property rights, research and development, brands and goodwill from acquisitions. The Group has in place business continuity plans to mitigate any adverse impact on the operations and properties of the Group by catastrophic events and interruptions. However, there are risks in plan execution and the Group's operations and financial performance may be adversely affected. An intellectual property management system is in place to safeguard the brands and property rights of the F&N Group.

Commodity Risks

Raw materials such as sand, granite and steel are critical to the growth of property businesses, while sugar, milk product and aluminium are key ingredients of the food and beverage businesses. Shortages and/or fluctuations in the prices for commodities may have an adverse impact on the Group's businesses. As part of ERM, the Group performs multi-sourcing of raw materials and tracks key indices of raw material prices closely. Contractual forward planning purchases are also exercised to reduce commodity risks.

Currency and Interest Rates Risks

The Group is exposed to various financial risks including foreign currency risk, liquidity risk, credit risk and interest rate risk. The Group uses derivative financial instruments and other instruments to hedge against the financial risks. The Group's financial risk management is discussed in detail in Note 37 to the Financial Statements.

Country and Political Risks

Political instability adversely impacts the economic and social conditions of the countries in which the F&N Group operates. Changes in regulations may have a material adverse impact on the industry in which the Group operates and limit our flexibility to respond to competition and market conditions. Identified geographical overseas hubs are developed to grow and bring in exciting risk-adjusted returns for the Group. The country and political risks are generally higher in the developing countries that the Group operates in.

Strategic Risks

Changes in economic and business conditions in the markets that the F&N Group operates in may have a material adverse impact on the demand for our products and services and the performance of the Company. The Group places strong emphasis on earnings-based businesses based on leveraging of brands, distribution, intellectual properties, know-how and value-add activities to achieve higher profitability. The Group is also committed and will continue to build on our diversified business model to reduce earnings volatility and specific business segment strategic risks.

TOTAL SHAREHOLDER RETURNS

Fraser and Neave, Limited remains committed to creating superior long-term value for shareholders.

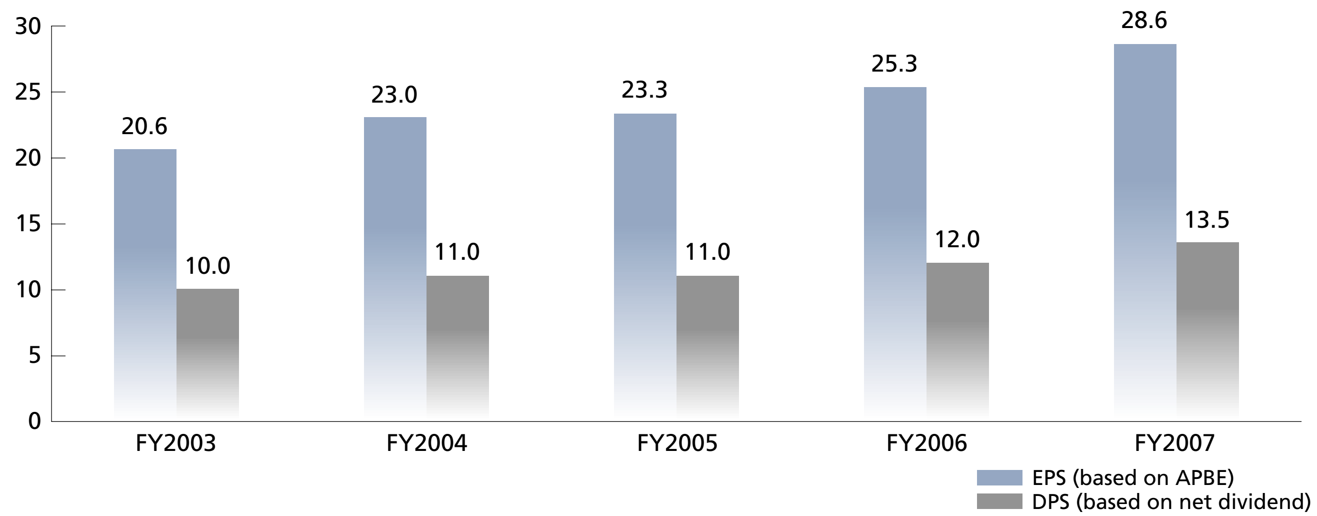
This year, the Group's return on equity dropped marginally to 8.6%, despite a 15% growth in profit. This is due to the issuance of new ordinary shares to Seletar Investments Pte Ltd for $900 million and revaluation surplus of $312 million on investment properties.

Earnings per share improved 13% to 28.6 cents, despite the increase in issued share capital.

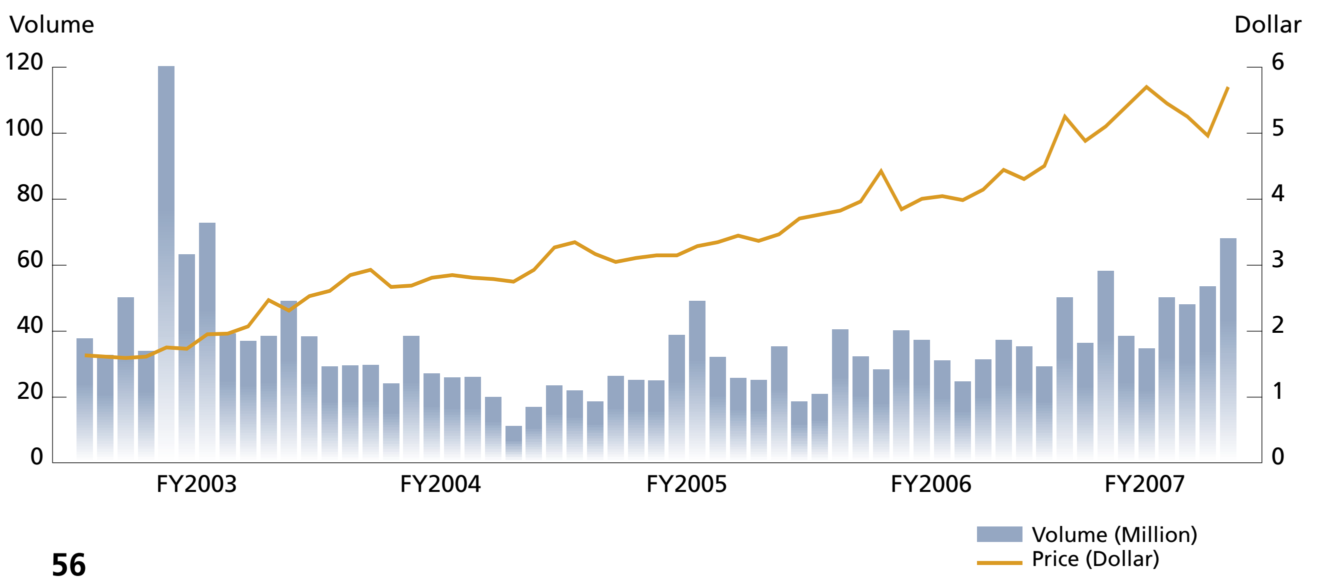
Total shareholder returns for the year under review was 40.6%. Cumulatively over a three-year period, it is 127.86 %, and close to 400% over a five-year period. The F&NL share price has also outperformed the STI Index over the recent three-year period by over 20%.

The Group maintained a healthy track record of generous shareholder distributions and remains committed to paying close to 50% of underlying profit. For the financial year ended 30 September 2007, the directors have recommended a final dividend of 8.5 cents per share 1-tier tax exempt, which together with the interim dividend of 5 cents brings total dividend for the year to 13.5 cents per share, an increase of 12.5 per cent over last year.

Shareholder Returns: Five-Year Earnings Per Share (EPS) and Dividend Per Share (DPS)



Share Price and Volume



CORPORATE GOVERNANCE REPORT

year ended 30 September 2007

Focusing on Asia and beyond, with its commitment to creating sustainable long-term growth and enhancing shareholder value, Fraser and Neave, Limited ("**F&N**" or the "**Company**") is strongly committed to a high standard of corporate governance.

This Report describes the Company's corporate governance framework and practices, with specific reference to the principles and guidelines set out in the Code of Corporate Governance 2005 ("**Code 2005**"). In areas where the Company deviates from the Code 2005, the rationale is provided.

Board Matters

Principle 1: The Board's Conduct of Affairs

F&N is led by an effective Board working closely with Management for the success of the Company. During the financial year 2006/2007, the Board reached its full strength of 12, with the appointments of Mr Simon Israel on 11 January 2007, and Mr Lee Hsien Yang on 6 September 2007:

Dr Michael Fam[1]	Chairman, Non-Executive Director
Mr Lee Hsien Yang[1]	Non-Executive Director and Chairman-Designate
Dr Han Cheng Fong (resigned)[2]	Group Chief Executive Officer
Mr Timothy Chia Chee Ming	Non-Executive Director
Mr Ho Tian Yee	Non-Executive Director
Mr Simon Israel[3]	Non-Executive Director
Mr Koh Beng Seng	Non-Executive Director
Mr Stephen Lee	Non-Executive Director
Mr Lee Ek Tieng[4]	Non-Executive Director
Dr Lee Tih Shih[5]	Non-Executive Director
Mr Nicky Tan Ng Kuang	Non-Executive Director
Mr Anthony Cheong Fook Seng[6]	Executive Director
Mr Patrick Goh Yong Chian[7]	Alternate to Dr Han Cheng Fong[2]
Mr Soon Tit Koon[8]	Alternate to Dr Lee Tih Shih

Note:

(1) Dr Michael Fam stepped down as Chairman of the Board and retired as a Director on 14 October 2007, continuing as a Consultant for a limited period, in accordance with his service contract. Mr Lee Hsien Yang was appointed Non-Executive Director and Chairman-Designate on 6 September 2007, and with effect from 15 October 2007 as Consultant for the F&N Group. Mr Lee succeeds Dr Fam as Non-Executive Chairman with effect from 15 October 2007 (Please refer to Note (1) under Guideline 2.2).

(2) Dr Han Cheng Fong ceased employment as Group Chief Executive Officer with the Company with effect from 5 October 2007, and on the same date he resigned as a Director of the Company.

(3) Mr Simon Israel was appointed to the Board as a Non-Independent Non-Executive Director on 11 January 2007.

(4) Mr Lee EK Tieng will be retiring at the Company's Annual General Meeting on 31 January 2008 ("**AGM**"), pursuant to section 153 of the Companies Act (Cap 50). He will not be offering himself for re-election.

(5) Dr Lee Tih Shih will be retiring by rotation at the Company's AGM on 31 January 2008, pursuant to Article 117 of the Company's Articles of Association. He will not be offering himself for re-election.

(6) Mr Anthony Cheong Fook Seng will be retiring by rotation at the Company's AGM on 31 January 2008, pursuant to Article 117 of the Company's Articles of Association, and will not be offering himself for re-election. He continues as the Group Company Secretary.

(7) Mr Patrick Goh Yong Chian is on a 3-year consultancy service contract with the Company. He ceased to be an Alternate Director upon the resignation of Dr Han Cheng Fong.

(8) Mr Soon Tit Koon was appointed Alternate Director to Dr Lee Tih Shih on 15 May 2007.

Board Matters (cont'd)

Principle 1: The Board's Conduct of Affairs (cont'd)

The Board, among other matters, sets strategic aims, and ensures that the necessary financial and human resources are in place to meet its objectives. The Board reviews Management performance, directs the Company's values and standards, and objectively takes decisions in the best interest of the Company and the F&N Group.

Under the visionary and entrepreneurial leadership of Dr Michael Fam, the F&N Group has grown from strength to strength, driving value for the Company and its shareholders. With Dr Fam's retirement from the F&N Board with effect from 14 October 2007, after more than 29 years of sterling service with the Company, F&N stands on the threshold of a new era under its new Chairman, Mr Lee Hsien Yang.

Guideline 1.3 Delegation of Authority on certain Board matters

The Board has delegated decisions on certain Board matters to the following specialised Board Committees, to assist it in its tasks:

Board Executive Committee
Audit Committee
Remuneration & Staff Establishment Committee
Nominating Committee
Risk Management Committee

Minutes of the Board Committee meetings are available to all Board members.

Board Executive Committee ("Board Exco")

The Board Exco comprises the following members:

Dr Michael Fam*	Chairman
Mr Ho Tian Yee	Member
Mr Simon Israel**	Member
Mr Stephen Lee	Member
Mr Lee Ek Tieng	Member

Note:
* The Board Exco was reconstituted on 15 October 2007, to appoint Mr Lee Hsien Yang to replace Dr Michael Fam.

** Mr Simon Israel was appointed as a Member on 25 January 2007.

Except for certain reserved matters, the Board Exco has the authority of the Board, when the Board does not meet, to formulate for the F&N Group, strategic development initiatives, to provide direction for new investments and material financial and non-financial matters, to secure the achievement of its desired performance objectives and enhancement of long-term shareholder value. It also oversees the F&N Group's conduct and corporate governance structure.

Guideline 1.4 Meetings of the Board and of Specialised Board Committees

The Board and the specialised committees constituted by the Board meet regularly and as may be deemed appropriate by Board members. The Company's Articles of Association provide for telephonic, video conferencing or any other forms of electronic or instantaneous communication meetings. The number of meetings and attendance by Board members are set out in the table below:

	Board	Board Exco	Audit Committee	Remuneration & Staff Establishment Committee	Nominating Committee	Risk Management Committee
Meetings held during financial year ended 30 September 2007	**9**	**13**	**5**	**3**	**2**	**3**
Dr Michael Fam[1]	9/9	13/13			2/2	
Mr Lee Hsien Yang[1]	1/1					
Dr Han Cheng Fong (resigned)[2]	9/9					2/3
Mr Timothy Chia Chee Ming[3]	9/9					3/3
Mr Ho Tian Yee	7/9	12/13		2/3	2/2	
Mr Simon Israel[4]	7/7	8/8				
Mr Koh Beng Seng	6/9					3/3
Mr Stephen Lee	8/9	13/13	5/5	3/3	2/2	
Mr Lee Ek Tieng	9/9	12/13	5/5	3/3		
Dr Lee Tih Shih[5]	6/8				1/2	
Mr Nicky Tan Ng Kuang	8/9		4/5			2/3
Mr Anthony Cheong Fook Seng	9/9					
Mr Patrick Goh Yong Chian[6] (Alternate Director to Dr Han Cheng Fong[2])						3/3
Mr Soon Tit Koon[7] (Alternate Director to Dr Lee Tih Shih with effect from 15 May 2007)	1/1					

Key: **Chairman** **Members** **Not applicable**

Note:
(1) Dr Michael Fam stepped down as Non-Executive Chairman of the Board and retired as Director on 14 October 2007. Mr Lee Hsien Yang was appointed Non-Executive Director and Chairman-Designate on 6 September 2007.

(2) Dr Han Cheng Fong ceased employment as Group Chief Executive Officer with the Company, with effect from 5 October 2007, and on the same date he resigned as a Director from the Board.

(3) Mr Timothy Chia Chee Ming was appointed a member of the Nominating Committee with effect from 1 February 2007.

(4) Mr Simon Israel was appointed to the Board on 11 January 2007. He was appointed a member of the Board Exco on 25 January 2007.

(5) Dr Lee Tih Shih resigned as a Member of the Nominating Committee on 26 January 2007.

(6) Mr Patrick Goh Yong Chian ceased to be an Alternate Director following the resignation of Dr Han Cheng Fong as Director of the Company with effect from 5 October 2007.

(7) Mr Soon Tit Koon was appointed Alternate Director to Dr Lee Tih Shih on 15 May 2007.

Board Matters (cont'd)

Guideline 1.5 Chart of Authority

The Company has adopted a Chart of Authority, setting out the levels of authorisation required for specified transactions, including those that require Board approval.

Orientation programmes are conducted for new Directors, and to update all Directors on the F&N Group's facilities and operations, and major new projects. Arrangements are made for Directors to visit key operations overseas.

As part of the compliance programme, courses are conducted for Senior Management and Directors on new laws that may affect the Company's businesses. Upon any new appointment of Directors, a formal letter is given to each Director, setting out, among other matters, the Director's duties and obligations. Directors and Senior Management are encouraged to attend courses organised by the Singapore Institute of Directors and receive journal updates to keep abreast and updated of changes in laws and regulations that may affect the Company.

Principle 2: Board Composition and Guidance

The Board is able to exercise objective judgment on corporate affairs independently, in particular from Management, as there is a strong and independent element on the Board, with independent Directors making up more than one-third of the Board.

Guideline 2.2 Nature of Director's Relationship

The independence of each Director is reviewed annually by the Nominating Committee based on the guidelines set out in the Code 2005. For the financial year ended 30 September 2007, the Non-Executive Directors considered by the Nominating Committee to be non-independent are as follows:

- Mr Lee Hsien Yang is considered non-independent in view of his position as Consultant for the F&N Group, which took effect from 15 October 2007. Mr Lee's terms of reference as a Consultant include assisting with the overall strategic planning for the F&N Group.

  Note (1):
  With a view to simplifying matters, it has been mutually agreed that the consultancy arrangement with Mr Lee will be dissolved on 31 January 2008, following the conclusion of the 109th Annual General Meeting of the Company. All payments to Mr Lee under the consultancy arrangement will be incorporated into Directors' fees to be paid to Mr Lee, and accordingly will be subject to approval of shareholders at each annual general meeting of the Company. (Please refer to Note (1) on page 65) The incorporation of Mr Lee's consultancy fee into his Director's fee, is on the basis that the duties that were contemplated by the consultancy arrangement, be subsumed with his role as Non-Executive Chairman and Non-Executive Director of the Board. The requirements of Mr Lee's role remain the same. This recognises that the complexity of the business and the involvement of Mr Lee as Non-Executive Chairman in relation to the overall strategic planning for the Company and the F&N Group, including management of relationships with the F&N Group's business partners, and succession planning, will require a certain commitment of time.

- Dr Lee Tih Shih is considered non-independent 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 controlling shareholder* of F&N, with which the F&N Group has a business relationship, under normal commercial terms.

  Note (2):
  * A controlling shareholder is one who holds directly or indirectly 15 percent or more of the voting shares in the Company.

Guideline 2.2 Nature of Director's Relationship (cont'd)

- Mr Simon Israel is considered non-independent in view of his being a nominee of Seletar Investments Pte Ltd ("**Seletar**") which is a substantial shareholder** of the Company. Seletar is a subsidiary of Temasek Holdings (Private) Limited ("**Temasek**"). Mr Israel is also an executive director on the Board of Temasek. Temasek is deemed a substantial shareholder of the Company.

  Note (3):
  ** A substantial shareholder is one which has, or is deemed to have, 5 percent or more interest in the voting shares of the Company.

- Mr Nicky Tan Ng Kuang is considered non-independent in view of nTan Corporate Advisory Pte Ltd ("**nTan Corporate**") having acted as advisor to the Company in connection with the placement to Seletar on 11 January 2007, of an aggregate 205,500,000 new shares in the Company representing approximately 14.9 percent of the enlarged share capital of the Company. nTan Corporate is a company in which Mr Tan is a director and the major shareholder.

Taking into account the scope and nature of the operations of the Company, the size and composition of the Board effectively serve the F&N Group. With the core competencies of members of the Board in various fields of finance, business, industry and strategic planning, their stature, and wealth of international business experience, F&N is well positioned to chart new frontiers for the F&N Group. The Directors actively participate and engage Management in strategic planning and setting goals and objectives for the Company and the F&N Group.

Principle 3: Chairman and Chief Executive Officer

The Chairman and the Group Chief Executive Officer are separate persons to ensure an appropriate balance of power and authority, and a clear division of responsibilities and accountability.

The Chairman leads the Board, ensures Directors receive timely information, fosters effective communication with shareholders, encourages constructive relations between the Board and Management, and among Directors, and promotes high standards of corporate governance.

Note:
The Group Chief Executive Officer ceased employment with the Company with effect from 5 October 2007, and on the same date, he resigned as a Director of the Company. Pending the appointment of a successor and as a temporary measure, the Chairman is overseeing management of the F&N Group.

Guideline 3.1 Relationship Between the Chairman and Group Chief Executive Officer

The Chairman and the Group Chief Executive Officer are not related to each other, nor is there any other business relationship between them.

Principle 4: Board Membership

Guideline 4.1 Composition of Nominating Committee

Nominating Committee

The Nominating Committee, through a formal and transparent process, makes recommendations to the Board on all board appointments. The responsibilities of the Nominating Committee are described in its written terms of reference.

Members of the Nominating Committee are Non-Executive Directors, the majority of whom, including the Chairman, are independent. The Chairman is not directly associated[1] with a substantial shareholder[2]:

Board Matters (cont'd)

Guideline 4.1 Composition of Nominating Committee (cont'd)

Note:
(1) 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.

(2) A shareholder will be considered "substantial shareholder" when the shareholder has 5% or more interest in the voting shares of the Company.

Mr Ho Tian Yee	Chairman
Dr Michael Fam*	Member
Mr Timothy Chia Chee Ming**	Member
Mr Stephen Lee	Member

Note:
* The Nominating Committee was reconstituted on 15 October 2007, to appoint Mr Lee Hsien Yang to replace Dr Michael Fam.

** Mr Timothy Chia Chee Ming was appointed a member with effect from 1 February 2007, replacing Dr Lee Tih Shih who resigned as a member with effect from 26 January 2007.

Members of the Committee comprise persons of stature, integrity and accountability, who would be able to exercise independent judgment in the performance of their duties.

The role of the Nominating Committee includes responsibility for re-nomination of directors who retire by rotation. At the Company's annual general meeting, at least one-third of the Directors shall retire from office. In recommending to the Board any re-nomination and re-election of existing Directors, the Nominating Committee takes into account the Directors' contribution and performance at Board meetings (including attendance, preparedness, participation and candour).

The Nominating Committee, having considered the guidelines set out in the Code, has confirmed the status of the following Non-Executive Directors:

Dr Michael Fam*	Non-Independent
Mr Lee Hsien Yang**	Non-Independent
Mr Timothy Chia Chee Ming	Independent
Mr Ho Tian Yee	Independent
Mr Simon Israel	Non-Independent
Mr Koh Beng Seng	Independent
Mr Stephen Lee	Independent
Mr Lee Ek Tieng	Independent
Dr Lee Tih Shih	Non-Independent
Mr Nicky Tan Ng Kuang	Non-Independent

Note:
* Dr Michael Fam stepped down as Non-Executive Chairman of the Board on 14 October 2007.

** Mr Lee Hsien Yang was appointed Non-Executive Director and Chairman-Designate on 6 September 2007. He succeeds Dr Fam as Non-Executive Chairman with effect from 15 October 2007.

The Nominating Committee is satisfied that each Director is able to and has been adequately carrying out his duties as a Director of the Company, devoting sufficient time and attention to the affairs of the Company.

Guideline 4.5 Description of Search and Nomination Process for New Directors

The Nominating Committee, following identification of skills required, uses search companies, contacts and recommendations under normal selection process, in order to cast its net as wide as possible to select the right candidates for the appointments of new directors.

Board Matters (cont'd)

Principle 4: Board Membership (cont'd)

Guideline 4.6 Key Information regarding Directors

Key information regarding the Directors is set out on pages 69 to 71.

Principle 5: Board Performance

Guideline 5.1 Process of Assessing Effectiveness of the Board and Each Director

The evaluation of Board performance is based on objective performance criteria, and includes Directors' attendance and contributions during Board meetings, as well as consideration of the factors set out in the Guidelines to Principle 5 of the Code 2005.

Principle 6: Access to Information

Board members are provided, and Management supports the Board, with complete adequate and timely information prior to board meetings, and on an on-going basis. Information provided includes background or explanatory materials relating to matters to be brought before the Board, copies of disclosure documents, budgets, forecasts and monthly internal financial statements. Any material variance between the projections and actual results in respect of budgets, is also disclosed and explained.

The Board has separate and independent access to the Company's Senior Management, including the Group Company Secretary, who attends all Board meetings. The role of the Group Company Secretary is clearly defined and includes responsibility for ensuring that board procedures are followed and that applicable rules and regulations are complied with. Under the direction of the Chairman, the Group Company Secretary ensures good information flows within the Board and its committees, and between Senior Management and Non-Executive Directors, facilitates orientation and assists with professional development.

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

Remuneration Matters

Principle 7: Remuneration Matters

Remuneration & Staff Establishment Committee

The Remuneration and Staff Establishment 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

There is a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No Director is involved in deciding his own remuneration.

The Remuneration & Staff Establishment Committee submits for the endorsement of the entire Board, their recommendations for the framework of remuneration and the specific remuneration packages for each Executive Director. In respect of Senior Management, the Committee reviews their remuneration as well as succession planning, and administers the F&N Executives Share Option Scheme (the "**F&N ESOS**").

Remuneration Matters (cont'd)

Principle 8: Level and Mix of Remuneration

In setting remuneration packages, the Remuneration & Staff Establishment Committee considers the level of remuneration to attract, retain and motivate Executive Directors, and to align their interests with those of shareholders. A proportion of Executive Directors' remuneration is structured to link rewards to the performance of the F&N Group as a whole, as well as individual performance.

The remuneration of Non-Executive Directors is set at a competitive level, appropriate to their level of contribution, taking into account attendance and time spent, and their respective responsibilities.

Service contracts, if any, for Executive Directors, are for a fixed appointment period, are not excessively long, and all contracts do not contain onerous removal clauses.

The Company has a long term incentive scheme under the F&N ESOS. Executive Directors and employees above a certain salary classification are eligible for the grant of options under the F&N ESOS. They are encouraged to hold their shares beyond the vesting period, subject to the need to finance any costs of acquisition and associated tax liability.

Principle 9: Disclosure on Remuneration

The remuneration policy of the Company is based on an annual appraisal system using the criteria of core values, competencies, key result areas, performance rating, and potential. Rewards are linked with corporate and individual performance.

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

Disclosure of the remuneration of Directors and the top 5 key executives (who are not also directors), is made annually. This enables investors to understand the nexus between remuneration of Directors, key executives, and performance.

Directors of the Company	Remuneration $	Fee %	Salary[7] %	Bonus %	Allowances & Benefits %	Long Term Incentive %	Total %
Dr Han Cheng Fong (resigned)[1]	4,737,397	-	31.7	44.3	3.8	20.2	100
Dr Michael Fam[2]	2,331,123	22.9	77.1	-	-	-	100
Mr Anthony Cheong Fook Seng	1,795,386	-	30.8	28.1	4.6	36.5	100
Mr Patrick Goh Yong Chian[3]	653,617	-	100	-	-	-	100
Mr Lee Hsien Yang[4]	8,250	100	-	-	-	-	100
Mr Timothy Chia Chee Ming	89,000	100	-	-	-	-	100
Mr Ho Tian Yee	189,500	100	-	-	-	-	100
Mr Simon Israel	103,250	100	-	-	-	-	100
Mr Koh Beng Seng	90,000	100	-	-	-	-	100
Mr Stephen Lee	172,000	100	-	-	-	-	100
Mr Lee Ek Tieng	168,000	100	-	-	-	-	100
Dr Lee Tih Shih	87,000	100	-	-	-	-	100
Mr Nicky Tan Ng Kuang[5]	99,000	100	-	-	-	-	100
Mr Soon Tit Koon[6] (Alternate Director to Dr Lee Tih Shih)	-	-	-	-	-	-	-

Guidelines 9.1 & 9.2 Remuneration of Directors and Top 5 Key Executives (cont'd)

Note:

(1) Dr Han Cheng Fong ceased employment with the Company as Group Chief Executive Officer with effect from 5 October 2007, and on the same date he resigned as a Director of the Company. In addition to the remuneration paid to Dr Han as set out in the table above, Dr Han was paid a further $5.05 million, being the aggregate of (i) all salary and benefits to which he was entitled under his employment contract up to (and including) 5 October 2007, and (ii) the consideration for various covenants and agreements on Dr Han's part (non-compete and non-solicitation covenants) in connection with the cessation of his employment. This amount will be included in the financial statements for the financial year ending 30 September 2008.

(2) Dr Michael Fam stepped down as Chairman of the Board and retired as a Director of the Company on 14 October 2007.

(3) Mr Patrick Goh Yong Chian ceased to be an Alternate Director following the resignation of Dr Han Cheng Fong as Director of the Company on 5 October 2007.

(4) Mr Lee Hsien Yang was appointed a Director of the Company on 6 September 2007 and, with effect from 15 October 2007, Chairman of the Board and a consultant to the Company. (Please refer to Note (1) under Guideline 2.2 above.)

(5) A professional fee of $3 million has been paid to nTan Corporate for its services as advisor. (Please refer to Guideline 2.2 under "Mr Nicky Tan Ng Kuang" above.)

(6) Mr Soon Tit Koon was appointed as an Alternate Director to Dr Lee Tih Shih on 15 May 2007.

(7) The term "salary" in respect of Dr Michael Fam and Mr Patrick Goh Yong Chian refers to fees paid to them as consultants.

Shareholders' approval will be sought at the 109th Annual General Meeting ("**AGM**") of the Company on 31 January 2008 for the payment of Directors' fees amounting to $2,525,000 comprising the following:

Items comprising Directors' Fees	FY2007/08 Proposed	FY2006/07 Approved by Shareholders
• Non-Executive Chairman	$1,250,000[1]	$250,000
• Non-Executive Directors' Fees @ $75,000 each (last year: $75,000 each)	$750,000	$650,000
• Attendance Allowances for Board meetings	$110,000	$80,000
• Board Committee Fees	$415,000[2]	-
To be approved at the AGM of the Company	$2,525,000	$980,000[3]

For financial year 2007/2008, the Directors' fees amounting to $2,525,000 to be approved by shareholders at the AGM shows an increase of $1,545,000 as compared with the Directors' fees approved by shareholders for financial year 2006/2007. The difference comprises the following:

• Incorporation of Mr Lee's consultancy fee of $1,000,000 into Directors' fees[1]	$1,000,000	
• Board Committee fees[2]	$415,000	
• Intended increase in number of Directors to fill vacancies	$130,000	$1,545,000

Note:

(1) Upon the dissolution of the consultancy arrangement with Mr Lee Hsien Yang on 31 January 2008 (please refer to Note (1) under Guideline 2.2 above), the Director's fees of $1,250,000 incorporates the consultancy fee payable to Mr Lee amounting to $1,000,000 under the dissolved consultancy arrangement, as well as the Director's fees of $250,000 to be paid to Mr Lee. Additionally, Mr Lee receives a Director's fee of $150,000, in his capacity as Non-Executive Chairman of Frasers Centrepoint Limited.

(2) With effect from financial year 2007/2008, the Board Committee fees will be included in the Directors' fees for shareholders' approval at each annual general meeting of the Company. In financial year 2006/2007, an amount of $327,000 (approved in financial year 2006/2007: $340,000) was paid to Directors as Board Committee Fees as approved by Directors under Article 92(2) of the Company's Articles of Association. The increase in Board Committee fees from $340,000 in financial year 2006/2007 to $415,000 in financial year 2007/2008 reflects the allowance made for Board vacancies to be filled, an expected increase in the number of meetings, as well as size of the respective Board Committees, all at the same rates as last year.

(3) For financial year 2006/2007, the total amount of Directors' fees approved by shareholders was $980,000. Of this amount, the actual spent was $915,000.

Remuneration Matters (cont'd)

Guidelines 9.1 & 9.2 Remuneration of Directors and Top 5 Key Executives (cont'd)

Key Executives of the F&N Group	Remuneration $	Fee %	Salary %	Bonus %	Allowances & Benefits %	Long Term Incentive %	Total %
Mr Koh Poh Tiong	3,768,962	-	31.9	62.5	1.2	4.4	100
Mr Lim Ee Seng	2,980,148	-	33.4	46.5	0.6	19.5	100
Mr Tan Ang Meng	808,663	-	65.7	28.5	2.7	3.1	100
Dato' Ng Jui Sia	880,488	-	49.8	18.2	6.0	26.0	100
Mr Wang Eng Chin	501,433	-	46.0	13.7	8.3	32.0	100

Guideline 9.4 Details of Employee Share Option Scheme

Information on the F&N ESOS is set out in the Directors' Report on page 77. Information on key executives is set out on page 72.

Accountability and Audit

Principle 10: Accountability and Audit

The Board presents, on a quarterly basis, a balanced and understandable assessment of F&N's performance, position and prospects, and other price sensitive public reports, as may be required in accordance with the Listing Manual of the Singapore Exchange Securities Trading Limited.

Monthly, Management provides to members of the Board, management accounts containing a balanced and understandable assessment of F&N's performance, position and prospects.

Principle 11: Audit Committee

Audit Committee

The Audit Committee, in accordance with its written terms of reference, which clearly sets out its authority and duties, reviews the scope and results of the internal and external audit and the cost effectiveness, significant financial reporting issues, and adequacy, of the Company's internal controls, as well as the effectiveness of the Company's internal audit function.

Guideline 11.8 Disclosure of Names of Members of Audit Committee & their Activities

The majority of the Non-Executive Directors who constitute the Audit Committee, including the Chairman, are independent Directors:

Mr Lee Ek Tieng	Chairman
Mr Stephen Lee	Member
Mr Nicky Tan Ng Kuang	Member

Guideline 11.8 Disclosure of Names of Members of Audit Committee & their Activities (cont'd)

Members of the Audit Committee are appropriately qualified to discharge their responsibilities, possessing the related accounting and financial management expertise and experience.

The Audit Committee has the authority to investigate any matter within its terms of reference, and has full access to, and the co-operation of Management, and 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.

Annually, and as deemed appropriate, the Audit Committee meets with the internal and external auditors, without the presence of Management.

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. The Audit Committee reviewed the level of non-audit services provided by the external auditors and is satisfied that their independence as external auditors of the Company is not affected.

The Audit Committee has reviewed and the Board has approved the Whistle-Blowing Policy, for the F&N Group. This Policy serves to provide a channel to employees to report in good faith and in confidence, concerns about possible improprieties in financial reporting or other matters. This ensures independent investigation of such matters, and the assurance that employees will be protected to the extent possible, from reprisals for reports made in good faith.

Principle 12: Internal Controls

The Board ensures that Management maintains a sound system of internal controls to safeguard shareholders' investments and the assets of the Company. Annually, supported by the internal and external auditors, the Audit Committee reviews the adequacy of the Company's internal financial controls, operational and compliance controls, and risk management policies and systems established by Management.

Guideline 12.2 Internal Controls, including Financial Operational and Compliance Controls, and Risk Management

Risk Management Committee

In 2006, the Risk Management Committee was constituted to assist the Board in exercising its oversight of the corporate and financial risk profile of the F&N Group, to safeguard shareholders' investments and the assets of the F&N Group.

The Risk Management Committee comprises the following Board members:

Mr Koh Beng Seng	Chairman
Mr Timothy Chia Chee Ming	Member
Mr Nicky Tan Ng Kuang	Member
Dr Han Cheng Fong (resigned)*	Member
Mr Patrick Goh Yong Chian*	Member

Note:

* Dr Han Cheng Fong and Mr Patrick Goh Yong Chian are members from Management. Dr Han Cheng Fong was the Group Chief Executive Officer. He resigned from the Board with effect from 5 October 2007. Mr Patrick Goh is the Group Financial Controller and was Alternate Director to Dr Han.

The Risk Management Committee reviews and guides Management to ensure the timely identification, mitigation, control and management of key material risks that may have a material impact on the F&N Group, its profit and loss, and balance sheet, taking into account the mission and vision of the F&N Group, its risk appetite and risk profile. The management of such risks includes business continuity plans and the transfer/mitigation of certain risks, using among others, insurance as a tool.

Accountability and Audit (cont'd)

Guideline 12.2 Internal Controls, including Financial Operational and Compliance Controls, Risk Management (cont'd)

Enterprise-wide risk management ("**ERM**") continues to be operationalised and embedded into divisional, operational and process levels within the F&N Group, in Singapore and overseas. Key risks, control measures and management actions are continually identified, updated and tracked by Business Units, with annual validation by Senior Management, endorsed by the Risk Management Committee, the Audit Committee and the Board.

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

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 is a certified public accountant and complies with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The Internal Auditor's primary line of reporting is to the Chairman of the Audit Committee, with an administrative line of reporting to the Director & Group Company Secretary. The Internal Audit function is adequately resourced, and has appropriate standing within the F&N Group.

Annually, the Audit Committee reviews, and is satisfied with the adequacy of the Internal Audit function.

Communication with Shareholders

Principle 14: Communication with Shareholders

F&N communicates regularly and effectively with its shareholders, conveying material price sensitive and other pertinent information on a timely basis. Dialogues are held with investors, analysts, fund managers and the press. Material information is simultaneously disseminated to SGX, the press and posted on the Company's website at www.fraserandneave.com.

Principle 15: Communication with Shareholders

Annually, at the Company's annual general meeting, shareholders are given opportunity to communicate their views on matters relating to F&N, with the Chairpersons of the Audit, Nominating and Remuneration & Staff Establishment Committees, as well as the external auditors in attendance.

Code of Business Ethics and Conduct

The Company's Code of Business Ethics and Conduct sets the standards and ethical conduct expected of employees 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.

Listing Rule 1207 sub-Rule (18) 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. This is in line with Listing Rule 1207 (18) on Dealings in Securities.

18 December 2007

CORPORATE GOVERNANCE REPORT

particulars of Directors as at 30 September 2007

Name of Director	Age	Academic & Professional Qualifications	Board Committees as Chairman or Member	Directorship: Date first appointed Date last re-elected	Board appointment whether Executive or Non-Executive Whether considered by NC to be Independent	Due for re-election at next AGM
Dr Michael Fam	80	BBM, PJG, DUBC, DUNU (1st Class), Hon LLD, Hon D Eng, Hon D Litt, Bachelor of Engineering with 1st Class Hons in Civil Engineering, Hon Fellow of The Institution of Engineers, Australia	Chairman: Board Executive Committee Member: Nominating Committee	16.08.1978 25.01.2007	Non-Executive Non-Independent	Retired: 14.10.2007
Mr Lee Hsien Yang	50	Bachelor of Arts, Cambridge University, UK (Double First) M Sc. In Management Science, Stanford University, California, USA	Nil	06.09.2007	Non-Executive Non-Independent	Article 122: Appointed during the year
Mr Timothy Chia Chee Ming	56	Bachelor of Science cum laude in Management, Fairleigh Dickinson University, USA	Member: Risk Management Committee Member: Nominating Committee	26.01.2006	Non-Executive Independent	Retirement by rotation
Dr Han Cheng Fong	65	Bachelor of Science (Hons) (1st Class) in Physics, National University of Singapore Master of Science, Doctor of Philosophy, University of Birmingham, UK	Nil	01.04.2002 26.01.2006	Executive Non-Independent -Group Chief Executive Officer	Resigned: 05.10.2007
Mr Ho Tian Yee	55	Bachelor of Arts (Hons) Economics (CNAA), Portsmouth University, UK Executive Program, Carnegie-Mellon University, USA	Chairman: Nominating Committee Member: Board Executive Committee Member: Remuneration & Staff Establishment Committee	01.12.1997 25.01.2007	Non-Executive Independent	-
Mr Simon Israel	53	Diploma, Business Studies, The University of The South Pacific	Member: Board Executive Committee	11.01.2007 25.01.2007	Non-Executive Non-Independent	-

particulars of Directors as at 30 September 2007

Name of Director	Age	Academic & Professional Qualifications	Board Committees as Chairman or Member	Directorship: Date first appointed Date last re-elected	Board appointment whether Executive or Non-Executive Whether considered by NC to be Independent	Due for re-election at next AGM
Mr Koh Beng Seng	55	Bachelor of Commerce (1st Class Hons) Nanyang University, Singapore MBA, Columbia University, New York, USA	Chairman: Risk Management Committee	26.01.2006	Non-Executive Independent	-
Mr Stephen Lee	60	DSO, MBA, Northwestern University, Evanston, USA	Chairman: Remuneration & Staff Establishment Committee Member: Board Executive Committee Member: Audit Committee Member: Nominating Committee	01.07.1997 25.01.2007	Non-Executive Independent	-
Mr Lee Ek Tieng	74	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	Chairman: Audit Committee Member: Remuneration & Staff Establishment Committee Member: Board Executive Committee	08.01.2001 25.01.2007	Non-Executive Independent	Retirement pursuant to S153(6) of the Companies Act (Cap 50). Not offering for re-election
Dr Lee Tih Shih	44	Doctor of Medicine, Yale University Master of Business Administration with Distinction (London)	Nil	01.12.1997 26.01.2006	Non-Executive Non-Independent	Retirement by rotation. Not offering for re-election

CORPORATE GOVERNANCE REPORT

particulars of Directors as at 30 September 2007

Name of Director	Age	Academic & Professional Qualifications	Board Committees as Chairman or Member	Directorship: Date first appointed Date last re-elected	Board appointment whether Executive or Non-Executive Whether considered by NC to be Independent	Due for re-election at next AGM
Mr Nicky Tan Ng Kuang	49	Member of The Institute of Chartered Accountants in England and Wales Certified Public Accountant, Institute of Certified Public Accountants of Singapore	Member: Audit Committee Member: Risk Management Committee	21.10.2003 29.01.2004	Non-Executive Independent	-
Mr Anthony Cheong Fook Seng	53	Member of The Institute of Chartered Accountants in England & Wales and The Institute of Certified Public Accountants of Singapore	Nil	01.02.2005 26.01.2006	Executive Non-Independent -Group Company Secretary	Retirement by rotation. Not offering for re-election
Mr Patrick Goh Yong Chian	63	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	Nil	15.11.2002	Alternate Director to Dr Han Cheng Fong	Ceased: 05.10.2007
Mr Soon Tit Koon	55	Master of Business Administration, University of Chicago, USA Bachelor of Science, National University of Singapore (Hons) Advance Management Program, Harvard Business School, USA	Nil	15.05.2007	Alternate Director to Dr Lee Tih Shih	-

Note:

(1) Directors' shareholdings in the Company and its related Companies: please refer to pages 75 and 76.

(2) Directorships or Chairmanships in other listed Companies and other major appointments, both present and over the preceding 3 years: please refer to pages 16 to 19.

particulars of Key Management Staff as at 30 September 2007

Name	Age	Academic & Professional Qualifications	Working Experience	Area of Responsibility
Koh Poh Tiong	61	Bachelor of Science, National University of Singapore	1985 – 1991 General Manager, Asia Pacific Breweries Limited 1991 – 1993 Deputy Group General Manager, Asia Pacific Breweries Limited	Director and Chief Executive Officer Asia Pacific Breweries Limited (Date appointed: 01.10.1993)
Lim Ee Seng PBM	56	Bachelor of Engineering (Civil), National University of Singapore Master of Science (Project Management), National 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 Frasers Centrepoint Limited (Date appointed: 15.10.2004)
Dato' Ng Jui Sia	55	Bachelor of Business Administration, National University of Singapore Associate, Institute of Chartered Accountants in England and Wales	1978 Investment Officer, Board of Commissioner of Currency of Singapore 1978 – 1980 Audit Assistant, Michael Fenton and Co. 1982 – 1985 Audit Senior/Audit Manager, Price Waterhouse Singapore 1985 – 1989 Regional Financial Controller, MK Electric SEA Pte Ltd 1989 – 1995 General Manager (Hong Kong & South China), Carnaud Metalbox Asia Pacific Sept 1995 – June 1999 General Manager, Fraser and Neave Limited/ F&N Coca-Cola (Singapore) Pte Ltd June 1999 – July 2006 Managing Director, F&N Coca-Cola (Malaysia) Sdn Bhd	Director Times Publishing Limited (Date appointed: 31.08.2006) Chief Executive Officer Times Publishing Limited (Date appointed: 15.07.2006)
Tan Ang Meng	52	Certified Public Accountant Member of The Malaysian Institute of Certified Public Accountants	1983 – 1991 Financial Controller, Guinness Anchor Berhad 1991 – 2001 Regional Director, Asia Pacific Breweries Limited	Director and Chief Executive Officer Fraser & Neave Holdings Bhd (Date appointed: 24.05.2001)
Wang Eng Chin	48	Bachelor of Business Administration and Master of Business Administration, University of Mississippi, USA	1987 – 1988 Corporate Development Executive, Cold Storage (S) Pte Ltd 1988 – 1991 Manager, Plain Heaven, Cold Storage (S) Pte Ltd Oct 1991 – Sep 1997 General Sales Manager, F&N Foods Pte Ltd Oct 1997 – Sep 2003 Deputy General Manager, F&N Foods Pte Ltd/ F&N Dairies (M) Sdn Bhd Oct 2003 – Sep 2006 General Manager, F&N Foods Pte Ltd/ F&N Vietnam Foods Company Limited	Acting Chief Executive Officer, Food & Beverage, Fraser and Neave Group (Date appointed: 01.10.2006)

INDEX TO FINANCIAL 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 2007.

1. DIRECTORATE

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

Mr Lee Hsien Yang	Chairman (Appointed a Director on 6 September 2007)
Mr Timothy Chia Chee Ming	
Mr Ho Tian Yee	
Mr Simon Israel	
Mr Koh Beng Seng	
Mr Stephen Lee	
Mr Lee Ek Tieng	
Dr Lee Tih Shih	
Mr Nicky Tan Ng Kuang	
Mr Anthony Cheong Fook Seng	
Mr Soon Tit Koon	(Appointed Alternate to Dr Lee Tih Shih on 15 May 2007)

As part of the planned succession of the Chairmanship of the Company, Dr Michael Fam retired from the Board, and as non-executive Chairman on 14 October 2007, having served as a director for 29 years since 1978 and as Chairman and Executive Chairman for 24 of those years.

Dr Fam was instrumental in the commencement of the property business of the Group in the mid 1980s, which has grown and now contributes significantly to group profits. He also set up the joint venture with the Heineken Group in 1986, which secured the Asia Pacific region for Malayan Breweries Limited, since renamed Asia Pacific Breweries Limited.

The Board expresses its deep gratitude for his years of leadership, and entrepreneurial spirit.

Separately Dr Han Cheng Fong resigned as a director on 5 October 2007 after having served as a director for 5 years and as Group Chief Executive Officer since 1 February 2006. The Board thanks Dr Han for his past services.

Mr Lee Ek Tieng who retires pursuant to Section 153 of the Companies Act, Cap. 50, Dr Lee Tih Shih and Mr Anthony Cheong Fook Seng who retire by rotation pursuant to Article 117 of the Company's Articles of Association, have intimated their wish to retire at this forthcoming Annual General Meeting and therefore do not offer themselves for re-election.

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

– Pursuant to Article 122 of the Company's Articles of Association, having been appointed since the last Annual General Meeting:
  - Mr Lee Hsien Yang

– By rotation pursuant to Article 117 of the Company's Articles of Association:
  - Mr Timothy Chia Chee Ming

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 OF GROUP COMPANIES	
	As at 1 Oct 2006	**As at 30 Sep 2007**
Lee Hsien Yang	Nil (1)	Nil
Michael Fam (2)		
– Fraser and Neave, Limited Ordinary Shares	5,425,025	5,425,025
– Fraser and Neave, Limited Share Options	4,660,000	4,660,000
– Frasers Property (China) Limited Ordinary Shares	3,500,000	3,500,000
– Frasers Centrepoint Trust Units	1,000,000	1,000,000
Timothy Chia Chee Ming	Nil	Nil
Han Cheng Fong (3)		
– Fraser and Neave, Limited Share Options	3,502,350	4,518,225
– Frasers Property (China) Limited Share Options	3,238,318	3,238,318
Ho Tian Yee	Nil	Nil
Simon Israel	Nil (4)	Nil
Koh Beng Seng	Nil	Nil
Lee Ek Tieng		
– Fraser and Neave, Limited Ordinary Shares	87,500	87,500
– Frasers Centrepoint Trust Units	300,000	300,000
– Asia Pacific Breweries Limited Ordinary Shares	34,000	34,000
– F&N Treasury Pte Ltd Series 2 Notes (issued in September 2007)	Nil	$500,000
Stephen Lee	Nil	Nil

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (cont'd)

	ORDINARY SHARES OF THE COMPANY/OTHER SECURITIES OF GROUP COMPANIES	
	As at 1 Oct 2006	**As at 30 Sep 2007**
Lee Tih Shih		
– Frasers Centrepoint Trust Units	100,000	100,000
Nicky Tan Ng Kuang		
– Frasers Centrepoint Trust Units	Nil	300,000
Anthony Cheong Fook Seng		
– Fraser and Neave, Limited Ordinary Shares	20,250	111,705
– Fraser and Neave, Limited Share Options	1,662,550	2,247,695
– Frasers Centrepoint Trust Units	50,000	50,000
Patrick Goh Yong Chian (Alternate to Dr Han Cheng Fong) (5)		
– Fraser and Neave, Limited Ordinary Shares	256,040 (6)	221,040 (7)
– Fraser and Neave, Limited Share Options	1,363,400	1,363,400
– Frasers Property (China) Limited Share Options	1,079,439	1,079,439
– Frasers Centrepoint Trust Units	300,000	340,000
Soon Tit Koon (Appointed as Alternate to Dr Lee Tih Shih)	Nil (8)	Nil

(1) As at date of appointment, i.e. 6 September 2007.
(2) Dr Michael Fam retired from the Board on 14 October 2007.
(3) Dr Han Cheng Fong resigned from the Board on 5 October 2007.
(4) As at date of appointment, i.e. 11 January 2007.
(5) Mr Patrick Goh ceased to be an Alternate Director to Dr Han following Dr Han's resignation on 5 October 2007.
(6) Includes deemed interest in 35,000 ordinary shares held by Fraser & Neave (Singapore) Ltd Staff Provident Fund ("Fund"), by reason of Mr Patrick Goh being a Trustee of the Fund.
(7) Mr Patrick Goh ceased to be a Trustee of the Fund on 30 November 2006.
(8) As at date of appointment, i.e.15 May 2007.

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,

(a) remuneration and consultancy fees as shown in the financial statements;

(b) respect of participation by Dr Han Cheng Fong and Mr Anthony Cheng Fook Seng in the Executives' Share Option Scheme of the Company;

(c) payment of $5,050,000 to Dr Han Cheng Fong under an agreement relating to the cessation of his employment with effect from 5 October 2007;

(d) consultancy fees payable to Mr Lee Hsien Yang with effect from 15 October 2007; and

(e) fees of $3,000,000 payable to nTan Corporate Advisory Pte Ltd (a firm owned by Mr Nicky Tan) in connection with the share placement to Seletar Investment Pte Ltd in January 2007 as described in Note 12 of the financial statements.

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 & Staff Establishment 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

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 directors:

Name of Participant	Options granted during the financial year under review	Aggregate Options granted since commencement of the Schemes to end of the financial year under review #	Aggregate Options exercised since commencement of the 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	-	17,454,405	7,979,175	4,815,230	4,660,000
Han Cheng Fong	1,015,875	4,518,225	-	-	4,518,225
Anthony Cheong Fook Seng	696,600	2,359,150	111,455	-	2,247,695
Patrick Goh Yong Chian	-	3,857,515	1,609,825	884,290	1,363,400

Adjusted to reflect the sub-division of shares on 4 July 2006

Year 8 Options of the 1999 Scheme

During the financial year ended 30 September 2007, in consideration of the payment of $1 for each offer accepted, offers of options were granted pursuant to the 1999 Scheme in respect of 11,241,470 unissued ordinary shares of the Company at an exercise price of $4.22 per share.

5. **SHARE OPTIONS** (cont'd)

Information pertaining to Outstanding Options

At the end of the financial year, there were 36,425,505 unissued ordinary shares of the Company under Options granted pursuant to the Schemes. Details of the options to subscribe for ordinary shares in the capital of the Company granted to executives pursuant to the Schemes are as follows:

Options	Offer Date	Balance as at 1.10.2006 or Offer Date if later	Options Lapsed #	Options Exercised	Balance as at 30.9.2007	Exercise Price	Exercise Period
1989 Scheme							
1999	23.12.1998	37,925	-	-	37,925	$0.77	23.09.2001 – 22.11.2008
1999 Scheme							
2001 (Year 2)	21.11.2000	77,355	-	(77,355)	-	$1.29	22.08.2003 – 21.10.2010
2002 (Year 3)	08.10.2001	239,540	-	(110,580)	128,960	$1.40	09.07.2004 – 08.09.2011
2002 (Year 3A)	28.01.2002	24,395	-	(24,380)	15	$1.56	29.10.2004 – 28.12.2011
2002 (Year 3B)	02.07.2002	653,255	-	(111,455)	541,800	$1.56	03.04.2005 – 02.06.2012
2003 (Year 4)	01.10.2002	2,740,225	-	(717,175)	2,023,050	$1.51	01.07.2005 – 31.08.2012
2004 (Year 5)	08.10.2003	6,778,690	-	(2,478,050)	4,300,640	$2.12	08.07.2006 – 07.09.2013
2005 (Year 6)	08.10.2004	9,343,655	(71,680)	(1,521,605)	7,750,370	$2.82	08.07.2007 – 07.09.2014
2006 (Year 7)	10.10.2005	10,968,470	(202,785)	-	10,765,685	$3.46	10.07.2008 – 09.09.2015
2007 (Year 8)	10.10.2006	11,241,470	(364,410)	-	10,877,060	$4.22	10.07.2009 – 09.09.2016
		42,104,980	(638,875)	(5,040,600)	36,425,505		

\# Lapsed due to non-acceptance (75,708) and resignation (563,167)

Subsequent to the financial year ended 30 September 2007, a total of 11,708,105 share options of Year 9 of the 1999 Scheme were offered on 10 October 2007 at an exercise price of $5.80 per share.

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.

5. SHARE OPTIONS (cont'd)

Statutory and other information regarding the Options (cont'd)

(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 or subdivision or consolidation of shares, 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, 107,749 unissued ordinary shares of APBL were under options granted pursuant to the APBL Scheme. Details of the options to subscribe for ordinary shares in the capital of APBL granted to executives pursuant to the APBL Scheme are as follows:

Options	Offer Date	Balance as at 1.10.2006	Options Exercised	Balance as at 30.9.2007	Exercise Price	Exercise Period
1999	23.12.1998	6,279	-	6,279	$3.61	22.09.2001 – 21.11.2008
2000	22.12.1999	7,840	(2,120)	5,720	$4.28	21.09.2002 – 20.11.2009
2001	20.12.2000	14,950	-	14,950	$3.91	19.09.2003 – 18.11.2010
2002	08.10.2001	5,650	-	5,650	$3.79	08.07.2004 – 07.09.2011
2003	15.10.2002	37,100	(10,000)	27,100	$4.79	15.07.2005 – 14.09.2012
2004	08.10.2003	134,250	(86,200)	48,050	$6.29	08.07.2006 – 07.09.2013
		206,069	(98,320)	107,749		

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.

5. SHARE OPTIONS (cont'd)

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

The F&NHB Scheme expired on 11 November 2006 but Options already granted under that Scheme remain exercisable until the end of the relevant Option Period.

(ii) Share Options pursuant to the Fraser & Neave Holdings Bhd Executives' Share Option Scheme Approved by Shareholders on 5 April 2007 ("F&NHB 2007 Scheme")

The F&NHB 2007 Scheme, which succeeded the F&NHB Scheme, is effective from 1 October 2007 and no offer has been made.

Information pertaining to Outstanding Options

At the end of the financial year, 6,164,100 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 1.10.2006	Options Lapsed #	Options Exercised	Balance as at 30.9.2007	Exercise Price	Exercise Period
2002	31.12.2001	35,700	(28,300)	(7,400)	-	RM 3.56	01.10.2004 – 30.11.2006
2003	21.11.2002	85,300	-	(46,700)	38,600	RM 3.49	21.08.2005 – 20.10.2007
2004	24.11.2003	1,477,500	-	(1,271,700)	205,800	RM 3.83	24.08.2006 – 23.10.2008
2005	24.11.2004	2,226,100	(71,600)	(519,600)	1,634,900	RM 4.89	24.08.2007 – 23.10.2009
2006	26.08.2005	2,252,500	(133,100)	-	2,119,400	RM 5.54	26.05.2008 – 25.07.2010
2007	26.09.2006	2,318,700	(153,300)	-	2,165,400	RM 6.12	26.06.2009 – 25.08.2011
		8,395,800	(386,300)	(1,845,400)	6,164,100		

\# Lapsed due to non-acceptance (58,700) and resignations (327,600)

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 Securities Bhd and that all options expire 59 months after the option Offer Date.

5. SHARE OPTIONS (cont'd)

(d) Share Options pursuant to Frasers Property (China) Limited Share Option Scheme ("FPCL Scheme")

Frasers Property (China) 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.

2006 Options

During the financial year ended 30 September 2007, offers of options were granted pursuant to the Scheme in respect of 15,750,000 unissued ordinary shares of HK$0.10 each of FPCL at an exercise price of HK$0.1670 per share.

Information pertaining to Outstanding Options

At the end of the financial year, there were 51,733,107 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 1.10.2006 or Offer Date if later	Options Lapsed #	Options Exercised	Balance as at 30.9.2007	Exercise Price	Exercise Period
2003	31.12.2003	10,837,569	(221,285)	-	10,616,284	HK$0.1580	31.12.2004 – 30.12.2013
2004	31.12.2004	11,549,999	-	-	11,549,999	HK$0.1547	31.12.2005 – 30.12.2014
2005	31.12.2005	13,816,824	-	-	13,816,824	HK$0.1343	30.12.2006 – 29.12.2015
2006	31.12.2006	15,750,000	-	-	15,750,000	HK$0.1670	13.11.2007 – 12.11.2016
		51,954,392	(221,285)	-	51,733,107		

\# Lapsed due to resignations

Statutory and other information regarding the FPCL 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; and

(3) the nominal value of FPCL share.

(ii) The exercise period of the FPCL options granted is determinable by the FPCL Board, and commences on a specified date and ends on a date which is not later than 10 years from the date of grant of the FPCL options.

5. SHARE OPTIONS (cont'd)

(d) Share Options pursuant to Frasers Property (China) Limited Share Option Scheme ("FPCL Scheme") (cont'd)

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

Vesting Schedule	Percentage of shares over which a share option is exercisable Granted before 2004 (%)	Granted after 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 FPCL 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.

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 2007 as set out at paragraph 3 hereof, except for Mr Anthony Cheong Fook Seng who was granted options under the 1999 Scheme, of 696,600 of Year 9 Options (2008) exercisable not earlier than 10 July 2010 at $5.80 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) on 6 January 2007 with Dr Han Cheng Fong for the purchase of a condominium unit at ClementiWoods Condominium in Singapore, for a price of $758,190;

(ii) on 6 January 2007 with Mr Nicky Tan for the purchase by his associates of a condominium unit at ClementiWoods Condominium in Singapore, for a price of $1,447,000;

(iii) on 24 January 2007 with Mr Stephen Lee for the purchase by him and/or his associates of three condominium units at St. Thomas Suites in Singapore, for a total price of $21,976,565;

(iv) on 24 January 2007 with Mr Nicky Tan for the purchase by him and/or his associates of two condominium units at St. Thomas Suites in Singapore, for a total price of $22,588,000;

(v) on 4 June 2007 with Dr Han Cheng Fong for the purchase by his associates of a condominium unit at One St. Michael's in Singapore, for a price of $861,300;

(vi) on 4 August 2007 with Mr Patrick Goh for the purchase of a condominium unit at Soleil @ Sinaran in Singapore, for a price of $1,330,160;

(vii) on 4 August 2007 with Mr Stephen Lee for the purchase by his associates of a condominium unit at Soleil @ Sinaran in Singapore, for a price of $2,225,000;

(viii) on 4 August 2007 with Dr Han Cheng Fong for the purchase by him and/or his associates of two condominium units at Soleil @ Sinaran in Singapore, for a total price of $3,849,000; and

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

On behalf of the Board

LEE HSIEN YANG
Director

LEE EK TIENG
Director

Singapore,
13 November 2007

STATEMENT BY DIRECTORS

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

(i) the balance sheets, profit statements, statements of changes in equity and consolidated cash flow statement together with the notes thereto, set out on pages 86 to 183, 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 2007 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 2007; and

(ii) 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

LEE HSIEN YANG
Director

LEE EK TIENG
Director

Singapore,
13 November 2007

AUDITORS' REPORT

To the members of Fraser and Neave, Limited

We have audited the accompanying financial statements of FRASER AND NEAVE, LIMITED ("**the Company**") and its subsidiaries (collectively, the Group) set out on pages 86 to 183 which comprise the balance sheets of the Group and the Company as at 30 September 2007, the profit statements and statements of changes in equity of the Group and the Company, and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the provision of the Singapore Companies Act, Cap. 50 ("**the Act**") and Singapore Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

(a) the consolidated financial statements of the Group and the balance sheet, profit statement and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 September 2007 and the results and changes in equity of the Group and Company and 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 subsidiaries 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,
13 November 2007

PROFIT STATEMENT

for the year ended 30 September 2007

	Notes	THE GROUP 2007 ($'000)	THE GROUP 2006 ($'000)	THE COMPANY 2007 ($'000)	THE COMPANY 2006 ($'000)
REVENUE	3	**4,738,272**	3,802,272	**4,090**	3,559
Cost of sales		**(3,205,068)**	(2,555,831)	**-**	-
Gross profit		**1,533,204**	1,246,441	**4,090**	3,559
Other income/(expenses) (net)	4	**52,241**	5,037	**(3,730)**	(2,680)
Operating expenses					
– Distribution		**(180,971)**	(144,738)	**-**	-
– Marketing		**(392,345)**	(298,031)	**-**	-
– Administration		**(327,684)**	(245,548)	**(8,297)**	(6,606)
		(901,000)	(688,317)	**(8,297)**	(6,606)
TRADING PROFIT/(LOSS)		**684,445**	563,161	**(7,937)**	(5,727)
Gross dividends from subsidiary and joint venture companies	6	**-**	-	**125,212**	160,975
Share of joint venture companies' profits		**14,164**	13,267	**-**	-
Share of associated companies' profits		**22,017**	8,570	**-**	-
Gross income from investments	7	**11,476**	12,028	**983**	673
PROFIT BEFORE INTEREST, TAXATION AND EXCEPTIONAL ITEMS		**732,102**	597,026	**118,258**	155,921
Interest income		**26,916**	23,312	**22,680**	1,547
Interest expense		**(97,986)**	(83,663)	**(35,308)**	(39,192)
Net interest expense	4	**(71,070)**	(60,351)	**(12,628)**	(37,645)
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS	4	**661,032**	536,675	**105,630**	118,276
Exceptional items	8	**11,662**	34,003	**(19,336)**	-
PROFIT BEFORE TAXATION		**672,694**	570,678	**86,294**	118,276
Taxation	9	**(174,364)**	(138,650)	**(23,810)**	(29,803)
PROFIT AFTER TAXATION		**498,330**	432,028	**62,484**	88,473
ATTRIBUTABLE PROFIT TO:					
Shareholders of the Company					
– Before exceptional items		**377,920**	295,414	**81,820**	88,473
– Exceptional items		**681**	24,111	**(19,336)**	-
		378,601	319,525	**62,484**	88,473
Minority interests		**119,729**	112,503	**-**	-
		498,330	432,028	**62,484**	88,473
Earnings per share attributable to the shareholders of the Company	11				
Basic – before exceptional items		**28.6 cts**	25.3 cts		
– after exceptional items		**28.7 cts**	27.3 cts		
Fully diluted – before exceptional items		**28.3 cts**	25.0 cts		
– after exceptional items		**28.3 cts**	27.1 cts		

The Notes on pages 93 to 183 form an integral part of the Financial Statements.

BALANCE SHEET

as at 30 September 2007

	Notes	THE GROUP 2007 ($'000)	THE GROUP 2006 ($'000)	THE COMPANY 2007 ($'000)	THE COMPANY 2006 ($'000)
SHARE CAPITAL AND RESERVES					
Share capital	12	**1,313,915**	400,971	**1,313,915**	400,971
Reserves	12	**3,906,682**	3,199,509	**2,211,249**	2,321,320
		5,220,597	3,600,480	**3,525,164**	2,722,291
MINORITY INTERESTS		**1,161,447**	1,004,098	**-**	-
		6,382,044	4,604,578	**3,525,164**	2,722,291
Represented by:					
NON-CURRENT ASSETS					
Fixed assets	13	**1,150,563**	1,123,164	**-**	-
Investment properties	14	**3,224,389**	2,708,016	**-**	-
Properties held for development	15	**127,834**	79,834	**-**	-
Subsidiary companies	16	**-**	-	**3,635,651**	3,229,634
Joint venture companies	17	**96,460**	88,990	**408,921**	408,133
Associated companies	18	**428,154**	295,898	**-**	-
Intangible assets	19	**287,589**	272,702	**-**	-
Brands	23	**50,773**	19,330	**-**	-
Other investments	21	**65,818**	61,784	**9,027**	6,680
Other receivables	26	**22,231**	17,537	**-**	-
Deferred tax assets	33	**16,868**	18,607	**-**	-
		5,470,679	4,685,862	**4,053,599**	3,644,447
CURRENT ASSETS					
Properties held for sale	24	**3,958,204**	2,581,872	**-**	-
Inventories	25	**486,368**	365,525	**-**	-
Trade receivables	26	**828,530**	481,854	**-**	-
Other receivables	26	**331,378**	270,007	**5,100**	5,953
Prepaid project costs	26	**188,625**	115,387	**-**	-
Subsidiary companies	16	**-**	-	**109,075**	110,110
Joint venture companies	17	**7,577**	3,638	**-**	-
Associated companies	18	**251**	826	**-**	-
Short term investments	28	**322,048**	326,748	**19,997**	28,786
Bank fixed deposits	22	**845,209**	614,139	**29,977**	15,277
Cash and bank balances	22	**305,585**	220,752	**1,794**	285
		7,273,775	4,980,748	**165,943**	160,411
Assets held for sale	29	**121,124**	-	**-**	-
		7,394,899	4,980,748	**165,943**	160,411
Deduct: CURRENT LIABILITIES					
Trade payables	30	**506,985**	398,455	**-**	-
Other payables	30	**652,685**	468,454	**14,811**	16,124
Subsidiary companies	16	**-**	-	**21,800**	16,349
Joint venture companies	17	**2,148**	1,199	**-**	-
Associated companies	18	**16,790**	51,396	**-**	-
Borrowings	31	**2,437,121**	972,872	**-**	94,923
Provision for taxation		**229,356**	197,216	**7,858**	5,986
		3,845,085	2,089,592	**44,469**	133,382
Liabilities held for sale	29	**19,277**	-	**-**	-
		3,864,362	2,089,592	**44,469**	133,382
NET CURRENT ASSETS		**3,530,537**	2,891,156	**121,474**	27,029
Deduct: NON-CURRENT LIABILITIES					
Other payables	30	**18,269**	14,937	**-**	-
Borrowings	31	**2,476,939**	2,829,333	**649,470**	949,167
Provision for employee benefits	32	**18,811**	21,882	**-**	-
Deferred tax liabilities	33	**105,153**	106,288	**439**	18
		2,619,172	2,972,440	**649,909**	949,185
		6,382,044	4,604,578	**3,525,164**	2,722,291

The Notes on pages 93 to 183 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

THE GROUP

	Notes	Share Capital ($'000)	Capital Reserve ($'000)	Revenue Reserve ($'000)	Exchange Reserve ($'000)	Fair Value Adjustment Reserve ($'000)	Employee Share Option Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)	Minority Interests ($'000)	Total Equity ($'000)
YEAR ENDED 30 SEPTEMBER 2007											
Balance at 1 October 2006		400,971	849,306	2,262,638	(72,824)	56,607	9,947	93,835	3,600,480	1,004,098	4,604,578
Revaluation surplus on investment properties		-	312,118	-	-	-	-	-	312,118	36,699	348,817
Deferred taxation on revaluation of assets		-	(23,105)	-	-	-	-	-	(23,105)	-	(23,105)
Share of associated companies' reserves		-	8,108	(1,602)	6,524	(102)	-	-	12,928	-	12,928
Transfer of distributable reserves by overseas subsidiary companies in compliance with statutory requirements		-	73	(73)	-	-	-	-	-	-	-
Transfer on disposal of subsidiary company		-	-	-	(3,169)	-	-	-	(3,169)	-	(3,169)
Change in minority interests' in reserves upon the issue of shares by subsidiary companies		-	-	(243)	-	-	-	-	(243)	243	-
Change of interest in subsidiary due to treasury share buy-back		-	-	(299)	-	-	-	-	(299)	(211)	(510)
Net fair value changes on available-for-sale financial assets		-	-	-	-	179,311	-	-	179,311	(874)	178,437
Fair value gain realised		-	-	-	-	(10,570)	-	-	(10,570)	-	(10,570)
Transfer of revenue reserve to exchange reserve		-	-	(4,373)	4,373	-	-	-	-	-	-
Currency translation difference		-	-	-	35,932	-	-	-	35,932	1,766	37,698
Net income/(expenses) recognised directly in equity		-	297,194	(6,590)	43,660	168,639	-	-	502,903	37,623	540,526
Profit after taxation		-	-	378,601	-	-	-	-	378,601	119,729	498,330
Total recognised income for the year		-	297,194	372,011	43,660	168,639	-	-	881,504	157,352	1,038,856
Employee share-based expenses		-	-	-	-	-	6,729	-	6,729	322	7,051
Issue of new shares	12	900,090	-	-	-	-	-	-	900,090	-	900,090
Issue of shares in the Company upon exercise of share options	12	12,854	-	-	-	-	(1,760)	-	11,094	-	11,094
Contribution of capital by minority interests		-	-	-	-	-	-	-	-	85,321	85,321
Change of interests in subsidiary and joint venture companies		-	-	-	-	-	-	-	-	7,950	7,950
Minority interests' loan repaid		-	-	-	-	-	-	-	-	(4,489)	(4,489)
Equity's issue expenses		-	-	200	-	-	-	-	200	358	558
Dividends	10										
Dividend to minority interests		-	-	-	-	-	-	-	-	(89,465)	(89,465)
Dividend to shareholders, paid		-	-	(85,665)	-	-	-	(93,835)	(179,500)	-	(179,500)
Dividend to shareholders, proposed		-	-	(117,596)	-	-	-	117,596	-	-	-
Balance at 30 September 2007		1,313,915	1,146,500	2,431,588	(29,164)	225,246	14,916	117,596	5,220,597	1,161,447	6,382,044

The Notes on pages 93 to 183 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

THE GROUP

	Notes	Share Capital ($'000)	Share Premium ($'000)	Capital Redemption Reserve ($'000)	Capital Reserve ($'000)	Revenue Reserve ($'000)	Exchange Reserve ($'000)	Fair Value Adjustment Reserve ($'000)	Employee Share Option Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)	Minority Interests ($'000)	Total Equity ($'000)
YEAR ENDED 30 SEPTEMBER 2006													
Balance at 1 October 2005		233,359	152,223	3,228	527,012	2,088,058	6,967	4,480	5,410	81,676	3,102,413	622,413	3,724,826
Revaluation surplus on investment properties		-	-	-	326,600	-	-	-	-	-	326,600	21,825	348,425
Revaluation surplus on investment and properties for sale realised		-	-	-	(4,023)	977	-	-	-	-	(3,046)	-	(3,046)
Deferred taxation on revaluation of assets		-	-	-	(1,818)	-	-	-	-	-	(1,818)	-	(1,818)
Share of joint venture and associated companies' reserves		-	-	-	1,546	2,771	-	(194)	-	-	4,123	-	4,123
Change in minority interests in reserves upon the issue of shares by subsidiary companies		-	-	-	(36)	(321)	-	-	-	-	(357)	357	-
Net fair value changes on available-for-sale financial assets		-	-	-	-	-	-	52,321	-	-	52,321	(196)	52,125
Currency translation difference		-	-	-	(115)	-	(79,791)	-	-	-	(79,906)	(31,001)	(110,907)
Net income/(expenses) recognised directly in equity		-	-	-	322,154	3,427	(79,791)	52,127	-	-	297,917	(9,015)	288,902
Profit after taxation		-	-	-	-	319,525	-	-	-	-	319,525	112,503	432,028
Total recognised income and expenses for the year		-	-	-	322,154	322,952	(79,791)	52,127	-	-	617,442	103,488	720,930
Transfer of reserves by overseas subsidiary companies in compliance with statutory requirements		-	-	-	140	(140)	-	-	-	-	-	-	-
Employee share-based expense		-	-	-	-	-	-	-	5,748	-	5,748	301	6,049
Issue of shares in the Company upon exercise of share options	12	8,865	3,296	-	-	-	-	-	(1,211)	-	10,950	-	10,950
Transfer to share capital	12	158,747	(155,519)	(3,228)	-	-	-	-	-	-	-	-	-
Contribution of capital by minority interests		-	-	-	-	-	-	-	-	-	-	349,422	349,422
Change of interests in subsidiary and joint venture companies		-	-	-	-	-	-	-	-	-	-	(9,057)	(9,057)
Minority interest loan		-	-	-	-	-	-	-	-	-	-	1,656	1,656
Equity's listing expenses		-	-	-	-	(7,412)	-	-	-	-	(7,412)	(7,120)	(14,532)
Dividends	10												
Dividend to minority interests		-	-	-	-	-	-	-	-	-	-	(57,005)	(57,005)
Dividend to shareholders, paid		-	-	-	-	(46,985)	-	-	-	(81,676)	(128,661)	-	(128,661)
Dividend to shareholders, proposed		-	-	-	-	(93,835)	-	-	-	93,835	-	-	-
Balance at 30 September 2006		400,971	-	-	849,306	2,262,638	(72,824)	56,607	9,947	93,835	3,600,480	1,004,098	4,604,578

The Notes on pages 93 to 183 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 ($'000)	Fair Value Adjustment Reserve ($'000)	Employee Share Option Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)
YEAR ENDED 30 SEPTEMBER 2007										
Balance at 1 October 2006		400,971	-	-	1,039,274	1,179,656	71	8,484	93,835	2,722,291
Net fair value changes on available-for-sale financial assets		-	-	-	-	-	1,926	-	-	1,926
Net income recognised directly in equity		-	-	-	-	-	1,926	-	-	1,926
Profit after taxation		-	-	-	-	62,484	-	-	-	62,484
Total recognised income for the year		-	-	-	-	62,484	1,926	-	-	64,410
Employee share-based expense		-	-	-	-	-	-	6,779	-	6,779
Issue of shares in the Company upon exercise of share options	12	12,854	-	-	-	-	-	(1,760)	-	11,094
Issue of new shares	12	900,090	-	-	-	-	-	-	-	900,090
Dividends	10									
Dividend to shareholders, paid		-	-	-	-	(85,665)	-	-	(93,835)	(179,500)
Dividend to shareholders, proposed		-	-	-	-	(117,596)	-	-	117,596	-
Balance at 30 September 2007		1,313,915	-	-	1,039,274	1,038,879	1,997	13,503	117,596	3,525,164
YEAR ENDED 30 SEPTEMBER 2006										
Balance at 1 October 2005		233,359	152,223	3,228	1,039,274	1,232,003	212	4,592	81,676	2,746,567
Net fair value changes on available-for-sale financial assets		-	-	-	-	-	(141)	-	-	(141)
Net expense recognised directly in equity		-	-	-	-	-	(141)	-	-	(141)
Profit after taxation		-	-	-	-	88,473	-	-	-	88,473
Total recognised income and expenses for the year		-	-	-	-	88,473	(141)	-	-	88,332
Employee share-based expense		-	-	-	-	-	-	5,103	-	5,103
Issue of shares in the Company upon exercise of share options	12	8,865	3,296	-	-	-	-	(1,211)	-	10,950
Transfer to share capital	12	158,747	(155,519)	(3,228)	-	-	-	-	-	-
Dividends	10									
Dividend to shareholders, paid		-	-	-	-	(46,985)	-	-	(81,676)	(128,661)
Dividend to shareholders, proposed		-	-	-	-	(93,835)	-	-	93,835	-
Balance at 30 September 2006		400,971	-	-	1,039,274	1,179,656	71	8,484	93,835	2,722,291

The Notes on pages 93 to 183 form an integral part of the Financial Statements.

CASH FLOW STATEMENT

for the year ended 30 September 2007

	THE GROUP 2007 ($'000)	2006 ($'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and exceptional items	**661,032**	536,675
Adjustments for:		
Depreciation of fixed assets and investment properties	**123,465**	116,859
Impairment of fixed assets and other investments	**6,242**	3,397
Impairment reversal of fixed assets and properties held for sale	**(2,330)**	(1,320)
Provision for employee benefits	**4,898**	3,194
Allowance for foreseeable losses in properties held for sale	**-**	20,583
Loss on disposal of fixed assets (net)	**408**	1,891
Profit on disposal of investment properties and other investments (net)	**(11,865)**	(4,502)
Amortisation of properties held for development and properties held for sale	**313**	69
Amortisation of brands and intangible assets	**7,343**	5,562
Interest expenses (net)	**71,430**	58,162
Share of joint venture companies' profits	**(14,164)**	(13,267)
Share of associated companies' profits	**(22,017)**	(8,570)
Investment income	**(11,476)**	(12,028)
Profit on properties held for sale	**(324,890)**	(247,943)
Employee share-based expense	**8,985**	10,162
Fair value adjustments of financial instruments	**1,089**	3,274
(Gain)/loss on disposal of financial instruments	**(223)**	129
Operating cash before working capital changes	**498,240**	472,327
Change in inventories	**(135,670)**	37,181
Change in receivables and prepaid project costs	**(537,576)**	(29,997)
Change in joint venture and associated companies' balances	**(19,840)**	1,351
Change in payables	**212,555**	(1,037)
Currency realignment	**(1,612)**	(7,031)
Cash generated from operations	**16,097**	472,794
Interest expenses paid, net	**(71,070)**	(58,162)
Income taxes paid	**(140,328)**	(102,104)
Payment of employee benefits	**(5,953)**	(2,651)
Payment of cash-settled options	**(3,519)**	-
Progress payment received/receivable on properties held for sale	**1,490,533**	1,114,092
Development expenditure on properties held for sale	**(2,303,582)**	(1,158,416)
Net cash (used in)/from operating activities	**(1,017,822)**	265,553
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends from joint venture and associated companies	**14,517**	12,740
Investment income	**11,476**	12,028
Proceeds from sale of fixed assets and properties	**77,463**	26,652
Proceeds from sale of other and short term investments	**239,952**	5,220
Proceeds from disposal of business	**2,170**	1,390
Purchase of fixed assets and properties	**(264,970)**	(166,463)
Purchase of other investments	**(59,253)**	(230,570)
Acquisition of minority interests of subsidiary companies	**(24,036)**	(1,845)
Acquisition and restructuring of subsidiary companies and businesses	**(23,987)**	(39,750)
Payment for intangible assets	**(45,159)**	(9,184)
Development expenditure on properties held for development	**(65,634)**	-
Investments in joint venture and associated companies	**(100,286)**	(250,073)
Repayment of/(additional) trade advances	**4,645**	(1,002)
Net cash used in investing activities	**(233,102)**	(640,857)

The Notes on pages 93 to 183 form an integral part of the Financial Statements.

CASH FLOW STATEMENT

for the year ended 30 September 2007

	THE GROUP 2007 ($'000)	2006 ($'000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from term loans and bank borrowings	**854,944**	481,487
Uplift/(placement) of fixed deposits pledged	**6,082**	(1,482)
Payment of equity's listing expenses	**(377)**	(14,532)
Loan (to)/from minority interests	**(4,470)**	1,656
Share buy-back by a subsidiary company	**(510)**	-
Proceeds from issue of shares:		
– by subsidiary companies to minority interests	**72,262**	349,422
– by the Company to shareholders	**911,184**	10,950
Payment of dividends:		
– by subsidiary companies to minority interests	**(83,358)**	(57,005)
– by the Company to shareholders	**(179,500)**	(128,661)
Net cash from financing activities	**1,576,257**	641,835
Net increase in cash and cash equivalents	**325,333**	266,531
Cash and cash equivalents at beginning of year	**816,736**	567,849
Effects of exchange rate changes on cash and cash equivalents	**(3,883)**	(17,644)
Cash and cash equivalents at end of year	**1,138,186**	816,736
Cash and cash equivalents at end of year comprise:		
Cash and bank deposits (Note 22)	**1,150,794**	834,891
Bank overdrafts (Note 31)	**(12,608)**	(12,073)
	1,138,186	822,818
Less: Fixed deposits pledged	**-**	(6,082)
	1,138,186	816,736
Analysis of acquisition, restructuring and disposal of subsidiary companies and businesses		
Net assets acquired:		
Fixed assets	**14,222**	9,540
Investment properties	**116,363**	-
Other non-current assets	**17,245**	8,160
Properties held for sale	**160,825**	-
Current assets	**45,619**	24,812
Current liabilities	**(299,258)**	(6,528)
Non-current liabilities	**(2,533)**	(284)
Minority interests	**(30,469)**	(489)
Cash	**3,804**	4,715
	25,818	39,926
Goodwill on acquisition (net)	**1,973**	4,539
Consideration paid	**27,791**	44,465
Less: Cash of subsidiary companies and businesses	**(3,804)**	(4,715)
Cash flow on acquisition net of cash and cash equivalents acquired	**23,987**	39,750
Net assets disposed:		
Fixed assets	**(403)**	(154)
Current assets	**(19,863)**	(1,792)
Non-current liabilities	**1,790**	-
Current liabilities	**9,051**	264
Cash	**(3,801)**	-
	(13,226)	(1,682)
Loss on disposal	**7,255**	292
Consideration received	**(5,971)**	(1,390)
Less: Cash of subsidiary companies and business	**3,801**	-
Cash flow on disposal net of cash and cash equivalents disposed	**(2,170)**	(1,390)

The Notes on pages 93 to 183 form an integral part of the Financial Statements.

The following Notes form an integral part of the Financial Statements on pages 86 to 92.

1. GENERAL

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

The principal activities of the Group consist of:
(a) production and sale of soft drinks, beer, stout, dairy products and glass containers;
(b) development of and investment in property;
(c) investment in and management of REIT; and
(d) printing and publishing.

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

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

The Company's operation is managed through a wholly-owned subsidiary company.

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 13 November 2007.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("**FRS**") as required by the Companies Act, Cap. 50. The financial statements are prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars and all values are rounded to the nearest thousand ($'000) unless otherwise stated.

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year and are consistent with those used in the previous financial year.

2. ACCOUNTING POLICIES (cont'd)

2.1 Basis of Preparation (cont'd)

On 1 October 2006, the Group and the Company adopted the new or revised FRS and Interpretations to FRS ("**INT FRS**") that are applicable in the current financial year.

The following are the FRS and INT FRS that are relevant to the Group:

FRS 19 (Amendment)	Employment Benefits
FRS 21 (Amendment)	The Effects of Changes in Foreign Exchange Rates
FRS 32 (Amendment)	Financial Instruments: Disclosure and Presentation
FRS 39 (Amendment)	Financial Instruments: Recognition and Measurement
INT FRS 104	Determining whether an Arrangement contains a Lease
INT FRS 108	Scope of FRS 102 Share-based Payments
INT FRS 109	Reassessment of Embedded Derivatives
INT FRS 110	Interim Financial Reporting and Impairment

The adoption of the other new/revised FRS and INT FRS has no material effect on the financial statements of the Group and the Company.

2.2 Basis of Consolidation

The Company's investments in subsidiary companies are stated at cost less accumulated impairment losses.

Subsidiary companies are those companies controlled by the Group. Subsidiary companies are consolidated from the effective date of acquisition and up to the effective date of disposal. 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.

Acquisitions of subsidiary companies are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The accounting policy on goodwill on acquisition of subsidiary companies is included in Note 2.12 (b).

All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2. ACCOUNTING POLICIES (cont'd)

2.2 Basis of Consolidation (cont'd)

Minority interest is that part of the net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Group. It is measured as the minorities' share of the fair value of the subsidiary companies' identifiable assets and liabilities at the date of acquisition by the Group and the minorities' share of changes in equity since the date of acquisition, except when the losses applicable to the minority in a subsidiary exceed the minority interest in the equity of that subsidiary company. In such cases, the excess and further losses applicable to the minority are attributed to the Company, unless the minority has a binding obligation to, make good the losses. When that subsidiary company subsequently reports profits, the profits applicable to the minority are attributed to the Company until the minority's share of losses previously absorbed by the Company has been recovered.

A list of the Company's subsidiary companies is shown in Note 42.

2.3 Joint Venture Companies

A joint venture company (not being a subsidiary company) is a company in which the Group has a long-term interest of not more than 50% of the equity and has a contractual agreement to jointly share the control with one or more parties in the joint venture company's commercial and financial affairs.

The Group recognises its interest in joint venture companies using proportionate consolidation. The Group combines its share of each of the assets, liabilities, income and expenses of the joint venture companies with the similar items, line by line, in its consolidated financial statements.

The joint venture is proportionately consolidated until the date on which the Group ceases to have joint control over the joint venture.

Joint venture companies ("**JVC**") that are held by the Group's joint venture companies are equity accounted for in accordance with the accounting policies of these joint venture companies. No adjustments have been made at the Group to recognise the interest of these JVC using proportionate consolidation as the contribution of these JVC to the Group are not material. Details of the Group's share of the consolidated results, assets and liabilities of the JVC held by the Group's joint venture companies can be found in Note 17.

In the Company's separate financial statements, interests in joint venture company is carried at cost less impairment losses.

A list of the joint venture companies is shown in Note 42.

2.4 Associated Companies

An associated company (not being a subsidiary company or joint venture company) is a company in which the Group exercises significant influence over the financial and operating policy decisions.

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. Investments in associated companies include goodwill.

2. ACCOUNTING POLICIES (cont'd)

2.4 Associated Companies (cont'd)

When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

The Group's share of the results of associated companies includes the Group's share of exceptional items, and net assets of the associated 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 an associated 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 associated companies is shown in Note 42.

2.5 Revenue Recognition

Revenue from the sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold.

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 income is accounted for on a straight-line basis over the lease terms on ongoing leases.

Revenue on development properties held for sale represents the proportion of sales proceeds of the actual floor area sold at 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 is taken up on an accrual basis (using the effective interest method).

Dividend income is recognised when the Group's right to receive payment is established.

Other categories of revenue are taken up on an accrual basis.

2.6 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where, 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.

2. ACCOUNTING POLICIES (cont'd)

2.7 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.

(a) Current Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

(b) Deferred Tax

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 profits 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 by the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be recovered.

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 is 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.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.8 Fixed Assets

Fixed assets are carried 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. Dismantlement, removal or restoration costs are included as part of the cost of fixed assets if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit statement. Subsequent expenditure relating to fixed assets that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

2. ACCOUNTING POLICIES (cont'd)

2.8 Fixed Assets (cont'd)

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. Any amount in revaluation reserve relating to that asset is transferred to revenue reserves.

When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset. Any surplus on revaluation is credited to asset revaluation reserve unless it offsets previous revaluation losses of the same asset that were taken to the profit statement. 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.

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 residual values, depreciation method and useful lives are reviewed and adjusted as appropriate at each balance sheet date. The annual depreciation rates applied to write down the fixed assets over their estimated useful lives are as follows:

Leasehold land	–	Lease term (ranging from 10 to 99 years)
Building	–	2% to 5%
Plant, machinery and equipment	–	2.5% to 33%
Motor, vehicle and forklift	–	10% to 20%
Postmix and vending machine	–	10% to 20%
Furniture and fitting, computer equipment and beer cooler	–	5% to 100%

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

2.9 Investment Properties

Investment properties are held to earn rental income and for capital appreciation and are treated as non-current investments.

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 leasehold investment are stated at directors' valuation. The directors' valuation is guided by the open market value determined annually by independent professional valuers.

The surplus on revaluation is credited directly to revaluation reserve unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognised as an expense. In these circumstances the increase is recognised as income to the extent of the previous write down. Any deficit on revaluation is recognised as an expense unless it reverses a previous surplus relating to that asset, in which case it is charged against any related revaluation surplus, to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset. Any balance remaining in the revaluation surplus in respect of an investment property is credited to the profit statement on disposal of the property.

2. ACCOUNTING POLICIES (cont'd)

2.9 Investment Properties (cont'd)

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit statement in the year of retirement or disposal.

2.10 Properties Held for Development

Properties held for 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 held for development includes cost of land and construction, related overhead expenditure and financing charges incurred up to the completion of construction.

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

Properties held for development are considered completed and are transferred to investment properties when they are ready for their intended use.

2.11 Borrowing Costs

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

2.12 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 loss.

The useful lives of these intangible assets are assessed to be finite. Amortisation charged on finite intangible assets is taken to the profit statement as amortisation expense.

Internally generated goodwill and internally generated intangible asset arising from research are not capitalised and the 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 or more frequently if events or changes in circumstances indicate that the carrying value might be impaired. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

2. ACCOUNTING POLICIES (cont'd)

2.12 Intangible Assets (cont'd)

(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 loss. Goodwill is subjected to impairment test annually or more frequently if events or changes in circumstances indicate that the carrying value might be impaired.

Positive goodwill acquired is allocated to the cash-generating units ("**CGU**") expected to benefit from the acquisition synergies. An impairment loss is recognised in the income statement when the carrying amount of the CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount is the higher of the CGU's fair value less costs to sell and its value in use.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rated on the basis of the carrying amount of each asset in the CGU.

2.13 Brands

Brands with finite lives 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 stated at cost less any impairment loss. The useful life of the brand is estimated to be indefinite because based on the current market share of the brand, management believes there is no foreseeable limit to the period over which the brand is expected to generate net cash flows to the Group. The brand is tested for impairment annually or more frequently when indicators of impairment are identified.

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

2. ACCOUNTING POLICIES (cont'd)

2.14 Properties Held For Sale

(a) Development Properties Held for Sale

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

Allowance for foreseeable losses 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, development properties held for sale are transferred to completed properties held for sale.

Profit on development properties held for sale is recognised on partly completed projects which have been sold and is based on the percentage of completion and of sales method. 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. These costs exclude land and interests cost. 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 are shown as a deduction from the cost of the development property held for sale.

(b) Completed Properties Held for Sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost includes cost of land and construction, related overhead expenditure, and financing charges and other net costs incurred during the period of development.

Allowance for impairment is made when it is anticipated that the net realisable value has fallen below cost.

Revenue from completed properties held for sale is recognised upon execution of Sale and Purchase Agreements.

2. ACCOUNTING POLICIES (cont'd)

2.15 Inventories

All inventories including containers (comprising returnable bottles, cases and pallets) are stated at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

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 realizable value, if lower. Abnormally large purchases of bottle are accounted for by writing off, based on the estimated lifespan, a portion of the costs in excess of repurchase prices.

2.16 Trade and Other Receivables

Trade and other receivables including receivable from related parties are classified and accounted for as loans and receivables under FRS 39. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade receivables is established when there is evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is recognised in the profit statement. Bad debts are written off as incurred.

2.17 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in bank, deposits with financial institutions and bank overdrafts. Bank overdrafts are included in bank borrowings on the balance sheet.

Cash on hand and in banks and fixed deposits are classified and accounted for as loans and receivables under FRS 39. The accounting policy is stated in Note 2.25.

2.18 Financial Liabilities

Financial liabilities include trade payables, other payables, payables to related parties and interest-bearing loans and borrowings. Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit statement when the liabilities are derecognised as well as through the amortisation process. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

2. ACCOUNTING POLICIES (cont'd)

2.19 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.

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. The companies pay fixed contributions into separate entities and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. 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.

(i) Equity-settled transactions

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense in the profit statement with a corresponding increase in the employee share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options on the date of grant. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable on the vesting date. It recognises the impact of the revision of original estimates, if any, in the profit statement, and a corresponding adjustment to equity over the remaining vesting period.

2. ACCOUNTING POLICIES (cont'd)

2.19 Employee Benefits (cont'd)

(b) Share Options (cont'd)

(i) Equity-settled transactions (cont'd)

When the options are excercised and new ordinary shares issued, the proceeds received (net of any directly attributable transaction costs) and the corresponding share option reserve is credited to share capital. For certain listed subsidiary companies which have treasury shares, the proceeds received (net of any directly attributable transaction costs) and the corresponding share option reserve is credited to the 'treasury share' account within equity when treasury shares purchased are re-issued to the employees.

(ii) Cash-settled transactions

The cost of phantom share options granted is measured initially at fair value at the grant date taking into account the terms and conditions upon which the options were granted. Until the liability is settled, it is remeasured at each reporting date and the fair value is expensed over the period till vesting with recognition of a corresponding liability.

(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.

2.20 Functional and Foreign Currencies

(a) Functional Currency

The currency of the primary economic environment in which the Company operates ("**the functional currency**") is Singapore Dollars. The consolidated financial statements are presented in Singapore Dollars, which is the Company's functional and presentation currency.

(b) Foreign Currency Transactions

Foreign currency transactions are recorded in the functional currencies of the Company and the respective subsidiary 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 arise on foreign currency monetary items that in substance form part of the Group's net investment in the foreign entity. These exchange differences 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. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined.

Currency translation differences on non-monetary items, such as equity investments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Currency translation differences on non-monetary items, such as equity investments classified as available-for-sale financial assets, are included in the fair value reserve within equity.

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

2. ACCOUNTING POLICIES (cont'd)

2.20 Functional and Foreign Currencies (cont'd)

(c) Foreign Currency Translations

On consolidation of subsidiary companies, proportionate consolidation for joint venture companies and equity accounting for associated companies, profit statement items are translated into presentation currency at average exchange rates ruling during the year and assets and liabilities are translated into presentation currency 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.

On disposal of a foreign operation, the cumulative amount of exchange differences deferred in equity relating to that foreign operation is recognised in the profit statement as a component of the gain or loss on disposal.

2.21 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 Group and Company for the year.

2.22 Government Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised in the profit statement over the period necessary to match them on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is recognised as deferred capital grant and is amortised to the profit statement over the expected useful life of the relevant asset by equal annual instalments.

2.23 Leases

(a) As Lessee

A finance lease which effectively transfers to the Group substantially all the risks and benefits incidental to ownership of the leased item is capitalised at the lower of the fair value of the leased item and 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. Contingent rents, if any, are expensed in the periods in which they are incurred.

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.

(b) As 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. Properties 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. Contingents rents, if any, are recorded as income in the periods in which they are earned.

2. ACCOUNTING POLICIES (cont'd)

2.24 Impairment of Non-Financial Assets

The carrying amounts of the Group's assets are reviewed at each reporting date or when annual impairment testing is required,to determine whether there is any indication of impairment. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("**CGU**") to which the asset belongs. 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 unless the asset is carried at revalued amount in which case, such reversal is treated as a revaluation increase. However, the increased carrying amount is only recognised to the extent it does not exceed the carrying amount (net of amortisation or depreciation) that would have been had the impairment loss not been recognised. Impairment loss on goodwill is not reversed in a subsequent period.

2.25 Financial Assets

(a) Classification

The classification of financial assets is determined at initial recognition and re-evaluated at every reporting date, with the exception that the designation of financial assets at fair value through profit or loss is irrevocable. The Group classifies its investments in financial assets in the following categories:

(i) Financial assets at fair value through profit or loss

Derivative financial instruments whose fair value is positive are classified as financial assets at fair value through profit or loss. The accounting policy for derivative financial instruments is included in Note 2.26.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity. The Group's held-to-maturity investments include investments in corporate bonds.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless there is intention to dispose of the assets within 12 months after the balance sheet date.

2. ACCOUNTING POLICIES (cont'd)

2.25 Financial Assets (cont'd)

(b) Recognition and Derecognition

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Purchases and sales of investments are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or when all risks and rewards of ownership have been substantially transferred. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received and (b) any cumulative gain or loss recognised directly in equity is recognised in the profit statement.

(c) Initial Measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

(d) Subsequent Measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss are included in the profit statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in the fair value reserve within equity.

When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments in the fair value reserve within equity will be released through the profit statement.

(e) Determinaton of Fair Value

The fair value of quoted financial assets are based on current bid prices. Unquoted investments that do not have quoted market prices in an active market nor methods of reasonably estimating the fair value, are carried at cost.

(f) Impairment

(i) Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit statement.

2. ACCOUNTING POLICIES (cont'd)

2.25 Financial Assets (cont'd)

(f) Impairment (cont'd)

(i) Assets carried at amortised cost (cont'd)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the profit statement, to the extent that the carrying of the asset does not exceed its amortised cost at the reversal date.

(ii) Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(iii) Available-for-sale financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the investment below its cost is considered in determining whether the investments are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the profit statement is removed from the fair value reserve within equity and recognised in the profit statement. Impairment losses recognised in the profit statement on equity investments are not reversed through the profit statement, until the equity investments are disposed of.

2.26 Derivative Financial Instruments

The Group uses derivative financial instruments to hedge against risks associated with foreign currency and interest rate fluctuations. Foreign exchange forward contracts are used to hedge its risks associated primarily with foreign currency fluctuations. Interest rate swap contracts are used to hedge its risks associated with interest rate fluctuations. It is the Group's policy not to trade in derivative financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The changes in fair value of any derivative instrument that do not qualify for hedge accounting are recognised immediately in the profit statement.

The fair value of forward foreign currency contracts is calculated by reference to current forward foreign exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

2. ACCOUNTING POLICIES (cont'd)

2.27 Significant Accounting Estimates and Judgements

Estimates and assumptions concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of goodwill and brands

The Group determines whether goodwill and brands are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill and brand are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the goodwill and brands at balance sheet date is disclosed in Note 19, Note 20 and Note 23.

(ii) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of taxation and deferred taxation at balance sheet date are disclosed in the balance sheet.

(iii) Revenue recognition

The Group recognises contract revenue based on the percentage of completion method. The stage of completion is measured in accordance with the accounting policy stated in Note 2.14. Significant assumption is required in determining the percentage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. In making the assumption, the Group relies on past experiences and the work of specialists.

(iv) Depreciation of fixed assets

Fixed assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these fixed assets to be within 1 to 99 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

2. ACCOUNTING POLICIES (cont'd)

2.27 Significant Accounting Estimates and Judgements (cont'd)

(b) Critical Judgements made in Applying Accounting Policies

Management is of the opinion that the instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimates.

2.28 Assets and Liabilities Held for Sale

A component of the Group is classified as a 'discontinued operation' when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. A component is deemed to be held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the assets (or all the assets and liabilities in the group) are measured in accordance with the applicable FRSs. Upon classification as held for sale, non-current assets and disposal groups are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in the profit statement.

3. REVENUE

	THE GROUP		THE COMPANY	
	2007 ($'000)	2006 ($'000)	**2007 ($'000)**	2006 ($'000)
Sale of properties	**1,398,820**	1,127,001	**-**	-
Sale of goods	**2,811,435**	2,201,186	**-**	-
Sale of services	**252,408**	231,931	**-**	-
Gross rental income	**229,693**	201,707	**-**	-
Others	**45,916**	40,447	**4,090**	3,559
Total revenue	**4,738,272**	3,802,272	**4,090**	3,559

4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS

	THE GROUP		THE COMPANY	
	2007 ($'000)	2006 ($'000)	**2007 ($'000)**	2006 ($'000)
(a) Profit before taxation and exceptional items have been arrived at after charging:				
Depreciation of fixed assets	**118,645**	112,071	**-**	-
Depreciation of investment properties	**4,820**	4,788	**-**	-
Impairment of fixed assets	**6,118**	2,885	**-**	-
Impairment of intangibles	**124**	-	**-**	-
Allowance for foreseeable losses on properties held for sale	**-**	20,583	**-**	-
Amortisation of properties held for sale	**-**	69	**-**	-
Amortisation of properties held for development	**313**	-	**-**	-
Amortisation of brands	**614**	661	**-**	169
Amortisation of intangibles	**6,729**	4,901	**-**	-
Allowance for doubtful trade debts and bad debts	**17,100**	3,122	**-**	-
Allowance for inventory obsolescence	**12,813**	9,223	**-**	-
Provision for employee benefits	**7,395**	3,456	**-**	-
Directors of the Company:				
Fee	**1,213**	1,080	**915**	803
Remuneration of members of Board committees	**327**	241	**327**	241
Remuneration of executive directors	**4,912**	4,985	**-**	-
Central Provident Fund contribution for executive directors	**11**	15	**-**	-
Consultancy fees	**2,451**	1,243	**-**	-
Ex-gratia payment of an executive director	**-**	1,000	**-**	-
Share option expenses	**1,725**	1,566	**-**	-
Key executive officers:				
Remuneration	**6,956**	4,785	**-**	-
Provident Fund contribution	**147**	136	**-**	-
Share option expenses	**912**	712	**-**	-
Staff costs (exclude directors and key executives)	**376,011**	315,021	**-**	-
Defined contribution plans (exclude directors and key executives)	**21,796**	18,810	**-**	-
Share option expenses (exclude directors and key executives)	**6,348**	7,884	**2,175**	1,698
Auditors' remuneration:				
Auditor of the Company	**1,221**	1,218	**180**	158
Other auditors	**3,046**	2,399	**10**	2
Professional fees paid to:				
Auditor of the Company	**297**	161	**-**	-
Other auditors	**842**	543	**-**	-
Interest expense (see 4(b))	**97,986**	83,663	**35,308**	39,192
Exchange loss	**1,668**	4,845	**-**	177
and crediting:				
Interest income (see 4(b))	**26,916**	23,312	**22,680**	1,547
Exchange gain	**-**	-	**647**	-
Write back of provision for employee benefits	**2,497**	262	**-**	-
Reversal of impairment of fixed assets	**487**	1,320	**-**	-
Writeback of foreseeable losses on properties held for sale	**1,843**	-	**-**	-

4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS (cont'd)

	THE GROUP		THE COMPANY	
	2007	2006	**2007**	2006
	($'000)	($'000)	**($'000)**	($'000)
(b) Net Interest Expense:				
Interest income				
Subsidiary companies	**-**	-	**20,004**	1,433
Bank and other deposits	**24,696**	11,922	**1,833**	114
Interest rate swap contracts	**1,107**	9,753	**759**	-
Others	**1,113**	1,637	**84**	-
	26,916	23,312	**22,680**	1,547
Interest expense				
Subsidiary companies	**-**	-	**(68)**	(1,221)
Bank and other borrowings	**(95,019)**	(81,772)	**(35,240)**	(36,455)
Interest rate swap contracts	**(435)**	68	**-**	(1,516)
Others	**(2,532)**	(1,959)	**-**	-
	(97,986)	(83,663)	**(35,308)**	(39,192)
	(71,070)	(60,351)	**(12,628)**	(37,645)
(c) Included in Other Income/(Expenses) (net):				
Gain on disposal of development land	**30,445**	-	**-**	-
Gain on disposal of available-for-sale investments	**11,865**	-	**-**	-
Profit on disposal of financial instruments	**223**	-	**-**	-
Fair value gain on financial instruments	**525**	180	**-**	-
Loss on disposal of fixed assets	**(408)**	(1,891)	**-**	-
Loss on disposal of financial instruments	**-**	(129)	**-**	-
Fair value loss on financial instruments	**(1,974)**	(1,265)	**(1,974)**	(814)

5. SEGMENT INFORMATION

The Group's operating businesses are organised and managed separately according to the nature of activities. The Group's operating business segments are namely soft drinks, dairies, breweries, printing and publishing, glass containers, investment property, development property, Real Estate Investment Trust (REIT) 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.

5. SEGMENT INFORMATION (cont'd)

Year ended 30 September 2007

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 ($'000)	REIT ($'000)	Others ($'000)	Elimination ($'000)	Group ($'000)
Revenue – external	461,565	778,886	1,164,411	536,839	123,435	171,509	1,399,412	77,499	24,716	-	4,738,272
Revenue – inter-segment	1	62	-	208	26,064	3,091	-	-	92,574	(122,000)	-
Total revenue	**461,566**	**778,948**	**1,164,411**	**537,047**	**149,499**	**174,600**	**1,399,412**	**77,499**	**117,290**	**(122,000)**	**4,738,272**
Subsidiary companies	46,514	19,996	150,716	18,676	14,702	95,953	304,276	46,193	(1,105)	-	695,921
Joint venture and associated companies	-	3,907	14,644	14,210	-	441	1,950	1,029	-	-	36,181
PBIT *	**46,514**	**23,903**	**165,360**	**32,886**	**14,702**	**96,394**	**306,226**	**47,222**	**(1,105)**	**-**	**732,102**
Interest income											26,916
Interest expense											(97,986)
Profit before taxation and exceptional items											**661,032**
Exceptional items											11,662
Profit before taxation											**672,694**
Taxation											(174,364)
Profit after taxation											**498,330**
Minority interest, net of taxes											(119,729)
Attributable profit											**378,601**
Assets	259,232	580,242	1,005,883	801,996	228,539	2,799,845	4,438,375	1,037,214	546,590	-	11,697,916
Tax assets											16,868
Bank deposits & cash balances											1,150,794
Total assets											**12,865,578**
Liabilities	127,114	165,222	238,980	136,164	26,098	376,112	86,274	28,788	50,213	-	1,234,965
Tax liabilities											334,509
Borrowings											4,914,060
Total liabilities											**6,483,534**
Other segment information:											
Capital expenditure	11,515	98,130	67,282	35,160	50,240	33,951	5,561	-	10,815	-	312,654
Depreciation & amortisation	14,597	16,365	39,119	34,986	14,375	6,018	3,122	22	2,517	-	131,121
Impairment losses	906	3,821	1,391	124	-	-	-	-	-	-	6,242
Reversal of impairment losses	(254)	(67)	(166)	-	-	-	(1,843)	-	-	-	(2,330)
Attributable profit before exceptional items	18,440	5,972	64,954	24,813	6,082	64,158	214,003	14,604	(35,106)	-	377,920
Exceptional items	456	(1,385)	434	(19,252)	-	1,205	-	-	19,223	-	681
Attributable profit	18,896	4,587	65,388	5,561	6,082	65,363	214,003	14,604	(15,883)	-	378,601

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	1,732,267	949,604	731,356	483,392	18,054	619,886	203,713	4,738,272
PBIT *	334,159	96,023	125,450	74,753	(3,336)	78,913	26,140	732,102
Other geographical information:								
Assets	5,540,573	775,238	1,066,945	1,825,708	24,830	1,639,797	824,825	11,697,916
Capital expenditure	32,647	68,984	142,772	29,612	10,398	21,253	6,988	312,654

* PBIT = Profit before interest, taxation and exceptional items

Rest of South East Asia: Myanmar, Thailand, Cambodia, Vietnam and Laos
North East Asia: China, Taiwan, Japan, Korea and Mongolia
South Asia: India and Sri Lanka
South Pacific: Australia, New Zealand and Papua New Guinea

5. SEGMENT INFORMATION (cont'd)

Year ended 30 September 2006

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 ($'000)	REIT ($'000)	Others ($'000)	Elimination ($'000)	Group ($'000)
Revenue – external	419,677	415,383	983,868	497,675	117,176	202,767	1,127,480	17,392	20,854	-	3,802,272
Revenue – inter-segment	-	33	-	252	19,896	2,174	-	-	81,373	(103,728)	-
Total revenue	419,677	415,416	983,868	497,927	137,072	204,941	1,127,480	17,392	102,227	(103,728)	3,802,272
Subsidiary companies	43,384	13,374	135,592	13,382	11,482	111,858	224,688	10,515	10,914	-	575,189
Joint venture and associated companies	-	3,857	16,980	6,963	-	902	1,698	-	(8,563)	-	21,837
PBIT *	**43,384**	**17,231**	**152,572**	**20,345**	**11,482**	**112,760**	**226,386**	**10,515**	**2,351**	**-**	**597,026**
Interest income											23,312
Interest expense											(83,663)
Profit before taxation and exceptional items											**536,675**
Exceptional items											34,003
Profit before taxation											**570,678**
Taxation											(138,650)
Profit after taxation											**432,028**
Minority interest, net of taxes											(112,503)
Attributable profit											**319,525**
Assets	260,315	290,465	928,001	779,357	182,463	2,289,412	2,606,519	942,039	534,541	-	8,813,112
Tax assets											18,607
Bank deposits & cash balances											834,891
Total assets											**9,666,610**
Liabilities	104,780	64,573	196,423	122,780	23,077	65,525	317,195	19,282	42,688	-	956,323
Tax liabilities											303,504
Borrowings											3,802,205
Total liabilities											**5,062,032**
Other segment information:											
Capital expenditure	14,279	10,251	59,700	32,933	24,610	53,261	21	-	4,714	-	199,769
Depreciation & amortisation	14,280	13,079	34,924	33,768	16,443	3,554	3,330	4	3,108	-	122,490
Impairment losses	277	1,685	216	995	-	224	-	-	-	-	3,397
Reversal of impairment losses	(667)	(139)	(514)	-	-	-	-	-	-	-	(1,320)
Attributable profit before exceptional items	17,318	5,624	58,036	15,865	4,570	76,489	147,267	3,227	(32,982)	-	295,414
Exceptional items	712	(715)	(1,396)	8,320	-	-	8,647	-	8,543	-	24,111
Attributable profit	18,030	4,909	56,640	24,185	4,570	76,489	155,914	3,227	(24,439)	-	319,525

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	1,481,634	792,912	408,498	437,200	10,390	451,876	219,762	3,802,272
PBIT *	243,705	86,142	105,205	66,713	(816)	60,296	35,781	597,026
Other geographical information:								
Assets	5,113,624	593,609	678,557	1,210,524	13,749	836,930	366,119	8,813,112
Capital expenditure	80,290	28,985	57,424	20,359	1,565	9,471	1,675	199,769

* PBIT = Profit before interest, taxation and exceptional items

Rest of South East Asia: Myanmar, Thailand, Cambodia, Vietnam and Laos
North East Asia: China, Taiwan, Japan, Korea and Mongolia
South Asia: India and Sri Lanka
South Pacific: Australia, New Zealand and Papua New Guinea

		THE GROUP		THE COMPANY	
		2007	2006	**2007**	2006
		($'000)	($'000)	**($'000)**	($'000)
6.	**GROSS DIVIDENDS FROM SUBSIDIARY AND JOINT VENTURE COMPANIES**				
	Quoted subsidiary companies			**37,703**	40,003
	Quoted joint venture company			**5,931**	4,623
	Unquoted subsidiary companies			**81,578**	116,349
				125,212	160,975
7.	**GROSS INCOME FROM INVESTMENTS**				
	Interest income	**5,812**	5,837	**827**	319
	Dividend income	**5,664**	6,191	**156**	354
		11,476	12,028	**983**	673
8.	**EXCEPTIONAL ITEMS**				
	Profit on disposal of other investments	**16,985**	967	**-**	-
	Provision for impairment of assets held for sale	**(6,217)**	-	**-**	-
	Change of interest in subsidiary and associated companies	**(8,582)**	7,615	**-**	-
	Profit on disposal of properties	**12,996**	16,483	**-**	-
	(Provision)/Write back of impairment on properties	**(903)**	14,922	**-**	-
	Share of exceptional items of joint venture and associated companies	**437**	42	**-**	-
	Provision for restructuring and re-organisation costs of operations	**(2,245)**	(4,536)	**-**	-
	Provision for professional fee	**(809)**	(442)	**-**	-
	Donation to APB Foundation	**-**	(1,048)	**-**	-
	Provision for impairment of investment in and amounts due from subsidiary companies	**-**	-	**(19,336)**	-
		11,662	34,003	**(19,336)**	-

9. TAXATION

	THE GROUP		THE COMPANY	
	2007	2006	**2007**	2006
	($'000)	($'000)	**($'000)**	($'000)
Based on profit for the year:				
Singapore tax	**58,125**	55,719	**11,628**	17,360
Overseas tax	**126,790**	98,268	**7,371**	11,374
Deferred tax				
– current year	**(3,978)**	(7,630)	**-**	-
– adjustment of tax rate	**(3,368)**	(7)	**-**	-
	177,569	146,350	**18,999**	28,734
(Over)/Under provision in preceding years				
– current income tax	**(2,928)**	(2,495)	**4,811**	1,069
– deferred tax	**(277)**	(5,205)	**-**	-
	174,364	138,650	**23,810**	29,803

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	
	2007	2006	**2007**	2006
	(%)	(%)	**(%)**	(%)
Singapore statutory rate	**18.0**	20.0	**18.0**	20.0
Effect of different tax rates of other countries	**6.5**	4.9	**2.8**	2.7
Effect of tax losses of subsidiary and joint venture companies not available for set-off against profits of other companies within the group	**3.7**	1.2	**-**	-
Income not subject to tax (tax incentive/exemption)	**(7.9)**	(3.4)	**(11.1)**	(5.4)
Expenses not deductible for tax purposes	**6.8**	4.9	**11.9**	6.5
Utilisation of previously unrecognised tax losses in determining taxable profit	**(2.6)**	(1.4)	**-**	-
(Over)/Under provision in prior years	**(0.5)**	(1.1)	**5.6**	0.9
Adjustment due to change in tax rate	**(0.5)**	-	**-**	-
Deferred tax benefits not recognised	**0.7**	-	**-**	-
Other reconciliation items	**1.7**	(0.8)	**0.4**	0.5
	25.9	24.3	**27.6**	25.2

9. TAXATION (cont'd)

On 15 February 2007, the Singapore Government announced a 2% point reduction in statutory tax rate from Year of Assessment 2008. The financial effect of the reduction of tax rate was reflected in the current financial year.

As at 30 September 2007, certain Singapore subsidiary companies have unutilised tax losses of approximately $58,139,000 (2006: $73,622,000), unutilised investment allowances of approximately $7,433,000 (2006: $7,657,000) and unabsorbed capital allowances of $11,464,000 (2006: $13,352,000) available for set off against future profits. In addition, certain overseas subsidiary companies have unutilised tax losses carried forward of approximately $351,590,000 (2006: $444,551,000), unutilised investment allowance of approximately $25,880,000 (2006: $28,992,000) and unabsorbed capital allowances of $16,195,000 (2006: $17,490,000). 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 tax residence. The deferred tax benefits of these losses recognised in the financial statements are disclosed in Note 33.

For the year of assessment ("**YA**") 2007, certain subsidiaries have transferred loss items of $38,132,000 (YA 2006: $54,273,000) to offset against the taxable income of other companies in the Group. Tax benefits of $6,946,000 (YA 2006: Nil) were recognised on the tax losses utilised under the group relief systems. Tax benefits of $7,626,000 (YA 2006: $10,855,000) arising from the utilisation of group relief are not recognised as they are subject to compliance with the relevant tax legislation governing group relief and agreement of the Inland Revenue Authority of Singapore.

10. DIVIDENDS

	THE GROUP & THE COMPANY	
	2007 ($'000)	2006 ($'000)
Interim paid of 5 cents per share (1-tier tax exempt) (2006: 4 cents per share after deducting Singapore tax at 20%)	**69,050**	46,788
Final proposed of 8.5 cents per share (1-tier tax exempt) (2006: 8 cents per share comprising 4 cents after deducting Singapore tax at 20% and 4 cents 1-tier tax exempt)	**117,596**	110,450
	186,646	157,238

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.

11. EARNINGS PER SHARE

(a) Basic Earnings Per Share

Basic earnings per share is computed by dividing the Group attributable profit to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	THE GROUP	
	2007 ($'000)	2006 ($'000)
Group attributable profit to shareholders of the Company		
– before exceptional items	**377,920**	295,414
– after exceptional items	**378,601**	319,525
	— No. of shares —	
Weighted average number of ordinary shares in issue	**1,321,214,013**	1,169,795,825
Earnings Per Share (Basic)		
– before exceptional items	**28.6 cts**	25.3 cts
– after exceptional items	**28.7 cts**	27.3 cts

(b) Diluted Earnings Per Share

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

For diluted earnings per share, the Group attributable profit to shareholders of the Company 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 to shareholders of the Company used to compute diluted earnings per share is as follows:

	THE GROUP	
	2007 ($'000)	2006 ($'000)
Group attributable profit to shareholders of the Company before exceptional items	**377,920**	295,414
Change in attributable profit due to dilutive share options	**(841)**	(767)
Group adjusted attributable profit to shareholders of the Company before exceptional items	**377,079**	294,647
Group attributable profit to shareholders of the Company after exceptional items	**378,601**	319,525
Change in attributable profit due to dilutive share options	**(858)**	(774)
Group adjusted attributable profit to shareholders of the Company after exceptional items	**377,743**	318,751

11. EARNINGS PER SHARE (cont'd)

(b) Diluted Earnings Per Share (cont'd)

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:

	THE GROUP	
	2007	2006
	— No. of shares —	
Weighted average number of ordinary shares used to compute basic earnings per share	**1,321,214,013**	1,169,795,825
Effect of dilutive share options	**11,618,510**	7,315,510
Weighted average number of ordinary shares used to compute diluted earnings per share	**1,332,832,523**	1,177,111,335
Earnings Per Share (Fully diluted)		
– before exceptional items	**28.3 cts**	25.0 cts
– after exceptional items	**28.3 cts**	27.1 cts

No (2006: 10,968,000) share options granted to employees under share option plans have been excluded in the computation of diluted earnings per share because these options were anti-dilutive for the current financial year.

12. SHARE CAPITAL AND RESERVES

	THE GROUP & THE COMPANY			
	2007		2006	
	No. of shares	**($'000)**	No. of shares	($'000)
SHARE CAPITAL				
Ordinary shares issued and fully paid up				
Balance at beginning of year	**1,172,943,085**	**400,971**	233,359,335	233,359
Issued during the year				
– pursuant to a share subscription agreement	**205,500,000**	**900,090**	-	-
– pursuant to the exercise of Executives' Share Options	**5,040,600**	**12,854**	3,598,030	8,865
Subdivision of share	**-**	**-**	935,985,720	-
Transfer of share premium and capital redemption reserve to share capital	**-**	**-**	-	158,747
Balance at end of year	**1,383,483,685**	**1,313,915**	1,172,943,085	400,971

12. SHARE CAPITAL AND RESERVES (cont'd)

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 financial year, the Company issued 205,500,000 ordinary shares at $4.38 per share for cash to Seletar Investments Pte Ltd, a wholly owned subsidiary of Temasek Holdings (Private) Limited. The proceeds from the share issue will be used to strenghten the growth potential of the Company's Food and Beverage business.

The Company has 2 employee share option plans (Note 32) under which options to subscribe for the Company's ordinary shares have been granted to employees.

During the year, the consideration received following the exercise of Executives' Share Options was $12,854,000 (2006: $12,161,000).

	THE GROUP		**THE COMPANY**	
	2007 ($'000)	2006 ($'000)	**2007 ($'000)**	2006 ($'000)
RESERVES				
The reserves comprise the following:				
Capital Reserve	**1,146,500**	849,306	**1,039,274**	1,039,274
Fair Value Adjustment Reserve	**225,246**	56,607	**1,997**	71
Employee Share Option Reserve	**14,916**	9,947	**13,503**	8,484
Revenue Reserve	**2,431,588**	2,262,638	**1,038,879**	1,179,656
Dividend Reserve	**117,596**	93,835	**117,596**	93,835
Exchange Reserve	**(29,164)**	(72,824)	**-**	-
Total reserves	**3,906,682**	3,199,509	**2,211,249**	2,321,320

The Singapore tax credits have been fully utilised and the Company has moved 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.

Fair value adjustment reserve comprises the cumulative fair value changes of available-for-sale financial assets until they are derecognised or impaired.

Employee share option reserve represents the equity-settled options granted to employees and is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options.

Exchange reserve comprises the exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Dividend reserve relates to proposed final dividend of 8.5 cents (2006: 8 cents) per share.

13. GROUP FIXED ASSETS

	Note	Freehold Land ($'000)	Leasehold Land ($'000)	Building ($'000)	Plant & Machinery ($'000)	Capital Work-in -Progress ($'000)	Other Assets ($'000)	Total ($'000)
For the year ended 30 September 2007								
At cost/valuation								
Balance at beginning of year		59,545	80,262	380,640	1,240,353	66,854	324,877	2,152,531
Currency realignment		1,550	(1,051)	1,254	8,382	1,586	3,968	15,689
Additions		1,939	2,803	8,576	80,808	107,388	32,473	233,987
Acquisition of subsidiary companies/ business assets		-	7,055	884	1,366	5,358	1,532	16,195
Acquisition of joint venture companies		-	-	426	3,582	-	474	4,482
Disposals of subsidiary company		-	-	-	-	-	(1,911)	(1,911)
Disposals		(1,937)	(2,103)	(754)	(7,161)	-	(17,050)	(29,005)
Reclassification		740	(1,768)	24,941	11,869	(46,591)	10,809	-
Reclassification from intangibles		-	1,190	-	-	-	-	1,190
Reclassified to assets held for sale	29	(1,395)	-	(14,543)	(110,480)	-	(1,667)	(128,085)
Transfer to current assets		-	-	-	(159)	(6,618)	(933)	(7,710)
Transfer (to)/from properties held for sale		(5,642)	-	(1,548)	-	-	6,647	(543)
Balance at end of year		54,800	86,388	399,876	1,228,560	127,977	359,219	2,256,820
Analysis of cost/valuation								
At cost		29,667	68,782	396,896	1,222,489	127,977	359,219	2,205,030
At directors' valuation 1983		-	-	583	-	-	-	583
At directors' valuation 1988		-	-	2,397	6,071	-	-	8,468
At directors' valuation 1996		25,133	17,606	-	-	-	-	42,739
		54,800	86,388	399,876	1,228,560	127,977	359,219	2,256,820
Accumulated depreciation and impairment								
Balance at beginning of year		1,023	22,306	114,624	671,376	371	219,667	1,029,367
Currency realignment		4	(634)	(770)	3,603	(9)	2,421	4,615
Depreciation charge for the year		-	2,100	10,276	75,076	42	31,151	118,645
Impairment charge for the year		-	1,629	-	2,354	-	2,135	6,118
Impairment reversal for the year		-	-	-	(188)	-	(299)	(487)
Acquisition of subsidiary companies/ business assets		-	-	839	541	-	593	1,973
Disposals of subsidiary company		-	-	-	-	-	(1,508)	(1,508)
Disposals		(5)	-	(1,315)	(5,218)	-	(15,141)	(21,679)
Reclassification		-	(63)	867	(2,565)	-	1,761	-
Reclassification from intangibles		-	36	-	-	-	-	36
Reclassified to assets held for sale	29	-	-	(1,421)	(27,465)	-	(1,266)	(30,152)
Transfer to current assets		-	-	-	(31)	(172)	(468)	(671)
Balance at end of year		1,022	25,374	123,100	717,483	232	239,046	1,106,257
Net book value at end of year		53,778	61,014	276,776	511,077	127,745	120,173	1,150,563

13. GROUP FIXED ASSETS (cont'd)

	Freehold Land ($'000)	Leasehold Land ($'000)	Building ($'000)	Plant & Machinery ($'000)	Capital Work-in -Progress ($'000)	Other Assets ($'000)	Total ($'000)
For the year ended 30 September 2006							
At cost/valuation							
Balance at beginning of year	74,430	70,723	377,242	1,217,883	43,257	312,450	2,095,985
Currency realignment	(3,318)	(3,179)	(15,949)	(56,942)	(1,935)	(10,701)	(92,024)
Additions	4,183	4,323	2,486	25,358	54,517	27,181	118,048
Acquisition of subsidiary company/ business assets	2,111	4,038	1,347	6,725	1,449	1,777	17,447
Acquisition of joint venture companies	106	4,357	11,946	43,295	1,442	8,237	69,383
Disposal of subsidiary company	-	-	-	-	-	(361)	(361)
Disposals	(729)	-	(3,286)	(14,887)	-	(23,298)	(42,200)
Reclassification	(6)	-	6,854	19,028	(30,629)	4,753	-
Transfer (to)/from current assets	-	-	-	(107)	(1,247)	4,839	3,485
Transfer to properties held for sale	(17,232)	-	-	-	-	-	(17,232)
Balance at end of year	59,545	80,262	380,640	1,240,353	66,854	324,877	2,152,531
Analysis of cost/valuation							
At cost	34,412	57,718	344,513	1,231,451	66,854	324,877	2,059,825
At directors' valuation 1976	-	-	-	2,636	-	-	2,636
At directors' valuation 1983	-	-	1,327	-	-	-	1,327
At directors' valuation 1988	-	-	2,532	6,266	-	-	8,798
At directors' valuation 1996	25,133	22,544	32,268	-	-	-	79,945
	59,545	80,262	380,640	1,240,353	66,854	324,877	2,152,531
Accumulated depreciation and impairment							
Balance at beginning of year	66	16,407	106,253	603,955	-	211,447	938,128
Currency realignment	(2)	(872)	(4,056)	(28,610)	-	(6,988)	(40,528)
Depreciation charge for the year	-	1,771	9,898	72,037	14	28,351	112,071
Impairment charge for the year	-	-	-	2,527	-	358	2,885
Impairment reversal for the year	(5)	-	(177)	(698)	-	(440)	(1,320)
Acquisition of subsidiary company/ business assets	964	1,001	166	4,518	175	1,083	7,907
Acquisition of joint venture companies	-	3,999	4,972	27,396	182	3,657	40,206
Disposals	-	-	(2,332)	(10,539)	-	(20,258)	(33,129)
Disposals of subsidiary company	-	-	-	-	-	(207)	(207)
Reclassification	-	-	(100)	790	-	2,664	3,354
Balance at end of year	1,023	22,306	114,624	671,376	371	219,667	1,029,367
Net book value at end of year	58,522	57,956	266,016	568,977	66,483	105,210	1,123,164

13. GROUP FIXED ASSETS (cont'd)

(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.

(c) If the fixed assets stated at revaluation had been included in the financial statements at cost less depreciation, the net book value would have been as follows:

	Freehold Land ($'000)	**Leasehold Land ($'000)**	**Building ($'000)**	**Plant & Machinery ($'000)**	**Capital Work-in -Progress ($'000)**	**Other Assets ($'000)**	**Total ($'000)**
At 30 September 2007	23,917	8,105	15,964	-	-	-	47,986
At 30 September 2006	23,737	8,573	16,359	6,885	-	-	55,554

(d) Additions in the consolidated financial statements include $nil (2006: $1,571,000) of other assets acquired under finance leases. The carrying amount of other assets held under finance leases at 30 September 2007 amounted to $3,667,000 (2006: $4,380,000).

(e) The net book value of fixed assets pledged to financial institutions as security for borrowings are as follows:

	2007 ($'000)	2006 ($'000)
Plant and machinery	**20,250**	47,667
Building	**21,937**	7,024
Freehold and leasehold land	**4,828**	-
Capital work-in-progress	**49,874**	-
Other fixed assets	**834**	-

14. GROUP INVESTMENT PROPERTIES

	Freehold Land ($'000)	Leasehold Land ($'000)	Building ($'000)	Total ($'000)
At cost/valuation				
Balance at beginning of year	657,830	1,169,634	898,978	2,726,442
Currency realignment	2,239	(83)	(1,350)	806
Additions	-	470	29,980	30,450
Disposals	-	(26,528)	(13,217)	(39,745)
Revaluation surplus	116,120	96,168	138,950	351,238
Acquisition of subsidiary companies	2,255	-	114,108	116,363
Transfer from properties held for development	-	13,663	47,389	61,052
Balance at end of year	778,444	1,253,324	1,214,838	3,246,606
Analysis of cost/valuation:				
At cost	-	48,316	141,912	190,228
At directors' valuation 2007	778,444	1,205,008	1,072,926	3,056,378
	778,444	1,253,324	1,214,838	3,246,606
Accumulated depreciation and impairment				
Balance at beginning of year	-	2,143	16,283	18,426
Currency realignment	-	(146)	(883)	(1,029)
Depreciation charge for the year	-	1,536	3,284	4,820
Balance at end of year	-	3,533	18,684	22,217
Net book value				
At 30 September 2007	778,444	1,249,791	1,196,154	3,224,389
At 30 September 2006	657,830	1,167,491	882,695	2,708,016

Investment properties comprise serviced residences and commercial properties that are leased mainly to third parties under operating leases (Note 35).

Freehold and leasehold investment properties are stated at directors' valuation, guided by independent professional valuation.

On 30 September 2007, independent valuations were undertaken by DTZ Debenham Tie Leung (SEA) Pte Ltd and Colliers International Consultancy & Valuation (Singapore) Pte Ltd (Singapore properties), Knight Frank Pte Ltd (Frasers Centerpoint Trust malls), BEM Property Consultants Pty Limited (Bridgepoint, Australia), DTZ Debenham Tie Leung Limited (FCL's UK Investment Properties), Asian Appraisal Company, Inc (Philippines Investment Properties) and CB Richards Ellis Pty Ltd (TPL Group's Hong Kong Investment Properties). The independent valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuations for the investment properties were based on a combination of the Direct Comparison Method, Income Approach and Discounted Cash Flow Analysis.

15. GROUP PROPERTIES HELD FOR DEVELOPMENT

	2007 ($'000)	2006 ($'000)
Properties held for development comprise:		
Leasehold land, at cost	**99,446**	73,459
Development expenditure	**27,218**	5,796
Interest cost	**579**	579
Property tax	**591**	-
	127,834	79,834

Properties held for development include:

Singapore

(1) Leasehold land (99-year tenure commencing 1 April 1990) of Lots 2569C-PT and 2348W-PT MK 19 at Yishun Central for the development of a commercial building with five levels of retail space including a retail basement floor and a basement carpark.

(2) Leasehold land (99-year tenure commencing 15 March 1978) at Lots 10283 PT (Plot 1) and 10283 PT (Plot 2) of Mukim 27 at 799 and 795 New Upper Changi Road for the development of a commercial building with five levels of retail space including a retail basement floor and a basement carpark.

China

(3) Leasehold land (50-year tenure commencing 21 April 1999) of approximately 338,578 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 composite development of a hi-tech multi-purpose business park with a total gross floor area of approximately 536,480 sqm.

16. SUBSIDIARY COMPANIES

	THE COMPANY	
	2007 ($'000)	2006 ($'000)
Quoted shares at cost	**264,750**	260,215
Unquoted shares at cost	**3,406,481**	3,403,226
	3,671,231	3,663,441
Amounts owing by subsidiary companies (unsecured)	**686,192**	292,701
Amounts owing to subsidiary companies (unsecured)	**(721,772)**	(726,508)
	3,635,651	3,229,634
MARKET VALUE		
Quoted shares	**734,752**	549,641

16. SUBSIDIARY COMPANIES (cont'd)

The amounts owing by subsidiary companies are due on loan account, not repayable within the next 12 months and are interest-free except for amounts of $686,092,000 (2006: $245,453,000) which bear interest at an average rate of 2.26% (2006: 3.48% to 7.10%) per annum.

The amounts owing from and to subsidiary companies disclosed under current assets and current liabilities are unsecured, non-trade in nature, interest-free, no fixed repayment term and to be settled in cash.

The carrying amounts of the amounts owing from and to subsidiary companies are largely denominated in Singapore Dollars.

(a) During the financial year, the Group incorporated the following subsidiary companies:

Name of Company	Country of incorporation and place of business	Equity interest held %	Date of incorporation
Frasers (Office Park) Pte Ltd (now known as Frasers Hospitality Investment Holdings (Philippines) Pte Ltd)	Singapore	100.0	31 October 2006
FCL Tampines Court Pte Ltd	Singapore	100.0	21 May 2007
Frasers Centerpoint Asset Management (Malaysia) Pte Ltd	Singapore	100.0	11 June 2007
FCL Trust Holdings (Office & Industrial) Pte Ltd	Singapore	100.0	16 August 2007
Frasers Centerpoint Asset Management (Office & Industrial) Pte Ltd	Singapore	100.0	24 August 2007
Frasers (India) Pte Ltd	Singapore	100.0	30 August 2007
Frasers Hospitality (Thailand) Ltd	Thailand	100.0	10 May 2005*
Ace Goal Limited	Hong Kong	100.0	11 April 2007
Extra Strength Limited	Hong Kong	100.0	7 March 2007
Forth Carries Limited	Hong Kong	100.0	17 November 2006
Forward Plan Limited	Hong Kong	100.0	11 April 2007
Summit Park Limited	Hong Kong	100.0	14 February 2007
FRA (Jersey) Limited	United Kingdom	75.0	5 March 2007
Frasers Lindfield Pty Ltd (now known as Frasers Broadway Pty Ltd)	Australia	75.0	8 November 2006
Blessing Sky Limited	Hong Kong	100.0	18 April 2007
Frasers International Logistics Management Pte Ltd	Singapore	100.0	11 June 2007
Sing Long Property Development (Suzhou) Co., Ltd	China	80.0	21 May 2007
Frasers Hospitality Investments Inc.	Philippines	100.0	1 June 2007
Beijing Frasers Suites Real Estate Management Co., Ltd	China	100.0	16 May 2007
Frasers Hospitality (Hong Kong) Limited	Hong Kong	100.0	6 September 2007
F&N Dairies (Thailand) Limited	Thailand	100.0	3 October 2006
Arolys Singapore Pte Ltd	Singapore	100.0	13 October 2006
Lion Share Management Limited	British Virgin Islands	100.0	13 October 2006
F&N Treasury Pte Ltd	Singapore	100.0	27 November 2006

* The share capital of Frasers Hospitality (Thailand) Ltd was injected during the financial year.

16. SUBSIDIARY COMPANIES (cont'd)

(b) During the financial year, the Group acquired the following subsidiary companies:

Properties

(i) On 11 January 2007, the Group, through its subsidiary company Frasers Centerpoint Limited ("**FCL**") acquired the entire issued share capital of Excellent Esteem Limited ("**Excellent Esteem**"), a company incorporated in Hong Kong for a cash consideration of HK$1.

(ii) On 1 January 2007, the Group, through FCL's subsidiary company, Frasers (UK) Pte. Ltd. ("**Frasers (UK)**"), undertook a restructuring exercise (the "**Restructuring**") to consolidate certain of its property assets in the United Kingdom through the transfer of its interests in the relevant holding companies to Fairbriar Holdings Limited.

Prior to the Restructuring, Fairbriar Holdings Limited was an associate owned in equal shares by Frasers (UK), the Scarborough Group and Uberior Investments PLC. In connection with the Restructuring, Fairbriar Holdings Limited was renamed "**Frasers Property (UK) Limited**" ("**FP(UK)**").

Pursuant to the Restructuring, Frasers (UK) injected assets via the transfer of interests in the relevant holding companies, and cash into FP(UK) in return for the issue and allotment of new ordinary shares of 50 pence each in the share capital of FP(UK) ("**New Shares**"), valued at 60.77 pence per New Share based on the net asset value of FP(UK) of £19.2 million as disclosed in its 31 December 2006 management accounts. The Scarborough Group has similarly injected certain assets and cash into FP(UK) in return for the issue and allotment of New Shares.

Following the Restructuring, Frasers (UK)'s shareholding interest in FP(UK) increased from 33.33% to approximately 68.23% with Scarborough Group and Uberior Group holding approximately 20.20% and 11.57%, respectively.

The Restructuring did not have any material effect on the net tangible assets per share or earnings per share of the Group for the current financial year.

(iii) On 28 December 2006, the Group, through FCL's subsidiary company, Frasers (UK), acquired the entire issued share capital of SCP Property Holdings B.V. ("**SCP**"), a company incorporated in the Netherlands, at a cash consideration of Euro 18,000, being the paid-up capital of SCP. SCP has in turn entered into a conditional agreement for the acquisition of property in Geneva, Switzerland which is intended to be developed for use as serviced apartments.

(iv) On 26 January 2007, the Group, through FCL's subsidiary company, FCL China Development Pte Ltd, acquired 80% of the issued share capital of Singapore Logistics Investments Pte Ltd ("**SLI**"), a company incorporated in Singapore, at a cash consideration of S$30,000.

Through an ordinary resolution passed at a general meeting on 26 January 2007, SLI increased its issued and paid up capital from $10 to $2,000,000 by the allotment of 1,599,992 and 399,998 ordinary shares in the capital of SLI to the Company and an external party, respectively, for a total consideration of $1,999,990 in cash.

SLI has entered into a conditional agreement for the acquisition of the entire issued Share Capital of Superway Logistics Investments (Hong Kong) Limited ("**SLIHK**"), a company incorporated in Hong Kong. SLIHK is an investment holding company for the purpose of acquiring land and developing thereon an industrial complex to be operated as a logistics centre in Chengdu, China.

16. SUBSIDIARY COMPANIES (cont'd)

(b) During the financial year, the Group acquired the following subsidiary companies: (cont'd)

Printing and Publishing

(i) During the year, the Group, through Times Publishing Limited's ("**TPL**") subsidiary company, Times Printers (HK) Limited ("**TPHK**") acquired a further 14.7% of the issued share capital of its subsidiary Everbest Printing Holdings Limited ("**Everbest**") for a consideration of HK$34,294,971. Everbest is now a wholly owned subsidiary of TPHK.

(ii) On 27 October 2006, the Group, through TPL's subsidiary company, Times The Bookshop Pte Ltd ("**TTB**"), acquired 49% of the issued share capital of Pacific Bookstores Pte Ltd ("**Pacific Bookstores**"), with a call option to acquire the remaining 51% at different times, for a cash consideration of $2,646,000. TTB has control of Pacific Bookstores by virtue of potential voting rights. Pacific Bookstores carries on the business of selling books and stationery through bookstores in schools and cyber bookstores.

(iii) On 3 September 2007, the Group, through TPL's subsidiary company, Times Printers Private Limited ("**TPPL**") acquired 51% of the issued share capital of Starprint Production Pte Ltd ("**Starprint Production**") for a cash consideration of $985,000. Starprint Production carries on the business of servicing activities related to printing.

Dairies

(i) On 20 September 2007, the Group's subsidiary company, F&N Dairy Investment Pte Ltd ("**F&NDI**"), acquired China Dairy Group Ltd's entire interest in Tien Chun Pte Ltd ("**TCPL**"). TCPL has a 55% interest in Paedia Nutrition Company, Limited ("**Paedia**"). Paedia carries on the business of manufacturing and distribution of milk powder.

(ii) On 16 February 2007, the Group's subsidiary company, Frasers and Neave Holdings Berhad ("**F&NHB**"), acquired the remaining 25% of the issued and paid-up share capital of Premier Milk (Malaya) Sdn Berhad ("**PML**") from Nestle S.A. for a cash consideration of RM24,530,000. PML become a wholly owned subsidiary of F&NHB.

The fair value and carrying value of the identifiable assets and liabilities arising from acquisition and restructuring of subsidiary company and businesses as at the date of acquisition are:

	Fair value at date of acquisition ($'000)	**Carrying value at date of acquisition ($'000)**
Fixed assets	14,222	14,222
Other non-current assets	133,608	113,314
Current assets	206,444	205,483
Current liabilities	(299,258)	(299,165)
Non-current liabilities	(2,533)	(55)
Minority interest	(30,469)	(30,469)
Cash	3,804	3,804
Net asset value as at acquisition	25,818	7,134
Goodwill on acquisition, net	1,973	
Consideration	27,791	
Less: Cash of subsidiary companies	(3,804)	
Cash flow on acquisition net of cash and cash equivalents acquired	23,987	

16. SUBSIDIARY COMPANIES (cont'd)

The attributable profit contribution by the acquired subsidiary companies from the date of acquisition was $12.8 million. The impact on the results of the Group for the year as though the acquisition dates for the above acquisitions and restructuring effected during the year had been at the beginning of the year cannot be practicably quantified.

(c) Payment of Management Fees and Acquisition Fees by way of Units in Frasers Centrepoint Trust ("FCT")

The Group, through FCL's subsidiary company, Frasers Centrepoint Assets Management Ltd ("**FCAM**"), received 2,321,503 Units (total value of $3,519,200) in FCT in payment of 65% of its management fees.

On 5 June 2007, the Group, through FCL's subsidiary company, FCT, acquired 86,400,000 units in Hektar Real Estate Investment Trust ("**Hektar**") for a consideration of RM104,544,000. The Group, though FCL's subsidiary company, FCAM, received 260,966 Units (total value of $469,165) in FCT in payment of acquisition fees payable by FCT for its acquisition of units in Hektar.

(d) Disposal of Business Assets

During the year, the Group's subsidiary company TPL disposed of the business operation of United Publishers Services Limited at a loss of $7,255,000. The effect of the disposal is disclosed in the Consolidated Cash Flow Statement.

Details of significant subsidiary companies are included in Note 42.

17. JOINT VENTURE COMPANIES

		THE COMPANY	
		2007 ($'000)	2006 ($'000)
(a)	Unquoted investment, at cost	**276,126**	276,126
	Quoted investment, at cost	**132,795**	132,007
		408,921	408,133
	MARKET VALUE		
	Quoted shares	**258,804**	285,059

Details of joint venture companies are included in Note 42.

17. JOINT VENTURE COMPANIES (cont'd)

(b) The following amounts represent the Group's share of the revenue and expenses and assets and liabilities of the joint venture companies and are included in the consolidated profit statement and balance sheet using the line-by-line format of proportionate consolidation.

(i) The Group's share of the consolidated results of the joint venture companies for the year is as follows:

	THE GROUP	
	2007 ($'000)	2006 ($'000)
Revenue	**1,149,824**	954,761
Profit before taxation and exceptional items	**136,075**	132,870
Exceptional items	**586**	(1,265)
Taxation	**(44,139)**	(37,335)
Minority interests	**(41,918)**	(50,448)

(ii) The Group's share of the consolidated assets and liabilities of the joint venture companies is as follows:

	THE GROUP	
	2007 ($'000)	2006 ($'000)
Non-current assets	**1,137,267**	750,571
Current assets	**340,007**	286,934
Current liabilities	**(678,670)**	(376,760)
Long term liabilities	**(100,122)**	(37,867)
	698,482	622,878

During 2006, a joint venture company acquired subsidiaries and a provisional goodwill was recognised. In accordance with FRS 103, the fair value of assets and liabilities acquired were finalised during the year and the provisional goodwill was adjusted. Comparative numbers for 2006 have been changed due to the finalisation of the provisional goodwill.

(iii) The share of the results, assets and liabilities as stated in paragraphs (i) and (ii) above is based on the accounts of the joint venture companies to 30 September 2007.

(iv) The amounts owing from/to joint venture companies classified under current assets and current liabilities are unsecured, trade in nature, interest-free, to be settled in cash and are denominated in Singapore Dollars, US Dollars and Euro Dollars.

(v) The Group's and the Company's share of capital commitments of the joint venture companies as at 30 September 2007 is $31,577,000 (2006: $20,781,000).

(vi) The Group's and the Company's share of contingent liabilities of the joint venture companies as at 30 September 2007 is $302,000 (2006: $2,772,000).

17. JOINT VENTURE COMPANIES (cont'd)

(c) Joint Venture Company's Investment in Joint Venture

Joint venture companies ("**JVC**") that are held directly by the Group's joint venture companies are equity accounted for in accordance with the accounting policies of the Group's joint venture companies. No adjustments have been made in the Group consolidated financial statements to recognise the interests of these JVC using proportionate consolidation as the contribution of these JVC to the Group are not material. Investments in and share of the results, assets and liabilities of the joint venture companies, are as follows:

	THE GROUP	
	2007	2006
	($'000)	($'000)
Investment in joint venture companies, at cost	**58,855**	52,738
Acquisition of interests	**1,361**	6,117
Share of net post acquisition reserves	**26,834**	20,121
	87,050	78,976
Loans owing from joint venture companies (unsecured)	**9,410**	10,014
	96,460	88,990
Share of profit from JVC	**14,164**	13,267

(i) The Group's share of the consolidated results of the JVC for the year is as follows:

Revenue	**228,934**	206,787
Profit before exceptional items	**14,164**	13,267
Exceptional items	**(39)**	50

(ii) The Group's share of the consolidated assets and liabilities of the JVC is as follows:

Non-current assets	**76,574**	77,443
Current assets	**77,369**	68,703
Current liabilities	**(34,851)**	(41,869)
Long term liabilities	**(33,830)**	(26,129)
	85,262	78,148

18. ASSOCIATED COMPANIES

	THE GROUP	
	2007	2006
	($'000)	($'000)
Unquoted investments, at cost	**31,814**	15,501
Quoted investments, at cost	**180,676**	150,457
Acquisition of interests	**93,916**	53,202
Share of net post acquisition reserves	**89,664**	6,907
	396,070	226,067
Loans owing from associated companies (unsecured)	**32,084**	69,831
	428,154	295,898
MARKET VALUE		
Quoted shares	**343,401**	252,870

(a) The loans owing from associated companies are interest-free, non-trade in nature and are not repayable within one year. They are treated like quasi-equity loans. The fair value of the loans is not determinable as the timing of future cash flows arising from the repayment of the loans cannot be estimated reliably. Accordingly, the loans are recorded at transaction price.

(b) The amounts due from/to associated companies classified under current assets and current liabilities are unsecured, trade in nature, interest-free, to be settled in cash and are denominated in Singapore Dollars.

(c) The summarised financial statements of the associated companies are as follows:

Revenue	**876,574**	740,491
Profit before exceptional items	**81,043**	71,487
Exceptional items	**1,615**	(1,069)
Non-current assets	**1,257,953**	1,311,966
Current assets	**764,442**	477,383
Current liabilities	**(291,104)**	(414,433)
Long term liabilities	**(484,704)**	(526,510)
	1,246,587	848,406

(d) The share of the results, assets and liabilities as stated in paragraph (c) above are based on the accounts of the associated companies to 30 September 2007.

(e) The Group's share of capital commitments of the associated companies as at 30 September 2007 is $1,788,000 (2006: $1,528,000).

(f) The Group's share of contingent liabilities of the associated companies as at 30 September 2007 is $Nil (2006: $307,000).

Details of associated companies are included in Note 42.

19. INTANGIBLE ASSETS

	THE GROUP				
	Goodwill ($'000)	Franchise ($'000)	Deferred Development Costs ($'000)	Other Intangible Assets ($'000)	Total ($'000)
For the year ended 30 September 2007					
At cost					
Balance at beginning of year	234,174	219	38,045	18,214	**290,652**
Currency realignment	(4,015)	-	(864)	(30)	**(4,909)**
Additional expenditure during the year	-	-	12,276	3,887	**16,163**
Acquisition of subsidiary companies and additional interests in subsidiary companies	9,607	-	-	1,225	**10,832**
Acquisition of additional interests in joint venture companies	2,088	-	-	-	**2,088**
Reclassification to fixed assets	-	-	-	(1,190)	**(1,190)**
Reclassification	-	-	(2,524)	2,524	**-**
Write off for the year	(1,279)	-	(59)	-	**(1,338)**
Balance at end of year	240,575	219	46,874	24,630	**312,298**
Accumulated amortisation and impairment					
Balance at beginning of year	-	178	15,253	2,519	**17,950**
Currency realignment	-	-	(11)	12	**1**
Amortisation charge for the year	-	20	4,402	2,307	**6,729**
Impairment charge for the year	-	-	124	-	**124**
Reclassification to fixed assets	-	-	-	(36)	**(36)**
Reclassification	-	-	(1,053)	1,053	**-**
Write off for the year	-	-	(59)	-	**(59)**
Balance at end of year	-	198	18,656	5,855	**24,709**
Net book value	240,575	21	28,218	18,775	**287,589**
For the year ended 30 September 2006					
At cost					
Balance at beginning of year	85,966	219	31,886	10,536	**128,607**
Currency realignment	(221)	-	(988)	2	**(1,207)**
Additional expenditure during the year	-	-	7,778	7,676	**15,454**
Acquisition of subsidiary companies and additional interests in subsidiary companies	73,102	-	-	-	**73,102**
Acquisition of additional interests in joint venture companies	75,958	-	-	-	**75,958**
Write off for the year	(631)	-	(631)	-	**(1,262)**
Balance at end of year	234,174	219	38,045	18,214	**290,652**
Accumulated amortisation and impairment					
Balance at beginning of year	-	156	12,305	900	**13,361**
Currency realignment	-	-	319	-	**319**
Amortisation charge for the year	-	22	3,260	1,619	**4,901**
Write off for the year	-	-	(631)	-	**(631)**
Balance at end of year	-	178	15,253	2,519	**17,950**
Net book value	234,174	41	22,792	15,695	**272,702**

Except for goodwill, all intangible assets have finite useful lives of not more than 20 years.

20. IMPAIRMENT TESTS FOR GOODWILL

The carrying value of the Group's goodwill arising from acquisitions of subsidiary and joint venture companies was assessed for impairment during the financial year.

	As at 30 Sep 2007 ($'000)	Basis on which recoverable values are determined	Terminal growth rate	Pre-tax Discount rate
Carrying value of capitalised goodwill based on cash generating units				
Subsidiary companies:				
Printing and Publishing Group	22,496	Value-in-use	0%	7.0% – 7.8%
Dairies Group	2,787	Value-in-use	1%	7.1%
Soft Drinks Group	21,449	Fair value less cost to sell	-	-
	46,732			
Joint venture companies:				
Breweries Group	193,843	Value-in-use and Fair value less cost to sell	2%	8.1% – 15.4%
	240,575			

	As at 30 Sep 2006 ($'000)	Basis on which recoverable values are determined	Terminal growth rate	Pre-tax Discount rate
Carrying value of capitalised goodwill based on cash generating units				
Subsidiary companies:				
Printing and Publishing Group	21,425	Value-in-use	0%	7.0% – 7.8%
Soft Drinks Group	17,642	Fair value less cost to sell	-	-
	39,067			
Joint venture companies:				
Breweries Group	195,107	Value-in-use and Fair value less cost to sell	2%	8.6% – 16.8%
	234,174			

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.

The terminal growth rate used does not exceed the long term average growth rate of the respective industry and country in which the entity operates.

20. IMPAIRMENT TESTS FOR GOODWILL (cont'd)

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.

No impairment loss was required for the financial years ended 30 September for the goodwill assessed as their recoverable values were in excess of their carrying values.

21. OTHER INVESTMENTS

	THE GROUP		THE COMPANY	
	2007 ($'000)	2006 ($'000)	**2007 ($'000)**	2006 ($'000)
Quoted				
Quoted available-for-sale financial assets				
Non-equity investments				
At fair value	**25,752**	25,729	**-**	-
Equity investments				
At fair value	**22,164**	22,922	**6,191**	6,130
Quoted total	**47,916**	48,651	**6,191**	6,130
Unquoted				
Unquoted available-for-sale financial assets				
Non-equity investments				
At cost (less impairment loss)	**692**	594	**-**	-
At fair value	**268**	332	**-**	-
Equity investments				
At cost (less impairment loss)	**5,054**	6,392	**14**	550
At fair value	**2,822**	-	**2,822**	-
Loan and receivables				
Non-equity investments in company	**9,066**	5,815	**-**	-
Unquoted total	**17,902**	13,133	**2,836**	550
Total	**65,818**	61,784	**9,027**	6,680

(a) The quoted non-equity investments carry interest rate of 6% (2006: 8%).

(b) The unquoted non-equity investments carry interest rates of 10.75% to 13.75% (2006: 9.75% to 12.75%).

(c) Certain 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.

(d) Market value of quoted investments are determined by reference to stock exchange quoted prices.

22. CASH AND BANK DEPOSITS

	THE GROUP		THE COMPANY	
	2007	2006	**2007**	2006
	($'000)	($'000)	**($'000)**	($'000)
Cash and bank balances	**305,585**	220,752	**1,794**	285
Bank fixed deposits	**845,209**	614,139	**29,977**	15,277
	1,150,794	834,891	**31,771**	15,562

The weighted average effective interest rate for bank fixed deposits is 4.48% (2006: 4.53%).

Included in the Group's cash and bank balances, and bank fixed deposits are amounts of $3,527,000 (2006: $11,730,000) and $445,846,000 (2006: $106,400,000) respectively held under the Project Account Rules (1997 Ed), withdrawals from which are restricted to payments for development expenditure incurred on development properties held for sale.

As at 30 September 2007, the composition of cash and bank deposits held in foreign currency by the Group is as follows: Chinese Renminbi – 16.5% (2006: 30.0%), Hong Kong Dollars – 6.4% (2006: 7.0%) and US Dollars – 9.5% (2006: 8.2%).

23. BRANDS

	THE GROUP		THE COMPANY	
	2007	2006	**2007**	2006
	($'000)	($'000)	**($'000)**	($'000)
At cost				
Balance at beginning of year	**31,345**	14,569	**8,435**	8,435
Currency realignment	**192**	27	**-**	-
Acquisition of additional interests in joint venture companies	**-**	467	**-**	-
Additions during the year	**32,054**	16,282	**-**	-
Balance at end of year	**63,591**	31,345	**8,435**	8,435
Accumulated amortisation				
Balance at beginning of year	**12,015**	10,854	**8,435**	8,266
Currency realignment	**189**	28	**-**	-
Amortisation for the year	**614**	661	**-**	169
Acquisition of additional interests in joint venture companies	**-**	35	**-**	-
Write off for the year	**-**	437	**-**	-
Balance at end of year	**12,818**	12,015	**8,435**	8,435
Net book value	**50,773**	19,330	**-**	-

23. BRANDS (cont'd)

Included in the Group's brands are brands with indefinite useful life of carrying amount of $47,481,000 (2006:$15,577,000).

No impairment loss was required for the financial year ended 30 September 2007 as the recoverable value was in excess of the carrying amount.

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. The growth rate used does not exceed the average growth rate of the respective industry in which the brands operate. The discount rates applied to the cash flow projections are derived from the cost of capital plus a reasonable risk premium.

24. PROPERTIES HELD FOR SALE

	THE GROUP	
	2007	2006
	($'000)	($'000)
(a) Development Properties Held for Sale		
Balance at beginning of year	**2,403,479**	1,998,217
Expenditure incurred during the year	**2,219,034**	1,039,605
	4,622,513	3,037,822
Development profit	**297,641**	203,023
Progress payments received and receivable	**(1,099,333)**	(716,345)
Acquisition of subsidiary companies	**137,529**	-
Amortisation charge	**-**	(69)
Write back/(allowance) for foreseeable losses	**1,843**	(12,830)
Transfer to completed properties held for sale	**(178,250)**	(84,268)
Transfer to investment properties	**-**	(15,961)
Transfer from fixed assets	**543**	17,232
Currency realignment	**6,327**	(25,125)
Balance at end of year	**3,788,813**	2,403,479
Development properties held for sale comprise:		
Freehold land		
At cost	**1,846,800**	949,425
At directors' valuation 1996	**99,000**	99,000
Leasehold land, at cost	**1,165,127**	661,324
Development expenditure	**1,887,320**	1,146,463
Property tax	**29,397**	18,079
Interest cost	**186,785**	112,296
Currency realignment	**27,064**	(20,361)
	5,241,493	2,966,226
Development profit	**595,723**	298,338
Progress payments received and receivable	**(1,819,186)**	(722,731)
Accumulated amortisation	**(1,240)**	(1,240)
Allowance for foreseeable losses	**(49,727)**	(52,846)
Transfer to completed properties held for sale	**(178,250)**	(84,268)
	3,788,813	2,403,479

24. PROPERTIES HELD FOR SALE (cont'd)

	THE GROUP	
	2007	2006
	($'000)	($'000)
(b) Completed Properties Held for Sale		
At cost		
Balance at beginning of year	**200,822**	467,029
Currency realignment	**596**	(5,039)
Transfer from development properties held for sale	**180,573**	94,691
Transfer from investment properties	**-**	1,945
Acquisition of subsidiary companies	**22,366**	-
Cost adjustments	**(7,268)**	(22,354)
Sold during the year	**(224,772)**	(335,450)
Balance at end of year	**172,317**	200,822
Less: Allowance for foreseeable losses		
Balance at beginning of year	**22,429**	35,162
Currency realignment	**(99)**	-
Allowance for the year	**-**	7,753
Transfer from development properties held for sale	**2,323**	10,423
Sold during the year	**(21,727)**	(30,909)
Balance at end of year	**2,926**	22,429
Net book value	**169,391**	178,393
Total Properties Held for Sale	**3,958,204**	2,581,872

Interest capitalised during the year was $82,105,000 (2006: $49,577,000). A capitalisation rate of between 2.16% and 10.00% (2006: 5.54%) per annum was used, representing the borrowing cost of the loans used to finance the projects.

As at 30 September 2007, the bank loans drawn down amounted to $637,331,000 (2006: $426,726,000).

(i) The valuation for 1996 was made by the directors based on appraisals by independent professional valuers.

(ii) Development properties held for sale include:

Singapore

(1) One Jervois – 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 275 condominium units of approximately 32,673.2 sqm of gross floor area for sale.

(2) The Raintree – leasehold land (99-year tenure commencing 1 March 2003) of approximately 16,253.5 sqm at MK 16 Lot 2253P situated at Bukit Drive Road for the development of 315 condominium units and 2 shop units of 38,011 sqm of gross floor area for sale.

(3) Freehold land of approximately 23,819.7 sqm situated at Holland Park, off Holland Road, Singapore for the development of approximately 12 bungalow units of approximately 19,137 sqm of gross floor area for sale.

(4) One St Michael's – freehold land of approximately 5,227 sqm at MK17 Lot 3309 situated at St Michael's Road for the development of 131 condominium units of approximately 15,288 sqm of gross floor area for sale.

24. PROPERTIES HELD FOR SALE (cont'd)

(ii) Development properties held for sale include (cont'd):

Singapore (cont'd)

(5) One Leicester – freehold land of approximately 10,221.1 sqm at Lots 4840A, 5804W, 5805V, SL5806P, 6096M, SL6097W, 6163K, 6164N, 6165X, 6749V, 6750M, 97844P, 97845T and 97846A of Mukim 17 at Leicester Road/Jalan Toa Payoh/Woodsville Close for the development of 194 condominium units of approximately 21,906.4 sqm of gross floor area for sale.

(6) The Infiniti – freehold land of approximately 23,018.6 sqm at Lot 3385K of Mukim 5 at 89 West Coast Park (Clementi Planning Area) for the development of 315 condominium units of approximately 36,829.8 sqm of gross floor area for sale.

(7) The Azure – leasehold land (99-year tenure commencing 3 January 2005) of approximately 10,926.5 sqm on Land Parcel C1/2 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.

(8) St Thomas Suites – freehold land of approximately 12,991.8 sqm at Lots 99709T and 112N TS 21 situated at St Thomas Walk for the development of 176 condominium units of approximately 36,376 sqm of gross floor area for sale.

(9) ClementiWoods – leasehold land (99-year tenure commencing 7 February 2006) of approximately 20,062 sqm at Lot 1201K MK 3 situated at 50 West Coast Road for the development of 240 condominium units of approximately 39,494 sqm of gross floor area for sale.

(10) Freehold land of approximately 12,992.3 sqm at TS 21 on Lots 317K-PT, 318N-PT, 453A, 454K, 457L-PT, 752K-PT, 1090N-PT and 1111T-PT at Kim Yam Road for the development of approximately 302 condominium units of approximately 39,123.5 sqm of gross floor area for sale.

(11) Soleil @ Sinaran – leasehold land (99-year tenure commencing 23 October 2006) of approximately 12,468.4 sqm at Lot(s) 931T TS 29 Sinaran Drive for the development of 417 condominium units of approximately 44,877.7 sqm of gross floor area for sale.

(12) 50% proportionate share of a leasehold land (99-year tenure commencing 1 January 1985) of approximately 75,160.1 sqm at Lots 6182W and 6183V Mukim 28 Bedok Reservoir Road for the development of approximately 1,430 condominium units of approximately 197,000.0 sqm of gross floor area for sale.

(13) Freehold land of approximately 5,579.5 sqm at MK 22 on Lot 8908A, 8909K Yio Chu Kang Road/Sirat Road for the development of approximately 72 condominium units of approximately 7,811.3 sqm of gross floor area for sale.

Vietnam

(14) 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.

24. PROPERTIES HELD FOR SALE (cont'd)

(ii) Development properties held for sale include (cont'd):

Australia

(15) 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.

(16) Freehold land of approximately 193 hectares situated at Wanjeep Street, Mandurah, Western Australia for a proposed development of approximately 1,250 landed housing units for sale.

(17) Freehold land of approximately 1.19 hectares situated at Riverside, East Perth, Australia for a proposed mixed development comprising approximately 285 private apartment units, 140 serviced suites and commercial space.

(18) Freehold land of approximately 4,022 sqm situated at 25 - 29 Lorne Avenue, Killara, Sydney, Australia for a proposed development comprising 40 apartments for sale.

(19) Freehold land of approximately 4.92 hectares situated at Morton Street, Parramatta, Sydney, Australia for a proposed development of approximately 550 apartment units for sale.

(20) Freehold land of approximately 0.74 hectares situated in Camperdown's City Quarter, Sydney, Australia for a proposed development of approximately 413 apartment units for sale.

(21) Freehold land of approximately 5.8 hectares situated at Broadway Sydney, Australia for a proposed mixed development comprising about 100,000 sqm of commercial space and about 1,600 residential apartment units for sale.

(22) Freehold land of approximately 6,215 sqm situated at 3,5,7 Lorne Avenue, Killara, Sydney, Australia for a proposed development comprising 66 apartment units for sale.

New Zealand

(23) Freehold land of approximately 6,831 sqm in the Queenstown, South Island, New Zealand for a proposed development of 15 luxury residential apartments of approximately 6,250 sqm of gross floor area for sale.

(24) Freehold land of approximately 27 hectares located in Tauranga in the Bay of Plenty, New Zealand for a proposed development of approximately 700 houses and a beach front condominium complex for sale.

United Kingdom

(25) Freehold land of approximately 40,015 sqm on the south bank of River Thames, London, United Kingdom for a proposed residential and commercial development of 395 residential units and ancillary office and retail space of a total of approximately 41,203 sqm of gross floor area for sale for Phase 3 of the Wandsworth Riverside Development.

(26) Freehold land of approximately 1,900 sqm situated at 143 -161 Wandsworth Road, London, United Kingdom, for a proposed residential and commercial development of approximately 94 residential units and ancillary office and retail space of a total of approximately 8,219 sqm of gross floor area for sale.

24. PROPERTIES HELD FOR SALE (cont'd)

(ii) Development properties held for sale include (cont'd):

United Kingdom (cont'd)

(27) Freehold land of approximately 3,400 sqm situated at 1 - 6 Camberwell Green and 307 - 311 Camberwell New Road SE5, London, United Kingdom, for a proposed residential development of approximately 130 units and ancillary office and retail space of a total of approximately 11,614 sqm of gross floor area for sale.

(28) 50% proportionate share of a freehold land of approximately 5,385 sqm situated at Shoppenhangers Lane, Maidenhead, United Kingdom, for a proposed residential development of approximately 28 units of approximately 2,397 sqm of gross floor area for sale.

(29) Freehold land of approximately 2,165 sqm situated at Collins Theatre, Islington, United Kingdom, for a proposed residential development of approximately 72 units and commerical space of a total of approximately 7,663 sqm of gross floor area for sale.

(30) 50% proportionate share of a freehold land of approximately 19,838 sqm situated at Leith Walk, Edinburgh, United Kingdom, for a proposed residential and commercial development of approximately 356 residential units and ancillary office and retail space of a total of approximately 25,951 sqm of gross floor area for sale.

(31) 50% proportionate share of a freehold land of approximately 8,299 sqm situated at Granton Harbour, Leith, United Kingdom, for a proposed residential development of approximately 120 apartments of approximately 10,648 sqm of gross floor area for sale.

(32) 50% proportionate share of a freehold land of approximately 1,619 sqm situated at Water Street, Edinburgh, United Kingdom, for a proposed residential and commercial development of 36 refurbished apartments and 8 new build apartments, together with office space of a total of approximately 4,514 sqm of gross floor area for sale.

(33) 50% proportionate share of a freehold land of approximately 26,315 sqm situated at Ferry Village, Renfrew, Glasgow, United Kingdom, for a proposed residential development of approximately 177 apartments and 13 townhouses of a total of approximately 16,116 sqm of gross floor area for sale.

(34) 50% proportionate share of a freehold land of approximately 2,024 sqm situated at Sailmakers Wharf, Commercial Road, United Kingdom, for sale.

(35) Freehold land of approximately 4,037 sqm situated at St Giles Street, Edinburgh, United Kingdom for a proposed development of approximately 73 residential apartments for sale.

(36) 50% proportionate share of a freehold land of approximately 3,644 sqm situated between Wellington Street and Whitehall Road, Leeds, United Kingdom for a proposed mixed development of 608 private residential units, 206 service apartments and ancillary office and retail space for sale.

24. PROPERTIES HELD FOR SALE (cont'd)

(ii) Development properties held for sale include (cont'd):

China

(37) Jingan Four Seasons – leasehold land (70-year tenure commencing 7 November 2001) of approximately 13,843 sqm situated at No. 169 Wu Jiang road, Shanghai, China for a mixed development comprising 4 blocks of 452 apartments units and a retail podium of approximately 69,499 sqm of gross floor area for sale. The fully sold residential component is completed during the year.

(38) Leasehold land (40/50-year tenure commencing 31 August 2004) 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 28,774 sqm of gross floor area for sale.

(39) Leasehold land (50-year tenure commencing 22 August 1999) of approximately 633,153 sqm situated at Teng Qiao River, Hai Tang Bay, Hainan, China for a low density resort and tourist development of a total of approximately 67,997 sqm of gross floor area for sale.

(40) Leasehold land (70-year tenure commencing 27 December 2004) of approximately 314,501 sqm situated in Gongye Yuan District, Nan Shi Jie Dong, Suzhou, China for a residential development of a total of approximately 566,102 sqm of gross floor area for sale.

(41) 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 a composite development with a total of approximately 824,344 sqm of gross floor area for sale.

Thailand

(42) 49% proportionate share of a freehold land of approximately 40,608 sqm situated at Rama III Road, Bangkok, Thailand known as The Pano for the development of 397 condominium units of approximately 61,868 sqm of gross floor area for sale.

Malaysia

(43) Freehold land of approximately 23,354 sqm at Jalan Yew, Kuala Lumpur, Malaysia for the development of shop office of approximately 76,864 sqm of gross floor area for sale.

(44) Freehold land of approximately 29,411 sqm at Jalan Yew, Kuala Lumpur, Malaysia for the development of commercial buildings with retail space, city campus and hostel, hotels and carparks.

(45) Freehold land of approximately 6,313 sqm at Jalan Ampang, Kuala Lumpur, Malaysia for a proposed development of serviced apartments and office suites.

(46) Freehold land of approximately 188,173 sqm at Mukim Hulu Semenyih, District of Hulu Langat, Selangor, Malaysia for a proposed development of residential properties.

(47) Freehold land of approximately 12,262 sqm at Johor Bahru, State of Johor, Malaysia for a proposed development of commerical properties.

25. INVENTORIES

	THE GROUP					
	2007			2006		
	At cost ($'000)	**At net realisable value ($'000)**	**Total ($'000)**	At cost ($'000)	At net realisable value ($'000)	Total ($'000)
Containers	**27,561**	**439**	**28,000**	28,748	747	29,495
Raw materials	**139,000**	**19,534**	**158,534**	49,316	22,972	72,288
Manufactured inventories	**126,341**	**21,492**	**147,833**	95,915	20,533	116,448
Engineering spares, work-in-progress and other inventories	**72,760**	**12,114**	**84,874**	66,879	18,534	85,413
Packaging materials	**25,306**	**2,236**	**27,542**	19,495	243	19,738
Goods purchased for resale	**11,463**	**28,122**	**39,585**	15,280	26,863	42,143
	402,431	**83,937**	**486,368**	275,633	89,892	365,525

(a) Write back of allowance for inventory obsolescence during the year amounted to $2,906,000 (2006: $4,692,000).

(b) Inventories of $977,000 (2006: $974,000) of the Group's joint venture companies are secured against its bank overdrafts.

26. TRADE RECEIVABLES, PREPAID PROJECT COSTS AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2007 ($'000)	2006 ($'000)	**2007 ($'000)**	2006 ($'000)
Trade receivables	**828,530**	481,854	**-**	-
Prepaid project costs	**188,625**	115,387	**-**	-
Other receivables:				
Current				
Accrued income	**2,846**	1,136	**265**	5
Prepayments	**24,496**	30,735	**4**	25
Deposits paid	**50,460**	132,735	**-**	1
Tax recoverable	**38,807**	18,979	**-**	125
Staff loans	**6,872**	6,825	**-**	-
Loans to related parties	**61,317**	-	**-**	-
Amount receivable from joint venture partners	**13,102**	6,949	**-**	-
Derivative financial instruments (Note 27)	**5,529**	6,674	**4,831**	5,735
Advanced project cost paid	**2,153**	1,917	**-**	-
Sundry debtors	**78,631**	19,911	**-**	62
Other receivables	**47,165**	44,146	**-**	-
	331,378	270,007	**5,100**	5,953
	1,348,533	867,248	**5,100**	5,953
Non current				
Prepayments	**12,808**	14,274	**-**	-
Staff loans	**1,414**	3,263	**-**	-
Other receivables	**8,009**	-	**-**	-
	22,231	17,537	**-**	-
	1,370,764	884,785	**5,100**	5,953

(a) Trade receivables of the Group are stated after deducting allowance for doubtful debts of $14,121,000 (2006: $15,188,000).

(b) Included in trade receivables is an amount of $393,328,000 (2006: $90,782,000) 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.

(c) As at 30 September 2007, the composition of trade receivables, prepaid project costs and other receivables held in foreign currency by the Group is as follows: Chinese Renminbi – 18.1% (2006: 17.5%), Malaysia Ringgit – 12.7% (2006: 17.5%) and Sterling Pounds – 11.0% (2006: 3.8%).

27. DERIVATIVE FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
	2007 ($'000)	2006 ($'000)	**2007 ($'000)**	2006 ($'000)
Assets				
Interest rate swap	**4,866**	6,441	**4,831**	5,735
Forward currency contracts	**663**	233	**-**	-
	5,529	6,674	**4,831**	5,735
Liabilities				
Interest rate swap	**3,319**	3,312	**3,069**	3,312
Forward currency contracts	**635**	453	**-**	-
	3,954	3,765	**3,069**	3,312
Net position	**1,575**	2,909	**1,762**	2,423

28. SHORT TERM INVESTMENTS

	THE GROUP		THE COMPANY	
	2007 ($'000)	2006 ($'000)	**2007 ($'000)**	2006 ($'000)
Quoted				
Quoted available-for-sale financial assets				
Equity investments at fair value	**298,020**	145,077	**-**	-
Non-equity investments at fair value	**181**	188	**-**	-
	298,201	145,265	**-**	-
Unquoted				
Unquoted available-for-sale financial assets				
Non-equity investments at cost	**3,850**	2,697	**-**	-
Non-equity investments at fair value	**19,997**	150,000	**19,997**	-
Unquoted financial assets at fair value through profit or loss				
Non-equity investments at fair value	**-**	28,786	**-**	28,786
	23,847	181,483	**19,997**	28,786
Total	**322,048**	326,748	**19,997**	28,786

Included in non-equity investments are notes with interest rates of 3.6% to 13.75% (2006: 3.5% to 12.75%) per annum and maturing within the next 12 months.

29. ASSETS AND LIABILITIES HELD FOR SALE

On 20 September 2007, the Group entered into a conditional agreement to sell its entire shareholding interest in its wholly owned subsidiary, Times Printers (Australia) Pty. Ltd. ("**TPA**") for an aggregate consideration of A$80 million (approximately $105 million), subject to adjustment to take into account the net tangible asset value of TPA as at completion.

The consideration of the sale was arrived at on a willing buyer and willing seller basis, taking into account the value of the net tangible assets of TPA. The sale is due to be completed by 31 December 2007 and the assets and liabilities of TPA as at 30 September 2007 were classified as held for sale. During the financial year, revenue and pre-tax profit of TPA were $65,736,000 and $2,059,000 respectively. Profit for the year was S$1,342,000 after deducting income tax expense of $717,000.

The major assets and liabilities of TPA as at 30 September 2007 were:

	2007 ($'000)
Assets	
Non-current assets	**98,545**
Current assets	**22,579**
	121,124
Liabilities	
Non-current liabilities	**(3,105)**
Current liabilities	**(16,172)**
	(19,277)
Net assets held for sale	**101,847**

30. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2007 ($'000)	2006 ($'000)	**2007 ($'000)**	2006 ($'000)
Trade payables	**506,985**	398,455	**-**	-
Other payables:				
Current				
Advances from joint venture partners	**25,361**	16,123	**-**	-
Interest payable	**34,945**	30,215	**6,261**	7,830
Accrued operating expenses	**185,928**	118,693	**1,274**	1,404
Sundry accruals	**89,963**	56,209	**130**	6
Sundry deposits	**47,660**	58,027	**-**	-
Staff costs payable	**72,841**	52,134	**-**	-
Accrual for unconsumed leave	**10,128**	10,335	**-**	-
Amounts due to minority shareholders of subsidiary companies	**76,254**	59,296	**-**	-
Deferred income	**4,029**	9,801	**-**	-
Provisions	**10,284**	2,227	**-**	-
Derivative financial instruments (Note 27)	**3,954**	3,765	**3,069**	3,312
Other payables	**91,338**	51,629	**4,077**	3,572
	652,685	468,454	**14,811**	16,124
	1,159,670	866,909	**14,811**	16,124
Non-current				
Amounts due to minority shareholders of subsidiary companies	**3,840**	1,643	**-**	-
Sundry payables	**14,429**	13,294	**-**	-
	18,269	14,937	**-**	-
	1,177,939	881,846	**14,811**	16,124

(a) Advances from joint venture partners are non-trade in nature, unsecured, interest-free and have no fixed terms of repayment.

(b) As at 30 September 2007, the composition of trade and other payables held in foreign currency by the Group is as follows: Malaysia Ringgit – 17.9% (2006: 15.4%), Chinese Renminbi – 15.1% (2006: 11.3%) and Australia Dollars – 9.1% (2006: 8.7%).

31. BORROWINGS

	Weighted average effective interest rate %	Notes	THE GROUP 2007 ($'000)	THE GROUP 2006 ($'000)	THE COMPANY 2007 ($'000)	THE COMPANY 2006 ($'000)
Repayable within one year:						
Unsecured						
Bank loans	4.33		**1,316,453**	488,007	**-**	94,923
Bank overdrafts			**12,431**	12,017	**-**	-
			1,328,884	500,024	**-**	94,923
Term loans	3.58		**450,000**	280,000	**-**	-
Secured						
Bank loans	5.89	(b)	**653,809**	180,856	**-**	-
Bank overdrafts		(b)	**177**	56	**-**	-
			653,986	180,912	**-**	-
Term loans	6.68		**3,009**	10,781	**-**	-
Finance leases			**1,242**	1,155	**-**	-
			2,437,121	972,872	**-**	94,923
Repayable after one year:						
Unsecured						
Bank loans	6.71		**74,756**	498,692	**-**	-
Term loans	3.43		**1,369,470**	1,669,168	**649,470**	949,167
Secured						
Bank loans	7.19	(b)	**756,240**	386,139	**-**	-
Term loans	4.14	(b)	**274,745**	272,439	**-**	-
Finance leases			**1,728**	2,895	**-**	-
		(d)	**2,476,939**	2,829,333	**649,470**	949,167
Total			**4,914,060**	3,802,205	**649,470**	1,044,090
Fair value		(c)	**4,922,693**	3,790,521	**651,384**	1,034,306

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) 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.

A subsidiary company's issue of 330,000 redeemable non-voting Class A Preference Shares of an aggregate value of $330,000,000 (2006: $330,000,000) are classified as bank borrowings in the consolidated financial statements of the Group.

31. BORROWINGS (cont'd)

(c) The carrying amounts of bank borrowings and finance leases 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 amount of $1,219,713,000 (2006: $1,369,167,000) bank loan which has a fair value of $1,228,346,000 (2006: $1,357,483,000).

The aggregate fair value of term loans are determined by reference to market value.

(d) Maturity of non-current borrowings is as follows:

	THE GROUP		THE COMPANY	
	2007 ($'000)	2006 ($'000)	**2007 ($'000)**	2006 ($'000)
Between 1 and 2 years	**1,078,608**	1,064,658	**299,757**	300,000
Between 2 and 5 years	**1,219,776**	1,563,499	**199,713**	499,167
After 5 years	**178,555**	201,176	**150,000**	150,000
	2,476,939	2,829,333	**649,470**	949,167

(e) As at 30 September 2007, the composition of borrowings held in foreign currency by the Group is as follows: Australia Dollars – 13.8% (2006: 9.8%), Sterling Pounds – 10.0% (2006: 3.1%) and US Dollars – 6.4% (2006: 4.1%).

(f) As at 30 September 2007, 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 38. The weighted average effective interest rates are as at 30 September 2007 and include the effect of related interest rate swaps.

32. PROVISION FOR EMPLOYEE BENEFITS

	THE GROUP	
	2007 ($'000)	2006 ($'000)
Balance at beginning of year	**21,882**	22,538
Currency realignment	**(30)**	(1,119)
Disposal of subsidiary companies	**(2,085)**	(43)
Write back during the year	**(2,497)**	(262)
Provision for the year	**7,395**	3,456
Payment for the year	**(5,953)**	(2,651)
Transfer	**99**	(37)
Balance at end of year	**18,811**	21,882

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(a) 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.

(b) Defined Benefit Plan

The defined benefit plans in the United Kingdom and New Zealand are funded, defined benefit pension schemes, 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	
	2007	2006
Rate of increase in salaries	**3.5% to 5.0%**	3.5% to 5.0%
Expected rate of return on assets	**5.0% to 9.3%**	5.0% to 6.1%
Discount rate	**4.0% to 5.9%**	3.9% to 7.0%

The following tables summarises the components of net benefit expense and benefit liability:

	2007 ($'000)	2006 ($'000)
Net benefit expense		
Benefits earned during the year	**759**	702
Interest cost on benefit obligation	**3,004**	2,949
Net actuarial loss	**(2,751)**	(2,392)
Curtailment loss	**(48)**	(196)
Transition obligation recognised	**127**	190
Settlement gain	**(1,173)**	-
Net benefit (income)/expense	**(82)**	1,253
Benefit liability		
Present value of benefit obligation	**44,397**	65,080
Fair value of plan assets	**(29,714)**	(41,326)
Unfunded benefit obligation	**14,683**	23,754
Unrecognised net actuarial loss	**(576)**	(630)
Deferred tax	**-**	(1,531)
Benefit liability	**14,107**	21,593
Present value of unfunded benefit obligation	**15,900**	15,835
Present value of funded benefit obligation	**28,497**	49,245
	44,397	65,080

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(b) Defined Benefit Plan (cont'd)

The following table summarises the components of benefit asset not taken up in the Group's consolidated financial statements:

	THE GROUP	
	2007	2006
	($'000)	($'000)
Benefit asset		
Present value of benefit obligation	**12,396**	9,838
Fair value of plan assets	**(13,862)**	(11,935)
Unfunded benefit obligation	**(1,466)**	(2,097)
Unrecognised net actuarial loss	**770**	513
Benefit asset	**(696)**	(1,584)

(c) Long Service Leave/Severance Allowances/Gratuity

Long service leave, severance allowances and gratuity are provided by joint venture 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.

(d) Share Options

The equity-based equity-settled share option schemes of the Group are:

			Approval by Shareholders
(i)	Fraser and Neave, Limited Executives' Share Option Scheme, 1989.	("1989 Scheme")	7 August 1989
(ii)	Fraser and Neave, Limited Executives' Share Option Scheme, 1999.	("1999 Scheme")	30 September 1999
(iii)	Asia Pacific Breweries Limited Executives' Share Option Scheme.	("APBL Scheme")	21 February 1995
(iv)	Fraser & Neave Holdings Bhd Executives' Share Option Scheme.	("F&NHB Scheme")	-
(v)	Frasers Property (China) Limited's Share Option Scheme.	("FPCL Scheme")	20 May 2003
(vi)	Fraser & Neave Holdings Bhd Executives' Share Option Scheme.	("F&NHB 2007 Scheme")	5 April 2007

The options granted under the above schemes are for a term of no longer than 10 years from date of grant.

The F&NHB 2007 Scheme is effective from 1 October 2007 and it succeeded the F&NHB Scheme.

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Options (cont'd)

Information regarding the 1989 Scheme, 1999 Scheme, APBL Scheme, F&NHB Scheme and F&NHB 2007 Scheme

(i) The exercise price is equal to the market value of a share based on the average of the last done price on the exchange which the respective shares are traded, 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.

(iii) Options expire 119 months after the offer date, except for F&NHB Scheme options which expire 59 months after the option offer date.

(iv) No options were granted under the F&NHB 2007 Scheme.

Information regarding FPCL Scheme

(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; and

(3) the nominal value of FPCL share.

(ii) The exercise period of the FPCL options granted is determinable by the FPCL Board and commences on a specified date and ends on a date which is not later than 10 years from the date of grant of the FPCL options.

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Options (cont'd)

Information regarding FPCL Scheme (cont'd)

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

Vesting Schedule	**Percentage of shares over which a share option is exercisable**	
	Granted before 2004 (%)	**Granted after 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 share 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.

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Options (cont'd)

Information with respect to the number of options granted under the respective share options scheme is as follows:

Fraser & Neave, Limited Executives' Share Option Schemes (1989 and 1999)

Options	Offer Date	Balance as at 1.10.2006 or Offer Date if later	Options Lapsed	Options Exercised	Balance as at 30.9.2007	Exercise Price	Exercise Period
1989 Scheme							
1999	23.12.1998	37,925	-	-	37,925	$0.77	23.09.2001 – 22.11.2008
1999 Scheme							
Year 2	21.11.2000	77,355	-	(77,355)	-	$1.29	22.08.2003 – 21.10.2010
Year 3	08.10.2001	239,540	-	(110,580)	128,960	$1.40	09.07.2004 – 08.09.2011
Year 3A	28.01.2002	24,395	-	(24,380)	15	$1.56	29.10.2004 – 28.12.2011
Year 3B	02.07.2002	653,255	-	(111,455)	541,800	$1.56	03.04.2005 – 02.06.2012
Year 4	01.10.2002	2,740,225	-	(717,175)	2,023,050	$1.51	01.07.2005 – 31.08.2012
Year 5	08.10.2003	6,778,690	-	(2,478,050)	4,300,640	$2.12	08.07.2006 – 07.09.2013
Year 6	08.10.2004	9,343,655	(71,680)	(1,521,605)	7,750,370	$2.82	08.07.2007 – 07.09.2014
Year 7	10.10.2005	10,968,470	(202,785)	-	10,765,685	$3.46	10.07.2008 – 09.09.2015
Year 8	10.10.2006	11,241,470	(364,410)	-	10,877,060	$4.22	10.07.2009 – 09.09.2016
		42,104,980	(638,875)	(5,040,600)	36,425,505		

The fair value of options granted during the year was $0.94 (2006: $0.63).
The weighted average share price for options exercised during the year was $5.09 (2006: $3.78).

Fraser & Neave Holdings Bhd Executives' Share Option Scheme

Options	Offer Date	Balance as at 1.10.2006 or Offer Date if later	Options Lapsed	Options Exercised	Balance as at 30.9.2007	Exercise Price	Exercise Period
2002	31.12.2001	35,700	(28,300)	(7,400)	-	RM 3.56	01.10.2004 – 30.11.2006
2003	21.11.2002	85,300	-	(46,700)	38,600	RM 3.49	21.08.2005 – 20.10.2007
2004	24.11.2003	1,477,500	-	(1,271,700)	205,800	RM 3.83	24.08.2006 – 23.10.2008
2005	24.11.2004	2,226,100	(71,600)	(519,600)	1,634,900	RM 4.89	24.08.2007 – 23.10.2009
2006	26.08.2005	2,252,500	(133,100)	-	2,119,400	RM 5.54	26.05.2008 – 25.07.2010
2007	26.09.2006	2,318,700	(153,300)	-	2,165,400	RM 6.12	26.06.2009 – 25.08.2011
		8,395,800	(386,300)	(1,845,400)	6,164,100		

The scheme has expired and therefore no options were granted during the year.
The weighted average share price for options exercised during the year was RM7.23 (2006: RM6.06).

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Options (cont'd)

Frasers Property (China) Limited's Share Option Scheme

Options	Offer Date	Balance as at 1.10.2006 or Offer Date if later	Options Lapsed	Options Exercised	Balance as at 30.9.2007	Exercise Price	Exercise Period
2003	31.12.2003	10,837,569	(221,285)	-	10,616,284	HK$0.1580	31.12.2004 – 30.12.2013
2004	31.12.2004	11,549,999	-	-	11,549,999	HK$0.1547	31.12.2005 – 30.12.2014
2005	30.12.2005	13,816,824	-	-	13,816,824	HK$0.1343	30.12.2006 – 29.12.2015
2006	13.11.2006	15,750,000	-	-	15,750,000	HK$0.1670	13.11.2007 – 12.11.2016
		51,954,392	(221,285)	-	51,733,107		

The fair value of options granted during the year was HK$0.11 (2006: HK$0.09).
No options were exercised during the year.

Asia Pacific Breweries Limited Executives' Share Option Scheme

Options	Offer Date	Balance as at 1.10.2006	Options Lapsed	Options Exercised	Balance as at 30.9.2007	Exercise Price	Exercise Period
1999	23.12.1998	6,279	-	-	6,279	$3.61	22.09.2001 – 21.11.2008
2000	22.12.1999	7,840	-	(2,120)	5,720	$4.28	21.09.2002 – 20.11.2009
2001	20.12.2000	14,950	-	-	14,950	$3.91	19.09.2003 – 18.11.2010
2002	08.10.2001	5,650	-	-	5,650	$3.79	08.07-2004 – 07.09.2011
2003	15.10.2002	37,100	-	(10,000)	27,100	$4.79	15.07.2005 – 14.09.2012
2004	08.10.2003	134,250	-	(86,200)	48,050	$6.29	08.07.2006 – 07.09.2013
		206,069	-	(98,320)	107,749		

The scheme has expired in 2004 and therefore no options were granted during the year.
The weighted average share price for options exercised during the year was $15.46 (2006: $10.69).

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Options (cont'd)

The fair value of share options, granted during the year, (both equity-settled and cash-settled options) as at the date of grant, is determined using the Binomial valuation model, taking into account the terms and conditions upon which the options were granted. The inputs to the model used are as follows:

Fraser and Neave, Limited Executives' Share Option Schemes 1999

	Year 6	**Year 7**	**Year 8**
Dividend yield (%)	3.9%	3.1%	2.7%
Expected volatility (%)	25.0%	21.9%	24.4%
Risk-free interest rate (%)	2.2%	3.1%	3.0%
Expected life of option (years)	4.0	4.0	4.0
Share price at date of grant (S$)	2.82	3.54	4.42
Exercise share price (S$)	2.82	3.46	4.22

Fraser & Neave Holdings Bhd Executives' Share Option Scheme

	2005	**2006**	**2007**
Dividend yield (%)	5.1%	5.7%	5.1%
Expected volatility (%)	17.2%	12.9%	15.6%
Risk-free interest rate (%)	4.8%	3.6%	3.7%
Expected life of option (years)	4.5	4.5	4.5
Share price at date of grant (MYR)	4.86	5.35	6.15
Exercise share price (MYR)	4.89	5.54	6.12

Frasers Property (China) Limited's Share Option Scheme

	2005	**2006**	**2007**
Dividend yield (%)	-	-	-
Expected volatility (%)	80.0%	75.0%	72.0%
Risk-free interest rate (%)	2.9%	4.1%	3.8%
Expected life of option (years)	5.8	5.2	10.0
Share price at date of grant (HKD)	0.167	0.145	0.167
Exercise share price (HKD)	0.167	0.145	0.167

Asia Pacific Breweries Limited Phantom Share Option Scheme

	Phantom share option 2005	**Phantom share option 2006**	**Phantom share option 2007**
Dividend yield (%)	3.9%	3.3%	1.9%
Expected volatility (%)	25.0%	16.3%	24.8%
Risk-free interest rate (%)	2.4%	2.7%	3.1%
Expected life of option (years)	4.6	3.7	3.6
Share price at date of grant ($)	7.60	8.94	15.50
Exercise share price ($)	7.48	8.96	15.34

The expected life of the option is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumptions that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(e) Phantom Shares Option Plan

Asia Pacific Breweries Limited ("**APBL**"), has in place an equity-based cash-settled Phantom Share Option Plan ("**APBL 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 APBL.

Information with respect to the number of options granted under the APBL PSOP is as follows:

(i) The exercise price is equal to the average closing market price for the thirty market days immediately before the grant.

(ii) The grantee may exercise an option during the exercise period which commences 33 months after the date of grant.

(iii) The options expire 57 months after the offer date.

(iv) Upon exercise of the options, an amount in cash equals to the excess (if any) of the average of the closing price for the thirty days immediately preceding the date the options are exercised over the exercise price, would be paid to the grantee. In the event the excess exceeds the exercise price, the amount payable to the grantee shall not exceed the exercise price.

Options	**Offer Date**	**Balance as at 1.10.2006 or Offer Date if later**	**Options Lapsed**	**Options Exercised**	**Balance as at 30.9.2007**	**Exercise Price**	**Exercise Period**
2005	8.10.2004	1,127,000	(108,600)	(948,700)	69,700	$7.48	08.07.2007 – 07.07.2009
2006	9.11.2005	1,223,725	(167,200)	-	1,056,525	$8.96	09.08.2008 – 08.08.2010
2007	7.11.2006	1,495,800	(62,800)	-	1,433,000	$15.34	07.08.2009 – 06.08.2011
		3,846,525	(338,600)	(948,700)	2,559,225		

The fair value of options granted during the year was $2.97 (2006: $0.94).
The weighted average share price for options exercised during the year was $15.24.

The carrying amount of the liability recognised in the Group's balance sheet relating to cash settled option granted under the PSOP as at 30 September 2007 is $2,493,000 (2006: $4,493,000).

33. DEFERRED TAX ASSETS AND LIABILITIES

	THE GROUP		THE COMPANY	
	2007 ($'000)	2006 ($'000)	**2007 ($'000)**	2006 ($'000)
Deferred tax liabilities				
Differences in depreciation	**67,253**	72,906	**-**	-
Tax effect on revaluation surplus	**30,397**	7,098	**-**	-
Provisions, expenses and income taken in a different period	**10,579**	7,388	**-**	-
Fair value adjustments	**829**	17,651	**439**	-
Other deferred tax liabilities	**7,147**	10,275	**-**	18
Gross deferred tax liabilities	**116,205**	115,318	**439**	18
Less: Deferred tax assets				
Employee benefits	**(3,000)**	(4,823)	**-**	-
Unabsorbed losses and capital allowances	**(520)**	(929)	**-**	-
Provisions, expenses and income taken in a different period	**(7,532)**	(3,268)	**-**	-
Other deferred tax assets	**-**	(10)	**-**	-
Gross deferred tax assets	**(11,052)**	(9,030)	**-**	-
Net deferred tax liabilities	**105,153**	106,288	**439**	18

Some overseas subsidiary companies have net deferred tax assets relating to the following:

	THE GROUP 2007	THE GROUP 2006	THE COMPANY 2007	THE COMPANY 2006
Employee benefits	**(2,869)**	(2,812)	**-**	-
Differences in depreciation	**12,317**	11,098	**-**	-
Unabsorbed losses and capital allowances	**(14,257)**	(16,140)	**-**	-
Provisions	**(9,485)**	(5,510)	**-**	-
Others	**(2,574)**	(5,243)	**-**	-
Net deferred tax assets	**(16,868)**	(18,607)	**-**	-

The deferred tax taken to equity during the year relating to revaluation surpluses was $23,105,000 (2006: $1,818,000). Net deferred tax of $16,840,000 relating to fair value adjustment was written back during the year. Deferred tax of $17,651,000 relating to fair value adjustments was taken to equity last year.

Deferred tax liabilities of $31,534,000 (2006: $37,303,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the unremitted earnings as such amounts are permanently reinvested; such unremitted earnings totalled $178,152,000 at 30 September 2007 (2006: $189,183,000).

34. FUTURE COMMITMENTS

	THE GROUP 2007 (\$'000)	2006 (\$'000)
Commitments not provided for in the financial statements:		
(a) Commitments in respect of contract placed		
– Fixed assets	**78,399**	47,416
– Properties held for sale	**902,579**	629,902
– Properties held for development	**27,528**	-
– Share of joint venture companies' commitments	**293**	252
– Purchase of investments	**4,133**	3,809
	1,012,932	681,379
(b) Other amounts approved by directors but not contracted for:		
– Fixed assets	**198,157**	46,290
– Properties held for sale	**4,950,947**	1,544,968
– Properties held for development	**72,428**	-
– Share of joint venture companies' commitments	**1,270**	564
	5,222,802	1,591,822
Total	**6,235,734**	2,273,201

35. LEASE COMMITMENTS

Operating Leases

Lease commitments under non-cancellable operating leases where the Group is a lessee:

	2007	2006
Payable within one year	**16,485**	16,329
Payable between one and five years	**27,441**	27,316
Payable after five years	**43,796**	40,376
	87,722	84,021
Operating lease expense for the year	**35,455**	29,467

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.

35. LEASE COMMITMENTS (cont'd)

Operating Leases (cont'd)
Lease commitments under non-cancellable operating leases where the Group is a lessor:

	THE GROUP	
	2007 ($'000)	2006 ($'000)
Receivable within one year	**159,807**	155,112
Receivable between one and five years	**193,263**	182,638
Receivable after five years	**10,203**	3,675
	363,273	341,425

Contingent rents, generally determined based on a percentage of tenants' revenue of $3,709,000 (2006: $3,621,000) have been recognised as income by the Group in the profit statement during the year.

Finance Leases
Lease commitments under non-cancellable finance leases where the Group is a lessee:

Minimum lease payments due:		
Payable within one year	**1,367**	1,300
Payable between one and five years	**1,866**	3,138
Payable after five years	**-**	-
	3,233	4,438
Less: Future finance charges	**(263)**	(388)
	2,970	4,050

The finance 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.

36. RELATED PARTY TRANSACTIONS
The following were the significant related party transactions entered into by the Group with:

	THE GROUP	
	2007 ($'000)	2006 ($'000)
Directors		
Sale of condominium units	**57,885**	1,247
Joint venture companies		
Rental received	**976**	892
Management fees received	**2,218**	2,200
Sales of bottles	**25,294**	19,740
Management fees paid	**(340)**	(284)
Purchase of cullets	**(31)**	(57)

These transactions were based on agreed fees or terms determined on a commercial basis.

37. CONTINGENT LIABILITIES

The Company issued corporate guarantees to the extent of $2,428,000,000 (2006: nil) of which $745,000,000 (2006: nil) was utilised in respect of bank borrowings of its subsidiaries.

The Group provides an unconditional and irrevocable corporate guarantee for up to $57,000,000 to finance the payment of development charge and construction cost of the New Wing of The Centrepoint held by The Management Corporation Strata Title Plan No. 1298 ("**MCST 1298**"). The corporate guarantee will only be discharged upon full repayment of the loan by the MCST 1298. The Group also provided a corporate guarantee for Baht 374,142,440 as security for bank facility granted to a joint venture company in respect of the acquisition of land.

38. 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.

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 2007, the Group had entered into foreign currency forward exchange buy contracts amounting to $51 million (2006: $41 million) and foreign currency forward exchange sell contracts amounting to $27 million (2006: $40 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 $306,000 (2006: $212,000) and gain of $334,000 (2006: $8,000) 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.

38. FINANCIAL RISK MANAGEMENT (cont'd)

Liquidity Risk (cont'd)
As at 30 September 2007, the Group's net borrowings to shareholders' fund and total equity ratios are as follows:

	THE GROUP	
	2007	2006
	($'000)	($'000)
Cash and bank deposits	**1,150,794**	834,891
Borrowings	**(4,914,060)**	(3,802,205)
Net borrowings	**(3,763,266)**	(2,967,314)
Shareholders' fund	**5,220,597**	3,600,480
Total equity (including Minority Interests)	**6,382,044**	4,604,578
Net borrowings/Shareholders' fund	**0.72**	0.82
Net borrowings/Total equity	**0.59**	0.65

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 2007 in relation to each class of recognised financial assets, 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 monitor its credit risk. Contractual deposits are collected and scheduled progress payments are received from the buyers when due. Title to properties are only transferred upon full settlement. 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 economic effect of converting borrowings from fixed rates to variable rates or vice versa.

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.

38. FINANCIAL RISK MANAGEMENT (cont'd)

Interest Rate Risk (cont'd)

The Company and the Group have the following interest rate swap arrangements in place:

	THE GROUP		THE COMPANY	
	2007 ($'000)	2006 ($'000)	**2007 ($'000)**	2006 ($'000)
Notional Amount				
Within one year	**-**	90,000	**-**	90,000
Between one to three years	**575,000**	325,000	**575,000**	325,000
After three years	**257,420**	241,309	**125,000**	150,000
	832,420	656,309	**700,000**	565,000
Net Fair Value				
Fair value gain on interest rate swap contracts	**4,866**	6,441	**4,831**	5,735
Fair value loss on interest rate swap contracts	**(3,319)**	(3,312)	**(3,069)**	(3,312)

At 30 September 2007, the fixed interest rate of the outstanding interest rate swap contract is 3.7% (2006: 3.7%), while the floating interest rates are mainly linked to Singapore and London Interbank Offered Rates.

The following table sets out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk:

	THE GROUP			
	Floating rates	**Fixed rates**		
	Less than 1 year ($'000)	**Less than 1 year ($'000)**	**Between 1 to 5 years ($'000)**	**After 5 years ($'000)**
Year ended 30 September 2007				
Assets				
Cash and bank deposits	357,682	592,537	218	-
Other financial assets	-	3,850	22,176	25,450
Liabilities				
Borrowings	2,642,480	550,114	1,559,050	160,129
Year ended 30 September 2006				
Assets				
Cash and bank deposits	330,886	355,981	215	-
Other financial assets	-	152,697	20,367	25,450
Liabilities				
Borrowings	1,505,628	408,036	1,521,738	360,044

38. FINANCIAL RISK MANAGEMENT (cont'd)

Interest Rate Risk (cont'd)

	THE COMPANY			
	Floating rates	Fixed rates		
	Less than 1 year ($'000)	Less than 1 year ($'000)	Between 1 to 5 years ($'000)	After 5 years ($'000)
Year ended 30 September 2007				
Assets				
Cash and bank deposits	29,977	-	-	-
Liabilities				
Borrowings	299,757	-	199,713	150,000
Year ended 30 September 2006				
Assets				
Cash and bank deposits	15,277	-	-	-
Liabilities				
Borrowings	394,923	-	299,554	349,614

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. The other financial instruments of the Group and the Company that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

The Company and the Group are in a net interest expense position for the years ended 30 September 2007 and 2006.

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 Receivables and Other Payables
The carrying amounts of these items approximate fair value due to their short term nature.

(b) Trade Receivables and Trade Payables
The carrying amounts of receivables and payables approximate fair value because these are subject to normal trade credit terms.

38. FINANCIAL RISK MANAGEMENT (cont'd)

Fair Values (cont'd)

(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.

(d) Short Term and Other Investments
Market value of quoted investment is determined by reference to stock exchange quoted prices.

Certain unquoted investments 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. The carrying values of bank borrowings, and term loans within one year and the floating rates borrowings and loans approximate their fair value.

39. UNUSUAL ITEM
As previously announced in September 2003, the former Finance Manager of a joint venture company, Asia Pacific Breweries (S) Pte Ltd ("**APBS**"), Chia Teck Leng ("**CTL**"), was arrested by the Commercial Affairs Division of the police department and subsequently charged in Court and convicted 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.

APBS instructed Drew & Napier LLC to defend APBS in each of these actions.

In October 2007, Mizuho and Sumitomo decided not to continue with their respective suits. Mizuho withdrew its action, with costs to be paid to APBS while Sumitomo's action was dismissed with costs to be paid to APBS.

Based on the existing documents and instructions, APBS's lawyers have advised that APBS has good arguable defences and will continue to vigorously defend the remaining suits.

40. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATION

Certain new accounting standards and interpretations have been issued as at balance sheet date but are not yet effective. The Group's assessment of those standards and interpretations that are relevant to the Group is as follows:

(a) FRS 1 (revised) Presentation of Financial Statements

The Group will adopt this standard on 1 October 2007. FRS 1 (revised) requires the Group to make new disclosures to enable the users of the financial statements to evaluate the Group's objectives, policies and processes for managing its capital.

(b) FRS 40 Investment Property

The Group will adopt FRS 40 for the financial year starting 1 October 2007.

Currently, investment properties are accounted for as set out in Note 2.9. Under FRS 40, changes in fair values of investment properties are required to be included in the profit statement. On transition to FRS 40 on 1 October 2007, the amount accumulated in the asset revaluation reserve, as at 30 September 2007, relating to investment properties will be adjusted against the opening retained earnings at 1 October 2007.

(c) FRS 107 Financial Instruments: Disclosure

The Group will adopt FRS 107 for the financial year starting 1 October 2007. This standard requires quantitative and qualitative disclosures of nature and extent of risks arising from financial instruments in addition to the disclosures currently required under FRS 32. Adoption of this standard will result in additional disclosures in the financial statements.

(d) RAP 11 Pre-Completion Contracts for the Sale of Development Property

RAP 11 was issued by the Institute of Certified Public Accountants of Singapore in October 2005. This statement mentioned that a property developer's sales and purchase agreement is not a construction contract as defined in FRS 11 (Construction Contract) and the percentage of completion (POC) method of recognising income, which is allowed under FRS 11 for construction contracts may not be applicable for property developers.

The relevant standard for revenue recognition by property developers is FRS 18 (Revenue), which addresses revenue recognition generally and for all types of entities. However, there is no clear conclusion in FRS 18 whether the POC method or the completion of construction method is more appropriate for property developers. The issue is being addressed by the International Accounting Standards Board.

The Group uses the POC method for recognising revenue from partly completed residential projects which are held for sale. If the Group had adopted the completed contract method, the impact on the financial statements will be as follows:

	The Group 2007 ($'000)
Profit statement	
Decrease in revenue recognised for the year	**(65,921)**
Increase in profit for the year	**13,256**
Balance sheet	
Decrease in opening accumulated profits	**(196,681)**
Decrease in properties under development	
At 1 October 2006	**(276,983)**
At 30 September 2007	**(241,262)**
(Decrease)/increase in minority interests	
At 1 October 2006	**(4,719)**
Share of profit for the year	**1,423**

41. COMPARATIVE FIGURES

The following comparative figures in the financial statements have been reclassified to be consistent with the current year's presentation.

	THE GROUP	
	2006 As reclassified ($'000)	2006 As previously reported ($'000)
Profit statement		
Revenue	3,802,272	3,795,559
Other income/(expenses) (net)	5,037	-
Administration expenses	(245,548)	(233,798)
Share of associated companies' profits	8,570	12,325
Share of joint venture companies' profits	13,267	16,065
Taxation	(138,650)	(145,216)
Exceptional items	34,003	34,016
Balance sheet		
Fixed assets	1,123,164	1,120,519
Properties held for development	79,834	2,483,313
Properties held for sale	2,581,872	178,393
Intangible assets	272,702	286,432
Brands	19,330	2,663
Trade receivables	481,854	481,774
Other receivables	270,007	390,788
Inventories	365,525	365,402
Amount due to associated companies	51,396	35,724
Deferred tax assets	18,607	24,208
Deferred tax liabilities	106,288	107,122
Short term borrowings	972,872	988,544
Long term borrowings	2,829,333	2,834,733
Other payables	468,454	467,430

The above reclassification are mainly due to the following:

(a) As described in Note 17, comparatives have been changed due to the finalisation of provisional goodwill.

(b) Uncompleted development properties held for sale, previously accounted for as properties held for development under non-current assets, have been reclassified to properties held for sale under current assets.

(c) Our share of associated and joint venture companies' profits are accounted for under the equity method are now stated net of tax.

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES

		Effective Shareholding 2007	Effective Shareholding 2006	Principal Activities
	SUBSIDIARY COMPANIES OF THE COMPANY			
	Country of Incorporation and Place of Business: **Singapore**			
	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 and Distribution of Dairy Products and Beverages
	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
	F&N 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
	Frasers Centrepoint Limited	**100.0%**	100.0%	Investment Holding
	F&N Boncafe Beverages Pte Ltd *(held by a subsidiary company)*	**60.0%**	60.0%	Marketing Ready-To-Drink Coffee Beverages
	F&N DCH Holding Pte Ltd *(held by a subsidiary company)*	**51.0%**	51.0%	Dormant
	F&N Treasury Pte Ltd	**100.0%**	-	Provide Treasury and Financial Services
	Tien Chun Pte Ltd	**100.0%**	-	Investment Holding
	Country of Incorporation and Place of Business: **Hong Kong**			
(A)	Fraser & Neave Investments (HK) Ltd	**100.0%**	100.0%	Investment Holding
	Country of Incorporation and Place of Business: **Malaysia**			
(A)	Fraser & Neave Holdings Bhd	**58.7%**	58.7%	Investment Holding
(A)	Tiger Taverns Sdn Bhd	**100.0%**	100.0%	Dormant
(A)	Magnolia – PDL Dairies (1993) Sdn Bhd	**100.0%**	100.0%	Dormant
(A)	Fannet Online Sdn Bhd	**100.0%**	100.0%	Dormant
(A)	F&N Services (L) Bhd	**100.0%**	100.0%	Investment Holding
	Country of Incorporation and Place of Business: **Vietnam**			
(A)	F&N Vietnam Foods Co Ltd *(held by a subsidiary company)*	**100.0%**	100.0%	Manufacture and Distribution of Dairy Products and Beverages
	Country of Incorporation and Place of Business: **Thailand**			
(A)	F&N United Ltd *(held by a subsidiary company)*	**95.0%**	95.0%	Manufacture and Distribution of Dairy Products
	Country of Incorporation and Place of Business: **Myanmar**			
(C)	Myanmar Brewery Ltd *(Accounting year ends on 31 March)*	**55.0%**	55.0%	Brewing and Distribution of Beer

Notes:
(A) Audited by Ernst & Young in the respective countries.
(B) Not required to be audited under the laws of the country of incorporation.
(C) Audited by other firms of auditors.

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2007	2006	Principal Activities
	SUBSIDIARY COMPANIES OF THE COMPANY (cont'd)			
	Country of Incorporation and Place of Business: **Australia**			
(A)	Red Lion Holdings Pty Ltd *(held by a subsidiary company)*	**100.0%**	100.0%	Dormant
	Country of Incorporation: **British Virgin Islands** Place of Business: **Hong Kong**			
(B)	Vision Century Limited *(held by a subsidiary company)*	**100.0%**	100.0%	Investment Holding
	Country of Incorporation and Place of Business: **China**			
	Paedia Nutrition Company Ltd *(held by a subsidiary company)*	**68.3%**	-	Manufacture and Distribution of Dairy Products
	SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(A)	Fraser & Neave (Malaya) Sdn Bhd	**58.7%**	58.7%	Management Services and Property Investment Holdings
(A)	F&N Coca-Cola (Malaysia) Sdn Bhd	**52.8%**	52.8%	Distribution of Soft Drinks
(A)	F&NCC Beverages Sdn Bhd	**52.8%**	52.8%	Manufacture of Soft Drinks
(A)	F&N Dairies (Malaysia) Sdn Bhd	**58.7%**	58.7%	Distribution of Dairy Products
(A)	Premier Milk (Malaya) Sdn Bhd	**58.7%**	44.0%	Manufacture of Dairy Products
(A)	Four Eights Sdn Bhd	**58.7%**	58.7%	Dormant
(A)	F&N Foods Sdn Bhd	**58.7%**	58.7%	Manufacture of Dairy Products
(A)	Malaya Glass Products Sdn Bhd	**58.7%**	58.7%	Manufacture and Sale of Glass Containers
(A)	Kuala Lumpur Glass Manufacturers Company Sdn Bhd	**58.7%**	58.7%	Manufacture and Sale of Glass Containers
(A)	Wimanis Sdn Bhd	**58.7%**	58.7%	Property Development
(A)	Brampton Holdings Sdn Bhd	**58.7%**	58.7%	Property Investment holding
(A)	Lettricia Corporation Sdn Bhd	**41.1%**	41.1%	Property Development
(A)	Elsinburg Holdings Sdn Bhd	**58.7%**	58.7%	Property Development
(A)	Vacaron Company Sdn Bhd	**58.7%**	58.7%	Dormant
(A)	Nuvak Company Sdn Bhd	**58.7%**	58.7%	Dormant
(A)	Greenclipper Corporation Sdn Bhd	**58.7%**	58.7%	Dormant
(C)	Utas Mutiara Sdn Bhd	**58.7%**	58.7%	Property Investment Holding
(A)	Borneo Springs Sdn Bhd	**55.8%**	55.7%	Manufacture and Sale of Mineral Water, Carbonated Drinks and Bottles
(A)	PML Dairies Sdn Bhd *(formerly known as Key Potential Sdn Bhd)*	**58.7%**	-	Manufacture and Distribution of Dairy Products
(A)	Radiant Worth Sdn Bhd	**58.7%**	-	Dormant

Notes:
(A) Audited by Ernst & Young in the respective countries.
(B) Not required to be audited under the laws of the country of incorporation.
(C) Audited by other firms of auditors.

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2007	2006	Principal Activities
	SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP (cont'd)			
	Country of Incorporation and Place of Business: **Singapore**			
(A)	Aroyls Singapore Pte Ltd	**58.7%**	-	Manufacture and Distribution of Dairy Products
	Country of Incorporation and Place of Business: **Thailand**			
(A)	Thai Malaya Glass Company Limited *(formerly known as Siam Malaya Glass (Thailand) Co Ltd)*	**41.1%**	41.1%	Manufacture and Sale of Glass Containers
(A)	F&N Dairies (Thailand) Limited	**58.7%**	-	Manufacture and Distribution of Dairy Products
	Country of Incorporation and Place of Business: **Vietnam**			
(A)	Malaya – Vietnam Glass Ltd	**41.1%**	41.1%	Manufacture and Sale of Glass Containers
	Country of Incorporation and Place of Business: **China**			
(C)	Sichuan Malaya Glass Co Ltd *(Accounting year ends on 31 December)*	**35.2%**	35.2%	Manufacture and Sale of Glass Containers
	Country of Incorporation and Place of Business: **British Virgin Islands**			
(A)	Lion Share Management Limited	**58.7%**	-	Manufacture and Distribution of Dairy Products
	SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP			
	Country of Incorporation and Place of Business: **Singapore**			
	FCL Property Investments Pte Ltd	**100.0%**	100.0%	Property Investment
	FCL Enterprises Pte Ltd	**100.0%**	100.0%	Property Investment
	Riverside Property Pte Ltd	**100.0%**	100.0%	Property Investment
	FCL 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
	FCL Alexandra Point Pte Ltd	**100.0%**	100.0%	Property Investment
	Woodlands Complex Pte Ltd	**100.0%**	100.0%	Property Investment
	Riverside Walk Pte Ltd	**100.0%**	100.0%	Property Development
	FCL Ventures Pte Ltd	**100.0%**	100.0%	Property Development
	Nasidon Investments Pte Ltd	**100.0%**	100.0%	Property Development
	FCL Management Services Pte Ltd	**100.0%**	100.0%	Management Services

Notes:
(A) Audited by Ernst & Young in the respective countries.
(B) Not required to be audited under the laws of the country of incorporation.
(C) Audited by other firms of auditors.

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

	Effective Shareholding 2007	2006	Principal Activities
SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
Country of Incorporation and Place of Business: **Singapore** (cont'd)			
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
FCL Tampines Pte Ltd	**80.0%**	80.0%	Property Development
FCL Homes Pte Ltd	**100.0%**	100.0%	Property Development
FCL Land Pte Ltd	**100.0%**	100.0%	Property Development
FCL Assets Pte Ltd	**100.0%**	100.0%	Investment Holding
FCL Estates Pte Ltd	**100.0%**	100.0%	Property Development
Frasers Hospitality Pte Ltd	**100.0%**	100.0%	Investment Holding and Management Services
Frasers (UK) Pte Ltd	**75.0%**	75.0%	Investment Holding
Frasers (Australia) Pte Ltd	**75.0%**	75.0%	Investment Holding
FCL (China) Pte Ltd	**100.0%**	100.0%	Investment Holding
Marine Parade View Pte Ltd	**100.0%**	100.0%	Property Development
FCL (Fraser) Pte Ltd	**100.0%**	100.0%	Investment Holding
FCL Boon Lay Pte Ltd	**100.0%**	100.0%	Property Development
FCL Sophia Pte Ltd	**100.0%**	100.0%	Property Development
Frasers Property Management Services Pte Ltd *(formerly Frasers Centrepoint Retail Concepts Pte Ltd)*	**100.0%**	100.0%	Management Services
FCL Choa Chu Kang Pte Ltd	**100.0%**	100.0%	Property Development
FCL Joo Chiat Place Pte Ltd	**100.0%**	100.0%	Property Development
Frasers (NZ) Pte Ltd	**75.0%**	75.0%	Investment Holding
FCL China Development Pte Ltd	**100.0%**	100.0%	Investment Holding
FCL Court Pte Ltd	**100.0%**	100.0%	Property Development
FCL Lodge Pte Ltd	**100.0%**	100.0%	Property Development
FCL Place Pte Ltd	**100.0%**	100.0%	Property Development
FCL Rise Pte Ltd	**100.0%**	100.0%	Property Development
Frasers (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 Limited	**100.0%**	100.0%	Property Development
FCL View Pte Ltd	**100.0%**	100.0%	Property Development
FCL Tower Pte Ltd	**100.0%**	100.0%	Property Development
FCL Loft Pte Ltd	**100.0%**	100.0%	Property Development

Notes:
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(C) Audited by other firms of auditors.

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2007	2006	Principal Activities
	SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
	Country of Incorporation and Place of Business: **Singapore** (cont'd)			
	Frasers Centrepoint Asset Management Ltd	**100.0%**	100.0%	Management Services
	FCL Investments Pte Ltd	**100.0%**	100.0%	Investment Holding
	FCL Trust Holdings Pte Ltd	**100.0%**	100.0%	Investment Holding
	Frasers Hospitality Investment Holding (Philippines) Pte Ltd *(formerly known as Frasers (Office Park) Pte Ltd)*	**100.0%**	-	Investment Holding
	FCL Tampines Court Pte Ltd	**100.0%**	-	Investment Holding
	Frasers Centrepoint Asset Management (Malaysia) Pte Ltd	**100.0%**	-	Investment Holding
	FCL Trust Holdings (Office and Industrial) Pte Ltd	**100.0%**	-	Investment Holding
	Frasers Centrepoint Asset Management (Office & Industrial) Pte Ltd	**100.0%**	-	Asset Management, Fund and Property Management and Related Advisory Services
	Frasers (India) Pte Ltd	**100.0%**	-	Investment Holding
	Frasers Centrepoint Trust	**51.0%**	51.0%	Real Estate Investment Trust
	Emerald Hill Developments Pte Ltd	**100.0%**	100.0%	Property Investment
	Sinomax International Pte Ltd	**100.0%**	100.0%	Investment Holding
	Frasers International Logistics Management Pte Ltd	**100.0%**	-	Management and Consultancy Services
	Country of Incorporation and Place of Business: **Vietnam**			
(A)	Me Linh Point Ltd	**75.0%**	75.0%	Property Investment
(A)	Saigon Apartments Joint Venture Company	**70.0%**	70.0%	Property Development
	Country of Incorporation and Place of Business: **China**			
(A)	Shanghai Sian Jin Property Development Co., Ltd	**100.0%**	100.0%	Property Development
(A)	Shanghai Frasers Management Consultancy Co., Ltd	**100.0%**	100.0%	Management Services
(A)	Beijing Sin Hua Yan Real Estate Development Co., Ltd	**95.0%**	95.0%	Property Development
(A)	Hainan Jian Feng Tourism Development Co., Ltd	**100.0%**	100.0%	Property Development
(A)	Beijing Fraser Suites Real Estate Management Co., Ltd	**100.0%**	-	Property Investment
(A)	Singlong Property Development (Suzhou) Co., Ltd	**80.0%**	-	Property Development
(A)	Shanghai Zhong Jun Real Estate Development Co. Ltd	**72.2%**	72.2%	Property Development
(A)	Beijing Gang Lu Real Estate Development Co., Ltd	**56.2%**	56.2%	Property Development
(C)	Beijing Vision Century Property Management Co. Ltd	**56.2%**	56.2%	Property Management
(C)	Vision Century Real Estate Development (Dalian) Co. Ltd	**56.2%**	56.2%	Property Development
(C)	Vision Property Management (Dalian) Co. Ltd	**56.2%**	56.2%	Property Management
(A)	Vision (Shenzhen) Business Park Co. Ltd	**53.4%**	53.4%	Business Park Development
(C)	Vision Huaqing (Beijing) Development Co. Ltd	**33.7%**	33.7%	Business Park Development
	(All the above companies, incorporated in China, accounting year end on 31 December)			

Notes:
(A) Audited by Ernst & Young in the respective countries.
(B) Not required to be audited under the laws of the country of incorporation.
(C) Audited by other firms of auditors.

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2007	Effective Shareholding 2006	Principal Activities
	SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
	Country of Incorporation: **Bermuda**			
	Place of Business: **Hong Kong**			
(A)	Frasers Property (China) Limited*	**56.2%**	56.2%	Investment Holding
	Country of Incorporation and Place of Business: **Hong Kong**			
(A)	Excellent Esteem Limited	**100.0%**	-	Investment Holding
(A)	Frasers Hospitality (Hong Kong) Limited	**100.0%**	-	Management Consultancy Services and Serviced Apartments
(A)	Vision Century Secretaries Limited	**56.2%**	56.2%	Secretarial and Nominee Services
(A)	Best Keeping Resources Limited	**56.2%**	56.2%	Property and Golf Club Membership Holding
(A)	Great Project Property Limited	**56.2%**	56.2%	Investment Holding
(A)	Readworld.com Limited	**56.2%**	56.2%	Investment Holding
(A)	Vision Century Administration Limited	**56.2%**	56.2%	Management Consultancy Services
(A)	Vision Century Capital Limited	**56.2%**	56.2%	Group Financing
(A)	Vision Century Investment (Dalian) Limited	**56.2%**	56.2%	Investment Holding
(A)	Wide Best Development Limited	**56.2%**	56.2%	Property Development
(A)	Vision Century Property Management Limited	**56.2%**	56.2%	Property Management
(A)	Metro Charm Holdings Limited	**100.0%**	100.0%	Investment Holding
(A)	Ace Goal Limited	**100.0%**	-	Investment Holding
(A)	Extra Strength Limited	**100.0%**	-	Investment Holding
(A)	Forth Carries Limited	**100.0%**	-	Investment Holding
(A)	Forward Plan Limited	**100.0%**	-	Investment Holding
(A)	Summit Park Limited	**100.0%**	-	Investment Holding
(A)	Blessing Sky Limited	**100.0%**	-	Investment Holding
	Country of Incorporation: **British Virgin Islands**			
	Place of Business: **Hong Kong**			
(B)	Bestday Assets Limited	**56.2%**	56.2%	Investment Holding
(B)	Limbo Enterprises Limited	**56.2%**	56.2%	Property Holding
(B)	Tenways Investments Limited	**56.2%**	56.2%	Investment Holding
(B)	Vision Business Park (TH) Limited	**56.2%**	56.2%	Investment Holding
(B)	Vision Century Property Consultancy Services Ltd	**56.2%**	56.2%	Property Consultancy Services

Notes:
(A) Audited by Ernst & Young in the respective countries.
(B) Not required to be audited under the laws of the country of incorporation.
(C) Audited by other firms of auditors.
* In 2006, F&N Group's effective shareholdings was held through Vision Century Limited (17.17%) and Frasers Centrepoint Limited (39.06%). Vision Century Limited's 17.17% share was transferred to Frasers Centerpoint Limited during this financial year.

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2007	Effective Shareholding 2006	Principal Activities
	SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
	Country of Incorporation and Place of Business: **British Virgin Islands**			
(B)	Supreme Asia Investments Limited	**76.0%**	76.0%	Investment Holding
	Country of Incorporation and Place of Business: **Philippines**			
(C)	Frasers Hospitality Philippines, Inc	**100.0%**	100.0%	Provision of Management Services in the Lodging Industry
(C)	Frasers Hospitality Investment, Inc	**100.0%**	-	Property Investment
	Country of Incorporation: **Singapore** Place of Business: **Australia**			
	FCL Bridgepoint Pte Ltd	**100.0%**	100.0%	Property Investment
	Country of Incorporation: **Singapore** Place of Business: **United Kingdom**			
	FCL Resort Pte Ltd	**75.0%**	75.0%	Property Development
	Country of Incorporation and Place of Business: **United Kingdom**			
(C)	Frasers Property (UK) Limited	**51.2%**	-	Investment Holding
(C)	Fairbriar Holdings Limited	**51.2%**	25.0%	Investment Holding
(C)	Frasers Europa Limited	**51.2%**	-	Property Investment
(C)	Frasers Ventures Limited	**51.2%**	-	Property Investment
(C)	Fairbriar Apartments Limited	**51.2%**	-	Property Investment
(C)	Fairbriar plc	**51.2%**	-	Property Investment
(C) (1)	Ellisridge Limited	**40.4%**	-	Property Investment
(C) (1)	Ellisridge Suites Limited	**40.4%**	-	Property Investment
(C)	Fairbriar Ascot Limited	**51.2%**	-	Property Investment
(C)	Fairbriar Developments Limited	**51.2%**	-	Property Investment
(C)	Fairbriar Projects Limited	**51.2%**	-	Property Investment
(C)	The School House Tunbridge Wells Limited	**51.2%**	-	Property Investment
(C)	Fairbriar General Partner Limited	**51.2%**	-	Property Investment
(C)	Fairbriar Group plc	**51.2%**	-	Property Investment
(C)	Fairbriar House Limited	**51.2%**	-	Property Investment
(C)	Fairbriar Homes Limited	**51.2%**	-	Property Investment
(C)	Buckwood Grange Limited	**51.2%**	-	Property Investment
(C)	Fairbriar Investments Limited	**51.2%**	-	Property Investment
(C)	Fairbriar Islington Limited	**51.2%**	-	Property Investment
(C)	Fairbriar Pepys Street Limited	**51.2%**	-	Property Investment
(C)	FKB Investment Management Limited	**51.2%**	-	Property Investment
(C)	FKB Property Management Limited	**51.2%**	-	Property Investment
(C)	NGH Properties Limited	**51.2%**	-	Property Investment
(C)	Sloane Avenue Limited	**51.2%**	-	Property Investment

Notes:
(A) Audited by Ernst & Young in the respective countries.
(B) Not required to be audited under the laws of the country of incorporation.
(C) Audited by other firms of auditors.
(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2007	2006	Principal Activities
	SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
	Country of Incorporation and Place of Business: **United Kingdom** (cont'd)			
(C) (1)	Fairdace Limited	**33.1%**	-	Property Investment
(C)	Frasers Hospitality (UK) Limited	**51.2%**	62.5%	Management Consultancy Services & Serviced Apartments
(C)	Fairpoint Properties (Vincent Square) Ltd	**51.2%**	50.0%	Property Development
(C)	SDG Caledonia Lumiere Limited	**51.2%**	-	Property Investment
(C)	Lumiere Leeds LP (No. 1) Limited	**51.2%**	-	Property Investment
(C)	Lumiere Leeds LP (No. 2) Limited	**51.2%**	-	Property Investment
(C)	Frasers Property Developments Limited	**51.2%**	75.0%	Management Services
(C)	Wandsworth Riverside Quarter Ltd	**51.2%**	50.0%	Property Development
(C)	Frasers Highbury Limited	**75.0%**	75.0%	Property Development
(C)	FRA (Jersey) Limited	**75.0%**	-	Property Development
	Country of Incorporation and Place of Business: **Australia**			
(A)	Frasers Glebe Point Pty Ltd	**75.0%**	75.0%	Property Development
(A)	Frasers Greencliff Developments Pty Ltd	**75.0%**	75.0%	Management Services
(A)	Frasers Chandos Pty Ltd	**75.0%**	75.0%	Property Development
(A)	Frasers Town Hall Pty Ltd	**80.5%**	80.5%	Investment Holding & Property Development
(A)	Frasers Lorne Pty Limited	**75.0%**	75.0%	Property Development
(A)	Frasers Mandurah Pty Limited	**56.3%**	56.3%	Property Development
(A)	Frasers City Quarter Pty Limited	**87.5%**	87.5%	Property Development
(A)	Frasers Queens Pty Limited	**87.5%**	87.5%	Property Development
(A)	Frasers Killara Pty Ltd	**75.0%**	75.0%	Property Development
(A)	Frasers Town Hall Residences Pty Ltd	**80.5%**	80.5%	Property Investment
(A)	Frasers Morton Pty Ltd	**75.0%**	75.0%	Property Development
(A)	Frasers Broadway Pty Ltd *(formerly Frasers Lindfield Pty Ltd)*	**75.0%**	-	Property Development
	Country of Incorporation and Place of Business: **New Zealand**			
(A)	Frasers Broadview Limited	**75.0%**	75.0%	Property Development
(A)	Frasers Papamoa Limited	**67.5%**	67.5%	Property Development
	Country of Incorporation and Place of Business: **Thailand**			
(A)	Frasers Hospitality (Thailand) Ltd *(accounting year end on 31 December)*	**100.0%**	-	Management Consultancy Services and Serviced Apartments

Notes:
(A) Audited by Ernst & Young in the respective countries.
(B) Not required to be audited under the laws of the country of incorporation.
(C) Audited by other firms of auditors.
(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2007	Effective Shareholding 2006	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP			
	Country of Incorporation and Place of Business: **Singapore**			
	Marshall Cavendish International Private Limited	**100.0%**	100.0%	Investment Holding
	Marshall Cavendish International (Asia) Private Limited	**100.0%**	100.0%	Electronic Publishing
	Marshall Cavendish International (Singapore) Private Limited	**100.0%**	100.0%	Electronic Publishing
	STP Distributors Private Limited	**100.0%**	100.0%	Books and Magazines
	Marshall Cavendish Business Information Private Limited	**100.0%**	100.0%	Directory Publishing and Conferences & Exhibitions
	Times-Dharmala Pte Ltd	**51.0%**	51.0%	Dormant
	Times Educational Services Private Limited	**100.0%**	100.0%	Education and Training
	Times Graphics Private Limited	**100.0%**	100.0%	Commercial Printing
	Times Conferences & Exhibitions Pte Ltd	**100.0%**	100.0%	Dormant
	Times Editions Pte Ltd	**100.0%**	100.0%	Dormant
	Panpac Education Pte Ltd	**100.0%**	100.0%	Books
	TransQuest Asia Publishers Pte Ltd *(in voluntary liquidation)*	**100.0%**	100.0%	Dormant
(C)	Cultured Lotus Pte Ltd	**100.0%**	100.0%	Dormant
	IMM Singapore Holdings Pte Ltd	**51.0%**	51.0%	Magazines Distribution
(C)	Pansing Distribution Pte Ltd	**100.0%**	100.0%	Books and Magazines
(C)	Pansing International Library Services Pte Ltd	**100.0%**	100.0%	Dormant
(C) (1)	Pacific Bookstores Pte Ltd *(accounting year end on 28 February)*	**49.0%**	-	Retail
(C)	Starprint Production Pte Ltd *(accounting year end on 31 December)*	**51.0%**	-	Packaging
	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 Private Limited	**100.0%**	100.0%	Commercial Printing
	Country of Incorporation and Place of Business: **Malaysia**			
(A)	Marshall Cavendish (Malaysia) Sdn Bhd	**100.0%**	100.0%	Books
(A)	Pansing Marketing Sdn Bhd	**100.0%**	100.0%	Distribution of Books & Magazines
(A) (1)	STP Distributors (M) Sdn Bhd	**30.0%**	30.0%	Books and Magazines
(A)	Times Distri-Services Sdn Bhd	**100.0%**	100.0%	Distribution of Books & Magazines
(A)	Times Offset (Malaysia) Sdn Bhd	**100.0%**	100.0%	Commercial Printing

Notes:
(A) Audited by Ernst & Young in the respective countries.
(B) Not required to be audited under the laws of the country of incorporation.
(C) Audited by other firms of auditors.
(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2007	2006	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)			
	Country of Incorporation: **Hong Kong** Place of Business: **Thailand**			
(A)	Far East Publications Ltd	**100.0%**	100.0%	Books
	Country of Incorporation and Place of Business: **Thailand**			
(A)	Marshall Cavendish International (Thailand) Co. Ltd	**49.0%**	49.0%	Publishing
	Country of Incorporation and Place of Business: **Hong Kong**			
(A)	Educational Associates Ltd	**100.0%**	100.0%	Investment Holding
(C)	Everbest Printing Holdings Limited	**100.0%**	85.3%	Investment Holding
(C)	Everbest Printing Investment Ltd	**100.0%**	85.3%	Investment Holding
(C)	Everbest Printing Company Ltd	**100.0%**	85.3%	Printing
(A)	Marshall Cavendish Business Information (Hong Kong) Limited	**100.0%**	100.0%	Publishing
(A)	Times Education (Hong Kong) Ltd	**100.0%**	100.0%	Dormant
(A)	Times Printers (Hong Kong) Ltd	**100.0%**	100.0%	Investment Holding
(A)	Times Publishing (Hong Kong) Limited	**100.0%**	100.0%	Books and Magazines
	Country of Incorporation: **Hong Kong** Place of Business: **Hong Kong/Taiwan**			
(A)	Educational Technologies Limited	**100.0%**	100.0%	Publishing and Distribution of Home Library Reference Books
	Country of Incorporation and Place of Business: **China**			
(C)	Everbest Printing (Guang Zhou) Co. Ltd *(formerly known as Everbest Printing (Panyu Nansha) Co. Ltd)*	**100.0%**	85.3%	Property Investment
(A)	Liaoning Times Xinhua Printers Ltd	**51.0%**	51.0%	Commercial Printing
(A)	Shenyang Times Packaging Printing Co Ltd	**60.0%**	60.0%	Commercial Printing & Packaging
(C)	Times Publications Design and Production (Beijing) Co., Ltd	**100.0%**	100.0%	Publishing Design & Production Services
(C)	Guangzhou Times Advertising Company Limited	**100.0%**	100.0%	Publication and Distribution of Directories
(A)	Shanxi Xinhua Times Packaging Printing Co Ltd	**51.0%**	51.0%	Commercial Printing & Packaging
(C)	Beijing 21st Century Times Education Centre	**96.4%**	90.0%	Education and Training
(C)	Everbest Printing (Shanghai) Co. Ltd	**100.0%**	85.3%	Printing
	(All the above companies, incorporated in China, accounting year end on 31 December)			
	Country of Incorporation and Place of Business: **Japan**			
(A)	Kabushiki Kaisha Educational Technologies Limited	**100.0%**	100.0%	Educational Training and Distribution of Home Library Reference Books

Notes:
(A) Audited by Ernst & Young in the respective countries.
(B) Not required to be audited under the laws of the country of incorporation.
(C) Audited by other firms of auditors.

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2007	Effective Shareholding 2006	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)			
	Country of Incorporation and Place of Business: **India**			
(A)	Direct Educational Technologies India Pte Ltd	**100.0%**	100.0%	Distribution of Home Library Reference Books
	Country of Incorporation and Place of Business: **Australia**			
(A)	Times Printers (Australia) Pty Limited	**100.0%**	100.0%	Commercial Printing
(A)	Marshall Cavendish (Australia) Pty Ltd	**100.0%**	100.0%	Dormant
(A)	Musicway Corporation Limited	**100.0%**	100.0%	Distribution of Cassettes & Hi-Fi Accessories
(A)	Rainbow Products Limited	**100.0%**	100.0%	Distribution of Records, Cassettes & Videos
(A)	Times Properties Pty Limited	**100.0%**	100.0%	Investment Holding
(A)	Pansing IMM Pty Limited	**51.0%**	51.0%	Magazines distribution
	Country of Incorporation: **United Kingdom** Place of Business: **Russia**			
(A)	MC East Limited	**100.0%**	100.0%	Partworks
	Country of Incorporation and Place of Business: **United Kingdom**			
(A)	ALP Ltd	**100.0%**	100.0%	Investment Holding
(A)	Marshall Cavendish Ltd	**100.0%**	100.0%	Investment Holding
(A)	Marshall Cavendish International Ltd	**100.0%**	100.0%	Partworks
(A)	Marshall Cavendish Partworks Ltd	**100.0%**	100.0%	Partworks
(A)	TPL Printers (UK) Ltd	**100.0%**	100.0%	Commercial Printing/Binders Manufacturing
(A)	Marshall Cavendish Language Centre Ltd	**100.0%**	100.0%	Dormant
	Country of Incorporation and Place of Business: **Czech Republic**			
(A)	Marshall Cavendish CR,s.r.o.	**100.0%**	100.0%	Partworks
	Country of Incorporation and Place of Business: **France**			
(A)	Marshall Cavendish Editions S.A.	**100.0%**	100.0%	Partworks
	Country of Incorporation and Place of Business: **Poland**			
(A)	Marshall Cavendish Polska Sp. zo.o	**100.0%**	100.0%	Partworks
	Country of Incorporation and Place of Business: **Romania**			
(A)	Marshall Cavendish Romania S.R.L	**100.0%**	100.0%	Partworks

Notes:
(A) Audited by Ernst & Young in the respective countries.
(B) Not required to be audited under the laws of the country of incorporation.
(C) Audited by other firms of auditors.

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2007	Effective Shareholding 2006	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)			
	Country of Incorporation and Place of Business: **Ukraine**			
(A)	A Wholly Owned Subsidiary Marshall Cavendish Ukraine	**100.0%**	100.0%	Partworks
	Country of Incorporation and Place of Business: **United States of America**			
(B)	Marshall Cavendish Corporation	**100.0%**	100.0%	Books
	JOINT VENTURE COMPANIES OF THE COMPANY			
	Country of Incorporation and Place of Business: **Singapore**			
*	Asia Pacific Investment Pte Ltd	**50.0%**	50.0%	Investment Holding
	JOINT VENTURE COMPANIES OF FRASERS CENTREPOINT GROUP			
	Country of Incorporation and Place of Business: **Thailand**			
(A) (2)	Riverside Homes Development Co., Ltd *(Accounting year ends on 31 December)*	**66.0%**	66.0%	Property Development
	Country of Incorporation and Place of Business: **Singapore**			
(A)	FCL Peak Pte Ltd	**50.0%**	50.0%	Property Development
(A)	Orchard Mall Pte Ltd	**50.0%**	-	Property Development
	Country of Incorporation and Place of Business: **United Kingdom**			
(C)	GSF Homes Limited	**25.6%**	-	Property Development
(C)	Macleod & Fairbriar Limited	**25.6%**	-	Property Development
(C)	Redbriar Developments Limited	**25.6%**	-	Property Development
(C)	Sovereign House Developments Limited	**25.6%**	-	Property Development
(C)	SPF Maidenhead Limited	**25.6%**	-	Property Development
(C)	Fairmuir Limited	**25.6%**	-	Property Development
	JOINT VENTURE COMPANIES OF TIMES PUBLISHING GROUP			
	Country of Incorporation and Place of Business: **Singapore**			
	Times-Newslink *(Accounting year ends on 31 December)*	**50.0%**	50.0%	Retail of Books and Magazines
	Country of Incorporation and Place of Business: **China**			
(C)	Shanghai Times SanYin Printers Co Ltd *(Accounting year ends on 31 December)*	**40.0%**	40.0%	Commercial Printing

Notes:
(A) Audited by Ernst & Young in the respective countries.
(B) Not required to be audited under the laws of the country of incorporation.
(C) Audited by other firms of auditors.
(2) This is accounted for as a joint venture as the Group exercises only joint control over the Company.
* Asia Pacific Investment Pte Ltd ("APIPL") which holds 64.8% 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.

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2007	Effective Shareholding 2006	Principal Activities
	ASSOCIATED COMPANIES OF THE COMPANY			
	Country of Incorporation: **Singapore**			
	Place of Business: **China**			
(C)	China Dairy Group Ltd *(Accounting year ends on 31 December)*	**29.5%**	29.5%	Manufacturing & Distribution of Dairy Products
	Country of Incorporation: **Bermuda**			
	Place of Business: **China**			
(C)	Fung Choi Media Group Limited *(Accounting year ends on 30 June)*	**29.5%**	25.0%	Printing & Packaging
	ASSOCIATED COMPANIES OF FRASERS CENTREPOINT GROUP			
	Country of Incorporation and Place of Business: **United Kingdom**			
(C)	Fairbrair Residential Investment Partnership *(Accounting year ends on 31 December)*	**26.1%**	20.0%	Investment in Residential Property Fund
(C)	Fairdace Limited	*	33.3%	Property Ownership and Investment
(C)	FairBriar Holdings Limited	*	25.0%	Investment Holding
(C)	Islington Theatre Developments Limited	*	25.0%	Property Development
	Country of Incorporation and Place of Business: **Singapore**			
	Hua Li Holdings Pte Ltd	**45.7%**	45.7%	Investment Holding
	Country of Incorporation and Place of Business: **Thailand**			
(A)	Krungthep Land Public Company Limited *(Accounting year ends on 31 December)*	**40.5%**	33.0%	Investment Holding and Property Development
	Country of Incorporation and Place of Business: **Malaysia**			
(A)	Hektar Real Estate Investment Trust *(Accounting year ends on 31 December)*	**27.0%**	-	Real Estate Investment Trust
	Country of Incorporation and Place of Business: **Hong Kong**			
(A)	Poly-strong Development Limited	**28.1%**	28.1%	Property Development
	ASSOCIATED COMPANIES OF TIMES PUBLISHING GROUP			
	Country of Incorporation and Place of Business: **Singapore**			
(C)	Learning Edvantage Pte Ltd	**31.0%**	31.0%	Multi Media Publishing
	Country of Incorporation and Place of Business: **China**			
(C)	Beijing Universal Times Culture Development Co Ltd *(Accounting year ends on 31 December)*	**40.0%**	40.0%	Publishing

Notes:
(A) Audited by Ernst & Young in the respective countries.
(B) Not required to be audited under the laws of the country of incorporation.
(C) Audited by other firms of auditors.
* Following the restructuring, the companies became subsidaries under Frasers (UK) Pte Ltd

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2007	2006	Principal Activities
	SUBSIDIARY COMPANIES OF ASIA PACIFIC BREWERIES GROUP			
	Country of Incorporation and Place of Business: **Singapore**			
	Asia Pacific Breweries Ltd	**39.7%**	39.7%	Investment Holding and Management Services
	Asia Pacific Breweries (Singapore) Pte Ltd	**39.7%**	39.7%	Brewing and Distribution of Beer and Stout
	Tiger Export Pte Ltd	**39.7%**	39.7%	Export of Beer and Stout
	Archipelago Brewery Co (1941) Pte Ltd	**39.7%**	39.7%	Dormant
	Tiger Marketing Pte Ltd	**39.7%**	39.7%	Investment Holding
	Heineken-APB (China) Pte Ltd	**44.8%**	44.8%	Investment Holding
	Country of Incorporation and Place of Business: **Cambodia**			
(C)	Cambodia Brewery Limited	**31.7%**	31.8%	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business: **Vietnam**			
(A)	Vietnam Brewery Limited	**23.8%**	23.8%	Brewing and Distribution of Beer
(A)	Hatay Brewery Limited	**39.7%**	39.7%	Brewing and Distribution of Beer
(A)	Beers and Beverages International Ltd	**39.7%**	39.7%	Distribution of Beer
(A)	Vietnam Beer and Beverages Limited *(formerly known as Foster's Vietnam Co., Ltd)*	**39.7%**	39.7%	Distribution of Beer
(A)	VBL Da Nang Limited *(formerly known as Foster's Da Nang Co., Ltd)*	**23.8%**	39.7%	Brewing of Beer
(A)	VBL Tien Giang Limited *(formerly known as Foster's Tien Giang Co., Ltd)*	**23.8%**	39.7%	Brewing of Beer
(A)	VBL (Quang Nam) Limited	**19.0%**	-	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business: **China**			
(A)	Hainan Asia Pacific Brewery Co Ltd	**44.8%**	44.8%	Brewing and Distribution of Beer
(A)	Shanghai Asia Pacific Brewery Co Ltd	**43.5%**	43.5%	Brewing and Distribution of Beer
(A)	Heineken Trading (Shanghai) Co Ltd	**44.8%**	44.8%	Distribution of Beer
(A)	Heineken-APB (China) Management Services Co Ltd *(All the above companies, incorporated in China, accounting year end on 31 December)*	**44.8%**	44.8%	Provision of Investment, Management and Consulting Services
	Country of Incorporation and Place of Business: **India**			
(C)	Asia Pacific Breweries (India) Private Ltd	**39.7%**	39.7%	Dormant
(A)	Aurangabad Breweries (Aurangabad) Limited *(formerly known as Aurangabad Breweries Limited)*	**30.1%**	30.2%	Brewing and Distribution of Beer
(A)	Asia Pacific Breweries-Pearl Private Limited	**26.6%**	26.6%	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business: **Sri Lanka**			
(A)	Asia Pacific Breweries (Lanka) Limited	**23.8%**	23.8%	Brewing and Distribution of Beer

Notes:
(A) Audited by Ernst & Young in the respective countries.
(B) Not required to be audited under the laws of the country of incorporation.
(C) Audited by other firms of auditors.

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2007	2006	Principal Activities
	SUBSIDIARY COMPANIES OF ASIA PACIFIC BREWERIES GROUP (cont'd)			
	Country of Incorporation and Place of Business: **New Zealand**			
(A)	DB Breweries Limited	**39.7%**	39.7%	Investment Holding and Brewing and Distribution of Beer
(A)	DB Nominees Ltd	**39.7%**	39.7%	Trustee Company
(A)	DB South Island Brewery Ltd	**39.7%**	21.7%	Brewing and Distribution of Beer
(A)	DBG Insurances Ltd	**39.7%**	39.7%	Insurance Company
(A)	Liquorland Ltd	**39.7%**	39.7%	Franchise Company
(A)	Monteith's Brewing Company Ltd	**39.7%**	39.7%	Dormant
(A)	Robbie Burns Ltd	**39.7%**	39.7%	Dormant
(A)	Tui Brewery Ltd	**39.7%**	39.7%	Dormant
(A)	Black Dog Brewery Ltd	**39.7%**	39.7%	Dormant
(A)	O Pure Water Ltd	**39.7%**	39.7%	Dormant
(A)	Mainland Brewery Ltd	**39.7%**	39.7%	Dormant
(A)	Waitemata Brewery Ltd	**39.7%**	39.7%	Dormant
(A)	Brandcore PLC Limited	**39.7%**	39.7%	Liquor Wholesaler
(A)	Drinksworks Limited	**39.7%**	39.7%	Dormant
(A)	Amstel Brouwerij Importers Ltd	**39.7%**	39.7%	Dormant
	Country of Incorporation and Place of Business: **Papua New Guinea**			
(C)	South Pacific Brewery Limited	**30.1%**	30.1%	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business: **United Kingdom**			
(C)	Tiger Beer UK Ltd	**39.7%**	39.7%	Distribution of Beer and Stout
	Country of Incorporation and Place of Business: **United States of America**			
(C)	Tiger Beer USA Inc	**39.7%**	39.7%	Distribution of Beer
	Country of Incorporation and Place of Business: **Mongolia**			
(B)	MCS Asia Pacific Brewery LLC	**21.8%**	21.8%	Distribution of Beer
	Country of Incorporation and Place of Business: **Australia**			
(B)	Asia Pacific Breweries (Australia) Pty Ltd	**39.7%**	39.7%	Investment Holding
(B)	FBG Vietnam Holdings Pty Ltd	**39.7%**	39.7%	Investment Holding
	Country of Incorporation and Place of Business: **Laos**			
(B)	Laos Asia Pacific Breweries Limited	**27.0%**	-	Brewing and Distribution of Beer

Notes:
(A) Audited by Ernst & Young in the respective countries.
(B) Not required to be audited under the laws of the country of incorporation.
(C) Audited by other firms of auditors.

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2007	2006	Principal Activities
	JOINT VENTURE COMPANIES OF ASIA PACIFIC BREWERIES GROUP			
	Country of Incorporation and Place of Business: **Singapore**			
(C)	GAPL Pte Ltd *(Accounting year ends on 30 June)*	**19.8%**	19.8%	Investment Holding & Distribution of Stout
	Country of Incorporation and Place of Business: **China**			
(C)	Jiangsu DaFuHao Breweries Co. Ltd *(Accounting year ends on 31 December)*	**22.0%**	22.0%	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business: **Thailand**			
(C)	Thai Asia Pacific Brewery Co Ltd	**13.9%**	13.9%	Brewing and Distribution of Beer
(C)	Thai Asia Pacific Trading Co Ltd	**13.9%**	13.9%	Distribution of Beer
	ASSOCIATED COMPANIES OF ASIA PACIFIC BREWERIES GROUP			
	Country of Incorporation and Place of Business: **New Zealand**			
(A)	The Associated Bottlers Company Ltd	**19.8%**	19.8%	Hire of Returnable Beer Bottles
	Country of Incorporation: **Bermuda** Place of Business: **Hong Kong**			
(A)	Kingway Brewery Holdings Limited *(Accounting year ends on 31 December)*	**9.6%***	9.6%	Brewing and Distribution of Beer

Notes:
(A) Audited by Ernst & Young in the respective countries.
(B) Not required to be audited under the laws of the country of incorporation.
(C) Audited by other firms of auditors.
* During the year, the Group subscribed to its entitlement of Rights Issue of 66,503,173 shares at HK$2.42 per share.

The main properties as at 30 September 2007 and their net book values are indicated below: ("**F&N**" refers to Fraser and Neave Group, "**APBL**" refers to Asia Pacific Breweries Group, "**FCL**" refers to Frasers Centrepoint Limited Group and "**TPL**" refers to Times Publishing Group)

(A) CLASSIFIED AS GROUP FIXED ASSETS
(Note 13 to the Financial Statements)

				Land ($'000)	Building ($'000)
FREEHOLD					
Singapore					
TPL	–	1.1	hectares industrial property at Times Centre, 1 New Industrial Road	6,100	6,229
Peninsular Malaysia					
F&N	–	18.0	hectares industrial property at Lion Industrial Park, Shah Alam	21,184	29,678
	–	2.1	hectares industrial property at 3724 to 3726 Sungei Nyior, Butterworth	2,058	1,020
	–	2.7	hectares industrial property at Jalan Lahat, Ipoh	1,228	1,097
	–	5.8	hectares industrial property at Jalan Tampoi, Johor Bahru	2,295	3,290
	–	2.2	hectares industrial property at 701, Jalan Tampoi, Johor Bahru	3,358	83
	–	0.6	hectares industrial property at Jalan Tampoi, Johor Bahru	458	1,733
	–	0.1	hectares property at Jalan Metro Pudu, Fraser Business Park	-	6,521
	–	Other properties		407	-
TPL	–	3.4	hectares industrial property at Lot 46 Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam	1,680	3,244
East Malaysia					
F&N	–	1.1	hectares industrial property at Matang Land District, Sarawak	1,910	794
	–	2.0	hectares industrial property at Jalan Mempaga, Sarawak	1,605	-
	–	0.5	hectares industrial property at Jalan Tatau Bintulu, Sarawak	8	5
Thailand					
F&N	–	9.1	hectares industrial property at Amphur Nong Khae, Saraburi Province	4,810	14,849
	–	1.2	hectares industrial property at Amphur Pakchong, Nakonratchasima Province	-	2,797
New Zealand					
APBL	–	17.4	hectares industrial property for Waitemata Brewery site at Auckland	4,066	22,022
	–	9.1	hectares industrial property for Mainland Brewery at Timaru	183	2,239
	–	10.8	hectares industrial property for Tui Brewery at Pahiatua	354	39

(A) CLASSIFIED AS GROUP FIXED ASSETS (cont'd)
(Note 13 to the Financial Statements)

	Land ($'000)	Building ($'000)
FREEHOLD (cont'd)		
Australia		
TPL – 0.2 hectare commercial property at Unites 7 & 8 Monash Business Park, 29 Business Park Drive, Nottinghill, Melbourne – Victoria	1,003	501
United State of America		
TPL – 3.4 hectares commercial property at 99 White Plains Road, Tarrytown, New York	745	3,823
India		
APBL – 27.5 hectares industrial property at Sangareddy Mandal, Badlapur Village, Medak District	326	794
Mongolia		
APBL – 5.0 hectares industrial property at 10th Khoroo, Bayanzurkh District, Ulaanbaatar City, Mongolia	-	4,682
Total Freehold	53,778	105,440
LEASEHOLD		
Singapore		
F&N – 4.0 hectares industrial property at 214 Pandan Loop (Lease expires year 2010)	-	15,370
– Other properties	1,093	-
APBL – 8.8 hectares industrial property at Jurong (Lease expires year 2046)	-	20,505
– Other properties	261	-
TPL – Commercial property at Unit #04-08/11 Centrepoint (Lease expires year 2078)	-	475
– 1.8 hectares industrial property at 16 & 18 Tuas Avenue 5 (Lease expires year 2013)	-	15,276
– 0.7 hectares industrial property at 438 Ang Mo Kio industrial park (Lease expires year 2038)	-	6,191
– 1.2 hectares warehouse at No. 24 Senoko Drive (Lease expires year 2011)	-	696

(A) CLASSIFIED AS GROUP FIXED ASSETS (cont'd)
(Note 13 to the Financial Statements)

	Land ($'000)	Building ($'000)
LEASEHOLD (cont'd)		
Peninsular Malaysia		
F&N – 3.6 hectares industrial property at 70 Jalan University, Petaling Jaya (Lease expires year 2058)	8,622	7,388
– 1.6 hectares industrial property at 16 Jalan Bersatu 13/4, Petaling Jaya (Lease expires year 2058)	4,554	2,055
– 1.9 hectares industrial property at Lot 5, Jalan Kilang, 460500 Petaling Jaya (Lease expires year 2058)	2,938	1,719
– Other properties	746	763
East Malaysia		
F&N – 1.8 hectares industrial property at Penrissen Road, Kuching (Lease expires year 2038)	734	3,098
– 2.6 hectares industrial property at Tuaran Road, Kota Kinabalu (Lease expires year 2062)	1,089	844
– 1.2 hectares industrial property at KNLD, Kuching (Lease expires year 2038)	3,329	-
– 2.4 hectares industrial property at Matang Land District, Sarawak (Lease expires year 2038)	2,225	385
Cambodia		
APBL – 11.3 hectares industrial property at Kandal Province (Land rights expires year 2065)	-	7,622
Vietnam		
F&N – 3.4 hectares industrial property at Ton That Thuyet, Vietnam (Lease expires year 2023)	-	3,362
– 6.0 hectares industrial property at VSIP, Thuan An District, Binh Duong Province (Lease expires year 2045)	3,509	5,614
APBL – 13.0 hectares industrial property at Ho Chi Minh City (Lease expires year 2021)	1,947	7,275
– 30.0 hectares industrial property at Van Tao Village – Hatay Province (Lease expires year 2046)	-	9,439
– 20.0 hectares industrial property at Quang Nam Province (Lease expires year 2057)	93	415
– 5.1 hectares industrial property at Tien Giang Province (Lease expires year 2022)	-	1,235
– 4.8 hectares industrial property at Danang City (Lease expires year 2024)	68	1,336
– 1.0 hectares industrial property at Ho Chi Minh City (Lease expires year 2010)	-	85

(A) CLASSIFIED AS GROUP FIXED ASSETS (cont'd)
(Note 13 to the Financial Statements)

			Land ($'000)	Building ($'000)
LEASEHOLD (cont'd)				
Thailand				
F&N	–	0.9 hectare industrial property at No. 19/111 Moo 7 Thakarm Road, Samaedam, Bangkhuntien, Bangkok 10150 (Lease expires year 2029)	587	2,683
TPL	–	Warehouse at Soi Wat Kok #20/526-527, Rama II Road, Bangkok (Lease expires year 2021)	-	49
Myanmar				
F&N	–	5.0 hectares industrial property at Mingaladon Township, Yangon (Lease expires year 2023)	1,793	9,870
China/Hong Kong				
F&N	–	Residential property at Liu Shu Town, SheHong Country, Sichuan Province, China (Lease expires year 2058)	-	43
	–	6.8 hectares industrial property at Xian, China (Lease expires year 2055)	7,053	-
APBL	–	20.0 hectares industrial property at Haikou, Hainan, China (Lease expires year 2065)	4,927	16,776
	–	11.0 hectares industrial property at Shanghai, China (Lease expires year 2038)	5,866	8,747
	–	0.02 hectares industrial property at Shanghai, China (Lease expires year 2042)	-	292
TPL	–	Residential property at Unite 1AF Riverside Garden, Shenyang, China	-	202
	–	Residential property at Vanke Garden, Shenyang, China	-	101
	–	0.4 hectare industrial property at 13A Xingshun Street, Tiexi District, Shenyang, China (Lease expires year 2009)	6	660
	–	Warehouse at Unit D, 2nd Floor, Freder Centre 68 Sung Wong Toi Road, Tokwawan, Kowloon, Hong Kong (Lease expires year 2022)	-	101
	–	Industrial property at Dachong Western Industrial District Nansha Panyu, Guangdong, China (Lease expires year 2044)	3,124	7,377
	–	Industrial property at Unit A1,C5, Ko Fai Industrial Building 7 Ko Fai Road, Yau Tong, Kowloon, Hong Kong (Lease expires year 2048)	-	584
	–	1.9 hectares commercial property at 18 Jianshe Zhong Road, China	3,374	2,974
	–	Factory at 665 Kong Jiang Road, Yang Pu District, Shanghai 200093 (Lease expires year 2030)	534	2,277

(A) CLASSIFIED AS GROUP FIXED ASSETS (cont'd)
(Note 13 to the Financial Statements)

	Land ($'000)	Building ($'000)
LEASEHOLD (cont'd)		
China/Hong Kong (cont'd)		
TPL – Factory at 1 Zhao Yu Street, Yuci Economic Development Zone Jin Zhong City, Shanxi Province (Lease expires year 2026)	1,154	1,384
FCL – Residential property at Shenzhen, China	200	694
Papua New Guinea		
APBL – 2.2 hectares industrial property at Port Moresby (Lease expires year 2067)	627	4,049
– 7.7 hectares industrial property at Lae and Goroka (Lease expires year 2057 and year 2067)	300	239
– 1.0 hectares residential properties (Lease expires year 2057 and year 2071)	120	118
Sri Lanka		
APBL – 2.3 hectare industrial property at Mawathagama (Lease expires year 2027)	18	312
India		
APBL – 7.0 hectare industrial property at Waluj, Aurangabad, Maharashtra (Lease expires year 2028)	123	646
Laos		
APBL – 13.4 hectare industrial property at Veunkham Road, B.Nangno, Xaythany District, Vietiance, Laos (Lease expires year 2056)	-	8
Total Leasehold	**61,014**	**171,336**
TOTAL PROPERTIES (CLASSIFIED AS GROUP FIXED ASSETS)	**114,792**	**276,776**

(B) CLASSIFIED AS GROUP INVESTMENT PROPERTIES

(Note 14 to the Financial Statements)

	Land ($'000)	Building ($'000)
Singapore		
FCL – A 25-storey office building at 438 Alexandra Road Freehold, lettable area – 18,408 sqm	95,590	63,810
– 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 – 30,818 sqm	506,240	116,810
– 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 – 13,865 sqm	206,400	59,400
– 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 – 6,695 sqm	23,000	24,000
– Two 8-storey high-tech industrial building with basement carpark at 438A and 438B Alexandra Road Freehold, lettable area – 97,377 sqm	203,650	180,250
– 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 163 serviced apartment units Leasehold (999 years) Lettable area: Retail 9,068 sqm; Serviced apartments 14,293 sqm; Total 23,361 sqm	149,690	90,560

(B) CLASSIFIED AS GROUP INVESTMENT PROPERTIES (cont'd)
(Note 14 to the Financial Statements)

	Land ($'000)	Building ($'000)
Singapore (cont'd)		
FCL – 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 – 38,884 sqm	510,300	165,400
– 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 251 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	254,780	163,720
– Other properties	1,095	1,050
Vietnam		
FCL – 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 – 17,744 sqm	2,747	28,798
China		
FCL – 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, Shenzhen Leasehold (Lease expires year 2049), lettable area – 157,659 sqm	15,521	102,689
– 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 – 14,820 sqm	29,258	6,315

(B) CLASSIFIED AS GROUP INVESTMENT PROPERTIES (cont'd)
(Note 14 to the Financial Statements)

	Land ($'000)	Building ($'000)
Philippines		
FCL – 69 apartment units with carpark lots at Frasers Place Forbes Tower, Valero Street, Salcedo Village, Makati City, Manila Freehold, lettable area – 17,046 sqm	-	28,113
Australia		
FCL – Bridgepoint Shopping Centre, MosMan, Sydney Freehold, lettable area – 6,794 sqm	27,697	27,697
United Kingdom		
FCL – 2 buildings of 63 services apartments at The Boardwalk, Trafalgar Way, London Leasehold, lettable area – 4,765 sqm	-	92,202
– A 4-storey building of services apartments at 1-19 Albion Street, Glasgow Freehold, lettable area – 4,694 sqm	-	34,764
– Retained freehold interest in a building for residential use at Nell Gwynn House, Sloane Avenue, London	2,267	-
Hong Kong		
TPL – Shop unit at Houston Centre, Tsimshatsui East, Kowloon Leasehold (Lease expires year 2053), lettable area – 68 sqm	-	490
– Offices at Seaview Estate – 10th Floor, Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057), lettable area 1,052 sqm	-	5,091
– Offices at Seaview Estate – 9th Floor Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2056), lettable area 1,052 sqm	-	4,995
TOTAL PROPERTIES (CLASSIFIED AS INVESTMENT PROPERTIES)	**2,028,235**	**1,196,154**

(C) CLASSIFIED AS COMPLETED PROPERTIES HELD FOR SALES
(Note 24 to the Financial Statements)

			Effective Group interest %
Singapore			
FCL	–	The Quintet Leasehold land of approximately 20,954.6 square metres situated at Choa Chu Kang Street 36/46 The development has a gross floor area of 61,804 sqm and consists of 459 condominium units.	100
Australia			
FCL	–	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 units.	75
	–	Townhall Serviced Residences Freehold land of approximately 3,966 square metres situated at Junction of George Street Street, Bathurst Street and Kent Street, Sydney. The development has a gross floor area of 62,000 sqm and consists of 145 units.	81
China/Hong Kong			
FCL	–	Scenic Place Leasehold land of approximately 26,052 square metres situated at No.305 Guang An Men Wai Avenue. The development has a gross floor area of 95,855 sqm and consists of 788 residential unit and 154 carpark lots.	56
	–	Ninth ZhongShan Leasehold land of approximately 73,152 square metres situated at No.2 Xinglin Street Zhongshan District. The development has a gross floor area of 63,054 sqm and consists of 439 residential units and 107 carpark lots.	56
	–	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.	56
United Kingdom			
FCL	–	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 399 condominium units.	51

(D) CLASSIFIED AS DEVELOPMENT PROPERTIES HELD FOR SALE

(Note 24 to the Financial Statements)

Details of the properties under development are included in Note 24 to the Financial Statements. Additional information as follows:

			Stage of Completion	Estimated Date of Completion	Effective Group Interest %
Singapore					
FCL	–	The Raintree	81%	2nd Quarter FY2008	100
	–	One Leicester	75%	2nd Quarter FY2008	100
	–	Holland Park	47%	4th Quarter FY2008	100
	–	The Infiniti	41%	4th Quarter FY2008	100
	–	The Azure	72%	1st Quarter FY2009	100
	–	One St Michael's	32%	2nd Quarter FY2009	100
	–	St Thomas Suites	-	4th Quarter FY2010	100
	–	ClementiWoods	10%	1st Quarter FY2011	100
	–	Soleil @ Sinaran	-	3rd Quarter FY2011	100
	–	Kim Yam Road	-	3rd Quarter FY2011	100
	–	Sirat Road	-	3rd Quarter FY2011	100
	–	Bedok Reservoir Road	-	3rd Quarter FY2011	50
	–	One Jervois	32%	1st Quarter FY2012	100
Malaysia					
F&N	–	Jalan Yew, Kuala Lumpur site	-	-	59
	–	Jalan Ampang, Kuala Lumpur site	-	-	59
	–	Hulu Langat, Selangor site	-	-	59
	–	Johor Baru, State of Johor site	-	-	59
Vietnam					
FCL	–	Nguyen Sieu Street Site	-	-	70
Thailand					
FCL	–	The Pano	31%	3rd Quarter FY2009	49
Australia					
FCL	–	Regent Theatre Site	93%	2nd Quarter FY2008	81
	–	Wanjeep Street Site	-	FY2013	56
	–	Lorne Avenue Site	-	3rd Quarter FY2008	75
	–	City Quarter Site	-	4th Quarter FY2010	88
	–	Queen's Precint Site	-	4th Quarter FY2010	88
	–	Morton Site	-	-	75
	–	Broadway Site	-	-	75
	–	Pavilions Killara	-	3rd Quarter FY2009	75

(D) CLASSIFIED AS DEVELOPMENT PROPERTIES HELD FOR SALE (cont'd)
(Note 24 to the Financial Statements)

			Stage of Completion	Estimated Date of Completion	Effective Group Interest %
China					
FCL	–	Jingan Four Seasons (Wu Jiang Lu Site)	-	3rd Quarter FY2008	100
	–	Xi Cheng Site	-	3rd Quarter FY2008	95
	–	Teng Qiao He Chu Hai Kou Site	-	FY2011	100
	–	Gongye Yuan Site	-	FY2013	80
	–	Song Jiang Site	-	FY2016	73
New Zealand					
FCL	–	Broadview Queenstown Site	-	FY2010	75
	–	Tauranga in the Bay of Plenty	-	FY2012	68
United Kingdom					
FCL	–	Wandsworth Riverside Quarters Site	-	4th Quarter FY2012	51
	–	Wandsworth Road Site	-	3rd Quarter FY2011	51
	–	Camberwell Green	-	3rd Quarter FY2010	51
	–	Shoppenhangers Lane	-	2nd Quarter FY2008	26
	–	Collins Theatre	-	1st Quarter FY2008	51
	–	Granton Harbour	-	2nd Quarter FY2010	26
	–	Water Street	-	4th Quarter FY2008	26
	–	Ferry Village	-	1st Quarter FY2012	26
	–	Shrubhill	-	-	20
	–	Sailmakers Wharf	-	-	26
	–	St Giles Street	-	1st Quarter FY2009	75
	–	Lumiere Leeds	-	2nd Quarter FY2012	26

(E) CLASSIFIED AS GROUP PROPERTIES HELD FOR DEVELOPMENT
(Note 14 to the Financial Statements)

Details of the properties held for development are included in Note 14 to the Financial Statements. Additional information as follows:

			Stage of Completion	Estimated Date of Completion	Effective Group Interest %
Singapore					
FCL	–	Yishun Central Site	-	3rd Quarter FY2008	100
	–	New Upper Changi Development	-	4th Quarter FY2009	100
China					
FCL	–	Vision (ShenZhen) Business Park	-	Awaiting to obtain construction permit	53

SHAREHOLDING STATISTICS

as at 14 December 2007

Class of shares - Ordinary share
Voting rights - One vote per share

Size of holding	Number of Shareholders	%	Number of Shares	%
1 - 999	337	2.94	126,373	0.01
1,000 - 10,000	8,181	71.37	30,037,517	2.17
10,001 - 1,000,000	2,909	25.38	182,350,738	13.14
1,000,001 and above	36	0.31	1,174,968,387	84.68
	11,463	100.00	1,387,483,015	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	276,242,991	19.91
2	Seletar Investments Pte Ltd	205,500,000	14.81
3	HSBC (Singapore) Nominees Pte Ltd	158,905,781	11.45
4	Citibank Nominees Singapore Pte Ltd	80,811,218	5.82
5	Great Eastern Life Assurance (Malaysia) Berhad	79,925,320	5.76
6	Great Eastern Life Assurance Co Ltd – Participating Fund	77,358,575	5.58
7	DBSN Services Pte Ltd	60,139,579	4.33
8	Oversea-Chinese Bank Nominees Pte Ltd	51,192,105	3.69
9	The Overseas Assurance Corporation Ltd	46,505,570	3.35
10	United Overseas Bank Nominees Pte Ltd	29,303,381	2.11
11	Raffles Nominees Pte Ltd	20,932,200	1.51
12	Lee Latex Pte Limited	10,656,115	0.77
13	Tropical Produce Company Pte Ltd	8,665,400	0.62
14	The Great Eastern Trust Private Limited	8,056,335	0.58
15	DB Nominees (Singapore) Pte Ltd	5,840,277	0.42
16	Michael Fam Yue Onn	5,675,025	0.41
17	TM Asia Life Singapore Ltd	5,403,950	0.39
18	Selat Pte Limited	5,265,000	0.38
19	Merrill Lynch (Singapore) Pte Ltd	4,678,397	0.34
20	Lee Pineapple Company Pte Ltd	3,867,515	0.28
		1,144,924,734	82.51

SUBSTANTIAL SHAREHOLDERS (as shown in the Register of Substantial Shareholders)

	DIRECT INTEREST (Number of Shares)	DEEMED INTEREST (Number of Shares)
Oversea-Chinese Banking Corporation Limited	46,240,250	212,886,065
Great Eastern Life Assurance Company Limited	77,409,075	70,393,850
Great Eastern Holdings Limited	-	212,293,685
Great Eastern Life Assurance (Malaysia) Berhad	70,393,850	-
Great Eastern Capital (Malaysia) Berhad	-	70,393,850
Seletar Investments Pte Ltd	205,500,000	-
Temasek Capital (Private) Limited	-	205,500,000
Temasek Holdings (Private) Limited	-	206,369,500

Based on the Register of Substantial Shareholders, the percentage of shareholding of the Company held in the hands of the public is more than 10 percent and this 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 31 January 2008
Place: Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958

NOTICE IS HEREBY GIVEN that the 109th Annual General Meeting of FRASER AND NEAVE, LIMITED will be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on Thursday 31 January 2008 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 2007.

2. To approve a final tax-exempt (one-tier) dividend of 8.5 cents per share in respect of the year ended 30 September 2007.

3. To pass the following resolutions on recommendation of the Nominating Committee and endorsement of the Board of Directors in respect of appointment of Directors:

   (a) "That Mr Lee Hsien Yang, who was appointed during the year, be and is hereby re-appointed as a Director of the Company."

   Subject to his re-appointment, Mr Lee will be re-appointed as Chairman of the Board and the Board Executive Committee.

   (b) "That Mr Timothy Chia Chee Ming, who retires by rotation, be and is hereby re-appointed as a Director of the Company."

   Subject to his re-appointment, Mr Chia who is considered an independent director, will be re-appointed as Member of the Nominating and Risk Management Committees.

   Note: Mr Lee Ek Tieng, pursuant to the Companies Act (Cap 50), Dr Lee Tih Shih and Mr Anthony Cheong Fook Seng, both pursuant to the Company's Articles of Association, will be retiring as Directors of the Company and have decided not to seek re-election.

4. To approve directors' fees of $2,525,000 payable by the Company for the year ending 30 September 2008.

5. To re-appoint auditors for the ensuing year and authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without any modifications:

6. To pass the following resolution in respect of the appointment of new Director:

   "That Mr Soon Tit Koon be and is hereby appointed as a Director of the Company."

   Personal particulars of Mr Soon Tit Koon can be found on page 200 on "Proposed Director".

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 or bonus; 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,

   on a pro rata basis to shareholders of the Company at any time and upon such terms and conditions and for such purposes 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 Instrument 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 total number of issued shares in the capital of the Company, excluding treasury shares, (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 total number of issued shares, excluding treasury shares, shall be based on the total number of issued shares in the capital of the Company, excluding treasury shares, 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 bonus issue, 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."

SPECIAL BUSINESS (cont'd)

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 total number of issued shares in the capital of the Company, excluding treasury shares, 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,
08 January 2008

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.

FRASER AND NEAVE, LIMITED

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

STATEMENT PURSUANT TO ARTICLE 64 OF THE COMPANY'S ARTICLES OF ASSOCIATION

The effects of the resolutions under the heading "Special Business" in this Notice of the 109th Annual General Meeting are:

(a) 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 on a pro rata basis to shareholders of the Company, up to an aggregate limit of 50 per cent of the total number of issued shares in the capital of the Company, excluding treasury shares, (calculated as described).

(b) 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.

(c) 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 shares as may be issued pursuant to the exercise of options under the 1999 Scheme up to an aggregate limit of 15 per cent of the total number of issued shares in the capital of the Company, excluding treasury shares, from time to time (the "**15 per cent Limit**"). The 15 per cent Limit is calculated by including the shares which have already been allotted and issued pursuant to the exercise of options under the 1999 Scheme since the implementation of the 1999 Scheme."

NOTICE OF ANNUAL GENERAL MEETING
Special Business – Proposal for the Appointment of Director

PROPOSED DIRECTOR

The Board of Directors propose, for the approval of shareholders, at the Annual General Meeting, the appointment of Mr Soon Tit Koon as Director of the Company.

Mr Soon's personal particulars are shown below:

Mr Soon, aged 55, was appointed an Alternate Director to Dr Lee Tih Shih on 15 May 2007. Mr Soon has been the Chief Financial Officer of Oversea-Chinese Banking Corporation Limited since September 2002.

Prior to that, Mr Soon was the Chief Financial Officer of Wilmar Holdings, and before that, Managing Director of Citicorp Investment Bank. His 17-year career in Singapore included managerial responsibilities in several investment banking businesses of Citigroup.

Mr Soon currently sits on the boards of Bank of Ningbo and several subsidiaries of Oversea-Chinese Banking Corporation Limited.

Mr Soon holds a Bachelor of Science (Honours) from the National University of Singapore, Master of Business Administration from University of Chicago, USA and attended Advance Management Programme from the Harvard Business School, USA.

Upon his appointment, he will be considered a non-independent non-executive Director.

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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 Lee Hsien Yang whom failing Timothy Chia Chee Ming, whom failing Ho Tian Yee, whom failing Simon Israel, whom failing Koh Beng Seng, 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 31 January 2008 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 2007.		
2.	To approve a final tax-exempt (one-tier) dividend of 8.5 cents per share in respect of the year ended 30 September 2007.		
3.	(a) To re-appoint Director: Mr Lee Hsien Yang		
	(b) To re-appoint Director: Mr Timothy Chia Chee Ming		
4.	To approve Directors' Fees of $2,525,000 payable by the Company for the year ending 30 September 2008.		
5.	To re-appoint auditors for the ensuing year and authorise Directors to fix their remuneration.		
	SPECIAL BUSINESS		
6.	To appoint Director: Mr Soon Tit Koon		
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.		
	OTHER		
10.	To transact any other business which may properly be brought forward.		

As witness my/our hand this ________ day of ____________________ 2008.

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

fold and seal here

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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THE GROUP COMPANY SECRETARY
FRASER AND NEAVE, LIMITED
#21-00 Alexandra Point
438 Alexandra Road
Singapore 119958

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