Making tomorrow today

Annual Report 2009

FRASER AND NEAVE, LIMITED

Making Tomorrow Today

Making profitable business returns brings forth challenges. While we had to navigate particularly choppy waters in 2009, we sailed towards brighter horizons as the year drew to a close.

Tomorrow for F&N lies in Asia, a dynamic region that is poised to be the largest and fastest-growing market. However, the forecast for global market conditions is still somewhat uncertain, so we will remain prudent as we move into 2010.

Today we embrace the spirit of enterprise and remain resolute to delivering on our promises for the year ahead. As a consolidated team across our three business units, we take pride in the work that we do, driven to deliver quality and continue to lead in the multiple sectors of Food & Beverage, Properties and Publishing & Printing.

Having invested steadfastly in grooming leadership and driving innovation, F&N is well-positioned to take advantage of the eventual economic recovery.

We will continue to balance a need for prudence with our desire to seize opportunities, allowing us to deliver sustainable returns to our shareholders and to achieve continued success. Forward-thinking and cognizant of the environment, we remain committed to **making tomorrow today**.

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

Contents

2009 at a Glance

REVENUE

S$5,333 mil

Increased 7% from FY08's S$4,990 million; broad-based growth across key businesses

DISTRIBUTION

13.5 cents

This year's proposed dividend of 13.5 cents represents a payout of 40%, is in line with our stated policy of paying up to 50% of Attributable Profit*

ATTRIBUTABLE PROFIT*

S$466 mil

Increased 25% from FY08's S$372 million; strong profit growth despite provisions on overseas development properties; compounded annual growth rate for attributable profit from FY00 to FY09 was 21%

GEARING*

0.55x

Strong balance sheet position puts the Group in good stead to capitalise on investment opportunities; further strengthens our earnings base going forward

EARNINGS PER SHARE*

33.5 cents

Increased 25% from FY08's 26.8 cents – EPS growth kept pace with attributable profit. No dilution in EPS because no capital call was made since 1993

NET ASSET PER SHARE*

S$4.01

Balance sheet was further strengthened – net asset value increased 6% from FY08's S$3.80 per share

** Before fair value adjustments and exceptional items*

Our 3 Businesses

FOOD & BEVERAGE

A household name to many, F&N has established itself as a leader in the Food & Beverage ("F&B") arena in Singapore and Malaysia since 1930. Beyond soft drinks, it has successfully ventured into the business of brewing beer in 1931, dairies in 1959 and glass containers in 1972. The Group's Soft Drinks, Dairies and Glass Containers divisions, based in Singapore, Malaysia, Thailand, Vietnam and China, are operated primarily through Fraser & Neave Holdings Bhd; while our beer business, executed mainly through Asia Pacific Breweries Limited, operates 36 breweries in 13 countries in the Asia Pacific. Today, the Group owns a portfolio of reputable brands including *F&N*, *100PLUS*, *SEASONS* for Soft Drinks; *Magnolia*, *Fruit Tree Fresh*, *Nutrisoy* and *Nutritea* for Dairies; and *Tiger*, *Anchor*, *Baron's* and *ABC* for Beer. The Group's consistent leading market shares across various products has led to F&N being conferred numerous brand awards. Through established distribution networks and joint partnerships, F&N aims to reinforce its foothold in the F&B industry geographically across Asia Pacific, further expand its portfolio of brands and strengthen its research and development capabilities.

PROPERTIES

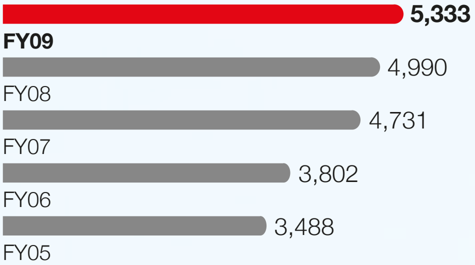
Frasers Centrepoint Limited ("FCL") is a wholly-owned subsidiary of F&NL. It is a leading Singapore-based property company with a strong foothold in property development, property investment, serviced residences and investment funds. Under F&NL's stewardship, FCL's business has evolved from a single shopping centre along Orchard Road to an integrated real estate group, focused on growing its business interests in residential (Frasers Centrepoint Homes), commercial real estate (Frasers Centrepoint Commercial), serviced apartments (Frasers Hospitality), and overseas projects (Frasers Property). Its global footprint covers projects in Australia, China, Japan, Hong Kong, Korea, New Zealand, Philippines, Thailand, UAE, UK and Vietnam. With the objective to continue delivering sustainable earnings to our shareholders, the Group shall remain focused on building an integrated commercial real estate model and balancing its portfolio by diversifying overseas and across multiple sectors.

PUBLISHING & PRINTING

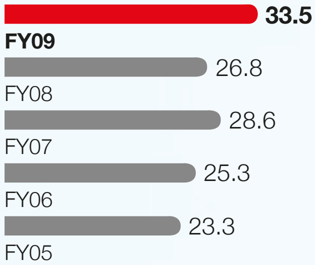
The rich intellectual capital of Times Publishing paved the Group's entry into the knowledge-based economy. Singapore's largest publishing and printing company, Times Publishing has a well-established track record in publishing, printing, direct sales, distribution and retailing of books, magazines and the provision of educational services. It operates a global network of 20 international offices, 40 subsidiaries and four associated companies in key cities in South-East Asia, East Asia, Australia, Europe, UK, and the US.

Group Financial Highlights

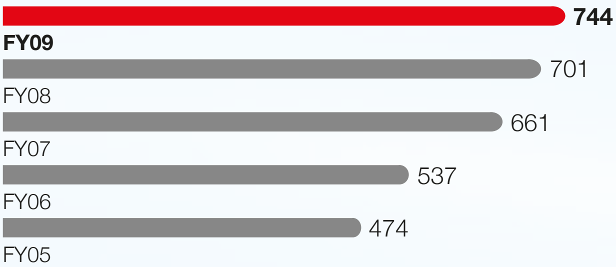
Revenue (S$ million)



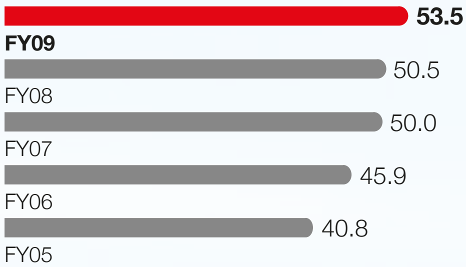
Attributable Profit Before Fair Value Adjustments and Exceptional Items* (cents per share)



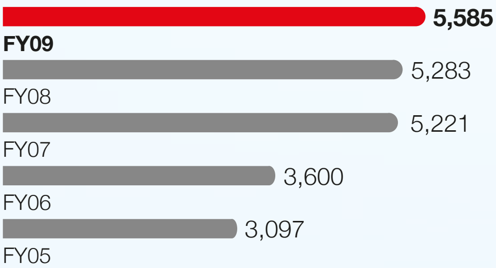
Profit Before Taxation, Impairment, Fair Value Adjustments and Exceptional Items (S$ million)



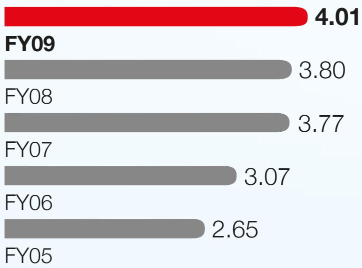
Profit Before Taxation, Impairment, Fair Value Adjustments and Exceptional Items* (cents per share)



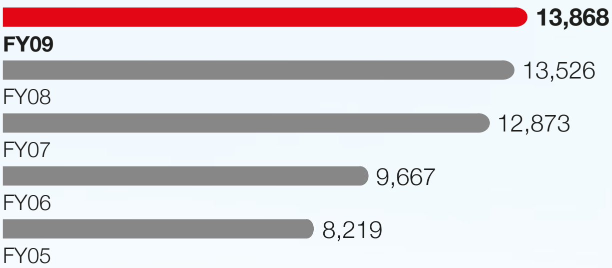
Net Asset Value (S$ million)



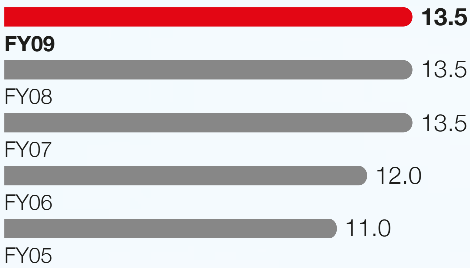
Net Asset Value (S$ per share)



Total Assets Employed (S$ million)

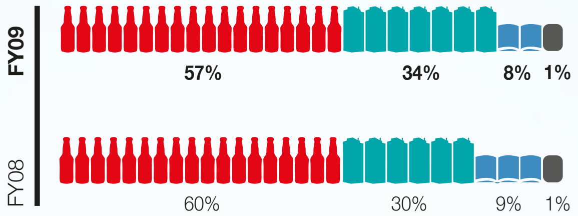


Dividend - Net (cents per share)

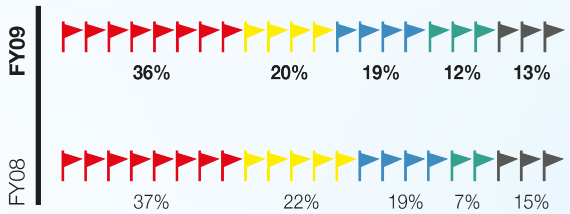


** Weighted average number of shares*

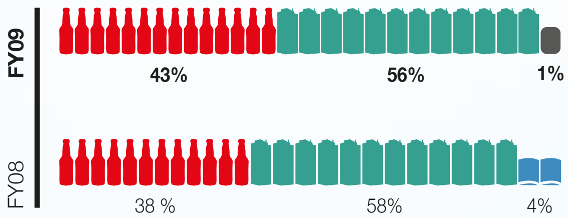
Revenue
FY09: S$5,333 million
FY08: S$4,990 million



Revenue
FY09: S$5,333 million
FY08: S$4,990 million



Profit Before Interest and Taxation
FY09: S$811 million
FY08: S$766 million



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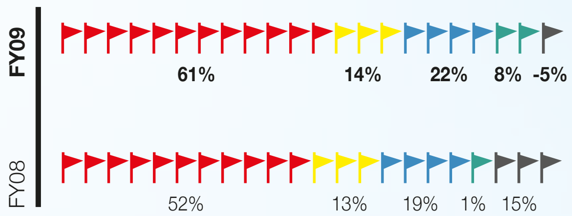
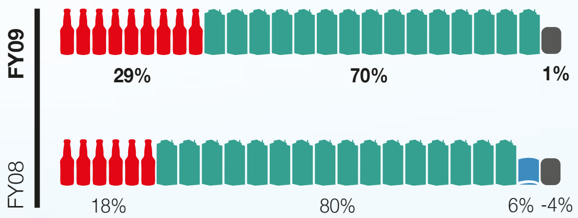
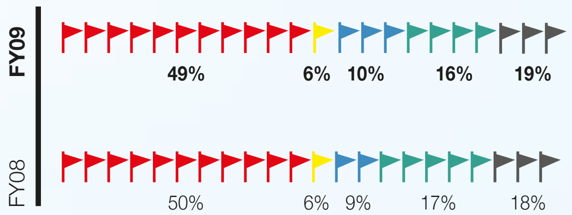


Attributable Profit
FY09: S$466 million
FY08: S$372 million



Asset Allocation
FY09: S$12,201 million
FY08: S$12,476 million



By Business Segment (%)

- Food & Beverage (Including glass containers)
- Properties
- Publishing & Printing
- Others

By Geographical Segment (%)

- Singapore
- Malaysia
- Rest of South-East Asia
- North-East Asia
- Others

Message from Chairman

Mr Lee Hsien Yang
Chairman

Group Attributable Profit before fair value adjustments on Investment Properties and exceptional items rose 25%, to S$466.5 million. This is our highest profit on record.

Overview

The year under review began on a grim note. The collapse of Lehman Brothers in September 2008 threatened the global financial system. No economy was spared. In all our markets, the turbulence led to more cautious consumer spending and a tightening of credit. Global equity markets, a barometer of sentiment, hit a low point in March 2009 when we closed our Half Year.

Thankfully, trading conditions improved over the course of our Second Half due to massive stimulus packages implemented by Governments. By the end of our Financial Year on 30 September 2009, there were growing signs of global economic stabilisation.

Against this challenging backdrop, the Group's businesses turned in a scorecard of mixed results. The Business Review section of this Annual Report contains our CEOs' reports on the performance of our Food & Beverage ("F&B"), Properties and Publishing & Printing businesses, and strategies in place to position these businesses for long-term sustainable profit growth.

I am pleased to report that, overall, the Group fared well. Group revenue was 7% higher, buoyed by robust progressive recognition of residential property sales and steady growth in contributions from our Investment Properties and F&B businesses. Group Attributable Profit before fair value adjustments on Investment Properties and exceptional items rose 25%, to S$466.5 million. This is our highest profit on record.

The turmoil has taken its toll on asset values around the world. At the end of FY 2009, the Group recorded a fair value loss of S$113.5 million on Investment Properties held by its subsidiaries (S$66.5 million) and associated companies (S$47.0 million). This is a significant reversal over FY 2008, which had recorded a fair value gain of S$44.2 million from subsidiaries (S$37.0 million) and associated companies (S$7.2 million).

Exceptional gains in FY 2009 were at S$6.6 million, compared to S$19.7 million in FY 2008. The exceptional gains in FY 2009 comprised mainly profits from the sale of businesses, which were no longer of strategic interest to the Group. These gains were partially offset by restructuring and closure costs, as we sharpened our focus, reconfigured our operations and reallocated resources to adapt to the new competitive landscape.

Consequently, Group Attributable Profit after fair value adjustments and exceptional items contracted by about 18%, to S$359.5 million.

Message from Chairman

Our balance sheet was further strengthened. Net Asset Value at end FY 2009 was at S$4.01 per share, an increase of about 6% over last year. Gearing fell to 55% from 69% at the end of FY 2008. Net group borrowings declined 17% to S$3.7 billion due to strong cash flows from progress payments for residential properties sold by Frasers Centrepoint Limited ("FCL") and proceeds from the divestments of its Hainan resort site and *Inpoint*, a small mall in Shanghai, which we had developed as part of our *Jingan Four Seasons* residential development.

Interest coverage ratio improved to 12.2 times, from 11.9 times in FY 2008. The Group's total debt of S$5.3 billion includes term loans of S$3.4 billion with an average debt maturity of 3 years. This is an extension of the average debt maturity of 2.75 years for term loans of S$3.2 billion at the end of FY 2008 when total debt was at S$5.4 billion. At the end of FY 2009, the Group had a cash balance of S$1.6 billion (up from S$1.0 billion a year ago). Our return on equity improved to 8.6% (from 7.1%).

Group revenue grew 7% to reach an all-time high of

S$5.3bil

Dividends

In view of our creditable results, the Board recommends a final dividend of 10.5 cents per share. Taken together with an interim dividend of 3.0 cents per share, this will maintain dividend at last year's level of 13.5 cents per share. If approved by shareholders at the Annual General Meeting on 28 January 2010, this final dividend will be paid on 12 February 2010.

In the interest of prudence, this year's proposed dividend of 13.5 cents represents a payout of 40%, and is in line with our stated policy of paying up to 50% of the Group's Attributable Profit before fair value adjustments and exceptional items.

Corporate Developments

During the year, the Company was able to leverage on its financial standing when it successfully negotiated a refinancing and recapitalisation of Frasers Commercial Trust ("FCOT"), formerly known as Allco Commercial Real Estate Investment Trust. As part of the recapitalisation process, FCL injected Alexandra Technopark, its high-tech business space development, into FCOT to strengthen the latter's income base and balance sheet. At the end of September 2009, the Group had a 22.5% stake in FCOT.

FCOT and Frasers Centrepoint Trust ("FCT") are important platforms for the Group's asset-light strategy for its Properties business.

In FY 2009, FCL completed the development of two suburban malls in Singapore. Northpoint Extension and YewTee Point are enjoying full occupancy and brisk business. These two malls form part of the pipeline to FCT under a right of first refusal in furtherance of the Group's integrated real estate business model.

During the year, we re-constituted our F&B Board Committee to improve oversight of the Group's F&B strategy and plans for our non-beer F&B business. A significant development was the Company's decision to negotiate an amicable parting of ways with The Coca-Cola Company after a 73-year relationship. In June 2009, we announced that agreement had been reached on new transition arrangements that will take effect after current bottling arrangements in Malaysia, Singapore and Brunei expire on 26 January 2010. These transition arrangements are mutually beneficial and will continue until 30 September 2011. Thereafter, the Group will be free to pursue its strategic ambitions. Our F&B organisation has been geared up to prepare for the launch of new products and expansion into new markets. Our house brand, *100PLUS*, currently the best selling soft drinks brand in Malaysia, will spearhead our export drive and entry into new markets.

The Board had initiated a review of the strategic options for the Group's Publishing & Printing business in June 2008. A sale process was initiated based on indications of interest from investors. Due to the rapid deterioration in market conditions and difficulties encountered by potential buyers in securing financing, the Board subsequently decided not to proceed with the sale. Restructuring efforts within Times Publishing Limited ("TPL") continued in FY 2009 to improve the profitability of this business. Going forward, the Board remains open to the strategic options for this business, including a sale of this business in part or in whole, a restructuring of the business or combinations thereof.

FY 2009 was the last year of operation of the F&N Executive Share Option Scheme ("ESOS"). At an Extraordinary General Meeting held on 22 January 2009, shareholders approved a Restricted Share Plan and a Performance Share Plan to replace the F&N ESOS. These long-term incentive plans provide for greater alignment of interests between management and shareholders to ensure the pursuit of sustainable, long-term shareholder value creation.

On 7 December 2009, after the close of FY 2009, the Company announced that it entered into a supplemental agreement with Heineken to facilitate the acquisitions by Asia Pacific Breweries Limited ("APB") of Heineken's 68.5% interest in PT Multi Bintang Indonesia and 87.3% interest in Grande Brasserie de Nouvelle Caledonie S.A, and APB's sale of its wholly-owned Indian operations to Heineken. These transactions are subject to the approvals of relevant authorities and APB's shareholders at an Extraordinary General Meeting targeted to be held in late January 2010. Upon completion of these transactions, the Company and Heineken have agreed to make the necessary amendments to their 1986 joint venture agreement, pursuant to which they established Asia Pacific Investment Pte Ltd to consolidate and co-ordinate the management of the APB Group.

Outlook

Economic recovery is being forecasted in the markets that we operate in. Having invested steadfastly in our human resource, brands and production and sales infrastructure, we are poised to take full advantage of an eventual return to steady economic growth in these markets. Meanwhile, economic conditions are fragile. We will continue to be alert to risks that still remain.

Acknowledgements

Operating conditions have been extraordinarily difficult since the outbreak of the US sub-prime mortgage crisis in August 2007. The corporate governance structure and processes that we introduced in FY 2008 have served us well through this prolonged crisis. At the helm of our F&B, Properties and Publishing & Printing businesses, we have in place strong and effective leadership. On behalf of the Company, I would like to thank management and staff for their dedication, hard work and personal sacrifice in yet another particularly difficult year. I am also grateful for the unstinting support and wise counsel from my colleagues on the Board. Last but not least, I would like to thank all our shareholders, customers and business partners for your support.

Mr Lee Hsien Yang
Chairman
04 January 2010

Board of Directors

Mr Lee Hsien Yang

Mr Lee was appointed a Director & Chairman-Designate on 6 September 2007 and assumed Chairmanship on 15 October 2007. Mr Lee was Chief Executive Officer of Singapore Telecommunications Limited from 1995 to 2007. He was also a director of Singapore Post Limited from 1995 to 2007.

Mr Lee is currently the Chairman of Civil Aviation Authority of Singapore; a director of the Singapore Exchange Limited, the Islamic Bank of Asia Private Limited (a DBS Bank subsidiary) and Australia and New Zealand Banking Group Limited. He also serves 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 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 was also a director of Thailand Magnecomp Precision Technology Public Co. Ltd (formerly known as K R Precision Public Co. Ltd), Macquarie Pacific Star Prime REIT Management Ltd (renamed Starhill Global Real Estate Investment Trust), Meritz Securities Co. Ltd and FJ Benjamin Holdings Ltd. Mr Chia is the Chairman of UBS Investment Bank, Singapore Branch. He also serves on the boards of several private and public listed companies and government-linked companies, which include Banyan Tree Holdings Limited, SP PowerGrid Limited and 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 Limited. Mr Ho was previously the General Manager and Managing Director of Bankers Trust Company Singapore and a director of The Overseas Assurance Corporation Limited, Great Eastern Holdings Limited and The Great Eastern Life Assurance Company Limited. He also serves on the Risk Committee of the Government of Singapore Investment Corporation (GIC) and Investment Committee of Mount Alvernia Hospital.

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 10 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 and Asia Pacific Breweries Limited, and is a director of Singapore Telecommunications Limited and Neptune Orient Lines Limited. He also sits on the Business Advisory Board of the Lee Kong Chian School of Business at Singapore Management University.

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 Limited, BOC Hong Kong (Holdings), Bank of China (Hong Kong) Limited, Sing-Han Financial Services, Great Eastern Holdings Limited and Japan Wealth Management Securities Inc. He 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 Limited, a leading banking group in the country, from 2000 to 2004.

Mr Soon Tit Koon

Mr Soon was appointed a Director in January 2008. Mr Soon was the CFO of OCBC Bank from September 2002 to June 2008. He is now the Head of Group Investments of OCBC Bank responsible for investment banking, securities brokerage, strategic investments and property services. Prior to OCBC Bank, Mr Soon was the CFO of Wilmar Holdings, and before that Managing Director of Citicorp Investment Bank. Mr Soon currently sits on the boards of Bank of Ningbo, Great Eastern Life Assurance Company Limited and several subsidiaries of OCBC Bank.

Mr Tan Chong Meng

Mr Tan was appointed a Director in June 2008. He is currently the Executive Vice President of the Global B2B businesses in Shell. He has been with the Shell Group since 1989, holding various positions in its regional and global downstream businesses. Prior to this, he worked in the Ministry of National Development, Singapore. He has also been serving on the board of Showa Shell Sekiyu KK, Japan, as a Non-Executive Director since March 2006.

Mr Nicky Tan Ng Kuang

Mr Tan was appointed a Director in October 2003. He currently runs nTan Corporate Advisory Pte Ltd and is also a Director of Singapore Telecommunications Limited. 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.

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 Soon Tit Koon
Mr Tan Chong Meng
Mr Nicky Tan Ng Kuang

Board Executive Committee

Mr Lee Hsien Yang *(Chairman)*
Mr Ho Tian Yee
Mr Simon Israel
Mr Soon Tit Koon

Audit Committee

(including Risk Management Committee)

Mr Koh Beng Seng *(Chairman)*
Mr Timothy Chia Chee Ming
Mr Tan Chong Meng
Mr Nicky Tan Ng Kuang

Remuneration & Staff Establishment Committee

Mr Timothy Chia Chee Ming *(Chairman)*
Mr Ho Tian Yee
Mr Soon Tit Koon

Nominating Committee

Mr Ho Tian Yee *(Chairman)*
Mr Timothy Chia Chee Ming
Mr Nicky Tan Ng Kuang

Food & Beverage Board Committee

Mr Lee Hsien Yang *(Chairman)*
Mr Simon Israel
Mr Soon Tit Koon
Mr Nicky Tan Ng Kuang

Group Management

Mr Koh Poh Tiong
Chief Executive Officer, Food & Beverage

Mr Lim Ee Seng
Chief Executive Officer, Frasers Centrepoint Group

Dato' Ng Jui Sia
Chief Executive Officer, Times Publishing Group

Mr Roland Pirmez
Chief Executive Officer, Asia Pacific Breweries Limited

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

Mr Christopher Tang
Chief Executive Officer, Frasers Centrepoint Commercial

Mr Anthony Cheong Fook Seng
Group Company Secretary

Mr Hui Choon Kit
Group Financial Controller

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 Nagaraj Sivaram
(since financial year 2009)

Principal Bankers

DBS Bank Ltd
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank

Corporate Structure

FRASER AND NEAVE, LIMITED

Food & Beverage

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

Fraser & Neave Holdings Bhd
- 28 Subsidiary companies

Other Listed & Unlisted Companies
- 13 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
  F&N Interflavine Pte Ltd
  Magnolia – PDL Dairies (1993) Sdn Bhd
  Myanmar Brewery Ltd
  Premier Milk (S) Pte Ltd
  Red Lion Holdings Pty 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
- 145 Subsidiary companies
- 11 Joint venture companies
- 6 Associated companies

Frasers Centrepoint Trust

Frasers Property China Group
- 14 Subsidiary companies
- 1 Associated company

Publishing & Printing

Times Publishing Group
- 62 Subsidiary companies
- 2 Joint venture companies
- 2 Associated companies

Other Listed Companies
- 2 Associated companies

  Fung Choi Media Group Limited
  PMP Limited

Others

Other 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 Investments (HK) Ltd
  International Theme Parks (Singapore) Pte Ltd
  Phoenix (Singapore) Pte Ltd
  Vision Century Limited

Our Growth Drivers

Harnessing R&D to enhance our innovative edge and deliver quality products in line with current lifestyle trends

Sharpening capital management and extracting operational efficiencies to enhance shareholder return

Leveraging our strong global network to expand our market reach and tap on new business opportunities

Grooming leaders and developing staff systematically to ensure a continuous pool of talent

Forging strategic business partnerships and networks to gain entry and build our foundation in new markets

F&N's strong performance for the year reflects our strong underlying fundamentals – delivering shareholder value and returns in a responsible and sustainable manner.

Group Financial Performance

Note	Year ended 30 September	FY05	FY06	FY07	FY08	FY09
	Profit Statement (S$ million)					
	Revenue	3,488	3,802	4,731	4,990	**5,333**
	Profit before taxation					
	- before impairment, fair value adjustments and exceptional items	474	537	661	701	**744**
	- after exceptional items	504	571	673	737	**616**
	Attributable profit					
	- before fair value adjustments and exceptional items	271	295	378	372	**466**
	- after exceptional items	296	320	379	436	**360**
	Balance Sheet (S$ million)					
3	Net asset value	3,097	3,600	5,221	5,283	**5,585**
	Total assets employed	8,219	9,667	12,873	13,526	**13,868**
	Long-term borrowings	2,185	2,829	2,477	3,355	**3,608**
	Market Capitalisation (S$ million)					
	at close of business on the first trading day after preliminary announcement of results	3,944	5,231	7,955	4,308	**5,408**
	Financial Ratio (%)					
	Return on average shareholders' equity					
	- profit before impairment, fair value adjustments and exceptional items	15.7	16.0	15.0	13.4	**13.7**
1	- attributable profit before fair value adjustments and exceptional items	9.0	8.8	8.6	7.1	**8.6**
2	Gearing ratio					
	- without minority interest	89.7	82.4	72.1	83.3	**65.5**
	- with minority interest	74.7	64.4	59.0	68.6	**54.7**
	Per Share					
	Profit before impairment, fair value adjustments, taxation and exceptional items (cents)	40.8	45.9	50.0	50.5	**53.5**
	Attributable profits (cents) (basic)					
	- before fair value and exceptional items	23.3	25.3	28.6	26.8	**33.5**
	- after exceptional items	25.4	27.3	28.7	31.4	**25.9**
3	Net asset value (S$)	2.65	3.07	3.77	3.80	**4.01**
	Dividend					
	- net (cents)	11.0	12.0	13.5	13.5	**13.5**
4	- cover (times)	2.1	2.1	2.1	2.0	**2.5**
	Stock Exchange Prices (S$) at close of business on the first trading day after preliminary announcement of results	3.38	4.46	5.75	3.10	**3.88**

Note:

1 Attributable profit before fair value adjustments and exceptional items: Profit after taxation and minority interest before fair value adjustments and 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 fair value adjustments and 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 five ordinary shares on 4 July 2006. The above ratios for 2004 to 2005 have been adjusted from that previously reported to reflect this sub-division of ordinary shares.

Our F&B business successfully navigated a stormy year to emerge with stronger positions in multiple markets. Having charted our course for the future, and successfully navigated the obstacles to our growth, we have achieved our goals and continue to commit to **making tomorrow today**.

CEO BUSINESS REVIEW

Food & Beverage

KOH POH TIONG
Chief Executive Officer

Savouring the Possibilities

The fiscal year 2009 proved to be one of our most challenging. Nonetheless I am pleased to report that our performance was solid and our gains were broad-based.

Business Overview

The Food & Beverage division ("F&B") once again delivered strong profit growth, following continued improvements in our revenue, profits and PBIT margin, and increased competitive positioning of its key brands in key markets.

Although revenue improved marginally, attributable profit expanded two-fold to S$134 million, while the PBIT margin improved from 9.7% to 11.4%. Our non-beer sector, comprising soft drinks, dairies and glass containers, delivered a profit growth of 32% on strong soft drinks sales and lower input costs. Beer grew 11% on strong fundamentals, underpinned by a formidable network of 36 operating breweries in 13 countries and a wide portfolio of more than 40 beer brands that satisfy a diverse range of consumer choices.

Our strong performance during the economic downturn is testament to the resilience of our business and successful execution of our winning growth strategies, founded on the following pillars: focusing on our core businesses of beer, soft drinks and dairies; pursuing operational excellence; and driving innovation.

During the year, we announced the non-renewal of the Coca-Cola bottling and distribution agreements upon its expiry in January 2010, and the subsequent 20-month transitional arrangements to extend the bottling and distribution agreements with The Coca-Cola Company ("TCCC") to 30 September 2011.

The expiry of the franchise agreements in Malaysia has opened up opportunities for us to expand on our existing product segments. By leveraging our existing infrastructure, competencies and capabilities, as well as our strong market position in Malaysia, we aim to launch an array of innovative products in new categories both in our established strongholds as well as in new overseas markets.

In Singapore, come 2010, we will regain the marketing and distribution of some of our soft drinks upon expiry of our licensing agreement with TCCC. Consequently, we will enjoy 100% of the income from the sales of these products, which will strengthen the foundation for future earnings of the F&B business. We will launch new products and invest in distribution infrastructure and brand building activities. We also aim to replicate the success we have achieved in Malaysia with our homegrown *100PLUS* – the single largest brand in Malaysia in the soft drinks category – in other markets.

Revenue increased 1% from S$3,005 mil to

S$3,037mil

Profit increased 19% from S$291 mil to

S$345 mil

Our F&B business maintained its strong growth momentum, delivering double-digit profit growth across all business units. Dairies in particular saw strong profit growth in the last quarter.

Soft Drinks

Increasing market positions through innovative promotional campaigns

The Soft Drinks division defied weak market sentiments by sustaining its upward growth trend. For the year under review, both revenue and operating profits grew, thanks to the division's aggressive sales and marketing initiatives. Volume surged 8%, reflecting the division's resilience in the face of the economic slowdown, while revenue climbed 7% to S$542 million. PBIT rose 15% to S$60 million. This strong performance was achieved on the back of leading market positions achieved through innovative marketing programmes, sales and distribution superiority, greater cost savings and increased organisational efficiencies, which contributed to the boost in revenue and profit contribution.

Strong leadership positions in Malaysia for Isotonic and Carbonated Soft Drinks

No.1

Innovative brand activities drive strong consumer loyalty

In Malaysia, the division continued to build on *100PLUS*'s market leadership, while nurturing the *SEASONS* and *Fruit Tree* brands. Activities organised during the year included more eye-catching billboards, attractive point-of-sale materials and crowd-drawing promotional events to enhance product visibility and presence in the market place. Intensive efforts to consolidate our position for *F&N Fun Flavours* also paid off. Targeted at youths, the programmes harnessed *F&N*'s positioning as one of Malaysia's favourite and trusted soft drink brands, garnering *F&N Fun Flavours* a commendable 31% market share, a leadership position in the carbonated soft drinks category.

A rewarding year for *100PLUS*

100PLUS continued to make its mark, garnering a 90% market share to cement its position as Malaysia's No. 1 isotonic drink. Its market position was further strengthened by engaging outreach programmes, including its annual *Live Active Challenge* to inspire consumers towards a healthy lifestyle, and its first ever *Sports Hydration & Nutrition Seminar* in Malaysia, supported by leading bodies from the sporting fraternity. The appointment of Badminton World No. 1, Malaysia's Datuk Lee Chong Wei, as the first ever brand ambassador for *100PLUS* has given added value to the brand.

100PLUS had a winning start to the year by taking home the Gold Award in the category of "FMCG above RM500 Million" in the *2008 Brand Equity Awards*. This was followed by another accolade – *100PLUS* was named Malaysia's No. 1 Brand (across all categories) by Superbrands 2009, based on a survey by Nielsen – a defining moment for a brand that has captured the imagination of Malaysians with its innovative campaigns.

In Singapore, *100PLUS* toasted the nation on its 44th birthday, for which the theme centred on rallying Singaporeans together for the future. The *100PLUS* cry of "outdo yourself" resonated with the hearts and minds of many as they came together to commemorate the nation's birthday. *100PLUS* also launched a hydration seminar, as well as a series of advertisements educating consumers on the importance of staying hydrated, which went a long way to correcting the myth that hydration is required only to quench thirst. In June, *100PLUS* participated heavily in the Asian Youth Games held in Singapore, not only ensuring that our young athletes were properly hydrated but further raising awareness of the brand.

Providing consumers a healthy lifestyle option

Our non-carbonated portfolio, namely *SEASONS*, the fastest growing brand within the Asian Soft Drinks category, continued its efforts to remain the 'healthy' option to consumers. Its promotion of healthier alternatives through the successful *Everyone Can Be Healthy* campaign, via on-ground activities across eight major Malaysian cities, has increased awareness, engagement and consumption. Results were evident from double-digit growth that strengthened its No. 2 position with a 27% market share.

The number of Malaysians that consume *100PLUS* everyday

1.0mil

Even as the world's economy struggled to recover, the Dairies division posted an impressive surge in profits. Various strategic brand activities were also implemented to solidify our market positions and prepare for further market development.

Dairies

Nutritious goodness trusted by generations

The Dairies division demonstrated its resilience during the economic downturn, posting a 72% growth in profit to S$61 million. For our Singapore, Malaysia and Thailand operations, factors such as lower cost of raw materials, better selling price, tighter management of trade discounts and cost saving measures contributed to the profit growth. Although Dairies revenue dipped 6% to S$978 million this year – owing to weaker consumer sentiment, a decrease in export volume and a more competitive market – it has emerged as a major engine of growth and a significant contributor to the Group's non-beer profit.

Growing our core businesses

Dairies Thailand achieved a significant increase in its operating profit despite a marginal drop in revenue that was due mainly to lower export volumes. To focus on growing our dairy business in Thailand, we commenced operations at our new RM250 million "best-in-class" dairy plant, which has an annual production capacity of up to 11 million cases of canned milk. This added capacity will enable us to make further inroads into Thailand, one of Asia's largest markets for dairies, as well as enter new markets such as Indochina, which has a population base of over 100 million people.

Stellar track record – achieved strong leadership positions

No.1 IN MALAYSIA

In Evaporated and Condensed milk

No.1 IN SINGAPORE

In Liquid Milk
In Pasteurised Juices
In Pasteurised Soya
In Pasteurised Tea

Dairies Malaysia also achieved a major milestone this past year, posting its highest ever operating profit and recording a significant improvement over the last financial year. This stellar performance has given us the added impetus to invest in a new dairy manufacturing plant in Malaysia, taking us one step closer to becoming the region's largest canned milk producer. To meet increasing domestic demand, we will invest RM350 million in a new plant, equipped with a production capacity of more than 14 million cases of canned milk a year. Leveraging on our Halal certification, the new plant will provide the needed capacity to enable us to penetrate the growing and relatively untapped Muslim markets in the Middle East, Africa and Indonesia, while freeing up the current Petaling Jaya site for re-development.

In line with the F&B Division's strategy to focus on our core businesses, we ceased our under-performing dairy operation in Vietnam and divested our stake in an infant milk powder plant in China to China Dairy Group, an associate of the Group.

Innovation – Heeding consumer trends with new healthy choices

The key to our future success is in innovation. F&N has been at the forefront of product innovation with our introduction of a wide range of products to meet changing consumer needs. This move has diversified our offerings, creating new opportunities to drive growth.

With the busy and modern lifestyles of consumers in mind, we continued to fulfil the nutritional needs of the nation, inspiring a healthy and enjoyable lifestyle without compromising on taste, while staying true to our promise of *Pure Enjoyment, Pure Goodness.*

Responding to consumers' demands for healthier food and beverage options, *F&N Magnolia* launched a host of new products in the year, including a brand new yoghurt creation: *F&N Magnolia Yoghurt Smoothie*, carrying the Health Promotion Board's *"Healthier Choice"* logo; and a whole new ice cream experience: *F&N Magnolia Smoo* and *F&N Magnolia Yoghurt Petite*, which set F&N as the market leader for healthier snacks.

Both ice cream products were endorsed *"Healthier Snack Choice"*, a new snack category introduced by the Health Promotion Board. A firm favourite, *F&N Magnolia GO!*, a nutritious food drink with malt, was also launched with a fresh new look to match its vibrant taste.

F&N Fruit Tree Fresh's range of fruit juices is at the forefront of health, wellness and enjoyment in its product offerings with its commitment to further innovating taste sensations that pack a punch in healthy goodness. This year, we successfully launched another double superfruit combination, *F&N Fruit Tree Fresh Blueberry Cranberry No Sugar Added Juice*, heavily supported by advertising campaigns that included television, press, bus shelter posters and aggressive sampling.

True to the *F&N NutriSoy* promise of doubling the goodness by combining soya milk with special ingredients, *F&N NutriSoy Almond* marked its debut this year, adding to the delicious range of soy flavours we offer to our consumers.

Dairies profit jumped 72% to

S$61mil

> Beer remains a top revenue contributor to our F&B Division. With an extensive network of 36 breweries operating in 13 markets, Breweries seeks to optimise performance in the Asia Pacific region, capitalising on our comprehensive portfolio of over 40 international, regional and local beer brands and brand variants for greater market penetration.

Beer

Reaching out, extending markets

Guided by a strategy of geographical diversification since the early 1990s, Breweries completed its second phase of regionalisation, further strengthening its platform to become a leading brewer in the Asia Pacific region. The network of 36 breweries operating in 13 countries is unmatched by any other Asian brewer, and demonstrates Breweries' on-going commitment to building a strong regional presence and growing shareholder value. Leveraging on our enlarged footprint, this year, Breweries continued to seek growth through regional investments made since 1989, and consolidated our leading positions in our key markets.

As testament to Breweries' successes in its regionalisation and intra-market growth strategies, this year, beer volume continued to improve. As a validation of our brands' strength, Breweries revenue grew 5%, to S$1,352 million, due to higher selling prices and volume growth. Similarly, PBIT rose 11% to S$207 million, despite translation differences and gestation losses from greenfield breweries in China, India and Laos. Through our regionalisation efforts, overseas operations contributed 86% of Breweries' profit, up from 32% in 1989.

Targeted marketing boosts results

In Singapore, our portfolio strategy is working extremely well and, combined with the implementation of highly effective cost management measures and marketing campaigns that resonated with consumers, we reaped the rewards of improved sales volumes and PBIT. Our proactive and strategic marketing initiatives also helped to improve sales in Indochina, Papua New Guinea and South Asia. Effective cost management measures continued to be adopted by the various operations to deliver better performance.

Profit expanded 11% to

S$207mil

New launches find appreciative new markets

Launches of new products helped to stave off challenges such as competition and the effects of the global downturn across the Asia Pacific region. For instance, Vietnam launched *Larue Blue* 33cl and 45cl in the north and this contributed volume to the Indochina cluster which includes Cambodia and Laos. Combined with aggressive cost management measures, Indochina registered another year of growth, with sales volume and profit up on last year. Over in Papua New Guinea ("PNG"), greater market coverage was achieved for *SP Lager*, and sales for *South Pacific Export Lager* were boosted by a refreshed packaging and new bottle launch.

Similarly, the launch of *ABC Stout* in Sri Lanka was a great success and went a good way to contributing to the year's sales in the South Asia cluster. China focused on elevating the equity of its brands and expanding into new channels. For example, *Anchor Ten* was leveraged upon to gain a foothold, priming entry for *Tiger* and *Heineken* brands. China's volume growth is attributable to the success of its expansion plan, fuelled by easier access to markets with improved transportation networks increasing logistical flow. While Hainan maintained its strong market position, we also focused on seeking further growth in South China.

Enhancing capacity and systems to meet future demand

In line with sustaining top line growth, besides continued marketing initiatives to boost the profile and demand of our beer brands, future beer supply will also be met through capacity extensions at existing breweries. During the year, Vietnam increased its licensed capacity to 2.8 million hectolitres, up from 2.3 million hectolitres; and in PNG, upgrading works have been implemented at both breweries located in Lae and Port Moresby with a new brew house, and canning and bottling lines.

Successful diversification strategy – overseas operations accounted for

86% PROFIT

Combating challenging economic environments

No area in the region has remained unscathed by the global economic recession. In New Zealand, market conditions continued to be challenging. Increased competition and a shrinking beer market affected volume. A successful tap expansion programme made inroads, driving up sales volumes of *Tiger* draught. However, an unfavourable sales mix, higher packaging costs and an unrealised exchange loss from the revaluation of forward foreign exchange contracts ultimately led to a 79% decline in profit. Excluding the effect of translation loss arising from the 17% decline in the New Zealand dollar and unrealised loss on revaluation of forward contracts, PBIT fell 62%. Although trading conditions are not expected to improve in the short term, measures are in place to address the performance in New Zealand.

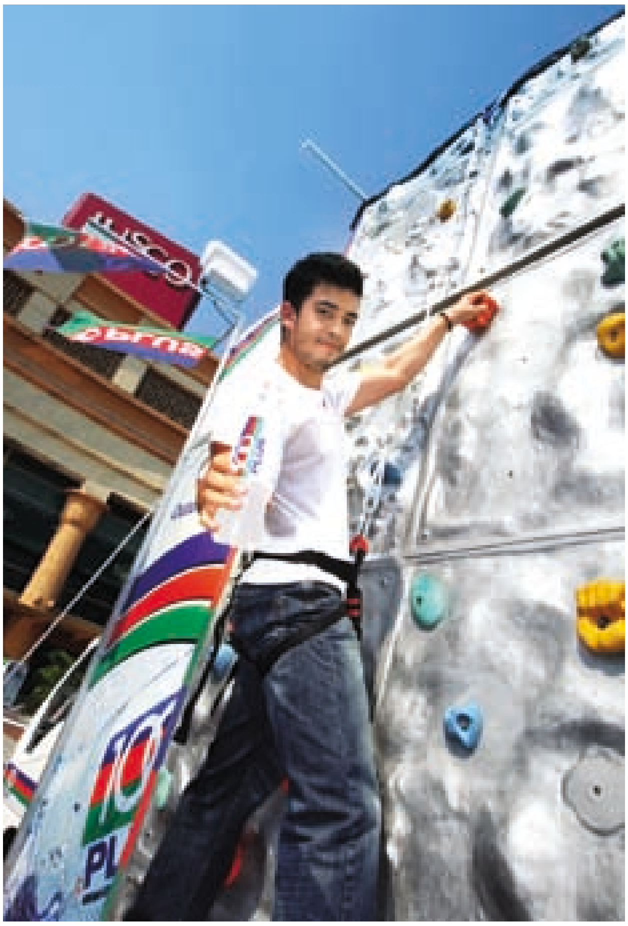
Thailand's economic woes were compounded by political unrest, which kept tourist arrivals at bay. Anti-alcoholic laws curtailing alcohol consumption and advertising affected sales. Taking a proactive stance, our Thailand operation ramped up efforts to engage consumers through innovative consumer programmes to boost brand awareness.

The Malaysia brewery, too, continued to be adversely affected by weak economic conditions. Volume fell marginally due to lower contract packing sales while PBIT fell 10% as a result of lower margins arising from an unfavourable sales mix and higher discounts to customers.

The Group is unrivalled in the Asia Pacific with

36 OPERATING BREWERIES

IN 13 COUNTRIES



Looking Ahead to FY10

Moving forward, we remain focused on our core businesses in Soft Drinks, Dairies and Beer, strengthening our brand presence across a diverse base of geographical markets. We have successfully weathered a challenging year and, undergirded by the various business strategies we have implemented, we are optimistic that we are on a firm footing to ride the recovery expected in the coming year. As we sharpen our focus on our core businesses and markets, we will continue to rationalise under-performing businesses to improve our overall performance.

We will also continue to pursue operations excellence, leveraging our S$250 million investment in dairy plants in Malaysia and Thailand as launch pads for our overseas expansion, and strengthening our route to market in all our businesses.

Committed to making innovation a cornerstone and honing our competitive edge, investment in new product development to satisfy customer needs will remain a key business strategy in order to realise opportunities in existing and new markets to expand our presence and footprint in the Asia Pacific region. In line with this, we will continue to strengthen our product portfolio of consumer favourites such as *100PLUS*, *F&N*, *SEASONS*, *F&N Magnolia*, *Farmhouse* and *F&N Nutrisoy* in Singapore, Malaysia and Thailand, and our various beer brands, spearheaded by *Tiger* and *Heineken* to meet growing consumer demand.

Throughout the turmoil afflicting the real estate market, our Properties business stood tall, shrugging off the worst of the negative impact. On the foundation of our solid position, we are building a sustainable future as we commit to **making tomorrow today**.

CEO BUSINESS REVIEW

Properties

LIM EE SENG
Chief Executive Officer

Building a Sustainable Future

I am heartened to report that the Properties division turned in a commendable performance, backed by higher revenue from Singapore and China residential development projects.

Business Overview

Supported by healthy revenue growth, profit grew 18% (excluding overseas provisions of S$71 million) over the last fiscal year to S$526 million.

Despite the challenging conditions, the Singapore Development Property division turned in a stellar performance. The Group achieved 100% sales of two of its new launches, The Caspian and 8@Woodleigh. In particular, the well-received launch of Caspian in February was cited as a key factor in restoring market confidence in the then anaemic property market. Improved sentiment has also lifted the sales of existing launches namely Martin Place Residences, Woodsville 28 and Waterfront Waves.

In total, Frasers Centrepoint Limited ("FCL"), the wholly-owned property arm of F&N, sold over 1,800 homes in Singapore this year, a six-fold increase over last year, positioning us as the top-seller in the Singapore market*. Overseas, the Group sold over 550 homes in our key markets of Australia and China, generating sales revenue of about S$360 million. Including units sold in the last two years, the Group has accumulated over S$2.0 billion unrecognised revenue at the end of September 2009. We will progressively recognise these revenue on a percentage of completion basis as construction progresses in the next few years.

Various residential development works continued to progress on schedule. In the year, we completed and handed to owners their homes in The Infiniti, One Jervois and One St. Michael's in Singapore; and the Lumiere Residences and Lorne Killara in Australia. Together with other projects currently under development, we generated a healthy cashflow of S$1.6 billion. As we maintained our disciplined approach of turning over our land bank and recycling our capital, the Group will have a total pipeline of 2,950 homes, both new and existing launches, for sale in the new year. Combined with our substantial land bank of over 30 million square feet in Singapore and overseas, these will be the key ingredients for the Group's future growth.

* *For period January – September 2009*

Caspian, *Singapore*

Suzhou Baitang, *Suzhou*

Revenue increased 25% to

S$1,839 mil

PBIT increased 18% to

S$526 mil

* *excludes S$71 million provisions*
* *before fair value adjustments and exceptional items*

Business Overview (cont'd)

Contributions from our commercial properties division formed the ballast for the Group, generating steady rental income in spite of the economic and financial market upheavals. Frasers Centrepoint Trust ("FCT"), the Group's retail real estate investment trust ("REIT"), achieved its third consecutive year of growth in distribution per unit ("DPU"). Our Office and Business Space REIT, Frasers Commercial Trust's ("FCOT") performance, after a transformational recapitalisation and refinancing exercise, has stabilised with 3QFY09 revenue and distribution income showing positive growth against preceding quarter.

Our non-REIT portfolio also delivered double-digit growth, with stronger performances from existing office and retail properties in Singapore, Vietnam and China, and the new local retail malls, YewTee Point and the Northpoint Extension.

Our Hospitality division is on track with its growth plans, further extending its global footprint with a 13% year-on-year growth in the number of operational and signed-up residences.


Northpoint, *Singapore*

Development revenue to be recognised progressively over the next few years

S$2bil

Top-seller in Singapore sold record

1,805 HOMES

Development Property

Choice residences, luxurious living

Frasers Centrepoint Homes – Singapore

Booming sales

Our strategy for capital management paid dividends in the year in review. We maintained our focus on turning over our land bank through a series of new launches, despite the economic gloom.

The year saw two newly launched projects fully sold – the 712-unit Caspian and 330-unit 8@Woodleigh. Spurred by the buoyancy of the market, sales of our existing launches, namely the 405-unit Waterfront Waves, the 302-unit Martin Place Residences, and the 110-unit Woodsville 28 were brisk. Our joint venture projects with Far East Organisation, Waterfront Waves and Waterfront Key, were 84% and 47% sold, respectively, with the latter being newly launched in July 2009.

As a result, the Group became the top-seller in Singapore, recording a total number of 1,805 homes in the year, compared with 319 homes the year before.

Following the launches, F&N's land bank now stands at approximately 1.52 million square feet of potential saleable floor area to build approximately 1,200 homes over the next year, catering mainly to the mass market segment.


8@Woodleigh, *Singapore*

Frasers Property – Overseas

Our overseas property arm, Frasers Property also witnessed a pick-up in sales activity. This year, the group sold over 550 homes in key overseas markets – 200 in Australia and 355 in China, which generated aggregate sales revenue of about S$360 million. Supported by these sales, overseas Property Development revenue for this year stood at S$534 million, up 73% from last year. Despite strong revenue, earnings were adversely affected by the S$71 million provision on overseas projects. Excluding these provisions, PBIT jumped 23% to S$62 million, contributing almost 20% of Development Property profit.

A fresh marketing approach drives sales

Frasers Property has set a new standard for property marketing in Western Australia with the completion and launch of Frasers

Projects currently under development – Singapore

Projects	No. of Units	% Units Sold 30 Sep 2009	%Completion @ 30 Sep 2009	Est / Completion Date
One Jervois	275	100%	100%	Completed
One St Michael's	131	100%	100%	Completed
ClementiWoods	240	100%	82%	Q2 2010
St. Thomas Suites	176	100%	58%	Q3 2010
Soleil @ Sinaran	417	89%	53%	Q2 2011
Martin Place Residences	302	97%	33%	Q2 2011
Waterfront Waves	405	84%	29%	Q3 2011
Woodsville 28	110	100%	11%	Q2 2011
Caspian	712	100%	10%	Q3 2012
8@Woodleigh	330	100%	-	Q2 2012
Waterfront Key	437	47%	-	Q1 2013

Land bank – Singapore

Projects	Location	Est. No. of Units	Est Saleable Area ('mil sqft)	Land Cost (S$ psf ppr)	Tenure	Est. Launch Ready Date
Flamingo Valley	Siglap	393	0.49	363	Freehold	Q1 2010
Residences Botanique	Yio Chu Kang	81	0.08	284	Freehold	Q1 2010
Waterfront Site* *(Phases 3 & 4)*	Bedok Reservoir	814	0.95	246	Leasehold	2010
TOTAL		**1,288**	**1.52**			

* 50/50 joint venture with Far East Organisation

Frasers Landing, *Western Australia*

Landing's dramatic two-storey sales pavilion and concept village, which offers sustainably built homes nestled in retained natural bush land, in the booming coastal resort community of Mandurah. Responding to yet another award-winning marketing campaign, a strong first-home-buyer market flocked to the 397-apartment property, Trio in Sydney's Camperdown, snatching up 127 of the homes in the year. Over in New Zealand, market testing of the first five display homes and a dramatic sales pavilion for Coast Papamoa Beach has been positive, and the project was launched on 24 October.

New residential property launches in China were telling of potential for growth in this lucrative market. Together with the additional 282 villas that were available for sale at the re-launch of Phase One of Shanshui Four Seasons in Shanghai, 81% had been sold at an average selling price of RMB12,260 per square metre ("psm"). Similar interest was witnessed at the launch of our first project in Suzhou – Baitang Phase 1A in September 2009. As at September 2009, 79% (including options) of 426-units were sold at an average selling price of RMB11,185 psm.

Lumiere Residences, *New South Wales*

Trio, *New South Wales*

Lumiere Residences, *New South Wales*

Our overseas property arm also witnessed a pick-up in sales activity. This year, the group sold over 550 homes in key overseas markets – 200 in Australia and 355 in China, which generated an aggregate sales revenue of about S$360 million. Supported by these sales, overseas Property Development revenue for this year stood at S$534 million, up 73% from last year.

In Thailand, by the picturesque Chao Phraya River, the construction of The Pano high-rise condominium, a joint-venture with Krungthep Land, is slated to be completed in December 2009. At the end of the financial year, 68% of the 397 apartment units had already been sold.

Focus on core business

In line with our strategic direction to focus on residential housing projects, two significant sales events took place in the year – the sale of Haitang Bay site in Hainan for an exceptional gain of S$28 million, and the retail mall – Inpoint in Shanghai – sold for a development profit of S$31 million.

Trio, *New South Wales*

Frasers Landing, *Western Australia*

Shanshui Four Seasons, *Shanghai*

Australia and New Zealand land bank for future development

7mil SQF

China land bank for future development

21mil SQF

Shanshui Four Seasons, *Shanghai*

Projects currently under development – Overseas

Australia

Projects	No. of Units	% Units Sold @ 30 Sep 2009	Selling Price (A$ psf)	% Completion @ 30 Sep 2009
Lorne Killara, New South Wales	40	18%	700-800	100%
Lumiere Residences, New South Wales	460	91%	900-1,100	100%
Trio and Alexandra, City Quarter, New South Wales	409	47%	610-750	93%

China

Projects	No. of Units	% Units Sold @ 30 Sep 2009	Selling Price (RMB psm)	% Completion @ 30 Sep 2009
Shanshui Four Seasons Ph1, Shanghai	418	81%	12,260	97%
Suzhou Baitang Ph1A, Suzhou	426	79%	11,185	32%

United Kingdom

Projects	Effective Interest	No. of Units	% Units Sold @ 30 Sep 2009	Selling Price (£ psf)
Ferry Village, Renfrew	25.6%	194	18%	170-270
Granton Harbour, Leith	25.6%	120	1%	200-250
Lumiere, Leeds	23.0%	768	77%	300-400
Shoppenhangers Lane, Maidenhead	51.2%	28	64%	300-400
Water Street, Edinburgh	25.6%	45	49%	200-250


Artist's Impression

Suzhou Baitang, *Suzhou*

Land bank – Overseas

Australia / New Zealand

Projects	Est. No. of Units	Est. GSA ('mil sqf)	Land Cost (A$ psf ppr)	Est. Selling Price (A$ psf)
Central Park (CUB site), New South Wales**	1,300	2.53	83	900-950
Frasers Landing, Western Australia	1,350	2.02	10	250-350
Killara Pavilions, New South Wales	66	0.09	141	700-900
Parramatta River, New South Wales*	550	0.50	39	600-700
Queens Riverside, East Perth#	456	0.59	37	660-810
Broadview Rise, New Zealand	24	0.05	NZ$61	NZ$400-500
Coast Papamoa Beach, New Zealand	686	1.11	NZ$15	NZ$350-450
TOTAL	**4,432**	**6.89**		

* Subject to planning approval
** Mixed development comprising about 1,300 residential apartment units and about 1 mil sqf of commercial space
# Excludes 184 serviced apartments

China

Projects	Est. No. of Units	Est. GSA ('mil sqf)	Est. Selling Price (RMB psm)
Residential			
Shanshui Four Seasons, Shanghai	7,750	7.4	12,000-24,000
Suzhou Baitang, Suzhou	3,560	5.1	11,300-20,000
Commercial/Mixed development			
Chengdu Logistics, Chengdu	nm	6.2	nm
Shenyang site, Shenyang*	nm	2.0	nm
TOTAL	**11,310**	**20.7**	

* Shenyang site is subject to the resettlement of its existing occupants; vacant possession is anticipated in Jan 2010
"nm" denotes "not meaningful"

United Kingdom

Projects	Effective Interest	Est. No. of Units	Est. GSA ('mil sqf)	Est. Selling Price (£ psf)
Berry Works, Baildon	51.2%	120	0.06	200-300
Brown Street, Glasgow*	51.2%	363	0.17	250-350
Camberwell Green, London*	51.2%	147	0.10	450-550
Riverside Quarter Ph 3, London	51.2%	395	0.38	700-800
Shrubhill, Edinburgh	25.6%	348	0.27	300-400
Vauxhall, London*	51.2%	178	0.13	650-750
TOTAL		**1,551**	**1.11**	

* Subject to planning approval

Commercial Property

The Commercial Property Division turned in a commendable performance for the financial year ended September 2009, with both office and retail assets maintaining high occupancy levels. The Group's commercial investment properties shielded the Group from the worst of the recent financial crisis, contributing steady recurring cashflows to the Group even in difficult times.

Stable returns from investment properties in a difficult year

The Group's non-REIT retail properties recorded solid performances despite the economic slowdown. Occupancy rates remained high, with The Centrepoint, Robertson Walk and Valley Point, achieving average occupancy levels of 95%.

In March 2009, the Group soft-launched its first neighbourhood mall, YewTee Point. With its longer operational hours and customised retail mix, it quickly established itself as the heartbeat of the Yew Tee housing estate. As at September 2009, YewTee Point has achieved an occupancy rate of 97%.

Similarly, Northpoint Extension, which was completed in October 2008, has since achieved full occupancy. The seamless integration between the existing Northpoint and its extension has created an enlarged shopping mall with total net lettable area of approximately 235,000 sqf. The enlarged Northpoint infused new life and vibrancy into the community that the mall has been serving over the past 17 years.

List of Commercial Properties

Singapore Properties

Projects	Effective Interest	Net Lettable Area (sqf)	Book Value (S$ 'mil)	Occupancy	
				FY08	FY09
REIT (Frasers Centrepoint Trust)					
Anchorpoint	52%	71,610	68	100%	97%
Causeway Point	52%	418,543	714	100%	100%
Northpoint	52%	149,366	318	48%*	90%#
Non-REIT					
Bedok Point (1)	100%	81,000	na	na	na
The Centrepoint	100%	332,261+	594	99%	98%
Changi Business Park *(Retail)* (1)	50%	303,345@	na	na	na
Compass Point (2)	0%	266,586	na	100%	100%
Northpoint Extension (3)	100%	85,530	145	na	100%
Robertson Walk *(Retail)*	100%	97,605	52	89%	84%
Valley Point *(Retail)*	100%	39,817	23	100%	100%
YewTee Point (4)	100%	72,382	124	na	97%
Total Retail Portfolio in Singapore		**1,918,045**	**2,038**		
REIT (Frasers Commercial Trust)					
55 Market Street	23%	72,109	120	100%	93%
Alexandra Technopark (5)	23%	1,048,607	345	96%	100%
China Square Central	23%	368,238	513	100%	100%
Keypoint	23%	309,905	283	77%	71%
Non-REIT					
Alexandra Point	100%	198,306	145	98%	98%
Valley Point *(Office)*	100%	182,429	152	94%	97%
Changi Business Park *(Business Park)* (1)	50%	758,361@	na	na	na
Total Office Portfolio in Singapore		**2,937,955**	**1,558**		
Total Commercial Properties in Singapore		**4,856,000**	**3,596**		

The Group's Office and Business Space properties continue to do well. In Singapore, China and Vietnam, these properties maintained an average occupancy rate of 93%.

Resilient earnings from Frasers Centrepoint Trust ("FCT")

FCT continued to deliver positive results despite the economic downturn and disruptions to Northpoint's operations due to asset enhancement works. FCT's gross revenue rose by 2% to S$87 million while distributed income grew 4% to S$47 million. DPU to unit holders increased 3% over the previous year to 7.51 cents, marking the third consecutive year of annualised DPU growth.

Northpoint, *Singapore*

List of Commercial Properties

Overseas Properties

Projects	Effective Interest	Net Lettable Area (sqf)	Book Value ('mil)	Occupancy	
				FY08	FY09
REIT (Frasers Commercial Trust)					
Australia, Canberra – Caroline Chisholm Centre	11%	216,591	A$88	100%	100%
Australia, Perth – Central Park	11%	356,940	A$283	100%	94%
Japan, Osaka – Cosmo Plaza	23%	224,028	¥3,500	100%	62%
Japan, Osaka – Galleria Otemae Building	23%	108,558	¥5,370	96%	62%
Japan, Tokyo – Azabu Aco Building	23%	15,944	¥1,530	100%	100%
Japan, Tokyo – Ebara Techno-Serve Headquarters Building	23%	52,050	¥2,530	100%	100%
Non-REIT					
Australia, Sydney – Bridgepoint	100%	73,022	S$51	94%	96%
China, Beijing – Sohu.com Internet Plaza	34%	160,819	HK$258	96%	96%
China, Beijing – Crosspoint	100%	160,891	RMB271	63%	89%
China, Shenzhen – Shenzhen Hi-Tech Industrial Park	56%	1,377,818	HK$790	74%	98%
Vietnam, Ho Chi Minh City – Me Linh Point	75%	191,001	S$66	100%	95%
Total Commercial Properties Overseas		**2,937,662**			
Total Commercial Properties		**7,793,662**			

Note:

1. Currently under development
2. Managed by Frasers Centrepoint Group
3. Northpoint Extension was completed in Oct 2008
4. YewTee Point was soft-launched in Mar 2009
5. FCL injected Alexandra Technopark, a freehold site, into FCOT as a 99-year leasehold site for a consideration of S$343mil on 26 Aug 2009

* Lower occupancy due to planned enhancement work
\# Indicates occupied NLA, excluding leases for which tenants have not commenced occupation. As at Sep 09, committed leases was 97% of NLA
\+ Excludes floor space held by MCST
@ Estimated gross floor area

"na" denotes "not applicable"

FCT maintained strong operational momentum with portfolio occupancy rising to 97% as Causeway Point and Anchorpoint registered full or close to full occupancy as at September 2009. Rental renewals remained strong, with a total of 49 leases renewed at an average of 15% increment above preceding rental rates over the course of the full financial year.

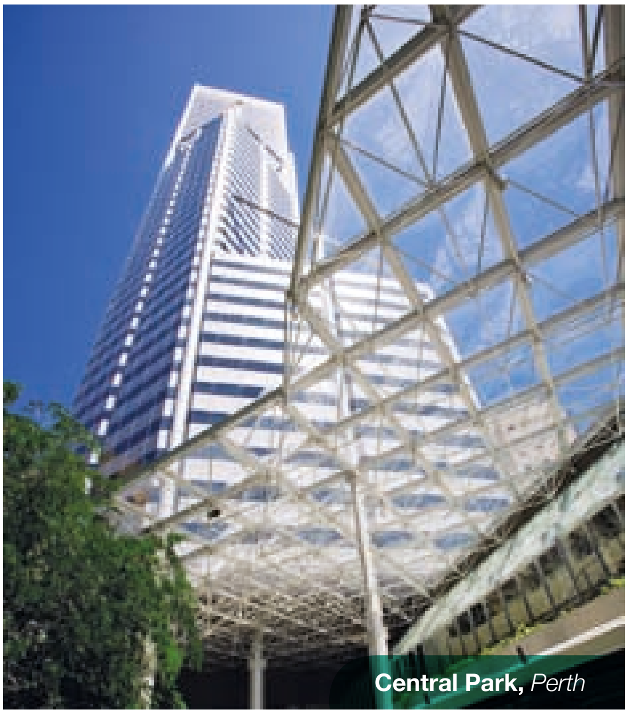
As part of FCT's strategic initiative of unlocking values from existing assets, it successfully completed enhancement works to Northpoint costing approximately S$39 million this year. Overall, the enhancement initiative is projected to increase Northpoint's average rent and full year net property income by 20% and 30% respectively, compared to before the start of the enhancement works.

Frasers Commercial Trust ("FCOT") successfully recapitalised

FCOT completed a transformational exercise via a recapitalisation of its balance sheet, with a 3-to-1 renounceable rights issue amounting to S$214 million coupled with the acquisition of Alexandra Technopark in Singapore in August 2009. New debt facilities were also secured to refinance debt maturing in 2009. With the acquisition of Alexandra Technopark, FCOT's commercial property portfolio has grown to S$2 billion.

Operationally, FCOT faced a challenging year with the weak global economy causing an industry-wide slide in office rentals, occupancies and property valuations. Notwithstanding these circumstances, FCOT's performance is showing signs of stabilisation with 3QFY09 results pointing to positive growth in its revenue and distributable income against the preceding quarter.

55 Market Street, *Singapore*



Central Park, *Perth*

Growing greenfield projects

A highlight to the year was when the joint-venture partnership of FCL and Ascendas Land (Singapore) Pte Ltd won the tender for the 4.7 hectare site at Changi Business Park ("CBP") in December 2008. The site with a GFA of approximately 117,200 sqm, is earmarked for a mixed development comprising a retail mall, a nine-storey business park office tower and a 12-storey hotel. Apart from demand generated from within CBP itself, both the retail and hotel components are expected to benefit from their proximity to the Singapore Expo, the upcoming fourth University at Changi, Singapore Changi Airport, and nearby residential and industrial estates.

Construction of Bedok Point, strategically located in Bedok Town Centre, remains on schedule for completion by the second half of 2010. The nascent economic recovery bodes well for Bedok Point with retailers expressing strong interest in the mall.

Achieved occupancies

97% RETAIL

94% COMMERCIAL

Steady increases were seen in visitor arrivals, with average room rates and occupancy showing signs of surfacing from trough levels. We expect to see growing demand for good serviced residences in China and India.

Frasers Hospitality

Providing the benchmark for serviced residences

Our hospitality arm – Frasers Hospitality Pte Ltd ("Frasers Hospitality") – continues to be a leading international Gold-Standard serviced residences owner and management company since its inception in Singapore in 1998. From two flagship properties in Singapore, we have expanded aggressively, to 55 Gold-Standard properties in 35 major gateway cities in Europe, the Middle East, South and South East Asia, North Asia and Australia. With the projected launches of our new serviced residences, we are on course to manage over 10,000 units (operational and signed-up) by FY2010.

New brands, new experiences

Apart from its rapid global expansion, Frasers Hospitality has also increased its brand offerings to meet the unique needs of discerning executive travellers. Adding to the existing brands of Fraser Suites, Fraser Place and Fraser Residence is the latest brand, Fraser Resort, which was launched to coincide with the opening of Fraser Resort Pattaya.

To target the frequent traveller, we launched our second brand – Modena – in Tianjin in July. The Modena brand provides a boutique hotel-style experience with a vibrant, contemporary design and services approach geared towards short- to mid-term guests. Four more Modena properties, of which three are in China, are timed to open within the next three years.

Increasing our global footprint

In the year under review, Frasers Hospitality signed eight Memorandums of Understanding with owners in Doha, Suzhou, Singapore, Shanghai, Budapest, Chennai, Oman and Saudi Arabia to manage a total of about 1,210 serviced residences. We also signed nine management agreements to manage residences in Bangalore, New Delhi, Kuala Lumpur, Bangkok, Tianjin, Suzhou and Shanghai. The number of units totalled 1,950 (including Modena projects).

Five properties started operations in the year: Fraser Residence Islington, Fraser Resort Pattaya, Fraser Suites Edinburgh, Fraser Suites Bahrain and Fraser Place Fusionopolis. As at 30 September 2009, over 4,950 units were in operation, whilst 5,655 units were signed. This brings the total number of operational and signed-up apartments to over 10,500 units worldwide.

Fraser Suites Edinburgh, *Scotland*

Fraser Suites Sydney, *New South Wales*

Serviced Residences: Properties in Operation

(A) Owned Properties

Australia

Properties	Equity (%)	No. of Units	Occupancy (%)	Ave. Daily Rate
Fraser Suites Sydney	80.5	201	90%	A$221

China

Properties	Equity (%)	No. of Units	Occupancy (%)	Ave. Daily Rate
Fraser Suites Beijing	100.0	357	87%	RMB591

London, UK

Properties	Equity (%)	No. of Units	Occupancy (%)	Ave. Daily Rate
Fraser Place Canary Wharf	34.1	63	93%	£141
Fraser Place Chelsea	26.0	30	78%	£102
Fraser Suites Kensington	26.0	69	76%	£197

Philippines

Properties	Equity (%)	No. of Units	Occupancy (%)	Ave. Daily Rate
Fraser Place Manila	100.0	69	87%	PHP6,304

Scotland

Properties	Equity (%)	No. of Units	Occupancy (%)	Ave. Daily Rate
Fraser Suites Glasgow	34.1	99	78%	£74
Fraser Suites Edinburgh	51.2	75	Newly Opened	

Singapore

Properties	Equity (%)	No. of Units	Occupancy (%)	Ave. Daily Rate
Fraser Place Singapore	100.0	161	90%	S$282
Fraser Suites Singapore	100.0	251	84%	S$248
Total No. of Rooms (Owned)		**1,375**		

Gold-standard properties in 35 major gateway cities

55 PROPERTIES

On track to manage by FY10

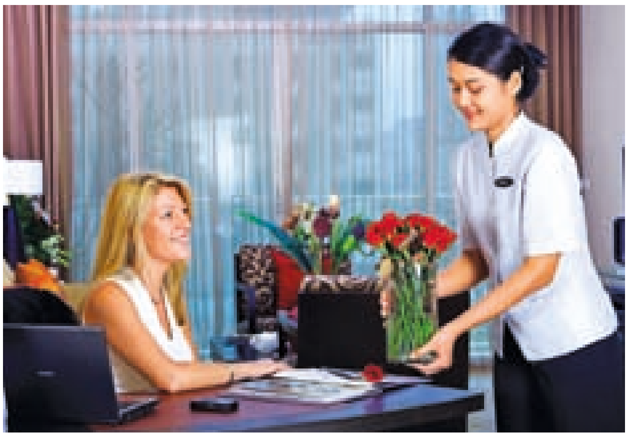
10,000 UNITS

Serviced Residences: Properties in Operation

(B) Properties Under Management

Country	Property
Bahrain	Fraser Suites Bahrain
China	Fraser Place Shekou
	Fraser Residence Shanghai
	Fraser Suites Shanghai
	Fraser Residence CBD East Beijing
	Fraser Suites Nanjing
France	Fraser Suites Harmonie, Paris La Defense
	Le Claridge Champs – Elysees, Fraser Suites, Paris
Hong Kong	Fraser Suites Hong Kong
Japan	Fraser Place Shinjuku, East Tower, Tokyo
London	Fraser Residence Prince of Wales
	Fraser Place Queens Gate
	Fraser Residence Blackfriars, London
	Fraser Residence Islington
	Fraser Residence Monument
Philippines	Fraser Place Manila
Singapore	Fraser Place Fusionopolis, Singapore
South Korea	Fraser Suites Insadong, Seoul
	Fraser Place Central Seoul
Thailand	Fraser Place Urbana Langsuan, Bangkok
	Fraser Suites Urbana Sathorn, Bangkok
	Fraser Suites Sukhumvit, Bangkok
	Fraser Resort Pattaya
Vietnam	Fraser Suites Hanoi
Total No. of Rooms (Under Management)	**3,369**

Fraser Suites Fusionopolis, *Singapore*



YewTee Point, *Singapore*

Anchorpoint, *Singapore*

Looking Ahead to FY10

Positioning for recovery at home

Revenue from pre-sold developments including ClementiWoods and St. Thomas Suites will continue to be realised in the coming year. Our Singapore development property business will also prepare the launch of two projects – 81-unit Residences Bontanique and 393-unit Flamingo Valley. We are also currently evaluating potential sites for land acquisition to cater further to the mass- and mid-market segments. The Government Land Sale programme will see an increase in residential land supply next year with 10 new sites being added. The Group will capitalise on this to replenish its land bank in the coming year.

Continuing to unlock value in commercial assets

FCT's portfolio of suburban malls provides highly defensive cashflows as its assets are strategically located close to major transportation nodes, serve large catchment populations and house tenants which cater mainly to non-discretionary spending in goods and services.

With all debt refinanced, FCOT's primary focus in the new year will return to improving asset performance by undertaking initiatives such as asset enhancement works and proactive tenancy management so as to deliver greater value to unit holders.

With approximately 90% and 86% of their respective FY10 income already locked in, both FCT and FCOT are well-positioned to generate sustainable returns in the coming year.

Expanding business abroad

Regionally, with our focus on delivering existing pipeline projects, China and Australia will continue to provide growth for the Group in the residential market.

In China, the Group has plans to launch more units in Suzhou Baitang and Shanshui Four Seasons which have a total pipeline of 10,000 units. In addition, we will also actively seek out landbanking opportunities in the key cities of China.

In Australia, with a total land bank of over 6 million square feet, preparations are also underway to commence construction of Central Park, CUB development in Sydney and in Queens, Perth, Phase 1 of Frasers Landing and Coast Papamoa Beach. In addition, we continue to focus on key growth markets in Asia like Thailand and Vietnam, where we have a small presence.

Hospitality will continue to expand its global footprint by opening more new properties and securing sign-ups. Our second brand, Modena, will continue to be rolled out across our boutique-style properties in China, and emerging markets in India and China will lend support to the demand for serviced apartments.

Central Park, *New South Wales*

Coast Papamoa Beach, *New Zealand*

Residences Botanique, *Singapore*

Turning the page on an unfavourable year, we are revamping our Publishing & Printing business by executing plans to strengthen operations to improve earnings. Having published our vision for the future, we are committed to staying the course and **making tomorrow today**.

CEO BUSINESS REVIEW

Publishing & Printing

DATO' NG JUI SIA
Chief Executive Officer

Focusing on Quality

The deterioration in global economic activity has adversely affected the publishing and print industry. FY2009 has been an exceptionally challenging year. Overall, we were faced with excess print capacities, the knock-on effect of slumping ad sales and a drop in trade publishing and de-stocking by publishers.

Business Overview

The deterioration in global economic activities has adversely affected the publishing and print industry. FY2009 has been an exceptionally challenging year. Overall, we were faced with excess print capacities, the knock-on effect of slumping advertising sales and a drop in trade publishing and de-stocking by publishers.

Against this environment, our Publishing and Printing division achieved full year revenue of S$417 million, 12% lower than last year. The decrease in sales was due mainly to a decline in print volume, weaker distribution sales and the impact of a weaker US and Australian dollar. Coupled with margin erosion from higher material cost and impairment on the US publishing content and stocks, this division ended the year with a loss of S$1 million. Excluding our share of losses in our associated company and impairment, profit of our underlying business stood at S$14 million, a 45% decrease from last year.

This year, the division focused on executing plans to strengthen it's business. We put in place initiatives to augment our core competencies. Times Publishing Group consolidated and divested under-performing businesses, and drove operational excellence by optimising funds and resources needed to run these businesses. As a result, despite the macro-economic challenges encountered in 2009, we resolutely maintained high quality and service levels without compromise. Consequently, performance of our core business remained largely intact, attributed to our strong customer base and solid long-term relationships with high-value customers – testimony to our strong ability to retain and attract new global customers.

A strategic review initiated in June last year to consider options for Publishing and Printing, including the option to sell, was concluded in December 2008. Due to adverse market conditions, in particular the impact of the credit crunch on potential purchasers, the Group has decided not to proceed with a disposal. The Board continues to consider and weigh the strategic options for this business, including a possible sale of some or all of its assets, and/or restructuring the division's operations.

Revenue decreased 12% to

S$417mil

PBIT of underlying business*

S$14mil

* *excludes our share of losses in our associated company and impairment*

The Publishing Group took proactive steps in the year to streamline its businesses for greater efficiency and effectiveness.

SOLID PERFORMANCE

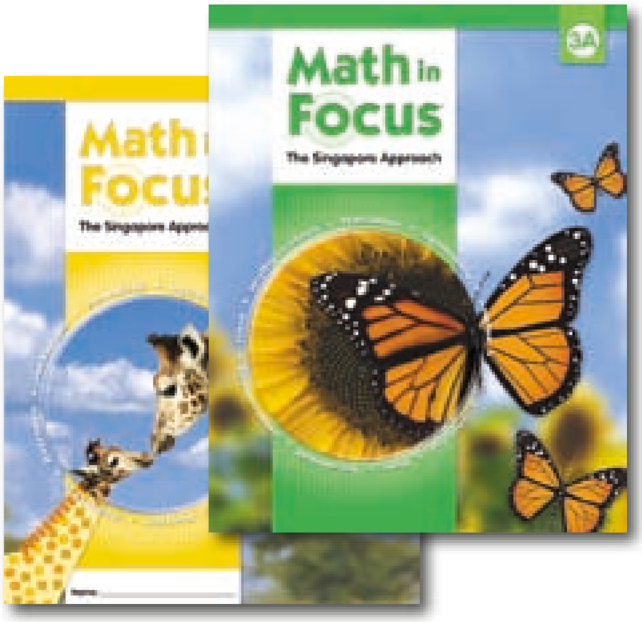
Education Publishing experienced record sales with double-digit growth

Publishing

The Publishing Group took proactive steps in the year to streamline its businesses for greater efficiency and effectiveness, divested non-core businesses and expanded into complementary markets to boost revenue and increase brand value.

Focusing on our core businesses

Marshall Cavendish continued its expansion in exporting educational content, maximised its growth into new markets, and made successful headway in the US market. In the year, Marshall Cavendish's mathematics programme was put forth for recommendation for use in schools by the Department of Education in California, and subsequently in Oregon, with schools in Kentucky, Idaho, Utah and other states in the US showing interest in adoption in 2010. More recently, Marshall Cavendish released 'Math-in-Focus' – another significant co-publishing venture with Houghton Mifflin Harcourt, the largest education publisher in the US.

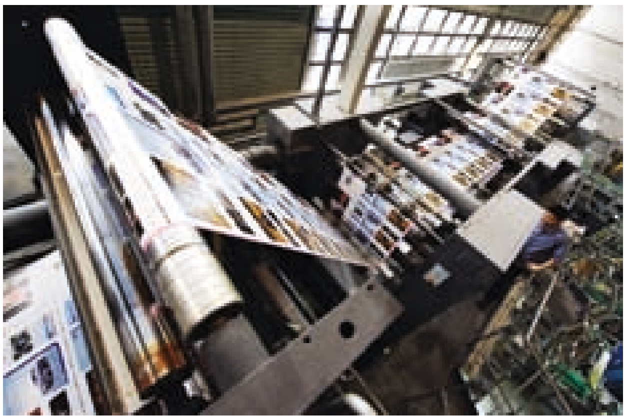


Marshall Cavendish also consolidated operations to focus on the core publishing activities in Education Publishing, Business Directories and Home & Library Reference. In addition, the under-performing and non-core English Language Teaching (ELT) lists were divested in the year. Recognising the rising trend in the digital arena, we also increased the delivery of our products in digital format to maximise potential in this growing sector.

As a testament to our continual quest for excellence in the books we publish, Marshall Cavendish won The William Allen White Children's Book Award with Yellow Star by Jennifer Roy, and saw 11 titles from Marshall Cavendish Children featured in the 100th anniversary edition of Bank's Street College's Best Children's Books of the Year for their literary quality and positive impact on children.

LOWER COST BASE

The Group benefited from early pre-emptive effort to align capacity and manning levels to print demand



Printing

A number of factors presented the Print division with a challenging market during the year. A reduction in print demand by both magazine and book publishers arising from reduction in circulation and pagination, unfavourable exchange rates and fierce pricing competition in an over-saturated market combined to take their toll on the Group's print revenue and profits.

Cushioning the impact

The undertaking of several initiatives and actions helped to limit losses and positioned the Group to capitalise on the weak climate. A company-wide drive to obtain new print contracts, a strong focus on customer receivables, and cost-cutting measures such as improvements in operational efficiency and better procurement methods, all contributed towards a healthy balance sheet at the close of the financial year.

Times Printers took the opportunity during the downturn to lay firm operational foundations in preparation for brighter times ahead, embarking on a project to upgrade its Enterprise Resource Planning system, an initiative expected to benefit the Group through an integrated and efficient operating environment.

Times bookstores continues to enhance and build up its brand presence through the launch of new stores in Singapore and Malaysia.

Distribution

Pansing books and magazines distribution continued to be a stable portfolio within the Group. It persists in its key targets of driving improved efficiency in sales and distribution, as well as targeted sales for segmented markets.

Global trends shape performance

Our distribution business was impacted by global events. While reduced international freight charges in the first half of the financial year and favourable exchange rates brought about lowered costs for imports of UK publications, this was offset by rising freight costs and a strong Australian dollar in the second half of the financial year.

The worldwide recession has resulted in lowered overall distribution volume for our magazines and books. We closed the Australia Rainbow CD/DVD units in the year, a strategy to rationalise under-performing businesses.

Buoyed by Australia's fiscal and financial incentives to consumers, lifestyle accessories products in the low- and mid-price range maintained a steady sales volume.

Retail

Times bookstores operated in a year that saw consumers adopting more discretionary spending habits, and felt the impact of a reduction in international travel, and correspondingly, poor sales at airports and high street stores.

New stores expand brand presence

Times bookstores continued its exciting efforts to enhance and build up its brand presence through the launch of new stores in Singapore and Malaysia. The Times bookstore at Tampines 1 shopping mall officially opened in April, and offers an extensive range of products which was expanded to include educational products and religious titles.

Also launched in the year was Times Travel, with two stores opening at Changi Airport in Terminal 1 and 3. These new concept stores combine travel-specific merchandise with personalised service to provide travellers with a one-stop retail store for their reading and travel needs.

Pacific bookstores added 13 more school bookshops to our network of schools retail stores, increasing the tally to a total of 130 schools in Singapore. The e-commerce website also underwent a revamp to leverage on growing purchases over the Internet.

Going forward, the Group will continue to drive profitability and look for ways to reduce costs in processing.

Looking Ahead to FY10

We expect print volume to recover in the second half of the new financial year. Gross margin is expected to improve both from increased print volume and a lower fixed-cost base. We are, however, cautious about the economic environment and will continue to ensure that our production capacity and manning levels are aligned to match demand.

Outlook for Publishing for the education sector presents an optimistic picture. We will be starting the year on a firm footing with initial robust orders for the second quarter of 2010 already on the books. Riding this wave of opportunity, and maximising the value of the intellectual property of Marshall Cavendish, we will continue to integrate our education operations throughout Asia and to expand our international export operations for education publishing. In support of this directive, new resources will be introduced, along with operations designed to maximise growth in nascent markets and consolidate sales in existing territories. Breakthrough acquisitions in the education field will also be made, particularly in Asia in order to strengthen our strategic position.

Distribution will continue to explore methods and data-mining technology for smarter buying, and selling for targeted marketing segments. The Group will also look into improving trade returns to reduce costs in processing.

Times bookstores has also embarked on an e-initiative and Customer Relationship Management programme to strengthen its brand promise, and to tap into the growing market of online purchases in the region. Air travel is expected to pick up in the new financial year, and airport bookstores are expected to reap some benefits.

Corporate Social Responsibility

We are committed to giving back to the communities we serve and over the financial year, F&N adopted several drives across all business units that increased its standing as a good corporate citizen.

Giving from the Heart

In Singapore, in support of the President's Challenge, the annual charity drive initiated by President S R Nathan and aimed at mobilising the community to help raise funds for the less fortunate, TPL encouraged staff to show support for the 'Show You Care, Buy A Bear' fundraising effort by purchasing a specially designed bear.

In aid of another deserving cause, Causeway Point and Northpoint collaborated with the North West Community Development Council to organise the Frasers Centrepoint Malls ("FCM") – North West Brisk Walk on 6 September, held in support of the North West Food Aid Fund. In addition to the sponsorship of the atrium for the mass event, both malls donated S$20,000 worth of food products for needy families.

Throughout the year, FCOT's Central Park building provided its parkland area for various charities to host their fundraising events. The Spin for Juvenile Diabetes event by the Juvenile Diabetes Research Foundation was one such fundraiser. The day saw cycling teams peddling hard to complete the most kilometres in 40 minutes to raise funds for the charity. The Princess Margaret Hospital for Children also used Central Park's parkland as the co-ordination point for its annual Street Appeal, in which volunteers armed with donation tins were sent out to collect funds from the general public.

For the third time, FCOT's Central Park office tower in Perth hosted the 2009 Enerflex Step Up for MS – an annual event in aid of the Multiple Sclerosis Society of Western Australia. In a pre-event marketing initiative, Central Park's general manager bravely abseiled down the side of the 47-storey office tower, and generated significant interest for the charity day, in which 870 participants ran, walked or in some cases crawled the 1,096 stairs from the ground level to the roof of the Central Park building. Their committed efforts contributed to the raising of A$140,000 for the Society.

Keeping Health Foremost

In response to the emergence of the H1N1 flu virus, TPL put in place a series of policies and procedures in preparation for pandemics to help assure staff and visitors of a safe work environment. Teaming up various companies involved in the Health Promotion Board's Healthier Food Products Bazaar, TPL promoted healthy living amongst staff in a workplace programme scheme which entitled staff to purchase healthful food products at special corporate rates. In addition, Latin Fusion and Taichi Aerobics classes were organised to encourage staff to enjoy regular exercise at the convenience of their workplace. A basic health screening session was also conducted for interested staff.

Our Soft Drinks Division recorded a major milestone in the year as part of its drive to educate the community when it organised the first ever Sports Hydration & Nutrition Seminar in Malaysia. Supported by leading sports bodies and the elite of the sporting fraternity, the seminar, sponsored by our leading isotonic drink brand *100PLUS*, focused on improving sports performances through better hydration.

In a further bid to promote healthy living across Malaysia, our Soft Drinks Division, sponsored by our *SEASONS* brand, launched the Everyone Can Be Healthy campaign. Health tips printed on the side of the product packaging helped to create a greater awareness among consumers of how to lead a healthier lifestyle.

Support for Heritage

In celebration of Singapore's rich heritage and cultural diversity, four of Frasers Centrepoint Malls were venue sponsors for the Singapore HeritageFest 2009 road shows which were held from 15 to 26 July. The Centrepoint, Causeway Point, Northpoint and Compass Point were transformed into heritage hubs showcasing Singapore's culinary heritage and traditional games.

Investing in Our Youths

Marshall Cavendish organised the Budding Writers Project and WORDS+Art in 2008, as part of the Marshall Cavendish Learning Curves initiative. Learning Curves aims to extend learning beyond the core education curriculum by encouraging

innovative and creative thinking. The Budding Writers Project promotes works by children for children, and the WORDS+Art programme focuses on engaging students in different aspects of art and publishing.

Through its CARE programme, which it has been running since 2003, Marshall Cavendish also supports national education efforts by helping disadvantaged students with their scholastic needs. In 2008, 30 schools benefited from the programme, with around 200 copies of free textbooks and supplementary materials distributed to each school.

Reaching out to Malaysian youths, the F&N Freestylz Show Ur Moves campaign, launched by our Soft Drinks Division, sought to connect with the country's youth population and showcase the nation's talent in dance. The accompanying road show reached out to an estimated 500,000 youths in 160 locations nationwide.

In Support of the Arts

Frasers Hospitality was actively involved in supporting the arts. A total of S$120,900 worth of accommodation was provided for overseas artistes who were here for various productions by WILD Rice as well as for Esplanade Dans Festival 2008. These productions included Snow White & The Seven Dwarfs, The Importance of being Earnest, The Sydney Festival, Own Time Own Target, as well as Shift: Checkmate by Albert Tiong – a segment of Esplanade Dans Festival 2008.

During the year, Magnolia brought a little Disney magic to Malaysia, as the sponsor of the Disney on Ice – Princess Wishes show, much to the delight of the children who attended the shows. The winning family of a supporting consumer contest was treated to a trip to Hong Kong Disneyland.

Protecting the Environment

"Are You With Us?" Green Initiative by Frasers Centrepoint Malls

In conjunction with International Earth Day, Frasers Centrepoint Malls successfully organised a green campaign, "Are You With Us?" which won a Silver award for Marketing Excellence, Community Relations category in the International Council of Shopping Center Asia Shopping Centre Awards 2009. The campaign involved a unique series of green initiatives and activities across six malls that actively engaged the community, supported the dynamic education of youths and established goodwill with key stakeholders and charitable organisations.

Shoppers learnt to embrace the 3 Rs (Recycle, Reuse & Reduce) in their everyday lives through the introduction of LOHAS (Lifestyle of Health and Sustainability). Other green initiatives included an exhibition on saving our rainforests, the creation and sale of eco-friendly accessories and home furnishing, the collection of recyclable items, and a bazaar to raise funds for charity.

Central Park goes carbon neutral

FCOT's Central Park office tower in Perth has cemented its position as an industry leader in sustainable operations by achieving its long-held goal of offsetting the carbon emissions generated by the building's core services through the purchase of greenhouse friendly carbon credits.

The carbon neutral program involves three phases - the reduction of emissions to minimum levels, the auditing of emissions to determine the carbon footprint and the offsetting of emissions through the purchase of carbon credits. By working closely with our tenants to reduce energy consumption, there has been a reduction in building emissions.

In 2003, Central Park was the first commercial building in Australia to achieve a 4 ½ star National Australian Built Environment Rating System ("NABERS") energy rating. With ongoing improvements proposed in sustainable operations and minimising its carbon footprint, Central Park is poised to elevate this to a 5 star NABERS rating in the near future. The property was also the venue sponsor for an event close to its heart and in keeping with its environmental commitment, World Vision Australia's 'Race to Save the World' event.

Human Capital Management

Developing Today's Human Capital into Tomorrow's Talent

The F&N Hallmark

Our spirit of enterprise and innovation has always been the hallmark of the Group's strategic capabilities and continued growth. Our people are our most valuable asset, and we develop our ranks through the flagship F&N Group Management Development Programme ("MDP") in support of our strategic initiatives.

The MDP provides immersion in general management and business operations, and has, to date, developed more than 200 executives, with many currently holding key appointments and roles within the Group's various business unit. A series of MDP Alumni Advances Programmes ("AAP") were also designed to further develop and engage these executives on their learning journey.

Designed specifically to support the alignment of our key talent pool with our overall goals and mission, this year's AAP focused on organisational integration and alignment through our core values of "Entrepreneurial Spirit", "Pursuit of Excellence" and "Integrity". Thirty-four selected MDP Alumni members from various local and overseas business units attended the AAP.

Our spirit of enterprise and innovation has always been the hallmark of the Group's strategic capabilities and continued growth. Our people are our most valuable asset.

Committed to a United Vision

Demonstrating Management's commitment to developing the Group's talent pool, Group Chairman Mr Lee Hsien Yang, business unit CEOs and Senior Management graced this year's AAP, taking part in an outdoor experiential learning activity together with Alumni members.

The AAP has garnered encouraging response and feedback from participants, who gained the opportunity to connect with fellow Alumni members from various cohorts, and fostered a greater sense of identity and affinity with the F&N brand name as well as colleagues from different business units.

Setting Sights on the Future

In order to provide crucial policy, procedural and systems alignment as we move forward into the future, we implemented the Total Performance Management System (TPMS), which joins the Group Crisis Management Guidelines, Human Resource Policies, and Training & Development Guidelines in bringing consistency across our various business units.

To support career growth, management succession and continuity, a Career Development and Succession Planning ("CDSP") review was also incorporated. Conducted with Business Unit CEOs and Group Functional Heads during the Group's annual review, the CDSP review further ensures the availability of qualified talent to fill senior level and key positions, as well as new positions arising from business growth and expansion.

Treasury Highlights

The Group aims to maintain a prudent financial structure to ensure that it will be able to access adequate capital at an attractive cost.

The main sources of cash flow for the Group are from its three business divisions, investment income 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 its operations and investment requirements, the Group maintains a significant amount of available banking facilities with a large number of banks and have continuous access to the debt capital markets.

Net Group Borrowings (net of cash) declined from S$4.4 billion to S$3.7 billion during the financial year under review. The decrease in net debt resulted from cash collection from its strong pipeline of pre-sold development projects in Singapore and abroad and steady cash contribution from its beverage division and investment properties. Net Gearing (borrowings less cash) decreased from 0.69 to 0.55 times as a result of a 16% decrease in net borrowings vs a growth in total equity of 4.1% to S$6.7 billion during the financial year. Group cash increased significantly from S$1,033 million to S$1,643 million, as significant amounts of cash was collected from the Group's pre-sold development projects. The Group expects to receive more than S$1.0 billion in cash from its existing pre-sold projects for the financial year ending 30 Sep 2010.

Interest cost in 2009 was S$234.5 million (of which S$145.8 million was capitalised), 1.9% lower than the previous year's interest cost of S$239.0 million (of which S$142.8 million was capitalised) mainly due to lower borrowings.

Source of Funding

The Group relies on the debt capital markets, equity market and bilateral banking facilities for its funding. As at 30 Sep 2009, the Group has S$5.7 billion in banking facilities, S$0.7 billion in Transferable Term Loan Facilities and S$3.5 billion in Medium Term Note Programmes to meet the funding requirements of the Group. The Group's prudent capital management, strong visibility of its cash flows and good support from its banking partners have enabled the Company in not requiring to call on its shareholders for any additional capital during the recent financial crisis.

Available Bank Lines as at 30 Sep 2009

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. The Group continues to adopt the philosophy of engaging the banks as our core business partners and this approach has served the Group well in the recent financial turbulence. The Group continues to receive very strong support from our relationship banks across all segments of the Group's business. The Group's principal bankers are Overseas-Chinese Banking Corporation, DBS Bank Ltd and Standard Chartered Bank. Total banking facilities (utilised and unutilised) extended to the F&N Group as at 30 Sep 2009 amounted to S$5.7 billion. Eight of the Group's relationship banks provided 68% of these banking facilities. All banking relationships for the entire Group are maintained by Corporate Treasury in Singapore.

Maturity Profile of Group Debt (excludes Finance Leases)	
Maturing within one year	S$1,693m
Maturing within one to two years	S$1,432m
Maturing within two to five years	S$1,571m
Maturing after five years	S$605m
	S$5,301m

As at the date of this report, the Group has already refinanced or repaid S$376 million in borrowings maturing within the next 12 months to the year 2011. For the remaining S$1,317 million due by 30 Sep 2010, the Group currently has more than sufficient resources to repay these loans as and when they fall due without having to refinance these loans.

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, 77% of the Group's borrowings are in fixed rates with an average fixed rate tenor of three years as at 30 Sep 2009. The remaining 23% of the Group's borrowings are in floating rates as at 30 Sep 2009. The floating rate loan portfolio allows the Group to maintain a flexible maturity profile to support divestments and 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, expected cash flow generated from its 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 Sep 2009 are 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 Sep 2009, this ratio was 0.55. Total interest paid during the year amounted to S$234.5 million, of which S$145.8 million was capitalised as part of Properties Under Development. The net interest charged to profit statement for the year was S$66.3 million and net interest cover was at 12.2 times. Net Borrowings over EBITDA was at 3.7 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 and certain currency derivatives to manage these foreign exchange risks.

The Group does not engage in trading of foreign exchange and foreign exchange 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 in line with the Group's foreign exchange risk management objectives.

The Group's foreign exchange contracts and derivatives and the mark to market values as at 30 Sep 2009 is 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 dividends cash flows to and from its overseas subsidiary, joint venture and associated companies.

Enterprise-wide Risk Management

Managing Enterprise Risks, Safeguarding Shareholders' Value

In a fast changing and interdependent world, organisations face more complex risks. The global economic crisis has also brought increased uncertainties to businesses. Fraser and Neave, Limited ("F&N" or the "Company") recognises that the ability to understand, track and respond swiftly and effectively to enterprise risks is vital in safeguarding shareholders' value and steering the Company towards the next level of growth.

Capturing Risks across the Enterprise

Taking calculated risks is essential to any business pursuing growth and expansion. With diversified businesses spanning more than 20 countries, the F&N Group's businesses are subject to changing conditions in economic, political, legal, regulatory, social, financial and industry-related risk factors. If these risks are not adequately and effectively mitigated, they could have a material impact on the Company's performance and financial condition.

The F&N Group ERM implementation encompasses an on-going risk identification process and the establishment of Risk Registers by all business operations, and the use of the web-based Corporate Risk Scorecard ("CRS") system to set a consistent and cohesive ERM infrastructure, and facilitate a uniform database of risks across all businesses. Management of each Business Unit takes a top-down, strategic approach in risk management. There is a process to perform periodic risk reviews, and assess the effectiveness of risk controls that are embedded in key operational workflows, processes and systems to track and mitigate existing as well as new risks faced by its businesses. Key Risk Indicators are set to act as early warning signs, to track identified key risk drivers.

Towards the end of every Financial Year, the F&N Group Annual Risk Validation exercise is held with the objective to ensure that new risks are effectively managed and mitigation controls for existing risks remain effective and appropriate.

Identified key material risks that have a significant impact on the Group, and reports on key risk indicators, and business continuity plans ("BCP"), are presented for the Audit Committee's review at its meetings periodically. Gaps identified during these reviews are translated into new implementation plans moving forward, as appropriate.

Risk management involves collective effort from and the participation of all employees. To continue and grow the risk-awareness culture within the F&N Group, ERM framework, methodology and processes are introduced to all new employees as part of the orientation program for new hires. This is in addition to the on-going ERM and BCP communication and training workshops that are run progressively in various business units, including the overseas operations.

F&N also seeks to continually benchmark its ERM implementation against industry best practices. During the year, best practices in risk management set out in the Guidebook for Audit Committees in Singapore issued by the Audit Committee Guidance Committee were referred to, to identify areas that the business units can work on to improve and further strengthen their ERM implementation and practices.

Key Risks in Financial Year 2008/2009

During the last financial year, the three key categories of risks faced by the Group are summarised below:

Strategic Risks

The economic crisis surfaced complex challenges to businesses. The Group tracked evolving competitive forces and effective execution of its business strategies closely to sustain current competitive advantages, to drive successful new product developments and to penetrate new markets. Efforts were also made to work closely with the F&N Group's business partners to manage the business complexities of joint ventures and associated companies.

Reputational Risks

During the year, Business Units activated BCPs in response to and in preparation for potential worsening of the H1N1 pandemic situation that might have an adverse impact on its business functions, and which may erode the Company's business reputation. Businesses tested planned business continuity procedures, including system infrastructures, to ensure that identified critical business functions would remain operational if the situation worsened.

Country and Political Risks

With geographical presence in more than 20 countries, the Group's businesses faced different degrees of country and political exposures. The Company maintained close working relationships with local business partners and authorities to keep abreast of political developments, country risks as well as changes to laws and regulations.

Total Shareholder Returns

F&NL remains committed to creating superior long-term value for shareholders.

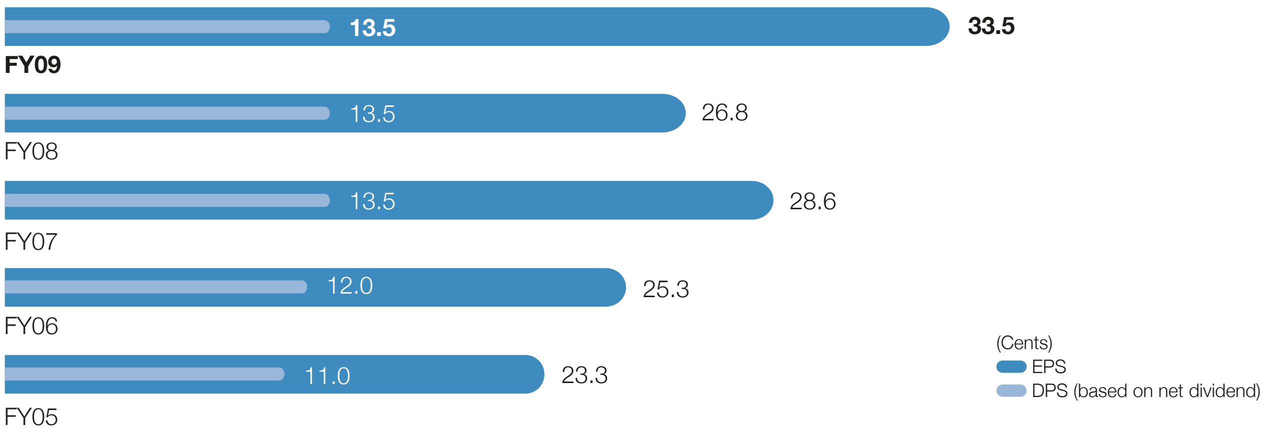
This year, the Group's return on average shareholders' equity* grew 21% to 8.6%, on strong profit growth of 25%. Earnings per share also kept pace with attributable profit to improve 25% to 33.5 cents as no capital call was made since 1993.

Total shareholder returns for the year improved 13%. Cumulatively over a five-year period, it is 69%, and 4% over a three-year period. The F&NL share price has also outperformed the STI Index over the recent five-year period by close to 3% points.

The Group maintained a healthy track record of generous shareholder distributions. For the financial year ended 30 September 2009, the directors have recommended a final dividend of 10.5 cents per share, which together with the interim dividend of 3.0 cents paid earlier brings total dividend for the year to 13.5 cents per share.

** Before fair value adjustments and exceptional items*

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



Total Return (%) on Share Price

Introduction

Fraser and Neave, Limited ("**F&N**" or the "**Company**") prides itself on its sound and transparent corporate policies and practices to promote corporate transparency. Observing and maintaining high standards of corporate governance ensures the Company's ability to continually deliver, maximise and sustain long-term shareholder value. Built on a firm foundation of sound internal control systems, F&N's corporate culture also consistently emphasises transparency, accountability and continuous improvements. In turn, it enables the Company to drive long-term sustainable growth.

This Corporate Governance Report sets out the Company's corporate governance framework and practices in accordance with the principles and guidelines of the Code of Corporate Governance 2005 ("**Code 2005**").

Board Matters

Board's Conduct of its Affairs

Principle 1:

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.

F&N is led by an effective Board comprising eight directors, all of whom are non-executive directors.

Board of Directors

As at 30 September 2009, the directors are:

Mr Lee Hsien Yang *(Chairman)*
Mr Timothy Chia Chee Ming
Mr Ho Tian Yee
Mr Simon Israel
Mr Koh Beng Seng
Mr Soon Tit Koon
Mr Tan Chong Meng
Mr Nicky Tan Ng Kuang

The Board provides entrepreneurial leadership, sets strategic directions, oversees Management effectiveness and ensures proper business conduct. The Board also ensures that proper processes are in place for evaluating the adequacy of internal controls, risk management, financial reporting and compliance and sets the values and standards of corporate governance for the F&N Group. All Directors participate actively in matters relating to corporate governance, business operations and risks, and financial performance of the Company.

The Board meets regularly to discuss and review the F&N Group's key activities, including its business strategies and plans, business and financial performance, the annual budget and significant acquisitions or disposals.

Delegation of Authority on certain Board Matters

The Board has constituted Board Committees with clear written terms of reference to assist the Board in the discharge of its oversight function. These are the Board Executive Committee, Audit Committee, Nominating Committee, Remuneration & Staff Establishment Committee and Food & Beverage Board Committee. The Company has taken steps to ensure participation of all directors when selecting directors to various Committees so as to maximise the effectiveness of the Board.

The Company has adopted a Chart of Authority setting out the levels of authorisation required for specified transactions, and approval guidelines for operating and capital expenditure as well as the acquisition and disposal of investments.

Board Matters (cont'd)

Board Executive Committee ("Board EXCO")

The Board EXCO comprises the following members:

Mr Lee Hsien Yang	Chairman
Mr Ho Tian Yee	Member
Mr Simon Israel	Member
Mr Soon Tit Koon	Member

The Board EXCO oversees the business affairs of F&N. It is empowered to exercise the full powers and authority of the Board when the Board does not meet except for certain matters that specifically require the decision of the Board or any Board Committee. The EXCO also reviews proposals and projects before submission to the Board for approval.

Food & Beverage ("F&B") Board Committee

This Committee was reconstituted on 18 June 2009. It has oversight of the F&N Group's F&B strategies and strategic plans for the non-beer F&B business. The F&B Management team devises, develops, and presents strategic plans and proposals at meetings of the Committee which serve as a forum for debate prior to tabling such plans and proposals to the F&N Board. The members of the F&B Committee are:

Mr Lee Hsien Yang	Chairman
Mr Simon Israel	Member
Mr Soon Tit Koon	Member
Mr Nicky Tan Ng Kuang	Member

Activities of other Board Committees are described elsewhere in this report.

Meetings of the Board and Board Committees

The Board and the various Board Committees meet regularly, and as warranted by business imperatives or deemed appropriate by the members of the Board. The Board and the various Board Committees held a total of 26 meetings during the financial year ended 30 September 2009. The F&N Articles of Association permit participation of Board members in meetings via telephone, video conference or any other form of electronic or instantaneous communication.

The number of Board meetings and Board Committee meetings held in the financial year ended 30 September 2009 and the attendance of Directors at these meetings are as follows:

	Board	Board EXCO	Audit Committee	Remuneration & Staff Establishment Committee	Nominating Committee	F&B Board Committee (1)
Meetings held for the financial year ended 30 September 2009	7	7	6	4	1	1
Mr Lee Hsien Yang	7/7	7/7	-	-	-	1/1
Mr Timothy Chia Chee Ming	7/7	-	6/6	4/4	1/1	-
Mr Ho Tian Yee	7/7	7/7	-	4/4	1/1	-
Mr Simon Israel	6/7	7/7	-	-	-	1/1
Mr Koh Beng Seng	6/7	-	6/6	-	-	-
Mr Soon Tit Koon	7/7	7/7	-	3/4	-	1/1
Mr Tan Chong Meng	4/7	-	4/6	-	-	-
Mr Nicky Tan Ng Kuang	7/7	-	6/6	-	1/1	1/1

Chairman

Note:

(1) The F&B Board Committee was reconstituted on 18 June 2009.

(2) Mr Stephen Lee (Attendance – Board 1/1, Board Exco 3/3, Audit Committee 2/2, Remuneration & Staff Establishment Committee 2/2, Nominating Committee 1/1) retired on 22 January 2009.

Board Matters (cont'd)

A formal letter setting out, among other matters, the Director's duties and obligations is given to each new Director upon his appointment. New Directors also undergo comprehensive orientation programmes to familiarise themselves with the F&N Group's business activities, strategic directions, policies, the regulatory environment in which the Group operates and corporate governance practices.

The Company arranges off-site Board strategic review meetings for Directors and Management to discuss and review the Group's strategies and plans. This also provides an opportunity for the Directors to interact and gain familiarity with key members of the Management team so as to facilitate succession planning and its review by the Board. These meetings are held in key operational locations and include site visits as part of the ongoing process for Directors to acquire a better understanding of the F&N Group's key business operations.

The Board is regularly updated on country and industry specific knowledge, including new laws and regulations that may affect the Company's businesses, and changes in accounting and financial reporting requirements. Directors and senior Management are also encouraged to be members of the Singapore Institute of Directors to keep abreast of and be updated on changes to the financial, legal and regulatory requirements, and the business environment.

Board Composition and Guidance

Principle 2:

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The F&N Board comprises eight non-executive Directors, of whom five are considered independent Directors. The Board considers that the present Board size and composition are appropriate for the scope and nature of the F&N Group's operations. No individual or group is able to dominate the Board's decision-making process. This strong and independent element on the Board is fundamental to good corporate governance as it facilitates the exercise of independent and objective judgment on corporate affairs. It enables Management to benefit from their diverse and objective perspectives and ensures that key issues and strategies are constructively challenged, fully discussed and examined, and that the long term interests of F&N and its shareholders are taken into account.

Processes are in place to ensure that the Directors receive accurate, complete and timely information and have unrestricted access to Management as well as sufficient time and resources to discharge their oversight function effectively. The Directors have been effective in carrying out their duties as directors, giving sufficient time and attention to the affairs of the Company.

The Nominating Committee is of the view that there is an appropriate balance of expertise and skills amongst the Directors. The members of the Board as a group bring with them a broad range of industry knowledge, expertise and experience in areas such as accounting, finance, business management, industry and strategic planning relevant to the F&N Group. Their stature and wealth of international business expertise are also critical to the effectiveness and success of the Company and the F&N Group.

The Nominating Committee determines the independence of each Director annually based on the definitions and guidelines of independence set out in Code 2005. In respect of the financial year ended 30 September 2009, the Nominating Committee has determined that the following non-executive Directors are non-independent:

- Mr Lee Hsien Yang: Non-independent. Mr Lee is non-independent by virtue of his chairmanship of the Company's Management Committee and the Executive Committee of Frasers Centrepoint Limited, a wholly–owned subsidiary of the Company.

- Mr Simon Israel: Non-independent. Mr Israel is a nominee of Seletar Investment Pte Ltd ("**Seletar**"), a substantial shareholder [1] of the Company. Seletar is a subsidiary of Temasek Holdings (Private) Limited ("**Temasek**"), which is deemed a substantial shareholder of the Company, and Mr Israel is an executive director on the Board of Temasek.

Note:

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

Board Matters (cont'd)

- Mr Soon Tit Koon: Non-independent. Mr Soon holds the position of Head, Group Investments at the Oversea-Chinese Banking Corporation Limited ("**OCBC**"), a substantial shareholder of the Company. He is the Chairman of OCBC Securities Pte Ltd and a Director of certain OCBC subsidiaries.

Chairman and Chief Executive Officer

Principle 3:

There should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

The Chairman and the CEOs of each of the three business units are separate persons to ensure an appropriate balance of power and authority, and clear division of responsibilities and accountability. The Chairman coordinates the reporting lines of each of the CEOs to the Board through his Office and with the support of F&N's Corporate Services. He is also not related to the CEOs of each of the business units, nor is there any other business relationship between the Chairman and each of these CEOs, nor among them.

The Chairman, who is non-executive, leads the Board and ensures effective and comprehensive discussions amongst members of the Board and Management on strategic, business and planning issues pertinent to the Group. He also encourages constructive relations between and among the Board and Management, facilitates the effective contribution of the Directors, and promotes high standards of corporate governance practices in the F&N Group. The Chairman ensures that the Board receives clear, accurate and timely information.

The CEOs of each business unit are responsible for the execution of the Group's strategies and policies, and are accountable to the Board for the conduct and performance of their respective business operations.

Board Membership

Principle 4:

There should be a formal and transparent process for the appointment of new directors to the Board.

Nominating Committee

The Nominating Committee comprises the following Directors:

Mr Ho Tian Yee	Chairman
Mr Timothy Chia Chee Ming	Member
Mr Nicky Tan Ng Kuang	Member

All members of this committee are independent non-executive Directors. The Chairman is neither a substantial shareholder nor directly associated(1) to a substantial shareholder.

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.

The Nominating Committee is guided by written terms of reference endorsed by the Board that set out its duties and responsibilities. The Nominating Committee ensures that there is a transparent process in making recommendations to the Board on all new appointments, re-nominations and retirements of Directors. In its deliberations on the re-nomination of Directors, it takes into consideration the contribution and performance of each Director.

Board Matters (cont'd)

The Company's Articles of Association provide that at least one-third of the Directors shall retire from office and are subject to re-election at every Annual General Meeting ("**AGM**"). All Directors are required to retire from office at least once every three years. A newly appointed Director must also subject himself for retirement and re-election at the next AGM immediately following his appointment. The shareholders approve the election of Board members at the AGM.

The Nominating Committee has put in place an independent and transparent process to assess the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board.

In its annual review, the Nominating Committee assesses and affirms the independence of each Director. The Nominating Committee has determined the status of each Director as follows:

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 Soon Tit Koon	Non-Independent
Mr Tan Chong Meng	Independent
Mr Nicky Tan Ng Kuang	Independent

Description of Search and Nomination Process of New Directors

There is a formal and ongoing process in place for the selection of new directors. This would ensure transparency of the nominating process in identifying and evaluating nominees for Directors. The Nominating Committee ensures that the Board and its Committee members are best suited for their respective appointments and able to discharge their responsibilities as such members of the Board and/or Board Committees. It leads the selection process and sources for candidates who are able to contribute to deliberations and activities of the Board. In the search, nomination and selection process, the Nominating Committee reviews the composition of the Board, including the mix of expertise, skills and attributes of existing Board members, to identify desirable competencies for a particular appointment. In so doing, it strives to source for candidates who possess the skills and experience that will further strengthen the Board, and are able to contribute to the Company in relevant strategic business areas, in line with the growth of the F&N Group. The Nominating Committee assesses the suitability of the shortlisted candidates and makes recommendation to the Board for its approval of their appointments. To spread its reach for the best candidates, the Board may engage search companies as well as networking contacts to identify and shortlist candidates.

Key Information regarding Directors

Key information on the Directors is set out on page 70.

Board Performance

Principle 5:

There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

The Board has implemented a formal process for assessing the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board.

The Nominating Committee engaged the services of an independent consultant to facilitate and administer a two-stage process for evaluating the effectiveness of the Board as a whole, and the Board Committees. The engagement of an independent party ensures objectivity and independence in the process. All Directors were required to complete a questionnaire evaluating the Board and the Board Committees. The questionnaire covered areas such as board composition, board processes, managing the company's performance, committee effectiveness and where improvements may be considered.

The process also included a management assessment in which senior Management completed a questionnaire to comment on the Board's performance against set criteria, such as in the areas of developing, ratifying and monitoring strategy, working with management and also sought suggestions for improvements.

Board Matters (cont'd)

The external consultant collated and analysed the feedback from the questionnaires completed by the Directors and senior Management. The findings of the performance evaluation including the comments from Directors and suggestions from senior Management were reviewed by the Nominating Committee, in consultation with the Chairman of the Board, with a view to continuing improvements.

Access to Information

Principle 6:

In order to fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis.

Management provides the Board with complete, adequate and timely information prior to Board meetings and on an on-going basis. The information provided includes financial results, key issues, market and business developments to enable the Directors to keep abreast of the F&N Group's operational and financial performance.

The annual calendar of Board activities is set in advance. Board papers are dispatched to Directors at least a week in advance before Board meetings so that Directors have sufficient time to consider the background and explanatory information relating to matters to be tabled and discussed at relevant Board meetings. Senior Management is requested to attend the Board meetings to provide additional insights into matters to be discussed. The Board also has separate and independent access to the Company's senior Management and the Company Secretary.

The Company Secretary attends all Board meetings, and ensures that Board procedures are followed and that applicable rules and regulations are complied with. Under the direction of the Chairman, the Company Secretary ensures good information flow within the Board and with senior Management. The Company Secretary also facilitates orientation programmes for Directors and assists with their professional development. He is the primary channel of communication between the Company and the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The Directors, either as a group or individually, may, at the Company's expense, seek and obtain independent professional advice where necessary to discharge its or their duties effectively.

Remuneration Matters

Principle 7:

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

Remuneration & Staff Establishment Committee ("RSEC")

All members of the RSEC are non-executive Directors; the majority of whom, including the Chairman, are independent Directors:

Mr Timothy Chia Chee Ming	Chairman
Mr Ho Tian Yee	Member
Mr Soon Tit Koon	Member

The RSEC oversees the executive remuneration and development in the Company. It ensures that a formal and transparent procedure is in place for developing policy on executive remuneration and for determining remuneration packages and service terms of individual Directors and senior Management. Such policy is submitted to the Board for approval. The RSEC also reviews on an annual basis, the level and mix of remuneration and benefits policies and practices including the long-term incentive schemes, taking into consideration the achievements of the Company and the performance of individual employees. It also approves salary reviews, performance bonus and incentives for senior Management.

The RSEC also reviews the succession planning of senior Management and the leadership pipeline for the Company on an annual basis.

The RSEC may from time to time, seek advice from external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and Management.

Remuneration Matters (cont'd)

Level and Mix of Remuneration

Principle 8:

The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.

The RSEC sets such level and mix of remuneration with the aim to build, motivate and retain Directors and key executives. It ensures that competitive remuneration policies and practices are in place to attract, motivate and retain high-performing executives to drive the Group's businesses. In its deliberation, the RSEC takes into consideration industry practices and benchmarking against industry players to ensure that its remuneration and employment conditions are competitive.

The compensation framework is made up of fixed pay, short-term and long-term incentives. The Company subscribes to linking executive remuneration to corporate and individual performance, based on an annual appraisal of employees, using core values, competencies, key result areas, performance rating, and potential of the employees. Long-term incentive schemes are put in place to motivate and reward employees and align their interests to maximise long–term shareholder value.

The remuneration of non-executive Directors takes into account their level of contribution and respective responsibilities, and includes attendance and time spent at Board meetings and Board Committee meetings.

The RSEC administers the F&N Executive Share Option Scheme ("**F&N ESOS**"), Restricted Share Plan and Performance Share Plan. Details of the plans, including awards and the performance conditions for the vesting of the awards are found in Principle no. 9.

Disclosure on Remuneration

Principle 9:

Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.

Remuneration of Directors

Directors of the Company	Remuneration S$	Fee %	Salary %	Bonus %	Allowances & Benefits %	Long Term Incentives %	Total %
Mr Lee Hsien Yang	1,533,200	100	0	0	0	0	100
Mr Timothy Chia Chee Ming	110,454	100	0	0	0	0	100
Mr Ho Tian Yee	203,200	100	0	0	0	0	100
Mr Simon Israel	233,000	100	0	0	0	0	100
Mr Koh Beng Seng	111,000	100	0	0	0	0	100
Mr Soon Tit Koon	127,000	100	0	0	0	0	100
Mr Tan Chong Meng	94,833	100	0	0	0	0	100
Mr Nicky Tan Ng Kuang	102,417	100	0	0	0	0	100

Remuneration Matters (cont'd)

Remuneration of Top 5 Key Executives

Key Executives of the F&N Group	Remuneration S$	Fee %	Salary %	Bonus %	Allowances & Benefits %	Long Term Incentives %	Total %
Mr Anthony Cheong Fook Seng	1,422,853	0	43	20	4	33	100
Mr Koh Poh Tiong	2,948,377	0	41	20	3 (2)(3)	36 (1)	100
Mr Lim Ee Seng	2,665,264	0	42	33	3 (2)	22	100
Dato' Ng Jui Sia	913,296	0	49	20	6	25	100
Mr Roland Pirmez	1,979,067	0	55	41	4 (2)(4)	0	100

Note:
(1) Includes exercise of options granted under the Phantom Share Option Plan of Asia Pacific Breweries Limited ("APB") to Mr Koh Poh Tiong while he was CEO of the APB Group.
(2) Refers to car benefits and is stated on the basis of direct costs to the Company.
(3) This figure does not include one-off payment of S$750,000 when Mr Koh Poh Tiong was appointed Chief Executive Officer of Food & Beverage Division.
(4) This figure does not include one-off payments for relocation and accommodation expenses amounting to S$174,000.

Information on the Key Executives is set out on page 71.

Long Term Incentive Plans

The F&N ESOS was adopted at an Extraordinary General Meeting ("**EGM**") of the Company held on 30 September 1999. The Scheme was valid for a duration of 10 financial years and the last grant under the F&N ESOS was made on 25 November 2008. Options granted prior to the expiry of the F&N ESOS will continue to be valid and be subject to the terms and conditions of the F&N ESOS.

The Company introduced the Restricted Share Plan ("**RSP**") and Performance Share Plan ("**PSP**") to replace the F&N ESOS. The RSP and PSP were approved and adopted by Shareholders at the EGM of the Company held on 22 January 2009. The RSEC is responsible for the administration of the share-based remuneration plans.

The RSP and PSP serve to foster a greater ownership culture within the F&N Group by aligning more directly the interests of key senior Management and senior executives with the interest of Shareholders, and to improve performance and achieve sustainable growth for the Company to deliver long term shareholder value in the changing business environment.

The RSP is available to a broader base of senior executives compared to the PSP. Its objectives are to increase the Company's flexibility and effectiveness in its continuing efforts to attract, motivate and retain talented senior executives and to reward these executives for the Company's and the individual's performance. The PSP serves to further motivate key senior Management to strive for superior performance and to deliver long-term shareholder value. It is targeted at senior Management in key positions who shoulder the responsibility of the Company's performance and who are able to drive the growth of the Company through superior performance.

Under the RSP and PSP, the Company grants share-based awards ("**Awards**") conditional upon pre-determined targets set for a performance period. The Awards represent the right to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, provided certain prescribed performance conditions are met. No grant of Awards was made during the year ended 30 September 2009. The first grant of Awards was made in the first quarter of the financial year ending 30 September 2010.

Remuneration Matters (cont'd)

Directors' Fees

The Directors receive basic directors' fees, additional fees for serving as Board Committee members and attendance fees for Board and Board Committee meetings. Shareholders' approval will be sought at the 111th Annual General Meeting of the Company on 28 January 2010, for the payment of Directors' fees amounting to S$2,555,000 comprising the following:

Directors' Fees	FY09/10 (Proposed) (S$)	FY08/09 (Approved by Shareholders) (S$)
Non-Executive Chairman	1,250,000 (1)	1,250,000
Non-Executive Directors' Fees @ S$75,000 each (last year: S$75,000 each)	750,000	725,000
Attendance Allowances for Board meetings	130,000	110,000
Transport allowance in lieu of company car	80,000	80,000
Board Committee Fees	345,000	390,000
To be approved at the AGM of the Company	2,555,000	2,555,000 (2)

The Directors' fees to be proposed for the financial year ended 30 September 2010 amounting to S$2,555,000 is the same as that approved by Shareholders for the financial year ended 30 September 2009.

Note:

(1) Additionally, Mr Lee will receive Directors' fees of S$150,000 (to be paid by Frasers Centrepoint Limited), in his capacity as non-executive Chairman of Frasers Centrepoint Limited.

(2) For the financial year ended 30 September 2009, the total amount of Directors' fees approved by Shareholders was S$2,555,000. Of this amount, S$2,235,364 was paid.

Accountability and Audit

Principle 10:

The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

F&N prepares its financial statements in accordance with the Singapore Financial Reporting Standards ("**SFRS**") prescribed by the Accounting Standards Council. The Board presents a balanced and understandable assessment of the Company's performance, position and prospects to the public via the release of its quarterly and full year financial results.

Audit Committee
Principle 11:

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The Audit Committee is guided by written terms of reference, which clearly set out its authority and duties. It has explicit authority to investigate any matter within these terms, full access to and the co-operation of Management, and full discretion to invite any Director or executive officer to attend its meetings. Its main responsibilities are to assist the Board in the discharge of its statutory and other responsibilities in the areas of internal controls, financial and accounting matters, compliance, and business and financial risk management. The Audit Committee has reasonable resources to enable it to discharge its functions effectively.

Audit Committee

The Audit Committee comprises the following four members:

Mr Koh Beng Seng	Chairman
Mr Timothy Chia Chee Ming	Member
Mr Tan Chong Meng	Member
Mr Nicky Tan Ng Kuang	Member

Accountability and Audit (cont'd)

All the members, including the Chairman, are independent non-executive Directors. The members of the Audit Committee are appropriately qualified to discharge their responsibilities. They bring along with them a wealth of experience and expertise relating to accounting and financial management.

The Audit Committee reviews the quarterly and annual financial statements, including key significant financial reporting issues and assessments, to safeguard the integrity of the financial statements and ensure compliance with the requirements of SFRS.

The Audit Committee also approves, on behalf of the Board, the 1st and 3rd Quarter financial statements and corresponding SGX-ST announcements. The Audit Committee recommends to the Board for approval, the half-year and annual financial results and related SGX announcements.

The Audit Committee reviews and approves the internal and external audit plans to ensure the sufficiency of the audit scope. It reviews audit findings and recommendations of the internal and external auditors and monitors the timely and proper implementation of all required corrective, preventive or improvement measures. The Audit Committee also meets with the external and internal auditors without the presence of Management at least once a year.

The Audit Committee reviews and evaluates with the internal and external auditors, the adequacy and effectiveness of the system of internal controls, including financial, operational and compliance controls, and risk management policies and framework.

The Audit Committee recommends the appointment and re-appointment of external auditors to the Board for approval. In so doing, the independence of auditors, and the adequacy of external audits in respect of cost, scope and performance are considered. It also approves their compensation and the terms of their engagement.

During the course of the financial year, the four largest audit firms in Singapore were invited to submit their audit proposals. The Audit Committee reviewed the written submissions of these audit firms and presentations made by three of the four firms. After deliberation, the Audit Committee recommended to the Board the re-appointment of the incumbent auditors. Before recommending their re-appointment, the Audit Committee conducted a review of all non-audit services provided by the incumbent auditors and is satisfied that the nature and extent of such services do not affect their independence and objectivity as external auditors.

The Audit Committee Guidance Committee issued the Guidebook for Audit Committees in Singapore in October 2008. The Guidebook has been distributed to all members of the Audit Committee and the Board. Where appropriate, the Audit Committee will adopt relevant best practices set out in the Guidebook, which will be used as a reference to assist the Committee in performing its functions.

A Whistle-Blowing Policy has been put in place to provide a channel through which employees may report, in good faith and in confidence, any concerns in financial and other matters, and arrangements are in place for independent investigation with appropriate follow-up action.

Internal Controls
Principle 12:

The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

The Audit Committee, through the assistance of the internal and external auditors, reviews and reports to the Board on the adequacy of the system of controls, including financial, operational and compliance controls, and risk management policies and systems established by Management. The Board is satisfied that the Company's framework of internal controls is adequate to provide reasonable assurance of the integrity, effectiveness and efficiency of the Company in safeguarding its assets and shareholders' investments.

The Board through the Audit Committee reviews the risk profiles of the Company to ensure that robust risk management and internal controls are in place. The Company has adopted an enterprise-wide risk management ("**ERM**") framework to enhance its risk management capabilities. Key risks, control measures and management actions are continually identified, reviewed and monitored as part of the ERM process. Each significant transaction is comprehensively analysed to understand the risks involved. Financial and operational key risk indicators are in place to track key risk exposures.

An outline of the ERM framework and progress report is set out on page 56.

Accountability and Audit (cont'd)

Internal Audit
Principle 13:

The company should establish an internal audit function that is independent of the activities it audits.

The Company has an Internal Audit Department that is independent of the activities it audits. The Head of Internal Audit, who is a Certified Public Accountant, reports to the Chairman of the Audit Committee functionally and to the Group Company Secretary administratively.

The Head of Internal Audit and most of the internal audit staff are members of the Institute of Internal Auditors, Singapore and the department has adopted and complied with the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. To ensure that the internal audits are effectively performed, it recruits and employs suitably qualified staff with the requisite skills and experience. The staff is also given relevant training and development opportunities to update their technical knowledge and auditing skills. The key staff members of the Internal Audit Department also receive Fraud Awareness training and other relevant technical trainings and seminars organised by the Institute of Internal Auditors, Singapore and other professional bodies.

The Internal Audit Department operates within the framework stated in its Internal Audit Charter which is approved by the Audit Committee. It adopts a risk-based audit methodology to develop its audit plans which align its activities to key risks across the F&N Group. Based on risk assessments performed, greater focus and appropriate review intervals are set for higher risk activities, and material internal controls, including compliance with the Company's policies, procedures and regulatory responsibilities. The internal audit plans are reviewed and approved by the Audit Committee.

All audit reports detailing audit findings and the appropriate recommendations are submitted to the Audit Committee for deliberation. A summary of key findings and recommendations are discussed at the Audit Committee meetings. Copies of these reports are given to the relevant Management for their follow-up action. The Audit Committee closely monitors the timely and proper implementation of required corrective, preventive or improvement measures.

The Audit Committee is satisfied that that the Internal Audit Department has adequate resource and appropriate standing within the Company to perform its function effectively.

Communication with Shareholders

Principle 14:

Companies should engage in regular, effective and fair communication with shareholders.

The Company engages in regular and effective communication with Shareholders and the investment community, with timely disclosures of material and other pertinent information, through regular dialogues and announcements to SGX-ST. It has a dedicated Corporate Communications team to keep the market and investors apprised of the F&N Group's corporate developments and financial performance through press releases, briefings and meetings. The aim is to provide Shareholders and investors prompt disclosure of relevant information, to enable them to have a better understanding of the Company's businesses and performance. Material information is simultaneously disseminated via announcements to SGX-ST, and posted on the Company's website at www.fraserandneave.com.

Briefings for the half-yearly and full year results are conducted for analysts and the media following the release of the results. Such analysts' and media briefing materials are disseminated through announcements to the SGX-ST and are made available on the Company's website to the public.

The Company's efforts were recently validated and recognised at the Investors' Choice Awards 2009, where it won the Most Improved Award in the Singapore Corporate Governance Award segment, and was runner-up for the Most Transparent Company in the Multi-Industry/Conglomerates category. Organised by non-profit investor rights watchdog, Securities Investors Association of Singapore ("**SIAS**"), this annual event rewards and recognises public-listed companies for their good corporate governance practices and their efforts at increasing corporate transparency.

Communication with Shareholders (cont'd)

Greater Shareholder Participation

Principle 15:

Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company sends its Annual Report and notice of AGM to all Shareholders. The Company's Articles of Association allow all Shareholders the right to appoint a proxy to attend and vote on their behalf in Shareholders' meetings.

At the Company's AGM, the Board encourages participation from Shareholders. Separate resolutions are proposed for substantially separate issues at the meeting. Shareholders are given the opportunity to raise questions and clarify any issues they may have relating to the resolutions to be passed. Board members and senior Management are in attendance at Shareholders' meetings to address any questions raised. The external auditors are also present to address queries about the conduct of audit and the preparation and content of the auditors' report.

The results of voting on resolutions at Shareholders' meetings are announced to the SGX-ST.

Code of Business Ethics and Conduct

F&N has a Code of Business Ethics and Conduct which sets out the standards and ethical conduct expected of all employees in the course of their employment with the F&N Group. Directors, officers and employees are required to observe and maintain high standards of integrity in carrying out their roles and responsibilities, and to comply with laws and regulations, and company's policies.

Whistle-Blowing Policy

The Group has in place a Whistle-Blowing Policy with a well-defined process to provide an independent feedback channel through which staff may, in confidence and in good faith, raise concerns about possible improprieties in matters of financial reporting or other matters. All cases are independently investigated and appropriate actions taken where required.

Listing Rule 1207 sub-Rule (18) on Dealings in Securities

In compliance with Listing Rule 1207 (18) on Dealings in Securities, F&N issues a quarterly circular to its Directors, officers and employees on the restrictions on dealings in listed securities of the F&N Group:

- in the period commencing one month before the public announcement of the annual results and two weeks before the public announcement of quarterly results, and ending on the date of announcement of the relevant results; and

- at any time while in possession of price sensitive information.

Directors and officers are also directed to refrain from dealing in listed securities of the Group on short-term considerations.

Name of Directors	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 Lee Hsien Yang	52	Bachelor of Arts, Cambridge University, UK (Double First) M Sc. in Management Science, Stanford University, California, USA	Chairman: Board Executive Committee Chairman: F&B Board Committee	06.09.2007 31.01.2008	Non-Executive Non-Independent	-
Mr Timothy Chia Chee Ming	59	Bachelor of Science cum laude in Management, Fairleigh Dickinson University, USA	Chairman: Remuneration & Staff Establishment Committee Member: Audit Committee Member: Nominating Committee	26.01.2006 31.01.2008	Non-Executive Independent	Retirement by rotation
Mr Ho Tian Yee	57	Bachelor of Arts (Honours) 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 22.01.2009	Non-Executive Independent	-
Mr Simon Israel	56	Diploma, Business Studies, The University of South Pacific	Member: Board Executive Committee Member: F&B Board Committee	11.01.2007 25.01.2007	Non-Executive Non-Independent	Retirement by rotation
Mr Koh Beng Seng	59	Bachelor of Commerce (First Class Honours), Nanyang University, Singapore MBA, Columbia University, New York	Chairman: Audit Committee	26.01.2006 22.01.2009	Non-Executive Independent	-
Mr Soon Tit Koon	58	Master of Business Administration, University of Chicago, USA Bachelor of Science (Honours), National University of Singapore Advance Management Program, Harvard Business School	Member: Board Executive Committee Member: Remuneration & Staff Establishment Committee Member: F&B Board Committee	31.01.2008	Non-Executive Non-Independent	-
Mr Tan Chong Meng	49	Master of Arts, Industrial Engineering, National University of Singapore Bachelor of Arts, Mechanical Engineering, National University of Singapore	Member: Audit Committee	18.06.2008 22.01.2009	Non-Executive Independent	-
Mr Nicky Tan Ng Kuang	51	Member, The Institute of Chartered Accountants in England and Wales Certified Public Accountant, Institute of Certified Public Accountants in Singapore	Member: Audit Committee Member: Nominating Committee Member: F&B Board Committee	21.10.2003 25.01.2007	Non-Executive Independent	Retirement by rotation

Note:

(1) Directors' shareholdings in the Company and its related Companies: please refer to page 74

(2) Directorships or Chairmanships in other listed companies and other major appointments, both present and over the preceding 3 years: please refer to page 10

Name of Key Executives	Age	Academic & Professional Qualifications	Working Experience	Area of Responsibility
Mr Anthony Cheong Fook Seng	55	Associate, The Institute of Chartered Accountants in England and Wales Member, Institute of Certified Public Accountants of Singapore	1982 – 1989 Manager, Corporate Recovery Services, Ernst & Young 1989 – 2001 Company Secretary, CarnaudMetalbox Asia Ltd 2001 Corporate General Manager, Finance Times Publishing Limited	Group Company Secretary Fraser and Neave Group (Date appointed: 1 April 2002)
Mr Koh Poh Tiong	63	Bachelor of Science, University of Singapore	1985 – 1991 General Manager, Asia Pacific Breweries Limited 1991 – 1993 Deputy Group General Manager, Asia Pacific Breweries Limited 1993 – 2008 Chief Executive Officer, Asia Pacific Breweries Limited	Chief Executive Officer, Food & Beverage Fraser and Neave, Limited (Date appointed: 1 October 2008) Director Asia Pacific Breweries Limited Fraser & Neave Holdings Bhd
Mr Lim Ee Seng PBM	58	Bachelor of Engineering (Civil), 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 October 2004)
Dato' Ng Jui Sia	57	Bachelor of Business Administration, University of Singapore Associate, The 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), Carnaudmetalbox Asia Pacific 1995 – 1999 General Manager, Fraser and Neave, Limited/F&N Coca-Cola (Singapore) Pte Ltd 1999 – 2006 Managing Director, F&N Coca-Cola (Malaysia) Sdn Bhd	Chief Executive Officer Times Publishing Limited (Date appointed: 15 July 2006) Director Times Publishing Limited (Date appointed: 31 August 2006) Director PMP Limited (ASX listed company in Australia) (Date appointed: 29 November 2007) Director Fung Choi Media Group Ltd (Date appointed: 24 August 2009)
Mr Roland Pirmez	49	Master Degree in Brewing Engineering, Universite Catholique de Louvain Bachelor Degree in Agriculture Engineering, Universite Catholique de Louvain	1995 – 1998 Managing Director, Heineken Angola 1998 – 2002 Managing Director, Thai Asia Pacific Brewery 2002 – 2008 Chief Executive Officer, Heineken Russia	Director and Chief Executive Officer Asia Pacific Breweries Limited (Date appointed: 1 October 2008)

MAKING TOMORROW TODAY

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Directors' Report

Your directors have pleasure in submitting their report and the audited financial statements of the Company and of the Group for the financial year ended 30 September 2009.

1. DIRECTORATE

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

Mr Lee Hsien Yang (Chairman)
Mr Timothy Chia Chee Ming
Mr Ho Tian Yee
Mr Simon Israel
Mr Koh Beng Seng
Mr Soon Tit Koon
Mr Tan Chong Meng
Mr Nicky Tan Ng Kuang

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

– By rotation pursuant to Article 117 of the Company's Articles of Association:
  - Mr Timothy Chia Chee Ming
  - Mr Simon Israel
  - Mr Nicky Tan Ng Kuang

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.

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 SHARE OF THE COMPANY/ OTHER SECURITIES OF GROUP COMPANIES	
	As at 1 Oct 2008	**As at 30 Sep 2009**
Lee Hsien Yang		
- Fraser and Neave, Limited Ordinary Shares	180,000	588,240
- Frasers Commercial Trust Units	-	3,000,000
Timothy Chia Chee Ming	Nil	Nil
Ho Tian Yee	Nil	Nil
Simon Israel		
- Frasers Centrepoint Trust Units	Nil	700,000
Koh Beng Seng	Nil	Nil
Soon Tit Koon	Nil	Nil
Tan Chong Meng	Nil	Nil
Nicky Tan Ng Kuang		
- Frasers Centrepoint Trust Units	300,000	300,000

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.

5. **SHARE OPTIONS AND SHARE PLANS**

(a) **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 expired on 30 September 2009 but Options already granted under this Scheme remain exercisable until the end of the relevant Option Period.

The Scheme is administered by the Remuneration & Staff Establishment Committee which comprises the following three non-executive directors who do not participate in the Schemes:

Mr Timothy Chia Chee Ming (Chairman)
Mr Ho Tian Yee
Mr Soon Tit Koon

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.

Year 10 Options of the 1999 Scheme

During the financial year ended 30 September 2009, in consideration of the payment of $1 for each offer accepted, offers of options were granted pursuant to the 1999 Scheme in respect of 14,051,865 unissued ordinary shares of the Company at an exercise price of $2.86 per share.

Information pertaining to Outstanding Options

At the end of the financial year, there were 47,724,935 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 1.10.2008 or Offer Date if later	Options Exercised/ Lapsed	Balance as at 30.9.2009	Exercise Price	Exercise Period
1999 Scheme						
2002 (Year 3)	08.10.2001	128,960	(111,455)	17,505	$1.40	09.07.2004 to 08.09.2011
2003 (Year 4)	01.10.2002	561,125	(186,285)	374,840	$1.51	01.07.2005 to 31.08.2012
2004 (Year 5)	08.10.2003	3,197,485	(1,531,835)	1,665,650	$2.12	08.07.2006 to 07.09.2013
2005 (Year 6)	08.10.2004	5,499,105	(1,713,505)	3,785,600	$2.82	08.07.2007 to 07.09.2014
2006 (Year 7)	10.10.2005	8,666,190	(435,590)	8,230,600	$3.46	10.07.2008 to 09.09.2015
2007 (Year 8)	10.10.2006	9,208,703	(208,573)	9,000,130	$4.22	10.07.2009 to 09.09.2016
2008 (Year 9)	10.10.2007	10,965,601	(237,985)	10,727,616	$5.80	10.07.2010 to 09.09.2017
2009 (Year 10)	25.11.2008	14,051,865	(128,871)	13,922,994	$2.86	25.08.2011 to 24.10.2018
		52,279,034	(4,554,099) *	47,724,935		

* Exercised (3,887,340)
Lapsed due to Resignations and Non-acceptance (666,759)

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

Statutory and other information regarding the Options

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

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

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

(iv) The number of shares which may be acquired by a grantee and the Exercise Price are subject to adjustment, as confirmed by the auditors of the Company that such adjustment is fair and reasonable, by reason of any issue of additional shares in the Company by way of rights or capitalisation of profits or reserves, or repayment and reduction of capital 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, 65,210 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 1.10.2008	Options Exercised/ Lapsed	Balance as at 30.9.2009	Exercise Price	Exercise Period
1999	23.12.1998	3,898	(3,898)	-	$3.61	22.09.2001 to 21.11.2008
2000	22.12.1999	10	-	10	$4.28	21.09.2002 to 20.11.2009
2001	20.12.2000	2,750	-	2,750	$3.91	19.09.2003 to 18.11.2010
2002	08.10.2001	5,650	-	5,650	$3.79	08.07.2004 to 07.09.2011
2003	15.10.2002	18,000	-	18,000	$4.79	15.07.2005 to 14.09.2012
2004	08.10.2003	40,800	(2,000)	38,800	$6.29	08.07.2006 to 07.09.2013
		71,108	(5,898) *	65,210		

* Exercised (2,000)
Lapsed due to Expiry (3,898)

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, apply also to the APBL options.

5. SHARE OPTIONS AND SHARE PLANS (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 12 November 2006 but Options already granted under that Scheme remain exercisable untill the end of the relevant Option Period.

Information pertaining to Outstanding Options

At the end of the financial year, 905,400 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 1.10.2008	Options Exercised/ Lapsed	Balance as at 30.9.2009	Exercise Price	Exercise Period
Old Scheme						
2004	24.11.2003	27,500	(27,500)	-	RM3.83	24.08.2006 to 23.10.2008
2005	24.11.2004	223,700	(216,700)	7,000	RM4.89	24.08.2007 to 23.10.2009
2006	26.08.2005	747,000	(618,700)	128,300	RM5.54	27.05.2008 to 26.07.2010
2007	26.09.2006	1,988,000	(1,217,900)	770,100	RM6.12	27.06.2009 to 26.08.2011
		2,986,200	(2,080,800)*	905,400		

* Exercised (1,963,200)
Lapsed due to Expiry and Resignations (117,600)

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, apply 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.

(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 succeeded the F&NHB Scheme.

Information pertaining to Outstanding Options

At the end of the financial year, 5,188,600 F&NHB unissued ordinary shares of F&NHB under Options were granted pursuant to the F&NHB 2007 Scheme.

Details of the options granted to executives pursuant to the F&NHB 2007 Scheme to acquire ordinary shares of RM1 each in the capital of F&NHB are as follows:

Options	Offer Date	Balance as at 1.10.2008 or Offer Date if later	Options Exercised/ Lapsed	Balance as at 30.9.2009	Exercise Price	Exercise Period
New Scheme						
2008	20.11.2007	2,504,300	(127,000)	2,377,300	RM7.77	20.08.2010 to 19.10.2012
2009	19.11.2008	2,916,100	(104,800)	2,811,300	RM8.46	19.08.2011 to 18.10.2013
		5,420,400	(231,800)*	5,188,600		

* Lapsed due to Resignations, Terminations and Non-Acceptance

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

Statutory and other information regarding the F&NHB Options
The main features of the F&NHB 2007 Scheme are outlined below:

- The maximum number of new ordinary shares of RM1.00 each in the company which may be issued on the exercise of the F&NHB 2007 Scheme shall not exceed 10% of the issued and paid-up share capital of F&NHB at any point of time throughout the duration of the F&NHB 2007 Scheme.

- Eligible full-time executives of the group and executive directors of the company with at least one year service shall be eligible to participate in the F&NHB 2007 Scheme.

- The allotment of an eligible executive shall not exceed the maximum limits for any specific job grade in any one financial year and 1,000,000 new shares of the company during the tenure of the F&NHB 2007 Scheme, subject to the limits below:

  (i) not more than 50% of the new shares of F&NHB available under the F&NHB 2007 Scheme shall be allocated, in aggregate, to the directors and senior management of the group; and

  (ii) not more than 10% of the new shares of the company available under the F&NHB 2007 Scheme shall be allocated to any individual eligible executive who, either singly or collectively through persons connected to that eligible executive, holds 20% or more of the issued and paid-up share capital of the company.

The option price shall be the five days weighted average market price of the company's shares as quoted on Bursa Malaysia Securities Bhd immediately preceding the date of the offer, or the par value of the shares of F&NHB, whichever is higher.

The F&NHB 2007 Scheme shall be in force for a period of 10 years from the effective date for the implementation of the F&NHB 2007 Scheme.

(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.

2008 Options
During the financial year ended 30 September 2009, offers of options were granted pursuant to the Scheme in respect of 17,050,000 unissued ordinary shares of HK$0.10 each of FPCL at an exercise price of HK$0.10 per share.

Information pertaining to Outstanding Options
At the end of the financial year, there were 84,026,154 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 1.10.2008 or Offer Date if later	Options Exercised/ Lapsed	Balance as at 30.9.2009	Exercise Price	Exercise Period
2003	31.12.2003	9,965,658	(88,327)	9,877,331	HK$0.1580	31.12.2004 to 30.12.2013
2004	31.12.2004	11,474,439	-	11,474,439	HK$0.1547	31.12.2005 to 30.12.2014
2005	30.12.2005	13,773,647	-	13,773,647	HK$0.1343	30.12.2006 to 29.12.2015
2006	13.11.2006	15,300,737	-	15,300,737	HK$0.1670	13.11.2007 to 12.11.2016
2007	09.11.2007	16,550,000	-	16,550,000	HK$0.3370	09.11.2008 to 08.11.2017
2008	14.11.2008	17,050,000	-	17,050,000	HK$0.1000	14.11.2009 to 13.11.2018
		84,114,481	(88,327)*	84,026,154		

* Lapsed due to resignations (88,327)

5. SHARE OPTIONS AND SHARE PLANS (cont'd)

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.

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

	Percentage of shares over which a share option is exercisable	
Vesting Schedule	**Granted before 2004 (%)**	**Granted on or 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 specified above, exercised 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.

5. SHARE OPTIONS AND SHARE PLANS (cont'd)

(e) Share Plans
At an Extraordinary General Meeting held on 22 January 2009, the shareholders of the Company approved the adoption of the F&N Restricted Share Plan and the F&N Performance Share Plan. These plans succeeded the 1999 Scheme and no awards have been granted in this financial year.

(f) 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.

(g) 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 quarterly results 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 LLP for re-appointment by shareholders as auditor for the ensuing financial year.

7. AUDITORS
The auditors, Ernst & Young LLP, 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 2009 as set out at paragraph 3 hereof.

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

On behalf of the Board

LEE HSIEN YANG
Director

KOH BENG SENG
Director

Singapore,
12 November 2009

Statement by Directors

We, **LEE HSIEN YANG** and **KOH BENG SENG**, 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 83 to 181, 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 2009 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 2009; 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

KOH BENG SENG
Director

Singapore,
12 November 2009

Independent 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 83 to 181, which comprise the balance sheets of the Group and the Company as at 30 September 2009, and the profit statements, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 management, 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 2009 and the results and changes in equity of the Group and the 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 LLP
Public Accountants and
Certified Public Accountants

Singapore,
12 November 2009

Profit Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	Notes	THE GROUP 2009 ($'000)	THE GROUP 2008 ($'000) (Restated)	THE COMPANY 2009 ($'000)	THE COMPANY 2008 ($'000)
REVENUE	3	**5,332,567**	4,990,067	**4,458**	4,439
Cost of sales		**(3,557,525)**	(3,316,321)	**-**	-
Gross profit		**1,775,042**	1,673,746	**4,458**	4,439
Other income/(expenses) (net)	4(a)	**17,414**	24,533	**27**	(214)
Operating expenses					
- Distribution		**(221,103)**	(211,451)	**-**	-
- Marketing		**(465,897)**	(427,829)	**-**	-
- Administration		**(320,247)**	(329,073)	**(5,536)**	(9,728)
		(1,007,247)	(968,353)	**(5,536)**	(9,728)
TRADING PROFIT/(LOSS)		**785,209**	729,926	**(1,051)**	(5,503)
Gross dividends from subsidiary and joint venture companies	6	**-**	-	**293,133**	355,639
Share of joint venture companies' profits		**12,731**	11,708	**-**	-
Share of associated companies' (losses)/profits		**(858)**	14,907	**-**	-
Gross income from investments	7	**13,539**	9,241	**425**	728
PROFIT BEFORE INTEREST AND TAXATION ("PBIT")		**810,621**	765,782	**292,507**	350,864
Interest income		**22,367**	31,551	**5,777**	9,716
Interest expense		**(88,711)**	(96,140)	**(13,708)**	(21,353)
Net interest expense	4(b)	**(66,344)**	(64,589)	**(7,931)**	(11,637)
PROFIT BEFORE IMPAIRMENT, FAIR VALUE ADJUSTMENT, TAXATION AND EXCEPTIONAL ITEMS		**744,277**	701,193	**284,576**	339,227
Impairment on investments		**(7,292)**	(47,955)	**-**	(11,413)
Fair value adjustment of investment properties (net)	4(c)	**(122,597)**	71,846	**-**	-
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS	4(d)	**614,388**	725,084	**284,576**	327,814
Exceptional items	8	**1,440**	12,057	**-**	-
PROFIT BEFORE TAXATION		**615,828**	737,141	**284,576**	327,814
Taxation	9	**(173,451)**	(169,429)	**(9,940)**	(9,936)
PROFIT AFTER TAXATION		**442,377**	567,712	**274,636**	317,878
ATTRIBUTABLE PROFIT TO:					
Shareholders of the Company					
- Before fair value adjustment and exceptional items		**466,457**	371,844	**274,636**	317,878
- Fair value adjustment of investment properties (net)		**(113,488)**	44,245	**-**	-
- Exceptional items		**6,565**	19,738	**-**	-
		359,534	435,827	**274,636**	317,878
Minority interests		**82,843**	131,885	**-**	-
		442,377	567,712	**274,636**	317,878

		Notes	THE GROUP 2009	THE GROUP 2008
Earnings per share attributable to the shareholders of the Company		11		
Basic	- before fair value adjustment and exceptional items		**33.5 cts**	26.8 cts
	- after fair value adjustment and exceptional items		**25.9 cts**	31.4 cts
Fully diluted	- before fair value adjustment and exceptional items		**33.5 cts**	26.6 cts
	- after fair value adjustment and exceptional items		**25.8 cts**	31.2 cts

The Notes on pages 90 to 181 form an integral part of the Financial Statements.

Balance Sheet

AS AT 30 SEPTEMBER 2009

	Notes	THE GROUP 2009 ($'000)	THE GROUP 2008 ($'000)	THE COMPANY 2009 ($'000)	THE COMPANY 2008 ($'000)
SHARE CAPITAL AND RESERVES					
Share capital	12	**1,341,707**	1,330,297	**1,341,707**	1,330,297
Reserves	12	**4,243,017**	3,952,977	**2,470,937**	2,348,272
		5,584,724	5,283,274	**3,812,644**	3,678,569
MINORITY INTERESTS		**1,098,731**	1,135,242	**-**	-
		6,683,455	6,418,516	**3,812,644**	3,678,569
Represented by:					
NON-CURRENT ASSETS					
Fixed assets	13	**1,239,721**	1,231,828	**-**	-
Investment properties	14	**3,444,233**	3,558,922	**-**	-
Properties held for development	15	**169,801**	162,297	**-**	-
Subsidiary companies	16	**-**	-	**3,544,830**	3,752,960
Joint venture companies	17	**89,487**	60,639	**434,421**	408,921
Associated companies	18	**635,869**	638,234	**82,383**	83,541
Intangible assets	19	**376,680**	357,530	**-**	-
Brands	23	**43,127**	48,139	**-**	-
Other investments	21	**465,213**	152,442	**8,309**	8,085
Other receivables	26	**54,106**	19,204	**-**	-
Deferred tax assets	33	**22,951**	17,844	**-**	-
		6,541,188	6,247,079	**4,069,943**	4,253,507
CURRENT ASSETS					
Properties held for sale	24	**4,007,448**	4,576,737	**-**	-
Inventories	25	**423,507**	468,502	**-**	-
Trade receivables	26	**734,167**	714,058	**-**	-
Other receivables	26	**237,096**	291,420	**2,594**	3,204
Subsidiary companies	16	**-**	-	**85,010**	72,509
Joint venture companies	17	**11,666**	26,559	**-**	-
Associated companies	18	**5,105**	910	**-**	-
Short term investments	28	**254,696**	141,111	**-**	-
Bank fixed deposits	22	**1,269,499**	629,882	**52,092**	39,200
Cash and bank balances	22	**373,809**	403,057	**470**	356
		7,316,993	7,252,236	**140,166**	115,269
Assets held for sale	29	**9,387**	27,086	**-**	-
		7,326,380	7,279,322	**140,166**	115,269
Deduct: CURRENT LIABILITIES					
Trade payables	30	**681,508**	576,592	**-**	-
Other payables	30	**760,470**	668,475	**5,971**	11,303
Subsidiary companies	16	**-**	-	**26,680**	18,938
Joint venture companies	17	**3,055**	4,066	**-**	-
Associated companies	18	**1,035**	17,545	**-**	-
Borrowings	31	**1,692,726**	2,079,576	**199,914**	299,960
Provision for taxation		**298,142**	247,417	**14,609**	9,925
		3,436,936	3,593,671	**247,174**	340,126
NET CURRENT ASSETS/(LIABILITIES)		**3,889,444**	3,685,651	**(107,008)**	(224,857)
Deduct: NON-CURRENT LIABILITIES					
Other payables	30	**9,334**	10,037	**-**	-
Borrowings	31	**3,608,299**	3,355,259	**150,000**	349,814
Provision for employee benefits	32	**19,303**	18,764	**-**	-
Deferred tax liabilities	33	**110,241**	130,154	**291**	267
		3,747,177	3,514,214	**150,291**	350,081
		6,683,455	6,418,516	**3,812,644**	3,678,569

The Notes on pages 90 to 181 form an integral part of the Financial Statements.

Statement of Changes in Equity

	Notes	Share Capital ($'000)	Capital Reserve ($'000)	Revenue Reserve ($'000)	Exchange Reserve ($'000)	Fair Value Adjustment Reserve ($'000)	Hedging Reserve ($'000)	Employee Share Option Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)	Minority Interests ($'000)	Total Equity ($'000)
		THE GROUP										
YEAR ENDED 30 SEPTEMBER 2009												
Balance at 1 October 2008		1,330,297	271,656	3,588,773	(112,567)	64,222	-	22,774	118,119	5,283,274	1,135,242	6,418,516
Share of associated companies' reserves		-	(1,799)	-	4,071	251	(530)	-	-	1,993	-	1,993
Transfer of distributable reserves by overseas subsidiary companies in compliance with statutory requirements		-	440	(440)	-	-	-	-	-	-	-	-
Realisation of reserves on disposal of subsidiary companies		-	(183)	183	3,308	-	-	-	-	3,308	-	3,308
Change in minority interests' in reserves upon the issue of shares by subsidiary companies		-	-	(645)	-	-	-	-	-	(645)	645	-
Net fair value changes on derivative financial instruments		-	-	-	-	-	(18,696)	-	-	(18,696)	(1,916)	(20,612)
Net fair value changes on available-for-sale financial assets		-	-	-	-	113,579	-	-	-	113,579	-	113,579
Currency translation difference		-	-	-	(17,436)	-	-	-	-	(17,436)	(10,900)	(28,336)
Net (expenses)/income recognised directly in equity		-	(1,542)	(902)	(10,057)	113,830	(19,226)	-	-	82,103	(12,171)	69,932
Profit after taxation		-	-	359,534	-	-	-	-	-	359,534	82,843	442,377
Total recognised (expenses)/ income for the year		-	(1,542)	358,632	(10,057)	113,830	(19,226)	-	-	441,637	70,672	512,309
Employee share-based expense		-	-	-	-	-	-	9,895	-	9,895	37	9,932
Issue of shares in the Company upon exercise of share options	12	11,410	-	-	-	-	-	(1,679)	-	9,731	-	9,731
Contribution of capital by minority interests		-	-	-	-	-	-	-	-	-	1,135	1,135
Change of interests in subsidiary and joint venture companies		-	-	-	-	-	-	-	-	-	(20,865)	(20,865)
Dividends	10											
Dividend to minority interests		-	-	-	-	-	-	-	-	-	(87,490)	(87,490)
Dividend to shareholders, paid		-	-	(41,694)	-	-	-	-	(118,119)	(159,813)	-	(159,813)
Dividend to shareholders, proposed		-	-	(146,320)	-	-	-	-	146,320	-	-	-
Balance at 30 September 2009		1,341,707	270,114	3,759,391	(122,624)	178,052	(19,226)	30,990	146,320	5,584,724	1,098,731	6,683,455

The Notes on pages 90 to 181 form an integral part of the Financial Statements.

Statement of Changes in Equity

	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)
		THE GROUP									
YEAR ENDED 30 SEPTEMBER 2008											
Balance at 1 October 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
Effects of adopting FRS 40		-	(871,148)	903,713	-	-	-	-	32,565	21,533	54,098
Balance at 1 October 2007, restated		1,313,915	275,352	3,335,301	(29,164)	225,246	14,916	117,596	5,253,162	1,182,980	6,436,142
Share of associated companies' reserves		-	577	-	(6,084)	(37)	-	-	(5,544)	-	(5,544)
Transfer on disposal of subsidiary company		-	(4,273)	5,940	(1,667)	-	-	-	-	-	-
Change in minority interests' in reserves upon the issue of shares by subsidiary companies		-	-	(229)	-	-	-	-	(229)	229	-
Change of interest in subsidiary due to treasury share buy-back		-	-	(131)	-	-	-	-	(131)	(94)	(225)
Net fair value changes on available-for-sale financial assets		-	-	-	-	(160,987)	-	-	(160,987)	(401)	(161,388)
Currency translation difference		-	-	-	(75,652)	-	-	-	(75,652)	(41,863)	(117,515)
Net (expenses)/income recognised directly in equity		-	(3,696)	5,580	(83,403)	(161,024)	-	-	(242,543)	(42,129)	(284,672)
Profit after taxation		-	-	435,827	-	-	-	-	435,827	131,885	567,712
Total recognised (expenses)/ income for the year		-	(3,696)	441,407	(83,403)	(161,024)	-	-	193,284	89,756	283,040
Employee share-based expense		-	-	-	-	-	9,865	-	9,865	63	9,928
Issue of shares in the Company upon exercise of share options	12	16,382	-	-	-	-	(2,007)	-	14,375	-	14,375
Contribution of capital by minority interests		-	-	-	-	-	-	-	-	5,623	5,623
Change of interests in subsidiary and joint venture companies		-	-	-	-	-	-	-	-	(58,031)	(58,031)
Dividends	10										
Dividend to minority interests		-	-	-	-	-	-	-	-	(85,149)	(85,149)
Dividend to shareholders, paid		-	-	(69,816)	-	-	-	(117,596)	(187,412)	-	(187,412)
Dividend to shareholders, proposed		-	-	(118,119)	-	-	-	118,119	-	-	-
Balance at 30 September 2008		1,330,297	271,656	3,588,773	(112,567)	64,222	22,774	118,119	5,283,274	1,135,242	6,418,516

The Notes on pages 90 to 181 form an integral part of the Financial Statements.

Statement of Changes in Equity

THE COMPANY

	Notes	Share Capital ($'000)	Capital Reserve ($'000)	Revenue Reserve ($'000)	Fair Value Adjustment Reserve ($'000)	Employee Share Option Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)
YEAR ENDED 30 SEPTEMBER 2009								
Balance at 1 October 2008		1,330,297	1,039,274	1,168,822	1,218	20,839	118,119	3,678,569
Net fair value changes on available-for-sale financial assets		-	-	-	201	-	-	201
Net income recognised directly in equity		-	-	-	201	-	-	201
Profit after taxation		-	-	274,636	-	-	-	274,636
Total recognised income for the year		-	-	274,636	201	-	-	274,837
Employee share-based expense		-		-	-	9,320	-	9,320
Issue of shares in the Company upon exercise of share options	12	11,410	-	-	-	(1,679)	-	9,731
Dividends	10							
Dividend to shareholders, paid		-	-	(41,694)	-	-	(118,119)	(159,813)
Dividend to shareholders, proposed		-	-	(146,320)	-	-	146,320	-
Balance at 30 September 2009		1,341,707	1,039,274	1,255,444	1,419	28,480	146,320	3,812,644
YEAR ENDED 30 SEPTEMBER 2008								
Balance at 1 October 2007		1,313,915	1,039,274	1,038,879	1,997	13,503	117,596	3,525,164
Net fair value changes on available-for-sale financial assets		-	-	-	(779)	-	-	(779)
Net expense recognised directly in equity		-	-	-	(779)	-	-	(779)
Profit after taxation		-	-	317,878	-	-	-	317,878
Total recognised income/(expenses) for the year		-	-	317,878	(779)	-	-	317,099
Employee share-based expense		-	-	-	-	9,343	-	9,343
Issue of shares in the Company upon exercise of share options	12	16,382	-	-	-	(2,007)	-	14,375
Dividends	10							
Dividend to shareholders, paid		-	-	(69,816)	-	-	(117,596)	(187,412)
Dividend to shareholders, proposed		-	-	(118,119)	-	-	118,119	-
Balance at 30 September 2008		1,330,297	1,039,274	1,168,822	1,218	20,839	118,119	3,678,569

The Notes on pages 90 to 181 form an integral part of the Financial Statements.

Cash Flow Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	THE GROUP	
	2009 ($'000)	2008 ($'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and exceptional items	**614,388**	725,084
Adjustments for:		
Depreciation of fixed assets	**138,167**	124,969
Impairment of fixed assets, intangible assets, other investments and associated companies	**23,967**	51,366
Impairment reversal of fixed assets and intangible assets	**(1,534)**	(1,582)
Provision for employee benefits	**4,776**	5,072
Write back of employee benefits	**(961)**	(1,031)
Allowance for foreseeable losses in properties held for sale	**55,362**	25,936
Loss/(Profit) on disposal of fixed assets (net)	**3,083**	(317)
Amortisation of brands and intangible assets	**28,459**	24,431
Interest expenses (net)	**66,344**	64,589
Share of joint venture companies' profits	**(12,731)**	(11,708)
Share of associated companies' losses/(profits)	**858**	(14,907)
Investment income	**(13,539)**	(9,241)
Profit on properties held for sale	**(347,845)**	(307,088)
Employee share-based expense	**10,187**	9,781
Fair value adjustment of financial instruments	**11,692**	2,015
Fair value adjustment of investment properties	**122,597**	(71,846)
Loss on disposal of financial instruments	**1,971**	309
Operating cash before working capital changes	**705,241**	615,832
Change in inventories	**29,745**	13,346
Change in receivables	**(14,078)**	356,392
Change in joint venture and associated companies' balances	**(6,713)**	(16,968)
Change in payables	**26,946**	24,293
Currency realignment	**(8,661)**	(10,804)
Cash generated from operations	**732,480**	982,091
Interest expenses paid	**(76,933)**	(61,349)
Income taxes paid	**(142,176)**	(151,335)
Payment of employee benefits	**(2,606)**	(2,858)
Payment of cash-settled options	**(559)**	(854)
Progress payment received/receivable on properties held for sale	**1,625,303**	1,109,298
Development expenditure on properties held for sale	**(959,526)**	(1,578,355)
Net cash from operating activities	**1,175,983**	296,638
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends from joint venture and associated companies	**41,870**	19,134
Investment income	**13,539**	9,241
Proceeds from sale of fixed assets and properties	**15,018**	15,466
Proceeds from sale of other and short term investments	**6,137**	25,215
Proceeds/(Outflow) from disposal of subsidiary and joint venture companies	**155,299**	(2,335)
Purchase of fixed assets and properties	**(368,103)**	(453,404)
Purchase of other investments	**(84)**	(105,759)
Acquisition of minority interests in subsidiary companies	**(35,940)**	(65,057)
Acquisition of subsidiary companies and businesses	**-**	(84,558)
Payment for intangible assets	**(25,232)**	(23,709)
Development expenditure on properties held for development	**(105,817)**	(29,532)
Investments in joint venture and associated companies	**(58,604)**	(120,792)
Repayment/(Additional) of trade advances	**1,663**	(60)
Net cash used in investing activities	**(360,254)**	(816,150)

The Notes on pages 90 to 181 form an integral part of the Financial Statements.

Cash Flow Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	THE GROUP	
	2009	2008
	($'000)	($'000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from term loans and bank borrowings	**39,824**	676,463
Repayment of loan from minority interests	**(1,403)**	-
Share buy-back by a subsidiary company	**-**	(225)
Proceeds from issue of shares:		
- by subsidiary companies to minority interests	**1,135**	5,623
- by the Company to shareholders	**9,731**	14,375
Payment of dividends:		
- by subsidiary companies to minority interests	**(87,490)**	(85,149)
- by the Company to shareholders	**(159,813)**	(187,412)
Net cash (used in)/from financing activities	**(198,016)**	423,675
Net increase/(decrease) in cash and cash equivalents	**617,713**	(95,837)
Cash and cash equivalents at beginning of year	**1,020,068**	1,138,186
Effects of exchange rate changes on cash and cash equivalents	**(13,871)**	(22,281)
Cash and cash equivalents at end of year	**1,623,910**	1,020,068
Cash and cash equivalents at end of year comprise:		
Cash and bank deposits (Note 22)	**1,643,308**	1,032,939
Bank overdrafts (Note 31)	**(19,398)**	(12,871)
	1,623,910	1,020,068
Analysis of acquisition, restructuring and disposal of subsidiary and joint venture companies		
Net assets acquired:		
Fixed assets	**2,478**	4,511
Other non-current assets	**1,958**	68,626
Properties held for sale	**-**	25,137
Current assets	**283**	12,421
Current liabilities	**(3,613)**	(31,946)
Non-current liabilities	**-**	(7,130)
Minority interests	**(455)**	(1,416)
Cash	**-**	8,051
	651	78,254
Cost of investment as an associated company	**-**	(945)
Goodwill on acquisition (net)	**2,523**	15,300
Consideration	**3,174**	92,609
Funded by minority interests	**(242)**	-
Cash injection by joint venture company	**(2,932)**	-
Less: Cash of subsidiary companies and businesses	**-**	(8,051)
Cash outflow on acquisition net of cash and cash equivalents acquired	**-**	84,558
Net assets disposed:		
Fixed assets	**(17,796)**	(79,587)
Current assets	**(131,917)**	(25,624)
Non-current liabilities	**-**	2,657
Current liabilities	**32,109**	12,732
Minority interests	**3,273**	-
Cash	**(13,083)**	-
	(127,414)	(89,822)
Translation difference	**(2,491)**	(1,148)
Cost of investment in associated company	**-**	90,356
Provision for cost of disposal	**(16,273)**	6,217
Gain on disposal	**(22,204)**	(3,268)
Consideration (received)/paid	**(168,382)**	2,335
Less: Cash of subsidiary companies and business	**13,083**	-
Cash (inflow)/outflow on disposal net of cash and cash equivalents disposed	**(155,299)**	2,335

The Notes on pages 90 to 181 form an integral part of the Financial Statements.

Notes to the Financial Statements

The following Notes form an integral part of the Financial Statements on pages 83 to 89.

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; and
(c) 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 12 November 2009.

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, except as disclosed below.

During the year, the Group and the Company adopted the following INT FRS that are applicable in the current financial year.

INT FRS 104	Determining whether an Arrangement contains a Lease
INT FRS 113	Customer Loyalty Programmes
INT FRS 114	FRS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above INT FRS has no material effect on the financial statements of the Group and the Company.

2. ACCOUNTING POLICIES (cont'd)

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 but are considered an impairment indicator of the asset transferred.

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 43.

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 Company's joint venture companies is shown in Note 43.

2. ACCOUNTING POLICIES (cont'd)

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.

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 operating results, exceptional items and fair value adjustment of investment properties of associated companies are shown separately in the profit statement. 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 the Company's associated companies is shown in Note 43.

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.

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.

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 replacements 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 will flow to the Group and the cost can be reliably measured. The carrying amount of the replaced parts is derecognised.

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.

2. ACCOUNTING POLICIES (cont'd)

2.8 Fixed Assets (cont'd)

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 work-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 includes fixed assets under construction and advance payments and progress payments made for fixed assets and is not depreciated until each stage of development is completed and becomes operational.

The carrying amounts of fixed assets are reviewed for impairment when events or circumstances indicate that the carrying value may not be recoverable.

2.9 Investment Properties

Investment properties include those portions of office buildings that are held for long term rental yields and/or for capital appreciation.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers. Changes in fair values are recognised in the profit statement.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as addition and the carrying amounts of the replaced components are written off to the profit statement. The cost of maintenance, repairs and minor improvements is charged to the profit statement when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the profit statement.

2. ACCOUNTING POLICIES (cont'd)

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 either finite or indefinite. 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. Deferred development costs arising from deferred expenditure is recognised when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditure during the development.

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.

(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.

2. ACCOUNTING POLICIES (cont'd)

2.12 Intangible Assets (cont'd)

(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 the 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 profit 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.

Impairment loss on goodwill is not reversed in a subsequent period.

(c) Management contracts with finite useful lives are amortised on a straight line basis over an estimated useful life of 8 years. Management contracts with indefinite useful lives are not amortised.

(d) Other intangible assets comprise licenses, web-content, customer relationships, and publishers and distributor relationships. The licenses are amortised based on the remaining lives of the licensing arrangements with the respective licensors. Customers, publishers and distributors relationships are amortised over the remaining useful lives.

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.

2.14 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 allowance 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.

2. ACCOUNTING POLICIES (cont'd)

2.14 Properties Held For Sale (cont'd)

(a) Development Properties Held for Sale (cont'd)
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 costs of the project. The percentage of sales is deemed to be the floor area sold at the balance sheet date divided by the floor area in the project offered for sale. Profit is taken up on the basis of the total expected profit of the area sold multiplied by the percentage of completion, less profit if any, taken up in previous financial periods. The expected profit is assessed having regard to the sale proceeds less attributable total costs including the cost of land, construction and interest and after making due allowance for known potential cost over-runs and allowance for contingencies.

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

Progress payments received from purchasers 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.

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

2. ACCOUNTING POLICIES (cont'd)

2.16 Trade and Other Receivables

Trade and other receivables including receivables 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.

2.19 Employee Benefits

(a) Retirement Benefits

Provision for retirement benefits is made in accordance with:

(i) the terms of agreements concluded 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. 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.

2. ACCOUNTING POLICIES (cont'd)

2.19 Employee Benefits (cont'd)

(a) Retirement Benefits (cont'd)

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.

When the options are exercised 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 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. ACCOUNTING POLICIES (cont'd)

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.

(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 installments.

2. ACCOUNTING POLICIES (cont'd)

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.

2.24 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 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. The carrying amount is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortised or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss is recognised in the income statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised in the profit statement, a reversal of that impairment is also recognised in the profit statement

Impairment loss on goodwill is not reversed in a subsequent period.

2. ACCOUNTING POLICIES (cont'd)

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.

(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.

2. ACCOUNTING POLICIES (cont'd)

2.25 Financial Assets (cont'd)

(e) Determinaton of Fair Value

The fair values 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.

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 value 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.

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 directly 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.

Derivative instruments that qualify for hedge accounting are classified either as cash flow hedge or fair value hedge.

2. ACCOUNTING POLICIES (cont'd)

2.26 Derivative Financial Instruments (cont'd)

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedge item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the criteria for hedge accounting are accounted for as follows:

(a) Cash Flow Hedges

Cash flow hedges are hedges of the exposure to the variability of cash flow that is attributable to a particular risk associated with a recognised asset or liability that could affect the profit statement.

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in hedging reserves within equity, while the ineffective portion is recognised in the profit statement.

Amounts taken to hedging reserves are transferred to the profit statement when the hedged transaction affects the profit statement, such as when the hedged financial income or financial expense is recognised or when a forecast sale or purchase occurs. When the hedged item is the cost of a non-financial asset or liability, the amounts taken to hedging reserves are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in hedging reserves are transferred to the profit statement. If the hedging instrument expires or is sold, terminated, or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in hedging reserves remain in hedging reserves until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the profit statement.

(b) Fair Value Hedges

Fair value hedges are hedges of the exposure to the variability of fair value that is attributable to a particular risk associated with a recognised asset or liability that could affect the profit statement.

For fair value hedges, the gain or loss on the hedging instrument is recognised directly in the profit statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised to profit statement.

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.

2. ACCOUNTING POLICIES (cont'd)

2.27 Significant Accounting Estimates and Judgements (cont'd)

(a) Key Sources of Estimation Uncertainty (cont'd)

(i) Impairment of non-financial and financial assets

Development/completed properties held for sale
The Group assesses whether there are any indicators of impairment for non-financial assets at each reporting date. In particular, allowance for foreseeable losses/impairment is made for development/completed properties held for sale when the net realisable value has fallen below cost. In arriving at estimates of net realisable values, management considered factors such as current market conditions, recent selling prices of the development properties and comparable development properties. The allowance for foreseeable losses has been disclosed in Note 4.

Goodwill, brands and management contracts
Goodwill, brands and management contracts are tested for impairment 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 brands are allocated. Estimating the value in cash 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, brands and management contracts at balance sheet date is disclosed in Note 19, Note 20 and Note 23.

Investment in associated companies
The Group assesses whether at each reporting date whether there is any objective evidence that investment in associated companies are impaired. Where there is objective evidence of impairment, the recoverable amount is estimated based the higher of the value-in-use and the fair value less costs to sell. Estimating the value in use requires the Group to make an estimate of the expected future cash flows to be generated by the associated companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The impairment on investment in associated companies has been disclosed in Note 4.

Investment in available-for-sale financial assets
The Group assesses at each balance sheet date whether there is any objective evidence that any available-for-sale financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the market condition and whether there is a significant prolonged decline in the values of these financial assets.

Where there is objective evidence of impairment for quoted available-for-sale financial assets, the difference between the cost and current fair value is recognised as impairment loss. Where there is objective evidence of impairment for unquoted available-for-sale financial assets, the recoverable value is estimated based on the amount and timing of the future cash flows.

Loans and receivables
The Group assesses at each balance sheet date whether there is any objective evidence that a loan or receivable is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

2. ACCOUNTING POLICIES (cont'd)

2.27 Significant Accounting Estimates and Judgements (cont'd)

(a) Key Sources of Estimation Uncertainty (cont'd)

(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 revenue and cost of sales from partly completed development properties held for sale based on the percentage of completion method. The stage of completion is measured in accordance with the accounting policy stated in Note 2.14. Estimates are required in determining the total estimated development costs which will affect the stage of completion. 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.

(v) Valuation of investment properties

The Group's investment properties are stated at their estimated market values, which are determined annually based on independent professional valuations. These estimated market values may differ from the prices at which the Group's investment properties could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates require an assessment of factors not within the directors' control, such as overall market conditions. As a result, actual results of operations and realisation of these investment properties could differ from the estimates set forth in these financial statements, and the differences could be significant.

(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. ACCOUNTING POLICIES (cont'd)

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	
	2009 ($'000)	2008 ($'000) (Restated)	**2009 ($'000)**	2008 ($'000)
Sale of properties	**1,486,954**	1,172,107	**-**	-
Sale of goods	**3,277,648**	3,271,846	**-**	-
Sale of services	**176,521**	212,943	**-**	-
Gross rental income	**326,024**	284,978	**-**	-
Others	**65,420**	48,193	**4,458**	4,439
Total revenue	**5,332,567**	4,990,067	**4,458**	4,439

4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS

	THE GROUP 2009 ($'000)	THE GROUP 2008 ($'000)	THE COMPANY 2009 ($'000)	THE COMPANY 2008 ($'000)
(a) Included in Other Income/(Expenses) (net):				
Loss on disposal of derivatives	**(1,971)**	(309)	**-**	-
Fair value (loss)/gain on derivatives	**(10,049)**	1,225	**-**	-
Exchange gain/(loss)	**10,212**	6,514	**226**	(218)
Rental income	**4,666**	6,379	**-**	-
Sale of non-stock/scrap items	**1,820**	1,843	**-**	-
(Loss)/Profit on disposal of fixed assets	**(3,083)**	317	**-**	-
Job Credit allowance	**6,046**	-	**-**	-
(b) Net Interest Expense:				
Interest income				
Subsidiary companies	**-**	-	**2,889**	8,664
Bank and other deposits	**16,132**	27,675	**131**	479
Interest rate swap contracts	**2,757**	1,576	**2,757**	573
Others	**3,478**	2,300	**-**	-
	22,367	31,551	**5,777**	9,716
Interest expense				
Bank and other borrowings	**(83,857)**	(90,745)	**(13,708)**	(21,353)
Interest rate swap contracts	**(4,400)**	(4,816)	**-**	-
Others	**(454)**	(579)	**-**	-
	(88,711)	(96,140)	**(13,708)**	(21,353)
	(66,344)	(64,589)	**(7,931)**	(11,637)

(c) Fair value adjustment of investment properties (net):

The fair value adjustment of investment properties is analysed as follows:

	THE GROUP 2009 Gross ($'000)	THE GROUP 2009 Attributable to shareholders of the Company ($'000)	THE GROUP 2008 Gross ($'000)	THE GROUP 2008 Attributable to shareholders of the Company ($'000)
Subsidiary companies	**(77,159)**	**(66,505)**	61,037	37,063
Associated companies	**(45,438)**	**(46,983)**	10,809	7,182
	(122,597)	**(113,488)**	71,846	44,245

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

	THE GROUP 2009 ($'000)	THE GROUP 2008 ($'000)	THE COMPANY 2009 ($'000)	THE COMPANY 2008 ($'000)
(d) Profit before taxation and exceptional items have been arrived at after charging:				
Depreciation of fixed assets	**138,167**	124,969	**-**	-
Impairment of fixed assets	**3,571**	2,977	**-**	-
Impairment of investment in associated companies	**7,292**	47,955	**-**	11,400
Impairment of investment in subsidiary companies	**-**	-	**-**	13
Impairment of brands	**2,560**	-	**-**	-
Impairment of intangibles	**8,804**	412	**-**	-
Allowance for foreseeable losses on properties held for sale	**55,362**	25,936	**-**	-
Amortisation of brands	**591**	729	**-**	-
Amortisation of intangibles	**27,868**	23,702	**-**	-
Intangible assets written off	**1,740**	156	**-**	-
Allowance for doubtful trade debts and bad debts	**6,587**	6,457	**-**	-
Allowance for doubtful other receivables	**15,849**	-	**-**	-
Allowance for inventory obsolescence	**16,166**	10,790	**-**	-
Provision for employee benefits	**4,776**	5,072	**-**	-
Directors of the Company:				
Fee	**2,188**	2,157	**1,912**	1,890
Remuneration of members of Board committees	**275**	211	**275**	211
Retired Directors of the Company:				
Fee	**24**	107	**24**	62
Remuneration of members of Board committees	**24**	8	**24**	8
Remuneration of executive directors	**-**	5,269	**-**	-
Central Provident Fund contribution of executive directors	**-**	3	**-**	-
Consultancy fees	**-**	73	**-**	-
Share option expense	**-**	248	**-**	-
Key executive officers:				
Remuneration	**6,678**	8,085	**-**	-
Provident Fund contribution	**23**	162	**-**	-
Share option expense	**1,826**	1,417	**-**	-
Staff costs (exclude directors and key executives)	**381,569**	382,974	**-**	-
Defined contribution plans (exclude directors and key executives)	**24,654**	25,729	**-**	-
Share option expense (exclude directors and key executives)	**8,361**	8,116	**704**	1,607
Auditors' remuneration:				
Auditor of the Company	**769**	1,245	**213**	208
Other auditors	**2,123**	2,695	**-**	-
Professional fees paid to:				
Auditor of the Company	**126**	58	**2**	-
Other auditors	**421**	413	**-**	-
and crediting:				
Write back of provision for employee benefits	**961**	1,031	**-**	-
Write back of allowance for doubtful trade debts and bad debts	**3,593**	3,844	**-**	-
Reversal of impairment of fixed assets	**1,346**	1,582	**-**	-
Reversal of impairment of intangibles	**188**	-	**-**	-

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 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 2009

The following table presents financial information regarding business segments:

Business Segment	Soft Drinks ($'000)	Dairies ($'000)	Breweries ($'000)	Printing & Publishing ($'000)	Glass Containers ($'000)	Investment Property ($'000)	Development Property ($'000)	Others ($'000)	Elimination ($'000)	Group ($'000)
Revenue - external	542,154	977,857	1,352,391	417,123	164,152	334,836	1,503,735	40,319	-	5,332,567
Revenue - inter-segment	-	62	-	306	28,809	4,874	-	202,764	(236,815)	-
Total revenue	**542,154**	**977,919**	**1,352,391**	**417,429**	**192,961**	**339,710**	**1,503,735**	**243,083**	**(236,815)**	**5,332,567**
Subsidiary companies	60,467	63,315	196,066	(3,490)	16,805	190,460	264,390	10,735	-	798,748
Joint venture and associated companies	-	(2,192)	10,840	2,647	-	(4,796)	5,374	-	-	11,873
PBIT	**60,467**	**61,123**	**206,906**	**(843)**	**16,805**	**185,664**	**269,764**	**10,735**	**-**	**810,621**
Interest income										22,367
Interest expense										(88,711)
Profit before taxation and exceptional items										**744,277**
Impairment on investments										(7,292)
Fair value adjustment of investment properties										(122,597)
Exceptional items										1,440
Profit before taxation										**615,828**
Taxation										(173,451)
Profit after taxation										**442,377**
Minority interest, net of taxes										(82,843)
Attributable profit										**359,534**
Assets	255,606	507,980	1,098,832	734,692	275,029	4,038,961	4,365,240	924,969	-	12,201,309
Tax assets										22,951
Bank deposits & cash balances										1,643,308
Total assets										**13,867,568**
Liabilities	123,625	154,100	287,345	106,058	25,126	252,631	144,839	380,981	-	1,474,705
Tax liabilities										408,383
Borrowings										5,301,025
Total liabilities										**7,184,113**
Other segment information:										
Capital expenditure	16,207	84,994	61,749	37,163	22,926	161,470	4,813	3,900	-	393,222
Depreciation & amortisation	14,647	19,278	50,232	49,356	23,591	3,046	99	6,377	-	166,626
Impairment and foreseeable losses	1,137	914	4,055	9,337	-	6,759	55,362	25	-	77,589
Negative goodwill	-	-	-	(620)	-	(27,542)	-	-	-	(28,162)
Reversal of impairment losses	(279)	(174)	(632)	(290)	(59)	-	-	(100)	-	(1,534)
Attributable profit before fair value adjustment and exceptional items	23,842	23,520	77,227	(729)	9,258	94,493	230,627	8,219	-	466,457
Fair value adjustment of investment properties (net)	-	-	-	(1,294)	-	(112,194)	-	-	-	(113,488)
Exceptional items	(1,691)	(8,085)	5,713	(9,961)	(2,430)	21,974	18,187	(17,142)	-	6,565
Attributable profit	22,151	15,435	82,940	(11,984)	6,828	4,273	248,814	(8,923)	-	359,534

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	1,940,845	1,088,862	997,975	647,137	31,730	556,545	69,473	5,332,567
PBIT	497,427	114,906	180,223	68,133	(4,627)	64,202	(109,643)	810,621
Other geographical information:								
Assets	6,027,935	773,760	1,257,847	1,924,392	52,202	1,581,747	583,426	12,201,309
Capital expenditure	173,064	38,804	109,675	27,976	1,231	27,897	14,575	393,222

Rest of South East Asia: Myanmar, Thailand, Cambodia, Vietnam, Philippines 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 2008

The following table presents financial information regarding business segments:

Business Segment	Soft Drinks ($'000)	Dairies ($'000)	Breweries ($'000)	Printing & Publishing ($'000)	Glass Containers ($'000)	Investment Property ($'000)	Development Property ($'000)	Others ($'000)	Elimination ($'000)	Group ($'000)
Revenue - external	506,403	1,040,148	1,291,442	475,997	166,842	294,600	1,179,438	35,197	-	4,990,067
Revenue - inter-segment	95	-	-	283	30,260	4,884	-	152,624	(188,146)	-
Total revenue	**506,498**	**1,040,148**	**1,291,442**	**476,280**	**197,102**	**299,484**	**1,179,438**	**187,821**	**(188,146)**	**4,990,067**
Subsidiary companies	52,538	35,578	175,330	17,776	17,007	161,348	280,078	(488)	-	739,167
Joint venture and associated companies	-	58	10,341	11,632	-	2,997	1,683	(96)	-	26,615
PBIT	**52,538**	**35,636**	**185,671**	**29,408**	**17,007**	**164,345**	**281,761**	**(584)**	**-**	**765,782**
Interest income										31,551
Interest expense										(96,140)
Profit before taxation and exceptional items										**701,193**
Impairment on investments										(47,955)
Fair value adjustment of investment properties										71,846
Exceptional items										12,057
Profit before taxation										**737,141**
Taxation										(169,429)
Profit after taxation										**567,712**
Minority interest, net of taxes										(131,885)
Attributable profit										**435,827**
Assets	226,463	468,379	1,116,313	819,366	267,652	4,135,418	4,899,330	542,697	-	12,475,618
Tax assets										17,844
Bank deposits & cash balances										1,032,939
Total assets										**13,526,401**
Liabilities	126,016	160,144	255,835	129,381	34,591	331,784	224,768	32,960	-	1,295,479
Tax liabilities										377,571
Borrowings										5,434,835
Total liabilities										**7,107,885**
Other segment information:										
Capital expenditure	12,699	37,749	74,895	54,687	56,187	229,031	3,742	8,123	-	477,113
Depreciation & amortisation	16,506	19,185	41,713	44,393	18,936	3,359	37	5,271	-	149,400
Impairment and foreseeable losses	218	20,120	21,097	9,440	386	-	25,936	105	-	77,302
Negative goodwill	-	-	-	-	-	(54,998)	-	-	-	(54,998)
Reversal of impairment losses	(913)	(412)	(224)	-	-	-	-	(33)	-	(1,582)
Attributable profit before fair value adjustment and exceptional items	20,814	(9,258)	50,834	18,022	6,081	84,385	214,371	(13,405)	-	371,844
Fair value adjustment of investment properties (net)	-	-	-	3,626	-	40,619	-	-	-	44,245
Exceptional items	45	-	(5,523)	(9,599)	(730)	54,998	(38)	(19,415)	-	19,738
Attributable profit	20,859	(9,258)	45,311	12,049	5,351	180,002	214,333	(32,820)	-	435,827

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	1,827,955	1,087,516	972,219	372,252	26,791	609,763	93,571	4,990,067
PBIT	395,912	98,684	145,416	7,839	(5,529)	110,139	13,321	765,782
Other geographical information:								
Assets	6,240,457	751,158	1,074,675	2,162,628	44,299	1,392,708	809,693	12,475,618
Capital expenditure	62,553	60,024	49,506	263,676	9,557	18,615	13,182	477,113

Rest of South East Asia: Myanmar, Thailand, Cambodia, Vietnam, Philippines 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	
	2009	2008	**2009**	2008
	($'000)	($'000)	**($'000)**	($'000)

6. GROSS DIVIDENDS FROM SUBSIDIARY AND JOINT VENTURE COMPANIES

	THE GROUP 2009	THE GROUP 2008	THE COMPANY 2009	THE COMPANY 2008
Quoted subsidiary companies			**39,997**	46,235
Quoted joint venture company			**6,001**	6,001
Unquoted subsidiary companies			**230,793**	303,403
Unquoted joint venture companies			**16,342**	-
			293,133	355,639

7. GROSS INCOME FROM INVESTMENTS

	THE GROUP 2009	THE GROUP 2008	THE COMPANY 2009	THE COMPANY 2008
Interest income	**3,996**	3,678	**255**	530
Dividend income	**9,543**	5,563	**170**	198
	13,539	9,241	**425**	728

8. EXCEPTIONAL ITEMS

	THE GROUP 2009	THE GROUP 2008	THE COMPANY 2009	THE COMPANY 2008
Provision for impairment of assets held for sale	**(4,109)**	(4,577)	**-**	-
Provision for impairment in value of investments	**(27,387)**	(27,780)	**-**	-
Gain on disposal of subsidiary and joint venture companies	**30,529**	3,268	**-**	-
Loss on change in interest in subsidiary and associated companies	**(6,029)**	(820)	**-**	-
Negative goodwill on change in interest in associated companies	**28,162**	54,998	**-**	-
Write off of goodwill on acquisition of a subsidiary company	**-**	(9,862)	**-**	-
(Loss)/Profit on disposal of properties	**(3,336)**	4,389	**-**	-
Provision for restructuring and re-organisation costs of operations	**(23,453)**	(5,187)	**-**	-
Provision for professional fee	**(206)**	(2,372)	**-**	-
Share of exceptional items of an associated company	**1,054**	-	**-**	-
Profit on disposal of other investment	**270**	-	**-**	-
Compensation fee	**5,945**	-	**-**	-
	1,440	12,057	**-**	-

9. TAXATION

Based on profit for the year:

	THE GROUP 2009	THE GROUP 2008	THE COMPANY 2009	THE COMPANY 2008
Singapore tax	**83,042**	71,732	**1,484**	2,972
Overseas tax				
- current year	**113,434**	91,494	**9,999**	10,951
- withholding tax	**10,327**	12,405	**198**	185
Deferred tax				
- current year	**(16,259)**	18,674	**-**	-
- adjustment of tax rate	**(2,849)**	-	**-**	-
	187,695	194,305	**11,681**	14,108
Overprovision in preceding years				
- current income tax	**(5,609)**	(20,269)	**(1,741)**	(4,172)
- deferred tax	**(8,635)**	(4,607)	**-**	-
	173,451	169,429	**9,940**	9,936

9. TAXATION (cont'd)

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	
	2009	2008	**2009**	2008
	%	%	**%**	%
Singapore statutory rate	**17.0**	18.0	**17.0**	18.0
Effect of different tax rates of other countries	**4.3**	4.6	**1.1**	1.0
Effect of tax losses of subsidiary and joint venture companies not available for set-off against profits of other companies within the group	**4.6**	2.4	**-**	-
Income not subject to tax (tax incentive/exemption)	**(3.0)**	(6.2)	**(15.2)**	(17.3)
Expenses not deductible for tax purposes	**6.2**	6.7	**1.2**	2.5
Utilisation of previously unrecognised tax losses in determining taxable profit	**(1.2)**	(2.7)	**-**	-
Over provision in prior years	**(2.3)**	(3.4)	**(0.6)**	(1.3)
Adjustment due to change in tax rate	**(0.5)**	-	**-**	-
Tax effect of fair value adjustments	**2.3**	2.0	**-**	-
Other reconciliation items	**0.8**	1.6	**-**	0.1
	28.2	23.0	**3.5**	3.0

As at 30 September 2009, certain Singapore subsidiary companies have unutilised tax losses carried forward of approximately $36,296,000 (2008: $38,699,000), unutilised investment allowances of approximately $4,579,000 (2008: $7,433,000) and unabsorbed capital allowances of $314,000 (2008: $224,000) available for set off against future profits. In addition, certain overseas subsidiary companies have unutilised tax losses carried forward of approximately $346,052,000 (2008: $312,219,000), unutilised investment allowances of approximately $46,343,000 (2008: $22,646,000) and unabsorbed capital allowances of $38,409,000 (2008: $32,751,000). 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") 2009 certain subsidiaries have transferred loss items of $7,061,000 (YA 2008: $18,468,000) to offset against the taxable income of other companies in the Group. Tax benefits of $3,406,000 (YA 2008: $14,497,000) were recognised on the tax losses utilised under the group relief systems. Tax benefits of $2,406,000 (YA 2008: $6,115,000) 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.

On 22 January 2009, the Government announced a 1% point reduction in statutory corporate tax rate from Year of Assessment 2010. This financial effect of the reduction in tax rate was reflected in the current financial year. The aggregate adjustments of the prior year's deferred tax assets and liabilities was $2,849,000 (2008: $Nil) for the Group.

10. DIVIDENDS

	THE GROUP & THE COMPANY	
	2009	2008
	($'000)	($'000)
Interim paid of 3 cents per share (2008: 5 cents per share)	**41,694**	69,816
Final proposed of 10.5 cents per share (2008: 8.5 cents per share)	**146,320**	118,119
	188,014	187,935

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	
	2009 ($'000)	2008 ($'000)
Group attributable profit to shareholders of the Company		
- before fair value adjustment and exceptional items	**466,457**	371,844
- after fair value adjustment and exceptional items	**359,534**	435,827
	— No. of shares —	
Weighted average number of ordinary shares in issue	**1,390,571,720**	1,388,365,973
Earnings Per Share (Basic)		
- before fair value adjustment and exceptional items	**33.5 cts**	26.8 cts
- after fair value adjustment and exceptional items	**25.9 cts**	31.4 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	
	2009 ($'000)	2008 ($'000)
Group attributable profit to shareholders of the Company before fair value adjustment and exceptional items	**466,457**	371,844
Change in attributable profit due to dilutive share options	**(300)**	(550)
Group adjusted attributable profit to shareholders of the Company before fair value adjustment and exceptional items	**466,157**	371,294
Group attributable profit to shareholders of the Company after fair value adjustment and exceptional items	**359,534**	435,827
Change in attributable profit due to dilutive share options	**(274)**	(558)
Group adjusted attributable profit to shareholders of the company after fair value adjustment and exceptional items	**359,260**	435,269

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 2009	2008
	— No. of shares —	
Weighted average number of ordinary shares used to compute the basic earnings per share	**1,390,571,720**	1,388,365,973
Effect of dilutive share options	**1,259,808**	8,017,728
Weighted average number of ordinary shares used to compute diluted earnings per share	**1,391,831,528**	1,396,383,701
Earnings Per Share (Fully diluted)		
- before fair value adjustment and exceptional items	**33.5 cts**	26.6 cts
- after fair value adjustment and exceptional items	**25.8 cts**	31.2 cts

41,881,340 (2008:10,965,601) 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 2009 No. of shares	2009 ($'000)	2008 No. of shares	2008 ($'000)
SHARE CAPITAL				
Ordinary shares issued and fully paid up				
Balance at beginning of year	**1,389,632,895**	**1,330,297**	1,383,483,685	1,313,915
Issued during the year				
- Pursuant to the exercise of Executives' Share Options	**3,887,340**	**11,410**	6,149,210	16,382
Balance at end of year	**1,393,520,235**	**1,341,707**	1,389,632,895	1,330,297

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. The ordinary shares have no par value.

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 $11,410,000 (2008: $16,382,000).

12. SHARE CAPITAL AND RESERVES (cont'd)

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	($'000)	($'000)	**($'000)**	($'000)
RESERVES				
The reserves comprise the following:				
Capital Reserve	**270,114**	271,656	**1,039,274**	1,039,274
Fair Value Adjustment Reserve	**178,052**	64,222	**1,419**	1,218
Hedging Reserves	**(19,226)**	-	**-**	-
Employee Share Option Reserve	**30,990**	22,774	**28,480**	20,839
Revenue Reserve	**3,759,391**	3,588,773	**1,255,444**	1,168,822
Dividend Reserve	**146,320**	118,119	**146,320**	118,119
Exchange Reserve	**(122,624)**	(112,567)	**-**	-
Total reserves	**4,243,017**	3,952,977	**2,470,937**	2,348,272

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.

Hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments related to hedged transactions that have not yet occurred.

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 10.5 cents (2008: 8.5 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 2009								
At cost/valuation								
Balance at beginning of year		53,697	102,623	414,392	1,323,991	93,447	378,049	2,366,199
Currency realignment		(98)	(2,003)	(4,713)	(11,462)	(1,627)	(3,061)	(22,964)
Additions		3,942	88	5,755	31,762	127,010	39,781	208,338
Acquisition of joint venture companies		-	-	-	2,478	-	-	2,478
Disposals of subsidiary company		-	(7,533)	(8,130)	(2,834)	-	(549)	(19,046)
Disposals		(1,395)	(175)	(14,774)	(63,106)	(261)	(32,597)	(112,308)
Reclassification		3,164	130	13,176	60,323	(73,550)	(3,243)	-
Reclassified to assets held for sale	29	-	(8,570)	(8,174)	-	-	-	(16,744)
Transfer from/(to) investment properties		-	5,301	(544)	-	-	-	4,757
Transfer to intangibles		-	-	-	-	-	(307)	(307)
Transfer from current assets		-	-	-	729	-	-	729
Balance at end of year		59,310	89,861	396,988	1,341,881	145,019	378,073	2,411,132
Analysis of cost/valuation								
At cost		36,150	80,291	376,046	1,335,658	145,019	378,073	2,351,237
At directors valuation 1983		1,038	-	550	-	-	-	1,588
At directors valuation 1988		-	-	2,457	6,223	-	-	8,680
At directors valuation 1996		22,122	9,570	17,935	-	-	-	49,627
		59,310	89,861	396,988	1,341,881	145,019	378,073	2,411,132
Accumulated depreciation and impairment								
Balance at beginning of year		964	26,520	128,695	739,194	-	238,998	1,134,371
Currency realignment		(14)	(690)	(1,208)	(5,905)	-	(1,863)	(9,680)
Depreciation charge for the year		-	2,136	11,950	85,791	-	38,290	138,167
Impairment charge for the year		-	404	2,146	4,428	-	702	7,680
Impairment reversal for the year		-	(5)	(136)	(791)	-	(414)	(1,346)
Disposals of subsidiary company		-	(287)	(468)	(365)	-	(142)	(1,262)
Disposals		-	(20)	(1,993)	(57,595)	-	(29,463)	(89,071)
Reclassification		-	-	125	(379)	-	254	-
Reclassified to assets held for sale	29	-	(3,472)	(3,885)	-	-	-	(7,357)
Transfer to investment properties		-	-	(26)	-	-	-	(26)
Transfer to intangibles		-	-	-	-	-	(65)	(65)
Balance at end of year		950	24,586	135,200	764,378	-	246,297	1,171,411
Net book value at end of year		58,360	65,275	261,788	577,503	145,019	131,776	1,239,721

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 2008							
At cost/valuation							
Balance at beginning of year	54,800	86,388	399,876	1,235,635	127,745	359,219	2,263,663
Currency realignment	(3,310)	(1,374)	(12,504)	(43,679)	(9,005)	(17,440)	(87,312)
Additions	812	21	8,062	76,664	90,487	59,907	235,953
Acquisition of subsidiary companies/ business assets	-	-	653	2,511	-	1,347	4,511
Acquisition of joint venture companies	-	-	-	2,262	-	-	2,262
Disposals	-	(1,789)	(4,168)	(22,128)	(233)	(37,073)	(65,391)
Reclassification	-	14,349	15,748	72,726	(114,912)	12,089	-
Transfer to intangibles	-	-	-	-	(635)	-	(635)
Transfer from/(to) investment properties	-	5,028	(7,818)	-	-	-	(2,790)
Reclassified from assets held for sale	1,395	-	14,543	-	-	-	15,938
Balance at end of year	53,697	102,623	414,392	1,323,991	93,447	378,049	2,366,199
Analysis of cost/valuation							
At cost	30,167	92,742	391,774	1,317,379	93,447	378,049	2,303,558
At directors valuation 1983	1,055	-	559	-	-	-	1,614
At directors valuation 1988	-	-	2,611	6,612	-	-	9,223
At directors valuation 1996	22,475	9,881	19,448	-	-	-	51,804
	53,697	102,623	414,392	1,323,991	93,447	378,049	2,366,199
Accumulated depreciation and impairment							
Balance at beginning of year	1,013	25,383	123,100	717,483	-	239,046	1,106,025
Currency realignment	(49)	(767)	(3,489)	(29,271)	-	(11,154)	(44,730)
Depreciation charge for the year	-	1,857	10,872	74,995	-	37,245	124,969
Impairment charge for the year	-	-	105	803	-	2,069	2,977
Impairment reversal for the year	-	(4)	(53)	(638)	-	(887)	(1,582)
Disposals	-	(169)	(1,966)	(18,994)	-	(32,392)	(53,521)
Reclassification	-	220	(107)	(5,184)	-	5,071	-
Transfer to investment properties	-	-	(1,235)	-	-	-	(1,235)
Reclassified from assets held for sale	-	-	1,468	-	-	-	1,468
Balance at end of year	964	26,520	128,695	739,194	-	238,998	1,134,371
Net book value at end of year	52,733	76,103	285,697	584,797	93,447	139,051	1,231,828

13. GROUP FIXED ASSETS (cont'd)

(a) The valuations for 1983, 1988 and 1996 were made by the directors of the respective subsidiary companies and were based on appraisals by independent valuers. The valuations were done based on permitted accounting standards at the relevant time.

(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 2009	22,343	7,211	13,235	-	-	-	42,789
At 30 September 2008	22,699	7,572	14,758	-	-	-	45,029

(d) Additions in the consolidated financial statements include $216,000 (2008: $710,000 of Plant & Machinery) of Other Assets acquired under finance leases. The carrying amount of assets held under finance leases at 30 September 2009 amounted to $2,805,000 (2008: $3,674,000).

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

	2009 ($'000)	2008 ($'000)
Plant and machinery	**76,393**	69,750
Building	**10,759**	10,241
Freehold and leasehold land	**4,384**	4,331
Capital work-in-progress	**7**	313
Other fixed assets	**99**	895

14. GROUP INVESTMENT PROPERTIES

	2009 ($'000)	2008 ($'000)
Balance at beginning of year, as previously reported	**3,558,922**	3,224,389
Effects of adopting FRS 40	**-**	68,239
Balance at beginning of year, as restated	**3,558,922**	3,292,628
Currency realignment	**(13,065)**	(15,396)
Subsequent expenditure	**159,765**	217,451
Disposals	**(334,226)**	(950)
Net fair value (loss)/gain recognised in the income statement	**(72,659)**	62,643
Transfer from properties held for development	**105,383**	991
Transfer from properties held for sale	**44,896**	-
Transfer (to)/from fixed assets	**(4,783)**	1,555
Balance at end of year	**3,444,233**	3,558,922
At valuation:		
Freehold properties	**915,287**	2,274,908
Leasehold properties	**2,528,946**	1,284,014
	3,444,233	3,558,922

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

The following amounts are recognised in the income statement:

	2009 ($'000)	2008 ($'000)
Rental income	**326,024**	284,978
Direct operating expenses arising from:		
- Rental generating properties	**49,652**	42,713

Investment properties are carried at fair values at the balance sheet date as determined annually by independent professional valuers with recent experience in the location and category of the properties being valued.

The valuations are based on a combination of the Direct Comparision Method, Income Approach and Discounted Cash Flow Analysis. In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

14. GROUP INVESTMENT PROPERTIES (cont'd)

Independent professional valuations were carried out by the following valuers:

Valuers	Valuation Date
DTZ Debenham Tie Leung (SEA) Pte Ltd	September 2009
DTZ Debenham Tie Leung Limited	September 2009
Jones Lang LaSalle Property Consultants Pte Ltd	September 2009
Knight Frank LLP	September 2009
BEM Property Consultants Pty Limited	September 2009
CB Richard Ellis Limited	September 2009
Asian Appraisal Company, Inc.	September 2009
Cushman & Wakefield (VN) Ltd	September 2009
CB Richard Ellis Hotels Limited	September 2009
CB Richard Ellis (Pte) Ltd	September 2009
Associated Property Consultants Pte. Ltd.	September 2009

Investment properties amounting to $114,167,000 (2008: $101,122,000) are secured for credit facilities with a bank for which certain convenants were breached as at 30 September 2009 (Note 16(f)).

15. GROUP PROPERTIES HELD FOR DEVELOPMENT

	2009 ($'000)	2008 ($'000)
Properties held for development comprise:		
Freehold land, at cost	**3,599**	1,530
Leasehold land, at cost	**116,141**	99,446
Building	**8,453**	4,051
Development expenditure	**40,459**	55,376
Interest cost	**300**	620
Property tax	**849**	1,274
	169,801	162,297

Properties held for development include:

Singapore

(1) 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.

(2) 50% proportionate share of a leasehold land (60-year tenure commencing 30 April 2008) in Changi Business Park comprising Lots 10603X and 10610W of Mukim 27 for the proposed development of a mixed use business park with retail and hotel components.

Malaysia

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

16. SUBSIDIARY COMPANIES

	THE COMPANY	
	2009 ($'000)	2008 ($'000)
Quoted shares at cost	**257,848**	260,300
Unquoted shares at cost	**2,924,143**	2,759,141
	3,181,991	3,019,441
Amounts owing by subsidiary companies (unsecured)	**387,057**	753,359
Amounts owing to subsidiary companies (unsecured)	**(24,218)**	(19,840)
	3,544,830	3,752,960
MARKET VALUE		
Quoted shares	**859,319**	772,879

The Company's investments in subsidiary companies include an interest in 57.37% (2008: 57.92%) of the issued ordinary shares of Fraser & Neave Holdings Bhd ("F&NHB").

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 $386,050,000 (2008: $726,863,000) which bear interest at an average rate of 0.91% (2008: 1.38%) 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 Homes WA Pty Limited	Australia	56.3	7 November 2008
Coast Homes Limited	New Zealand	67.5	16 March 2009

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

Soft Drinks

(i) On 7 September 2009, the Group's subsidiary company, F&NHB acquired the remaining 10% of the equity interest in F&NCC Beverages Sdn Bhd ("F&NCCB") and F&N Coca-Cola (Malaysia) Sdn Bhd ("F&NCC(M)") from The Coca Cola Company at purchase price of RM78.8 million. As a result, F&NCCB and F&NCC(M) became wholly owned subsidiaries of F&NHB.

(c) During the financial year, the Group disposed the following companies:

Properties

(i) On 18 September 2009, the Group, through Frasers Centrepoint Limited ("FCL")'s subsidiary company, FCL China Development Pte Ltd, disposed of its entire shareholding interest in Metro Charm Holdings Limited at a gain of $28,123,000.

16. SUBSIDIARY COMPANIES (cont'd)

(c) During the financial year, the Group disposed the following companies (cont'd)

Dairies

(i) On 21 August 2009, the Group's subsidiary company, F&N Dairy Investments Pte Ltd ("F&NDI") sold its entire shareholding interest in Tien Chun Pte Ltd ("TC") to China Dairy Group Ltd, together with an assignment of all shareholder's loans owing by TC to F&NDI at a gain of $420,000.

Printing and Publishing

(i) During the year, the Group's subsidiary company, Times Publishing Limited ("TPL") disposed of its subsidiaries Educational Associates Limited and TPL Printers (UK) Limited via liquidation. The disposals resulted in a net loss of $2,513,000.

The effect of the above disposals are disclosed in the Consolidated Cash Flow Statement.

(d) During the financial year, the Group disposed the following business assets:

Printing and Publishing

(i) During the year, TPL disposed of the distribution business in Rainbow Products Pty Limited and the English Language Training business in Marshall Cavendish Limited at a loss of $5,812,000.

The effect of the disposal is disclosed in the Consolidated Cash Flow Statement.

(e) 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, received 5,596,027 Units (total value of $4,074,592) in FCT in payment for 65% of its management fees.

(f) Breach of bank covenants by Frasers Property (UK) Limited ("FPUK")

As at 30 September 2009, FPUK, a 51% subsidiary, located in the United Kingdom, has not complied with certain covenants of its credit facilities agreements with a bank and the bank has the right to recall and demand repayment of the outstanding amounts. FPUK and the bank are currently in the process of a consensual restructuring of these facilities. FPUK and its subsidiaries ("FPUK group") and Frasers St. Giles Street (Edinburgh) Limited ("Frasers St. Giles"), a 51% subsidiary (collectively referred to as "UK sub-group") are reliant on these credit facilities for their continuing operations.

These factors indicate the existence of a material uncertainty which may cast significant doubt on the UK sub-group's ability to continue as a going concern. The financial statements of the UK sub-group for the financial year ended 30 September 2009 are prepared on a going concern basis on the assumption that the working capital and banking facilities currently available would continue to be available for the next 12 months and would be sufficient for its requirements.

16. SUBSIDIARY COMPANIES (cont'd)

(f) Breach of bank covenants by Frasers Property (UK) Limited ("FPUK") (cont'd)

The aggregate amounts of the UK sub-group's current assets, non-current assets, current liabilities and non-current liabilities included in the Group's balance sheets are as follows:

	2009 ($'000)	2008 ($'000)
Non-current assets		
Investment properties	**114,167**	101,122
Other non-current assets	**25,230**	24,848
Current assets		
Development properties held for sale	**357,804**	524,639
Trade receivables	**6,643**	4,819
Cash and cash equivalents	**74,058**	72,894
Other current assets	**15,319**	22,344
Total Assets	**593,221**	750,666
Bank borrowings - current	**523,280**	108,709
Other current liabilities	**36,602**	41,652
Non-current liabilities	**17,526**	446,301
Total Liabilities	**577,408**	596,662
Net Asset Value	**15,813**	154,004
Group's effective share	**8,634**	90,352

If the UK sub-group is unable to continue as a going concern, adjustments may have to be made to reflect the situation that assets may need to be realised at amounts which could differ significantly from the amounts at which they are currently recorded. No such adjustments have been made to these financial statements.

If the current renegotiation of these banking facilities do not lead to a satisfactory resolution for all interested parties and the Group loses control of the UK sub-group, the UK sub-group may need to be deconsolidated. In that event, the Group's share of net assets of the UK sub-group calculated based on the financial position as at 30 September 2009 would be $8,634,000.

Details of significant subsidiaries are included in Note 43.

17. JOINT VENTURE COMPANIES

		THE COMPANY	
		2009	2008
		($'000)	($'000)
(a)	Unquoted investment, at cost	**301,626**	276,126
	Quoted investment, at cost	**132,795**	132,795
		434,421	408,921
	MARKET VALUE		
	Quoted shares	**225,047**	202,542

Details of joint venture companies are included in Note 43.

(b) The following amounts represent the Group's share of the revenue, expenses, 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	
	2009	2008
	($'000)	($'000)
Revenue	**1,343,985**	1,278,253
Profit before taxation and exceptional items	**131,624**	143,040
Exceptional items	**(8,898)**	(14,532)
Taxation	**(54,262)**	(56,872)
Minority interests	**(55,485)**	(44,210)

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

Non-current assets	**807,019**	818,314
Current assets	**920,737**	832,449
Current liabilities	**(803,836)**	(731,641)
Long term liabilities	**(129,332)**	(159,751)
	794,588	759,371

(iii) The share of the results, assets and liabilities as stated in paragraphs (a) and (b) above is based on the accounts of the joint venture companies to 30 September 2009.

(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 mostly in Singapore Dollars, United States Dollars and Thai Bahts.

(v) The Group's and the Company's share of capital commitments of the joint venture companies as at 30 September 2009 is $39,299,000 (2008: $30,824,000).

(vi) The Group's and the Company's share of contingent liabilities of the joint venture companies as at 30 September 2009 is $327,000 (2008: $258,000).

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. In the previous financial year, the Group's joint venture company entered into a conditional agreement to sell its entire shareholding interest in its joint venture company and the investment was reclassified from investment in joint venture company to assets held for sale. Subsequently in March 2009, the sale and purchase agreement relating to the intended sale has expired and the asset held for sale was reinstated as a joint venture company of the Group.

Investments in and share of the results, assets and liabilities of the joint venture companies, are as follows:

	THE GROUP	
	2009 ($'000)	2008 ($'000)
Investment in joint venture companies, at cost	**72,275**	29,172
Acquisition of interests	**1,126**	9,959
Provision for impairment	**(4,539)**	-
Share of net post acquisition reserves	**20,622**	21,505
	89,484	60,636
Loans owing from joint venture companies (unsecured)	**3**	3
	89,487	60,639

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

Revenue	**248,401**	234,082
Profit before exceptional items	**12,731**	11,708
Exceptional items	**-**	(165)

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

Non-current assets	**77,864**	51,408
Current assets	**85,651**	66,210
Current liabilities	**(45,493)**	(29,046)
Long term liabilities	**(28,535)**	(27,933)
	89,487	60,639

18. ASSOCIATED COMPANIES

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	($'000)	($'000)	**($'000)**	($'000)
Unquoted investments, at cost	**40,678**	39,919	**-**	-
Quoted investments, at cost	**523,841**	265,127	**93,783**	-
Acquisition of interests	**80,183**	257,750	**-**	94,941
Provision for impairment	**(55,247)**	(47,955)	**(11,400)**	(11,400)
Share of net post acquisition reserves	**25,416**	94,051	**-**	-
	614,871	608,892	**82,383**	83,541
Loans owing from associated companies (unsecured)	**20,998**	29,342	**-**	-
	635,869	638,234	**82,383**	83,541
MARKET VALUE				
Quoted shares	**294,743**	234,862	**32,262**	55,103

(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 mostly in Singapore Dollars and Chinese Renminbi.

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

	THE GROUP	
	2009	2008
	($'000)	($'000)
Revenue	**2,836,706**	2,327,804
(Loss)/Profit before exceptional items	**(263,811)**	93,872
Exceptional items	**3,576**	-
Non-current assets	**3,956,610**	3,592,390
Current assets	**1,151,612**	1,426,849
Current liabilities	**(708,550)**	(1,077,503)
Long term liabilities	**(1,886,241)**	(1,241,980)
	2,513,431	2,699,756

(d) The results, assets and liabilities as stated in paragraph (c) above are based on the accounts of the associated companies to 30 September 2009.

18. ASSOCIATED COMPANIES (cont'd)

(e) The Group's share of capital commitments of the associated companies as at 30 September 2009 is $15,308,000 (2008: $12,633,000).

(f) The Group's share of contingent liabilities of the associated companies as at 30 September 2009 is $3,110,000 (2008: $Nil).

Impairment loss of $7,292,000 (2008: $47,955,000) and $Nil (2008: $11,400,000) relating to investment in associated companies was recognised for the current year for the Group and Company respectively. This represents the write-down of the carrying values to the recoverable amounts. The recoverable amounts were estimated based on our value-in-use. The discount rates applied is 7% (2008: 9% to 9.9%).

Details of associated companies are included in Note 43.

19. INTANGIBLE ASSETS

	THE GROUP				
	Goodwill ($'000)	Deferred Development Costs ($'000)	Management Contracts ($'000)	Other Intangible Assets ($'000)	Total ($'000)
For the year ended 30 September 2009					
At cost					
Balance at beginning of year	238,873	109,730	66,557	25,940	441,100
Currency realignment	(2,922)	345	84	(1,934)	(4,427)
Additional expenditure during the year	-	24,258	-	861	25,119
Acquisition of subsidiary companies and additional interests in subsidiary companies	16,221	-	-	-	16,221
Acquisition of additional interests in joint venture companies	5,570	-	-	616	6,186
Reclassification	(1,334)	-	-	1,334	-
Reclassified from fixed assets	-	-	-	307	307
Reclassified from inventories	-	13,801	-	-	13,801
Write off for the year	(83)	(1,750)	-	(993)	(2,826)
Balance at end of year	256,325	146,384	66,641	26,131	495,481
Accumulated amortisation and impairment					
Balance at beginning of year	-	74,023	490	9,057	83,570
Currency realignment	-	(197)	-	(35)	(232)
Amortisation charge for the year	-	24,066	490	3,312	27,868
Impairment charge for the year	-	8,804	-	-	8,804
Impairment charge written back for the year	-	(188)	-	-	(188)
Reclassified from fixed assets	-	-	-	65	65
Write off for the year	-	(182)	-	(904)	(1,086)
Balance at end of year	-	106,326	980	11,495	118,801
Net book value	256,325	40,058	65,661	14,636	376,680

19. INTANGIBLE ASSETS (cont'd)

	THE GROUP				
	Goodwill ($'000)	Deferred Development Costs ($'000)	Management Contracts ($'000)	Other Intangible Assets ($'000)	Total ($'000)
For the year ended 30 September 2008					
At cost					
Balance at beginning of year	239,085	91,319	3,848	21,000	355,252
Currency realignment	(425)	(4,004)	108	(10)	(4,331)
Additional expenditure during the year	-	22,297	-	1,412	23,709
Acquisition of subsidiary companies and additional interests in subsidiary companies	5,512	794	62,601	2,917	71,824
Acquisition of additional interests in joint venture companies	7,100	-	-	-	7,100
Disposals	(12,322)	-	-	-	(12,322)
Reclassified from fixed assets	-	-	-	635	635
Write off for the year	(77)	(676)	-	(14)	(767)
Balance at end of year	238,873	109,730	66,557	25,940	441,100
Accumulated amortisation and impairment					
Balance at beginning of year	-	56,798	-	6,050	62,848
Currency realignment	-	(2,763)	-	(18)	(2,781)
Amortisation charge for the year	-	20,173	490	3,039	23,702
Impairment charge for the year	-	412	-	-	412
Write off for the year	-	(597)	-	(14)	(611)
Balance at end of year	-	74,023	490	9,057	83,570
Net book value	238,873	35,707	66,067	16,883	357,530

All intangible assets have finite useful lives of not more than 20 years, except management contracts with a cost of $62,601,000 (2008: $62,601,000) are assessed to have an indefinite useful life and not amortised. This is the value ascribed to management contracts entered into between a subsidiary and an associate. Management is of the view that these intangible assets have an indefinite useful life as the contracts are contracts which go into perpetuity, and will only be terminated upon the removal of the subsidiary as the manager.

20. IMPAIRMENT TESTS FOR INTANGIBLE ASSETS

(a) 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 2009 ($'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	25,997	Value-in-use	0%	5.4% - 15.6%
Dairies Group	2,604	Value-in-use	0%	8.3%
Soft Drinks Group	37,555	Value-in-use and Fair value less cost to sell	0%	8.3%
	66,156			
Joint venture companies:				
Breweries Group	190,169	Value-in-use and Fair value less cost to sell	2%	10.7% - 24.9%
	256,325			

	As at 30 Sep 2008 ($'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	27,448	Value-in-use	0%	5.5% - 12.1%
Dairies Group	2,645	Value-in-use	0%	7.6%
Soft Drinks Group	21,447	Fair value less cost to sell	-	-
	51,540			
Joint venture companies:				
Breweries Group	187,333	Value-in-use and Fair value less cost to sell	2%	12.8% - 32.3%
	238,873			

20. IMPAIRMENT TESTS FOR INTANGIBLE ASSETS (cont'd)

(a) Goodwill (cont'd)

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.

The discount rates applied to the cash flow projections reflect managements' estimates of the risks specific to the respective cash generating units at the date of assessment.

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.

(b) Management contracts

The carrying value of the management contracts was assessed for impairment during the financial year.

The recoverable amount of the management contract has been determined based on value in use calculations using a projection of the management fee income covering a 5 year period. The pre-tax discount applied to the projections is 10% and the forecast growth rate used beyond the 5 year period is 2%.

No impairment loss was required for the management contracts assessed as their recoverable values were in excess of their carrying values.

(c) Deferred development costs

The carrying value of deferred development costs was assessed for impairment during the financial year.

An impairment loss of $8,804,000 (2008: $412,000) was recognised in the profit statement as the carrying value was assessed to be in excess of its recoverable value.

The recoverable amount of the deferred development costs has been determined based on value-in-use calculations using 5 year cash flow projection approved by management. The pre-tax discount rate applied to the cash flow projections was 5.7% (2008: 5.7%) and the terminal growth rate was 0% (2008: 0%).

21. OTHER INVESTMENTS

	THE GROUP		THE COMPANY	
	2009 ($'000)	2008 ($'000)	**2009 ($'000)**	2008 ($'000)
Quoted				
Quoted available-for-sale financial assets				
Non-equity investments				
At fair value	**25,723**	25,708	**-**	-
Equity investments				
At fair value	**6,979**	8,353	**5,766**	5,463
Quoted total	**32,702**	34,061	**5,766**	5,463
Unquoted				
Unquoted available-for-sale financial assets				
Non-equity investments				
At cost (less impairment loss)	**343,169**	1,106	**-**	-
At fair value	**301**	265	**-**	-
Equity investments				
At cost (less impairment loss)	**81,265**	105,274	**14**	14
At fair value	**2,529**	2,608	**2,529**	2,608
Loan and receivables				
Non-equity investments in company	**5,247**	9,128	**-**	-
Unquoted total	**432,511**	118,381	**2,543**	2,622
Total	**465,213**	152,442	**8,309**	8,085

(a) The quoted non-equity investments carry interest rate of 6% (2008: 6%).

(b) The unquoted non-equity investments carry interest rates of 0% to 10.4% (2008: 0% to 10.4%).

(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	
	2009	2008	**2009**	2008
	($'000)	($'000)	**($'000)**	($'000)
Cash and bank balances	**373,809**	403,057	**470**	356
Bank fixed deposits	**1,269,499**	629,882	**52,092**	39,200
	1,643,308	1,032,939	**52,562**	39,556

The weighted average effective interest rate for bank fixed deposits is 1.94% (2008: 5.37%).

Included in the Group's cash and bank balances, and bank fixed deposits are amounts of $3,435,000 (2008: $968,000) and $511,242,000 (2008: $309,156,000) 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 2009, the cash and bank deposits held by the Group are in the following major currencies: Chinese Renminbi - 22.1% (2008: 21.7%), United States Dollars - 14.9% (2008: 11.8%) and Sterling Pound - 4.9% (2008: 7.4%).

23. BRANDS

	THE GROUP		THE COMPANY	
	2009	2008	**2009**	2008
	($'000)	($'000)	**($'000)**	($'000)
At cost				
Balance at beginning of year	**61,546**	65,196	**8,435**	8,435
Currency realignment	**(1,954)**	(3,650)	**-**	-
Balance at end of year	**59,592**	61,546	**8,435**	8,435
Accumulated amortisation and impairment				
Balance at beginning of year	**13,407**	12,933	**8,435**	8,435
Currency realignment	**(93)**	(255)	**-**	-
Amortisation for the year	**591**	729	**-**	-
Impairment for the year	**2,560**	-	**-**	-
Balance at end of year	**16,465**	13,407	**8,435**	8,435
Net book value	**43,127**	48,139	**-**	-

Included in the Group's brands are brands with indefinite useful life of carrying amount of $42,675,000 (2008: $44,230,000).

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 ranges from 8.3% to 20.0%.

24. PROPERTIES HELD FOR SALE

		THE GROUP	
		2009	2008
		($'000)	($'000)
(a)	**Development Properties Held for Sale**		
	Properties in the course of development	**4,656,584**	4,595,376
	Allowance for foreseeable losses	**(107,777)**	(40,938)
	Allowance for amortisation	**(1,000)**	(1,010)
		4,547,807	4,553,428
	Development profit	**422,535**	346,702
		4,970,342	4,900,130
	Progress payments received	**(1,300,156)**	(746,605)
	Balance at end of year	**3,670,186**	4,153,525
(b)	**Completed Properties Held for Sale**		
	Completed units, at cost	**342,181**	430,321
	Allowance for foreseeable losses	**(4,919)**	(7,109)
	Net book value	**337,262**	423,212
	Total Properties Held for Sale	**4,007,448**	4,576,737

(i) Interest capitalised during the year was $145,760,000 (2008: $142,813,000). A capitalisation rate of between 0.80% and 15.00% (2008: 1.62% and 14.00%) per annum was used, representing the borrowing cost of the loans used to finance the projects.

(ii) As at 30 September 2009, the bank loans drawn down amounted to $1,054,097,000 (2008: $1,045,227,000).

(iii) Development properties held for sale amounting to $363,768,000 (2008: $524,639,000) as described in (22) to (33) are secured for credit facilities with a bank for which certain covenants were breached as at 30 September 2009 (Note 16(f)).

24. PROPERTIES HELD FOR SALE (cont'd)

(iv) Development properties held for sale include:

Singapore

(1) 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 38,122.3 sqm of gross floor area for sale.

(2) ClementiWoods – leasehold land (99-year tenure commencing 7 February 2006) of approximately 20,062.0 sqm at Lot 1201K MK 3 situated at 50 West Coast Road for the development of 240 condominium units of approximately 31,560.0 sqm of gross floor area for sale.

(3) Martin Place Residences - 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 302 units of approximately 37,684.0 sqm of gross floor area for sale.

(4) 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 units of approximately 44,877.7 sqm of gross floor area for sale.

(5) 50% proportionate share of a leasehold land (Plot B1 and B2 have 99-year tenure commencing 31 October 2007 while Plot A1 and A2 have 99-year tenure commencing 1 January 1985 which will be revised) of approximately 75,164.7sqm at Lots 6182W and 6183V Mukim 28 Bedok Reservoir Road for the development of approximately 1,493 units of approximately 202,716.5 sqm of gross floor area for sale. Waterfront Waves (Plot B1) comprises 405 residential units of approximately 51,233.0 sqm of gross floor area for sale whilst Waterfront Key (Plot B2) comprises 437 residential units of approximately 37,834.0 sqm of gross floor area for sale.

(6) Freehold land of approximately 5,590.0 sqm at MK 22 on Lot 9339C Yio Chu Kang Road/Sirat Road for a residential development of approximately 81 units of approximately 7,827.0 sqm of gross floor area for sale.

(7) Woodsville 28 – leasehold land (99-year tenure commencing 15 October 2007) of approximately 3,870.0 sqm on Lot 9684M Mukim 17 at Woodsville Close for the development of 110 condominium units of approximately 11,015.0 sqm of gross floor area for sale.

(8) Caspian - Leasehold land (99-year tenure commencing 1 March 2008) of approximately 22,000.0 sqm on Lots 4216T, 4217A, 4218K MK 06 at Boon Lay Way/Lakeside Drive for the development of 712 condominium units of approximately 79,762.0 sqm of gross floor area for sale.

(9) 8 @ Woodleigh – Leasehold land (99-year tenure commencing 22 September 2008) of approximately 10,774.0 sqm at Lot Q949W MK17 Woodleigh Close for the development of 330 condominium units of approximately 30,164.0 sqm of gross floor area for sale.

(10) Freehold land of approximately 1,559.0 sqm situated at Holland Park, off Holland Road, Singapore for the development of bungalow units for sale.

(11) Freehold land of approximately 2,801.1 sqm at Lots 3655K and 3654A Mukim 2 at Holland Park for the development of 2 good class bungalows for sale.

(12) Freehold land of approximately 31,161.0 sqm at Lot 06495W MK27 Siglap Road for the development of approximately 393 condominium units of approximately 43,625.0 sqm of gross floor area for sale.

24. PROPERTIES HELD FOR SALE (cont'd)

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

Vietnam

(13) Leasehold land (35-year tenure commencing 3 April 1995) of approximately 2,160.0 sqm at No. 3 Nguyen Sieu Street, Ho Chi Minh City, Vietnam for the development of approximately 106 residential units of approximately 11,845.0 sqm of gross floor area for sale.

Australia

(14) Freehold land of approximately 52.2 hectares situated at Wanjeep Street, Mandurah, Western Australia for a proposed mixed development of approximately 1,200 residential and commerical units of a total of approximately 159,000.0 sqm of gross floor area for sale.

(15) Freehold land of approximately 1.19 hectares situated at East Perth, Australia for a proposed mixed development comprising approximately 337 private apartment units, 129 serviced suites and commercial space of a total of approximately 54,000.0 sqm of strata area for sale.

(16) Freehold land of approximately 4.8 hectares situated at Morton Street, Parramatta, Sydney, Australia for a proposed development of approximately 550 apartment units for sale.

(17) Freehold land of approximately 0.93 hectares situated in Camperdown's City Quarter, Sydney, Australia for a proposed development of approximately 409 apartment units of a total of approximately 38,847.0 sqm of gross floor area for sale.

(18) Freehold land of approximately 5.8 hectares situated at Broadway Sydney, Australia for a proposed mixed development comprising about 110,300.0 sqm of commercial space and about 1,300 residential apartment units of about 145,200.0 sqm gross floor area for sale.

(19) Freehold land of approximately 6,215.0 sqm situated at 3, 5, 7 Lorne Avenue, Killara, Sydney, Australia for a proposed development comprising 66 apartment units of approximately 9,373.0 sqm of gross floor area for sale.

New Zealand

(20) Freehold land of approximately 6,831.0 sqm in the South Island, Queenstown, New Zealand for a proposed development of 24 luxury residential apartments of approximately 6,500.0 sqm of gross floor area for sale.

(21) Freehold land of approximately 27 hectares located in Tauranga in the Bay of Plenty, New Zealand for a proposed development of approximately 686 houses and apartments and a beach front condominium complex of approximately 136,500.0 sqm of gross floor area for sale.

United Kingdom

(22) Freehold land of approximately 40,015.0 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 30,800.0 sqm of gross floor area for sale for Phase 3 of the Wandsworth Riverside Development.

(23) Freehold land of approximately 1,901.0 sqm situated at 143 - 161 Wandsworth Road, London, United Kingdom, for a proposed residential and commercial development of approximately 178 residential units and ancillary office and retail space of a total of 22,576.0 sqm of gross floor area for sale.

(24) Freehold land of approximately 3,400.0 sqm situated at 1 – 6 Camberwell Green and 307-311 Camberwell New Road SE5, London, United Kingdom, for a proposed residential development of approximately 135 units and ancillary office and retail space of a total of approximately 13,785.0 sqm of gross floor area for sale.

24. PROPERTIES HELD FOR SALE (cont'd)

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

United Kingdom (cont'd)

(25) Freehold land of approximately 5,385.0 sqm situated at Shoppenhangers Lane, Maidenhead, United Kingdom, for a proposed residential development of approximately 28 units of approximately 2,397.0 sqm of gross floor area for sale.

(26) Freehold land of approximately 2,165.0 sqm situated at Collins Theatre, Islington, United Kingdom, for a proposed residential development of approximately 70 units and commercial space of a total of approximately 3,026.0 sqm of gross floor area for sale.

(27) 50% proportionate share of a freehold land of approximately 26,315.0 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 25,951.0 sqm of gross floor area for sale.

(28) 50% proportionate share of a freehold land of approximately 8,299.0 sqm situated at Granton Harbour, Leith, United Kingdom, for a proposed residential development of approximately 120 apartments of approximately 10,648.0 sqm of gross floor area for sale.

(29) 50% proportionate share of a freehold land of approximately 1,619.0 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 4,514.0 sqm of gross floor area for sale.

(30) 50% proportionate share of a freehold land of approximately 26,315.0 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 16,116.0 sqm of gross floor area for sale.

(31) 45% proportionate share of a freehold land of approximately 3,644.0 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.

(32) Freehold land of approximately 3,158.0 sqm situated at Brown Street, Glasgow, United Kingdom, for a proposed development of approximately 341 residential units and commercial space with a total gross floor area of 22,629.0 sqm for sale.

(33) Freehold land of approximately 5,870.0 sqm situated at Baildon, United Kingdom, for a proposed residential development of approximately 120 units with approximately 7,264.0 sqm of gross floor area for sale.

China

(34) Leasehold land (70-year tenure commencing 27 December 2004) of approximately 314,501.0 sqm situated in Gongye Yuan District, Nan Shi Jie Dong, Suzhou, China for a residential development of a total of approximately 555,000.0 sqm of gross floor area for sale.

(35) Leasehold land (70-year tenure commencing 6 December 2003) of approximately 711,101.0 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 791,450.0 sqm of gross floor area for sale.

(36) Leasehold land (50-year tenure commencing 19 September 2007) of approximately 195,846.0 sqm situated in Chengdu, China for a proposed industrial/commerical development with a total of approximately 637,445.0 sqm of gross floor area for sale.

24. PROPERTIES HELD FOR SALE (cont'd)

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

Thailand

(37) 49% proportionate share of The Pano - freehold land of approximately 40,608.0 sqm situated at Rama III Road, Bangkok, Thailand which is separated into phase 1 of 19,062.0 sqm and phase 2 and 3 of 26,546.0 sqm. Phase 1 consists of development of 397 condominium units of approximately 62,322.0 sqm of gross floor area for sale.

Malaysia

(38) Freehold land of approximately 25,659.0 sqm at Jalan Yew, Kuala Lumpur, Malaysia for the development of commercial buildings with retail space, city campus and hostel, hotels and carparks with a total of approximately 129,931.0 sqm of gross floor area for sale.

(39) Freehold land of approximately 5,830.0 sqm at Jalan Ampang, Kuala Lumpur, Malaysia for a proposed development of serviced apartments and office suites.

(40) Freehold land of approximately 245,283.0 sqm at Mukim Hulu Semenyih, District of Hulu Langat, Selangor, Malaysia for a proposed development of residential properties.

(41) Freehold land of approximately 12,268.0 sqm at Johor Bahru, State of Johor, Malaysia for a proposed development of commercial properties.

25. INVENTORIES

	THE GROUP	
	2009	2008
	($'000)	($'000)
Containers	**43,553**	37,193
Raw materials	**89,586**	127,945
Manufactured inventories	**157,167**	146,054
Engineering spares, work-in-progress and other inventories	**56,554**	74,541
Packaging materials	**31,322**	28,251
Goods purchased for resale	**45,325**	54,518
	423,507	468,502

(a) Write back of allowance for inventory obsolescence during the year amounting to $3,011,000 (2008: $3,190,000) was made when the inventories were sold above their carrying amounts.

(b) Inventories of $1,272,000 (2008: $1,495,000) of the Group's joint venture company is secured against its bank overdrafts.

(c) The cost of inventories recognised as expense and included in Cost of Sales amounted to $192,501,000 (2008: $217,342,000).

26. TRADE RECEIVABLES AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2009 ($'000)	2008 ($'000)	**2009 ($'000)**	2008 ($'000)
Trade receivables	**734,167**	714,058	**-**	-
Other receivables:				
Current				
Accrued income	**6,222**	8,307	**186**	6
Prepayments	**107,837**	148,605	**3**	7
Deposits paid	**9,388**	11,145	**-**	-
Tax recoverable	**22,523**	23,718	**-**	-
Staff loans	**5,237**	6,171	**-**	-
Loans to related parties	**-**	7,555	**-**	-
Amount receivable from joint venture partners	**13,172**	15,347	**-**	-
Derivative financial instruments (Note 27)	**4,036**	4,605	**2,405**	3,188
Advanced project cost paid	**2,149**	5,881	**-**	-
Sundry debtors	**28,700**	28,956	**-**	-
Other receivables	**37,832**	31,130	**-**	3
	237,096	291,420	**2,594**	3,204
	971,263	1,005,478	**2,594**	3,204
Non current				
Prepayments	**6,197**	10,910	**-**	-
Staff loans	**1,519**	1,511	**-**	-
Loans to a minority shareholder	**40,208**	-	**-**	-
Other receivables	**6,182**	6,783	**-**	-
	54,106	19,204	**-**	-
	1,025,369	1,024,682	**2,594**	3,204

(a) Included in trade receivables is an amount of $293,976,000 (2008: $229,174,000) 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.

(b) As at 30 September 2009, the trade receivables and other receivables held by the Group are in the following major currencies: Malaysia Ringgit - 15.0% (2008: 17.3%), Chinese Renminbi - 12.8% (2008: 13.3%) and United States Dollars - 5.5% (2008: 7.0%).

(c) Trade and other receivables of $1,157,000 (2008: $1,133,000) of the Group's joint venture company are pledged as security for bank overdraft.

(d) At balance sheet date, trade receivables amounting to $9,613,000 (2008: $9,898,000) of the Group's joint venture company have been secured by collaterals provided by customers.

(e) As at balance sheet date, the Group has provided an allowance of $15,849,000 (2008: $Nil) for impairment on other receivables.

(f) Loans to a minority shareholders are non-trade related, unsecured, bears interest at 12% per annum and have no fixed repayment terms.

26. TRADE RECEIVABLES AND OTHER RECEIVABLES (cont'd)

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to $142,584,000 (2008: $195,740,000) that are past due at balance sheet date but not impaired. These receivables are unsecured and the aging analysis at the balance sheet date is as follows:

	THE GROUP	
	2009 ($'000)	2008 ($'000)
Trade receivables past due:		
1 to 30 days	**64,680**	141,423
31 to 60 days	**30,438**	21,800
61 to 90 days	**12,238**	11,402
91 to 120 days	**5,454**	6,234
more than 120 days	**29,774**	14,881
	142,584	195,740

Trade receivables that are impaired

The Group's trade receivables that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:

	THE GROUP			
	Collectively impaired		**Individually impaired**	
	2009 ($'000)	2008 ($'000)	**2009 ($'000)**	2008 ($'000)
Trade receivables - nominal amounts	**17,346**	11,907	**13,912**	14,213
Less: Allowance for impairment	**(632)**	(2,129)	**(12,219)**	(10,240)
	16,714	9,778	**1,693**	3,973
Movement in allowance accounts:				
At 1 October	**2,129**	329	**10,240**	13,792
Charge for the year	**281**	1,673	**6,306**	4,784
Written back	**(401)**	(41)	**(3,192)**	(3,803)
Written off	**(31)**	(5)	**(2,327)**	(3,571)
Reclassification	**(1,185)**	-	**1,185**	-
Exchange difference	**(161)**	173	**7**	(962)
At 30 September	**632**	2,129	**12,219**	10,240

Receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments.

The reclassification relates to the transfer from collectively impaired allowance to individually impaired allowance.

27. DERIVATIVE FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
	2009 ($'000)	2008 ($'000)	**2009 ($'000)**	2008 ($'000)
Assets				
Interest rate swap	**3,100**	3,188	**2,405**	3,188
Forward currency contracts	**936**	1,417	**-**	-
	4,036	4,605	**2,405**	3,188
Liabilities				
Interest rate swap	**29,982**	7,000	**-**	2,218
Forward currency contracts	**12,956**	1,371	**-**	-
	42,938	8,371	**-**	2,218
Net position	**(38,902)**	(3,766)	**2,405**	970

The Group has applied cash flow hedge accounting for interest rate swap arrangements for which the associated floating rate loans have the same critical terms, and which have been assessed to be effective hedges. The interest on these interest rate swaps and loans are settled on a quarterly basis.

28. SHORT TERM INVESTMENTS

	THE GROUP		THE COMPANY	
	2009 ($'000)	2008 ($'000)	**2009 ($'000)**	2008 ($'000)
Quoted				
Available-for-sale financial assets				
Equity investments at fair value	**251,378**	137,891	**-**	-
Unquoted				
Loans and receivables				
Non-equity investments at cost	**3,318**	3,220	**-**	-
Total	**254,696**	141,111	**-**	-

Included in non-equity investments are notes with interest rates of 8.9% to 11.9% (2008: 8.9% to 11.9%) per annum and maturing within the next 12 months.

29. ASSETS AND LIABILITIES HELD FOR SALE

The assets held for sale relate to land and machineries which are available for sale following the closure of the glass packaging plant in Jalan Kilang, Petaling Jaya and land and building which are available for sale following the closure of the foods business in Vietnam.

In June 2008, the Group's joint venture company entered into an agreement to sell its entire shareholding interest in a joint venture company for a consideration of US$38 million (approximately S$54 million). Subsequently in March 2009, the sales and purchase agreement relating to the intended sale expired and the asset held for sale was reinstated as a joint venture company of the Group.

	THE GROUP	
	2009 ($'000)	2008 ($'000)
Assets		
Non-current assets	**9,387**	-
Current assets	**-**	27,086
	9,387	27,086

30. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2009 ($'000)	2008 ($'000)	**2009 ($'000)**	2008 ($'000)
Trade payables	**681,508**	576,592	**-**	-
Other payables:				
Current				
Advances from joint venture partners	**11,447**	22,432	**-**	-
Interest payable	**27,488**	38,077	**3,478**	5,543
Accrued operating expenses	**196,465**	179,065	**300**	1,086
Sundry accruals	**153,027**	119,847	**118**	259
Sundry deposits	**67,226**	64,095	**-**	-
Staff costs payable	**78,713**	77,200	**-**	-
Accrual for unconsumed leave	**9,328**	11,083	**-**	-
Amounts due to minority shareholders of subsidiary companies	**96,299**	58,468	**-**	-
Deferred income	**5,642**	9,524	**-**	-
Provisions	**1,584**	9,211	**-**	-
Derivative financial instruments (Note 27)	**42,938**	8,371	**-**	2,218
Other payables	**70,313**	71,102	**2,075**	2,197
	760,470	668,475	**5,971**	11,303
	1,441,978	1,245,067	**5,971**	11,303
Non-current				
Amounts due to minority shareholders of subsidiary companies	**864**	1,404	**-**	-
Sundry payables	**8,470**	8,633	**-**	-
	9,334	10,037	**-**	-
	1,451,312	1,255,104	**5,971**	11,303

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

(b) Amounts due to minority shareholders of subsidiary companies are non-trade in nature, unsecured, repayable in cash on demand and interest free, except for loans of $8,835,000 (2008: $18,241,000) which bear interest at 7.5% (2008: 6.0% to 7.0%) per annum.

(c) As at 30 September 2009, the trade and other payables held by the Group are in the following major currencies: Malaysia Ringgit - 14.7% (2008: 14.4%), Chinese Renminbi - 15.4% (2008: 18.3%) and United States Dollars - 5.4% (2008: 5.7%).

31. BORROWINGS

	Weighted average effective interest rate %	Notes	THE GROUP 2009 ($'000)	THE GROUP 2008 ($'000)	THE COMPANY 2009 ($'000)	THE COMPANY 2008 ($'000)
Repayable within one year:						
Unsecured						
Bank loans	4.10		**393,700**	1,153,313	**-**	299,960
Bank overdrafts	10.71		**19,366**	12,871	**-**	-
			413,066	1,166,184	**-**	299,960
Term loans	4.02	(c)	**365,324**	345,679	**199,914**	-
Secured						
Bank loans	4.55	(b)	**913,152**	566,628	**-**	-
Bank overdrafts	13.90	(b)	**32**	-	**-**	-
			913,184	566,628	**-**	-
Finance leases			**1,152**	1,085	**-**	-
			1,692,726	2,079,576	**199,914**	299,960
Repayable after one year:						
Unsecured						
Bank loans	2.63		**1,097,269**	531,025	**-**	-
Term loans	3.82		**1,959,192**	1,741,260	**150,000**	349,814
Secured						
Bank loans	4.89	(b)	**291,063**	808,858	**-**	-
Term loans	3.98	(b)	**260,000**	272,902	**-**	-
Finance leases			**775**	1,214	**-**	-
		(e)	**3,608,299**	3,355,259	**150,000**	349,814
Total			**5,301,025**	5,434,835	**349,914**	649,774
Fair value		(d)	**5,308,999**	5,425,608	**340,748**	645,502

Notes

(a) Term loans comprise variable rate notes, medium term notes, fixed rate notes, transferable term loan, commercial papers and floating rate bonds issued by the Company and subsidiary companies.

(b) The secured bank loans, overdrafts and term loans 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 165,000 (2008: 330,000) redeemable non-voting Class A Preference Shares of an aggregate value of $165,000,000 (2008: $330,000,000) are classified as bank borrowings in the consolidated financial statements of the Group.

As disclosed in Note 16(f), as at 30 September 2009, FPUK has not complied with certain covenants of its credit facilities agreement with a bank and the bank have the right to recall and demand repayment of the outstanding amounts. FPUK and the bank are currently in the process of a consensual restructuring of these facilities. Included in Secured Bank Loans, Repayable within One Year, is an amount of $523,280,000 relating to all outstanding bank borrowings under the breached facility. This amount is secured on fixed and floating charge over assets of FPUK group (Note 14 and 24).

(c) Included in the term loans is a loan from the Group's associated company bearing interest at 2.8% (2008: 8.7%) per annum.

31. BORROWINGS (cont'd)

(d) 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 bank loans of $2,276,439,000 (2008: $1,856,548,000) which have a fair value of $2,284,413,000 (2008: $1,847,321,000).

The aggregate fair value of term loans are determined by reference to market value.

(e) Maturity of non-current borrowings is as follows:

	THE GROUP		THE COMPANY	
	2009 ($'000)	2008 ($'000)	**2009 ($'000)**	2008 ($'000)
Between 1 and 2 years	**1,432,330**	1,218,535	**-**	199,814
Between 2 and 5 years	**1,570,856**	1,788,741	**-**	-
After 5 years	**605,113**	347,983	**150,000**	150,000
	3,608,299	3,355,259	**150,000**	349,814

(f) As at 30 September 2009, the borrowings held by the Group are in the following major currencies: United States Dollars - 11.9% (2008: 11.5%), Sterling Pounds - 10.2% (2008: 10.2%) and Australia Dollars - 8.9% (2008: 10.2%).

(g) As at 30 September 2009, 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 2009 and include the effect of related interest rate swaps.

32. PROVISION FOR EMPLOYEE BENEFITS

	THE GROUP	
	2009 ($'000)	2008 ($'000)
Balance at beginning of year	**18,764**	18,811
Currency realignment	**(670)**	(1,237)
Acquisition of subsidiary companies	**-**	7
Write back during the year	**(961)**	(1,031)
Provision for the year	**4,776**	5,072
Payment for the year	**(2,606)**	(2,858)
Balance at end of year	**19,303**	18,764

(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 defined benefit plan in New Zealand was subsequently wound up on 31 March 2009.

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(b) Defined Benefit Plan (cont'd)

The major assumptions used by the qualified independent actuaries were:

	THE GROUP	
	2009	2008
Rate of increase in salaries	**3.5% to 5.0%**	3.5% to 5.0%
Expected rate of return on assets	**5.0% to 7.2%**	5.0%
Discount rate	**4.4% to 6.5%**	4.5% to 6.5%

The following tables summarise the components of net benefit expense and benefit liability:

	2009 ($'000)	2008 ($'000)
Net benefit expense		
Benefits earned during the year	**1,051**	654
Interest income on benefit obligation	**(843)**	(651)
Amortisation of unrecognised gain	**(36)**	-
Net actuarial gain	**1,976**	1,828
Curtailment gain/(loss)	**377**	(31)
Transition obligation recognised	**(55)**	(250)
Settlement gain	**24**	-
Net benefit expense	**2,494**	1,550
Benefit liability		
Present value of benefit obligation	**39,079**	39,165
Fair value of plan assets	**(20,542)**	(21,211)
Unfunded benefit obligation	**18,537**	17,954
Unrecognised net actuarial gain	**(3,163)**	(2,867)
Unrecognised transition benefit	**(306)**	(498)
Provision	**887**	679
Benefit liability	**15,955**	15,268
Present value of unfunded benefit obligation	**14,928**	15,180
Present value of funded benefit obligation	**24,151**	23,985
	39,079	39,165

The following table summarises the components of benefit liabilities not taken up in the Group's consolidated financial statements:

Benefit liabilities		
Present value of benefit obligation	**-**	10,207
Fair value of plan assets	**-**	(10,325)
Unfunded benefit obligation	**-**	(118)
Unrecognised net actuarial loss	**-**	158
Benefit liabilities	**-**	40

(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.

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(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, 1999.	("1999 Scheme")	30 September 1999
(ii)	Asia Pacific Breweries Limited Executives' Share Option Scheme.	("APBL Scheme")	21 February 1995
(iii)	Fraser & Neave Holdings Bhd Executives' Share Option Scheme.	("F&NHB Scheme")	-
(iv)	Frasers Property (China) Limited's Share Option Scheme.	("FPCL Scheme")	20 May 2003
(v)	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.

Information regarding the 1999 Scheme, APBL Scheme and F&NHB 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.

Information regarding F&NHB 2007 Scheme

(i) The maximum number of new ordinary shares of RM1.00 each in the company which may be issued on the exercise of the F&NHB 2007 Scheme shall not exceed 10% of the issued and paid-up share capital of F&NHB at any point of time throughout the duration of the F&NHB 2007 Scheme.

(ii) Eligible full-time executives of the group and executive directors of the company with at least one year service shall be eligible to participate in the F&NHB 2007 Scheme.

(iii) The allotment of an eligible executive shall not exceed the maximum limits for any specific job grade in any one financial year and 1,000,000 new shares of the company during the tenure of the F&NHB 2007 Scheme, subject to the limits below:

    (1) not more than 50% of the new shares of F&NHB available under the F&NHB 2007 Scheme shall be allocated, in aggregate, to the directors and senior management of the group; and

    (2) not more than 10% of the new shares of the company available under the F&NHB 2007 Scheme shall be allocated to any individual eligible executive who, either singly or collectively through persons connected to that eligible executive, holds 20% or more of the issued and paid-up share capital of the company.

(iv) The option price shall be the five days weighted average market price of the company's shares as quoted on Bursa Malaysia Securities Bhd immediately preceding the date of the offer, or the par value of the shares of F&NHB, whichever is higher.

(v) The F&NHB 2007 Scheme shall be in force for a period of 10 years from the effective date for the implementation of the F&NHB 2007 Scheme.

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Options (cont'd)

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.

(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 on or 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 specified above, exercise 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.

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 (1999)

Options	Offer Date	Balance as at 1.10.2008 or Offer Date if later	Options Exercised/ Lapsed	Balance as at 30.9.2009	Exercise Price	Exercise Period
1999 Scheme						
Year 3	08.10.2001	128,960	(111,455)	17,505	$1.40	09.07.2004 - 08.09.2011
Year 4	01.10.2002	561,125	(186,285)	374,840	$1.51	01.07.2005 - 31.08.2012
Year 5	08.10.2003	3,197,485	(1,531,835)	1,665,650	$2.12	08.07.2006 - 07.09.2013
Year 6	08.10.2004	5,499,105	(1,713,505)	3,785,600	$2.82	08.07.2007 - 07.09.2014
Year 7	10.10.2005	8,666,190	(435,590)	8,230,600	$3.46	10.07.2008 - 09.09.2015
Year 8	10.10.2006	9,208,703	(208,573)	9,000,130	$4.22	10.07.2009 - 09.09.2016
Year 9	10.10.2007	10,965,601	(237,985)	10,727,616	$5.80	10.07.2010 - 09.09.2017
Year 10	25.11.2008	14,051,865	(128,871)	13,922,994	$2.86	25.08.2011 - 24.10.2018
		52,279,034	(4,554,099)[1]	47,724,935		

The fair value of options granted during the year was $0.75 (2008: $1.34).

The weighted average share price for options exercised during the year was $3.22 (2008: $4.93).

Note:
1 Exercised (3,887,340); Lapsed due to Resignations and Non-acceptance (666,759).

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Options (cont'd)

Fraser & Neave Holdings Bhd Executives' Share Option Scheme

Options	Offer Date	Balance as at 1.10.2008	Options Exercised/ Lapsed	Balance as at 30.9.2009	Exercise Price	Exercise Period
2004	24.11.2003	27,500	(27,500)	-	RM3.83	24.08.2006 - 23.10.2008
2005	24.11.2004	223,700	(216,700)	7,000	RM4.89	24.08.2007 - 23.10.2009
2006	26.08.2005	747,000	(618,700)	128,300	RM5.54	27.05.2008 - 26.07.2010
2007	26.09.2006	1,988,000	(1,217,900)	770,100	RM6.12	27.06.2009 - 26.08.2011
		2,986,200	(2,080,800)[2]	905,400		

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 RM8.88 (2008: RM8.31).

Fraser & Neave Holdings Bhd Executives' Share Option Scheme ("F&NHB 2007 Scheme")

Options	Offer Date	Balance as at 1.10.2008 or Offer Date if later	Options Exercised/ Lapsed	Balance as at 30.9.2009	Exercise Price	Exercise Period
2008	20.11.2007	2,504,300	(127,000)	2,377,300	RM7.77	20.08.2010 - 19.10.2012
2009	19.11.2008	2,916,100	(104,800)	2,811,300	RM8.46	19.08.2011 - 18.10.2013
		5,420,400	(231,800)[3]	5,188,600		

The fair value of options granted during the year was RM1.03 (2008: RM0.79).

Frasers Property (China) Limited's Share Option Scheme

Options	Offer Date	Balance as at 1.10.2008 or Offer Date if later	Options Exercised/ Lapsed	Balance as at 30.9.2009	Exercise Price	Exercise Period
2003	31.12.2003	9,965,658	(88,327)	9,877,331	HK$0.1580	31.12.2004 - 30.12.2013
2004	31.12.2004	11,474,439	-	11,474,439	HK$0.1547	31.12.2005 - 30.12.2014
2005	30.12.2005	13,773,647	-	13,773,647	HK$0.1343	30.12.2006 - 29.12.2015
2006	13.11.2006	15,300,737	-	15,300,737	HK$0.1670	13.11.2007 - 12.11.2016
2007	09.11.2007	16,550,000	-	16,550,000	HK$0.3370	09.11.2008 - 08.11.2017
2008	14.11.2008	17,050,000	-	17,050,000	HK$0.1000	14.11.2009 - 13.11.2018
		84,114,481	(88,327)[4]	84,026,154		

The fair value of options granted during the year was HK$0.10 (2008: HK$0.23).
The weighted average share price for options exercised during the year was HK$Nil (2008: HK$0.24).

Notes:
2 Exercised (1,963,200); Lapsed due to Expiry and Resignations (117,600).
3 Lapsed due to Resignations, Termination and Non-acceptance (231,800).
4 Lapsed due to Resignations.

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Options (cont'd)

Asia Pacific Breweries Limited Executives' Share Option Scheme

Options	Offer Date	Balance as at 1.10.2008	Options Exercised/ Lapsed	Balance as at 30.9.2009	Exercise Price	Exercise Period
1999	23.12.1998	3,898	(3,898)	-	$3.61	22.09.2001 - 21.11.2008
2000	22.12.1999	10	-	10	$4.28	21.09.2002 - 20.11.2009
2001	20.12.2000	2,750	-	2,750	$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	18,000	-	18,000	$4.79	15.07.2005 - 14.09.2012
2004	08.10.2003	40,800	(2,000)	38,800	$6.29	08.07.2006 - 07.09.2013
		71,108	(5,898)[5]	65,210		

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 $10.30 (2008: $12.69).

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 8	Year 9	Year 10
Dividend yield (%)	2.7%	2.4%	4.7%
Expected volatility (%)	24.4%	29.6%	40.6%
Risk-free interest rate (%)	3.0%	2.6%	1.6%
Expected life of option (years)	4.0	5.0	5.0
Share price at date of grant (S$)	4.42	5.75	2.86
Exercise share price (S$)	4.22	5.80	2.86

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

Fraser & Neave Holdings Bhd Executives' Share Option Scheme ("F&NHB 2007 Scheme")

	2008	2009
Dividend yield (%)	4.4%	4.1%
Expected volatility (%)	14.3%	17.2%
Risk-free interest rate (%)	3.8%	3.7%
Expected life of option (years)	4.9	4.5
Share price at date of grant (MYR)	7.80	8.50
Exercise share price (MYR)	7.77	8.46

Note:
5 Exercised (2,000); Lapsed due to Expiry (3,898).

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Options (cont'd)

Frasers Property (China) Limited's Share Option Scheme

	2007	2008	2009
Dividend yield (%)	-	-	-
Expected volatility (%)	72.0%	80.0%	75.0%
Risk-free interest rate (%)	3.8%	3.2%	2.0%
Expected life of option (years)	10.0	10.0	10.0
Share price at date of grant (HKD)	0.167	0.337	0.064
Exercise share price (HKD)	0.167	0.337	0.100

Asia Pacific Breweries Limited Phantom Share Option Scheme

	Phantom share option 2007	Phantom share option 2008	Phantom share option 2009
Dividend yield (%)	1.9%	2.1%	3.3%
Expected volatility (%)	24.8%	16.7%	20.8%
Risk-free interest rate (%)	3.1%	2.3%	1.7%
Expected life of option (years)	3.6	3.9	4.7
Share price at date of grant ($)	15.50	13.40	10.32
Exercise share price ($)	15.34	13.59	10.95

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 1.10.2008 or Offer Date if later	Options Exercised/ Lapsed	Balance at end of year	Exercise Price	Exercise Period
2005	8.10.2004	45,150	(45,150)	-	$7.48	08.07.2007 - 07.07.2009
2006	9.11.2005	522,325	(323,600)	198,725	$8.96	09.08.2008 - 08.08.2010
2007	7.11.2006	1,336,100	(28,450)	1,307,650	$15.34	07.08.2009 - 06.08.2011
2008	8.11.2007	1,605,700	(57,850)	1,547,850	$13.59	09.08.2010 - 06.08.2012
2009	8.11.2008	1,468,750	(58,450)	1,410,300	$10.95	08.08.2011 - 07.08.2013
		4,978,025	(513,500)[6]	4,464,525		

The fair value of options granted during the year was $1.22 (2008: $1.35).
The weighted average share price for options exercised during the year was $12.20 (2008: $12.84).

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 2009 is $995,000 (2008: $1,722,000).

Note:
6 Exercised (346,750); Lapsed due to Expiry and Resignation (166,750).

33. DEFERRED TAX ASSETS AND LIABILITIES

	THE GROUP				THE COMPANY	
	Balance Sheet		Profit Statement		Balance Sheet	
	2009 ($'000)	2008 ($'000)	**2009 ($'000)**	2008 ($'000)	**2009 ($'000)**	2008 ($'000)
Deferred tax liabilities						
Differences in depreciation	**59,649**	66,899	**(11,305)**	(548)	**-**	-
Tax effect on revaluation surplus	**63,093**	62,439	**(10,157)**	11,269	**-**	-
Provisions, expenses and income taken in a different period	**10,610**	11,050	**(1,782)**	4,654	**-**	-
Fair value adjustments	**468**	331	**-**	-	**291**	267
Other deferred tax liabilities	**8,064**	16,493	**574**	2,632	**-**	-
Gross deferred tax liabilities	**141,884**	157,212	**(22,670)**	18,007	**291**	267
Less: Deferred tax assets						
Employee benefits	**(4,283)**	(5,528)	**1,211**	(1,924)	**-**	-
Unabsorbed losses and capital allowances	**(9,455)**	(6,973)	**1,339**	(3,327)	**-**	-
Provisions, expenses and income taken in a different period	**(8,415)**	(4,734)	**(3,689)**	4,129	**-**	-
Other deferred tax assets	**(9,490)**	(9,823)	**(220)**	(236)	**-**	-
Gross deferred tax assets	**(31,643)**	(27,058)	**(1,359)**	(1,358)	**-**	-
Net deferred tax liabilities	**110,241**	130,154	**(24,029)**	16,649	**291**	267

Some overseas subsidiary companies have net deferred tax assets relating to the following:

Employee benefits	**(2,184)**	(1,158)	**(440)**	1,257	**-**	-
Differences in depreciation	**3,813**	6,883	**442**	(3,258)	**-**	-
Unabsorbed losses and capital allowances	**(14,227)**	(16,222)	**479**	(482)	**-**	-
Provisions	**(8,348)**	(5,515)	**(3,376)**	(861)	**-**	-
Tax effect on revaluation surplus	**(967)**	-	**(967)**	-	**-**	-
Others	**(1,038)**	(1,832)	**148**	762	**-**	-
Net deferred tax assets	**(22,951)**	(17,844)	**(3,714)**	(2,582)	**-**	-

The deferred tax taken to equity during the year relating to fair value adjustment is $137,000 (2008: write back of $258,000).

Deferred tax liabilities of $5,655,000 (2008: $7,849,000) 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 $33,265,000 at 30 September 2009 (2008: $43,605,000).

34. FUTURE COMMITMENTS

	THE GROUP 2009 ($'000)	2008 ($'000)
Commitments not provided for in the financial statements:		
(a) Commitments in respect of contract placed		
- Fixed assets	**45,784**	40,313
- Raw materials	**106**	224
- Investment properties	**26,513**	67,305
- Properties held for sale	**1,863,527**	844,673
- Share of joint venture companies' commitments	**74,149**	30,228
	2,010,079	982,743
(b) Other amounts approved by directors but not contracted for:		
- Fixed assets	**211,342**	309,571
- Properties held for sale	**4,655,974**	6,950,461
- Share of joint venture companies' commitments	**290,000**	12,398
- Investment properties	**15,538**	30,678
	5,172,854	7,303,108
Total	**7,182,933**	8,285,851

35. LEASE COMMITMENTS

Operating Leases
Lease commitments under non-cancellable operating leases where the Group is a lessee:

	2009	2008
Payable within one year	**49,816**	30,436
Payable between one and five years	**114,954**	38,241
Payable after five years	**44,604**	42,121
	209,374	110,798
Operating lease expense for the year	**41,114**	37,574

The operating leases do not contain any escalation clauses and do not provide for contingent rents. Lease terms do not contain restrictions on the Group activities concerning dividends, additional debts or entering into other leasing agreements.

Lease commitments under non-cancellable operating leases where the Group is a lessor:

	2009	2008
Receivable within one year	**223,259**	186,570
Receivable between one and five years	**238,007**	232,139
Receivable after five years	**4,602**	6,071
	465,868	424,780

Contingent rents, generally determined based on a percentage of tenants' revenue of $7,852,000 (2008: $6,794,000) have been recognised as income by the Group in the profit statement during the year.

35. LEASE COMMITMENTS (cont'd)

Finance Leases
Lease commitments under non-cancellable finance leases where the Group is a lessee:

	THE GROUP			
	2009 ($'000)		2008 ($'000)	
	Minimum lease payments	**Present value of payments**	Minimum lease payments	Present value of payments
Minimum lease payments due:				
Payable within one year	**1,225**	**1,152**	1,183	1,085
Payable between one and five years	**816**	**775**	1,281	1,214
Total minimum lease payments	**2,041**	**1,927**	2,464	2,299
Less: Future finance charges				
Payable within one year	**(73)**	**-**	(98)	-
Payable between one and five years	**(41)**	**-**	(67)	-
	(114)	**-**	(165)	-
	1,927	**1,927**	2,299	2,299

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		THE COMPANY	
	2009 ($'000)	2008 ($'000)	**2009 ($'000)**	2008 ($'000)
Directors				
Sale of condominium units	**-**	2,659	**-**	-
Joint venture companies				
Rental received	**1,279**	1,095	**-**	-
Management fees received	**2,218**	2,418	**-**	-
Sales of bottles	**28,020**	30,007	**-**	-
Sale of services	**40**	29	**-**	-
Management fees paid	**(473)**	(387)	**(473)**	(387)
Purchase of cullets	**(76)**	(6)	**-**	-

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 $3,753,222,000 (2008: $3,231,771,000) for the purpose of assisting its subsidiary companies to obtain external borrowings. Of the $3,753,222,000 (2008: $3,231,771,000) corporate guarantees given by the Company $1,561,440,000 (2008: $874,590,000) has been utilised by its subsidiaries as security for its borrowings, and these borrowings have been included as borrowings under the Group Balance Sheet. Any further borrowings by its subsidiary companies supported by the Company corporate guarantees are reported as borrowings in the Group Balance Sheet.

The Group provided 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 S$8,400,000 (Baht 200,000,000) as security for bank facility granted to a joint venture company in respect of the acquisition of land.

The corporate guarantee on the Group and the Company are as follows:

	THE GROUP		**THE COMPANY**	
	2009 ($'000)	2008 ($'000)	**2009 ($'000)**	2008 ($'000)
Contingent liabilities	**65,400**	65,400	**3,753,222**	3,231,771

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 2009, the Group had entered into foreign currency forward exchange buy contracts amounting to $23 million (2008: $59 million) and foreign currency forward exchange sell contracts amounting to $66 million (2008: $59 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 $12,649,000 (2008: $808,000) and gain of $629,000 (2008: $854,000) 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.

38. FINANCIAL RISK MANAGEMENT (cont'd)

Foreign Currency Risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's total equity and the Group's profit net of tax to a reasonably possible 10% strengthening change in the Australian Dollar, Sterling Pound, United States Dollar, Vietnamese Dong, Hong Kong Dollar, Euro and Singapore Dollar exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	THE GROUP		THE COMPANY	
	Equity ($'000)	**Profit ($'000)**	**Equity ($'000)**	**Profit ($'000)**
30 September 2009				
Australian Dollar	**(237)**	**4,559**	**-**	**-**
Sterling Pound	**-**	**119**	**-**	**-**
United States Dollar	**-**	**(18,122)**	**-**	**(856)**
Vietnamese Dong	**(11,437)**	**186**	**-**	**-**
Hong Kong Dollar	**-**	**2,457**	**-**	**-**
Euro	**-**	**1,296**	**-**	**-**
Singapore Dollar	**-**	**(1,463)**	**-**	**(292)**
30 September 2008				
Australian Dollar	(234)	(541)	-	-
Sterling Pound	-	(64)	-	-
United States Dollar	-	14,086	-	(1,136)
Vietnamese Dong	(11,299)	414	-	-
Hong Kong Dollar	-	5,471	-	-
Euro	-	456	-	-
Singapore Dollar	-	297	-	476

A 10% weakening of the above currencies at the balance sheet date would have had the equal but opposite effect on the respective functional currencies of the Group entities to the amounts shown above, on the basis that all other variables remain constant.

38. FINANCIAL RISK MANAGEMENT (cont'd)

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 diverse sources of committed and uncommitted credit facilities from various banks.

The table below analyses the maturity profile of the Group's and Company's financial liabilities (including net derivative financial instruments) based on contractual undiscounted cash flows.

		Cash Flows		
	Carrying amount ($'000)	Less than 1 year ($'000)	Between 1 and 5 years ($'000)	Over 5 years ($'000)
Group				
At 30 September 2009				
Net derivative financial instruments				
Interest rate swaps	26,882	3,776	14,945	8,161
Forward currency contracts	12,020	12,020	-	-
Non-derivative financial instruments				
Trade payables	681,508	681,508	-	-
Other payables	707,304	697,970	8,470	864
Borrowings	5,301,025	1,853,788	3,230,552	665,059
Amount due to joint venture companies	3,055	3,055	-	-
Amount due to associated companies	1,035	1,035	-	-
	6,732,829	3,253,152	3,253,967	674,084
At 30 September 2008				
Net derivative financial instruments				
Interest rate swaps	3,812	3,812	-	-
Forward currency contracts	(46)	(46)	-	-
Non-derivative financial instruments				
Trade payables	576,592	576,592	-	-
Other payables	636,522	626,485	8,633	2,078
Borrowings	5,434,835	2,267,503	3,280,967	381,959
Amount due to joint venture companies	4,066	4,066	-	-
Amount due to associated companies	17,545	17,545	-	-
	6,673,326	3,495,957	3,289,600	384,037

38. FINANCIAL RISK MANAGEMENT (cont'd)

Liquidity Risk (cont'd)

	Carrying amount ($'000)	Cash Flows Less than 1 year ($'000)	 Between 1 and 5 years ($'000)	 Over 5 years ($'000)
Company				
At 30 September 2009				
Net derivative financial instruments				
Interest rate swaps	(2,405)	(2,405)	-	-
Non-derivative financial instruments				
Other payables	5,630	5,630	-	-
Amount due to subsidiary companies	26,680	26,680	-	-
Borrowings	349,914	205,886	-	182,773
	379,819	235,791	-	182,773
At 30 September 2008				
Net derivative financial instruments				
Interest rate swaps	(970)	(970)	-	-
Non-derivative financial instruments				
Other payables	8,747	8,747	-	-
Amount due to subsidiary companies	18,938	18,938	-	-
Borrowings	649,774	301,309	212,706	188,203
	676,489	328,024	212,706	188,203

38. FINANCIAL RISK MANAGEMENT (cont'd)

Credit Risk

At the balance sheet date, the Company's and the Group's maximum exposure to credit risk in the event that the counterparties fail to perform their obligations is represented by the carrying amount of each class of financial assets recognised in the balance sheets, including derivatives with positive fair values.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and business segment profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's gross trade receivable at the balance sheet date is as follows:

	THE GROUP			
	2009		2008	
	($'000)	**% of total**	($'000)	% of total
By Geographical Segment:				
Singapore	**396,427**	**54%**	338,634	47%
Malaysia	**156,340**	**21%**	172,402	24%
Rest of South East Asia	**53,529**	**7%**	64,414	9%
North East Asia	**45,048**	**6%**	52,334	7%
South Asia	**21,678**	**3%**	24,377	3%
South Pacific	**62,837**	**8%**	61,705	8%
Europe & USA	**11,159**	**1%**	12,561	2%
	747,018	**100%**	726,427	100%
By Business Segment:				
Soft Drinks	**67,056**	**9%**	73,735	10%
Dairies	**111,469**	**15%**	141,261	19%
Breweries	**92,151**	**12%**	92,482	13%
Printing & Publishing	**105,533**	**14%**	122,768	17%
Glass Containers	**32,387**	**4%**	31,524	4%
Investment Property	**13,548**	**2%**	7,096	1%
Development Property	**309,111**	**41%**	241,569	33%
Others	**15,763**	**3%**	15,992	3%
	747,018	**100%**	726,427	100%

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.

Cash and fixed deposits are placed in banks and financial institutions which are regulated. The Group limits its credit risk exposure in respect of investments by only investing in liquid securities and only with counterparties that have a sound credit rating. Management does not expect any counterparty to fail to meet its obligations.

Information regarding financial assets that are either past due or impaired and aging analysis is disclosed in Note 26. Management believes that no additional credit risk beyond that provided for is inherent in the Group's trade and other receivables.

With respect to derivative financial instruments, credit risk arises from the potential failure of counterparties 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 counterparties. 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 counterparty.

38. FINANCIAL RISK MANAGEMENT (cont'd)

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.

The Company and the Group have the following interest rate swap arrangements in place:

	THE GROUP		THE COMPANY	
	2009 ($'000)	2008 ($'000)	**2009 ($'000)**	2008 ($'000)
Notional Amount	**1,168,576**	1,063,566	**350,000**	550,000
Net Fair Value				
Fair value gain on interest rate swap contracts	**3,100**	3,188	**2,405**	3,188
Fair value loss on interest rate swap contracts	**(29,982)**	(7,000)	**-**	(2,218)

At 30 September 2009, the fixed interest rate of the outstanding interest rate swap contract is between 2% to 8% (2008: 4% to 8%), while the floating interest rates are mainly linked to Singapore 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**		
	($'000)	**Less than 1 year ($'000)**	**Between 1 to 5 years ($'000)**	**After 5 years ($'000)**
Year ended 30 September 2009				
Assets				
Cash and bank deposits	124,685	1,321,533	-	-
Other financial assets	-	3,318	11,301	408,158
Liabilities				
Borrowings	1,200,426	957,422	2,543,600	599,577
Year ended 30 September 2008				
Assets				
Cash and bank deposits	192,860	688,070	-	-
Other financial assets	-	3,220	19,998	25,450
Liabilities				
Borrowings	1,954,922	1,021,922	2,244,104	213,887

38. FINANCIAL RISK MANAGEMENT (cont'd)

Interest Rate Risk (cont'd)

	THE COMPANY			
	Floating rates	Fixed rates		
		Less than 1 year	Between 1 to 5 years	After 5 years
	($'000)	($'000)	($'000)	($'000)
Year ended 30 September 2009				
Assets				
Cash and bank deposits	-	52,092	-	-
Liabilities				
Borrowings	-	199,914	-	150,000
Year ended 30 September 2008				
Assets				
Cash and bank deposits	-	39,200	-	-
Liabilities				
Borrowings	299,960	-	199,814	150,000

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 or for which interest rate swaps have been entered into. 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 2009 and 2008.

Sensitivity analysis for interest rate risk
It is estimated that a hundred basis points increase/decrease in interest rate, with all other variables held constant, would decrease/increase the Group's profit after tax and net loss in hedging reserve by approximately $8,929,000 (2008: $14,449,000) and $8,346,000 (2008: $Nil) respectively, arising mainly as a result of higher/lower interest expense on net floating borrowing position and increase/decrease in the fair value of derivatives held for hedging respectively. The analysis is performed on the same basis for 2008.

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.

Sensitivity analysis for quoted investment risk
If prices for equity securities increase by 10% with all other variables including tax rate being held constant, the total equity will be:

	THE GROUP		THE COMPANY	
	2009 ($'000)	2008 ($'000)	**2009 ($'000)**	2008 ($'000)
Equity	**27,585**	16,427	**479**	448

There will be no impact to profit after tax.

A 10% decrease in the underlying equity prices would have had the equal but opposite effect to the amounts shown above. The analysis is performed on the same basis for 2008 and assumes that all other variables remain constant.

38. FINANCIAL RISK MANAGEMENT (cont'd)

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.

(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.

(f) Set out below is a comparison by category of carrying amounts of all the Group's financial instruments that are carried in the financial statements:

	Loans and receivables ($'000)	Fair value through profit and loss ($'000)	Derivatives used for hedging ($'000)	Available-for-sale ($'000)	Liabilities at amortised cost ($'000)	Non-financial assets/ liabilities ($'000)	Total ($'000)
The Group							
2009							
Assets							
Fixed assets	-	-	-	-	-	1,239,721	1,239,721
Investment properties	-	-	-	-	-	3,444,233	3,444,233
Properties held for development	-	-	-	-	-	169,801	169,801
Joint venture companies	11,669	-	-	-	-	89,484	101,153
Associated companies	26,103	-	-	-	-	614,871	640,974
Intangible assets	-	-	-	-	-	376,680	376,680
Brands	-	-	-	-	-	43,127	43,127
Other investments	5,247	-	-	459,966	-	-	465,213
Other receivables	139,072	3,341	695	-	-	148,094	291,202
Deferred tax assets	-	-	-	-	-	22,951	22,951
Properties held for sale	-	-	-	-	-	4,007,448	4,007,448
Inventories	-	-	-	-	-	423,507	423,507
Trade receivables	734,167	-	-	-	-	-	734,167
Short term investments	3,318	-	-	251,378	-	-	254,696
Bank fixed deposits	1,269,499	-	-	-	-	-	1,269,499
Cash and bank balances	373,809	-	-	-	-	-	373,809
Assets held for sale	-	-	-	-	-	9,387	9,387
	2,562,884	3,341	695	711,344	-	10,589,304	13,867,568

38. FINANCIAL RISK MANAGEMENT (cont'd)

Fair Values (cont'd)

	Loans and receivables ($'000)	Fair value through profit and loss ($'000)	Derivatives used for hedging ($'000)	Available-for-sale ($'000)	Liabilities at amortised cost ($'000)	Non-financial assets/ liabilities ($'000)	Total ($'000)
The Group							
2009							
Liabilities							
Trade payables	-	-	-	-	681,508	-	681,508
Other payables	-	17,859	25,079	-	707,304	19,562	769,804
Joint venture companies	-	-	-	-	3,055	-	3,055
Associated companies	-	-	-	-	1,035	-	1,035
Borrowings	-	-	-	-	5,301,025	-	5,301,025
Provision for taxation	-	-	-	-	-	298,142	298,142
Provision for employee benefits	-	-	-	-	-	19,303	19,303
Deferred tax liabilities	-	-	-	-	-	110,241	110,241
	-	17,859	25,079	-	6,693,927	447,248	7,184,113
2008							
Assets							
Fixed assets	-	-	-	-	-	1,231,828	1,231,828
Investment properties	-	-	-	-	-	3,558,922	3,558,922
Properties held for development	-	-	-	-	-	162,297	162,297
Joint venture companies	26,562	-	-	-	-	60,636	87,198
Associated companies	30,252	-	-	-	-	608,892	639,144
Intangible assets	-	-	-	-	-	357,530	357,530
Brands	-	-	-	-	-	48,139	48,139
Other investments	9,128	-	-	143,314	-	-	152,442
Other receivables	105,762	4,605	-	-	-	200,257	310,624
Deferred tax assets	-	-	-	-	-	17,844	17,844
Properties held for sale	-	-	-	-	-	4,576,737	4,576,737
Inventories	-	-	-	-	-	468,502	468,502
Trade receivables	714,058	-	-	-	-	-	714,058
Short term investments	3,220	-	-	137,891	-	-	141,111
Bank fixed deposits	629,882	-	-	-	-	-	629,882
Cash and bank balances	403,057	-	-	-	-	-	403,057
Assets held for sale	-	-	-	-	-	27,086	27,086
	1,921,921	4,605	-	281,205	-	11,318,670	13,526,401
Liabilities							
Trade payables	-	-	-	-	576,592	-	576,592
Other payables	-	8,371	-	-	636,522	33,619	678,512
Joint venture companies	-	-	-	-	4,066	-	4,066
Associated companies	-	-	-	-	17,545	-	17,545
Borrowings	-	-	-	-	5,434,835	-	5,434,835
Provision for taxation	-	-	-	-	-	247,417	247,417
Provision for employee benefits	-	-	-	-	-	18,764	18,764
Deferred tax liabilities	-	-	-	-	-	130,154	130,154
	-	8,371	-	-	6,669,560	429,954	7,107,885

38. FINANCIAL RISK MANAGEMENT (cont'd)

Fair Values (cont'd)

	Loans and receivables ($'000)	Fair value through profit and loss ($'000)	Available-for-sale ($'000)	Liabilities at amortised cost ($'000)	Non-financial assets/ liabilities ($'000)	Total ($'000)
The Company						
2009						
Assets						
Subsidiary companies	472,067	-	-	(24,218)	3,181,991	3,629,840
Joint venture companies	-	-	-	-	434,421	434,421
Associated companies	-	-	-	-	82,383	82,383
Other investments	-	-	8,309	-	-	8,309
Other receivables	186	2,405	-	-	3	2,594
Bank fixed deposits	52,092	-	-	-	-	52,092
Cash and bank balances	470	-	-	-	-	470
	524,815	2,405	8,309	(24,218)	3,698,798	4,210,109
Liabilities						
Other payables	-	-	-	5,630	341	5,971
Subsidiary companies	-	-	-	26,680	-	26,680
Borrowings	-	-	-	349,914	-	349,914
Provision for taxation	-	-	-	-	14,609	14,609
Deferred tax liabilities	-	-	-	-	291	291
	-	-	-	382,224	15,241	397,465
2008						
Assets						
Subsidiary companies	825,868	-	-	(19,840)	3,019,441	3,825,469
Joint venture companies	-	-	-	-	408,921	408,921
Associated companies	-	-	-	-	83,541	83,541
Other investments	-	-	8,085	-	-	8,085
Other receivables	9	3,188	-	-	7	3,204
Bank fixed deposits	39,200	-	-	-	-	39,200
Cash and bank balances	356	-	-	-	-	356
	865,433	3,188	8,085	(19,840)	3,511,910	4,368,776
Liabilities						
Other payables	-	2,218	-	8,747	338	11,303
Subsidiary companies	-	-	-	18,938	-	18,938
Borrowings	-	-	-	649,774	-	649,774
Provision for taxation	-	-	-	-	9,925	9,925
Deferred tax liabilities	-	-	-	-	267	267
	-	2,218	-	677,459	10,530	690,207

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 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 ("HVB"), Skandinaviska Enskilda Banken ("SEB"), Mizuho Corporate Bank Ltd ("Mizuho") and Sumitomo Mitsui Banking Corporation ("Sumitomo"), commenced separate actions against APBS. The breakdown of the respective claims by the four banks is as follows:

HVB: USD32,002,333, alternatively in tort, USD30,000,000
SEB: USD26,559,372, alternatively in restitution, SGD29,468,723
Mizuno: USD8,024,046
Sumitomo: SGD10,323,208

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.

The court hearing for the remaining suits has ended. In the judgment released on 31 August 2009, the High Court dismissed SEB's and HVB's claims in full. However, the High Court also held that APBS did not have a valid change of position defence in respect of the sum of $347,671 and held that SEB was entitled to judgment in the sum of $347,671 ("SEB Judgement Sum") together with interest thereon.

SEB and HVB subsequently filed their notices of appeals against the entire decision.

Drew & Napier LLC has been instructed to defend APBS in each of these appeals.

APBS's lawyers have advised that APBS has a good case and will continue to vigorously defend the appeals. Consequently, other than the SEB Judgement Sum, no provision in the financial statements is considered necessary.

40. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios to support its business and maximise shareholder value. No changes were made in the objectives, policies or processes during the years ended 30 September 2009 and 2008.

The Group monitors its cashflow, debt maturity profile, cost of funds, overall liquidity position and gearing ratio on a continuous basis. The Group's policy is to keep gearing ratio at not more than 100% of total equity.

The gearing ratio is calculated as net borrowings divided by total equity. Net borrowings is calculated as borrowings less cash and bank deposits. Total equity is calculated as shareholders' fund plus minority interests.

	THE GROUP		THE COMPANY	
	2009 ($'000)	2008 ($'000)	**2009 ($'000)**	2008 ($'000)
Cash & bank deposits	**1,643,308**	1,032,939	**52,562**	39,556
Borrowings	**(5,301,025)**	(5,434,835)	**(349,914)**	(649,774)
Net borrowings	**(3,657,717)**	(4,401,896)	**(297,352)**	(610,218)
Shareholders' fund	**5,584,724**	5,283,274	**3,812,644**	3,678,569
Total equity (including Minority Interests)	**6,683,455**	6,418,516	**3,812,644**	3,678,569
Net borrowings/Shareholders' fund	**0.65**	0.83	**0.08**	0.17
Net borrowings/Total equity	**0.55**	0.69	**0.08**	0.17

Certain entities in the Group are required to comply with certain externally imposed capital requirements in respect of certain external borrowings. Except for the breach of convenants of borrowings as disclosed in Note 16(f), the Group and the Company are in compliance with all externally imposed capital requirements.

41. 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 Presentation of Financial Statements - Revised Presentation** (effective for annual periods beginning on or after 1 January 2009)
The revised standard separates owners' and non-owners' changes in funds. The statement of changes in funds will include only details of transactions with owners, with all non-owners' changes in funds presented as a single line. In addition, the standard introduces the statement of comprehensive income. It presents all iterms of income and expenses either in one single statement or in two linked statements.

The Group will apply the revised FRS 1 from 1 October 2009.

(b) **FRS 108 Operating Segments** (effective for annual periods beginning on or after 1 January 2009)
FRS 108 supersedes FRS 14 Segment Reporting and requires the Group to report the financial performance of its operating segments based on the information used internally by management for evaluating segment performance and deciding on allocation of resources.

The Group will apply FRS 108 from 1 October 2009 and provide comparative information that conforms to the requirements of FRS 108. Currently, the Group presents segment information in respect of its business and geographical segments.

(c) **Revised FRS 23 Borrowing Costs** (effective for annual periods beginning on or after 1 January 2009)
The revised standard removes the option to recognise immediately as an expense, borrowing costs that are attributable to qualifying assets, and requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset.

The Group will apply the revised FRS 23 from 1 October 2009. As the Group has been capitalising the relevant borrowings costs, the revised standard is not expected to have any impact to the Group.

(d) **Revised FRS 103 Business Combinations and Amendments to FRS 27 Consolidated and Separate Financial Statements** (effective for annual periods beginning on or after 1 July 2009)
The revised standards are effective for annual periods beginning on or after 1 July 2009. The revised FRS 103 introduces a number of changes in the accounting for business combinations occurring after 1 July 2009. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 27 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to FRS 7 Statement of Cash Flows, FRS 12 Income Taxes, FRS 21 The Effects of Changes in Foreign Exchange Rates, FRS 28 Investments in Associates and FRS 31 Interests in Joint Ventures. The changes from revised FRS 103 and Amendments to FRS 27 will affect future acquisitions or loss of control and transactions with minority interests.

The Group will apply the revised FRS 1 from 1 October 2009.

(e) **Amendments to FRS 107 Financial Instruments: Disclosures** (effective for annual periods beginning on or after 1 January 2009)
The amendments to FRS 107 require additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. In addition, reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well as significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures.

The Group will apply the revised FRS 1 from 1 October 2009.

41. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATION (cont'd)

(f) 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 Institute of Certified Public Accountants of Singapore.

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	
	2009 ($'000)	2008 ($'000)
Profit statement		
(Decrease)/increase in revenue recognised for the year	**(495,485)**	17,183
Decrease in profit for the year	**(71,691)**	(51,953)
Balance sheet		
Decrease in opening accumulated profits	**(248,604)**	(190,048)
Decrease in properties under development		
At beginning of the year	**(306,386)**	(241,582)
At end of the financial year	**(401,496)**	(299,323)
(Decrease)/increase in minority interests		
At beginning of the year	**(735)**	(6,578)
Share of profit for the year	**(2,543)**	6,045

42. COMPARATIVE FIGURES

The following comparative figures in the financial statements have been reclassified to be consistent with the current year's presentation.

	THE GROUP	
	2008 As reclassified ($'000)	2008 As previously reported ($'000)
Profit statement		
Revenue	4,990,067	4,951,391
Cost of sales	(3,316,321)	(3,294,917)
Other income/(expenses) (net)	24,533	13,057
Operating expenses - Distribution	(211,451)	(196,712)
Operating expenses - Marketing	(427,829)	(410,854)
Operating expenses - Adminstration	(329,073)	(332,039)
Share of associated companies' profits	14,907	25,716
Fair value adjustment of investment properties (net)	71,846	61,037

43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES

		Effective Shareholding 2009	2008	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%**	100.0%	Provide Treasury and Financial Services
	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	**57.4%**	57.9%	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%	Dormant
	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
	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

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.

43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2009	2008	Principal Activities
	SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(A)	Fraser & Neave (Malaya) Sdn Bhd	**57.4%**	57.9%	Management Services and Property Investment Holdings
(A)	F&N Coca-Cola (Malaysia) Sdn Bhd	**57.4%**	52.1%	Distribution of Soft Drinks
(A)	F&NCC Beverages Sdn Bhd	**57.4%**	52.1%	Manufacture of Soft Drinks
(A)	F&N Dairies (Malaysia) Sdn Bhd	**57.4%**	57.9%	Distribution of Dairy Products
(A)	Premier Milk (Malaya) Sdn Bhd	**57.4%**	57.9%	Manufacture of Dairy Products
(A)	Four Eights Sdn Bhd	**57.4%**	57.9%	Dormant
(A)	F&N Foods Sdn Bhd	**57.4%**	57.9%	Manufacture of Dairy Products
(A)	Malaya Glass Products Sdn Bhd	**57.4%**	57.9%	Manufacture and Sale of Glass Containers
(A)	Kuala Lumpur Glass Manufacturers Company Sdn Bhd	**57.4%**	57.9%	Manufacture and Sale of Glass Containers
(A)	Wimanis Sdn Bhd	**57.4%**	57.9%	Property Development
(A)	Brampton Holdings Sdn Bhd	**57.4%**	57.9%	Property Development
(A)	Lettricia Corporation Sdn Bhd	**40.2%**	40.5%	Property Development
(A)	Elsinburg Holdings Sdn Bhd	**57.4%**	57.9%	Property Development
(A)	Vacaron Company Sdn Bhd	**57.4%**	57.9%	Dormant
(A)	Nuvak Company Sdn Bhd	**57.4%**	57.9%	Dormant
(A)	Greenclipper Corporation Sdn Bhd	**57.4%**	57.9%	Dormant
(A)	Utas Mutiara Sdn Bhd	**57.4%**	57.9%	Property Investment Holding
(A)	Borneo Springs Sdn Bhd	**57.4%**	57.9%	Manufacture and Sale of Mineral Water, Carbonated Drinks and Bottles
(A)	PML Dairies Sdn Bhd	**57.4%**	57.9%	Manufacture and Distribution of Dairy Products
(A)	F&N Properties Sdn Bhd *(Formerly Radiant Worth Sdn Bhd)*	**57.4%**	57.9%	Dormant
(A)	F&N Capital Sdn Bhd	**57.4%**	57.9%	Provide Financial and Treasury Services
(A)	Tropical League Sdn Bhd	**57.4%**	57.9%	Dormant
	Country of Incorporation and Place of Business: **Singapore**			
(A)	Arolys Singapore Pte Ltd	**57.4%**	57.9%	Distribution of Dairy Products
	Country of Incorporation and Place of Business: **Thailand**			
(A)	Thai Malaya Glass Company Limited	**40.2%**	40.5%	Manufacture and Sale of Glass Containers
(A)	F&N Dairies (Thailand) Limited	**57.4%**	57.9%	Manufacture and Distribution of Dairy Products
	Country of Incorporation and Place of Business: **Vietnam**			
(A)	Malaya - Vietnam Glass Ltd	**40.2%**	40.5%	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)*	**34.4%**	34.8%	Manufacture and Sale of Glass Containers
	Country of Incorporation and Place of Business: **British Virgin Islands**			
(A)	Lion Share Management Limited	**57.4%**	57.9%	Brand Owner

Notes:
(A) Audited by Ernst & Young in the respective countries.
(C) Audited by other firms of auditors.

43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

	Effective Shareholding 2009	Effective Shareholding 2008	Principal Activities
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%	Dormant
Orrick Investments Pte Ltd	**100.0%**	100.0%	Property Investment
Yishun Development Pte Ltd	**100.0%**	100.0%	Property Development
FCL Alexandra Point Pte Ltd	**100.0%**	100.0%	Property Investment
Woodlands Complex Pte Ltd	**100.0%**	100.0%	Property Development
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%	Dormant
FCL Management Services Pte Ltd	**100.0%**	100.0%	Management Services
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 Sophia Pte Ltd	**100.0%**	100.0%	Property Development
Frasers Centrepoint Property Management Services 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
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

43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2009	Effective Shareholding 2008	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	**100.0%**	100.0%	Investment Holding
	Frasers Centrepoint Asset Management (Malaysia) Pte Ltd	**100.0%**	100.0%	Investment Holding
	FCL Trust Holdings (Commercial) Pte Ltd	**100.0%**	100.0%	Investment Holding
	FCL Asset Management Ltd	**100.0%**	100.0%	Asset Management, Fund and Property Management and Related Advisory Services
	Frasers Centrepoint Asset Management (Commercial) Ltd	**100.0%**	100.0%	Asset Management, Fund and Property Management and Related Advisory Services
	Frasers Centrepoint Property Management (Commercial) Pte Ltd	**100.0%**	100.0%	Asset Management, Fund and Property Management and Related Advisory Services
	FCL Management Services (Commercial) Pte Ltd	**100.0%**	100.0%	Management Services
	FCL REIT Management Ltd	**100.0%**	100.0%	Management Services
	FCL Clover Pte Ltd	**100.0%**	100.0%	Financial Services
	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%**	100.0%	Management and Consultancy Services
	Singapore Logistics Investments Pte Ltd	**80.0%**	80.0%	Investment Holding
	Frasers Hospitality Management Pte Ltd	**100.0%**	100.0%	Management Consultancy Services
	Frasers Hospitality Property Services Pte Ltd *(Formerly FCL Emerald (3) Pte Ltd)*	**100.0%**	100.0%	Management 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)	Beijing Fraser Suites Real Estate Management Co., Ltd	**100.0%**	100.0%	Property Investment
(A)	Singlong Property Development (Suzhou) Co., Ltd	**100.0%**	100.0%	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
(A)	Beijing Vision Century Property Management Co., Ltd	**56.2%**	56.2%	Property Management
(A)	Vision Century Real Estate Development (Dalian) Co., Ltd	**56.2%**	56.2%	Property Development
(A)	Vision Property Management (Dalian) Co., Ltd	**56.2%**	56.2%	Property Management

Note:
(A) Audited by Ernst & Young in the respective countries.

43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2009	Effective Shareholding 2008	Principal Activities
	SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
	Country of Incorporation and Place of Business: **China** (cont'd)			
(A)	Vision (Shenzhen) Business Park Co., Ltd	**56.2%**	53.4%	Business Park Development and Investment
(A) (1)	Vision Huaqing (Beijing) Development Co., Ltd	**33.7%**	33.7%	Business Park Development and Investment
(A)	Shenyang Frasers Real Estate Development Co., Ltd	**56.2%**	56.2%	Property Development
(A)	Frasers Hospitality Management Co., Ltd, Shanghai	**100.0%**	100.0%	Management Consultancy Services
(A)	Fraser Place (Beijing) Property Management Co., Ltd.	**100.0%**	100.0%	Management Consultancy Services
(A)	Modena Hospitality Management Co., Ltd. (Shanghai)	**51.0%**	51.0%	Management Consultancy Services
(A)	Frasers Property Management (Shanghai) Co., Ltd	**100.0%**	100.0%	Management Services
(A)	Chengdu Sino Singapore Southwest Logistics Co., Ltd	**80.0%**	80.0%	Property Development
	(All the above companies, incorporated in China, accounting year ends on 31 December)			
	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)	Vision Century Secretaries Limited	**56.2%**	56.2%	Secretarial and Nominee Services
(A)	Excellent Esteem Limited	**100.0%**	100.0%	Investment Holding
(A)	Frasers Hospitality (Hong Kong) Limited	**100.0%**	100.0%	Management Consultancy Services
(A)	Vision Century Administration Limited	**56.2%**	56.2%	Management Consultancy Services
(A)	Vision Century Property Management Limited	**56.2%**	56.2%	Property Management
(A)	Ace Goal Limited	**100.0%**	100.0%	Investment Holding
(A)	Extra Strength Limited	**100.0%**	100.0%	Investment Holding
(A)	Forth Carries Limited	**100.0%**	100.0%	Investment Holding
(A)	Forward Plan Limited	**100.0%**	100.0%	Investment Holding
(A)	Summit Park Limited	**100.0%**	100.0%	Investment Holding
(A)	Blessing Sky Limited	**100.0%**	100.0%	Investment Holding
(A)	Superway Logistics Investments (Hong Kong) Limited	**80.0%**	80.0%	Investment Holding
	(Accounting year ends on 31 December)			
	Country of Incorporation: **British Virgin Islands** Place of Business: **Hong Kong**			
(B)	Limbo Enterprises Limited	**56.2%**	56.2%	Property Holding
	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**			
(A)	Frasers Hospitality Philippines, Inc	**100.0%**	100.0%	Provision of Management Services in the Lodging Industry
(A)	Frasers Hospitality Investment, Inc	**100.0%**	100.0%	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.
(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.

43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2009	Effective Shareholding 2008	Principal Activities
	SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
	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%	Dormant
	Frasers Property (Europe) Holdings Pte Ltd	**51.2%**	51.2%	Investment Holding
	Country of Incorporation and Place of Business: **United Kingdom**			
(C)	Frasers Property (UK) Limited	**51.2%**	51.2%	Investment Holding
(C)	Frasers Property Developments Ltd	**51.2%**	51.2%	Investment Holding
(C)	Frasers Investments (UK) Limited	**51.2%**	51.2%	Property Investment
(C)	Frasers Ventures Limited	**51.2%**	51.2%	Property Development
(C)	Fairbriar plc	**51.2%**	51.2%	Property Investment
(C) (1)	Ellisridge Limited	**40.4%**	40.4%	Property Investment
(C) (1)	Ellisridge Suites Limited	**40.4%**	40.4%	Property Investment
(C)	Fairbriar Apartments Limited	**51.2%**	51.2%	Property Development
(C)	Fairbriar Developments Limited	**51.2%**	51.2%	Property Development
(C)	Fairbriar Projects Limited	**51.2%**	51.2%	Property Development
(C)	The School House Tunbridge Wells Limited	**51.2%**	51.2%	Property Development
(C)	Fairbriar General Partner Limited	**51.2%**	51.2%	Property Investment
(C)	Fairbriar Group plc	**51.2%**	51.2%	Investment Holding
(C)	Fairbriar House Limited	**51.2%**	51.2%	Investment Holding
(C)	Frasers Homes (UK) Limited *(Formerly Fairbriar Homes Limted)*	**51.2%**	51.2%	Property Development
(C)	Frasers (Buckswood Grange) Limited	**51.2%**	51.2%	Property Development
(C)	Fairbriar Investments Limited	**51.2%**	51.2%	Dormant
(C)	Frasers Islington Limited	**51.2%**	51.2%	Property Development
(C) (1)	Islington Theatre Development Limited	**38.1%**	38.1%	Property Development
(C)	Fairbriar Pepys Street Limited	**51.2%**	51.2%	Property Development
(C)	FKB Property Investment Ltd	**51.2%**	51.2%	Management Consultancy Services
(C)	FKB Property Management Limited	**51.2%**	51.2%	Management Consultancy Services
(C)	NGH Properties Limited	**51.2%**	51.2%	Property Investment
(C)	Sloane Avenue Limited	**51.2%**	51.2%	Property Development
(C)	Frasers (Brown Street) Limited *(Formerly Fairbriar Ascot Ltd)*	**51.2%**	51.2%	Property Development
(C) (1)	Fairdace Limited	**34.1%**	34.1%	Serviced Apartments
(C)	Frasers Hospitality (UK) Limited	**51.2%**	51.2%	Management Consultancy Services & Serviced Apartments
(C)	Fairpoint (Vincent Square) Ltd	**51.2%**	51.2%	Property Development
(C)	Frasers Lumiere Leeds Ltd	**51.2%**	51.2%	Investment Holding
(C)	Frasers Management (UK) Ltd	**51.2%**	51.2%	Management Services
(C)	Frasers (Riverside Quarter) Ltd	**51.2%**	51.2%	Property Development
(C)	Frasers Highbury Limited	**75.0%**	75.0%	Property Development
(C)	Frasers (St Giles Street, Edinburgh) Ltd	**51.2%**	75.0%	Property Investment
(C)	Frasers St Giles Street Management Ltd	**51.2%**	-	Property Management
(C)	Frasers (Maidenhead) Ltd	**51.2%**	51.2%	Property Development
(C)	Frasers Imperial Place Ltd	**51.2%**	-	Property Development

Notes:
(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.

43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2009	Effective Shareholding 2008	Principal Activities
	SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
	Country of Incorporation and Place of Business: **Australia**			
(A)	Frasers Property Management Australia Pty Limited *(Formerly 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 and 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	**75.0%**	75.0%	Property Development
(A)	Frasers Property Australia Pty Ltd	**75.0%**	75.0%	Investment Holding
(A)	Frasers Town Hall Issuer Pty Ltd	**80.5%**	80.5%	Financial Services
(A)	Frasers Homes WA Pty Limited	**56.3%**	-	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
(A)	Coast Homes Limited	**67.5%**	-	Property Development
	Country of Incorporation and Place of Business: **Thailand**			
(A)	Frasers Hospitality (Thailand) Ltd *(Accounting year ends on 31 December)*	**100.0%**	100.0%	Management Consultancy Services
	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%	Publishing of Trade Books
	Marshall Cavendish International (Singapore) Private Limited	**100.0%**	100.0%	Publishing - Education
	Marshall Cavendish Business Information Private Limited	**100.0%**	100.0%	Publishing of Trade Directory and Business Information
	Times-Dharmala Private Limited	**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 Private Limited	**100.0%**	100.0%	Dormant
	Times Editions Pte Ltd	**100.0%**	100.0%	Dormant
	Panpac Education Pte Ltd	**100.0%**	100.0%	Publishing - Education
	* TransQuest Asia Publishers Pte Ltd	**100.0%**	100.0%	Distribution of Books
	IMM Singapore Holdings Pte Ltd	**100.0%**	100.0%	Magazines Distribution
(C)	Pansing Distribution Pte Ltd	**100.0%**	100.0%	Distribution of Books and Magazines
(C)	Pansing International Library Services Pte Ltd	**100.0%**	100.0%	Dormant
(C)	Pacific Bookstores Pte Ltd	**60.0%**	60.0%	Retail of School Textbooks and Supplies
	Learning Edvantage Pte Ltd	**100.0%**	100.0%	E-Learning Provider

Notes:
(A) Audited by Ernst & Young in the respective countries.
(C) Audited by other firms of auditors.
* In voluntary liquidation.

43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2009	Effective Shareholding 2008	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)			
	Country of Incorporation and Place of Business: **Singapore** (cont'd)			
(C)	Starprint Production Pte Ltd	**51.0%**	51.0%	Printing and Binding
(C)	Goodwill Binding Pte Ltd	**51.0%**	51.0%	Printing and Binding
(C)	JCS Digital Solutions Pte Ltd	**51.0%**	51.0%	Digital Printing
	Educational Technologies Pte Ltd	**100.0%**	100.0%	Distribution of Home Library Reference Books
	Country of Incorporation: **Singapore** Place of Business: **Singapore and Malaysia**			
	Times The Bookshop Pte Ltd	**100.0%**	100.0%	Retail of Books, Stationery, Magazines and Periodicals
	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%	Distribution of Home Library Reference Books
(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
	Country of Incorporation: **Hong Kong** Place of Business: **Thailand**			
(A)	Far East Publications Ltd	**100.0%**	100.0%	Distribution of Home Library References Books
	Country of Incorporation and Place of Business: **Thailand**			
(A)	Marshall Cavendish International (Thailand) Co. Ltd	**49.0%**	49.0%	Publishing - Education
	Country of Incorporation and Place of Business: **Hong Kong**			
(C)	Everbest Printing Holdings Limited	**100.0%**	100.0%	Investment Holding
(C)	Everbest Printing Investment Ltd	**100.0%**	100.0%	Investment Holding
(C)	Everbest Printing Company Ltd	**100.0%**	100.0%	Commercial Printing
(A)	Marshall Cavendish Business Information (Hong Kong) Limited	**100.0%**	100.0%	Publishing of Trade Directory and Business Information
(A)	* Times Education (Hong Kong) Ltd	**100.0%**	100.0%	Education Services
(A)	Times Printers (Hong Kong) Ltd	**100.0%**	100.0%	Investment Holding
(A)	Times Publishing (Hong Kong) Limited	**100.0%**	100.0%	Education Publishing and Distribution of Magazines
	Country of Incorporation: **Hong Kong** Place of Business: **Hong Kong/Taiwan**			
(A)	Educational Technologies Limited	**100.0%**	100.0%	Publishing and Selling of Home Library Reference Books

Notes:
(A) Audited by Ernst & Young in the respective countries.
(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.
* In voluntary liquidation.

43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2009	Effective Shareholding 2008	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)			
	Country of Incorporation and Place of Business: **China**			
(C)	Everbest Printing (Guangzhou) Co. Ltd	**100.0%**	100.0%	Commercial Printing
(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)	Guangzhou Times Advertising Company Limited	**100.0%**	100.0%	Dormant
(A)	Shanxi Xinhua Times Packaging Printing Co Ltd	**51.0%**	51.0%	Commercial Printing & Packaging
(C)	Marshall Cavendish (Beijing) Co. Limited	**100.0%**	100.0%	Book Production Services
(C)	Beijing 21st Century Times Education Centre	**96.4%**	96.4%	Education and Training
(C)	Everbest Printing (Shanghai) Co. Ltd	**100.0%**	100.0%	Commercial Printing
	(All the above companies, incorporated in China, accounting year ends on 31 December)			
	Country of Incorporation and Place of Business: **Japan**			
(A)	Kabushiki Kaisha Educational Technologies Limited	**100.0%**	100.0%	Dormant
	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)	Musicway Corporation Limited	**100.0%**	100.0%	Distribution of Lifestyle Accessories and Storage Products
(A)	Rainbow Products Limited	**100.0%**	100.0%	Distribution of CDs, DVDs and Media Products
(A)	Times Properties Pty Limited	**100.0%**	100.0%	Investment Holding
(A)	Pansing IMM Pty Limited	**100.0%**	100.0%	Magazines Distribution
(A)	Marshall Cavendish (Australia) Pty Ltd	**100.0%**	100.0%	Investment Holding
	Country of Incorporation: **United Kingdom** Place of Business: **Russia**			
(A)	MC East Limited	**100.0%**	100.0%	Dormant
	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%	Dormant
(A)	Marshall Cavendish Partworks Ltd	**100.0%**	100.0%	Dormant
(A)	Summertown Publishing Ltd	**100.0%**	100.0%	English Language Teaching (ELT) Publishing
	Country of Incorporation and Place of Business: **France**			
(A)	Marshall Cavendish Editions S.A.	**100.0%**	100.0%	Dormant
	Country of Incorporation and Place of Business: **Poland**			
(A)	Marshall Cavendish Polska Sp. zo.o	**100.0%**	100.0%	Dormant
	Country of Incorporation and Place of Business: **Ukraine**			
(A)	A Wholly Owned Subsidiary Marshall Cavendish Ukraine	**100.0%**	100.0%	Dormant
	Country of Incorporation and Place of Business: **United States of America**			
(B)	Marshall Cavendish Corporation	**100.0%**	100.0%	Publishing of 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.

43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2009	Effective Shareholding 2008	Principal Activities
	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)*	**69.6%**	69.6%	Property Development
	Country of Incorporation and Place of Business: **Singapore**			
	FCL Peak Pte Ltd	**50.0%**	50.0%	Property Development
(C)	Ascendas Frasers Pte Ltd	**50.0%**	-	Property Development
	Country of Incorporation and Place of Business: **United Kingdom**			
(C)	GSF Homes Limited	**25.6%**	25.6%	Property Development
(C)	Macleod & Fairbriar Limited	**25.6%**	25.6%	Property Development
(C)	Redbriar Developments Limited	**25.6%**	25.6%	Property Development
(C)	Sovereign House Fairbriar Homes Ltd	**25.6%**	25.6%	Property Development
(C)	Fairmuir Limited	**25.6%**	25.6%	Property Development
(C)	Frasers Hamilton (Shrubhill) Ltd	**25.6%**	25.6%	Property Development
(C)	Lumiere Leeds General Partner Ltd	**25.6%**	25.6%	Management Services
(C)	Lumiere Leeds Limited Partnership	**23.0%**	23.0%	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
	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%**	29.5%	Printing & Packaging
	Country of Incorporation and Place of Business: **Australia**			
(C) (1)	PMP Limited *(Accounting year ends on 30 June)*	**11.6%**	11.5%	Printing & Packaging

Notes:
(A) Audited by Ernst & Young in the respective countries.
(C) Audited by other firms of auditors.
(1) Company is treated as an associate of the Group by virtue of significant influence over the company.
(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.

43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2009	Effective Shareholding 2008	Principal Activities
	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%**	26.1%	Investment in Residential Property Fund
	Country of Incorporation and Place of Business: **Singapore**			
	Hua Li Holdings Pte Ltd	**45.7%**	45.7%	Investment Holding
(C) (1)	Frasers Commercial Trust	**22.5%**	18.3%	Real Estate Investment Trust
	Country of Incorporation and Place of Business: **Thailand**			
(A)	Krungthep Land Public Company Limited *(Accounting year ends on 31 December)*	**40.5%**	40.5%	Investment Holding and Property Development
	Country of Incorporation and Place of Business: **Malaysia**			
(C)	Hektar Real Estate Investment Trust *(Accounting year ends on 31 December)*	**31.1%**	31.1%	Real Estate Investment Trust
(C)	Hektar Asset Management Sdn Bhd *(Accounting year ends on 31 December)*	**40.0%**	40.0%	Management Services
	Country of Incorporation and Place of Business: **Hong Kong**			
(A)	Poly-strong Development Limited	**28.1%**	28.1%	Dormant
	ASSOCIATED COMPANIES OF TIMES PUBLISHING GROUP			
	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
	Country of Incorporation and Place of Business: **Nigeria**			
(C)	Transworld Times Press (Africa) Ltd	**40.0%**	40.0%	Printing
	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
	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%**	31.7%	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)	Asia Pacific Brewery (Hanoi) Limited *(Formerly known as 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 Beverage Limited	**23.8%**	23.8%	Distribution of Beer
(A)	VBL Da Nang Limited	**23.8%**	23.8%	Brewing of Beer
(A)	VBL Tien Giang Limited	**23.8%**	23.8%	Brewing of Beer
(A)	VBL (Quang Nam) Limited	**19.0%**	19.0%	Brewing and Distribution of Beer

Notes:
(A) Audited by Ernst & Young in the respective countries.
(C) Audited by other firms of auditors.
(1) Company is treated as an associate of the Group by virtue of significant influence over the company.

43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2009	Effective Shareholding 2008	Principal Activities
	SUBSIDIARY COMPANIES OF ASIA BREWERIES GROUP (cont'd)			
	Country of Incorporation and Place of Business: **British Virgin Islands**			
(B)	Able Win Gain Limited	**50.0%**	50.0%	Investment Holding
(B)	Kenton Assets Limited	**50.0%**	50.0%	Investment Holding
	Country of Incorporation and Place of Business: **Hong Kong**			
(C)	Capital Shine Limited	**50.0%**	50.0%	Investment Holding
	Country of Incorporation and Place of Business: **China**			
(C)	Hainan Asia Pacific Brewery Co Ltd	**44.8%**	44.8%	Brewing and Distribution of Beer
(C)	Shanghai Asia Pacific Brewery Co Ltd	**44.8%**	44.8%	Brewing and Distribution of Beer
(C)	Heineken Trading (Shanghai) Co Ltd	**44.8%**	44.8%	Distribution of Beer
(C)	Heineken-APB (China) Management Services Co Ltd	**44.8%**	44.8%	Provision of Investment, Management and Consulting Services
(E)	Guangzhou Asia Pacific Brewery Co Ltd *(All the above companies, incorporated in China, accounting year ends on 31 December)*	**44.8%**	44.8%	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business: **India**			
(C)	Asia Pacific Breweries (India) Private Limited	**39.7%**	39.7%	Dormant
(A)	Asia Pacific Breweries (Aurangabad) Private Limited	**39.7%**	39.7%	Brewing and Distribution of Beer
(A)	Asia Pacific Breweries-Pearl Private Limited	**39.7%**	26.6%	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business: **Sri Lanka**			
(A)	Asia Pacific Brewery (Lanka) Limited	**23.8%**	23.8%	Brewing and Distribution of Beer
	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)	Trinity Hospitality Company Limited	**23.8%**	-	Investment Holding Company
(F)	Sale Street Brewery Co Limited	**23.8%**	23.8%	Dormant
(A)	DB South Island Brewery Ltd	**21.8%**	21.8%	Brewing and Distribution of Beer
(F)	Monteith's Brewery Company Limited	**39.7%**	39.7%	Dormant
(F)	Robbie Burns Limited	**39.7%**	39.7%	Dormant
(F)	Tui Brewery Limited	**39.7%**	39.7%	Dormant
(F)	Black Dog Brewery Limited	**39.7%**	39.7%	Dormant
(F)	Mainland Brewery Limited	**39.7%**	39.7%	Dormant
(F)	Waitemata Brewery Limited	**39.7%**	39.7%	Dormant
(F)	Drinkworks Limited	**39.7%**	39.7%	Dormant
(F)	Amstel Brouwerij Importers Ltd	**39.7%**	39.7%	Dormant
(F)	Kustenbrau Breweries Limited	**39.7%**	39.7%	Dormant
(A)	Barworks Group Limited	**23.8%**	23.8%	On-premise Management
(A)	Barworks Holdings Limited	**23.8%**	23.8%	Investment Holding Company
(A)	BOF Limited	**17.8%**	17.9%	Distribution of Beer
(A)	Portumna Limited	**23.8%**	23.8%	Distribution of Beer
(A)	Barneydale Limited	**23.8%**	23.8%	Distribution of Beer
(A)	Studio 25 Limited	**17.8%**	17.9%	Distribution of Beer
(A)	Clifford Pubs Limited	**17.8%**	17.9%	Distribution of Beer
(A)	George Corporation Limited	**17.8%**	17.9%	Distribution of Beer
(A)	Tarmon Limited	**17.8%**	17.9%	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.
(E) To be appointed.
(F) Not required to be audited under the laws of the country of incorporation.

43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2009	2008	Principal Activities
	SUBSIDIARY COMPANIES OF ASIA BREWERIES GROUP (cont'd)			
	Country of Incorporation and Place of Business: **New Zealand** (cont'd)			
(A)	Riccarton Hospitality 2007 Limited	**23.8%**	-	Distribution of Beer
(A)	Hurstmere Pubs Limited	**23.8%**	-	Distribution of Beer
(A)	Gaults On Quay (2009) Limited	**23.8%**	-	Investment Holding Company
(A)	Gaults On Quay Limited	**23.8%**	-	Distribution of Beer
(A)	Market St Holdings Limited	**17.8%**	-	Distribution of Beer
(A)	Temperance Hospitality Company Limited	**23.8%**	-	Distribution of Beer
	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**			
(B)	Tiger Beer USA Inc	**39.7%**	39.7%	Distribution of Beer
	Country of Incorporation and Place of Business: **Mongolia**			
(A)	MCS - Asia Pacific Brewery LLC	**21.8%**	21.8%	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business: **Australia**			
(A)	Asia Pacific Breweries (Australia) Pty Ltd	**39.7%**	39.7%	Investment Holding
(A)	FBG Vietnam Holdings Pty Ltd	**39.7%**	39.7%	Investment Holding
(A)	DBG (Australia) Pty Limited	**39.7%**	39.7%	Distribution of Beer
	Country of Incorporation and Place of Business: **Laos**			
(A)	Lao Asia Pacific Breweries Limited	**27.0%**	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.

43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2009	Effective Shareholding 2008	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 Beer
	Country of Incorporation and Place of Business: **China**			
(C)	Jiangsu DaFuHao Breweries Co. Ltd *(Accounting year ends on 31 December)*	**22.0%**	-	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business: **Thailand**			
(C)	Thai Asia Pacific Brewery Co Ltd	**14.6%**	13.9%	Brewing and Distribution of Beer
(C)	Thai Asia Pacific Trading Co Ltd	**14.6%**	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.
(C) Audited by other firms of auditors.

Particulars of Group Properties

The main properties as at 30 September 2009 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	6,136
Peninsular Malaysia				
F&N	- 18.0	hectares industrial property at Lot 3-1 & Lot 3-2 Lion Industrial Park, Shah Alam	19,788	25,997
	- 2.1	hectares industrial property at 3724 to 3726 Sungei Nyior, Butterworth	1,923	903
	- 2.7	hectares industrial property at 217, Jalan Lahat, Ipoh	1,147	1,613
	- 5.8	hectares industrial property at Jalan Tampoi, Johor Bahru	2,145	2,912
	- 2.2	hectares industrial property at 701, Jalan Tampoi, Johor Bahru	3,137	74
	- 0.6	hectares industrial property at 598, Jalan Tampoi, Johor Bahru	428	1,535
	- 0.1	hectares property at No. 3, Jalan Metro Pudu, Fraser Business Park	-	6,628
	- Other properties		380	-
TPL	- 1.2	hectares industrial property at Lot 46 Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam	1,569	2,855
East Malaysia				
F&N	- 1.1	hectares industrial property at Matang Land District, Sarawak	1,784	1,031
	- 2.0	hectares industrial property at Jalan Mempaga, Mukim Sabai, Karak	1,507	2,068
	- 0.1	hectares industrial property at Jalan Tatau Bintulu, Sarawak	-	9
Thailand				
F&N	- 9.1	hectares industrial property at Amphur Nong Khae, Saraburi Province	4,346	9,985
	- 1.2	hectares industrial property at Amphur Pakchong, Nakonratchasima Province 30320	-	2,221
	- 9.2	hectares industrial property at U-thai, Phra Nakhon Si Avutthava 13210 Thailand	7,224	-
New Zealand				
APBL	- 17.4	hectares industrial property for Waitemata Brewery site at Auckland	3,668	19,533
	- 9.1	hectares industrial property for Mainland Brewery at Timaru	175	1,601
	- 10.8	hectares industrial property for Tui Brewery at Pahiatua	319	991
Australia				
TPL	- 0.2	hectares commercial property at Unit 7 & 8 Monash Business Park, 29 Business Park Drive, Nottinghill, Melbourne - Victoria	948	443
United State of America				
TPL	- 3.4	hectares commercial property at 99 White Plains Road, Tarrytown, New York	705	3,426
Mongolia				
APBL	- 5.0	hectares industrial property at 10th Khoroo, Bayanzurkh District, Ulaanbaatar City, Mongolia	-	3,505
Sri Lanka				
APBL	- 0.4	hectares industrial property at Millawa Land	11	-
Laos				
APBL	- 0.1	hectares industrial property at Mini Tavern, Unit 03, House No. 056, 5/44 Phonthan Road, Ban Saphanthong Nue, Sisathanak District, Vientiane Lao PDR	-	6
India				
APBL	- 27.5	hectares industrial property at Sangareddy Mandal, Badlapur Village, Medak District	1,056	3,072
Total Freehold			**58,360**	**96,544**

Particulars of Group Properties

(A) CLASSIFIED AS GROUP FIXED ASSETS (cont'd)
(Note 13 to the Financial Statements)

	Land ($'000)	Building ($'000)
LEASEHOLD		
Singapore		
F&N - 4.0 hectares industrial property at 214 Pandan Loop (Lease expires year 2010)	-	14,060
APBL - 8.8 hectares industrial property at Jurong (Lease expires year 2046)	-	18,686
TPL - Commercial property at Unit #04-08 - #04-11, 176 Orchard Road Centrepoint (Lease expires year 2078)	-	298
- 1.8 hectares offices at 16 & 18 Tuas Avenue 5 (Lease expires year 2043)	-	14,403
Peninsular Malaysia		
F&N - 3.6 hectares industrial property at 70 Jalan University, Petaling Jaya (Lease expires year 2058)	7,740	6,486
- 1.6 hectares industrial property at 16 Jalan Bersatu 13/4, Petaling Jaya (Lease expires year 2058)	4,094	1,819
- 1.4 hectares industrial property at Lot 56, Section 4, Phase 2B, Mukim Klang, Selangor (Lease expires year 2097)	11,953	-
- Other properties	642	621
East Malaysia		
F&N - 1.8 hectares industrial property at 3.5 miles Penrissen Road, Kuching (Lease expires year 2038)	655	2,753
- 2.6 hectares industrial property at 5.5 miles Tuaran Road, Kota Kinabalu (Lease expires year 2062)	938	747
- 1.2 hectares industrial property at Lot 1557, Block 218 KNLD, Kuching (Lease expires year 2038)	2,921	-
- 2.8 hectares industrial property at Matang Land District, Sarawak/Kuching District (Lease expires year 2038/2784)	1,952	330
Cambodia		
APBL - 11.3 hectares industrial property at Kandal Province (Land rights expires year 2065)	-	6,795
Vietnam		
F&N - 3.4 hectares industrial property at 76 Ton That Thuyet, Ho Chi Minh City (Lease expires year 2023)	-	2,553
APBL - 13.0 hectares industrial property at Ho Chi Minh City (Lease expires year 2021)	1,464	7,590
- 30.0 hectares industrial property at Van Tao Village - Hatay Province (Lease expires year 2046)	-	8,487
- 30.0 hectares industrial property at Quang Nam Province (Lease expires year 2046)	-	324
- 51.4 hectares industrial property at Tien Giang Province (Lease expires year 2022)	-	891
- 7.7 hectares industrial property at Danang City (Lease expires year 2044)	-	1,203

Particulars of Group Properties

(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 hectares industrial property at No. 19/111 Moo 7 Thakarm Road, Samaedam, Bangkhuntien, Bangkok 10150 (Lease expires year 2029)	476	2,712
TPL - Warehouse at Soi Wat Kok #20/526-527, Rama II Road, Bangkok (Lease expires year 2021)	-	38
Myanmar		
F&N - 5.0 hectares industrial property at Mingaladon Township, Yangon (Lease expires year 2023)	1,362	8,370
China/Hong Kong		
F&N - Residential property at Liu Shu Town, SheHong Country, Sichuan Providence, China (Lease expires year 2058)	-	43
APBL - 20.0 hectares industrial property at Haikou, Hainan, China (Lease expires year 2065)	4,842	16,794
- 11.0 hectares industrial property at Shanghai, China (Lease expires year 2038)	5,736	8,045
- 0.02 hectares industrial property at Shanghai, China (Lease expires year 2042)	-	289
TPL - Residential property at Unit 1AF Riverside Garden, Shenyang, China	-	193
- Residential property at Vanke Garden, Shenyang, China	-	96
- 0.4 hectares industrial property at 13A Xingshun Street, Tiexi District, Shenyang, China (Lease expires year 2009)	6	587
- Warehouse at Unit D, 2nd Floor, Freder Centre 68 Sung Wong Toi Road, Tokwawan, Kowloon, Hong Kong (Lease expires year 2022)	16	26
- Industrial property at Dachong Western Industrial District Nansha Panyu, Guangdong, China (Lease expires year 2044)	2,783	15,496
- Industrial property at Unit A1,C5, Ko Fai Industrial Building 7 Ko Fai Road, Yau Tong, Kowloon, Hong Kong (Lease expires year 2048)	-	477
- 1.9 hectares commercial property at 18 Jianshe Zhong Road, Tiexi District Shenyang, China	3,355	2,843
- Factory at 665 Kong Jiang Road, Yang Pu District, Shanghai 200093 (Lease expires year 2030)	510	2,178
- Factory at 1 Zhao Yu Street, Yuci Economic Development Zone Jin Zhong City, Shanxi Province (Lease expires year 2026)	1,171	3,206
- Offices at Seaview Estate - 10th Floor Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	5,162	123
- Offices at Seaview Estate - 9th Floor Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	4,880	109
FCL - Office at Suite 2806-2810, 28/F Shell Tower, Time Square, Causeway Bay, Hong Kong	-	7

Particulars of Group Properties

(A) CLASSIFIED AS GROUP FIXED ASSETS (cont'd)
(Note 13 to the Financial Statements)

	Land ($'000)	Building ($'000)
LEASEHOLD (cont'd)		
Papua New Guinea		
APBL - 2.2 hectares industrial property at Port Moresby (Lease expires year 2067)	612	4,204
- 7.7 hectares industrial property at Lae and Goroka (Lease expires year 2057 and year 2067)	299	560
- 1.0 hectares residential properties (Lease expires year 2057 and year 2071)	121	100
Sri Lanka		
APBL - 2.3 hectares industrial property at Mawathagama (Lease expires year 2027)	39	388
India		
APBL - 7.0 hectares industrial property at Waluj, Aurangabad, Maharashtra (Lease expires year 2083)	137	1,815
Laos		
APBL - 13.0 hectares industrial property at Veunkham Road, B.Nongno, Xaythany District, Vientianne, Laos (Lease expires year 2056)	1,409	8,499
Total Leasehold	**65,275**	**165,244**
TOTAL PROPERTIES (CLASSIFIED AS GROUP FIXED ASSETS)	**123,635**	**261,788**

(B) CLASSIFIED AS GROUP INVESTMENT PROPERTIES
(Note 14 to the Financial Statements)

	Land ($'000)	Building ($'000)
Singapore		
FCL - A 24-storey office building at 438 Alexandra Road Freehold, lettable area - 18,423.0 sqm	56,070	89,080
- Retained interests (excluding apartments) in a 7-storey shopping cum residential complex with 2 basement floors at The Centrepoint, 176 Orchard Road Leasehold (lease expires year 2078), lettable area - 30,867.0 sqm	428,930	164,870
- Retained interests in a 3-storey shopping complex with 2 basement shopping levels and one basement carpark at Northpoint, 930, Yishun Avenue 2 Leasehold (Lease expires year 2089), lettable area - 13,876.0 sqm	253,000	65,000
- A 2-storey shopping complex at Anchorpoint, 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 - 6,714.0 sqm	39,200	28,800
- Two 8-storey high-tech industrial building with basement carpark at 438A and 438B Alexandra Road, Alexandra Technopark, Block A & Block B Freehold, lettable area - 97,542.0 sqm	40,000	-

Particulars of Group Properties

(B) CLASSIFIED AS GROUP INVESTMENT PROPERTIES (cont'd)
(Note 14 to the Financial Statements)

	Land ($'000)	Building ($'000)
Singapore (cont'd)		
- A 10-storey commercial-cum-serviced apartment complex at Robertson Walk Shopping Centre and Fraser Place Robertson Walk, 11 Unity Street, with 2 basement carparks comprising a 2-storey retail podium and 161 serviced apartment units Leasehold (999 years from July 1841) Lettable area: Retail 9,067.8 sqm Serviced apartments 14,293.4 sqm Total 23,361.2 sqm	111,210	127,790
- A 7-storey shopping/entertainment complex at Causeway Point, 1, Woodlands Square with 3 basement floors (comprising 2 basement carparks and 1 basement shop) Leasehold (Lease expires year 2094), lettable area - 38,884.0 sqm	532,000	182,000
- 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 Valley Point Shopping Centre/ Office Tower and Fraser Suites River Valley, River Valley Road Leasehold (999 years from June 1877) Lettable area: Retail 3,699.0 sqm Serviced apartments 20,232.0 sqm Office 16,948.0 sqm Total 40,879.0 sqm	171,820	233,080
- A 4-storey retail space at Northpoint 2, Yishun Central with a retail basement floor and a basement car park Leasehold (Lease expires year 2089), lettable area - 7,946.0 sqm	96,460	48,540
- A 2-storey retail podium at Yew Tee Point, 21, 23 and 25 Choa Chu Kang North 6 situated on 1st storey and 1st basement level of a 10 storey commercial-cum-residential block Leasehold (Lease expires year 2105), lettable area - 6,724.0 sqm	81,700	42,000
- Other properties (Leasehold, lease expires year 2078)	1,140	160
TPL - 0.7 hectares industrial property at 438 Ang Mo Kio Industrial Park Leasehold (Lease expires year 2038)	-	7,797
- 1.9 hectares warehouse at No. 24 Senoko Drive Leasehold (Lease expires year 2011)	-	500
Vietnam		
FCL - A 23-storey retail/office building plus 2 basements at Me Linh Point Tower, 2 Ngo Duc Ke Street, District 1, Ho Chi Minh City Leasehold (Lease expires year 2045), lettable area - 17,744.0 sqm	35,789	29,967
China		
FCL - A 2 cross-shaped, 5-storey buildings, 2 blocks of office space, an amenity centre, 3 hi-tech multi-purpose buildings and a multi-storey carpark building at Vision (Shenzhen) Business Park, Shenzhen Industrial Hi-Tech Industrial Park Gaoxing South Ring Keji South Road, Shenzhen Lettable area - 127,999.0 sqm	40,079	105,151

Particulars of Group Properties

(B) CLASSIFIED AS GROUP INVESTMENT PROPERTIES (cont'd)
(Note 14 to the Financial Statements)

		Land ($'000)	Building ($'000)
China (cont'd)			
	- A 13-storey building with 2 levels of basement car parks and ancillary facilities at Vision International Centre (Soho.com Internet Plaza), TsingHua Science Park, No. 1 Zhongguancun East Road, Haidian District, Beijing Lettable area - 14,820.0 sqm	39,253	8,112
	- A building comprising residential (3rd to 23rd level) and clubhouse (2nd level) at Fraser Suites CBD Beijing (EEL), Block D, No. 7 Guanghua Road, Chaoyang District, Beijing Leasehold: Residental (lease expires year 2073) Clubhouse (lease expires year 2043) Lettable area - 28,419.0 sqm	-	193,004
Philippines			
FCL	- 69 apartment units with 116 car park slots in the East Tower of Frasers Place Forbes Tower, Valero Street, Salcedo Village, Makati City, Manila Freehold, lettable area - 17,046.0 sqm	-	25,506
Australia			
FCL	- A 2-storey Shopping Centre and 1 unit Viewpoint Apartment at Bridgepoint, Mosman, Sydney Freehold, lettable area - 6,784.1 sqm	27,115	23,656
United Kingdom			
FCL	- 2 buildings of 63 serviced residences at C2 and C3 The Boardwalk, Trafalgar Way, London E14 Leasehold (999 years from 25 December 1999), lettable area - 4,765.0 sqm	-	55,937
	- A 4-storey building of serviced residences at Fraser Suites 1-19 Albion Street, Glasgow G1 1 NY Freehold, lettable area - 4,694.0 sqm	-	19,716
	- A 8-storey building of serviced residences with 75 apartments at Fraser Suites Edinburgh, St Giles Street Freehold, lettable area - 2,038.0 sqm	14,587	22,207
	- Retained freehold interest in a building for residential use at Nell Gwynn House, Sloane Avenue, London	1,719	-
Hong Kong			
TPL	- Shop unit at Houston Centre, Tsimshatsui East, Kowloon Leasehold (Lease expires year 2053), lettable area - 68.0 sqm	475	113
	- 0.1 hectares industrial property at 35 Kallang Pudding Road #07-14 Tong Lee Building Blk A	-	700
TOTAL PROPERTIES (CLASSIFIED AS INVESTMENT PROPERTIES)		**1,970,547**	**1,473,686**

Particulars of Group Properties

(C) CLASSIFIED AS COMPLETED PROPERTIES HELD FOR SALES
(Note 24 to the Financial Statements)

		Effective Group interest %
Australia		
FCL	- The Habitat Freehold land of approximately 862.0 sqm situated at 11-17 Chandos Streets, Sydney. The development has a gross floor area of 7,855.0 sqm and consists of 60 residential units, 2 retail and 9 offices.	75
	- Townhall Serviced Residences Freehold land of approximately 3,966.0 sqm situated at Junction of George Street, Bathurst Street and Kent Street, Sydney. The development has a gross floor area of 32,281.0 sqm and consists of 145 units of serviced apartments.	81
	- Lumiere Freehold land of approximately 3,966.0 sqm situated at former Regent Theatre, 101 Bathurst St Sydney 2000. The development has a gross floor area of 70,922.0 sqm and consists of 460 residential units, 4 retail and 1 commerical unit.	81
	- Lorne Freehold land of approximately 4,022.0 sqm situated at 29, Lorne Ave, Killara NSW 2071. The development has a gross floor area of 6,671.0 sqm and consist of 40 residential apartments.	75
China/Hong Kong		
FCL	- Scenic Place Leasehold land of approximately 26,052.0 sqm situated at No.305 Guang An Men Wai Avenue, Xuan Wu District, Beijing. The development has a gross floor area of 95,855.0 sqm and consists of 788 residential units and 154 carpark lots.	56
	- Ninth Zhongshan Leasehold land of approximately 73,152.0 sqm situated at No.2 Xinglin Street Zhongshan District Da Lian. The development has a gross floor area of 63,054.0 sqm and consists of 439 residential units and 132 carpark lots. Twin Towered development comprising of 32 storey east tower and 30 storey west tower.	56
	- Greenery Place Leasehold land of approximately 6,796.0 sqm situated at No.1 Town Park Road South, Yuen Long, Hong Kong. The development has a gross floor area of 22,106.0 sqm and consists of four 11 storey residential towers with a total of 330 residential units, a clubhouse and 133 carpark lots.	56
	- Jingan Four Seasons Leasehold land of approximately 13,843.0 sqm situated at No. 169 Wu Jiang Lu, Shanghai. The development has a gross floor area of 70,717.0 sqm and consists of 452 residential units and 88 retail units.	100
	- Crosspoint Leasehold land of approximately 7,111.0 sqm situated at Xi Cheng District, Xin Jie Kou, Beijing. The development has a gross floor area of 28,572.0 sqm and consists of 22 retail units.	100

Particulars of Group Properties

(C) CLASSIFIED AS COMPLETED PROPERTIES HELD FOR SALES (cont'd)
(Note 24 to the Financial Statements)

	Effective Group interest %
United Kingdom	
FCL - Wandsworth Freehold land of approximately 40,014.9 sqm situated at bank of River Thames, London. The development has a gross floor area of 27,000.0 sqm and consists of 203 residential units and 8 commercial units.	51
- Vincent Square Freehold land of approximately 2,346.0 sqm situated at 63-69 Rochester Row, 68 Vincent Square, London. The development has a gross floor area of 6,197.0 sqm and consists of 70 residential units.	51
- Verwood & Horslynch Farm Freehold land of approximately 20 acres situated at West Country, Somerset.	51
- Buckswood Grange Freehold land of approximately 800.4 sqm situated at Uckfield, Sussex. The development has a gross floor area of 2,433.8 sqm and consists of 22 apartments and townhouses.	51

(D) CLASSIFIED AS DEVELOPMENT PROPERTIES HELD FOR SALE
(Note 24 to the Financial Statements)

Details of the development properties held for sale 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	- Holland Park, off Holland Road	85%	4th Quarter FY 2010	100
	- St Thomas Suites	58%	4th Quarter FY 2010	100
	- ClementiWoods	82%	2nd Quarter FY 2010	100
	- Soleil @ Sinaran	53%	3rd Quarter FY 2011	100
	- Martin Place Residences	33%	3rd Quarter FY 2011	100
	- Waterfront Waves/Key	29%	4th Quarter FY 2011 - 2nd Quarter FY 2013	50
	- Lot 3655K and Lot 3654A of Mukim 2 at Holland Park	-	4th Quarter FY 2012	100
	- Woodsville 28	11%	3rd Quarter FY 2011	100
	- Caspian	9%	3rd Quarter FY 2012	100
	- Flamingo Valley	-	1st Quarter FY 2014	100
	- 8 @ Woodleigh	-	3rd Quarter FY 2012	100
	- Residence Botanique	-	2nd Quarter FY 2012	100
Malaysia				
F&N	- Jalan Yew, Kuala Lumpur site	-	-	57
	- Jalan Ampang, Kuala Lumpur site	-	-	57
	- Hulu Langat, Selangor site	-	-	57
	- Johor Baru, State of Johor site	-	-	57
Vietnam				
FCL	- 3 Nguyen Sieu Street	-	1st Quarter FY 2010	70
Thailand				
FCL	- The Pano	85%	1st Quarter FY 2010	70

Particulars of Group Properties

(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 %
Australia				
FCL	- Wanjeep Street Mandurah	-	4th Quarter FY 2013	56
	- Queen's Precint, Riverside	-	4th Quarter FY 2012	88
	- Morton Street, Paramatta	-	4th Quarter FY 2014	75
	- Pavilions Killara	-	4th Quarter FY 2013	75
	- Camperdown City Quarter	94%	1st Quarter FY 2010	88
	- Broadway Sydney	-	4th Quarter FY 2013	75
China				
FCL	- Cheng Du Logistics Park	63%	2nd Quarter FY 2010 - 2nd Quarter FY 2015	80
	- Songjiang Four Seasons	97%	1st Quarter FY 2010 - 1st Quarter FY 2018	56
	- Suzhou Baitang	32%	3rd Quarter FY 2011 - 4th Quarter FY 2017	100
New Zealand				
FCL	- Broadview Rise, Queenstown	-	Project on Hold	75
	- Papamoa Beach, Tauranga in the Bay of Plenty	-	4th Quarter FY 2014	68
United Kingdom				
FCL	- Wandsworth Riverside Quarters	-	4th Quarter FY 2016	51
	- Wandsworth Road	-	4th Quarter FY 2013	51
	- Camberwell Green	-	1st Quarter FY 2014	51
	- Shoppenhangers Lane	-	4th Quarter FY 2010	51
	- Collins Theatre	-	4th Quarter FY 2010	51
	- Granton Harbour	-	Suspended	26
	- Water Street	-	4th Quarter FY 2010	26
	- Ferry Village	-	1st Quarter FY 2015	26
	- Shrubhill	-	4th Quarter FY 2012	26
	- Lumiere Leeds	-	Suspended	23
	- Brown Street	-	4th Quarter FY 2013	51
	- Baildon	-	Project on Hold	51

(E) CLASSIFIED AS GROUP PROPERTIES HELD FOR DEVELOPMENT
(Note 15 to the Financial Statements)

Details of the properties held for development are included in Note 15 to the Financial Statements. Additional information as follows:

		Stage of Completion	Estimated Date of Completion	Effective Group interest %
Singapore				
FCL	- Bedok/Changi Theatre	-	4th Quarter FY 2010	100
	- Changi Business Park	-	3rd Quarter FY 2011- 1st Quarter FY 2013	50
F&N	- Jalan Yew Site, Kuala Lumpur, Malaysia	-	-	57

Fraser and Neave, Limited

SHAREHOLDING STATISTICS AS AT 09 DECEMBER 2009

Class of shares – Ordinary share
Voting rights – One vote per share

Size of holding	Number of Shareholders	%	Number of Shares	%
1 – 999	354	1.90	123,306	0.01
1,000 – 10,000	14,458	77.63	53,380,304	3.83
10,001 – 1,000,000	3,778	20.28	206,029,927	14.78
1,000,001 and above	35	0.19	1,134,271,648	81.38
	18,625	100.00	1,393,805,185	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	207,112,346	14.86
2	Seletar Investments Pte Ltd	205,500,000	14.74
3	Citibank Nominees Singapore Pte Ltd	163,240,043	11.71
4	Great Eastern Life Assurance Co Ltd – Participating Fund	77,358,575	5.55
5	Great Eastern Life Assurance (Malaysia) Berhad	70,393,850	5.05
6	HSBC (Singapore) Nominees Pte Ltd	68,554,704	4.92
7	DBSN Services Pte Ltd	62,141,922	4.46
8	Oversea Chinese Bank Nominees Pte Ltd	50,558,095	3.63
9	The Overseas Assurance Corporation Ltd	46,505,570	3.34
10	BNP Paribas Securities Services Singapore	33,681,552	2.42
11	United Overseas Bank Nominees Pte Ltd	30,728,492	2.20
12	The Great Eastern Trust Private Limited	17,587,805	1.26
13	Raffles Nominees (Pte) Ltd	16,348,498	1.17
14	Lee Pineapple Company Pte Ltd	14,000,000	1.00
15	Lee Latex Pte Limited	10,656,115	0.76
16	Tropical Produce Company Pte Ltd	8,665,400	0.62
17	DB Nominees (Singapore) Pte Ltd	6,643,367	0.48
18	Fam Yue Onn Michael or Fam Shou Kwong Richard	6,027,025	0.43
19	Merrill Lynch (Singapore) Pte Ltd	5,750,204	0.41
20	Selat Pte Limited	5,265,000	0.38
		1,106,718,563	79.39

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	46,280,250	212,769,065
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) Sdn Bhd	-	70,393,850
Seletar Investments Pte Ltd	205,500,000	-
Temasek Capital (Private) Limited	-	205,500,000
Temasek Holdings (Private) Limited	-	206,219,752
Prudential Asset Management (Singapore) Ltd (reporting on behalf of Prudential Asset Management (Singapore) Ltd, Jackson National Life and M&G Investments)	-	83,698,259

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% 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 Singapore)

NOTICE OF ANNUAL GENERAL MEETING
Date: Thursday 28 January 2010
Place: Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958

NOTICE IS HEREBY GIVEN that the 111th Annual General Meeting of FRASER AND NEAVE, LIMITED will be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on Thursday 28 January 2010 at 10.00 a.m. 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 2009.

2. To approve a final tax-exempt dividend of 10.5 cents per share in respect of the year ended 30 September 2009.

3. To pass the following resolutions on the recommendation of the Nominating Committee and endorsement of the Board of Directors in respect of appointment of Directors:

   (a) "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 Chairman of the Remuneration & Staff Establishment Committee, and a Member of the Audit and Nominating Committees.

   (b) "That Mr Simon Israel, who retires by rotation, be and is hereby re-appointed as a Director of the Company."

   Subject to his re-appointment, Mr Israel, who is considered a non-independent director, will be re-appointed as a Member of the Board Executive and Food & Beverage Board ("F&B Board") Committees.

   (c) "That Mr Nicky Tan Ng Kuang, who retires by rotation, be and is hereby re-appointed as a Director of the Company."

   Subject to his re-appointment, Mr Tan, who is considered an independent director, will be re-appointed as a Member of the Audit, F&B Board and Nominating Committees.

4. To approve Directors' fees of S$2,555,000 payable by the Company for the year ending 30 September 2010 (last year: S$2,555,000).

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. "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% 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."

7. "That approval be and is hereby given to the Directors of the Company 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 options under the Fraser and Neave, Limited Executives' Share Option Scheme 1999 (the "**1999 Scheme**"), provided that the aggregate number of ordinary shares to be issued pursuant to the 1999 Scheme shall not exceed 15% of the total number of issued ordinary shares in the capital of the Company, excluding treasury shares, from time to time."

8. "That approval be and is hereby given to the Directors of the Company to:

(a) grant awards in accordance with the provisions of the F&N Restricted Share Plan (the "**Restricted Share Plan**") and/or the F&N Performance Share Plan (the "**Performance Share Plan**"); and

(b) allot and issue such number of ordinary shares in the capital of the Company as may be required to be delivered pursuant to the vesting of awards under the Restricted Share Plan and/or the Performance Share Plan,

provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares in the capital of the Company (including shares held in treasury) delivered and/or to be delivered, pursuant to the Restricted Share Plan and the Performance Share Plan, shall not exceed 10% of the total number of issued ordinary shares in the capital of the Company, excluding treasury shares, from time to time."

9. "That authority be and is hereby given to the Directors of the Company 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 allotted and issued pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme."

10. "That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) on the SGX-ST transacted through the SGX-ST trading system and/or any other securities exchange on which the Shares may for the time being be listed and quoted ("**Other Exchange**"); and/or

(ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next Annual General Meeting of the Company is held; and

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held;

(c) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of a Share over the five consecutive Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, Other Exchange, immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period;

"**date of the making of the offer**" means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the off-market purchase;

"**Market Day**" means a day on which the SGX-ST is open for trading in securities;

"**Maximum Percentage**" means that number of issued Shares representing 7% of the issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed 105% of the Average Closing Price of the Shares; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

OTHER BUSINESS

11. To transact any other business which may properly be brought forward.

By Order of the Board
Anthony Cheong Fook Seng
Group Company Secretary

Singapore,
4 January 2010

A member of the Company entitled to attend the meeting and vote is entitled to appoint not more than two proxies to attend and vote instead of him; a proxy need not be a member of the Company. Where a member of the Company appoints more than one proxy, he shall specify the proportion of his shareholdings to be represented by each proxy. The instrument appointing a proxy or proxies (a form is enclosed) must be deposited with the Company Secretary at the registered office not less than 48 hours before the time appointed for holding the meeting.

STATEMENT PURSUANT TO ARTICLE 64 OF THE COMPANY'S ARTICLES OF ASSOCIATION

The effects of the resolutions under the heading "Special Business" in this Notice of the 111th Annual General Meeting are:

(a) Ordinary Resolution No. 6 is to authorise the Directors of the Company from the date of that meeting until the next Annual General Meeting to issue shares and/or make or grant instruments that might require shares to be issued on a pro rata basis to shareholders of the Company, and to issue shares in pursuance of such instruments, up to a limit of 50% of the total number of issued shares in the capital of the Company, excluding treasury shares, calculated as described in the Resolution.

(b) Ordinary Resolution No. 7 is to authorise the Directors of the Company 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 options under the Fraser and Neave, Limited Executives' Share Option Scheme 1999 (the "**1999 Scheme**") up to an aggregate limit of 15% of the total number of issued ordinary shares in the capital of the Company, excluding treasury shares, from time to time (the "**15% Limit**"). The 15% Limit is calculated by including the ordinary 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.

(c) Ordinary Resolution No. 8 is to authorise the Directors of the Company to offer and grant awards and to issue ordinary shares in the capital of the Company pursuant to the F&N Restricted Share Plan (the "**Restricted Share Plan**") and the F&N Performance Share Plan (the "**Performance Share Plan**") provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares in the capital of the Company (including shares held in treasury) delivered and/or to be delivered, pursuant to the Restricted Share Plan and the Performance Share Plan, shall not exceed 10% of the total number of issued ordinary shares in the capital of the Company, excluding treasury shares, from time to time. The Committee administering the Restricted Share Plan and the Performance Share Plan currently does not intend, in any given year, to grant awards under the Restricted Share Plan and the Performance Share Plan which would comprise more than 1% of the total number of issued ordinary shares from time to time (the "**Yearly Limit**"). However, if the Yearly Limit is not fully utilised in any given year, the balance of the unutilised Yearly Limit may be used by the Company to make grants of awards in subsequent years.

(d) Ordinary Resolution No. 9 is to authorise the Directors of the Company to allot and issue ordinary shares in the capital of the Company pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme to eligible members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

(e) Ordinary Resolution No. 10 is to renew the share purchase mandate to permit the Company to purchase or acquire issued ordinary shares in the capital of the Company on the terms and subject to the conditions of the Resolution.

The Company intends to use internal resources or external borrowings or a combination of both to finance the purchase or acquisition of its ordinary shares. The amount of financing required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, and the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

Based on the existing number of issued ordinary shares as at 9 December 2009 (the "**Latest Practicable Date**"), the purchase by the Company of 7% of its issued ordinary shares will result in the purchase or acquisition of 97,566,363 ordinary shares. Assuming that the Company purchases or acquires the 97,566,363 ordinary shares at the Maximum Price of S$4.19 for one ordinary share (being the price equivalent to 5% above the average of the closing market prices of the ordinary shares for the five consecutive Market Days on which the ordinary shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 97,566,363 ordinary shares is approximately S$408,803,061.

The financial effects of the purchase or acquisition of such ordinary shares by the Company pursuant to the share purchase mandate on the audited financial statements of the Company and its subsidiaries for the year ended 30 September 2009, based on certain assumptions, are set out in paragraph 2.6 of the Letter to Shareholders dated 4 January 2010, which is enclosed together with the Annual Report 2009.

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Fraser and Neave, Limited

(Company Registration No. 189800001R)
(Incorporated in Singapore)

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).

PROXY FORM – ANNUAL GENERAL MEETING

I/We ________________________________ of ____ being a member/members of Fraser and Neave, Limited (the "**Company**") 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 Soon Tit Koon, whom failing Tan Chong Meng, whom failing Nicky Tan Ng Kuang 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/proxies to attend and to vote for me/us and on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on Thursday 28 January 2010 at 10.00 a.m. and at any adjournment thereof. The proxy/proxies is/are to vote on the business before the meeting as indicated below (if no indication is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they 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 2009.		
2.	To approve a final tax-exempt dividend of 10.5 cents per share in respect of the year ended 30 September 2009.		
3.	(a) To re-appoint Director: Mr Timothy Chia Chee Ming		
	(b) To re-appoint Director: Mr Simon Israel		
	(c) To re-appoint Director: Mr Nicky Tan Ng Kuang		
4.	To approve Directors' fees of S$2,555,000 payable by the Company for the year ending 30 September 2010.		
5.	To re-appoint auditors for the ensuing year and authorise Directors to fix their remuneration.		
	SPECIAL BUSINESS		
6.	To authorise Directors to issue shares and to make or grant convertible instruments.		
7.	To authorise Directors to allot and issue shares pursuant to the Fraser and Neave, Limited Executives' Share Option Scheme 1999.		
8.	To authorise Directors to grant awards and to allot and issue shares pursuant to the F&N Restricted Share Plan and/or the F&N Performance Share Plan.		
9.	To authorise Directors to allot and issue shares pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme.		
10.	To approve the proposed Share Purchase Mandate.		
	OTHER BUSINESS		
11.	To transact any other business which may properly be brought forward.		

Dated this ____________ day of ____________________________________ 2010.

Total Number of Shares held (Note 5)	

____
Signature/Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

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NOTES TO PROXY FORM:

1. A member of the Company entitled to attend the meeting and vote is entitled to appoint one or two proxies to attend and vote instead of him; a proxy need not be a member of the Company. The instrument appointing a proxy or proxies 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 spaces provided on the form.
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 or proxies 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 or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.
9. Agent Banks acting on the request of CPF investors who wish to attend the meeting as Observers are required to submit in writing, a list with details of the investors' name, NRIC/Passport numbers, addresses and numbers of shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company Secretary, at the registered office of the Company not later than 48 hours before the time appointed for holding the meeting.

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Affix Postage Stamp

THE COMPANY SECRETARY
FRASER AND NEAVE, LIMITED
#21-00 Alexandra Point
438 Alexandra Road
Singapore 119958

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Financial Calendar

28 JANUARY 2010

Annual General Meeting

10 FEBRUARY 2010

(After close of trading) (Tentative)

Announcement of 1st Quarter Results

12 MAY 2010

(After close of trading) (Tentative)

Announcement of 2nd Quarter Results
Declaration of Interim Dividend

11 AUGUST 2010

(After close of trading) (Tentative)

Announcement of 3rd Quarter Results

10 NOVEMBER 2010

(After close of trading) (Tentative)

Announcement of Full Year Results
Declaration of Final Dividend

Design and production by LloydNorthoverYeang Pte Ltd

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

For online version of F&N FY09 Annual Report, please refer to www.fraserandneave.com/FN_investor_r_reports.asp
For easy-to-read guides on annual reports, please refer to www.sgx.com/wps/wcm/connect/mp_en/site/highlights/highlight_contents/Investors_Guide