Great People Distinctive Performance

Annual Report 2010

FRASER AND NEAVE, LIMITED

Great People Distinctive Performance

Hard work alone is not enough to guarantee sustained high performance. Here in F&N, besides our discipline, fierce commitment and determination to deliver our personal best – which is a given – it is the mastery of our capabilities that makes us distinctive.

F&N's rich legacy has successfully transformed the Group into an enterprise with unparalleled domain expertise. It has also provided F&N with a compelling blueprint for the future.

Today, there is a palpable sense of expectation as our ***Great People*** work to lift this enterprise to new heights of distinction.

Ahead, our firm purpose is to build on past efforts and achievements. Working hand in hand with you, our stakeholders, we are poised to deliver ***Distinctive Performance*** now and beyond.

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.

TOTAL NUMBER OF EMPLOYEES WORLDWIDE

>17,000

OPERATING PRESENCE IN NUMBER OF COUNTRIES

>20

TOTAL ASSET EMPLOYED

>$13 BILLION

SHAREHOLDERS FUND

>$6 BILLION

Contents

DISTINCTIVE RESULTS

10-Year Performance at a Glance

REVENUE

$5,697M

- Increased 175% from FY00's $2,069m
- Broad-based growth across key businesses

EARNINGS PER SHARE[1]

41.8 cents

- Increased 243% from FY00's 12.2 cents
- EPS growth outpaced attributable profit due to a series of capital reduction and capital distribution exercises in 2000-2003 that the Group undertook to reduce share capital by about 24%

PROFIT BEFORE IMPAIRMENT, INTEREST AND TAX[1]

$1,071M

- Increased 227% from FY00's $328m
- Crossed $1b mark for the first time
- 10-year compounded annual growth rate of 13%

DISTRIBUTION

17.0 cents

- Increased 372% from FY00's 3.6 cents
- Comprising a proposed final dividend of 12.0 cents and interim dividend of 5.0 cents paid earlier
- Dividend payout ratio remains in line with the Group's policy of paying up to 50% of Attributable Profit[1]

ATTRIBUTABLE PROFIT[1]

$584M

- Increased 221% from FY00's $182m
- 10-year compounded annual growth rate of 12%

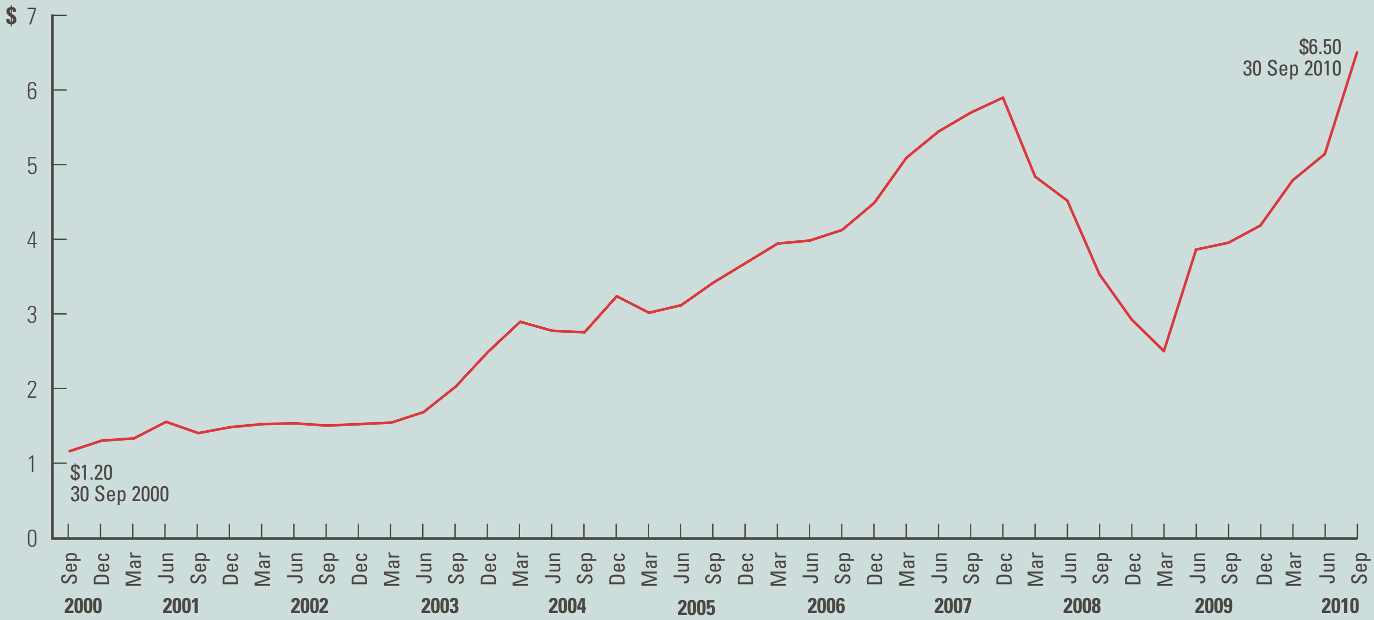
MARKET CAPITALISATION[2]

$9,127M

- Increased 347% from FY00's $2,043m

[1] Before discontinued operations, fair value adjustment and exceptional items
[2] Based on issued shares as at 28 Oct 2010 and share price at the close of business on the first trading day after preliminary announcement of results

Share Price ($)



Our 3 Businesses

Food & Beverage

A household name to many, F&N has established itself as a leader in the Food & Beverage arena in Singapore and Malaysia since the 1930s. Beyond soft drinks, it has successfully ventured into brewing beer in 1931 and dairies in 1959. The Group's Soft Drinks and Dairies business, with operations and investments in Singapore, Malaysia, Thailand, China and Vietnam, are operated primarily through Fraser & Neave Holdings Bhd; while our Beer business, executed mainly through Asia Pacific Breweries Limited, operates 37 breweries in 14 countries in the Asia Pacific. Today, the Group owns a portfolio of reputable brands including *F&N, 100PLUS* and *SEASONS* for Soft Drinks; *Magnolia, Nutrisoy, Fruit Tree Fresh* and *NutriTea* for Dairies; and *Tiger, Anchor, Baron's* and *ABC* for Beer. The Group's consistent leading market shares across various products have 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 the 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&N. From a single shopping mall along Orchard Road, FCL is now a leading integrated Singapore-based property company with a strong foothold in property development, property investment, serviced residences and investment funds. Its global footprint spans Australia, China, Japan, Hong Kong, Korea, New Zealand, Philippines, Thailand, UAE, Vietnam and the UK. With the objective to continue delivering sustainable earnings to our shareholders, the Group shall remain focused on building the 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. As 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 spanning South-East Asia, Hong Kong, China, Japan, Australia, Europe and the USA.

DISTINCTIVE RESULTS

Group Financial Highlights

Revenue ($ M)

FY10	**5,697**
FY09	5,146
FY08	4,990
FY07	4,731
FY06	3,802

Profit Before Taxation, Impairment, Fair Value Adjustment and Exceptional Items (cents per share[1])

FY10	**72.2**
FY09	53.0
FY08	50.5
FY07	50.0
FY06	45.9

Profit Before Taxation, Impairment, Fair Value Adjustment and Exceptional Items ($ M)

FY10	**1,009**
FY09	737
FY08	701
FY07	661
FY06	537

Attributable Profit[2] (cents per share[1])

FY10	**41.8**
FY09	33.2
FY08	26.8
FY07	28.6
FY06	25.3

Net Asset Value ($ M)

FY10	**6,143**
FY09	5,585
FY08	5,283
FY07	5,221
FY06	3,600

Net Asset Value ($ per share)

FY10	**4.38**
FY09	4.01
FY08	3.80
FY07	3.77
FY06	3.07

Total Asset Employed ($ M)

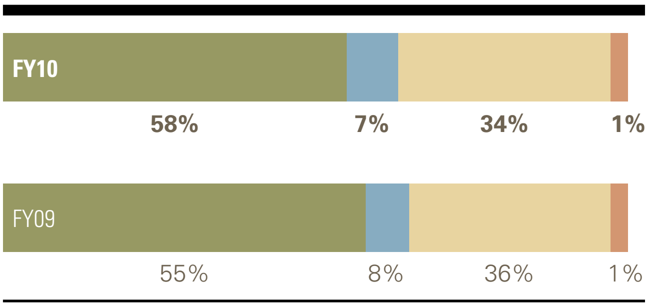
FY10	**13,523**
FY09	13,868
FY08	13,526
FY07	12,873
FY06	9,667

Dividend - Net (cents per share)

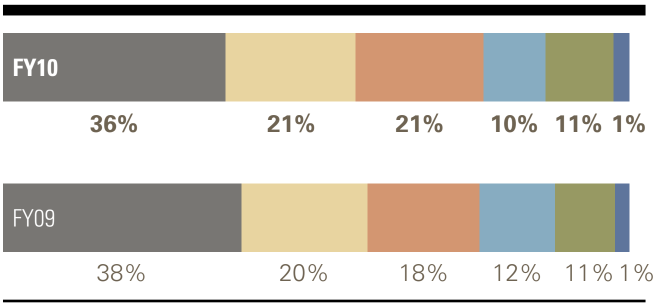
FY10	**17.0**
FY09	13.5
FY08	13.5
FY07	13.5
FY06	12.0

1 Weighted average number of shares
2 Before discontinued operations, fair value adjustment and exceptional items
3 FY2006 to FY2008 figures are as previously reported. FY2009 and FY2010 figures are based on Continued Operations

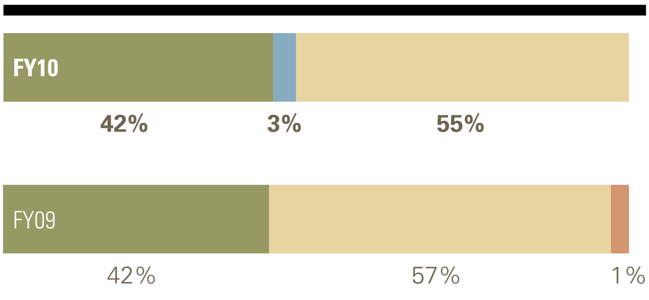
Revenue
FY10: $5,697M
FY09: $5,146M



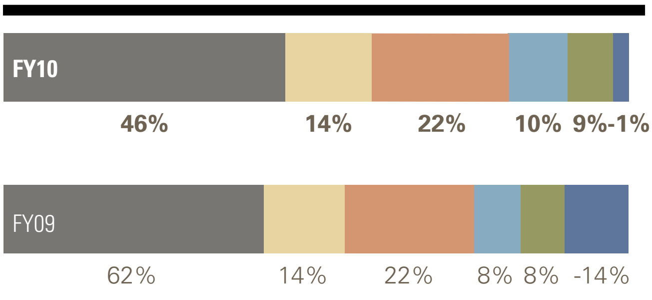
Revenue
FY10: $5,697M
FY09: $5,146M



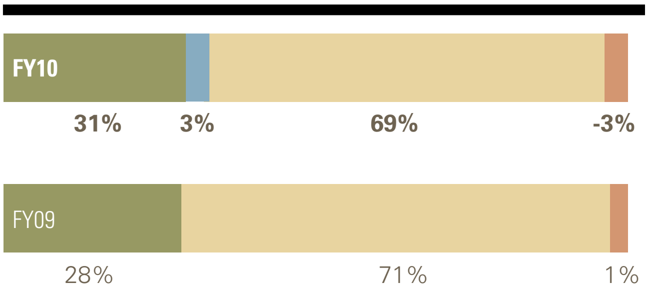
Profit Before Interest and Taxation
FY10: $1,071M
FY09: $799M



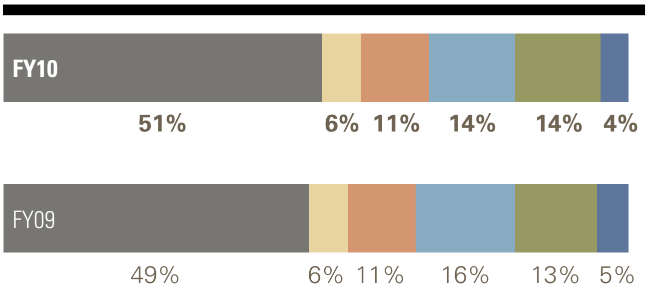
Profit Before Interest and Taxation
FY10: $1,071M
FY09: $799M



Attributable Profit before Fair Value Adjustment and Exceptional Items
FY10: $584M
FY09: $462M



Asset Allocation
FY10: $11,799M
FY09: $12,201M



By Business Segment (%)
- Food & Beverage
- Publishing & Printing
- Properties
- Others

By Geographical Segment (%)
- Singapore
- Malaysia
- Rest of South-East Asia
- Other Asia
- South Pacific
- Europe & USA

Message From Chairman

distinctive leadership

"Our results for FY2010 were buoyed by stronger-than-expected economic recovery in Singapore and the region. I am pleased to report that the Group delivered a consecutive year of record profit in FY2010."

MR LEE HSIEN YANG
CHAIRMAN

REVENUE INCREASED 11% TO

$5.7B

PBIT INCREASED 34% TO

$1.1B

** before discontinued operations, fair value adjustment and exceptional items*

Corporate Developments

Structural Changes Underway to Transform the Group

In our financial year ended 30 September 2010, we made good progress in our ongoing efforts to strengthen the Group's foundation for sustainable growth in shareholder value. Outlined below are the major structural changes and strategic initiatives that were implemented.

Arising from an agreement reached between the Company and Heineken, our partner in Asia Pacific Breweries Limited ("APB"), APB was able to divest its fledgling Indian operations to Heineken and simultaneously acquire Heineken's controlling interests in PT Multi Bintang Indonesia ("MBI") and Grande Brasserie de Nouvelle-Calédonie S.A. These transactions (which were completed in February 2010) significantly improved the geographical mix and profit growth trajectory of the APB Group. The positive impact of these transactions is one of the reasons for APB's record-breaking performance in FY2010. Strategically, the acquisition of MBI has fortified APB's position in the South-East Asian beer market.

In November 2009, the Group embarked on a strategic review of its long-held glass containers business, which had expanded over the years to encompass four glass factories in Malaysia, Vietnam, Thailand and China under the ownership of Malaya Glass Products Sdn Bhd ("MGP"). Our Malaysian subsidiary, Fraser & Neave Holdings Bhd ("F&NHB"), which owned MGP, decided to exit this business in order to sharpen its focus on the Group's Food & Beverage ("F&B") business. Conducive conditions in FY2010 resulted in attractive tender bids, which enabled the Group to realise good value from this divestment.In May 2010, F&NHB announced the divestment of its 100 per cent stake in MGP for a cash consideration of $310m. On completion of this divestment in July 2010, F&NHB realised a gain of $161m. This divestment paved the way for resources to be strategically deployed towards the realisation of the Group's vision of building a world-class regional F&B enterprise.

This is a defining period for us as we gear up to meet the challenge of a new competitive landscape. Our bottling agreements with The Coca-Cola Company ("TCCC") in Singapore, Malaysia and Brunei (the earliest of which dates back to 1936) expired in January 2010. F&NHB continues to bottle, distribute and sell TCCC brands in Malaysia, while TCCC continues to bottle, distribute and sell brands from F&NL in the Singapore and Brunei markets under transition agreements that will expire on 30 September 2011.

For our Soft Drinks business, FY2010 was characterised by substantially higher brand investments, a faster pace of new product introductions, a new distribution agreement for *Red Bull* energy drink (in Malaysia) and fundamental changes to our organisation structures and operations in order to extract synergies, improve controls and maximise cost efficiencies. We also laid the groundwork for the regional expansion of our Soft Drinks business now that we are free from constraints previously imposed under our licensing agreements with TCCC.

Message From Chairman

The Group's strategy to substantially enhance our Dairies business gained further traction with the start-up of F&NHB's $106m state-of-the-art plant in Rojana (Thailand) in early FY2010. Another new $149m dairy plant in the halal hub in Pulau Indah (Malaysia) is on schedule to begin operations by the end of 2011. F&NHB's acquisition of Nestle's liquid canned milk business in Malaysia, Thailand, Indochina, Singapore and Brunei in February 2007 and its enlarged dairy capacity have solidified the Group's regional position within this market segment.

On 26 July 2010, Kirin Holdings Company Limited ("Kirin") announced that it had signed a Share Purchase Agreement with Temasek Holdings (Private) Limited ("Temasek") to acquire the latter's 14.7 per cent shareholding in the Company. Kirin has stated its intention to work closely with F&N to enhance the enterprise value of both companies. I am glad to report that collaborative efforts are currently underway to implement specific non-alcoholic F&B projects to meet the strategic objectives of both F&N and Kirin.

In October 2010, we announced the conditional acquisition of King's Creameries (S) Pte Ltd ("King's"), previously owned by Kirin through its subsidiary National Foods (S) Pte Ltd. Upon completion, this acquisition will enable us to extract economies of scale and alleviate the capacity constraint at our only ice cream plant in Thailand. King's plants in Sham Alam and Kuching (in Malaysia) will help lower the cost of transporting our complementary range of *Magnolia* and *King's* ice cream products to consumers throughout Malaysia, Thailand and Singapore.

In November 2010, F&NHB completed the acquisition of a 23 per cent stake in Cocoaland Holdings Bhd, a Bursa-listed company, which is involved in the manufacturing and distribution of biscuits, savory snacks, sweets and candies. This investment is a strategic foothold into the fast-growing packaged food business.

Frasers Centrepoint Trust ("FCT") ceased to be a subsidiary in February 2010. In line with the Group's asset-light strategy for its Properties business, our wholly-owned subsidiary, Frasers Centrepoint Limited ("FCL") sold two of its malls - *Northpoint Extension* and *YewTee Point* - to FCT for a total cash consideration of $290m. The favourable investment climate enabled FCT to place out new units to partly finance these acquisitions. In view of strong institutional demand, and in order to improve the free float of FCT units, the Group chose not to subscribe to the new FCT units, thereby reducing its interest in FCT from about 52 per cent to about 43 per cent. Under a right of first refusal, the next FCL mall in the pipeline to be sold to FCT is likely to be *Bedok Point*, which commenced operations in December 2010.

FCT and Frasers Commercial Trust ("FCOT") are supported by FCL through rights of first refusal over FCL's retail and commercial properties respectively which meet certain specified criteria. The performance of FCOT in FY2010 improved after its recapitalisation and refinancing exercise, which was carried out in conjunction with its acquisition of *Alexandra Technopark* from FCL in August 2009.

FCL made positive inroads in its major markets. Its residential development business benefited from our healthy inventory of well-located sites in Singapore, China and Australia. In the United Kingdom, FCL is working with its banks towards a satisfactory restructuring of its credit facilities. The rapid international expansion of FCL's hospitality management business continued unabated in FY2010. Its investment properties enjoyed better occupancies and rental rates in line with economic recovery.

Our Publishing & Printing ("P&P") business achieved a turnaround in FY2010 as restructuring efforts and new strategic initiatives bore fruit. As reported in my previous Statement, the Board remains open to strategic options for our P&P business, including a sale of this business in part or in whole.

FINANCIAL RESULTS

Emerging from the Global Financial Crisis with Stronger Fundamentals

Our results for FY2010 were buoyed by stronger-than-expected economic recovery in Singapore and the region. I am pleased to report that the Group delivered a consecutive year of record profit in FY2010. Group Attributable Profit before discontinued operations[1], fair value adjustment on investment properties and exceptional items rose by 27 per cent, to reach a new peak of $584m.

Group revenue was 11 per cent higher, at $5.7b. This was due mainly to a 16 per cent growth in revenue from our F&B business and an 8 per cent increase in progressive recognition of residential property sales.

[1] *Discontinued businesses refer to MGP's glass containers business and APB's operations in India*

Group Profit before Interest and Taxation ("PBIT"), and also before discontinued operations, fair value adjustment on investment properties and exceptional items, soared to $1.1b; an improvement of 34 per cent over last year. This figure is a historic milestone for the Group and it marks the sixth straight year of uninterrupted growth at the operating level.

PBIT growth in FY2010 was broad-based, across all our business units and in all our major markets. Our CEOs' Reports on pages 20 to 52 provide an insight into the earnings drivers and the growth strategies for our F&B, Properties and P&P businesses.

Group Attributable Profit rose by 128 per cent to $820m after taking into account fair value adjustment on investment properties and exceptional items. Our return on equity ("ROE") hit 10 per cent, surpassing the ROE of 8.5 per cent last year.

We have emerged from the global financial crisis with a stronger balance sheet. Our businesses generated robust cash flows. At the end of FY2010, the Group had a cash balance of $1.7b and total debt of $4.6b. Group gearing was 24 per cent lower (at 0.41x) and interest coverage ratio improved to 17.2x (from 12.9x in FY2009). The average cost of Group debt dropped 66 bps to 3.34 per cent and the average maturity of debt was 3.33 years (versus 3.25 years in FY2009). We have undrawn facilities of $3.3b, which can be used to seize acquisition opportunities should these arise.

At the end of FY2010, our share price was 64 per cent higher than a year ago. This outperformed the Straits Times Index's growth of 16 per cent over the same period. This surge in our share price reflects the strong earnings momentum of the Group.

DIVIDENDS

Given our record results, the Board recommends a final ordinary dividend of 12 cents per share. This brings total dividend for the year to 17 cents per share - an all-time high for the Company - and an increase of 26 per cent over last year. The final dividend, if approved by Shareholders, will be paid on 22 February 2011. The total dividend is 41 per cent of Group Attributable Profit before fair value adjustment and exceptional items for FY2010.

This recommendation to increase the annual dividend to 17 cents per share reflects the Board's confidence in the Group's future performance. It has been the Company's policy to pay out up to 50 per cent of Group Attributable Profit before fair value adjustment and exceptional items. Barring unforeseen circumstances, the Company seeks to maintain or improve absolute dividend per share.

OUTLOOK

Economic growth in Singapore and the region is expected to moderate in 2011 after the sharp rebound in 2010. The Directors expect the Group's businesses to continue to make satisfactory progress in the new financial year so long as there is no significant deterioration in market conditions.

ACKNOWLEDGEMENTS

Our Annual Report theme – *Great People. Distinctive Performance.* – aptly describes our workforce around the region. I thank Management and Staff for their enthusiasm, drive, dedication and proactive response to the rapid changes around us.

I also want to express appreciation to our former Management and Staff of MGP whose professionalism and hard work ensured continued value creation throughout the strategic review and sale process. Under the new owners, MGP is in a better position to realise its full potential and this will benefit all its stakeholders.

Mr Simon Israel, a nominee of Temasek, resigned from the Board on 31 March 2010. He was replaced by Mr Ng Yat Chung, who subsequently resigned from the Board when Temasek sold its stake in the Company to Kirin. I would like to thank them for their contributions to the growth of the Group.

On 8 September 2010, we warmly welcomed Ms Maria Mercedes Corrales as an independent and non-executive director of the Company. Her knowledge of the fast moving consumer goods market, and her experience in doing business in the region will undoubtedly help us in our efforts to build a world-class F&B business.

Kirin's nominee, Mr Hirotake Kobayashi, was appointed to the Board on 13 December 2010. We look forward to a mutually beneficial co-operation with Kirin to enhance the value of our non-alcoholic business.

In closing, I want to thank my colleagues on the Board for their wise counsel. On behalf of the Board, I also place on record our thanks to our strategic partner Heineken, our other business partners, consumers and shareholders for their support and contributions to another year of remarkable achievements.

Mr Lee Hsien Yang
Chairman
4 January 2011

Board Of Directors

Mr Lee Hsien Yang, 53

Chairman, Non-executive and non-independent Director

Date of first appointment as a director	: 06 Sep 2007
Date of last re-election as a director	: 31 Jan 2008
Length of service as a director (as at 30 Sep 2010)	: 3 years 01 month

Board committee(s) served on:
- Board Executive Committee (Chairman)
- Food & Beverage Board Committee (Chairman)

Academic & Professional Qualification(s):
- Bachelor of Arts (Double First), Cambridge University, UK
- Master of Science Management, Stanford University, USA

Present Directorships (as at 30 Sep 2010)

Listed companies
- Australia and New Zealand Banking Group Ltd
- Singapore Exchange Limited

Others
- Asia Pacific Investment Pte Ltd (Chairman)
- Civil Aviation Authority of Singapore (Chairman)
- Governing Board of Lee Kuan Yew School of Public Policy
- Kwa Geok Choo Pte Ltd
- The Islamic Bank of Asia Limited

Major Appointments (other than Directorships)

Nil

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2007 to 30 Sep 2010)
- Singapore Post Limited

Others
- Previously Chief Executive Officer of Singapore Telecommunications Limited
- President's Scholar
- SAF Scholar

Mr Timothy Chia Chee Ming, 60
Non-executive and independent Director

Date of first appointment as a director	: 26 Jan 2006
Date of last re-election as a director	: 28 Jan 2010
Length of service as a director (as at 30 Sep 2010)	: 4 years 08 months

Board committee(s) served on:
- Audit Committee
- Nominating Committee
- Remuneration & Staff Establishment Committee (Chairman)

Academic & Professional Qualification(s):
- Bachelor of Science cum laude in Management, Fairleigh Dickinson University, USA

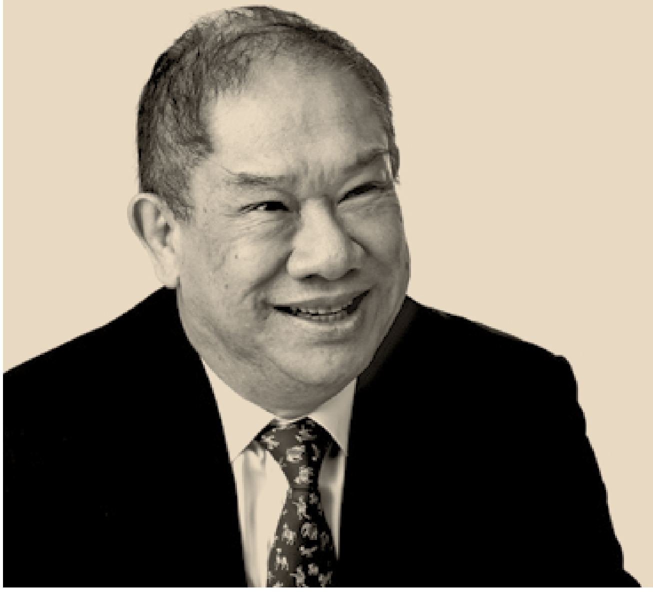
Present Directorships (as at 30 Sep 2010)
Listed companies
- Banyan Tree Holdings Limited
- Hup Soon Global Corporation Limited (Chairman)
- Singapore Post Limited

Others
- SP PowerGrid Limited
- SPI (Australia) Assets Pty Ltd
- Guan-Leng Holdings Pte Ltd
- Parkesville Pte Ltd
- Gracefield Holdings Limited
- United Motor Works (Siam) Public Co., Ltd
- United Motor Works (Mauritius) Limited

Major Appointments (other than Directorships)
- Trustee of the Singapore Management University
- UBS Investment Bank, Singapore (Chairman)
- EQT Funds Management Ltd (Senior adviser)
- Singapore Power Ltd (Co-opted external member of Audit Committee)

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2007 to 30 Sep 2010)
- FJ Benjamin Holdings Ltd

Others
Nil



Ms Maria Mercedes Corrales, 61
Non-executive and independent Director

Date of first appointment as a director	: 08 Sep 2010
Date of last re-election as a director	: –
Length of service as a director (as at 30 Sep 2010)	: 01 month

Board committee(s) served on:
Nil

Academic & Professional Qualification(s):
- Master of Business Administration, Duke University, USA
- Bachelor of Science in Business Management, Mapua Institute of Technology, Philippines
- General Management Program – Stanford/NUS

Present Directorships (as at 30 Sep 2010)
Listed companies
Nil

Others
Nil

Major Appointments (other than Directorships)
Nil

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2007 to 30 Sep 2010)
- Representative Director, Starbucks Coffee Japan

Others
- Was President Starbucks Coffee-Asia Pacific; Corporate Senior Vice President Starbucks Corporation
- Previously Representative Director, CEO/COO of Starbucks Coffee Japan KK
- Previously Representative Director and President – Levi Strauss Japan KK and Regional Vice President for North Asia (Japan, Greater China, South Korea)
- Held various senior leadership positions in Asia and Latin America for Levi Strauss and Co.

Board Of Directors

Mr Ho Tian Yee, 58
Non-executive and independent Director

Date of first appointment as a director	: 01 Dec 1997
Date of last re-election as a director	: 22 Jan 2009
Length of service as a director (as at 30 Sep 2010)	: 12 years 10 months

Board committee(s) served on:
- Board Executive Committee
- Nominating Committee (Chairman)
- Remuneration & Staff Establishment Committee

Academic & Professional Qualification(s):
- Bachelor of Arts (Honours) Economics (CNAA), Portsmouth University, UK
- Executive Program, Carnegie-Mellon University, USA

Present Directorships (as at 30 Sep 2010)
Listed companies
- SP AusNet*
- Singapore Exchange Limited

Others
- Hexa-Team Planners Pte Ltd
- Pacific Asset Management (S) Pte Ltd
- Singapore Power Limited
- Times Publishing Ltd (Chairman)

Major Appointments (other than Directorships)
Nil

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2007 to 30 Sep 2010)
- Great Eastern Holdings Ltd
- The Great Eastern Life Assurance Company Ltd
- The Overseas Assurance Corporation Limited

Others
- Served on Risk Committee of Government of Singapore Investment Corporation
- Served on Investment Committee of Mount Alvernia Hospital

* *SP AusNet, a stapled security, comprises SP Australia Networks (Distribution) Ltd, SP Australia Networks (RE) Ltd and SP Australia Networks (Transmission) Ltd*

Mr Hirotake Kobayashi, 55
Non-executive and non-independent Director

Date of first appointment as a director	: 13 Dec 2010
Date of last re-election as a director	: –
Length of service as a director (as at 30 Sep 2010)	: 0 month

Board committee(s) served on:
Nil

Academic & Professional Qualification(s):
- Bachelor's Degree in Economics, Keio University, Japan
- Programme for Management Development, Harvard Business School

Present Directorships (as at 30 Sep 2010)
Listed companies
- Kirin Holdings Company, Limited

Others
- Kirin Business Expert Company, Limited
- Lion Nathan National Foods Pty Ltd (resigned with effect from 30 Nov 2010)

Major Appointments (other than Directorships)
- Kirin Holdings Company, Limited (Managing Director)
- Kirin Business Expert Company, Limited (President & CEO)

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2007 to 30 Sep 2010)
- Lion Nathan Limited
- San Miguel Corporation
- National Foods Limited

Others
- Previously Managing Executive Officer & General Manager of Strategic Planning Department, Kirin Holdings Company Limited
- Previously General Manager of the Finance & Accounting Department, Kirin Business Expert Company, Limited

Mr Koh Beng Seng, 60
Non-executive and independent Director

Date of first appointment as a director	: 26 Jan 2006
Date of last re-election as a director	: 22 Jan 2009
Length of service as a director (as at 30 Sep 2010)	: 4 years 08 months

Board committee(s) served on:
- Audit Committee (Chairman)

Academic & Professional Qualification(s):
- Bachelor of Commerce (First Class Honours), Nanyang University, Singapore
- Master of Business Administration, Columbia University, USA

Present Directorships (as at 30 Sep 2010)
Listed companies
- Singapore Technologies Engineering Ltd
- BOC Hong Kong (Holdings) Limited
- Bank of China (Hong Kong) Limited
- Great Eastern Holdings Limited

Others
- Japan Wealth Management Securities Inc
- Sing-Han International Financial Services Limited

Major Appointments (other than Directorships)
- Octagon Advisors Pte Ltd (Chief Executive Officer)

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2007 to 30 Sep 2010)
Nil

Others
- Previously Deputy Managing Director, Banking and Financial Institution Group of Monetary Authority of Singapore
- Previously an advisor to International Monetary Fund to reform Thailand's financial sector
- Previously Deputy President of Singapore's United Overseas Bank Limited

Board Of Directors

Mr Soon Tit Koon, 59
Non-executive and non-independent Director

Date of first appointment as a director	: 31 Jan 2008
Date of last re-election as a director	: –
Length of service as a director (as at 30 Sep 2010)	: 2 years 08 months

Board committee(s) served on:
- Board Executive Committee
- Food & Beverage Board Committee
- Remuneration & Staff Establishment Committee

Academic & Professional Qualification(s):
- Master of Business Administration, University of Chicago, USA
- Bachelor of Science (Honours), National University of Singapore
- Advance Management Program, Harvard Business School

Present Directorships (as at 30 Sep 2010)
Listed companies
- Great Eastern Life Assurance Company Limited
- Bank of Ningbo Co., Ltd

Major Appointments (other than Directorships)
- Oversea-Chinese Banking Corporation Limited (Chief Financial Officer)

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2007 to 30 Sep 2010)
Nil

Others
- Previously Chief Financial Officer of Wilmar Holdings
- Previously Managing Director of Citicorp Investment Bank

Mr Tan Chong Meng, 50
Non-executive and independent Director

Date of first appointment as a director	: 18 Jun 2008
Date of last re-election as a director	: 22 Jan 2009
Length of service as a director (as at 30 Sep 2010)	: 2 years 03 months

Board committee(s) served on:
- Audit Committee

Academic & Professional Qualification(s):
- Master of Arts, Industrial Engineering, National University of Singapore
- Bachelor of Arts, Mechanical Engineering, National University of Singapore

Present Directorships (as at 30 Sep 2010)
Listed companies
Nil

Others
- Showa Shell Sekiyu KK, Japan

Major Appointments (other than Directorships)
- Global B2B and Lubricants businesses in Shell (Executive Vice President)

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2007 to 30 Sep 2010)
Nil

Others
Nil

Mr Nicky Tan Ng Kuang, 52
Non-executive and independent Director

Date of first appointment as a director	: 21 Oct 2003
Date of last re-election as a director	: 28 Jan 2010
Length of service as a director (as at 30 Sep 2010)	: 6 years 11 months

Board committee(s) served on:
- Audit Committee
- Board Executive Committee
- Food & Beverage Board Committee
- Nominating Committee

Academic & Professional Qualification(s):
- Member, The Institute of Chartered Accountants in England and Wales
- Certified Public Accountant, Institute of Certified Public Accountants in Singapore

Present Directorships (as at 30 Sep 2010)
Listed companies
- Singapore Telecommunications Limited

Others
- nTan Corporate Advisory Pte Ltd

Major Appointments (other than Directorships)
- nTan Corporate Advisory Pte Ltd (Chief Executive Officer)

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2007 to 30 Sep 2010)
Nil

Others
- Previously Partner, Head of Global Corporate Finance of Arthur Andersen Singapore and ASEAN region
- Previously Partner, Head of Financial Advisory Services of Price Waterhouse Singapore
- Previously 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
Ms Maria Mercedes Corrales
Mr Ho Tian Yee
Mr Hirotake Kobayashi
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 Nicky Tan Ng Kuang
Mr Soon Tit Koon

Food & Beverage Board Committee
Mr Lee Hsien Yang *(Chairman)*
Mr Soon Tit Koon
Mr Nicky Tan Ng Kuang

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

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

Remuneration & Staff Establishment Committee
Mr Timothy Chia Chee Ming *(Chairman)*
Mr Ho Tian Yee
Mr Soon Tit Koon

Group Management
Mr Koh Poh Tiong
Chief Executive Officer, Food & Beverage

Mr Lim Ee Seng
Chief Executive Officer, Frasers Centrepoint Group

Mr Goh Sik Ngee
Chief Executive Officer, Times Publishing Group

Mr Roland Pirmez
Chief Executive Officer, Asia Pacific Breweries Limited

Dato' Ng Jui Sia
Chief Executive Officer, Fraser & Neave Holdings Bhd

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 LLP
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

Fraser & Neave Holdings Bhd
- 25 Subsidiary companies

Other Listed & Unlisted Companies
- 12 Subsidiary companies
  - Asia Dairies (S) Pte Ltd
  - F&NBev Manufacturing 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
  - Red Lion Holdings Pty Ltd
  - Tiger Taverns Sdn Bhd
- 1 Joint venture company
  - Asia Pacific Investment Pte Ltd
    - Asia Pacific Breweries Group
      - 53 Subsidiary companies
      - 3 Joint venture companies
      - 2 Associated companies
    - Heineken-Asia Pacific Breweries Limited
      - 5 Subsidiary companies
      - 1 Joint venture company
      - 1 Associated company
    - 3 Subsidiary companies
- 1 Associated company
  - China Dairy Group Ltd

Properties

Frasers Centrepoint Group
- 153 Subsidiary companies
- 12 Joint venture companies
- 7 Associated companies
  - *Listed companies*
  - *Frasers Centrepoint Trust*
  - *Frasers Commercial Trust*
- Frasers Property China Group
  - 12 Subsidiary companies

Publishing & Printing

Times Publishing Group
- 51 Subsidiary companies
- 2 Joint venture companies

Other Listed Companies
- 2 Associated companies
  - Fung Choi Media Group Limited
  - PMP Limited

Others

Other Unlisted Companies
- 7 Subsidiary companies
  - F&N Investments Pte Ltd
  - F&N Services (L) Bhd
  - F&N Treasury Pte Ltd
  - Fannet Online Sdn Bhd
  - Fraser & Neave (Singapore) Pte Ltd
  - Fraser & Neave Investments (HK) Ltd
  - International Theme Parks (Singapore) Pte Ltd

our growth drivers

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

- 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

Group Financial Performance

5-YEAR STATISTICS

Note	Year ended 30 September	FY2006	FY2007	FY2008	FY2009	**FY2010**
	Profit Statement ($m)					
	Revenue	3,802	4,731	4,990	5,146	5,697
	Profit before taxation					
	– before impairment, fair value adjustment and exceptional items	537	661	701	737	1,009
	– after exceptional items	571	673	737	614	1,172
	Attributable profit					
1	– before fair value adjustment and exceptional items	295	378	372	462	584
	– after exceptional items	320	379	436	357	728
	Balance Sheet ($m)					
2	Net asset value	3,600	5,221	5,283	5,585	6,143
	Total asset employed	9,667	12,873	13,526	13,868	13,523
	Long-term borrowings	2,829	2,477	3,355	3,608	2,666
	Market Capitalisation ($m)					
	at close of business on the first trading day after preliminary announcement of results	5,231	7,955	4,308	5,408	9,127
	Financial Ratio (%)					
	Return on average shareholders' equity					
	– profit before impairment, fair value adjustment and exceptional items	16.0	15.0	13.4	13.6	17.2
1	– attributable profit before fair value adjustment and exceptional items	8.8	8.6	7.1	8.5	10.0
3	Gearing ratio					
	– without non-controlling interest	82.4	72.1	83.3	65.5	46.8
	– with non-controlling interest	64.4	59.0	68.6	54.7	41.4
	Per Share					
	Profit before impairment, fair value adjustment, taxation and exceptional items (cents)	45.9	50.0	50.5	53.0	72.2
	Attributable profit (cents) (basic)					
	– before fair value adjustment and exceptional items	25.3	28.6	26.8	33.2	41.8
	– after exceptional items	27.3	28.7	31.4	25.7	52.1
2	Net asset value ($)	3.07	3.77	3.80	4.01	4.38
	Dividend					
	– net (cents)	12.0	13.5	13.5	13.5	17.0
4	– cover (times)	2.1	2.1	2.0	2.5	2.5
	Stock Exchange Prices ($)					
	at close of business on the first trading day after preliminary announcement of results	4.46	5.75	3.10	3.88	6.51

Note:

1 Attributable profit before fair value adjustment and exceptional items: Profit after taxation and non-controlling interest before fair value adjustment and exceptional items.
2 Net asset value: Share capital and reserves.
3 Gearing ratio: Sum of bank borrowings and term loans, less fixed deposits and cash and bank balances, expressed as a percentage of equity.
4 Dividend cover: Attributable profit before fair value adjustment and exceptional items per share divided by net dividend per share.
5 FY2006 to FY2008 figures are as previously reported. FY2009 and FY2010 figures are based on Continuing Operations.

CEO Business Review

FOOD & BEVERAGE

distinctive brands

"Looking ahead, we remain focused on our core businesses in Soft Drinks, Dairies and Beer, strengthening our portfolio of brands within a diverse base of geographical markets. Business innovation across all platforms will be continuously pursued to deliver value to our customers and the company."

KOH POH TIONG – CHIEF EXECUTIVE OFFICER

Business Overview

The Food & Beverage ("F&B") division delivered another very satisfactory set of results for the year, supported by strong revenue and profit growth across all business sectors. Revenue grew 16% to $3.3b, PBIT by 37% to $457m, improvement in PBIT margin from 11.7% to 13.8%, marking the second consecutive year of record revenue and profit.

Our Soft Drinks and Dairies reported good profit growth of 35% and 17% respectively, backed by strong volume growth and favourable input costs. Revenue of Dairies, in particular, surpassed $1b for the first time, accounting for close to one-third of F&B revenue. Similarly for Beer, revenue and PBIT grew 22% and 43% respectively, on overall strong fundamentals and contribution by new acquisitions in Indonesia and New Caledonia.

Our results affirm our strategies of focusing on our core businesses of Beer, Soft Drinks and Dairies, investing in our brands at all times, expanding into regional markets, pursuing operational excellence and driving innovation. In line with this focus, we divested our glass container business during the year. This resulted in a substantial gain of $161m for the Group.

REVENUE INCREASED 16% TO

$3.309B

PBIT INCREASED 37% TO

$457M

** before discontinued operations, interest, tax, fair value adjustment and exceptional items*

CEO Business Review

FOOD & BEVERAGE

To prime the business for long term growth, we made several strategic investments in this financial year. We started with the successful acquisitions of Indonesia's No. 1 beer *BINTANG* brand, and controlling interest in the market leaders in Indonesia and New Caledonia. These acquisitions further consolidated our position in ASEAN and realised our ambition to be the leading brewery group in Asia Pacific. Thereafter, we subscribed to a 23% stake in Cocoaland Holdings Bhd and entered into a conditional agreement to acquire 100% of King's Creameries (S) Pte Ltd. The former investment allowed us to leverage and strengthen our capabilities to expand our range of food products; while the latter, subject to regulatory approval, will enable us to scale up and strengthen our ice cream business with the aim of becoming a leading ice cream player in ASEAN. We will continue to pursue strategic acquisitions that will enable us to consolidate and/or expand our footprint in the Asia Pacific region and grow our F&B business.

In line with our strategy to expand and increase our presence in the regional markets, we have launched our flagship *100PLUS* brand in Indonesia, making it the 18th country where this award-winning isotonic drink will be served.

Knowing that air travel increases the risk of dehydration, we tied up with AirAsia, another Malaysian icon, to sell *100PLUS*, which is specially formulated to refresh, rehydrate and re-energise the body faster than water, on board all its flights departing from Malaysia. Following closely after AirAsia, *100PLUS* is now available on board Jetstar, Tiger Airways and Silkair flights.

In Singapore, under the transitional arrangement with The Coca-Cola Company ("TCCC"), we regained the marketing and distribution of some of our soft drinks brands during the year. Upon the expiry of the licensing agreement with TCCC in September 2011, we will enjoy the homecoming of all of our soft drinks brands and their full income. Meanwhile, we expanded our beverage portfolio with the launch of *SEASONS* Green Tea in both Singapore and Malaysia, as well as *ICE MOUNTAIN* water in Malaysia, the leading water brand in Singapore. The appointment of distributorship for *RED BULL* energy drink in Malaysia was yet another strategic alliance to extend a full beverage portfolio to our customers and consumers. We will continue to widen our portfolio and launch new products that embrace F&N's philosophy of *Pure Enjoyment. Pure Goodness* to meet the health and wellness needs of our consumers.

In line with sustaining top-line growth, besides continued marketing initiatives to boost our profile and demand of our products, future supply of dairy products will be met by the state-of-the-art dairy plant at Rojana, Thailand, which is also the biggest canned milk plant in the region. Construction of the second state-of-the-art dairy plant at Pulau Indah, Malaysia has commenced and is on schedule for completion by end-2011. These two substantial investments underscore our commitment and lay a firm platform for future business growth in the domestic as well as overseas markets.

Soft Drinks

Sparkling Performance

The Soft Drinks division enjoyed a sparkling year with revenue and profits recording double-digit growth. While revenue grew by 23% to \$669m, PBIT leapt 35% to \$82m. *100PLUS* and *SEASONS* spearheaded the revenue leap with an impressive 21% and 24% growth in volume respectively. This performance was achieved on the back of strong market positions garnered by innovative marketing programmes, product innovations, strong sales and distribution network, greater cost savings and increased organisational efficiencies.

Our F&B multi-brand portfolio has always been driven by its overarching philosophy of *Pure Enjoyment. Pure Goodness*. Our strong emphasis on understanding and meeting of consumer needs, health issues and changing tastes, has resulted in a multi-brand portfolio that fulfils the various refreshment, hydration, rejuvenation, nutrition, health and wellness that consumers need. The five key values of F&N F&B Brand are *Trust, Thoughtfulness, Excitement, Innovation* and *Progressiveness*.

SOFT DRINKS

REVENUE INCREASED 23% TO

$669M

PBIT INCREASED 35% TO

$82M

CEO Business Review

FOOD & BEVERAGE

National Heroes

With the aim to promote active lifestyle and healthy living, *100PLUS* has been at the forefront of all major sporting events as the isotonic drink of choice. *100PLUS* consistently encourages consumers and athletes alike to *Outdo Yourself*. The *100PLUS Thomas Cup 1 Million Support Campaign* launched in Malaysia was a celebration of excellence and national pride. The campaign came to a close when Datin Paduka Seri Rosmah Mansor, the patron of Malaysia badminton association, became the one-millionth signatory. Datin Seri Rosmah presented the book of signatures to World No. 1 and *100PLUS* ambassador, Dato Lee Chong Wei, witnessed by the Malaysian Thomas and Uber Cup team. *100PLUS* was one with its consumers when it gave voice to them to cheer on their national badminton team.

The Razak Cup is one of the oldest and most prestigious domestic competitions held annually in Malaysia since its inception in 1963. *100PLUS'* commitment to the sports fraternity was sealed with a three-year agreement with the Malaysian Hockey Federation for the title sponsorship of the *100PLUS Tun Abdul Razak Cup*.

In Singapore and in a year filled with exciting sports events, *100PLUS* made headlines when it presented *The Straits Times Athlete of the Year Award*. This annual award gives due recognition to athletes who are determined to excel and to bring honour to their sport and country. *100PLUS* also presented *The Straits Times Star of the Month Award*.

Refreshingly New

SEASONS refreshed its portfolio with the introduction of a new green tea and fruit tea range to meet consumer needs for healthier and great tasting beverages. The refreshing additions of Jasmine Green Tea, Ice Lemon Green Tea, Ice Peach Tea and Ice Apple Tea were well received by consumers. The launch was supported by an aggressive through-the-line campaign to spread the health and wellness message.

Juices are one of the fastest growing beverage categories in Malaysia. *Fruit Tree's* roll out of five new juice variants in convenient on-the-go PET bottles met with the approval of its consumers and their lifestyle needs.

Dairies

Leadership in a Competitive Marketplace

The Dairies division delivered a 4% growth in revenue to $1,019m and a commendable 17% growth in PBIT to $71m, despite escalating input costs, strong foreign exchange rates faced by the markets, and domestic political unrest in Thailand.

In Malaysia, the gradual turnaround in the global economy has had a positive effect on the economy and consumer sentiment. The canned milk business remained a key contributor and the division reinforced its leadership with a combined market share of over 65% amidst a highly competitive landscape.

In Thailand, despite recent political crises, consumers' access to our products remained unimpeded. Our products were continuously made available via the wide network of traditional and modern trade outlets with the canned milk portfolio leading the growth of our business.

Innovative Competitive Edge

Innovative products and marketing campaigns continued to be important drivers for the business. The year saw the launches of *F&N* eXtra Sweetened Creamer with Tongkat Ali and Ginseng, *MAGNOLIA* Good Morning and Good Night Low Fat Sterilised Milk and *SUNKIST* Dash juices in on-the-go PET bottles.

The success of the ever-popular *Fruit Tree* range inspired the launch of a fresh addition in June 2010. Innovation came in the form of a new product *Fruit Tree Fresh* Collagen Plus juice range, which was launched to meet consumers' demand for great tasting, healthy and value-added products.

DAIRIES

REVENUE INCREASED 4% TO

$1.019B

PBIT INCREASED 17% TO

$71M

CEO Business Review

FOOD & BEVERAGE

BEER

REVENUE INCREASED 22% TO

$1.621B

PBIT INCREASED 43% TO

$303M

Beer

Breweries continued to deliver encouraging results for the year, backed by the Group's successes in our regionalisation and expertise in portfolio management. Revenue grew 22% to $1.6b and PBIT surged 43% to $303m.

The Group's brewery business, mainly held through its joint venture brewery group, Asia Pacific Breweries ("APB"), is supported by 37 breweries in 14 countries namely Singapore, Cambodia, China, Indonesia, Laos, Malaysia, Mongolia, Myanmar, New Caledonia, New Zealand, Papua New Guinea, Sri Lanka, Thailand and Vietnam, making us a leading brewer in the region. We offer a winning portfolio, comprising over 40 international, regional and local beer brands and variants, catering to varying consumer tastes and preferences.

Singapore

PBIT rose 16% due to improved performances from domestic and export operations. Overall volume fell 7% mainly due to the transfer of the distribution and management of *Tiger* beer in the United Kingdom ("UK") to Heineken UK in August 2009. Nevertheless, the profitability of our export business still improved significantly as compared to the year before. This was largely due to the fall in operating costs following the transfer of the management of *Tiger* beer to Heineken UK. The stronger performance was also the result of better cost management and higher demand in the export markets beyond the UK.

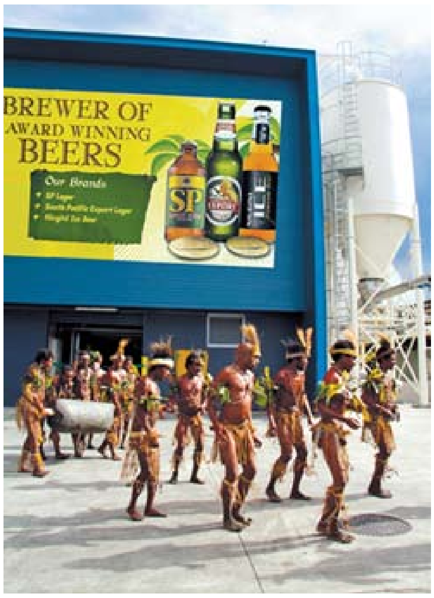
At home, we continued to sharpen our competitive edge through innovative marketing campaigns and opportunities such as the broadcast sponsorships of FIFA World Cup 2010 and Barclays Premier League. To further enhance our portfolio and distribution channels, the Singapore operations commenced distribution of *Kirin Ichiban* beer locally in January 2010 and secured alliances with the two integrated resorts.

New Zealand

New Zealand posted a PBIT of almost $16m, a threefold improvement from the year before, despite the country's slow recovery from the global recession. The improved performance was attributed to a 4% volume gain, favourable sales mix and the appreciation of New Zealand dollar. Brands such as *Tiger*, *Heineken* and *Tui* saw positive volume growth while the *Monteith's* brand successfully launched the *Monteith's Crushed Apple Cider* to further capitalise on the craft beer market in New Zealand.

brands
that stand out

CEO Business Review
FOOD & BEVERAGE



Indochina
Indochina, comprising Cambodia, Laos and Vietnam, remained a high-growth region and the Group's largest contributor to PBIT. Boosted by economic optimism and consumer confidence, particularly in Vietnam, volume expanded 28% while PBIT surged 48%. Organically (excluding translation and gestation losses), PBIT grew 56%.

Vietnam, one of the world's highest potential beer markets, in particular registered a record year. Volumes of *Tiger*, *Heineken* and *Larue* rose significantly over the previous year. To address rising demand, a new bottling line producing 50,000 bottles per hour was commissioned in Danang, Vietnam in August 2010. This investment is part of a multi-phase expansion programme that would double the brewery's capacity in the next few years. Full expansion work is expected to be completed in 2011.

Indonesia and New Caledonia
The Group, through APB, completed its stake acquisitions of PT Multi Bintang Indonesia, Tbk ("MBI"), and Grande Brasserie de Nouvelle Caledonie S.A. ("GBNC") in February 2010. Today, APB owns an effective interest of 80.6% and 87.3% in MBI and GNBC respectively. In FY2010, a further $30m was added to Group PBIT from these new businesses.

MBI, listed on the Indonesia Stock Exchange, operates two breweries on the island of Java, near Jakarta and Surabaya. A leading brewer in Indonesia, MBI is synonymous with the country's iconic *BINTANG* beer brand. In adding *BINTANG* to our already prized brand portfolio comprising *Tiger* and *Heineken*; and participating in the Indonesia beer market via MBI, the Group has further consolidated its leading position in ASEAN.

Like MBI, GBNC too is a leading brewer that serves New Caledonia's most-loved *Number One* beer brand. It operates a brewery in the capital of Noumea. Through GBNC, the Group has secured yet another growth avenue, this time in New Caledonia, and seeks further expansion in the South Pacific where it is also entrenched in Papua New Guinea.

Papua New Guinea
Targeted marketing campaigns and strategic sponsorships of national sporting events such as the local rugby league in Papua New Guinea, have further strengthened the equity of our brands and maintained their visibility. PBIT from this market grew 3% due to better margins from price increase. This was despite a 2% dip in sales volume arising from liquor restrictions imposed in several regions.

Primed for further growth in FY2011

Looking ahead, we remain focused on our core businesses in Soft Drinks, Dairies and Beer, strengthening our portfolio of brands within a diverse base of geographical markets. As Asia continues to offer healthy economic and consumer growth potential, we are optimistic that our strong financial position, strategies of striving for operational excellence and bolstering market leadership through consistent branding efforts should put us in a good stead.

Operational excellence, business innovation and market expansion will remain the key pillars to drive long-term growth. Our two new dairy plants in Thailand and Malaysia will provide the capacity expansion for future business growth in both domestic and overseas markets. We will continue to invest and strengthen our route-to-market as well as our brand equity across all our businesses. Business innovation across all platforms will be continuously pursued to deliver value to our customers and the company. Last but not least, we will strive to make further inroads into new markets which will enable us to capture growth opportunities and further strengthen our presence and performance in the region.

CEO Business Review

PROPERTIES

distinctive developments

"Going forward, the Group will continue to monitor the markets closely for new investment and acquisition opportunities. Other than Singapore, the Group will focus on strengthening our overseas presence, particularly in China and Australia, as well as emerging Asian economies such as Vietnam."

LIM EE SENG – CHIEF EXECUTIVE OFFICER

From top, clockwise:
Lumiere Residences, Sydney
YewTee Point, Singapore
St. Thomas Suites, Singapore

REVENUE INCREASED 4% TO

$1.915B

PBIT INCREASED 28% TO

$586M

Business Overview

We are happy to report a strong performance from the Properties division. Underpinned by pre-sold residential properties in Singapore and higher sales from overseas residential properties, we achieved total revenue of $1.915b. This improved performance was a 4% increase over the $1.839b recorded last year. Coupled with higher rental income from our investment properties, the Properties division posted PBIT of $586m, 28% above last year.

During the year, we sold over 1,600 residential units in our core markets, injected two properties into our retail real estate investment trust ("REIT"), and grew our Gold-Standard serviced residence presence internationally.

Market Review

Singapore's economy expanded strongly, with growth across a broad range of industries. In 1Q2010 and 1H2010, GDP grew 46% and 27%, respectively. Notwithstanding the sequential contraction in 3Q2010, the Ministry of Trade and Industry announced that Singapore's economy remains on track to achieve an overall growth forecast of 13% to 15% for 2010.

Backed by a robust economy, Singapore's residential sales momentum remained strong through 3Q2010. Total take-up of new private residential homes for the ten months to October 2010 totalled 13,109 units[1], against 14,688 units in the full year of 2009. Private residential home prices also climbed 3% in 3Q2010, compared with the 5% and 6% increase in 2Q2010 and 1Q2010, respectively.

Singapore retail segment remained strong this year. Rental and occupancy rates remained robust, especially at suburban malls.

Office rents in Singapore continued to strengthen after turning around in 2Q2010. Grade A rents rose 7% in 3Q2010, to average $9.00psf per month while occupancy increased to 97% from 94% in 2Q2010.

[1] *Excludes executive condominiums, which are a hybrid of public and private housing*

CEO Business Review

PROPERTIES

From left to right: *Waterfront Gold, Singapore*
Flamingo Valley, Singapore

Development

Singapore – Providing for future growth

Singapore remains a key development market for the Group. Coupled with our commitment to turning over our land bank for efficient capital management, this year, the Group launched several mass market segment projects and added five sites to our land bank. The development pipeline, together with successful pre-sold development projects, provides the Group a platform for future growth.

This year, we launched the 81-unit *Residences Botanique* in January, the 393-unit freehold *Flamingo Valley* in May and the 361-unit phase 3 of The Waterfront Collection, *Waterfront Gold* in June. *Residences Botanique* and *Waterfront Gold* recorded strong sales with 98% and 53% sold, respectively. Together with the remaining units at *Waterfront Waves* and *Waterfront Key* which were launched last year, we sold a total of 575 units in Singapore this year.

We also obtained Temporary Occupation Permits for the 240-unit *ClementiWoods* and 176-unit *St Thomas Suites*, both of which are fully sold residential projects in Singapore.

We continued to tap on the government land sales programme to replenish our land bank, with a strong focus on cost discipline (in pricing our land bids and managing construction costs) and capital recycling (managing turnaround time to launch and working with joint venture partners). Having successfully acquired an executive condominium site at Sengkang in March 2010 for $315psf, we launched it six months later as *Esparina Residences*, at an average selling price of $740psf. *Esparina Residences* was undertaken in partnership with Lum Chang Construction Company. Subsequently, in partnership with Far East Organization ("FEO"), the Group successfully tendered for another two residential development sites – Yishun in August for $321psf and Pasir Ris in September for $335psf. In July, the Group acquired *Starhub Centre*, a prime site located in the heart of Orchard Road, for $380m. With a gross floor area of about 330,000sqf, this site offers exciting re-development potential into a mixed high-end residential and retail development that can be integrated with *The Centrepoint*, our retail mall, which is currently connected to *Starhub Centre* via a second-storey link bridge. In November 2010, in a partnership with FEO and Sekisui House (a top Japanese home builder), we secured another site at Upper Serangoon for $320psf. In total, these acquisitions have shored up our land bank for the next two years, with about 3m sqf of potential gross saleable area for the development of about 2,900 units, mainly in the mass market segment.

Projects currently under development – Singapore

Projects	No. of Units	% Sold 30 Sep 2010	% Completion @ 30 Sep 2010	Ave. Selling Price ($ psf)	Land Cost ($ psf)	Est. Completion Date
Soleil@Sinaran	417	93%	79%	1,405	510	3Q2011
Martin Place Residences	302	99%	67%	1,520	666	3Q2011
Waterfront Waves[1]	405	100%	63%	750	240	4Q2011
Woodsville 28	110	100%	53%	880	434	3Q2011
Caspian	712	100%	35%	610	248	3Q2012
Waterfront Key[1]	437	80%	31%	740	240	4Q2012
Residences Botanique	81	98%	28%	1,020	260	2Q2012
8@Woodleigh	330	100%	21%	790	267	3Q2012
Flamingo Valley	393	18%	0%	1,200	415	3Q2014
Waterfront Gold[1]	361	53%	0%	850	240	1Q2013

Note:
1 50/50 joint venture with Far East Organization

Land bank – Singapore

Projects	Location	Effective Interest	Est. No. of Units	Est. Saleable Area ('mil sqf)	Land Cost ($ psf ppr)	Tenure	Est. Launch Ready Date
Esparina Residences[1]	Sengkang	80%	573	0.58	315	Leasehold	4Q2010
Hougang S19	Upper Serangoon	50%	472	0.46	320	Leasehold	2012
Pasir Ris S10a	Pasir Ris Dr 3/4	50%	436	0.45	335	Leasehold	2011
Starhub Centre	Orchard	100%	240	0.33	1,015	Leasehold	TBC
Waterfront Isle	Bedok Reservoir	50%	556	0.57	240	Leasehold	2Q2011
Yishun site	Yishun Ave 2	50%	667	0.71	321	Leasehold	2011
TOTAL			**2,944**	**3.10**			

Note:
1 Launched in October 2010
TBC denotes To Be Confirmed

Waterfront Key, Singapore

CEO Business Review

PROPERTIES

Overseas - Delivering our overseas pipeline; diversified overseas play

We continued to deliver on our overseas development pipeline. Riding on sustained demand for quality homes in our key markets, this year, the Group sold 644 units in China and 455 units in Australia.

In China, sales momentum at *Baitang One* in Suzhou continued to be strong. A total of 651 units (including options) have been sold in phases 1a and 1b, at an average selling price of RMB13,383psm and RMB13,590psm, respectively. For *Shanshui Four Seasons* phase 1, which was launched in FY2009, about 405 units have been sold so far (out of 418 units) at an average selling price of RMB13,470psm.

Demand for office space at *A-Space* in Chengdu continued to be strong with sales totalling RMB184m for the 94 units (including options) sold. The average selling price achieved was about RMB5,400psm.

In Australia, the Group successfully launched *One Central Park* ("OCP"), the first phase development of *Central Park*, the former Carlton United Brewery site in Sydney in August. *OCP*, designed by Pritzker prize-winning architect Jean Nouvel, comprises two residential towers above a 6-level retail and leisure podium. The project has been very well received, with unit prices ranging from A$535,000 to A$1.3m. At the end of September 2010, a total of 295 units (including options) have been sold.

Over at City Quarter, Sydney, we saw brisk sales of the completed 409-unit *Trio* and *Alexandra*. Including the 150 units sold in this financial year, we have successfully sold 345 units (or 85%)from these projects at an average selling price of A$660psf. At *Frasers Landing* in Western Australia, where the group is planning a future community of 1,180 homes (houses and apartments) across 12 hamlets, a total of 23 properties were sold, totalling A$11m this year.

The Group also strengthened its presence in Sydney with the acquisition of a 13.5 ha site at Ryde from the Royal Rehabilitation Centre of Sydney for A$83m ($98m). The site allows for the development of close to 800 residences including houses, town-houses and apartments. The Group now has a substantial land bank in Australasia of about 7.7m sqf, with a development potential for over 5,300 homes.

Shanshui Four Seasons, Shanghai

quality homes distinctive living

Frasers Landing, Mandurah

CEO Business Review

PROPERTIES

From left to right: *Lumiere Residences, Sydney*
Trio, Sydney

Projects currently under development – Overseas

Australia

Projects	Location	Effective Interest	No. Of Units	% Sold @ 30 Sep 2010	% Completion @ 30 Sep 2010	Ave. Selling Price (A$ psf)	Land Cost (A$ psf)	Est. Completion Date
Lorne Killara	Sydney	75.0%	40	38%	100%	700	123	Completed
Lumiere Residences	Sydney	81.0%	456	96%	100%	1,000	90	Completed
Trio/Alexandra	Sydney	88.0%	409	85%	100%	660	98	Completed
One Central Park	Sydney	75.0%	623	40%	–	1,020	83	3Q2013

China

Projects	Location	Effective Interest	No. Of Units	% Sold @ 30 Sep 2010	% Completion @ 30 Sep 2010	Ave. Selling Price (RMB psm)	Land Cost (RMB psf)	Est. Completion Date
Chengdu Logistic Park (Office) - Phase 1	Chengdu	80.0%	137	52%	100%	5,390	26	Completed
Shanshui Four Seasons - Phase 1	Shanghai	76.0%	418	96%	100%	13,470	145	Completed
Baitang One - Phase 1a	Suzhou	100.0%	426	99%	86%	13,380	233	3Q2011
Baitang One - Phase 1b	Suzhou	100.0%	542	28%	33%	13,590	233	4Q2011

From left to right: *Central Park, Sydney*
Trio, Sydney

Land bank – Overseas

Australasia

Projects	Location	Effective Interest	Est. No. Of Units	Est. Saleable Area ('mil sqf)	Land Cost (A$ psf)	Est. Selling Price (A$ psf)
Central Park (CUB site)	Sydney	75.0%	1,557	2.0	83	900-950
Frasers Landing	Mandurah	56.3%	1,180	1.7	10	250-350
Killara Pavillions	Sydney	75.0%	99	0.1	149	700-900
Parramatta River	Parramatta	75.0%	550	0.6	39	600-700
Putney/Ryde (Royal Rehab site)	Sydney	75.0%	791	1.1	83	–
Queens Riverside	Perth	87.5%	439	0.6	37	660-810
Coast Papamoa Beach	New Zealand	67.5%	684	1.5	NZ$15	NZ$350-450
Broadview Rise	New Zealand	75.0%	29	0.1	NZ$61	NZ$400-500
TOTAL			**5,329**	**7.7**		

China

Projects	Location	Effective Interest	Est. No. Of Units	Est. Saleable Area ('mil sqf)	Land Cost (RMB psf)	Est. Selling Price (RMB psm)
Baitang One - Phase 2-4	Suzhou	100.0%	2,858	4.6	250	11,300-20,000
Shanshui Four Seasons - Phase 2-4	Shanghai	76.0%	3,900	7.4	150	12,000-24,000
Residential			**6,758**	**12.0**		
Chengdu Logistic Park	Chengdu	80.0%	–	6.0	–	–
Vision Shenzhen Business Park - Phase 3	Shenzhen	56.2%	–	2.6	–	–
Commercial			**–**	**8.6**		
TOTAL			**6,758**	**20.6**		

CEO Business Review

PROPERTIES

From top to bottom:
Central Park, Sydney
Northpoint, Singapore

Retail

Continuing to unlock value in assets

As part of the Group's active portfolio management strategy, we injected two Singapore suburban retail malls, *Northpoint Extension* and *YewTee Point*, into FCT for $290m in February 2010. This transaction further enhanced the Group's capital productivity, following the successful divestment of *Alexandra Technopark* into FCOT in August 2009. To part-finance this transaction, FCT issued new units. To help improve FCT's free float, the Group chose not to subscribe to these new units. As a result, our shareholding in FCT was reduced to 43%, from 52%.

Aided by contributions from new acquisitions and a strong recovery in *Northpoint's* operating performance post-completion of enhancement works, FCT achieved record full year gross revenue and net property income. Since listing in 2006, it has achieved four consecutive years of distribution per unit growth with a compounded annual growth rate of 8%. To unlock value, FCT embarked on a $72m asset enhancement programme for *Causeway Point* in July 2010. Targeted to complete in December 2012, the refurbishment is geared towards enhancing property yields and shopper experience.

Commercial

Commercial Property's portfolio of retail malls, offices and business parks, held directly under the Group, through our REITs, Frasers Centrepoint Trust ("FCT") and Frasers Commercial Trust ("FCOT"), and a subsidiary in Hong Kong, Frasers Property China, delivered a strong performance. At the end of the financial year, the Commercial Property division had a combined portfolio value of over $4.5b comprising 25 properties (excluding *Changi City Point*, *Changi Business Park* and *Compass Point*) with a total lettable area of over 6m sqf. The portfolio continued to deliver stable earnings, with healthy occupancy. In line with our strategy of unlocking value from our investment properties, the Group has successfully injected two good quality retail assets into our retail REIT, FCT, yielding attractive gains.

Office / Business Park Space

Improving asset performance

Following the transformational recapitalisation and refinancing exercise in FY2009, FCOT ended FY2010 on a firm footing with full year DPU up 31% to $34m. This year, it also achieved an average occupancy of over 96% for its Singapore and Australia properties. These excellent results were boosted by the Manager's marketing efforts and tenant retention strategy, as well as strong economic recovery. *KeyPoint* in particular recorded five consecutive quarters of growth in occupancy rates. For the last financial quarter, both *KeyPoint* and the Australia properties recorded higher revenue compared to a year ago.

In China, phases 1 and 2 of *Vision Shenzhen Business Park* - comprising 7 medium-rise blocks of hi-tech business park space around a 16,000sqm lush landscaped park - continued to enjoy almost full occupancy. Development work on the new phase 3 is expected to commence in 2011. Upon completion, this 240,000sqm development, together with phases 1 and 2, is expected to be a landmark project within Shenzhen and the greater Pearl River Delta region.

Developing greenfield projects

Located within the Bedok Town Centre with a large population of 295,000 residents, *Bedok Point* is a 4-storey retail mall with 2 basements, offering a net lettable area of 81,000sqf. At about 96% leased, *Bedok Point* was completed in November 2010. In keeping with our commitment to improve capital productivity by divesting commercial properties with stable yields into our REITs, we have earmarked this retail mall for injection into FCT once operations stabilise, subject to favourable capital market conditions.

Another pipeline asset is our joint venture with Ascendas Pte Ltd, *Changi City Point*. Strategically situated at the gateway to *Changi Business Park*, the construction of *Changi City Point*, a 208,000-sqf of retail mall space has started and is expected to complete by 2H2011.

Changi City Point, Singapore

CEO Business Review
PROPERTIES

Commercial Portfolio

Properties	Effective Interest	Book Value ($'m)	Net Lettable Area (sqf)	Occupancy FY2009	Occupancy FY2010
Singapore					
REIT (Frasers Centrepoint Trust) - Singapore					
Anchorpoint	42.9%	76	71,610	97%	99%
Causeway Point	42.9%	730	418,543	100%	97%[5]
Northpoint	42.9%	503	149,365	90%[5]	99%
Northpoint Extension	42.9%		85,517	100%	100%
YewTee Point	42.9%	130	72,948	97%	98%
Non-REIT Retail Asset - Singapore					
Bedok Point[1]	100.0%	NA	80,985	NA	NA
Changi City Point[1,2]	50.0%	NA	207,000[6]	NA	NA
Compass Point[3]	–	NA	266,586	100%	100%
Robertson Walk *(Retail)*	100.0%	54	97,605	84%	73%
The Centrepoint	100.0%	581	332,261[7]	98%	98%
Valley Point *(Retail)*	100.0%	23	39,817	100%	100%
Overseas					
Non-REIT Retail Asset - Overseas					
Australia, Sydney - Bridgepoint	100.0%	A$42m	76,018	96%	96%
China, Beijing - Crosspoint	100.0%	RMB261m	160,900	89%	68%
Total RETAIL			**2,056,155**		
Singapore					
REIT (Frasers Commercial Trust) - Singapore					
55 Market Street	24.4%	120	72,109	93%	83%
Alexandra Technopark	24.4%	351	1,048,745	100%	100%
China Square Central	24.4%	545	368,328	100%	100%
KeyPoint	24.4%	283	309,905	71%	81%
Non-REIT Office/Business Park Asset - Singapore					
Alexandra Point[4]	100.0%	154	198,436	98%	98%
Changi Business Park *(Business Park)*	50.0%	NA	1,264,931[6]	NA	NA
Valley Point *(Office)*	100.0%	165	182,429	97%	94%
Overseas					
REIT (Frasers Commercial Trust) - Overseas					
Australia, Canberra - Caroline Chisholm Centre	12.2%	136	216,591	100%	100%
Australia, Perth - Central Park	12.2%	235	356,663	94%	98%
Japan, Osaka - Cosmo Plaza	24.4%	49	224,028	62%	26%
Japan, Osaka - Galleria Otemae Building	24.4%	74	108,509	62%	89%
Japan, Tokyo - Azabu Aco Building	24.4%	22	15,944	100%	100%
Japan, Tokyo - Ebara Techno-Serve Headquarters Building	24.4%	38	52,050	100%	100%
Non-REIT Office/Business Park Asset - Overseas					
China, Beijing - Sohu.com Internet Plaza	34.0%	RMB248m	159,520	96%	98%
China, Shenzhen - Shenzhen Hi-Tech Industrial Park (Phase 1 & 2)	56.2%	RMB756m	1,378,300	98%	100%
Vietnam, Ho Chi Minh City - Me Linh Point	75.0%	60	190,995	95%	95%
Total OFFICE			**6,147,393**		
COMMERCIAL PROPERTIES			**8,203,547**		

Note:
1 Currently under development
2 Joint venture with Ascendas Pte Ltd
3 Managed by Frasers Centrepoint Group
4 The Group injected Alexandra Technopark, a freehold site, into FCOT as a 99-year leasehold property for a consideration of $343m on 26 Aug 2009
5 Lower occupancy due to planned enhancement work
6 Estimated gross floor area
7 Excludes floor space held by Management Corp Strata Title

Fraser Suites Top Glory, Shanghai

Hospitality

Building a premier global leader in serviced residences

Frasers Hospitality continues to be a dominant force in the international serviced residence category with 38 properties in over 20 gateway cities – a total of 5,346 units in prime locations worldwide. Increasingly, it is occupying a leadership role in major markets, particularly in the Asia region. Development plans are on track to manage more than 60 properties over the next five years.

Our recently launched second brand, *Modena*, opened two new residences this year – *Modena Shanghai Putuo* and *Modena Heping Tianjin*, in response to the emergence of a new breed of 'road warrior business travellers'.

In the year under review, Frasers Hospitality signed four Memorandums of Understanding with owners in Chennai, Doha, Wuxi and Wuhan.

The company also signed eight management agreements to manage apartments in Bangkok, Budapest, Doha, Chennai, Hanoi, Wuxi and Wuhan. Including Modena, the number of units signed up totalled 994.

This year, six properties commenced operations - *Fraser Suites Edinburgh* in November 2009, *Modena Heping Tianjin* in January 2010, *Fraser Suites Seef*, Bahrain and *Modena Putuo, Shanghai* in March; *Fraser Place Kuala Lumpur* in June, and *Fraser Residence Nankai*, Osaka in September, bringing the total number of operational and signed up apartments to 9,887 units.

Modena Shanghai Putuo

CEO Business Review
PROPERTIES

Owned Properties

Country	Properties	Equity (%)	No. of Units	Occupancy FY2009	Occupancy FY2010	Ave. Daily Rate FY2010
Australia	Fraser Suites Sydney	80.5	201	90%	89%	A$223
China	Fraser Suites Beijing	100.0	357	87%	85%	RMB586
London	Fraser Place Canary Wharf	33.3	63	93%	90%	£143
	Fraser Place Chelsea	20.0	30	78%	89%	£101
	Fraser Suites Kensington	20.0	69	76%	69%	£197
Philippines	Fraser Place Manila	100.0	89	87%	87%	PHP 6,184
Scotland	Fraser Suites Glasgow	33.3	99	78%	72%	£73
	Fraser Suites Edinburgh	51.0	75	Newly Opened	68%	£98
Singapore	Fraser Place Singapore	100.0	161	90%	94%	S$271
	Fraser Suites Singapore[1]	100.0	251	84%	85%	S$238
TOTAL NO. OF ROOMS (OWNED)			**1,395**			

Note:
1 Planned enhancement work affected occupancy

Country	Property	No. of Units
Bahrain	Fraser Suites Bahrain	91
China	Fraser Place Shekou	232
	Fraser Residence Shanghai	272
	Fraser Suites Shanghai	187
	Fraser Residence CBD East Beijing	228
	Fraser Suites Nanjing	210
	Modena Shanghai Putuo	407
	Modena Heping, Tianjin	104
France	Fraser Suites Harmonie, Paris La Defense	134
	Le Claridge Champs - Elysees, Fraser Suites, Paris	110
Hong Kong	Fraser Suites Hong Kong	87
London, UK	Fraser Residence Prince of Wales	18
	Fraser Place Queens Gate	106
	Fraser Residence Blackfriars, London	12
	Fraser Residence Islington	70
	Fraser Residence Monument	14
	Fraser Residence City	22
Malaysia	Fraser Place Kuala Lumpur	216
Philippines	Fraser Place Manila	35
Singapore	Fraser Place Fusionopolis, Singapore	50
South Korea	Fraser Suites Insadong, Seoul	213
	Fraser Place Central Seoul	237
Thailand	Fraser Place Urbana Langsuan, Bangkok	143
	Fraser Suites Urbana Sathorn, Bangkok	156
	Fraser Suites Sukhumvit, Bangkok	163
	Fraser Resort Pattaya	84
UAE	Fraser Suites Dubai	180
Vietnam	Fraser Suites Hanoi	170
TOTAL NO. OF ROOMS (UNDER MANAGEMENT)		**3,951**

Fraser Place Fusionopolis, Singapore

***Top and bottom:** Fraser Suites Singapore*

***From left to right:** Fraser Suites Dubai, Fraser Suites Dubai Aqua Terrace*

CEO Business Review

PROPERTIES

From top to bottom: *Esparina Residences, Singapore*
Waterfront Gold, Singapore

Looking Ahead

Market outlook

Although the global economy looks set to be on the path to recovery and the drivers of Singapore's economic growth are likely to remain intact, risks remain. There is still an uncertain credit environment in the US and the on-going concerns of sovereign debt defaults in Europe could have a negative spill-over effect on the rest of the world. Hence, there is the possibility of some moderation in the growth momentum of the property sector over the next few quarters.

Singapore's economy is forecasted to grow 4-6% in 2011, a marked slowdown from this year's blistering growth of 15%, but still above the long-term trend of 3-5%. This relatively buoyant forecast, together with strong growth in Asia, should help sustain a measure of market confidence, with residential sales likely to remain strong over the next quarter or so.

Development – Well positioned for growth

Going forward, the Group will continue to monitor the markets closely for new investment and acquisition opportunities. Other than Singapore, the Group will focus on strengthening our overseas presence, particularly in China and Australia, as well as emerging Asian economies such as Vietnam.

The Group will continue to maintain the Singapore development base. We will tap on the Government Land Sales Programme to replenish our land bank in this key market. To maintain a strong supply of private housing to meet demand, Singapore's government recently announced that it will continue to increase the land supply into Singapore market in 1H2011. The 1H2011 programme will have a record of 30 new sites[1] for residential development of about 14,300 units. We will continue to selectively replenish our land bank through this programme, focusing on the mass- and mid-market segments, and maintaining a strong focus on cost discipline in pricing our land bids.

[1] *Comprises 17 confirmed sites for sale and 13 reserve sites which the government will release if it receives bids from developers*

From left to right: *Causeway Point Atrium, Singapore*
Baitang One, Suzhou

The strong economy and low interest rate environment continue to support home demand. Coupled with strong locational traits such as proximity to public transport and right pricing, our latest project, *Esparina Residences,* was successfully launched in October 2010. Just over the first weekend of its launch, the Group sold 358 units (or 62%). Following that, the Group plans to launch, in 1H2011, the Yishun and Pasir Ris developments, as well as the last phase of the Waterfront Collection at Bedok, *Waterfront Isle*. Earnings will continue to be supported by pre-sold and new projects.

We continue to stay on course with our geographical diversification strategy. In China, with a target to launch an average of 1,000 units annually, the Group is preparing for the launch of the 902-unit *Baitang One* phase 2, while design development for *Shanshui Four Seasons* phase 2 is currently underway for launch in FY2012. To diversify the development portfolio, we are also targeting expansion into 2nd-tier cities in China, with a focus on the mid- to high-end market segments.

In keeping with our target to launch an average of 500 units annually in Australasia, we will remain focused on timely delivery of existing pipeline projects. The launch pipeline for Australasia in FY2011 is the 174-unit of phase 1 of *Frasers Landing* in Mandurah, as well as 259 units from *Queens Riverside Perth*, and 86 units from phase 1 of *Coast@Papamoa* in New Zealand.

Commercial – Active portfolio management

As developer-sponsored REITs, FCT and FCOT will continue to tap into the Group's pipeline of quality assets, and offer unitholders greater investment potential through their acquisition-led growth strategy and active asset enhancement initiatives. In FY2011, the newly completed 81,000sqf *Bedok Point* retail mall has been earmarked for sale to FCT, once operations stabilise and capital market conditions are favourable. Besides allowing FCT to grow its portfolio with high quality assets, this divestment by the Group enables us to continue adding investment properties by maximising total returns from development gains, property yield and management fees. *Bedok Point* currently has committed leases of 96%. Besides the acquisition-led strategy, FCT will also benefit from the value created after completion of enhancement works at *Causeway Point*. Average rental is targeted to increase by 20% to $12.20 psf primarily through reconfiguring big boxes and improving tenant mix. Capital value is estimated to increase by $160m, assuming a 5.75% cap rate.

In addition, the Group will continue to drive organic growth by improving rental yields through active lease management initiatives.

Hospitality – Expanding business abroad

Our serviced residences brand, Frasers Hospitality, is now recognised as a leading premium serviced residence owner and manager and will continue to make further inroads into more gateway cities. It remains focused on improving earnings through securing more management contracts, and will also concentrate on growing its second brand – *Modena*.

CEO Business Review
PUBLISHING & PRINTING

distinctive quality

"Going forward, we will continue to capitalise on the increased demand for print in Asia and Australasia. We will continue to introduce measures to improve operational efficiency, sales effectiveness and create value-added services for our customers."

GOH SIK NGEE – CHIEF EXECUTIVE OFFICER

REVENUE REDUCED 2% TO

$410M

PBIT INCREASED TO

$29M

Business Overview

Times Publishing Group recorded a strong recovery from a challenging economic climate in the previous financial period.

Full year revenue for the Group declined 2% over last year to $410m. The decrease in sales was due mainly to the divestment of underperforming businesses. Excluding these discontinued businesses, the revenue of the continuing businesses increased by 2%. The Group's PBIT was positive at $29m compared to a loss of $1m last year.

The Publishing division delivered strong profit growth driven largely by a successful year in its Education Publishing export business. We are introducing more of our products into new markets than ever before. Education Publishing continues to gain momentum with its strategy of capitalising on the growing popularity and global recognition of Singapore Mathematics. This in effect has opened up myriad opportunities to expand our global footprint.

The Printing division saw an increase in print volume, which came largely from significant wins of new contracts and the ability to maintain a strong customer base. However, revenue declined due to competitive pricing pressure. During the financial crisis period, the Printing division took the opportunity to step up efforts to further improve its quality of work and productivity.

The Group is constantly searching for ways to introduce new products and services to expand revenue streams. One such example is our strategy to leverage on digital opportunities in the online and digital space.
The launch of new digital offerings is being accelerated as part of the Group's growth ambition.

CEO Business Review

PUBLISHING & PRINTING

Publishing

Our Publishing division chalked up another good year of growth with both higher sales from local and export businesses.

Our education products enjoy international recognition for their high professional standards. Coupled with the strong emphasis placed by a number of governments on the importance of education in their countries, it provided opportunities for the export of our education products to a number of countries such as the US, despite the long gestation period required for our products to be adopted by the respective Ministries of Education.

Besides English, our products have been translated into a number of other languages. A Spanish language edition of Marshall Cavendish's best selling Mathematics programme, *My Pals are Here!* Maths, has been launched.

Marshall Cavendish continues to maintain its strong position as the market leader in Singapore, having been awarded key co-publishing and collaborative publishing tenders by the Ministry of Education, Singapore. The inaugural Marshall Cavendish Singapore Mathematics Global Forum was held in Singapore in September 2010, and was attended by 100 key decision makers from 18 countries and eight Ministries of Education, and international organisations including The World Bank.

In Hong Kong, the Education unit further extended its reach into primary schools with the acquisition of one of Hong Kong's leading publishers of primary math's titles.

Marshall Cavendish Online provides learning opportunities beyond the classroom to more than 200,000 students and 120 schools in Singapore. With more than six years of experience gained in the Singapore market, and leveraging our brand in Education Publishing, Marshall Cavendish Online has also successfully expanded its international footprints.

Marshall Cavendish Home & Library Educational Technologies, our unit that specialises in publishing home reference products, had an outstanding year, achieving strong sales in all its key markets, in particular India, Thailand and the Gulf States. New product developments and enhancements, introduced to keep our products relevant to younger learners, were well received and supported by strong sales and marketing initiatives throughout the year.

The US library market continues to be challenging, with keen competition for library funds available for book purchases.

Marshall Cavendish General & Reference, the leading English trade book publisher in Asia launched its "Giants of Asia" series with *Conversations With Lee Kuan Yew,* which topped The Straits Times' bestseller list for 10 straight weeks. Our reputation as the leading publisher of cuisine was further enhanced with the joint publication of *Above and Beyond* for Singapore Airlines, showcasing 10 of the world's leading chefs. We also join the ranks of publishers who are offering more than print, by increasingly converting our best selling titles to e-books.

enriching minds

CEO Business Review

PUBLISHING & PRINTING

Marshall Cavendish Business Information

The directories business continues to grow regionally as directories launched over the past few years attracted more advertisers, in particular, the *Hong Kong & Macau Convention & Exhibition Industries* directories which have now become leaders in their respective market segments.

The online directories achieved very strong growth in both page views and visitorship, with all our major directories now having both print and online editions.

Outlook and Forward Plans for Publishing

In the new financial year, we expect Education Publishing to continue to do well as we have won most of the government tenders issued for textbooks recently in Singapore.

We made a prudent move to focus our efforts on digital and online delivery of materials as well as take our growth overseas some years back, and the results are showing now. Our online education platform continues to do well in Singapore and we have embarked on overseas expansion, particularly in countries which have adopted our textbooks.

Our Singapore Maths programmes in the US have done well. We expect further growth from overseas markets, particularly in South America and the Middle East.

Printing

The Printing Group experienced increased volume throughput and better machine utilisation rates this year. However, overall revenue declined partly due to reduced paper costs and strong competitive price pressure. Print demand for magazine and catalogue work remained stable, mainly for local consumption in Asia. However, books printing, in particular coffee table books, were under intense price pressure, reflecting the competitive print environment in the US and European markets.

The increase in print volume is the outcome of our aggressive sales strategy to either renew or acquire new print contracts. An example would be the successful bid for the Reader's Digest utility printing contract, which enables Times Printers to manage Reader's Digest's magazine printing activities entirely across Asia. We have also successfully clinched another year of printing contract with IKEA, a Swedish home furniture and accessories store. In Singapore, we were awarded a printing contract for the entire range of Mediacorp Publishing's in-house magazine titles. As part of our continuous efforts to remain ahead of competition, we have recently implemented our Enterprise Resource Planning (ERP) system for our Singapore operations, aimed at further improving and driving service levels, product quality and cost management.

The new system addresses the gaps of the legacy system and can now provide complete end-to-end workflow integration across all functions, providing real-time information to operations and management.

We continue to drive cost management and productivity programmes. In China for example, these programmes have been implemented with even greater urgency, as labour costs have been climbing steeply year on year. We have also been progressively investing in process automation technology to enhance our capabilities and competitiveness.

Going forward, we will continue to capitalise on the increased demand for print in Asia and Australasia. In the North American and European markets, the competition for book printing volume is expected to remain intense. We will continue to introduce measures to improve operational efficiency, sales effectiveness and create value-added services for our customers.

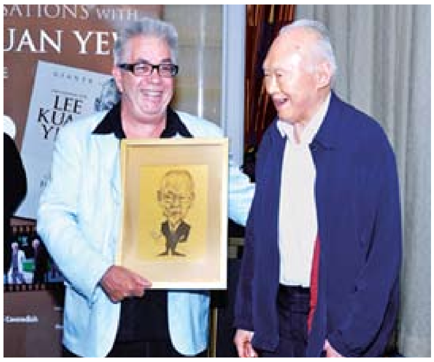
Distribution

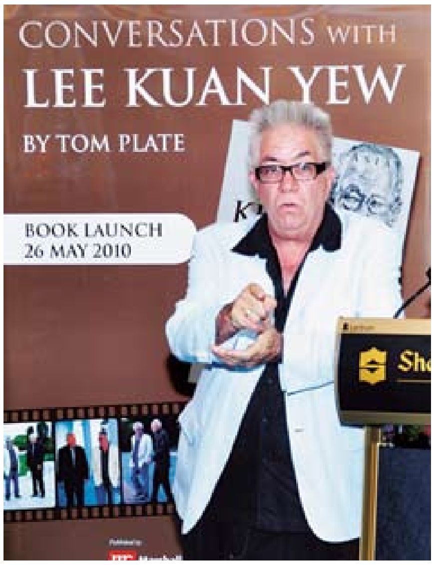
The Distribution division experienced a robust recovery for the year. For continuing businesses, revenue rebounded and profitability recovered to the pre-crisis level of 2008.

Revenue growth for the Lifestyle Accessories unit in Australia was attributed to new agency representations as well as the successful introduction of new products into the market, in particular, a new range of in-car entertainment accessories. The unit secured an exclusive supply arrangement with Repco, the largest reseller and supplier in the automotive parts and accessories aftermarket with 400 stores in Australia and New Zealand. Overall distribution coverage remained strong.

Book Distribution also performed well. Sales were up both in volume copies and absolute dollar against last year for the Singapore and Malaysia operations. Several strong and successful titles launches also helped to boost revenue. Notable titles included *Conversations with Lee Kuan Yew*, the biography of Dr Mahathir - *Malaysia Maverick*, *Men in White* - a local politics book, *Happiness in Hard Times* - a self help book, and a novel titled *The Time Traveler's Wife*. The Book Distribution division also secured distribution rights from established publishers such as Microsoft Press computer titles and the prestigious children's list from Simon & Schuster, which added to the already large stable of well known publishing representations.

Magazine Distribution sales were moderate despite signs of recovery in the newsprint and magazine industry. Part of our strategy is to increase and diversify the current product portfolio, capitalising on our existing distribution infrastructure. The Magazine Distribution unit launched *Match Attax*, a trading card which was a major success in Malaysia, Singapore and Hong Kong. Gift cards and novelty items were also added to our distribution portfolio.





CEO Business Review

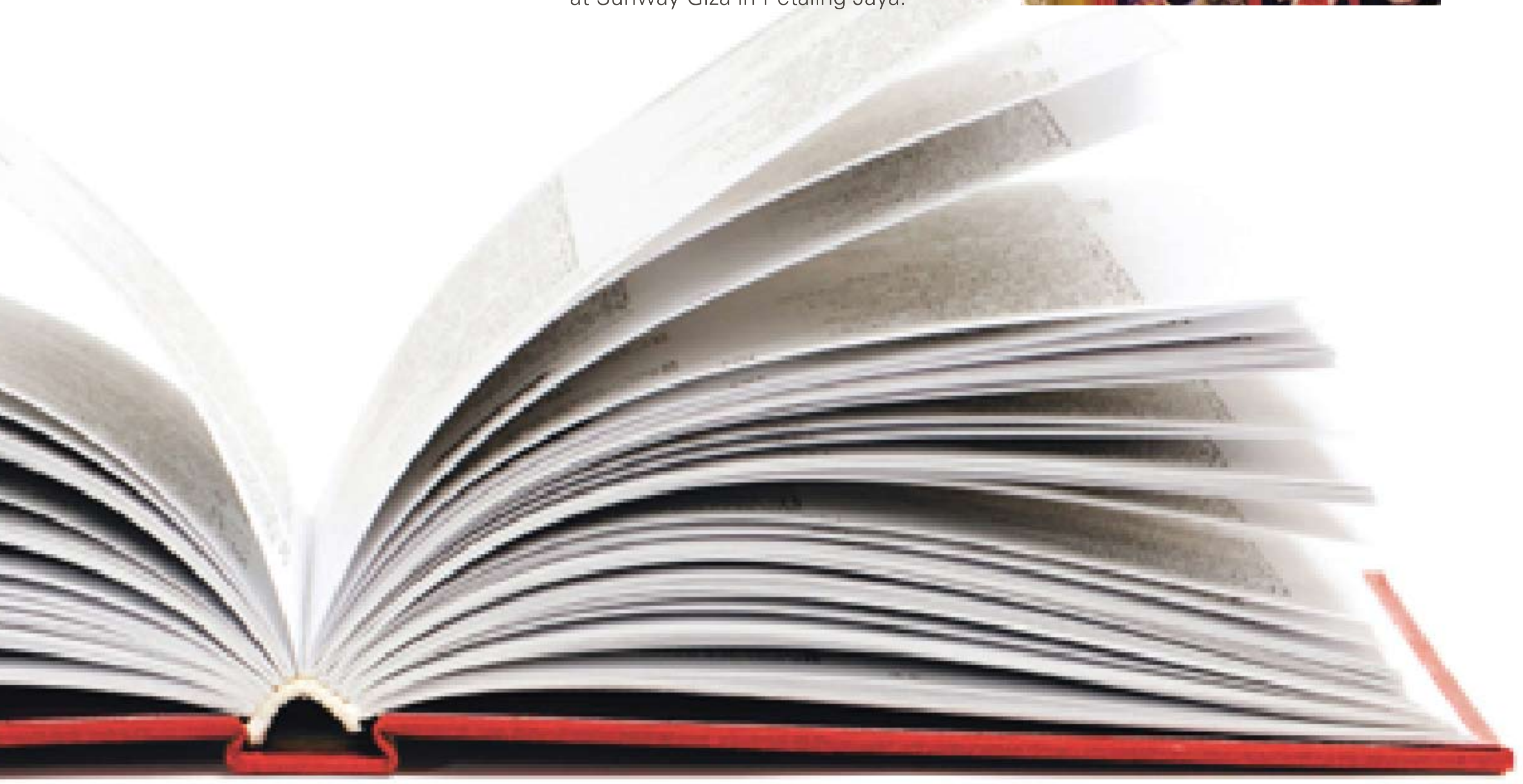
PUBLISHING & PRINTING

Retail

The Retail unit saw positive revenue growth in 2010. The high street stores in Singapore achieved higher productivity in terms of sales per square foot due to better branding and marketing activities, as well as sharper merchandising strategies. The Malaysian stores also showed similar improvement in productivity.

Our membership programme has also gained traction. Major events and activities such as "Members Only" special buys and free movies screening for loyal customers have been well received. Charity drives and other events to help the needy were also organised as part of our Corporate Social Responsibility campaign.

We have also strategically opened new high street stores in Singapore and Malaysia. A store at Suntec City, Singapore was opened in June in anticipation of increased shopper traffic with the new Esplanade station on the Circle MRT line. Malaysia opened a total of four stores in the year; two stores in Kota Kinabalu, one in Kuching and one at Sunway Giza in Petaling Jaya.



Investor Relations

Fraser and Neave, Limited

The Company prides itself on its high standards of disclosure and corporate transparency. It aims to provide relevant, comprehensive and timely information regarding the Group's performance and progress to Shareholders and the investment community to enable them to make informed investment decisions. The Investor Relations team is tasked with and dedicated to facilitating communications between the Company and its Shareholders, as well as with the investment community.

The Investor Relations team communicates regularly with Shareholders and the investment community, with timely disclosures of material and other pertinent information, through regular dialogues and announcements to SGX-ST. The team undertakes road shows (together with key senior Management), investor seminars and conferences to keep the market and investors apprised of the F&N Group's corporate developments and financial performance. The aim is to provide Shareholders and investors with prompt disclosure of relevant information, to enable them to have a better understanding of the Company's businesses and performance. Briefings for the half-yearly and full year results are also conducted for analysts and the media following the release of such results. The Company makes available all its briefing materials to analysts and the media, its financial information, its annual reports and all announcements to the SGX-ST on its website at www.fraserandneave.com.

At the Investors' Choice Awards 2010, the Company received affirmation for its continuing efforts in attaining high standards of corporate governance. It was named runner-up for the Most Transparent Company Award 2010 in the Multi-Industry/Conglomerate category.

This year, the Group's return on average shareholders' equity[1] grew 18% to 10%, on strong profit growth of 26%. Earnings per share also kept pace with attributable profit to improved 26% to 41.8 cents, since no capital call was made since 1993.

Total shareholder returns ("TSR") for the year under review improved 72%. Cumulatively over a five-year period, TSR improved 121%; and 27% over a three-year period. The F&NL share price has also outperformed the Straits Times Index over the recent five-year period with close to 49% points.

The Group maintained a healthy track record of generous shareholder distributions. For the financial year ended 30 Sep 2010, the directors have recommended a final dividend of 12.0 cents per share, which together with the interim dividend of 5.0 cents paid earlier brings total dividend for the year to 17.0 cents per share.

Note:
1 Before discontinued operations, fair value adjustment and exceptional items

Analyst coverage: 11 brokerage houses provide research coverage on F&N

Bank of America Merrill Lynch International
BNP Paribas Securities Singapore Pte Ltd
CIMB Research
CLSA Limited
DBS Vickers Securities Pte Ltd
Deutsche Bank Securities
Goldman Sachs & Co.
HSBC Global Research
Kim Eng Research
Nomura Securities Singapore Pte Ltd
OSK Research

For general enquiries on Fraser and Neave, Limited, please contact:

Ms Jennifer Yu
Investor Relations Manager
Tel: (65) 6318 9393
Fax: (65) 6271 7936

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

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, and 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 has continuous access to the debt capital markets.

Net Group Borrowings (net of cash) declined from $3.7b to $2.9b 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 overseas, as well as steady cash contribution from its beverage division and investment properties and the deconsolidation of Frasers Centrepoint Trust ("FCT"). Net Gearing (borrowings less cash) decreased from 0.55 times to 0.41 times as a result of a $0.8b decrease in net borrowings versus a growth in total equity of $0.3b to $6.9b during the financial year. Group cash increased from $1.6b to $1.7b after debt repayments as significant amounts of cash was collected during the financial year from the Group's pre-sold development projects, the disposal of two retail malls to FCT and the disposal of the glass business. The Group expects to receive approximately $1.7b in cash from its existing pre-sold projects for the financial year ending 30 Sep 2011.

Interest cost in FY2010 was $187.6m (of which $97.1m was capitalised), 18.3% lower than the previous year's interest cost of $229.5m (of which $145.8m was capitalised) mainly due to lower borrowings and lower interest rates.

Source of Funding

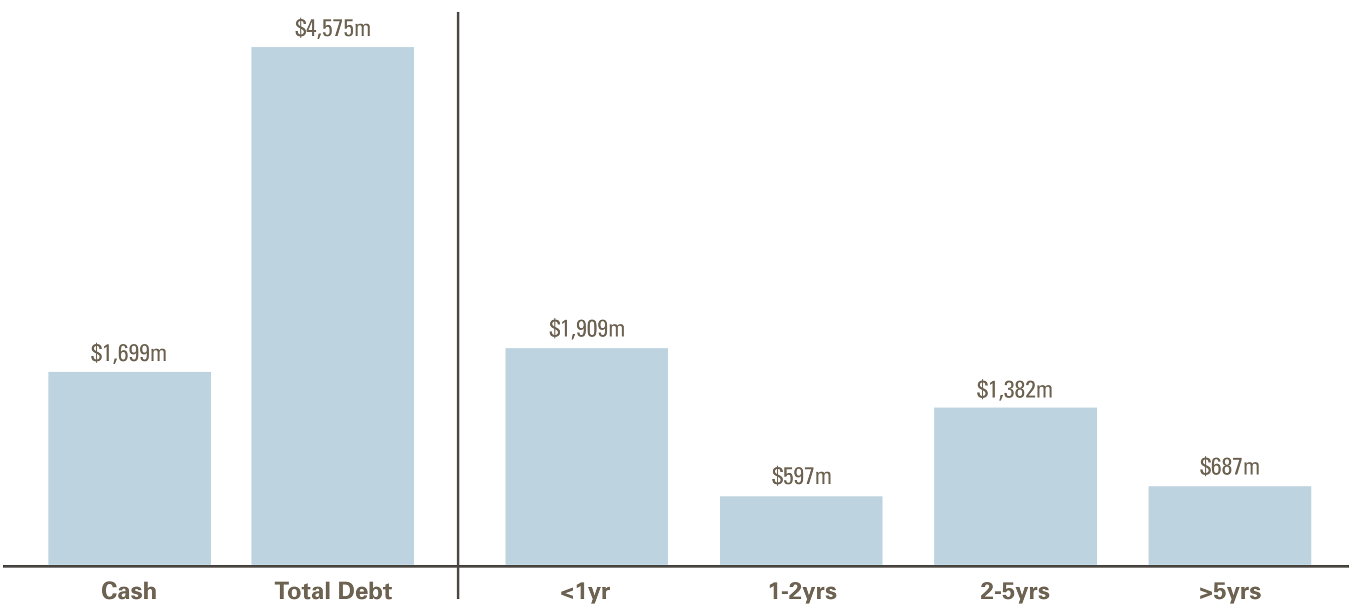
The Group relies on the debt capital and syndicated loans markets, equity market and bilateral banking facilities for its funding. As at 30 Sep 2010, the Group has $4.8b in banking facilities, $1.0b in Transferable Term Loan Facilities and $3.4b in Medium Term Note Programmes to meet the funding requirements of the Group.

Available Bank Lines by Banks as at 30 Sep 2010

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 last financial turbulence in 2008/2009. 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 Group as at 30 Sep 2010 amounted to $4.8b. Eight of the Group's relationship banks provided 70% of these banking facilities. All banking relationships for the entire Group are maintained by Corporate Treasury in Singapore.

As at the date of this report, the Group has already refinanced or repaid $852m of debts maturing within the next 12 months, to 30 Sep 2011. For the remaining $1.1b due by 30 Sep 2011, the Group currently has more than sufficient resources to repay these loans as and when they fall due without having to refinance these loans.

Debt Maturity Profile (Including Finance Leases)



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, 45% of the Group's borrowings are in fixed rates with an average fixed rate tenor of 3.3 years as at 30 Sep 2010. The remaining 55% of the Group's borrowings are in floating rates as at 30 Sep 2010. 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 2010 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 2010, this ratio was 0.41. Total interest paid during the year amounted to $187.6m, of which $97.1m was capitalised as part of Properties Under Development. The net interest charged to profit statement for the year was $62.3m and net interest cover was at 17.2 times. Net Borrowings over EBITDA was at 2.4 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 80% 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 2010 are disclosed in the financial statement in Note 38.

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

Corporate Social Responsibility

Our vision is to be a world-class multi-national enterprise based on

our ability to create and build long term sustainable value to our stakeholders,

responsibly.

The F&N Group is committed to conduct our business activities in a way that fulfills our social responsibilities with respect to the environment and community in which we operate, consumers and our people. In addition to raising our corporate value through our three businesses, the Group also considers its role in society to ensure we make meaningful contributions to various social issues.

Environment

F&N continues to integrate environmental best practices into our three businesses. We do so by conserving and protecting global resources through management of water, energy and paper consumption throughout our operations.

Times Printers, our printing division, became the first web offset printer in the region to adopt alcohol-free printing, eliminating environmental and health impacts of alcohol dampening solutions. Beating 16 countries, it won the prestigious *Best Environmental Printer Award* this year. It has also embarked on improvement projects to achieve *Process Standard Offset* certifications, *Forestry Stewardship Council/ Programme for Endorsement of Forestry Certification Change of Custody* certifications across all the key printing plants.

As part of its commitment to environmental conservation, Times Printers has implemented a policy of recycling and ensuring clean emissions. Measures include treating and disposing waste products or by-products in compliance with existing local environment legislation. With this move, all products printed by Times Printers now bear a label that allows individuals to recognise products that support the growth of responsible forest management worldwide. To ensure sustainability, Times Printers actively proposes to new and existing clients to use these certified products.

For the fourth consecutive year, F&N Beverages Malaysia jointly organised *Kempen Kitar Semula* with the Shah Alam City Council (MBSA) to inculcate in school children the importance of practicing the 3Rs (Reduce, Reuse and Recycle) and to be more responsible towards Mother Earth. The programme was expanded to the East Coast in May 2010 when a maiden venture was launched with the Kuantan City Council. To date, a total of 123 primary and secondary schools have participated and yielded over 450,843 kg of recyclable materials.

F&N Dairies Thailand was certified *ISO 14001* for its compliance with environment legislation; a recycling mindset was reinforced among employees, and the plant's water and paper usage, and general waste and packaging materials, were each reduced by 5%. With the use of natural gas and the installation of utility meters to monitor energy usage efficiency, overall energy consumption was reduced by 3%.

For its green efforts, Singapore's *Northpoint* received the *Certificate of Appreciation* by National Environment Agency for sponsorship, support and participation in Recycling Week 2010, as well as the Bronze Award in the *BCA Universal Design Award* for Built Environment 2010 (Refurbished Building Category) by Building & Construction Authority.

Central Park, Sydney

Spectacularly located 'downtown', at the southern edge of the Sydney CBD, *Central Park* is a A$2b urban village with a beautiful, spacious park at its heart – an exceptional destination for living, working, meeting friends, shopping, dining out and relaxing.

Designed by a world-leading team of architects in Sydney, London, Paris and Copenhagen, *Central Park* will include 11 buildings, 2,000 apartments and a lively collection of shops, cafes, restaurants, laneways, terraces and offices development. It is set to transform the old Carlton United Brewery in Chippendale into an intelligent interplay of buildings and public spaces, raising the benchmark for sustainable urban living globally.

With a $100m investment in 'green' technologies, *Central Park* aims to achieve a minimum five-star environmental rating for each building. This will raise the bar for sustainable city living not just in Sydney, but globally. Characterised by its rooftop gardens, water tanks, solar panels and smart-metering systems, *Central Park* is pioneering a number of Australia-first innovations, such as zero net greenhouse gas emissions for all operational energy use. *Central Park* will also be Australia's greenest urban village, housing its own on-site tri-generation energy plant. This energy source will supply electricity, heating and cooling using ingenious 'green transformers' powered by natural gas. The ambitious goal: an urban community emitting zero net carbon in operation. Water tanks and tri-generation plants will also export excess water and electricity to nearby neighbourhoods in a remarkable display of self-sufficiency. Currently, 93% of all demolition waste has already been recycled, making *Central Park* one of the largest recycling projects in Australia – not bad for a development that covers 5.8 hectares in size.

Corporate Social Responsibility

Community

Charity Events

In Singapore, Frasers Centrepoint Malls ("FCM") embarked on a series of charitable events, including raising S$30,000 for the Movement for the Intellectually Disabled of Singapore, thereby setting a new Guinness World Record by creating a 5.1-metre-tall Festive Cupcake Tower made of 2,318 chocolate and vanilla cupcakes which was sold to raise funds. Its efforts garnered a *Corporate Bronze Award* from the Community Chest. FCM was also a *Supporter of Christmas Light-Up Switch-On Ceremony 2009* by Community Chest, and worked with Frasers Hospitality to raise more than S$20,000 for The Marymount Centre, a home for young girls.

Frasers Commercial Trust's ("FCOT") Central Park office tower in Perth hosted the *2010 Enerflex Step Up* for the fourth year in support of the Multiple Sclerosis Society of Western Australia. Attracting over 700 participants who took part in the stair-climbing competition which finished on the building's rooftop, FCOT raised a total of A$130,000 which will help fund research on multiple sclerosis.

Magnolia celebrated the goodness of milk on World School Milk Day in September 2010 with Northlight School. We donated 6,800 packs of milk to the school to raise funds for needy students.

Education

Fraser & Neave Holdings Berhad ("F&NHB") continued in its 8th year to reward children of employees for academic excellence in public examinations and those who have gained entry to tertiary institutions locally or abroad. Since 2003, a total of 1,267 children have received a total of RM1,500,967. Of these, a total of 18 are currently pursuing tertiary education. F&NHB continues to encourage computer literacy among underprivileged youth by providing computers, furnishings and training for children by F&N volunteers.

Sports and Youth

FCM was a proud sponsor of Singapore's first-ever Youth Olympic Games 2010, with various events held at the malls to generate awareness of the Games within the community.

In line with the Soft Drinks Division to promote an active lifestyle, our leading isotonic drink brand *100PLUS* collaborated with The Straits Times to launch the *100PLUS Straits Times Sports Award* to raise the profile and awareness of our local athletes. We also honoured athletes who have outdone themselves through their contribution, performance and achievement to make both their sport and Singapore proud. Our strategic alliances with the Singapore Health Promotion Board, Singapore Sports Council and schools will continue as part of the total marketing effort to drive home the importance of adequate hydration.

Likewise in Malaysia, the *100PLUS Thomas Cup 1 Million Support* campaign was rolled out to give Malaysians an opportunity to show their support for the nation's badminton team. *100PLUS'* commitment to the sports fraternity was further sealed with a three-year agreement with the Malaysian Hockey Federation for the title sponsorship of the *100PLUS* Tun Abdul Razak Cup. The Razak Cup is one of the oldest and most prestigious domestic competitions in the country held annually since its inception in 1963. These sponsorships reinforce *100PLUS'* position as the preferred isotonic beverage of the sporting community.

In support of the local youth culture, *F&N Sparkling Drink* was proud to inject vibrancy into the local dance scene and support our youth by presenting the Singapore heats of the inaugural *Dance Delight*, hailed as the first international street dance competition of its calibre.

Arts and Heritage

A longstanding supporter of the local arts scene, Frasers Hospitality sponsored a total of S$324,000 worth of accommodation for overseas artistes who performed in Singapore. These performances included Beauty & The Beast, Animal Farm, Boeing Boeing, Dance Fest 2009, The International Kids Performing Festival and Barney's Space Adventures.

Adding to our list of accolades in recognition of our support for arts and heritage, one of our properties, *Robertson Walk*, received the *2010 Arts Supporter Award* by National Arts Council, and FCM was honoured with a *Friend of Heritage* at the Patron of Heritage Awards 2009 by National Heritage Board.

Over at the *Central Park,* Sydney development site, the Group also supported the arts by converting a vacant warehouse space to a multi-media arts space. FraserStudios provides free residence to local artists, and offers regular open days and events for the community.

Corporate Social Responsibility

Consumer

For our efforts in creating family-friendly shopping environments, Frasers Centrepoint Malls has had the honour of being the only group of malls in Singapore to be accredited the *Businesses For Families Mark* from Singapore Productivity Association.

As a strong supporter and partner of the Singapore Health Promotion Board ("HPB") since 2007, F&N helps to educate Singaporeans on the importance of staying healthy through the knowledge of good nutrition, healthy eating habits and adopting an active lifestyle. The close collaboration has enabled us to roll out meaningful programs to reinforce what the F&B division stands for - healthy enjoyment. F&N has also pledged to support HPB's Healthier Food Choices Commitment by rolling out more Healthier Choice Symbol products in the next three years in line with our F&B philosophy to deliver *Pure Enjoyment. Pure Goodness* to our valued consumers.

Aimed at introducing the virtues of reading to children in schools, *Magnolia* supported The Straits Times Little Red Dot Reading programme. F&N believes that in providing the nutritional fundamentals to nourish the minds of young Singaporeans, the books they read become building blocks that lay the foundation with which they can build their dreams upon.

Asia Pacific Breweries ("APB") continued to benchmark itself against competitors in all channels and segments of the market. To this end, we launched *Project Homeground*, an initiative to help raise service standards among our promoter agents and improve the consumption experience of our consumers.

Identifying a growing trend towards binge drinking among young adults, APB spearheaded a youth-oriented initiative to promote responsible drinking. Titled *Get Your Sexy Back,* it is a youth-led anti-binge drinking initiative that aims to increase awareness of the negative effects of binge drinking and promote responsible drinking behaviour by raising the social currency of moderation. Started in 2007, phase 3 of the campaign was launched in December 2009 based on activities and events (broadly categorised into the platforms of Sports, Music, Fashion and Friendship) that appeal to young adults.

Fronted by a committed team of young Volunteer Ambassadors who help spread the campaign message to tertiary institutions across Singapore, the programme now has a strong following of over 5,400 supporters and more than 1,700 fans on Facebook. In addition, APB continues to support the Traffic Police Anti-Drink Drive Campaign and has done so since 1995. This year, APB piloted the *Drive Me Home* campaign to encourage drivers drinking at popular nightspots to engage valets to send them home. Drivers received a coupon granting them a $5 discount off the service.

Human Capital Management

SUSTAINABILITY THROUGH INNOVATION

"Innovation need not be something totally new or big, it can be a small change that creates a big impact."

- Group Chairman, Mr Lee Hsien Yang

Launch of the F&N Group-wide iTAL attended by senior management and staff

Driving Innovation for Sustainability with the launch of F&N Group iTAL

F&N's Corporate Human Resource in support of the Group's strategic focus on innovation to fuel and sustain our future growth launched the **Innovation Through Action Learning ("iTAL")** initiative on 16 June 2010.

iTAL is based on the principles of Action Learning which involves a small group working on real and urgent problems, taking action, and learning as individuals and as a team while doing so through the intervention of an Action Learning Coach. Action Learning is fast gaining popularity as a powerful methodology used by major MNCs around the globe for driving innovation, solving problems, generating creative ideas/ products and developing new generation leaders.

F&N has adopted iTAL as the key methodology to drive innovation and problem-solving and this has been endorsed by the CEOs of our three core businesses (Food & Beverage Division, Frasers Centrepoint Limited & Times Publishing Limited).

The F&N Group iTAL initiative was officially launched by Group Chairman, Mr Lee Hsien Yang and attended by CEOs and over 190 senior management representatives from the three business units, both locally and from overseas.

In his address, Group Chairman stressed on the importance of staying innovative in today's highly competitive business environment through candid yet insightful real-life examples. Group Chairman also said that innovation is everyone's responsibility and F&N needs to continue to innovate so that we can secure the sustainability of our businesses and existence of the Company in the new economy.

Corporate Social Responsibility

Group Chairman delivering his keynote address at the iTAL launch

Group Chairman launching the F&N Group iTAL

The launch was followed by presentation of iTAL plaques by Chairman to the Business Unit CEOs and Corporate Heads, signifying their strong support and commitment to iTAL.

The Business Unit CEOs subsequently launched iTAL at their respective Business Units which was followed by the iTAL workshops by Professor Michael J Marquardt, the author and global expertise in Action Learning.

F&N Group iTAL Coaches (Pioneer Cohort)

Further to the F&N Group iTAL launch and the series of introductory workshops for senior management held in June, F&N welcomed our first cohort of 24 iTAL Coaches who had completed their coach training and been certified to be internal F&N iTAL Coaches. The iTAL Coach is an integral component and key success factor in iTAL initiatives and the Group aims to develop a critical pool of internal Coaches to serve within their respective business units.

The iTAL Coach training has also been incorporated into the Group's overall Human Capital Development plan to help these coaches further develop their leadership competencies.

Follow-up on iTAL at Business Units

Since the iTAL launch in June, business units within the Group have started embarking on their respective iTAL journeys and incorporated it into various aspects of their Human Capital development initiatives as well as business operations.

Food & Beverage

The Food & Beverage Division started using iTAL as the key methodology to generate innovative solutions to pressing issues faced by the division. Employees found that problem-solving using iTAL generated a more positive and creative team working environment.

Right: *Business Unit iTAL launches by CEO-F&B, CEO- FCL, CEO-TPL*
Left: *Business Unit CEOs & Corporate Representatives receiving the iTAL plaques from Chairman*

iTAL workshops attended by key staff from Properties, Food & Beverage and Publishing & Printing businesses

Properties

Frasers Centrepoint ("FCL") has incorporated iTAL into its overall innovation framework, the Innovation DNA which will drive innovation for the FCL Group both locally and overseas. iTAL will be used as the key methodology to generate specific ideas, strategies and solutions for the various innovation initiatives.

Publishing & Printing

Times Publishing Group will be using iTAL to help develop new strategies / ideas to better compete in the highly competitive printing and publishing market and also to improve operational capabilities.

Brewery

Myanmar Brewery ("MBL") found iTAL to be a very practical and useful tool in both generating innovative solutions and developing leadership capabilities at the same time. MBL will be launching iTAL in December 2010.

F&N Malaysia

F&N Group Malaysia will also be launching iTAL for its group of subsidiary companies in Malaysia in January 2011. iTAL will be used as one of the key drivers for innovation and problem solving in the Malaysian operations. It will also tie in with their overall human capital development initiatives.

The F&N Group iTAL together with the Group's existing Total Performance Management System (which includes Career Development & Succession Planning), Human Resource Policies and Training & Development Initiatives (Management Development Programme, MDP Alumni Programme etc.) not only ensures alignment and consistency across the various business units of the F&N Group, it will also ensure continuity of innovation (through our Human Capital) and sustainability of the Group's survival in the future.

F&N Group's first cohort of 24 iTAL Coaches

Enterprise-wide Risk Management

Role of Risk Management

The role of risk management is to ensure risks are properly identified, assessed, controlled and mitigated, so as to safeguard shareholders' value and to steer the Company to the next level of growth. Fraser and Neave, Limited, ("F&N" or the "Company") achieves these objectives through having a risk management framework that encompasses all key areas of our operations.

Risk Management Process

F&N Enterprise-wide Risk Management ("ERM") is built on a web-based Corporate Risk Scorecard system, where Management reports risks and risk status using a common platform and in a consistent and cohesive manner.

Risks are reported and monitored at the operational level using a Risk Scorecard which captures risks, mitigating measures, timeline for action items and risk ratings.

Where applicable Key Risk Indicators ("KRIs") are established to monitor risks.

For risks that are material, the mitigating measures and KRIs are highlighted in the Key Risk Dashboard for Management's discussion and review on a regular basis.

There are three levels of risk reporting: Operating Units reporting into Subsidiary which in turn reports to Business Unit and finally F&N Group ("Group").

Risks are reviewed and managed at each level of reporting and consolidated for review at the next higher level, before they are escalated for review at Group level.

Risks are reviewed at least twice a year and some businesses review them more regularly. A risk coordinator is appointed for each entity whose role is to facilitate risk reporting.

Risk Update

Risks are reported and monitored at the scorecard level and grouped under the following risk categories for the purpose of management reporting.

- Reputational risks
- Strategic risks
- Country and political risks
- Currency and interest rates risks
- Commodity risks
- Property risks

At the end of each Financial Year, an annual risk validation session is held for Senior Management of the Business Units to provide assurance to the Audit Committee that the Key Risks have been adequately identified and managed.

F&N also seeks to benchmark its ERM programme against industry best practices and standards. In assessing areas for improvement and how the ERM processes and practices can be strengthened, reference was made to the best practices in risk management set out in the Guidebook for Audit Committees in Singapore issued by the Audit Committee Guidance Committee in October 2008 and the ISO 31000 standards on risk management.

As effective risk management involves the collective effort of all employees, ERM and Business Continuity Plan ("BCP") awareness workshops were conducted for new staff and refresher programmes organised for existing staff to maintain a high level of risk awareness.

Key Risks in Financial Year 2009/2010

During the last financial year, the key categories of risks faced by the group are summarised as follows:

Strategic and Commodity Risks

The strong economic recovery in Asia coupled with unanticipated hike in commodity prices, and the increased pace in digital transformation posed new challenges to businesses across the Group. The Group closely tracked new developments and the effectiveness of its strategies so as to sustain its competitiveness.

It also faced commercial and operational challenges arising from growth through acquisitions and changes in key collaborations with business partners. Business plans and strategies formulated to manage such issues were regularly monitored and reviewed for their effectiveness.

Country and Political Risks

With geographical presence in more than 20 countries, the Group recognised the importance of maintaining a consistent and cohesive ERM programme and continued its effort to roll out such an ERM programme including BCP to newly acquired overseas business units. For existing operations, BCP was strengthened and regular BCP tests were conducted to test the effectiveness of the plans.

The Group also maintained close working relationships with local business partners and authorities to keep abreast of political developments, and changes in the regulatory framework and business environment in which entities of the Group operate.

Corporate Governance Report

FOR THE YEAR ENDED 30 SEPTEMBER 2010

Fraser and Neave, Limited ("**F&N**" or the "**Company**") remains committed to establishing, implementing and maintaining sound policies and practices which promote corporate transparency. The Company believes that high standards of corporate governance is critical to its overall business integrity and performance, and enables the Company to achieve its strategic objectives whilst maximising and delivering returns for Shareholders.

F&N's commitment to good corporate governance and corporate transparency is spearheaded by a highly-qualified Board, buttressed by an experienced Management team, and built upon the principles and guidelines of the Code of Corporate Governance 2005 ("**Code 2005**") and where applicable, the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Singapore Companies Act and the Guidebook for Audit Committees in Singapore issued in October 2008.

This report provides insight into F&N's corporate governance framework and its key corporate governance policies and practices.

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.

As at 30 September 2010, the Board comprises eight Directors, all of whom are non-executive Directors. They are:

Mr Lee Hsien Yang (Chairman)
Mr Timothy Chia Chee Ming
Ms Maria Mercedes Corrales[(1)]
Mr Ho Tian Yee
Mr Koh Beng Seng
Mr Soon Tit Koon
Mr Tan Chong Meng
Mr Nicky Tan Ng Kuang

Note:
(1) Ms Maria Mercedes Corrales was appointed as an independent non-executive Director on 8 September 2010.
(2) Mr Simon Israel resigned from the Board on 31 March 2010.
(3) Mr Ng Yat Chung was appointed as a non-executive Director on 3 March 2010. He resigned from the Board on 29 July 2010.
(4) Mr Hirotake Kobayashi was appointed as a non-independent non-executive Director on 13 December 2010.

The appointment of Ms Maria Mercedes Corrales was part of an ongoing, continuing search by the Company for fresh, relevant perspectives and transnational, multi-disciplinary skill sets and industry knowledge, so as to augment the collective expertise and experience of its Board members.

Overseeing the business performance and affairs of the Group, the Board also provides entrepreneurial leadership, sets strategic directions, establishes values and standards of corporate governance, reviews Management's performance and ensures that the necessary financial and human capital resources are available for the Group to meet its objectives. Meetings of the Board are held regularly, allowing Directors to participate actively in discussions and assessments of matters relating to corporate governance, business operations and risks (including acquisitions and disposals), and the financial performance of the Company.

Corporate Governance Report
FOR THE YEAR ENDED 30 SEPTEMBER 2010

Board Matters (cont'd)

Delegation of Authority on certain Board Matters

In discharging its oversight functions, the Board is supported by five Board Committees to which specific areas of responsibilities are delegated. These are the Board Executive Committee, the Audit Committee, the Nominating Committee, the Remuneration & Staff Establishment Committee, and the Food & Beverage Board Committee. Each Board Committee is governed by Terms of Reference approved by the Board and adopted by the Committee, and the minutes of all Board Committee meetings are circulated to Board members.

The Company has adopted a framework of delegated authorisations in its Manual of Authority ("**MOA**"). Among other things, the MOA defines the procedures and levels of authorisation required for specified transactions, and also sets out approval limits for operating and capital expenditure as well as the acquisition and disposal of investments. In addition, there is a schedule of matters that are reserved specifically for the Board's decision. These include approval of financial statements, business strategy and major investments or disposals. Appropriate delegation of authority and approval sub-limits are also provided at Management level to facilitate operational efficiency. Where necessary and expedient, the Board has taken steps to address possible conflicts of interest that may arise between Directors' interests and those of the Group, including requiring such Directors to refrain from participating in such parts of the meetings or discussions, and/or abstain from voting, on any matter in which they are so interested or conflicted.

Board Executive Committee ("Board EXCO")

The Board EXCO comprises the following members:

Mr Lee Hsien Yang	Chairman
Mr Ho Tian Yee	Member
Mr Soon Tit Koon	Member
Mr Nicky Tan Ng Kuang[1]	Member

Note:
(1) Mr Nicky Tan Ng Kuang was appointed a member of the Board EXCO on 14 May 2010.
(2) Mr Simon Israel resigned from the Board EXCO on 31 March 2010.
(3) Mr Ng Yat Chung was appointed a member of the Board EXCO on 14 May 2010. He resigned on 29 July 2010.

Providing oversight of the business affairs of F&N, the Board EXCO is empowered to exercise the full powers and authority of the Board when the Board does not meet except in respect of matters that specifically require the decision of the Board or any Board Committee.

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

This Committee oversees the F&N Group's F&B strategy and strategic plans for the Group's non-beer F&B business. Strategic plans and proposals devised and developed by the F&B Management are presented to the Committee, which also serves as a forum for discussion and/or debate before such plans and proposals are tabled to the Board. The members of the F&B Committee are:

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

Note:
Mr Simon Israel resigned from the F&B Board Committee on 31 March 2010.

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

Board Matters (cont'd)

Meetings of the Board and Board Committees

The Board and its various Committees meet regularly, and as necessitated by business requirements or if the members of the Board deem it appropriate to do so. For the financial year ended 30 September 2010, the Board met seven times and held an offsite strategic review meeting in conjunction with one of the Board meetings.

The annual Board strategic review meeting is held off-site at one of the Group's key business operations for Directors and Management to discuss and review the Group's strategies and plans. This also provides an invaluable platform for the Board to familiarise itself and interact with key members of the Management team. In addition, site visits and meetings with business partners, where appropriate, are included as part of the ongoing process for Directors to better acquaint themselves with the F&N Group's key business operations.

The Directors are also given direct access to the Management team through presentations at Board and Board Committee meetings. Pursuant to the Company's Articles of Association, Board members, if unable to attend physical meetings, may participate through telephone conference, video-conference or any other forms of electronic or instantaneous communication facilities.

The number of Board meetings and Board Committee meetings held in the financial year ended 30 September 2010 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
Meetings held for the financial year ended 30 September 2009	**7**	**5**	**5**	**2**	**3**	**1**
Mr Lee Hsien Yang	7/7	5/5	–	–	–	1/1
Mr Timothy Chia Chee Ming	7/7	–	4/5	2/2	3/3	–
Ms Maria Mercedes Corrales[(1)]	2/2	–	–	–	–	–
Mr Ho Tian Yee	7/7	5/5	–	2/2	3/3	–
Mr Koh Beng Seng	7/7	–	5/5	–	–	–
Mr Soon Tit Koon	7/7	5/5	–	2/2	–	0/1
Mr Tan Chong Meng	7/7	–	4/5	–	–	–
Mr Nicky Tan Ng Kuang	7/7	2/2	5/5	–	3/3	1/1

Note:
(1) Ms Maria Mercedes Corrales was appointed as an independent non-executive Director on 8 September 2010.
(2) Mr Simon Israel (Attendance – Board 3/3, Board EXCO 2/2 and F&B Board Committee 1/1) resigned on 31 March 2010.
(3) Mr Ng Yat Chung (Attendance – Board 2/2 and Board EXCO 1/1) was appointed a non-executive Director on 3 March 2010. He resigned on 29 July 2010.
(4) Mr Hirotake Kobayashi was appointed as a non-independent non-executive Director on 13 December 2010.

A formal letter which sets out the Director's duties and obligations, amongst other things, is given to each Director upon appointment. The Group also conducts a comprehensive orientation programme for new appointees to familiarise themselves with its business activities, strategic directions, policies and corporate governance practices. This programme allows new Directors to get acquainted with senior Management, thereby facilitating interaction with Management.

Directors are continually and regularly updated on the Group's businesses and the regulatory and industry-specific environments in which the entities of the Group operate. These updates may be disseminated by way of written briefings or presentations on relevant legal, regulatory and technical updates and developments, such as in the area of competition law in Singapore. They are also encouraged to be members of the Singapore Institute of Directors ("**SID**") and for them to receive journal updates and training from SID to stay abreast of relevant developments in financial, legal and regulatory requirements, and business environment and outlook.

Corporate Governance Report

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Board Composition and Guidance

Principle 2:

There should be a strong and independent element on the Board, which is able to exercise objective judgment 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, with a clear majority of six being independent Directors. An annual review of the size and composition of the Board is conducted to ensure that both aspects continue to meet the needs of the Group. The Board is of the view that its current size and composition is appropriate for the scope and nature of the F&N Group's operations, and for facilitating effective discussion and decision-making. No individual or group dominates the Board's decision-making process. The Board proactively seeks to maintain an appropriate balance of expertise, skills and attributes among the Directors, thereby enabling Management to benefit from the diverse and objective perspectives and breadth of experience of its members.

There is a strong and independent element on the Board. This is fundamental to good corporate governance as it facilitates the exercise of independent and objective judgment on corporate affairs. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, and takes into account the long-term interests of F&N and its Shareholders.

The Directors are provided with accurate and timely information, and have direct, unrestricted access to Management. This is so that the Directors are effective in carrying out their duties, and are given sufficient time and attention to critically consider the affairs of the Company, thereby enabling them to discharge their oversight function efficaciously.

The Nominating Committee is of the view that there is an appropriate balance of expertise and skills amongst the Directors. Collectively, the Directors bring with them a broad range of industry knowledge, expertise and experience in areas such as accounting, finance, business management, industry and strategic planning. They are also instrumental in driving the Group forward and achieving its goals, thereby contributing significantly to the effectiveness and success of the Group.

The Nominating Committee determines the independence of each Director annually based on the definitions and guidelines of independence set out in the Code 2005. In respect of the financial year ended 30 September 2010, the Nominating Committee performed a review of the independence of the Directors. The 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 ("**FCL**"), a wholly owned subsidiary of the Company.
- *Mr Soon Tit Koon:* Non-independent. Mr Soon is a nominee of, and holds the position of Chief Financial Officer at, Oversea-Chinese Banking Corporation ("**OCBC**"), a substantial shareholder[1] of the Company. He is also a director of certain OCBC subsidiaries.

Note:

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

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 Group's three business units are separate persons to ensure an appropriate balance and separation of power and authority, and clear division of responsibilities and accountability. The Chairman's Office, with the support of F&N's Corporate Services, co-ordinates the reporting lines of each of the CEOs to the Board. The Chairman is also not related to any of the CEOs of the three business units, nor is there any other business relationship between him and any of these CEOs. Likewise, the CEOs are not related to each other, and there is also no other business relationship between or among them.

The Chairman, who is non-executive, provides leadership to the Board, steering effective, productive and comprehensive discussions amongst members of the Board and Management on strategic, business and other issues pertinent to the Group. He ensures that Directors are provided with clear and timely information in order to make sound decisions.

The Chairman also encourages active and effective engagement, participation by and contribution from all Board members, and facilitates constructive relations among and between the Board and Management. Promoting high standards of corporate governance and transparency, he also ensures overall effective communications to and with Shareholders on the overall performance of the Group. In turn, each of the CEOs of the Group's three business units is responsible for the execution of the Group's strategies and policies, and accountable to the Board for the conduct and performance of the respective business operations under his charge.

Board Membership

Principle 4:

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

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. Its Chairman is neither a substantial shareholder nor directly associated[(1)] to any substantial shareholder.

Note:

(1) A Director will be considered "directly associated" to a substantial shareholder when he is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of such substantial shareholder.

The Nominating Committee is guided by written Terms of Reference approved by the Board and which set out the duties and responsibilities of the Committee. It reviews the structure, size and composition of the Board, identifies the balance of skills, knowledge and experience on the Board and nominates candidates to meet the needs and requirements of the Group.

Each year, the Committee also evaluates the independence of each Director, the performance of the Board as a whole, and the contribution of each Director to the effectiveness of the Board.

The Nominating Committee reviews and makes recommendations to the Board on all nominations for appointments and re-appointments to the Board and the Board Committees. This is to ensure an appropriate mix of core competencies to fulfill the Board's roles and responsibilities.

Corporate Governance Report

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Board Membership (cont'd)

A formal process for the search and selection of new Directors is also in place to ensure transparency in the identification and evaluation of suitable nominees. The Nominating Committee leads this process and sources for candidates who would be able to contribute to the discussions, deliberations and/or activities of the Board. In the search and selection process, the Nominating Committee reviews the composition of the Board – including the mix of expertise, skill set and attributes of existing Board members – so as to identify needed and/or desired competencies to supplement the Board's existing attributes. In doing so, where necessary or appropriate, the Nominating Committee may tap on its networking contacts and/or engage external professional headhunters to assist with identifying and shortlisting candidates.

The Company's Articles of Association provides that at least one-third of its 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. The Committee is satisfied that the Directors who are retiring in accordance with the Articles of Association at the forthcoming AGM are properly qualified for re-appointment by virtue of their skills, experience and contribution. Newly appointed Directors must also submit themselves for retirement and re-election at the next AGM immediately following their appointment. The Shareholders approve the appointment or re-appointment of Board members at the AGM.

In its annual review for the year ended 30 September 2010, the Nominating Committee assesses 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
Ms Maria Mercedes Corrales	Independent
Mr Ho Tian Yee	Independent
Mr Koh Beng Seng	Independent
Mr Soon Tit Koon	Non-independent
Mr Nicky Tan Ng Kuang	Independent
Mr Tan Chong Meng	Independent

Note:
Mr Hirotake Kobayashi was appointed as a non-independent non-executive Director on 13 December 2010.

Key Information regarding Directors

Key information on the Directors is set out on pages 10 to 15.

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 established and 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.

An independent consultant has also been engaged to facilitate the implementation of a process for evaluating the effectiveness of the Board as a whole and the Board Committees. Engaging an independent party ensures objectivity and independence in the process. All Directors are required to complete a questionnaire designed to assess the performance of the Board and the Board Committees, covering areas such as Board composition, Board processes, management of the Company's performance, Board Committee effectiveness, and any specific areas where improvements may be made.

The external consultant collates and analyses the feedback from the completed questionnaires. Its findings of the performance evaluation (including the comments from the Directors) are then reviewed by the Nominating Committee, in consultation with the Chairman of the Board.

Following the review, the Board is of the view that the Board and its Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

Access to Information

Principle 6:

In order to fulfill 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 detailed Board papers particularising relevant information and justifications for each proposal for which Board approval is sought. Such information include relevant financial forecasts, new opportunities, risks analyses, mitigation strategies, feasibility studies and key commercial issues for the Board's attention and consideration. Reports on major operational matters, business development activities, financial performance, potential investment opportunities and budgets are also circulated to the Board.

A calendar of activities is scheduled for the Board a year in advance, with Board papers and agenda items despatched to the Directors a week before scheduled meetings. This is to give Directors sufficient time to review and consider the matters being tabled and/or discussed so that discussions can be more meaningful and productive. Senior Management is requested to attend Board meetings to provide additional insights into matters being discussed, and to respond to such queries as the Directors may have. The Board also has separate and independent access to the Company's senior Management and the Group Company Secretary.

The Company Secretary attends all Board meetings, ensures that Board procedures are complied with, and provides advice and guidance on corporate governance and regulatory compliance. Under the direction of the Chairman, the Group Company Secretary facilitates the smooth flow of information to and within the Board and its various Committees, as well as between and with senior Management. The Group Company Secretary also consolidates Directors' feedback and evaluation, facilitates orientation programmes for new Directors and assists with their professional development as required. The Group Company Secretary is the Company's primary channel of communication with the SGX-ST.

The Directors – whether collectively 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")

The RSEC is made up of non-executive Directors, the majority of whom, including its Chairman, are independent Directors. It comprises the following members:

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

The RSEC reviews and makes recommendations on the remuneration framework for the Board and senior Management. It ensures that a formal and transparent procedure is in place for developing policy on executive remuneration and development, and for determining remuneration packages and service terms of individual Directors and senior Management.

On an annual basis, the RSEC also reviews the level and mix of remuneration and benefits policies and practices of the Company, including the long-term incentive schemes. In doing so, the RSEC takes into consideration the performance of the Company and that of individual employees. It also approves salary reviews, performance bonus and incentives for senior Management.

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Remuneration Matters (cont'd)

The RSEC conducts an annual review of the development and succession plans for senior Management and the leadership pipeline for the Company, and aligns the CEOs' leadership with the Company's strategic objectives and key challenges. It also sets performance targets for the CEOs and evaluates their performances annually.

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

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.

In recommending the level and mix of remuneration, the RSEC seeks to build, motivate and retain Directors and key Management. It ensures that competitive remuneration policies and practices are in place to attract, motivate and retain high-performing executives so as to drive the Group's businesses to greater growth and profitability. In its deliberation, the RSEC takes into consideration industry practices and benchmarks against relevant industry players to ensure that its remuneration and employment terms are competitive.

The Company's compensation framework comprises fixed pay and 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 and using indicia such as 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.

Long Term Incentive Plans

The RSEC also administers the Company's share-based remuneration incentive plans, namely, the F&N Executive Share Option Scheme ("**F&N ESOS**"), Restricted Share Plan ("**RSP**") and Performance Share Plan ("**PSP**").

At an Extraordinary General Meeting of the Company held on 22 January 2009, the Company adopted the RSP and PSP in lieu of the F&N ESOS. 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.

Through the RSP and PSP, the Company seeks 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 for such employees to participate and share in the Group's growth and success.

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 performance of the Company and that of the individual. The PSP targets 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. It serves as further motivation to key senior Management in striving for excellence and delivering long-term Shareholder value.

Under the RSP and PSP, the Company grants share-based awards ("**Base Awards**") conditional upon pre-determined targets being met. Pre-determined targets for RSP and PSP are set over a two-year and a three-year performance period respectively. The Awards represent the right to receive fully paid shares, their equivalent cash value or combinations, free of charge, provided certain prescribed performance conditions are met. The final number of shares to be released will depend on the achievement of the pre-determined targets at the end of the performance period. If such targets are met and/or exceeded, more shares than the Base Awards could be delivered, subject to a maximum percentage of the Base Awards. The first grant of Base Awards was made in December 2009.

The maximum number of Company shares which could be released, when aggregated with the number of new shares issued pursuant to the vesting of awards under the RSP and PSP (excluding shares exercised under the F&N ESOS) will not exceed ten percent (10%) of the issued share capital of the Company.

Remuneration Matters (cont'd)

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 and Top Five Key Executives

Information on the remuneration of Directors of the Company and key executives of the Group is set out below.

Directors of the Company	Remuneration $	Fee %	Salary %	Bonus %	Allowances & Benefits %	Long Term Incentive %	Total %
Mr Lee Hsien Yang	1,545,200[(1)]	100	–	–	–	–	100
Mr Timothy Chia Chee Ming	123,000	100	–	–	–	–	100
Ms Maria Mercedes Corrales[(2)]	6,791	100	–	–	–	–	100
Mr Ho Tian Yee	196,000	100	–	–	–	–	100
Mr Simon Israel[(3)]	167,500	100	–	–	–	–	100
Mr Koh Beng Seng	122,000	100	–	–	–	–	100
Mr Ng Yat Chung[(4)]	37,637	100	–	–	–	–	100
Mr Soon Tit Koon	114,000	100	–	–	–	–	100
Mr Tan Chong Meng	113,500	100	–	–	–	–	100
Mr Nicky Tan Ng Kuang	123,726	100	–	–	–	–	100

Note:
(1) Includes payment of $79,200 in lieu of company car entitlement.
(2) Ms Maria Mercedes Corrales was appointed as an independent non-executive Director on 8 September 2010.
(3) Mr Simon Israel resigned from the Board on 31 March 2010.
(4) Mr Ng Yat Chung was appointed as a non-executive Director on 3 March 2010. He resigned from the Board on 29 July 2010.
(5) Mr Hirotake Kobayashi was appointed as a non-independent non-executive Director on 13 December 2010.

Key Executives of the F&N Group	Remuneration $	Fee %	Salary %	Bonus %	Allowances & Benefits %	Long Term Incentive %	Total %
Mr Koh Poh Tiong	3,002,684	–	40	24	3	33	100
Mr Lim Ee Seng	2,934,272	–	38	35	3	24	100
Mr Roland Pirmez	2,260,608	–	48	48	4	–	100
Mr Anthony Cheong	1,267,783	–	49	26	4	21	100
Dato Ng Jui Sia[(1)]	836,594	–	39	19	7	35	100

Note:
(1) Includes payments while Dato Ng Jui Sia was CEO of Times Publishing Limited. He resigned on 30 June 2010 to take up appointment as CEO Designate of Fraser & Neave Holdings Bhd on 1 July 2010.

Corporate Governance Report

FOR THE YEAR ENDED 30 SEPTEMBER 2010

Remuneration Matters (cont'd)

Directors' Fees

The remuneration of non-executive Directors takes into account their level and quality of contribution and their respective responsibilities, including attendance and time spent at Board meetings and Board Committee meetings. Non-executive Directors are paid basic Directors' fee, additional fees for appointments to Board Committees and attendance fees for Board and Board Committee meetings. No Director decides his own fees.

A review of the Directors' fees was undertaken, in which such fees were benchmarked against the amounts paid by other major listed companies. The review showed that the current Directors' fees for participation in Board Committees appeared low in comparison. The Company also envisages that there will be more Board Committee meetings for the financial year ending 30 September 2011, involving greater participation by the Directors. It is therefore proposed that adjustments be made to Board Committee fees with effect from the next financial year. Directors' basic fees remain unchanged.

Shareholders' approval will be sought at the 112th AGM of the Company on 27 January 2011, for the payment of Directors' fees proposed for the financial year ending 30 September 2011 amounting to $2,700,000. This represents an increase of $145,000 – a five-point-seven percent (5.7%) increase – from the $2,555,000 approved by Shareholders for the financial year ended 30 September 2010, of which $2,201,855 was actually spent.

For better alignment with Shareholders' interests, Directors are encouraged to purchase the Company's shares from the open market and to hold the equivalent of one year's fees in such shares while they remain on the Board, subject to compliance with applicable laws and regulations.

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 provides Shareholders with quarterly and annual reports, and releases its quarterly and full year financial results through announcements to the SGX-ST, press releases and media and analysts' briefings. In doing so, the Company seeks to present a balanced and clear assessment of the Company's performance, position and prospects.

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, on behalf of the Board, undertakes the monitoring and review of the system of internal controls. Its main responsibilities are to assist the Board in the discharge of its oversight responsibilities in the areas of internal controls, financial and accounting practices, operational and compliance controls, and corporate and financial risk management. Significant findings are reported to the Board.

The Audit Committee is guided by written Terms of Reference endorsed by the Board and which clearly set out its duties and responsibilities. It is duly authorised to investigate any matter within such Terms of Reference, and has full access to and the co-operation of Management, as well as the full discretion to invite any Director or executive officer to attend its meetings.

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

All the members, including its Chairman, are independent non-executive Directors. The members of the Audit Committee are appropriately qualified. Their collective wealth of experience and expertise on accounting and financial management enables them to discharge their responsibilities competently. The Audit Committee has reasonable resources to enable it to discharge its functions effectively.

Accountability and Audit (cont'd)

During the year, the key activities of the Audit Committee included the following:

- Reviewing the quarterly and full-year financial results and related SGX-ST announcements, including significant financial reporting issues and assessments, to safeguard the integrity in financial reporting, and to ensure compliance with the requirements of the SFRS.
- Approving, on behalf of the Board, the 1st and 3rd quarter financial results and corresponding SGX-ST announcements.
- Recommending, for the approval of the Board, the half-year and annual financial results and related SGX-ST announcements.
- Reviewing and evaluating with 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.
- Reviewing and approving the internal and external audit plans to ensure the adequacy of the scope of such audit.
- Reviewing with internal and external auditors, the audit report and their recommendations, and monitoring the timely and proper implementation of any required corrective or improvement measures and the assistance given by Management.
- Reviewing the adequacy and effectiveness of the Group's internal audit function, including the adequacy of internal audit resources and its appropriate standing within the Group.
- Reviewing whistle-blowing investigations within the Group and ensuring appropriate follow-up actions, if required.

The Audit Committee also meets with internal and external auditors without the presence of Management at least once a year to obtain feedback on the competency and adequacy of the finance function and to ascertain if there are any material weaknesses or control deficiencies in the Group's financial reporting and operational systems.

The Audit Committee recommends to the Board for approval by Shareholders, the appointment, re-appointment and removal of the Company's external auditors, and approves the remuneration and terms of engagement of the external auditors.

During the year, the Committee conducted a review of the scope and results of audit by the incumbent auditors and its cost effectiveness, as well as the independence and objectivity of the auditors. It also reviewed all non-audit services provided by the incumbent auditors and is satisfied that neither their independence nor their objectivity is at risk. Accordingly, the Committee has recommended the re-appointment of the external auditors at the AGM of the Company.

The Board – through the Audit Committee – reviews the adequacy of the Group's risk management framework 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. Financial and operational key risk indicators are in place to track key risk exposures. In addition, each significant transaction is comprehensively analysed to understand the risks involved before it is embarked upon.

Periodic updates are provided to the Audit Committee on the Group's risk profile. These updates include the assessment of the Group's key risks by major business units, risk categories, and the status and changes in plans undertaken by Management to manage key risks.

An outline of the ERM framework and progress report is set out on page 64.

Corporate Governance Report

FOR THE YEAR ENDED 30 SEPTEMBER 2010

Accountability and Audit (cont'd)

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 Company maintains a sound internal control system with a view to safeguard its assets and Shareholders' investments.

The Audit Committee, through the assistance of internal and external auditors, reviews and reports to the Board on the adequacy of the Company's system of controls, including financial, operational and compliance controls, and risk management policies and systems established by Management. In assessing the effectiveness of internal controls, the Audit Committee ensures primarily that key objectives are met, material assets safeguarded and financial information prepared in compliance with applicable internal policies, laws and regulations.

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. Such framework serves to provide reasonable assurance against material misstatement or loss.

Whistle-Blowing Policy

The Group has in place a Whistle-Blowing Policy which provides an independent feedback channel through which staff may, in confidence and in good faith, raise matters of concern about possible improprieties in matters of financial reporting or other matters without fear of reprisal. Details of this policy have been disseminated and made available to all employees of the Company. All matters which are raised are then independently investigated and appropriate actions taken. The Audit Committee ensures that independent investigations and any appropriate follow-up action is carried out.

Other Policies

During the year, to further enhance internal controls within the Group, the Company implemented the following policies:

- *Policy for disclosure and approval of purchase of property projects of FCL:* This sets out the process and procedure for disclosure and approval relating to the purchase of property projects of the Company's property business unit by interested persons as defined in the SGX-ST Listing Manual, the CEO of FCL, Directors and employees of the Group.
- *Policy guidelines for external appointments to directorship on board of directors/trustees:* These guidelines prescribe the process and procedure for employees of the Group to make relevant disclosures and obtain internal clearances in respect of any external appointment as a director or a trustee of entities outside the Group.

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 Internal Audit Department is an independent function within the Company. It conducts objective and independent assessments on the adequacy and quality of the Group's system of internal controls. The Head of Internal Audit, who is a Certified Public Accountant, reports directly to the Chairman of the Audit Committee and administratively, to the Group Company Secretary.

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. Such staff are also given relevant training and development opportunities to update their technical knowledge and auditing skills. Key staff members of the Internal Audit Department also receive relevant technical training 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 Terms of Reference, which is approved by the Audit Committee. It adopts a risk-based audit methodology to develop its audit plans, and its activities are aligned 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.

During the year, the Internal Audit Department conducted its audit reviews based on the approved internal audit plans. All audit reports detailing audit findings and recommendations are provided to Management who would respond on the actions to be taken. Each quarter, the Internal Audit Department would submit to the Audit Committee a report on the status of the audit plan and on audit findings and actions taken by Management on such findings. Key findings were highlighted at the Audit Committee meetings for discussions and follow-up action. The Audit Committee monitors the timely and proper implementation of required corrective, preventive or improvement measures undertaken by Management.

The Audit Committee is satisfied that that the Internal Audit Department has adequate resources 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 prides itself on its high standards of disclosure and corporate transparency. It aims to provide relevant, comprehensive and timely information regarding the Group's performance and progress to Shareholders and the investment community to enable them to make informed investment decisions. The Investor Relations team is tasked with and dedicated to facilitating communications between the Company and Shareholders, as well as with the investment community.

The Investor Relations team communicates regularly with Shareholders and the investment community, with timely disclosures of material and other pertinent information, through regular dialogues and announcements to SGX-ST. The team undertakes road shows (together with key senior Management), investor seminars and conferences to keep the market and investors apprised of the F&N Group's corporate developments and financial performance. The aim is to provide Shareholders and investors with prompt disclosure of relevant information, to enable them to have a better understanding of the Company's businesses and performance. Briefings for the half-yearly and full year results are also conducted for analysts and the media following the release of such results. The Company makes available all its briefing materials to analysts and the media, its financial information, its annual reports and all announcements to the SGX-ST on its website at www.fraserandneave.com.

At the Investors' Choice Awards 2010, the Company received affirmation for its continuing efforts in attaining high standards of corporate governance. It was named runner-up for the Most Transparent Company Award 2010 in the Multi-Industry/ Conglomerates category.

Corporate Governance Report
FOR THE YEAR ENDED 30 SEPTEMBER 2010

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 Board supports and encourages active Shareholder participation at AGMs. It believes that general meetings serve as an opportune forum for Shareholders to meet the Board and senior Management, and to interact with them.

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. A copy of the Annual Report and notice of AGM is sent to all Shareholders. Separate resolutions are proposed on each substantially separate issue 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 appropriate senior Management are present at each Shareholders' meeting to respond to any questions from Shareholders. The Company's external auditors are also present to address queries about the conduct of audit and the preparation and content of the auditors' report.

For greater transparency, F&N introduced electronic poll voting at its last AGM, during which Shareholders were invited to vote on each of the resolutions by poll, using an electronic voting system (instead of voting by hands). This allowed all Shareholders present or represented at the meeting to vote on a one share, one vote basis. The voting results of all votes cast for, or against, each resolution is then screened at the meeting and announced to the SGX-ST after the meeting. The Company will continue to use the electronic poll voting system at the forthcoming AGM.

Code of Business Conduct

F&N has in place a Code of Business Conduct which sets out the business practices, standards and ethical conduct expected of all employees in the course of their employment with the F&N Group. This code is distributed to all employees for compliance, and covers such aspects of the business operations of the Group as conflicts of interests and dealings with government officials, government employees, and suppliers and customers of the Company. In addition, 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 the Company's policies.

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

In line with Listing Rule 1207 sub-Rule (18) of the SGX-ST Listing Manual, the Group issues quarterly reminders to its Directors, officers and employees on the restrictions on dealings in listed securities of the Group two weeks prior to the announcement of financial results of each of the first three quarters of the financial year, and one month before the announcement of full year results. Directors, officers and employees are also reminded not to trade in listed securities of the Group at any time while in possession of unpublished material or price sensitive information and to refrain from dealing in the Group's securities on short-term considerations.

Particulars of Key Management Staff as at 30 September 2010

Name of Key Executive	Age	Academic & Professional Qualifications	Working Experience	Area of Responsibility
Mr Anthony Cheong Fook Seng	56	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	64	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)*
Mr Lim Ee Seng, PBM	59	Bachelor of Engineering (Civil), University of Singapore Master of Science (Project Management), National University of Singapore Member, The Institution of Engineers, 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	58	Bachelor of Business Administration, University of Singapore Associate, The Institute of Chartered Accountants in England and Wales	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 2006 – 2010 Chief Executive Officer, Times Publishing Limited	Chief Executive Officer Fraser & Neave Holdings Bhd *(Date appointed: 1 August 2010)*
Mr Roland Pirmez	50	Master's degree in Brewing, University of Louvain-la-Neuve, Belgium Engineering degree in Agriculture, University of Louvain-la-Neuve, Belgium	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)*

distinctive results

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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 2010.

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	
Ms Maria Mercedes Corrales	(Appointed on 8 September 2010)
Mr Ho Tian Yee	
Mr Koh Beng Seng	
Mr Soon Tit Koon	
Mr Tan Chong Meng	
Mr Nicky Tan Ng Kuang	

Mr Simon Israel resigned from the Board on 31 March 2010. Mr Ng Yat Chung was appointed a director on 3 March 2010 and resigned on 29 July 2010. The Board thanks Mr Israel and Mr Ng for their past services.

Ms Maria Mercedes Corrales was appointed director on 8 September 2010.

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

- By rotation pursuant to Article 117 of the Company's Articles of Association:
  - Mr Lee Hsien Yang
  - Mr Ho Tian Yee
  - Mr Soon Tit Koon

- Pursuant to Article 122 of the Company's Articles of Association, having been appointed since the last Annual General Meeting:
  - Ms Maria Mercedes Corrales

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.

Directors' Report

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

	ORDINARY SHARES OF THE COMPANY/ OTHER SECURITIES OF GROUP COMPANIES	
	As at 1 Oct 2009	**As at 30 Sep 2010**
Lee Hsien Yang		
- *Fraser and Neave, Limited*		
• Ordinary Shares	588,240	588,240
- *Frasers Centrepoint Asset Management (Commercial) Ltd*		
• Ordinary Units in Frasers Commercial Trust	3,000,000	3,633,178[1]
• Series A Convertible Perpetual Preferred Units in Frasers Commercial Trust	Nil	150,000
Timothy Chia Chee Ming	Nil	Nil
Maria Mercedes M. Corrales	Nil[2]	Nil
Ho Tian Yee	Nil	Nil
Koh Beng Seng	Nil	Nil
Soon Tit Koon	Nil	Nil
Tan Chong Meng		
- *Fraser and Neave, Limited*		
• Ordinary Shares	Nil	10,000
- *Frasers Centrepoint Asset Management (Commercial) Ltd*		
• Ordinary Units in Frasers Commercial Trust	Nil	300,000
Nicky Tan Ng Kuang		
- *Frasers Centrepoint Asset Management Ltd*		
• Ordinary Units in Frasers Centrepoint Trust	300,000	300,000
- *Frasers Centrepoint Asset Management (Commercial) Ltd*		
• Ordinary Units in Frasers Commercial Trust	Nil	2,250,000

[1] Includes deemed interest in 633,178 ordinary units arising from the holding of 150,000 Series A Convertible Perpetual Preferred Units ("*Series A CPPUs") convertible at a conversion ratio of 1/0.2369 x No. of Series A CPPUs being converted, disregarding fractional units.

[2] As at date of appointment, i.e. 8 September 2010.

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.

Directors' Report

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 that Scheme remain exercisable until the end of the relevant Option Period.

The 1999 Scheme is administered by the Remuneration & Staff Establishment Committee which comprises the following three non-executive directors who do not participate in the 1999 scheme:

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 1999 Scheme.

Information pertaining to Outstanding Options

At the end of the financial year, there were 38,018,337 unissued ordinary shares of the Company under Options granted pursuant to the 1999 Scheme. Details of the options to subscribe for ordinary shares in the capital of the Company granted to executives pursuant to the 1999 Scheme are as follows:

Options	Offer Date	Balance as at 1.10.2009 or Offer Date if later	Options Exercised/ Lapsed	Balance as at 30.9.2010	Exercise Price	Exercise Period
1999 Scheme						
2002 (Year 3)	08.10.2001	17,505	(3,575)	13,930	$1.40	09.07.2004 to 08.09.2011
2003 (Year 4)	01.10.2002	374,840	(338,035)	36,805	$1.51	01.07.2005 to 31.08.2012
2004 (Year 5)	08.10.2003	1,665,650	(862,995)	802,655	$2.12	08.07.2006 to 07.09.2013
2005 (Year 6)	08.10.2004	3,785,600	(1,572,295)	2,213,305	$2.82	08.07.2007 to 07.09.2014
2006 (Year 7)	10.10.2005	8,230,600	(3,779,195)	4,451,405	$3.46	10.07.2008 to 09.09.2015
2007 (Year 8)	10.10.2006	9,000,130	(1,763,882)	7,236,248	$4.22	10.07.2009 to 09.09.2016
2008 (Year 9)	10.10.2007	10,727,616	(599,850)	10,127,766	$5.80	10.07.2010 to 09.09.2017
2009 (Year 10)	25.11.2008	13,922,994	(786,771)	13,136,223	$2.86	25.08.2011 to 24.10.2018
		47,724,935	(9,706,598)*	38,018,337		

* Exercised (8,118,609)
Lapsed due to Resignations and Non-acceptance (1,587,989)

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 accompanies 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.

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

(b) Restricted Share Plan ("RSP") and Performance Share Plan ("PSP")

The Company introduced Restricted Share Plan (RSP) and Performance Share Plan (PSP) to replace the 1999 ESOS. The RSP and PSP were approved by shareholders at the Extraordinary General Meeting of the Company held on 22 January 2009.

The RSP and PSP are administered by the Remuneration & Staff Establishment Committee which comprises the following three non-executive directors who do not participate in the Share Plans:

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

Share Grants Under RSP and PSP

Under the RSP and PSP, the Company grants shares to eligible participants annually, referred to herein as "RSP Shares" and "PSP Shares", respectively. The grant ("Base Award") represents the right to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met. The Remuneration & Staff Establishment Committee that administers this scheme has absolute discretion in the granting of shares under the RSP and PSP. The RSP Base Award is conditional on the achievement of pre-determined targets set for a two-year performance period and the PSP Base Award is set for a three-year performance period. The final number of RSP Shares and PSP Shares to be awarded will be determined at the end of the performance period ("Final Award").

The Final Award varies depending on the level of achievement of the pre-determined targets. An achievement factor will be applied to the relevant Base Award to determine the final number of RSP Shares and PSP Shares (as the case may be) to be awarded. The achievement factor ranges from 0% to 150% for RSP and from 0% to 200% for PSP.

At the end of the performance period, 50% of the RSP Shares will be released upon vesting and the balance will be released equally over the subsequent two years with fulfillment of service requirements.

All PSP Shares will be released to the participants at the end of the three-year performance period upon vesting.

Pre-determined targets are set by the Remuneration & Staff Establishment Committee at their absolute discretion for the performance conditions to be met over the performance period. For the RSP, the targets set are the achievement of Attributable Profit Before Exceptional items (APBE) and Return On Capital Employed (ROCE). For the PSP, the pre-set targets are Return on Invested Capital (ROIC), Total Shareholders' Return Relative to Straits Times Index and Absolute Shareholders' Return as a multiple of Cost of Equity.

Senior management participants are required to hold a minimum number of the shares released to them under the RSP and PSP to maintain a beneficial ownership stake in the Company for the duration of their employment or tenure with the Company.

No awards have been granted to controlling shareholders or their associates, or parent group employees under the RSP and PSP.

No awards have been granted to Directors of the Company.

No employee has received 5% or more of the total number of shares available/delivered pursuant to grants under the RSP and PSP.

Directors' Report

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

(b) Restricted Share Plan ("RSP") and Performance Share Plan ("PSP") (cont'd)

Share Grants Under RSP and PSP (cont'd)

The first grant of RSP and PSP was made in December 2009 for Financial Year 2009/10. The details of the shares awarded under the RSP and PSP in aggregate are as follows:

(i) RSP

Shares	Grant Date	Balance as at 1.10.2009 or Grant Date if later	Adjustment*	Vested	Cancelled	Balance as at 30.9.2010
2010 (Year 1)	14.12.2009	3,260,728	-	-	(126,000)	3,134,728

* Adjustment at the end of two-year performance period upon meeting stated performance targets

(ii) PSP

Shares	Grant Date	Balance as at 1.10.2009 or Grant Date if later	Adjustment*	Vested	Cancelled	Balance as at 30.9.2010
2010 (Year 1)	14.12.2009	283,972	-	-	-	283,972

* Adjustment at the end of three-year performance period upon meeting stated performance targets

(c) 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, 65,200 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 1.10.2009	Options Exercised/ Lapsed	Balance as at 30.9.2010	Exercise Price	Exercise Period
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	38,800	-	38,800	$6.29	08.07.2006 to 07.09.2013
		65,210	(10)*	65,200		

* Lapsed due to Expiry (10)

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.

Directors' Report

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

(d) (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 until the end of the relevant Option Period.

Information pertaining to Outstanding Options

At the end of the financial year, 115,600 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 RM1.00 each in the capital of F&NHB from Fraser and Neave, Limited are as follows:

Options	Offer Date	Balance as at 1.10.2009	Options Exercised/ Lapsed	Balance as at 30.9.2010	Exercise Price	Exercise Period
Old Scheme						
2005	24.11.2004	7,000	(7,000)	-	RM4.89	24.08.2007 to 23.10.2009
2006	26.08.2005	128,300	(128,300)	-	RM5.54	27.05.2008 to 26.07.2010
2007	26.09.2006	770,100	(654,500)	115,600	RM6.12	27.06.2009 to 26.08.2011
		905,400	(789,800)*	115,600		

* Exercised (782,800)
Lapsed due to Expiry and Resignations (7,000)

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, 7,177,400 F&NHB unissued ordinary shares of F&NHB were under Options 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 1.10.2009	Options Exercised/ Lapsed	Balance as at 30.9.2010	Exercise Price	Exercise Period
New Scheme						
2008	20.11.2007	2,377,300	(918,800)	1,458,500	RM 7.77	20.08.2010 to 19.10.2012
2009	19.11.2008	2,811,300	(126,000)	2,685,300	RM 8.46	19.08.2011 to 18.10.2013
2010	20.11.2009	3,108,100	(74,500)	3,033,600	RM11.34	20.08.2012 to 19.10.2014
		8,296,700	(1,119,300)*	7,177,400		

* Exercised (832,600)
Lapsed due to Resignations (186,700) and Mutual Separation Offer (100,000)

Directors' Report

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.

(e) 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.

2009 Options

During the financial year ended 30 September 2010, offers of options were granted pursuant to the Scheme in respect of 17,800,000 unissued ordinary shares of HK$0.10 each of FPCL at an exercise price of HK$0.1550 per share.

Information pertaining to Outstanding Options

At the end of the financial year, there were 98,180,182 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 1.10.2009 or Offer Date if later	Options Exercised/ Lapsed	Balance as at 30.9.2010	Exercise Price	Exercise Period
2003	31.12.2003	9,877,331	(1,972)	9,875,359	HK$0.1580	31.12.2004 to 30.12.2013
2004	31.12.2004	11,474,439	(646,336)	10,828,103	HK$0.1547	31.12.2005 to 30.12.2014
2005	30.12.2005	13,773,647	(647,664)	13,125,983	HK$0.1343	30.12.2006 to 29.12.2015
2006	13.11.2006	15,300,737	(1,050,000)	14,250,737	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	(1,300,000)	15,750,000	HK$0.1000	14.11.2009 to 13.11.2018
2009	13.11.2009	17,800,000	-	17,800,000	HK$0.1550	13.11.2010 to 12.11.2019
		101,826,154	(3,645,972)*	98,180,182		

* Exercised (3,644,000)
Lapsed due to resignation (1,972)

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 ("HKSE") on the date of grant, which must be a trading day;

(2) the average closing prices as stated in the HKSE's daily quotation sheets for the five trading days immediately preceding the date of grant; and

(3) the nominal value of a 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 grantee 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.

(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.

Directors' Report

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 2010 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 2010

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 comprehensive income, statements of changes in equity and consolidated cash flow statement together with the notes thereto, set out on pages 92 to 193, 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 2010 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 2010; 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 2010

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 92 to 193, which comprise the balance sheets of the Group and the Company as at 30 September 2010, and the profit statements, statements of comprehensive income, 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, statement of comprehensive income 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 2010 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 2010

Profit Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2010

	Notes	THE GROUP 2010 ($'000)	THE GROUP 2009 ($'000)	THE COMPANY 2010 ($'000)	THE COMPANY 2009 ($'000)
			(Restated)		
Continuing operations					
REVENUE	3	**5,696,777**	5,146,334	**5,029**	4,458
Cost of sales		**(3,708,922)**	(3,438,008)	**-**	-
Gross profit		**1,987,855**	1,708,326	**5,029**	4,458
Other income (net)	4(a)	**13,772**	17,623	**527**	27
Operating expenses					
- Distribution		**(226,438)**	(203,704)	**-**	-
- Marketing		**(478,292)**	(443,548)	**-**	-
- Administration		**(307,566)**	(305,525)	**(6,815)**	(5,536)
		(1,012,296)	(952,777)	**(6,815)**	(5,536)
TRADING PROFIT/(LOSS)		**989,331**	773,172	**(1,259)**	(1,051)
Gross dividends from subsidiary and joint venture companies	6	**-**	-	**330,506**	293,133
Share of joint venture companies' profits		**15,279**	12,731	**-**	-
Share of associated companies' profits		**47,600**	999	**-**	-
Gross income from investments	7	**18,782**	11,682	**419**	425
PROFIT BEFORE INTEREST AND TAXATION ("PBIT")		**1,070,992**	798,584	**329,666**	292,507
Interest income		**28,165**	21,976	**3,714**	5,777
Interest expense		**(90,498)**	(83,695)	**(11,405)**	(13,708)
Net interest expense	4(b)	**(62,333)**	(61,719)	**(7,691)**	(7,931)
PROFIT BEFORE IMPAIRMENT, FAIR VALUE ADJUSTMENT, TAXATION AND EXCEPTIONAL ITEMS		**1,008,659**	736,865	**321,975**	284,576
Impairment on investments		**(9,000)**	(7,292)	**-**	-
Fair value adjustment of investment properties (net)	4(c)	**129,411**	(122,597)	**-**	-
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS	4(d)	**1,129,070**	606,976	**321,975**	284,576
Exceptional items	8	**43,041**	7,122	**9**	-
PROFIT BEFORE TAXATION		**1,172,111**	614,098	**321,984**	284,576
Taxation	9	**(270,398)**	(179,192)	**(6,957)**	(9,940)
PROFIT FROM CONTINUING OPERATIONS AFTER TAXATION		**901,713**	434,906	**315,027**	274,636
Discontinued operations					
PROFIT FROM DISCONTINUED OPERATIONS AFTER TAXATION	29(a)	**159,802**	7,471	**-**	-
PROFIT AFTER TAXATION		**1,061,515**	442,377	**315,027**	274,636
ATTRIBUTABLE PROFIT TO:					
Shareholders of the Company					-
- Before fair value adjustment and exceptional items					
Continuing operations		**584,471**	461,864	**315,018**	274,636
Discontinued operations		**(1,855)**	4,593	**-**	-
		582,616	466,457	**315,018**	274,636
- Fair value adjustment of investment properties (net)		**99,940**	(113,488)	**-**	-
- Exceptional items					
Continuing operations		**43,962**	9,033	**9**	-
Discontinued operations		**93,295**	(2,468)	**-**	-
		137,257	6,565	**9**	-
		819,813	359,534	**315,027**	274,636
Non-controlling interests		**241,702**	82,843	**-**	-
		1,061,515	442,377	**315,027**	274,636

		Notes	THE GROUP 2010	THE GROUP 2009
Earnings per share attributable to the shareholders of the Company		11		
Basic	- before fair value adjustment and exceptional items		**41.7 cts**	33.5 cts
	- after fair value adjustment and exceptional items		**58.6 cts**	25.9 cts
Fully diluted	- before fair value adjustment and exceptional items		**41.5 cts**	33.5 cts
	- after fair value adjustment and exceptional items		**58.3 cts**	25.8 cts
Earnings per share from continuing operations attributable to the shareholders of the Company		11		
Basic	- before exceptional items		**41.8 cts**	33.2 cts
	- after exceptional items		**52.1 cts**	25.7 cts
Fully diluted	- before exceptional items		**41.6 cts**	33.2 cts
	- after exceptional items		**51.8 cts**	25.7 cts

The Notes on pages 100 to 193 form an integral part of the Financial Statements.

Statement Of Comprehensive Income

FOR THE YEAR ENDED 30 SEPTEMBER 2010

	THE GROUP		THE COMPANY	
	2010 ($'000)	2009 ($'000)	**2010 ($'000)**	2009 ($'000)
Profit after taxation	**1,061,515**	442,377	**315,027**	274,636
Other comprehensive (expenses)/income:				
Net fair value changes on available-for-sale financial assets	**(39,401)**	113,579	**615**	201
Net fair value changes on cash flow hedges	**4,311**	(20,612)	**-**	-
Currency translation differences	**(88,854)**	(26,561)	**-**	-
Share of other comprehensive income of associated companies	**(67)**	218	**-**	-
Realisation of reserves on disposal of subsidiary companies	**(1,771)**	3,308	**-**	-
Other comprehensive (expenses)/income for the year, net of tax	**(125,782)**	69,932	**615**	201
Total comprehensive income for the year	**935,733**	512,309	**315,642**	274,837
Total comprehensive income attributable to:				
Shareholders of the Company	**734,566**	442,282	**315,642**	274,837
Non-controlling interests	**201,167**	70,027	**-**	-
	935,733	512,309	**315,642**	274,837

Balance Sheet

AS AT 30 SEPTEMBER 2010

	Notes	THE GROUP 2010 ($'000)	THE GROUP 2009 ($'000)	THE COMPANY 2010 ($'000)	THE COMPANY 2009 ($'000)
SHARE CAPITAL AND RESERVES					
Share capital	12	**1,374,502**	1,341,707	**1,374,502**	1,341,707
Reserves	12	**4,768,296**	4,243,017	**2,576,275**	2,470,937
		6,142,798	5,584,724	**3,950,777**	3,812,644
NON-CONTROLLING INTERESTS		**805,661**	1,098,731	**-**	-
		6,948,459	6,683,455	**3,950,777**	3,812,644
Represented by:					
NON-CURRENT ASSETS					
Fixed assets	13	**1,104,216**	1,239,721	**-**	-
Investment properties	14	**2,180,026**	3,444,233	**-**	-
Properties held for development	15	**-**	169,801	**-**	-
Subsidiary companies	16	**-**	-	**3,508,670**	3,544,830
Joint venture companies	17	**89,839**	89,487	**434,421**	434,421
Associated companies	18	**1,355,249**	978,369	**82,383**	82,383
Intangible assets	19	**576,219**	376,680	**-**	-
Brands	23	**74,275**	43,127	**-**	-
Other investments	21	**112,299**	122,713	**9,053**	8,309
Other receivables	26	**61,556**	54,106	**-**	-
Deferred tax assets	33	**25,251**	22,951	**-**	-
		5,578,930	6,541,188	**4,034,527**	4,069,943
CURRENT ASSETS					
Properties held for sale	24	**4,309,185**	4,007,448	**-**	-
Inventories	25	**391,916**	423,507	**-**	-
Trade receivables	26	**1,021,283**	734,167	**-**	-
Other receivables	26	**252,327**	237,096	**809**	2,594
Subsidiary companies	16	**-**	-	**51,057**	85,010
Joint venture companies	17	**6,540**	11,666	**-**	-
Associated companies	18	**10,798**	5,105	**-**	-
Short term investments	28	**214,661**	254,696	**-**	-
Bank fixed deposits	22	**1,274,626**	1,269,499	**47,624**	52,092
Cash and bank balances	22	**424,290**	373,809	**910**	470
		7,905,626	7,316,993	**100,400**	140,166
Assets held for sale	29(b)	**38,262**	9,387	**-**	-
		7,943,888	7,326,380	**100,400**	140,166
Deduct: CURRENT LIABILITIES					
Trade payables	30	**724,740**	681,508	**-**	-
Other payables	30	**764,205**	760,470	**5,256**	5,971
Subsidiary companies	16	**-**	-	**12,986**	26,680
Joint venture companies	17	**6,350**	3,055	**-**	-
Associated companies	18	**954**	1,035	**-**	-
Borrowings	31	**1,908,709**	1,692,726	**-**	199,914
Provision for taxation		**313,775**	298,142	**15,491**	14,609
		3,718,733	3,436,936	**33,733**	247,174
Liabilities held for sale	29(b)	**2,297**	-	**-**	-
		3,721,030	3,436,936	**33,733**	247,174
NET CURRENT ASSETS/(LIABILITIES)		**4,222,858**	3,889,444	**66,667**	(107,008)
Deduct: NON-CURRENT LIABILITIES					
Other payables	30	**3,869**	9,334	**-**	-
Borrowings	31	**2,666,032**	3,608,299	**150,000**	150,000
Provision for employee benefits	32	**25,044**	19,303	**-**	-
Deferred tax liabilities	33	**158,384**	110,241	**417**	291
		2,853,329	3,747,177	**150,417**	150,291
		6,948,459	6,683,455	**3,950,777**	3,812,644

The Notes on pages 100 to 193 form an integral part of the Financial Statements.

Statement Of Changes In Equity

THE GROUP

	Notes	Share Capital ($'000)	Capital Reserve ($'000)	Revenue Reserve ($'000)	Exchange Reserve ($'000)	Fair Value Adjustment Reserve ($'000)	Hedging Reserve ($'000)	Share-based Payment Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)	Non-controlling Interests ($'000)	Total Equity ($'000)
YEAR ENDED 30 SEPTEMBER 2010												
Balance at 1 October 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
Other comprehensive income												
Share of other comprehensive income of associated companies		-	85	(21)	(528)	(42)	272	167	-	(67)	-	(67)
Realisation of reserves on disposal of subsidiary companies		-	(490)	490	(1,771)	-	-	-	-	(1,771)	-	(1,771)
Net fair value changes on derivative financial instruments		-	-	-	-	-	2,785	-	-	2,785	1,526	4,311
Net fair value changes on available-for-sale financial assets		-	-	-	-	(39,401)	-	-	-	(39,401)	-	(39,401)
Currency translation difference		-	-	-	(46,793)	-	-	-	-	(46,793)	(42,061)	(88,854)
Other comprehensive income for the year		-	(405)	469	(49,092)	(39,443)	3,057	167	-	(85,247)	(40,535)	(125,782)
Profit for the year		-	-	819,813	-	-	-	-	-	819,813	241,702	1,061,515
Total comprehensive income for the year		-	(405)	820,282	(49,092)	(39,443)	3,057	167	-	734,566	201,167	935,733
Employee share-based expense		-	-	-	-	-	-	12,441	-	12,441	700	13,141
Issue of shares in the Company upon exercise of share options	12	32,795	-	-	-	-	-	(5,184)	-	27,611	-	27,611
Contribution of capital by non-controlling interests		-	-	-	-	-	-	-	-	-	2,146	2,146
Change of interests in subsidiary and joint venture companies		-	-	83	-	-	-	-	-	83	9,833	9,916
Disposal of subsidiary companies		-	-	-	-	-	-	-	-	-	(407,117)	(407,117)
Dividends	10											
Dividend to non-controlling interests		-	-	-	-	-	-	-	-	-	(99,799)	(99,799)
Dividend to shareholders, paid		-	-	(70,307)	-	-	-	-	(146,320)	(216,627)	-	(216,627)
Dividend to shareholders, proposed		-	-	(168,236)	-	-	-	-	168,236	-	-	-
Balance at 30 September 2010		1,374,502	269,709	4,341,213	(171,716)	138,609	(16,169)	38,414	168,236	6,142,798	805,661	6,948,459

The Notes on pages 100 to 193 form an integral part of the Financial Statements.

Statement Of Changes In Equity

THE GROUP

	Notes	Share Capital ($'000)	Capital Reserve ($'000)	Revenue Reserve ($'000)	Exchange Reserve ($'000)	Fair Value Adjustment Reserve ($'000)	Hedging Reserve ($'000)	Share-based Payment Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)	Non-controlling Interests ($'000)	Total Equity ($'000)
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
Other comprehensive income												
Share of other comprehensive income of associated companies		-	(1,799)	-	2,296	251	(530)	-	-	218	-	218
Realisation of reserves on disposal of subsidiary companies		-	(183)	183	3,308	-	-	-	-	3,308	-	3,308
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		-	-	-	(15,661)	-	-	-	-	(15,661)	(10,900)	(26,561)
Other comprehensive income for the year		-	(1,982)	183	(10,057)	113,830	(19,226)	-	-	82,748	(12,816)	69,932
Profit for the year		-	-	359,534	-	-	-	-	-	359,534	82,843	442,377
Total comprehensive income for the year		-	(1,982)	359,717	(10,057)	113,830	(19,226)	-	-	442,282	70,027	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 non-controlling interests		-	-	-	-	-	-	-	-	-	1,135	1,135
Transfer of distributable reserves by overseas subsidiary companies in compliance with statutory requirements		-	440	(440)	-	-	-	-	-	-	-	-
Change of interests in subsidiary and joint venture companies		-	-	(645)	-	-	-	-	-	(645)	(20,220)	(20,865)
Dividends	10											
Dividend to non-controlling 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 100 to 193 form an integral part of the Financial Statements.

Statement Of Changes In Equity

	Notes	THE COMPANY Share Capital ($'000)	Capital Reserve ($'000)	Revenue Reserve ($'000)	Fair Value Adjustment Reserve ($'000)	Share-based Payment Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)
YEAR ENDED 30 SEPTEMBER 2010								
Balance at 1 October 2009		1,341,707	1,039,274	1,255,444	1,419	28,480	146,320	3,812,644
Other comprehensive income								
Net fair value changes on available-for-sale financial assets		-	-	-	615	-	-	615
Other comprehensive income for the year		-	-	-	615	-	-	615
Profit for the year		-	-	315,027	-	-	-	315,027
Total comprehensive income for the year		-	-	315,027	615	-	-	315,642
Employee share-based expense		-	-	-	-	11,507	-	11,507
Issue of shares in the Company upon exercise of share options	12	32,795	-	-	-	(5,184)	-	27,611
Dividends	10							
Dividend to shareholders, paid		-	-	(70,307)	-	-	(146,320)	(216,627)
Dividend to shareholders, proposed		-	-	(168,236)	-	-	168,236	-
Balance at 30 September 2010		1,374,502	1,039,274	1,331,928	2,034	34,803	168,236	3,950,777
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
Other comprehensive income								
Net fair value changes on available-for-sale financial assets		-	-	-	201	-	-	201
Other comprehensive income for the year		-	-	-	201	-	-	201
Profit for the year		-	-	274,636	-	-	-	274,636
Total comprehensive 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

The Notes on pages 100 to 193 form an integral part of the Financial Statements.

Cash Flow Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2010

	THE GROUP	
	2010 ($'000)	2009 ($'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and exceptional items from continuing operations	**1,129,070**	606,976
(Loss)/Profit before taxation and exceptional items from discontinued operations	**(1,665)**	7,412
Profit before taxation and exceptional items	**1,127,405**	614,388
Adjustments for:		
Depreciation of fixed assets	**129,851**	133,230
Impairment of fixed assets, intangible assets and associated companies	**14,560**	23,967
Impairment reversal of fixed assets and intangible assets	**(1,351)**	(1,534)
Intangible assets written off	**1,048**	-
Provision for employee benefits	**7,702**	4,776
Write back of employee benefits	**(2)**	(961)
Allowance for foreseeable losses in properties held for sale	**15,480**	55,362
Loss on disposal of fixed assets	**3,438**	3,083
Amortisation of brands and intangible assets	**22,155**	28,459
Interest expenses (net)	**60,269**	66,344
Share of joint venture companies' profits	**(15,279)**	(12,731)
Share of associated companies' profits	**(47,600)**	(999)
Investment income	**(18,782)**	(11,682)
Profit on properties held for sale	**(391,469)**	(347,845)
Employee share-based expense	**17,132**	10,187
Fair value adjustments of financial instruments	**8,934**	11,692
Fair value adjustments of investment properties (net)	**(129,411)**	122,597
Loss on disposal of financial instruments	**3,840**	1,971
Operating cash before working capital changes	**807,920**	700,304
Change in inventories	**(2,463)**	29,745
Change in receivables	**(355,377)**	(14,078)
Change in joint venture and associated companies' balances	**614**	(6,713)
Change in payables	**91,134**	33,740
Currency realignment	**29,732**	(8,661)
Cash generated from operations	**571,560**	734,337
Interest expenses paid	**(59,772)**	(76,933)
Income taxes paid	**(219,606)**	(142,176)
Payment of employee benefits	**(1,984)**	(2,606)
Payment of cash-settled options	**(129)**	(559)
Progress payment received/receivable on properties held for sale	**1,632,867**	1,625,303
Development expenditure on properties held for sale	**(1,508,002)**	(959,526)
Net cash from operating activities	**414,934**	1,177,840
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends from joint venture and associated companies	**43,982**	41,870
Investment income	**18,782**	11,682
Proceeds from sale of fixed assets	**4,397**	15,018
Prodeeds from sale of associated companies	**36,342**	-
Proceeds from sale of other and short term investments	**1,869**	6,137
Proceeds from disposal of subsidiary and joint venture companies	**329,637**	155,299
Proceeds from sale of investments properties	**297,798**	-
Purchase of fixed assets and investment properties	**(186,610)**	(368,103)
Purchase of other investments	**-**	(84)
Acquisition of non-controlling interests in subsidiary companies	**(1,691)**	(35,940)
Payment for intangible assets and brands	**(33,794)**	(25,232)
Development expenditure on properties held for development	**(36,697)**	(105,817)
Investments in associated companies and joint venture companies' joint venture	**(15,457)**	(58,604)
Acquisition of joint venture companies and business	**(273,552)**	-
(Additional)/Repayment of trade advances	**(3,892)**	1,663
Net cash from/(used in) investing activities	**181,114**	(362,111)

The Notes on pages 100 to 193 form an integral part of the Financial Statements.

Cash Flow Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2010

	THE GROUP	
	2010 ($'000)	2009 ($'000)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment)/Proceeds from term loans and bank borrowings	**(211,624)**	39,824
Repayment of loan from non-controlling interests	**-**	(1,403)
Proceeds from issue of shares:		
- by subsidiary companies to non-controlling interests	**2,146**	1,135
- by the Company to shareholders	**27,611**	9,731
Payment of dividends:		
- by subsidiary companies to non-controlling interests	**(99,799)**	(87,490)
- by the Company to shareholders	**(216,627)**	(159,813)
Net cash used in financing activities	**(498,293)**	(198,016)
Net increase in cash and cash equivalents	**97,755**	617,713
Cash and cash equivalents at beginning of year	**1,623,910**	1,020,068
Effects of exchange rate changes on cash and cash equivalents	**(26,542)**	(13,871)
Cash and cash equivalents at end of year	**1,695,123**	1,623,910
Cash and cash equivalents at end of year comprise:		
Cash and bank deposits (Note 22)	**1,698,916**	1,643,308
Bank overdrafts (Note 31)	**(3,793)**	(19,398)
	1,695,123	1,623,910
Analysis of acquisition and disposal of subsidiary companies, business and joint venture companies		
Net assets acquired:		
Fixed assets	**53,462**	2,478
Other non-current assets	**19,627**	1,958
Current assets	**54,099**	283
Current liabilities	**(64,448)**	(3,613)
Non-current liabilities	**(6,818)**	-
Non-controlling interests	**(8,942)**	(455)
Cash	**7,775**	-
	54,755	651
Goodwill on acquisition (net)	**226,572**	2,523
Consideration	**281,327**	3,174
Funded by non-controlling interests	**-**	(242)
Cash and cash equivalents of joint venture companies	**(7,775)**	-
Cash injection by joint venture company	**-**	(2,932)
Cash outflow on acquisition net of cash and cash equivalents acquired	**273,552**	-
Net assets disposed:		
Fixed assets	**(185,323)**	(17,784)
Investment properties	**(1,100,000)**	-
Non-current assets	**(67,293)**	-
Current assets	**(114,279)**	(131,929)
Non-current liabilties	**337,075**	-
Current liabilities	**168,423**	32,109
Non-controlling interests	**406,569**	3,273
Cash	**(20,811)**	(13,083)
	(575,639)	(127,414)
Realisation of translation difference	**659**	(2,491)
Provision for cost of disposal	**(69)**	(16,273)
Gain on disposal	**(209,070)**	(22,204)
Reclassification to investment in associated company	**433,671**	-
Consideration received	**(350,448)**	(168,382)
Less: Cash of subsidiary and joint venture companies disposed off	**20,811**	13,083
Cash inflow on disposal net of cash and cash equivalents disposed	**(329,637)**	(155,299)

The Notes on pages 100 to 193 form an integral part of the Financial Statements.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

The following Notes form an integral part of the Financial Statements on pages 92 to 99.

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 are:
(a) production and sale of soft drinks, dairy products, beer and stout;
(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 2010.

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 all new and revised standards and interpretations of FRS that are relevant to the Group:

FRS 1	Presentation of Financial Statement – Revised Presentation
FRS 23 (Revised)	Borrowing Costs
FRS 27 (Amendments)	Consolidated and Separate Financial Statements
FRS 40 (Amendments)	Investment Property
FRS 103 (Revised)	Business Combinations
FRS 107 (Amendments)	Financial Instruments: Disclosures
FRS 108	Operating Segments

Except as set out below, the adoption of all new and revised standards and interpretations of FRS that are relevant to the Group has no material effect on the financial statements of the Group and the Company.

FRS 1 Presentation of Financial Statement – Revised Presentation

The revised FRS 1 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of other comprehensive income. In addition, the standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. The Group has elected to present this statement as two linked statements.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

2. ACCOUNTING POLICIES (cont'd)

2.1 Basis of Preparation (cont'd)

FRS 103 (Revised) Business Combination

The revised FRS 103 introduces a number of changes to the accounting for business combination that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. Please refer to note 2.2 for the revised accounting policy on the Basis of Consolidation.

According to its transitional provisions, the revised FRS 103 is to be applied prospectively. Assets and liabilities that arose from business combinations whose acquisition dates are before 1 October 2009 are not adjusted.

As a result of the adoption of revised FRS 103, transaction costs relating to a joint venture company's acquisition of interests in breweries in Indonesia and New Caledonia of $3.2 million have been recorded in the profit statement.

FRS 27 (Amendments) Consolidated and Separate Financial Statements

The revisions to FRS 27 principally change the accounting for transactions with non-controlling interests. Please refer to note 2.2 for the revised accounting policy on the Basis of Consolidation.

According to its transitional provisions, the revised FRS 27 has been applied prospectively and does not impact the Group's consolidated financial statements in respect of transactions with non-controlling interests, attribution of losses to non-controlling interests, and disposals of subsidiaries before 1 October 2009. The changes will affect future transactions with non-controlling interests.

The financial effects of the adoption of revised FRS 27 relating to the loss of control over Frasers Centrepoint Trust ("FCT"), resulted in the 42.7% retained interest in FCT being recognised at its fair value of $433.7 million with the corresponding gain on disposal of $40.1 million recognised in the profit statement.

Amendments to FRS 40 Investment Property

On 1 October 2009, the Group adopted the amendments to FRS 40 Investment Property which arise from the improvements to FRSs issued in 2008.

The Group has properties that are being constructed for future use as investment properties. Upon the adoption of the amendments to FRS 40, these investment properties under construction are measured at fair value with changes in fair values being recognised in the profit statement when fair value can be determined reliably. Consequently, all investment properties under construction were transferred to investment properties.

This change in accounting policy has been applied prospectively, resulting in a fair value gain on investment properties of $4.7 million, offset by deferred tax expense of $0.8 million in the profit statement.

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 date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. 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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

2. ACCOUNTING POLICIES (cont'd)

2.2 Basis of Consolidation (cont'd)

Acquisitions of subsidiary companies are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary company comprises the fair value of the assets transferred, liabilities incurred, equity interest issued by the Group and any contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any change in the contingent consideration to be paid will be recognised in the profit statement. Acquisitions-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. The accounting policy on goodwill on acquisition of subsidiary companies is included in Note 2.12(b).

In preparing the consolidated financial statements, 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.

The Group elects for each individual business combination, whether non-controlling interests in the acquiree is recognised on the acquisition date at fair value, or at the non-controlling interests proportionate share of the acquiree net identifiable assets.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in the profit statement.

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to revenue reserves if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in the profit statement.

Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income, statement of changes in equity and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

Total comprehensive income is attributed to the non-controlling interests based on their respective interest in a subsidiary, even if this results in the non-controlling interests having a deficit balance. As this change has been implemented prospectively, no adjustments were necessary to any of the amounts previously recognised in the financial statements. Under the previous policy, the allocation of losses to non-controlling interests was capped to their interest in the subsidiary's equity, with the excess allocated to the controlling shareholder. When the subsidiary subsequently made profits, profits were allocated to the non-controlling interests only when the losses previously absorbed by the controlling shareholder were made good.

A change in ownership interest in subsidiary companies that do not result in a change of control is accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests will be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognised directly in equity and attributed to owners of the parent.

A list of the Company's subsidiary companies is shown in Note 44.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

2. ACCOUNTING POLICIES (cont'd)

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 44.

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 carried 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.

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

A list of the Company's associated companies is shown in Note 44.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

2. ACCOUNTING POLICIES (cont'd)

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.

Revenue from sale of goods represents the invoiced value of net sales (including excise duties and net of trade discounts).

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.

Rental income is recognised on a straight line basis over the lease term commencing on the date from which the lessee is entitled to exercise its right to use the leased asset.

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.

2.7 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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

2. ACCOUNTING POLICIES (cont'd)

2.7 Taxation (cont'd)

(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 liabilities are recognised for all temporary differences, except where the deferred tax liabilities arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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, in excess of standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured, otherwise it is recognised as an expense during the financial year in which it is incurred. 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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

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	-	Lease term (ranging from 10 to 60 years)
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

(a) Completed Investment Properties

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

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

Transfers are made to or from completed investment properties only when there is a change in use. For a transfer from completed investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to completed investment property, the property is accounted for in accordance with the accounting policy for fixed assets up to the date of change in use.

Completed investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalized 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 a completed investment property, the difference between the disposal proceeds and the carrying amount is recognised in the profit statement.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

2. ACCOUNTING POLICIES (cont'd)

2.9 Investment Properties (cont'd)

(b) Investment Property Under Construction

Investment properties under construction are initially stated at cost which includes cost of land and construction, related overhead expenditure and financing charges incurred during the period of construction and up to the completion of construction.

Investment properties under construction are considered completed and are transferred to completed investment properties when they are ready for their intended use.

In line with the amendments to FRS 40 Investment Property, investment properties under construction are measured at fair value with the changes in fair values being recognised in the profit statement when fair value can be measured reliably. Investment properties under construction for which fair value cannot be determined reliably is measured at cost less impairment. In accordance with the transitional provisions of FRS 40, the changes in accounting policy has been applied prospectively.

2.10 Properties Held for Development

Properties held for development are stated at cost 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 during the period of construction 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.

In line with the amendments to FRS 40 Investment Property, properties held for development are reclassified to investment properties as investment properties under construction.

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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

2. ACCOUNTING POLICIES (cont'd)

2.12 Intangible Assets (cont'd)

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

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

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

b) Goodwill on acquisition is identified as being the excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree, over the net fair value of the acquiree's identifiable assets and liabilities. In instances where the latter amount exceeds the former, the excess is recognised as a gain in the profit statement on the acquisition date.

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.

For the purpose of impairment testing, positive goodwill on acquisition from the acquisition date 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.

Internally generated goodwill is not capitalised.

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, software, 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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

2. ACCOUNTING POLICIES (cont'd)

2.13 Brands

Brands with finite lives are stated at cost less accumulated amortisation and accumulated impairment losses. They are assessed for impairment annually or whenever there is an indication of impairment. The useful life is also examined on an annual basis and an adjustment, where applicable, is made on a prospective basis. Amortisation is calculated to write off their cost over their estimated useful lives of up to 15 years on a straight-line method to the profit statement.

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 indefinite useful life is reviewed annually to determine whether it continues to be supportable. If not, the change in the useful life from indefinite to finite is made on a prospective basis. The brand is tested for impairment annually or more frequently when indicators of impairment are identified either individually or at the CGU level.

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 less allowance for foreseeable losses. The cost includes cost of land and construction, related overhead expenditure and financing charges incurred during the period of construction and up to the completion of construction.

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

Developments are considered complete upon the issue of Temporary Occupation Permit. When completed, development properties held for sale are transferred to completed properties held for sale.

Profit on development properties held for sale is recognised on partly completed projects which have been sold and is based on the percentage of completion and of sales method. The percentage of completion is deemed to be the construction and related overhead costs incurred to the balance sheet date divided by the expected construction and related 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 properties held for sale represents the proportion of sales proceeds of the actual floor area sold to the balance sheet date based on the percentage of completion.

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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

2. ACCOUNTING POLICIES (cont'd)

2.15 Inventories

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

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

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

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

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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

2. ACCOUNTING POLICIES (cont'd)

2.19 Employee Benefits

(a) Retirement Benefits

Provision for retirement benefits is made in accordance with:

(i) the terms of agreements concluded 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 which requires contribution to be made to a separately administrated fund. The cost of providing benefits under the schemes are 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.

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.

2. ACCOUNTING POLICIES (cont'd)

2.19 Employee Benefits (cont'd)

(b) Share Options (cont'd)

(ii) Cash-settled transactions

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

(c) Accrued Annual Leave

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

2.20 Functional and Foreign Currencies

(a) Functional currency

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

(b) Foreign currency transactions

Foreign currency transactions are recorded in the functional currencies of the Company and the respective subsidiary companies at rates of exchange approximating those ruling at transaction date. Foreign currency monetary assets and liabilities at the balance sheet date are translated at the rates ruling at that date. Exchange differences are dealt with in the profit statement except where exchange differences arise on foreign currency monetary items that in substance form part of the Group's net investment in the foreign entity. These exchange differences are taken to exchange reserve as a separate component of the shareholders' funds until the disposal of the net investment at which time they are recognised in the profit statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined.

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

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

(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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

2. ACCOUNTING POLICIES (cont'd)

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.

2.23 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 or CGU 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.

Notes To The Financial Statements

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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

2. ACCOUNTING POLICIES (cont'd)

2.25 Financial Assets (cont'd)

(d) Subsequent Measurement

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

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

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

(e) Determinaton of Fair Value

The fair 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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

2. ACCOUNTING POLICIES (cont'd)

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.

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.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the profit statement.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

2. ACCOUNTING POLICIES (cont'd)

2.27 Significant Accounting Estimates and Judgements

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

(a) Key Sources of Estimation Uncertainty

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

(i) Impairment of 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 realizable value has fallen below cost. In arriving at estimates of net realizable 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, brands and management contracts 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 on 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.

Notes To The Financial Statements

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 Completed Investment Properties

The Group's completed 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 completed 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 realization of these completed investment properties could differ from the estimates set forth in these financial statements, and the differences could be significant.

(vi) Valuation of Investment Properties Under Construction

The Group's investment properties under construction are stated at fair value if it can be reliably determined. If fair value cannot be reliably determined, then investment properties under construction is recorded at cost. The fair value of investment properties under construction is determined using either the Discounted Cash Flow Method or the Residual Method. However, using either method to value investment properties under construction also requires considering the significant risks which are relevant to the development process, including but not limited to construction and letting risks.

(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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

2. ACCOUNTING POLICIES (cont'd)

2.28 Discontinued Operations and 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. 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. This condition is regarded as met only when the sale is highly probable and the asset or component is available for immediate sale in its present condition.

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 not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in the profit statement.

Any impairment loss on initial classification and subsequent measurement is recognised as expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in the profit statement.

In the profit statement of the current reporting period, and of the comparative period, all income and expenses from discontinued operations are reported separate from income and expenses from continuing activities.

3. REVENUE

	THE GROUP		THE COMPANY	
	2010 ($'000)	2009 ($'000) (Restated)	**2010 ($'000)**	2009 ($'000)
Sale of properties	**1,619,675**	1,486,954	**-**	-
Sale of goods	**3,562,593**	3,091,415	**-**	-
Sale of services	**229,407**	176,521	**-**	-
Gross rental income	**252,428**	326,024	**-**	-
Others	**32,674**	65,420	**5,029**	4,458
Total revenue	**5,696,777**	5,146,334	**5,029**	4,458

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS

	THE GROUP		THE COMPANY	
	2010 ($'000)	2009 ($'000) (Restated)	**2010 ($'000)**	2009 ($'000)
(a) Included in Other Income (net):				
Provision written back on receipt of land premium rebate	**12,410**	-	**-**	-
Loss on disposal of derivatives	**(3,840)**	(1,971)	**-**	-
Fair value loss on derivatives	**(6,988)**	(10,049)	**-**	-
Exchange gain	**4,595**	10,278	**954**	226
Rental income	**1,580**	4,666	**-**	-
Sale of non-stock/scrap items	**1,503**	1,632	**-**	-
Loss on disposal of fixed assets	**(1,936)**	(1,936)	**-**	-
Job credit allowance	**2,473**	6,046	**-**	-
(b) Net Interest Expense:				
Interest income				
Subsidiary companies	**-**	-	**2,754**	2,889
Bank and other deposits	**20,531**	15,741	**150**	131
Interest rate swap contracts	**1,330**	2,757	**627**	2,757
Others	**6,304**	3,478	**183**	-
	28,165	21,976	**3,714**	5,777
Interest expense				
Bank and other borrowings	**(87,045)**	(78,841)	**(11,405)**	(13,708)
Interest rate swap contracts	**(3,276)**	(4,400)	**-**	-
Others	**(177)**	(454)	**-**	-
	(90,498)	(83,695)	**(11,405)**	(13,708)
	(62,333)	(61,719)	**(7,691)**	(7,931)

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

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

	THE GROUP			
	2010		2009	
	Gross ($'000)	**Attributable to shareholders of the Company ($'000)**	Gross ($'000)	Attributable to shareholders of the Company ($'000)
Subsidiary companies	**112,514**	**85,121**	(77,159)	(66,505)
Joint venture and associated companies	**16,897**	**14,819**	(45,438)	(46,983)
	129,411	**99,940**	(122,597)	(113,488)

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

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

	THE GROUP		THE COMPANY	
	2010 ($'000)	2009 ($'000) (Restated)	**2010 ($'000)**	2009 ($'000)
(d) Profit before taxation and exceptional items have been arrived at after charging:				
Depreciation of fixed assets	**115,245**	108,908	**-**	-
Impairment of fixed assets	**5,196**	3,571	**-**	-
Impairment of investment in associated companies	**9,000**	7,292	**-**	-
Impairment of brands	**-**	2,560	**-**	-
Impairment of intangible assets	**300**	8,804	**-**	-
Allowance for foreseeable losses on properties held for sale	**15,480**	55,362	**-**	-
Amortisation of brands	**49**	421	**-**	-
Amortisation of intangible assets	**22,017**	27,806	**-**	-
Intangible assets written off	**1,048**	1,740	**-**	-
Allowance for doubtful trade debts and bad debts	**3,932**	6,415	**-**	-
Allowance for doubtful other receivables	**-**	15,849	**-**	-
Allowance for inventory obsolescence	**734**	14,520	**-**	-
Provision for employee benefits	**7,584**	2,818	**-**	-
Directors of the Company:				
Fee	**1,996**	2,109	**1,763**	1,833
Remuneration of members of Board committees	**348**	354	**348**	354
Resigned/Retired Directors of the Company:				
Fee	**134**	24	**73**	24
Remuneration of members of Board committees	**18**	24	**18**	24
Key executive officers:				
Remuneration	**7,125**	6,678	**-**	-
Provident Fund contribution	**22**	23	**-**	-
Share option expense	**2,526**	1,826	**-**	-
Staff costs (exclude directors and key executives)	**377,607**	357,215	**-**	-
Defined contribution plans (exclude directors and key executives)	**20,776**	24,316	**-**	-
Share option expense (exclude directors and key executives)	**14,606**	8,253	**3,065**	704
Auditors' remuneration:				
Auditor of the Company	**1,200**	769	**99**	142
Other auditors	**1,895**	2,123	**-**	-
Professional fees paid to:				
Auditor of the Company	**204**	126	**22**	2
Other auditors	**2,183**	421	**211**	-
and crediting:				
Write back of provision for employee benefits	**2**	148	**-**	-
Write back of allowance for doubtful trade debts and bad debts	**2,091**	3,279	**-**	-
Reversal of impairment of fixed assets	**1,351**	1,286	**-**	-
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 segments are namely soft drinks, dairies, breweries, printing and publishing, investment property, development property and others. The Group operates in six main geographical areas, namely Singapore, Malaysia, Rest of South East Asia, Other Asia, South Pacific, and Europe and USA.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

5. SEGMENT INFORMATION (cont'd)

Year ended 30 September 2010

The following table presents financial information regarding operating segments:

Operating Segment	Soft Drinks ($'000)	Dairies ($'000)	Breweries ($'000)	Printing & Publishing ($'000)	Investment Property ($'000)	Development Property ($'000)	Others ($'000)	Elimination ($'000)	Total for Continuing Operations ($'000)
Revenue - external	669,494	1,018,788	1,621,085	410,466	285,920	1,629,089	61,935	-	5,696,777
Revenue - inter-segment	-	136	-	299	4,905	-	225,166	(230,506)	-
Total revenue	**669,494**	**1,018,924**	**1,621,085**	**410,765**	**290,825**	**1,629,089**	**287,101**	**(230,506)**	**5,696,777**
Subsidiary companies	81,820	75,187	287,699	17,910	140,965	404,815	(283)	-	1,008,113
Joint venture and associated companies	-	(3,891)	15,749	10,643	37,738	2,640	-	-	62,879
PBIT	**81,820**	**71,296**	**303,448**	**28,553**	**178,703**	**407,455**	**(283)**	**-**	**1,070,992**
Interest income									28,165
Interest expense									(90,498)
Profit before taxation and exceptional items									**1,008,659**
Impairment on investments									(9,000)
Fair value adjustment of investment properties (net)									129,411
Exceptional items									43,041
Profit before taxation									**1,172,111**
Taxation									(270,398)
Profit from continuing operations after taxation									**901,713**
Profit from discontinued operations after taxation									**159,802**
Profit after taxation									**1,061,515**
Non-controlling interests									(241,702)
Attributable profit									**819,813**
Assets	304,650	519,484	1,232,145	511,383	2,412,125	4,829,029	544,747	-	10,353,563
Investments in associated and joint venture companies	-	22,048	152,690	224,813	998,460	42,981	4,096	-	1,445,088
Tax assets									25,251
Bank deposits & cash balances									1,698,916
Total assets									**13,522,818**
Liabilities	166,136	168,301	331,595	123,982	52,829	431,151	253,465	-	1,527,459
Tax liabilities									472,159
Borrowings									4,574,741
Total liabilities									**6,574,359**
Other segment information:									
Capital expenditure	34,859	41,554	90,653	24,864	12,064	9,943	2,648	-	216,585
Depreciation & amortisation	14,285	22,786	48,953	41,232	3,483	104	6,468	-	137,311
Impairment and foreseeable losses	980	10,133	3,085	299	-	15,478	-	-	29,975
Negative goodwill	-	-	-	-	(6,980)	-	-	-	(6,980)
Reversal of impairment losses	(862)	(399)	(90)	-	-	-	-	-	(1,351)
Attributable profit from continuing operations before fair value adjustment and exceptional items	35,949	22,449	121,441	19,084	98,715	305,699	(18,866)	-	584,471
Fair value adjustment of investment properties (net)	-	-	-	340	99,600	-	-	-	99,940
Exceptional items	-	1,337	(102)	(8,895)	47,119	7,480	(2,977)	-	43,962
Attributable profit from continuing operations	35,949	23,786	121,339	10,529	245,434	313,179	(21,843)	-	728,373
Attributable profit from discontinued operations									91,440
Total Attributable profit									**819,813**

The following information are based on the geographical location of the Group's customers, which are essentially in the same location as the business operation and are as follow:

Geographical Information	Singapore ($'000)	Malaysia ($'000)	Rest of South East Asia ($'000)	Other Asia ($'000)	South Pacific ($'000)	Europe & USA ($'000)	Total for Continuing Operations ($'000)
Total revenue	2,055,162	1,183,166	1,182,414	593,775	634,796	47,464	5,696,777
PBIT	491,422	146,582	242,250	108,990	95,466	(13,718)	1,070,992
Non-current assets	1,925,187	320,722	744,550	628,567	351,873	137,692	4,108,591
Investments in associated and joint venture companies	956,279	30,946	64,347	265,658	81,626	46,232	1,445,088
Current assets	3,078,848	361,636	509,778	790,947	1,202,301	301,462	6,244,972
Capital expenditure	28,809	57,488	63,389	30,237	32,282	4,380	216,585

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

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FOR THE YEAR ENDED 30 SEPTEMBER 2010

5. SEGMENT INFORMATION (cont'd)

Year ended 30 September 2009

The following table presents financial information regarding operating segments:

Operating Segment	Soft Drinks ($'000)	Dairies ($'000)	Breweries ($'000)	Printing & Publishing ($'000)	Glass Containers ($'000)	Investment Property ($'000)	Development Property ($'000)	Others ($'000)	Elimination ($'000)	Total for Continuing Operations ($'000)
Revenue - external	542,154	977,857	1,330,310	417,123	-	334,836	1,503,735	40,319	-	5,146,334
Revenue - inter-segment	-	62	-	306	-	4,874	-	202,764	(208,006)	-
Total revenue	**542,154**	**977,919**	**1,330,310**	**417,429**	**-**	**339,710**	**1,503,735**	**243,083**	**(208,006)**	**5,146,334**
Subsidiary companies	60,467	63,315	200,855	(3,490)	-	190,460	264,369	8,878	-	784,854
Joint venture and associated companies	-	(2,192)	10,840	2,647	-	(2,939)	5,374	-	-	13,730
PBIT	**60,467**	**61,123**	**211,695**	**(843)**	**-**	**187,521**	**269,743**	**8,878**	**-**	**798,584**
Interest income										21,976
Interest expense										(83,695)
Profit before taxation and exceptional items										**736,865**
Impairment on investments										(7,292)
Fair value adjustment of investment properties (net)										(122,597)
Exceptional items										7,122
Profit before taxation										**614,098**
Taxation										(179,192)
Profit from continuing operations after taxation										**434,906**
Profit from discontinued operations after taxation										**7,471**
Profit after taxation										**442,377**
Non-controlling interests										(82,843)
Attributable profit										**359,534**
Assets	255,606	472,102	946,668	517,853	275,029	3,757,647	4,326,079	582,469	-	11,133,453
Investments in associated and joint venture companies	-	35,878	152,164	216,839	-	623,814	39,161	-	-	1,067,856
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	44,264	49,356	-	3,046	168	6,376	-	137,135
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)	-	-	-	(99)	-	(1,474)
Attributable profit from continuing operations before fair value adjustment and exceptional items	23,842	23,520	81,267	(729)	-	94,493	231,252	8,219	-	461,864
Fair value adjustment of investment properties (net)	-	-	-	(1,294)	-	(112,194)	-	-	-	(113,488)
Exceptional items	(1,691)	(8,085)	5,713	(9,961)	-	21,974	18,225	(17,142)	-	9,033
Attributable profit from continuing operation	22,151	15,435	86,980	(11,984)	-	4,273	249,477	(8,923)	-	357,409
Attributable profit from discontinued operations										2,125
Total Attributable profit										359,534

The following information are based on the geographical location of the Group's customers, which are essentially in the same location as the business operation and are as follow:

Geographical Information	Singapore ($'000)	Malaysia ($'000)	Rest of South East Asia ($'000)	Other Asia ($'000)	South Pacific ($'000)	Europe & USA ($'000)	Total for Continuing Operations ($'000)
Total revenue	1,940,845	1,028,607	944,628	606,236	556,545	69,473	5,146,334
PBIT	497,427	108,471	174,352	64,515	64,202	(110,383)	798,584
Non-current assets	3,408,789	334,506	624,474	709,750	230,073	142,789	5,450,381
Investments in associated and joint venture companies	528,252	79,905	62,818	278,626	73,516	44,739	1,067,856
Current assets	2,090,894	359,349	570,555	988,218	1,278,158	395,898	5,683,072
Capital expenditure	173,064	38,804	109,675	29,207	27,897	14,575	393,222

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

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FOR THE YEAR ENDED 30 SEPTEMBER 2010

	THE GROUP		THE COMPANY	
	2010 ($'000)	2009 ($'000)	**2010 ($'000)**	2009 ($'000)

6. GROSS DIVIDENDS FROM SUBSIDIARY AND JOINT VENTURE COMPANIES

	THE GROUP 2010	THE GROUP 2009	THE COMPANY 2010	THE COMPANY 2009
Quoted subsidiary companies			**43,602**	39,997
Quoted joint venture company			**6,001**	6,001
Unquoted subsidiary companies			**266,460**	230,793
Unquoted joint venture companies			**14,443**	16,342
			330,506	293,133

7. GROSS INCOME FROM INVESTMENTS

	THE GROUP 2010	THE GROUP 2009	THE COMPANY 2010	THE COMPANY 2009
Interest income	**2,767**	3,143	**255**	255
Dividend income	**16,015**	8,539	**164**	170
	18,782	11,682	**419**	425

8. EXCEPTIONAL ITEMS

	THE GROUP 2010	THE GROUP 2009	THE COMPANY 2010	THE COMPANY 2009
Write back/(Provision) for impairment in value of investments	**301**	(27,387)	**-**	-
Gain on disposal of subsidiary and joint venture companies	**3,350**	30,529	**9**	-
Gain on dilution of interest in a subsidiary company to an associated company	**40,139**	-	**-**	-
Loss on change in interest in subsidiary and associated companies	**-**	(6,029)	**-**	-
Profit/(Loss) on disposal of properties	**696**	(3,336)	**-**	-
Provision for impairment of assets held for sale	**-**	(4,109)	**-**	-
Share of exceptional items of an associated company	**-**	1,054	**-**	-
Provision for restructuring and re-organisation costs of operations	**(8,286)**	(17,771)	**-**	-
Profit on disposal of other investment	**-**	270	**-**	-
Provision for professional fee	**(139)**	(206)	**-**	-
Negative goodwill on change in interest in associated companies	**6,980**	28,162	**-**	-
Compensation fee	**-**	5,945	**-**	-
	43,041	7,122	**9**	-

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

9. TAXATION

	THE GROUP		THE COMPANY	
	2010 ($'000)	2009 ($'000)	**2010 ($'000)**	2009 ($'000)
Based on profit for the year:				
Singapore tax	**98,691**	83,042	**1,980**	1,484
Overseas tax				
- current year	**134,377**	111,807	**4,764**	9,999
- withholding tax	**13,979**	10,326	**213**	198
Deferred tax				
- current year	**31,589**	(8,179)	**-**	-
- adjustment of tax rate	**-**	(2,849)	**-**	-
	278,636	194,147	**6,957**	11,681
(Over)/Under provision in preceding years				
- current income tax	**(14,444)**	(5,340)	**-**	(1,741)
- deferred tax	**6,206**	(9,615)	**-**	-
	270,398	179,192	**6,957**	9,940

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	
	2010 %	2009 %	**2010 %**	2009 %
Singapore statutory rate	**17.0**	17.0	**17.0**	17.0
Effect of different tax rates of other countries	**4.1**	4.3	**0.5**	1.1
Effect of tax losses of subsidiary and joint venture companies not available for set-off against profits of other companies within the group	**0.8**	4.5	**-**	-
Income not subject to tax (tax incentive/exemption)	**(3.0)**	(3.0)	**(16.5)**	(15.2)
Expenses not deductible for tax purposes	**3.7**	5.8	**1.1**	1.2
Utilisation of previously unrecognised tax losses in determining taxable profit	**(0.3)**	(1.2)	**-**	-
Over provision in prior years	**(0.7)**	(2.4)	**-**	(0.6)
Adjustment due to change in tax rate	**-**	(0.4)	**-**	-
Tax effect of fair value adjustments	**(0.3)**	2.3	**-**	-
Other reconciliation items	**1.8**	2.3	**0.1**	-
	23.1	29.2	**2.2**	3.5

As at 30 September 2010, certain Singapore subsidiary companies have unutilised tax losses carried forward of approximately $34,619,000 (2009: $35,914,000), unutilised investment allowances of approximately $672,000 (2009: $4,579,000) and unabsorbed capital allowances of $342,000 (2009: $314,000) available for set off against future profits. In addition, certain overseas subsidiary companies have unutilised tax losses carried forward of approximately $317,271,000 (2009: $337,906,000), unutilised investment allowances of approximately $26,037,000 (2009: $23,416,000) and unabsorbed capital allowances of $20,019,000 (2009: $28,918,000). 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") 2010 certain subsidiaries have transferred loss items of $15,800,000 (YA 2009: $7,061,000) to offset against the taxable income of other companies in the Group. Tax benefits of $NIL (YA 2009: $2,807,000) were recognised on the tax losses utilised under the group relief systems. Tax benefits of $4,628,000 (YA 2009: $1,942,000) 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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

10. DIVIDENDS

	THE GROUP & THE COMPANY	
	2010 ($'000)	2009 ($'000)
Interim paid of 5.0 cents per share (2009: 3.0 cents per share)	**70,307**	41,694
Final proposed of 12.0 cents per share (2009: 10.5 cents per share)	**168,236**	146,320
	238,543	188,014

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					
	Continuing Operations		Discontinued Operations		Total	
	2010 ($'000)	2009 ($'000)	**2010 ($'000)**	2009 ($'000)	**2010 ($'000)**	2009 ($'000)
Group attributable profit to shareholders of the Company						
- before fair value adjustment and exceptional items	**584,471**	461,864	**(1,855)**	4,593	**582,616**	466,457
- after fair value adjustment and exceptional items	**728,373**	357,409	**91,440**	2,125	**819,813**	359,534
	— No. of shares —					
Weighted average number of ordinary shares in issue	**1,397,645,606**	1,390,571,720	**1,397,645,606**	1,390,571,720	**1,397,645,606**	1,390,571,720
Earnings Per Share (Basic)						
- before fair value adjustment and exceptional items	**41.8 cts**	33.2 cts	**(0.1) cts**	0.3 cts	**41.7 cts**	33.5 cts
- after fair value adjustment and exceptional items	**52.1 cts**	25.7 cts	**6.5 cts**	0.2 cts	**58.6 cts**	25.9 cts

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

11. EARNINGS PER SHARE (cont'd)

(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					
	Continuing Operations		Discontinued Operations		Total	
	2010 ($'000)	2009 ($'000)	**2010 ($'000)**	2009 ($'000)	**2010 ($'000)**	2009 ($'000)
Group attributable profit to shareholders of the Company before fair value adjustment and exceptional items	**584,471**	461,864	**(1,855)**	4,593	**582,616**	466,457
Change in attributable profit due to dilutive share options	**(372)**	(261)	**(5)**	(39)	**(377)**	(300)
Group attributable profit to shareholders of the Company before fair value adjustment and exceptional items	**584,099**	461,603	**(1,860)**	4,554	**582,239**	466,157
Group attributable profit to shareholders of the Company after fair value adjustment and exceptional items	**728,373**	357,409	**91,440**	2,125	**819,813**	359,534
Change in attributable profit due to dilutive share options	**(372)**	(242)	**(360)**	(32)	**(732)**	(274)
Group adjusted attributable profit to shareholders of the Company after fair value adjustment and exceptional items	**728,001**	357,167	**91,080**	2,093	**819,081**	359,260

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

	— No. of shares —					
Weighted average number of ordinary shares used to compute the basic earnings per share	**1,397,645,606**	1,390,571,720	**1,397,645,606**	1,390,571,720	**1,397,645,606**	1,390,571,720
Effect of dilutive share options	**7,814,066**	1,259,808	**7,814,066**	1,259,808	**7,814,066**	1,259,808
Weighted average number of ordinary shares used to compute diluted earnings per share	**1,405,459,672**	1,391,831,528	**1,405,459,672**	1,391,831,528	**1,405,459,672**	1,391,831,528
Earnings Per Share (Fully diluted)						
- before fair value adjustment and exceptional items	**41.6 cts**	33.2 cts	**(0.1) cts**	0.3 cts	**41.5 cts**	33.5 cts
- after fair value adjustment and exceptional items	**51.8 cts**	25.7 cts	**6.5 cts**	0.1 cts	**58.3 cts**	25.8 cts

10,127,766 (2009: 41,881,340) 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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

12. SHARE CAPITAL AND RESERVES

	THE GROUP & THE COMPANY			
	2010		2009	
	No. of shares	**($'000)**	No. of shares	($'000)
SHARE CAPITAL				
Ordinary shares issued and fully paid up				
Balance at beginning of year	**1,393,520,235**	**1,341,707**	1,389,632,895	1,330,297
Issued during the year				
- pursuant to the exercise of Executives' Share Options	**8,442,961**	**32,795**	3,887,340	11,410
Balance at end of year	**1,401,963,196**	**1,374,502**	1,393,520,235	1,341,707

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 the following employee share option plan and share plans under which options to subscribe for the Company's ordinary shares and share award conditional on the achievement of pre-determined target has been granted respectively.

(i) Fraser & Neave Limited Executives' Share Option Scheme (1999)
(ii) Fraser & Neave Limited Restricted Share Plan
(iii) Fraser & Neave Limited Performance Share Plan

During the year, the consideration received following the exercise of Executives' Share Options was $32,795,000 (2009: $11,410,000).

	THE GROUP		THE COMPANY	
	2010 ($'000)	2009 ($'000)	**2010 ($'000)**	2009 ($'000)
RESERVES				
The reserves comprise the following:				
Capital Reserve	**269,709**	270,114	**1,039,274**	1,039,274
Fair Value Adjustment Reserve	**138,609**	178,052	**2,034**	1,419
Hedging Reserve	**(16,169)**	(19,226)	**-**	-
Share-based Payment Reserve	**38,414**	30,990	**34,803**	28,480
Revenue Reserve	**4,341,213**	3,759,391	**1,331,928**	1,255,444
Dividend Reserve	**168,236**	146,320	**168,236**	146,320
Exchange Reserve	**(171,716)**	(122,624)	**-**	-
Total reserves	**4,768,296**	4,243,017	**2,576,275**	2,470,937

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-based payment reserve represents the equity-settled options and share plans 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 and share plans.

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 12.0 cents (2009: 10.5 cents) per share.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

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 2010								
At cost/valuation								
Balance at beginning of year		59,310	89,861	396,988	1,341,881	145,019	378,073	2,411,132
Currency realignment		1,424	(1,291)	(8,833)	(23,884)	(2,404)	(417)	(35,405)
Acquisition of business assets		-	-	-	-	-	82	82
Additions		18	-	902	14,310	114,364	48,424	178,018
Acquisition of joint venture companies		1,468	728	20,311	24,872	2,716	3,285	53,380
Disposal of subsidiary company		(6,620)	(2,859)	(24,338)	(261,740)	(10,010)	(6,127)	(311,694)
Disposal of joint venture companies		(1,055)	(137)	(5,633)	(16,826)	(481)	(435)	(24,567)
Disposals		(16)	-	(267)	(28,430)	-	(35,362)	(64,075)
Reclassification		-	7,758	56,896	73,038	(146,753)	9,061	-
Reclassified to assets held for sale	29(b)	-	(12,570)	-	(25,048)	-	(1,468)	(39,086)
Reclassification to debtors		-	(1,281)	-	-	-	-	(1,281)
Balance at end of year		54,529	80,209	436,026	1,098,173	102,451	395,116	2,166,504
Analysis of cost/valuation								
At cost		30,323	70,207	414,899	1,092,081	102,451	395,116	2,105,077
At directors valuation 1983		1,085	-	-	-	-	-	1,085
At directors valuation 1988		-	-	2,383	6,092	-	-	8,475
At directors valuation 1996		23,121	10,002	18,744	-	-	-	51,867
		54,529	80,209	436,026	1,098,173	102,451	395,116	2,166,504
Accumulated depreciation and impairment								
Balance at beginning of year		950	24,586	135,200	764,378	-	246,297	1,171,411
Currency realignment		41	(724)	(3,153)	(11,057)	-	346	(14,547)
Depreciation charge for the year								
- Continuing operations		-	1,648	12,442	59,674	-	41,481	115,245
- Discontinued operations		-	-	451	13,885	-	270	14,606
Impairment charge for the year								
- Continuing operations		-	-	468	3,805	-	923	5,196
- Discontinued operations		-	-	-	64	-	-	64
Impairment reversal for the year		-	-	-	(1,059)	-	(292)	(1,351)
Disposal of subsidiary companies		-	(2,860)	(9,007)	(129,338)	-	(5,349)	(146,554)
Disposal of joint venture companies		-	-	(698)	(3,477)	-	(209)	(4,384)
Disposals		-	-	(237)	(24,517)	-	(31,486)	(56,240)
Reclassification		-	-	1,500	(1,304)	-	(196)	-
Reclassified to assets held for sale	29(b)	-	(1,375)	(2,805)	(15,775)	-	(1,203)	(21,158)
Balance at end of year		991	21,275	134,161	655,279	-	250,582	1,062,288
Net book value at end of year		**53,538**	**58,934**	**301,865**	**442,894**	**102,451**	**144,534**	**1,104,216**

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FOR THE YEAR ENDED 30 SEPTEMBER 2010

13. GROUP FIXED ASSETS (cont'd)

	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
Disposal 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(b)	-	(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)	(968)	-	(1,863)	(4,743)
Depreciation charge for the year								
- Continuing operations		-	2,136	11,134	57,853	-	37,785	108,908
- Discontinued operations		-	-	816	23,001	-	505	24,322
Impairment charge for the year		-	404	2,146	4,428	-	702	7,680
Impairment reversal for the year								
- Continuing operations		-	(5)	(136)	(731)	-	(414)	(1,286)
- Discontinued operations		-	-	-	(60)	-	-	(60)
Disposal 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(b)	-	(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

(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.

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FOR THE YEAR ENDED 30 SEPTEMBER 2010

13. GROUP FIXED ASSETS (cont'd)

(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 2010	23,122	7,415	13,245	-	-	-	43,782
At 30 September 2009	22,343	7,211	13,235	-	-	-	42,789

(d) Additions in the consolidated financial statements include $NIL (2009: $216,000 of Other Assets) acquired under finance leases. The carrying amount of assets held under finance leases at 30 September 2010 amounted to $771,000 (2009: $2,805,000).

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

	2010 ($'000)	2009 ($'000)
Plant and machinery	**2,098**	76,393
Building	**783**	10,759
Freehold and leasehold land	**35**	4,384
Capital work-in-progress	**-**	7
Other fixed assets	**159**	99

14. GROUP INVESTMENT PROPERTIES

		2010 ($'000)	2009 ($'000)
(a)	Completed Investment Properties		
	Balance at beginning of year	**3,444,233**	3,558,922
	Currency realignment	**(36,368)**	(13,065)
	Subsequent expenditure	**8,592**	159,765
	Disposals	**(297,101)**	(334,226)
	Net fair value gain/(loss) recognised in the profit statement	**112,513**	(72,659)
	Transfer from properties held for development	**-**	105,383
	Transfer from properties held for sale	**-**	44,896
	Transfer to fixed assets	**-**	(4,783)
	Dilution of interest in a subsidiary to an associated company	**(1,100,000)**	-
	Balance at end of year	**2,131,869**	3,444,233
(b)	Investment Properties under Construction		
	Balance at beginning of year	**-**	-
	Transfer from properties held for development	**43,488**	-
	Fair value gain recognised in the profit statement	**4,669**	-
	Balance at end of year	**48,157**	-
	Total Investment Properties	**2,180,026**	3,444,233
	At Valuation:		
	Freehold properties	**880,980**	915,287
	Leasehold properties	**1,299,046**	2,528,946
		2,180,026	3,444,233

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FOR THE YEAR ENDED 30 SEPTEMBER 2010

14. GROUP INVESTMENT PROPERTIES (cont'd)

(c) Completed 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:

	2010 ($'000)	2009 ($'000)
Rental income from investment properties:		
- Minimum lease payments	**249,750**	318,172
- Contingent rent based on tenants' turnover	**2,678**	7,852
Direct operating expenses arising from rental generating properties	**117,953**	109,741

Investment properties are carried at fair values at the balance sheet date as determined annually by accredited 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.

Independent professional valuations were carried out by the following valuers:

Valuers	Valuation Date
DTZ Debenham Tie Leung (SEA) Pte Ltd	September 2010
DTZ Debenham Tie Leung Limited	September 2010
Drivers Jonas Deloitte	September 2010
BEM Property Consultants Pty Limited	September 2010
Asian Appraisal Company, Inc.	September 2010
DTZ Debenham Tie Leung (Vietnam) Co.	September 2010
CB Richard Ellis Hotels Limited	September 2010

Investment properties amounting to $113,611,000 (2009: $114,167,000) are secured for credit facilities with a bank for which certain convenants were breached as at 30 September 2010 (Note 16(h)).

(d) Investment properties under construction are stated at fair value which has been determined based on valuation performed as at 30 September 2010. The fair value of the investment properties under construction has been determined on a market value basis in accordance with International Valuation Standards Council. The valuation is prepared on an ungeared basis. The fair value of investment properties under construction is determined using Residual Method. In arriving at their estimates of market value, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

The valuations were performed by CKS Property Consultants Pte Ltd, an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of investment properties being valued.

15. GROUP PROPERTIES HELD FOR DEVELOPMENT

	2010 ($'000)	2009 ($'000)
Properties held for development comprise:		
Freehold land, at cost	**3,963**	3,599
Leasehold land, at cost	**23,331**	116,141
Building	**10,330**	8,453
Development costs	**4,544**	40,459
Interest cost	**1,085**	300
Property tax	**235**	849
	43,488	169,801
Transfer to investment properties	**(43,488)**	-
	-	169,801

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

16. SUBSIDIARY COMPANIES

	THE COMPANY	
	2010 ($'000)	2009 ($'000)
Quoted shares at cost	**256,844**	257,848
Unquoted shares at cost	**2,920,943**	2,924,143
	3,177,787	3,181,991
Amounts owing by subsidiary companies (unsecured)	**435,377**	387,057
Amounts owing to subsidiary companies (unsecured)	**(104,494)**	(24,218)
	3,508,670	3,544,830
MARKET VALUE		
Quoted shares	**1,253,496**	859,319

The Company's investments in subsidiary companies include an interest in 57.0% (2009: 57.4%) 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 $434,365,000 (2009: $386,050,000) which bear interest at an average rate of 0.43% (2009: 0.91%) 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 Hospitality Japan Kabushiki Kaisha	Japan	100.0	16 October 2009
Fraser Putney Pty Limited	Australia	75.0	14 January 2010
FCL Compassvale Pte. Ltd	Singapore	80.0	30 April 2010
FCL Topaz Pte. Ltd	Singapore	100.0	9 June 2010
FCL Crystal Pte. Ltd	Signapore	100.0	10 June 2010
FCL Emerald Star Pte. Ltd	Singapore	100.0	22 June 2010
Vibrant Asset Sdn Bhd	Malaysia	57.0	4 May 2010

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

Dairies

On 13 July 2010, the Group wholly-owned subsidiary F&N Dairy Investments Pte Ltd ("F&NDI") has entered into an agreement to terminate its joint venture with Boncafe International Pte Ltd ("BCI") in relation to the company F&N Boncafe Beverages Pte Ltd ("F&NBB") which is 60% owned by F&NDI and 40% owned by BCI. Pursant to the JV agreement, F&NDI will transfer the JV business to BCI, and BCI will transfer its 40% interest in F&NBB to F&NDI for a consideration of approximately $240,000 equivalent to 40% of the net book value of F&NBB. The consideration for the share transfer was arrived at on a willing buyer and willing seller basis.

16. SUBSIDIARY COMPANIES (cont'd)

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

Properties

On 27 July 2010, the Group, through Frasers Centrepoint Limited ("FCL")'s subsidiary company, SAJV Co Pte Ltd, disposed of its entire shareholding interest in Saigon Apartments Joint Venture Company Limited for an aggregate consideration of US$7.5 million.

Printing and Publishing

During the year, the Group's subsidiary company, Times Publishing Limited ("TPL"), disposed the following subsidiaries via liquation and strike-off:

(i) Editions Marshall Cavendish S.A
(ii) MC East Ltd
(iii) Marshall Cavendish International Limited
(iv) Times Education (Hong Kong) Limited
(v) Guangzhou Times Advertising Company Limited
(vi) Times Conferences & Exhibitions Private Limited
(vii) Times-Dharmala Private Limited
(viii) Pansing International Library Services Pte Ltd
(ix) IMM Singapore Holdings Pte Ltd
(x) Everbest Printing (Shanghai) Co. Ltd

Glass

During the year, the Group's subsidiary company, Fraser & Neave Holdings Bhd ("F&NHB") sold its entire shareholding interest in Malaya Glass Products Sdn Bhd to Berli Jucker Public Company Limited and ACI International Pty Ltd. The disposal resulted in a net gain of RM382,036,000. Further details are disclosed in Note 29(a).

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

(d) Disposal of business assets

During the year, TPL disposed of the distribution business in Times Educational Services Private Limited and its subsidiary, Beijing 21st Century. The effect of the disposal is disclosed in the Consolidated Cash Flow Statement.

(e) Dilution of Interest in Frasers Centrepoint Trust ("FCT")

On 4 February 2010, FCT completed the private placement of 137.0 million new Units ("New Units") at an issue price of $1.33 per New Unit ("Private Placement"). None of the New Units have been issued to the Company or its subsidiaries. With the issue of the 137.0 million New Units, the Group's effective interest in FCT is diluted from a subsidiary at 52.0% to an associate at 42.7%.

(f) Acquisitions of Non-controlling Interests of Subsidiaries

(i) On 17 March 2010, the Group, through FCL's subsidiary, Sinomax International Pte Ltd, completed the acquisition of 4.71% in the registered capital of its Chinese subsidiary, Beijing Sin Hua Yan Real Estate Development Co, Ltd ("BJSHY"). Following the acquisition, Sinomax's shareholding in BJSHY increased to 100%.

The aggregate consideration for the acquisition was arrived at on a willing buyer and willing seller basis.

(ii) On 6 July 2010, the Group, through FCL's indirect subsidiary, Supreme Asia Investments Limited ("SAI"), acquired a further 3.33% interest in the registered capital of SAI's subsidary, Shanghai Zhong Jun Real Estate Development Co, Ltd ("SZJ") from 2 of the non-controlling interests of SZJ. Following the acquisition, SAI's equity interest in SZJ increased from 93.33% to 96.67%. The remainig 3.33% interest in the registered capital of SZJ was held by Shanghai Sian Jin Property Development Co, a wholly owned subsidiary of FCL.

On 23 August 2010, this remaining 3.33% interest was transferred to FCL (China) Pte. Ltd a wholly-owned subsidiary of FCL for a consideration of RMB10,000,000.

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16. SUBSIDIARY COMPANIES (cont'd)

(g) Acquisition of business assets

On 31 March 2010, the Group through its subsidiary, Times Publishing (Hong Kong) Limited, acquired the textbook publishing and distribution business of New Asia Publishing House for a purchase consideration of $4,695,000.

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

As at 30 September 2009 and 30 September 2010, FPUK, a 51% subsidiary, located in United Kingdom, has not complied with certain covenants of its credit facilities agreement 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 the "UK sub-group") are reliant on these credit facilities for their continuing operations. None of the companies in the Group has provided corporate guarantee or continuing financial support to the UK sub-group.

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 years ended 30 September 2009 and 30 September 2010 were 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.

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:

	2010 ($'000)	2009 ($'000)
Non-current assets		
Investment properties	**113,611**	114,167
Other non-current assets	**21,842**	25,230
Current assets		
Development properties held for sale	**278,951**	363,768
Cash and cash equivalents	**67,074**	74,058
Other current assets	**10,766**	15,998
Total Assets	**492,244**	593,221
Bank borrowings - current	**405,495**	523,280
Other current liabilities	**27,843**	36,602
Non-current liabilities	**61,059**	17,526
Total Liabilities	**494,397**	577,408
Net (Liabilities)/Asset Value	**(2,153)**	15,813
Group's effective share	**(3,283)**	8,634

If the current renegotiation of these banking facilities does 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 liabilities of the UK sub-group calculated based on the financial position as at 30 September 2010 would be $3,283,000.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

17. JOINT VENTURE COMPANIES

		THE COMPANY	
		2010 ($'000)	2009 ($'000)
(a)	Unquoted investment, at cost	**301,626**	301,626
	Quoted investment, at cost	**132,795**	132,795
		434,421	434,421
	MARKET VALUE		
	Quoted shares	**322,567**	225,047

Details of joint venture companies are included in Note 44.

(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	
	2010 ($'000)	2009 ($'000)
Revenue	**1,667,498**	1,343,985
Profit before taxation and exceptional items	**289,476**	131,624
Exceptional items	**(531)**	(8,898)
Taxation	**(80,378)**	(54,262)
Non-controlling interests	**(96,264)**	(55,485)

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

Non-current assets	**1,046,856**	807,019
Current assets	**1,046,468**	920,737
Current liabilities	**(871,747)**	(803,836)
Long term liabilities	**(337,471)**	(129,332)
	884,106	794,588

(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 2010.

(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, Malaysia Ringgit and Euro.

(v) The Group's and the Company's share of capital commitments of the joint venture companies as at 30 September 2010 is $153,283,000 (2009: $39,299,000).

(vi) The Group's and the Company's share of contingent liabilities of the joint venture companies as at 30 September 2010 is $260,000 (2009: $327,000).

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17. JOINT VENTURE COMPANIES (cont'd)

(b) (vii) Acquisition of subsidiaries by joint venture companies

In February 2010, a joint venture company, Asia Pacific Breweries Limited ("APBL"), acquired shares in Indonesia-based Multi-Bintang Indonesia Tbk ("MBI") representing a 68.5% interest in MBI. Subsequently in April 2010, APBL acquired another 12.1% interest thereby increasing its effective interest in MBI to 80.6%.

In February 2010, APBL also acquired shares in Grande Brasserie de Nouvelle Caledonie S.A. ("GBNC") located in New Caledonia representing approximately a 87.3% interest in GBNC.

The fair value and carrying value of the identifiable assets and liabilities arising from acquisition were finalised during the year based on a purchase price allocation undertaken by Deloitte & Touche Financial Advisory Services Pte Ltd and the goodwill recognised at the date of acquisition were:

	Fair value at date of acquisition ($'000)	Carrying value at date of acquisition ($'000)
Non-current assets	70,994	38,204
Current assets	53,930	51,437
Current liabilities	(64,116)	(64,182)
Non-current liabilities	(6,818)	(10,642)
Cash and cash equivalents	7,775	7,775
	61,765	22,592
Less: Non-controlling interests	(8,942)	(3,486)
Net asset value as at valuation	52,823	19,106
Goodwill arising from acquisition	223,845	
Total purchase consideration	276,668	

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

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

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

	THE GROUP	
	2010 ($'000)	2009 ($'000)
Investment in joint venture companies, at cost	**73,477**	72,275
Acquisition of interests	**-**	1,126
Provision for impairment	**(4,539)**	(4,539)
Share of post acquisition reserves, net	**20,899**	20,622
	89,837	89,484
Loans owing from joint venture companies (unsecured)	**2**	3
	89,839	89,487

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FOR THE YEAR ENDED 30 SEPTEMBER 2010

17. JOINT VENTURE COMPANIES (cont'd)

(c) **Joint Venture Company's Investment in Joint Venture** (cont'd)

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

	THE GROUP	
	2010 ($'000)	2009 ($'000)
Revenue	**249,629**	248,401
Profit before exceptional items	**15,279**	12,731

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

Non-current assets	**76,971**	77,864
Current assets	**91,812**	85,651
Current liabilities	**(46,476)**	(45,493)
Long term liabilities	**(32,468)**	(28,535)
	89,839	89,487

18. ASSOCIATED COMPANIES

	THE GROUP		THE COMPANY	
	2010 ($'000)	2009 ($'000)	**2010 ($'000)**	2009 ($'000)
Unquoted investments, at cost	**40,139**	40,678	**-**	-
Quoted investments, at cost	**1,300,548**	523,307	**93,783**	93,783
Acquisition of interests	**18,526**	422,683	**-**	-
Allowance for impairment	**(63,713)**	(54,713)	**(11,400)**	(11,400)
Share of post acquisition reserves, net	**39,996**	25,416	**-**	-
	1,335,496	957,371	**82,383**	82,383
Loans owing from associated companies (unsecured)	**19,753**	20,998	**-**	-
	1,355,249	978,369	**82,383**	82,383
MARKET VALUE				
Quoted shares	**1,066,232**	294,743	**34,823**	32,262

(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	
	2010 ($'000)	2009 ($'000)
Revenue	**2,810,614**	2,836,706
Profit/(Loss) before exceptional items	**197,729**	(263,811)
Exceptional items	**-**	3,576
Non-current assets	**5,082,602**	3,956,610
Current assets	**1,190,504**	1,151,612
Current liabilities	**(1,123,634)**	(708,550)
Long term liabilities	**(1,414,588)**	(1,886,241)
	3,734,884	2,513,431

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

18. ASSOCIATED COMPANIES (cont'd)

(d) The results, assets and liabilities as stated in paragraph (c) above are based on the accounts of the associated companies to 30 September 2010.

(e) The Group's share of capital commitments of the associated companies as at 30 September 2010 is $6,879,000 (2009: $15,308,000).

(f) The Group's share of contingent liabilities of the associated companies as at 30 September 2010 is $NIL (2009: $3,110,000).

Impairment loss of $9,000,000 (2009: $7,292,000) relating to investment in associated companies was recognised for the current year for the Group. This represents the write-down of the carrying values to the recoverable amounts. The recoverable amounts were estimated based on our value-in-use calculations. The discount rates applied is 12.1% (2009: 10.9%).

Details of associated companies are included in Note 44.

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 2010					
At cost					
Balance at beginning of year	256,325	146,384	66,641	26,131	495,481
Currency realignment	(10,997)	(6,406)	58	(35)	(17,380)
Additional expenditure during the year	-	12,477	-	2,074	14,551
Acquisition of business assets	2,727	2,012	-	902	5,641
Acquisition of joint venture companies	223,845	-	-	372	224,217
Disposal of joint venture companies	(10,153)	-	-	-	(10,153)
Disposal of subsidiary company	-	-	-	(308)	(308)
Reclassified from other investments	-	-	-	767	767
Write off for the year	(745)	(80,071)	-	(1,244)	(82,060)
Balance at end of year	461,002	74,396	66,699	28,659	630,756
Accumulated amortisation and impairment					
Balance at beginning of year	-	106,326	980	11,495	118,801
Currency realignment	-	(5,414)	-	(28)	(5,442)
Amortisation charge for the year					
- Continuing operations	-	18,376	490	3,151	22,017
- Discontinued operations	-	-	-	46	46
Impairment charge for the year	-	300	-	-	300
Disposal of subsidiary company	-	-	-	(173)	(173)
Write off for the year	-	(79,768)	-	(1,244)	(81,012)
Balance at end of year	-	39,820	1,470	13,247	54,537
Net book value	461,002	34,576	65,229	15,412	576,219

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

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 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					
- Continuing operations	-	24,066	490	3,250	27,806
- Discontinued operations	-	-	-	62	62
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

All intangible assets have finite useful lives of not more than 20 years, except management contracts with a cost of $62,601,000 (2009: $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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

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 2010 ($'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	27,245	Value-in-use	0%	5.9% - 16.5%
Dairies Group	2,721	Value-in-use	0%	8.0%
Soft Drinks Group	38,282	Value-in-use and Fair value less cost to sell	0%	8.0%
	68,248			
Joint venture companies:				
Breweries Group	392,754	Value-in-use and Fair value less cost to sell	2%	12.3% - 28.5%
	461,002			

	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%	12.1% - 24.9%
	256,325			

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.

An impairment loss of $745,000 (2009: $83,000) was required for the financial years ended 30 September for the goodwill assessed as their recoverable values were less than their carrying values.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

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

(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 $300,000 (2009: $8,804,000) 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 5.8% - 7.5% (2009: 5.7%) and the terminal growth rate was 0% (2009: 0%).

21. OTHER INVESTMENTS

	THE GROUP		THE COMPANY	
	2010 ($'000)	2009 ($'000)	**2010 ($'000)**	2009 ($'000)
Quoted				
Quoted available-for-sale financial assets				
Non-equity investments				
At fair value	**260**	273	**-**	-
At cost (less impairment loss)	**25,450**	25,450	**-**	-
Equity investments				
At fair value	**6,906**	6,979	**6,252**	5,766
Quoted total	**32,616**	32,702	**6,252**	5,766
Unquoted				
Unquoted available-for-sale financial assets				
Non-equity investments				
At cost (less impairment loss)	**121**	669	**-**	-
At fair value	**-**	301	**-**	-
Equity investments				
At cost (less impairment loss)	**70,031**	81,265	**14**	14
At fair value	**2,787**	2,529	**2,787**	2,529
Loan and receivables				
Non-equity investments in company	**6,744**	5,247	**-**	-
Unquoted total	**79,683**	90,011	**2,801**	2,543
Total	**112,299**	122,713	**9,053**	8,309

(a) The quoted non-equity investments carry interest rate of 6% (2009: 6%).

(b) The unquoted non-equity investments carry interest rates of 0% to 10.4% (2009: 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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

22. CASH AND BANK DEPOSITS

	THE GROUP 2010 ($'000)	THE GROUP 2009 ($'000)	THE COMPANY 2010 ($'000)	THE COMPANY 2009 ($'000)
Cash and bank balances	**424,290**	373,809	**910**	470
Bank fixed deposits	**1,274,626**	1,269,499	**47,624**	52,092
	1,698,916	1,643,308	**48,534**	52,562

The weighted average effective interest rate for bank fixed deposits is 1.71% (2009: 1.94%).

Included in the Group's cash and bank balances, and bank fixed deposits are amounts of $5,776,000 (2009: $3,435,000) and $488,753,000 (2009: $511,242,000) 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 2010, the cash and bank deposits held by the Group are in the following major currencies: Malaysia Ringgit - 22.6% (2009: 4.0%), Chinese Renminbi - 16.9% (2009: 22.1%) and United States Dollars - 4.4% (2009: 14.9%).

23. BRANDS

	THE GROUP 2010 ($'000)	THE GROUP 2009 ($'000)	THE COMPANY 2010 ($'000)	THE COMPANY 2009 ($'000)
At cost				
Balance at beginning of year	**59,592**	61,546	**8,435**	8,435
Currency realignment	**109**	(1,954)	**-**	-
Additions during the year	**19,243**	-	**-**	-
Acquisition of joint venture companies	**14,797**	-	**-**	-
Disposal of joint venture companies	**(966)**	-	**-**	-
Balance at end of year	**92,775**	59,592	**8,435**	8,435
Accumulated amortisation and impairment				
Balance at beginning of year	**16,465**	13,407	**8,435**	8,435
Currency realignment	**2,512**	(93)	**-**	-
Amortisation charge for the year				
- Continuing operations	**49**	421	**-**	-
- Discontinued operations	**43**	170	**-**	-
Impairment for the year	**-**	2,560	**-**	-
Disposal of joint venture companies	**(569)**	-	**-**	-
Balance at end of year	**18,500**	16,465	**8,435**	8,435
Net book value	**74,275**	43,127	**-**	-

Included in the Group's brands are brands with indefinite useful life of carrying amount of $74,184,000 (2009: $42,675,000).

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 pre-tax discount rates applied to the cash flow projections ranges from 8.3% to 20.0% and terminal growth rates applied ranges from 1% to 2%.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

24. PROPERTIES HELD FOR SALE

		THE GROUP	
		2010 ($'000)	2009 ($'000)
(a)	**Development Properties Held for Sale**		
	Properties in the course of development, at cost	**4,897,717**	4,656,584
	Allowance for foreseeable losses	**(91,613)**	(107,777)
	Allowance for amortisation	**-**	(1,000)
		4,806,104	4,547,807
	Development profit	**410,203**	422,535
		5,216,307	4,970,342
	Progress payments received	**(1,394,249)**	(1,300,156)
	Balance at end of year	**3,822,058**	3,670,186
(b)	**Completed Properties Held for Sale**		
	Completed units, at cost	**492,182**	342,181
	Allowance for foreseeable losses	**(5,055)**	(4,919)
	Net book value	**487,127**	337,262
	Total Properties Held for Sale	**4,309,185**	4,007,448

(i) Interest capitalised during the year was $97,068,000 (2009: $145,760,000). A capitalisation rate of between 0.30% and 9.62% (2009: 0.80% and 15.00%) per annum was used, representing the borrowing cost of the loans used to finance the projects.

(ii) As at 30 September 2010, the bank loans drawn down amounted to $889,254,000 (2009: $1,054,097,000).

(iii) Development properties held for sale amounting to $278,951,000 (2009: $363,768,000) as described in (19) to (28) are secured for credit facilities with a bank for which certain covenants were breached as at 30 September 2009 (Note 16(h)).

(iv) Development properties held for sale include:

Singapore

(1) Martin Place Residences - Freehold land of approximately 13,065.2 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.

(2) 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.

(3) 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 26 December 2009 of approximately 75,164.7sqm at Lots 7134C, 7135M, 7136W, 7137V, 7022T, 7023A, 7024K and 7025N Mukim 28 Bedok Reservoir Road for the development of approximately 1,759 units of approximately 191,099.0 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; Waterfront Key (Plot B2) comprises 437 residential units of approximately 51,013.0 sqm of gross floor area for sale; Waterfront Gold (Plot A2) comprises 361 residential units of approximately 36,085.0 sqm of gross floor area for sale and Waterfront Isle (Plot A1) comprises 556 residential units of approximately 52,768.0 sqm of gross floor area for sale.

(4) Residences Botanique - 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 81 units of approximately 7,827.0 sqm of gross floor area for sale.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

24. PROPERTIES HELD FOR SALE (cont'd)

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

Singapore (cont'd)

(5) 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.

(6) Caspian - Leasehold land (99-year tenure commencing 1 March 2008) of approximately 22,000.0 sqm on Lot 4383P Mukim 6 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.

(7) 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.

(8) Freehold land of approximately 2,801.3 sqm at Lots 3655K and 3654A Mukim 2 at Holland Park for the development of 2 good class bungalows for sale.

(9) Flamingo Valley - Freehold land of approximately 31,164.0 sqm at Lot 06495W MK27 Siglap Road for the development of 393 condominium units of approximately 43,629.0 sqm of gross floor area for sale.

(10) Esparina Residences - Leasehold land (99-year tenure commencing 2 June 2010) of approximately 19,000.0 sqm at Lot 2335X MK 21 Compassvale Bow for a residential development of 573 units approximately 59,850.0 sqm of gross floor area for sale.

(11) 50% proportionate share of a leasehold land (99-year tenure commencing 20 September 2010) of approximately 26,539.6 sqm at Yishun Ave 2 / Ave 7 / Canberra Drive for the development of approximately 667 residential units and 2 shop units of approximately 66,349.0 sqm of gross floor area for sale.

Australia

(12) 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.

(13) Freehold land of approximately 1.19 hectares situated at East Perth, Australia for a proposed mixed development comprising approximately 439 private apartment units, 238 serviced suites and commercial space of a total of approximately 57,600.0 sqm of strata area for sale.

(14) 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.

(15) Freehold land of approximately 5.8 hectares situated at Broadway Sydney, Australia for a proposed mixed development comprising about 84,400.0 sqm of commercial space and about 2,189 residential apartment units of about 170,000.0 sqm gross floor area for sale.

(16) Freehold land of approximately 6,215.0 sqm situated at 3, 5, 7 Lorne Avenue, Killara, Sydney, Australia for a proposed development comprising 99 apartment units of approximately 9,373.0 sqm of gross floor area for sale.

New Zealand

(17) Freehold land of approximately 6,831.0 sqm in the South Island, Queenstown, New Zealand for a proposed development of 29 luxury residential apartments of approximately 8,700.0 sqm of gross floor area for sale.

(18) 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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

24. PROPERTIES HELD FOR SALE (cont'd)

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

United Kingdom

(19) Freehold land of approximately 20,531.0 sqm on the south bank of River Thames, London, United Kingdom for a proposed residential and commercial development of 504 residential units and ancillary office and retail space of a total of approximately 32,236.0 sqm of gross floor area for sale for Phase 3 of the Wandsworth Riverside Development.

(20) Freehold land of approximately 1,781.0 sqm situated at 143 - 161 Wandsworth Road, London, United Kingdom.

(21) Freehold land of approximately 2,310.0 sqm situated at 1 – 6 Camberwell Green and 307 - 311 Camberwell New Road SE5, London, United Kingdom.

(22) Freehold land of approximately 3,066.0 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.

(23) 50% proportionate share of a freehold land of approximately 19,695.0 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.

(24) 50% proportionate share of a freehold land of approximately 4,911.0 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.

(25) 50% proportionate share of a freehold land of approximately 2,226.0 sqm situated at Water Street, Edinburgh, United Kingdom, for a residential and commercial development of 36 refurbished apartments and 8 new build apartments, together with office space of a total of approximately 4,140.0 sqm of gross floor area for sale.

(26) 50% proportionate share of a freehold land of approximately 10,279.0 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 16,312.0 sqm of gross floor area for sale.

(27) Freehold land of approximately 3,035.0 sqm situated at Brown Street, Glasgow, United Kingdom.

(28) Freehold land of approximately 5,870.0 sqm situated at Baildon, United Kingdom.

China

(29) 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.

(30) 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 782,418.0 sqm of gross floor area for sale.

(31) 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 609,594.0 sqm of gross floor area for sale.

Thailand

(32) 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 14,062.0 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.

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FOR THE YEAR ENDED 30 SEPTEMBER 2010

24. PROPERTIES HELD FOR SALE (cont'd)

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

Malaysia

(33) Freehold land of approximately 25,659.4 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 90,820.0 sqm of gross floor area for sale.

(34) Freehold land of approximately 245,287.2 sqm at Mukim Hulu Semenyih, District of Hulu Langat, Selangor, Malaysia for a proposed development of residential properties.

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

(36) Freehold land of approximately 51,492.0 sqm at Lot 35 and Lot 37 at Selangor, Malaysia for a proposed development of mixed development.

(37) Freehold land of approximately 26,451.0 sqm at CL 01531162, CL 30136 to CL 30142 and CL 30160 to CL 30173 at Kota Kinabalu, Malaysia for a proposed development of commercial properties.

25. INVENTORIES

	THE GROUP	
	2010 ($'000)	2009 ($'000)
Containers	**32,782**	43,553
Raw materials	**109,423**	89,586
Manufactured inventories	**135,669**	157,167
Engineering spares, work-in-progress and other inventories	**50,363**	56,554
Packaging materials	**25,181**	31,322
Goods purchased for resale	**38,498**	45,325
	391,916	423,507

(a) Write back of allowance for inventory obsolescence during the year amounted to $9,407,000 (2009: $3,011,000).

(b) Inventories of $651,000 (2009: $1,272,000) 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 $871,016,000 (2009: $772,724,000).

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

26. TRADE RECEIVABLES AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2010 ($'000)	2009 ($'000)	**2010 ($'000)**	2009 ($'000)
Trade receivables	**1,021,283**	734,167	**-**	-
Other receivables:				
Current				
Accrued income	**10,305**	6,222	**4**	186
Prepayments	**122,755**	107,837	**3**	3
Deposits paid	**19,278**	9,388	**-**	-
Tax recoverable	**21,189**	22,523	**-**	-
Staff loans	**6,114**	5,237	**-**	-
Amount receivable from joint venture partners	**9,056**	13,172	**-**	-
Derivative financial instruments (Note 27)	**2,793**	4,036	**800**	2,405
Advanced project cost paid	**1,956**	2,149	**-**	-
Sundry debtors	**15,999**	28,700	**2**	-
Other receivables	**42,882**	37,832	**-**	-
	252,327	237,096	**809**	2,594
	1,273,610	971,263	**809**	2,594
Non current				
Prepayments	**4,081**	6,197	**-**	-
Staff loans	**979**	1,519	**-**	-
Loans to non-controlling interests	**51,375**	40,208	**-**	-
Other receivables	**5,121**	6,182	**-**	-
	61,556	54,106	**-**	-
	1,335,166	1,025,369	**809**	2,594

(a) Included in trade receivables is an amount of $548,658,000 (2009: $293,976,000) 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 2010, the trade receivables and other receivables held by the Group are in the following major currencies: Malaysia Ringgit - 14.3% (2009: 15.0%), Chinese Renminbi - 8.7% (2009: 12.8%) and United States Dollars - 4.4% (2009: 5.5%).

(c) Trade and other receivables of $1,319,000 (2009: $1,157,000) of the Group's joint venture company are pledged as security for bank overdraft.

(d) At balance sheet date, trade receivables amounting to $10,145,000 (2009: $9,613,000) of the Group's joint venture company have been secured by collaterals provided by customers.

(e) Loans to joint venture partners are arrived at after deducting doubtful debts of $NIL (2009: $10,662,000).

(f) Loans to a non-controlling interests are non-trade related, unsecured, bears interest at 12.0% (2009: 12.0%) per annum and have no fixed repayment terms.

Notes To The Financial Statements

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

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to $108,930,000 (2009: $142,584,000) 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	
	2010 ($'000)	2009 ($'000)
Trade receivables past due:		
1 to 30 days	**57,229**	64,680
31 to 60 days	**17,192**	30,438
61 to 90 days	**8,025**	12,238
91 to 120 days	**4,609**	5,454
more than 120 days	**21,045**	29,774
	108,100	142,584

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	
	2010 ($'000)	2009 ($'000)	**2010 ($'000)**	2009 ($'000)
Trade receivables - nominal amounts	**1,843**	17,346	**10,168**	13,912
Less: Allowance for impairment	**(114)**	(632)	**(9,573)**	(12,219)
	1,729	16,714	**595**	1,693
Movement in allowance accounts:				
At 1 October	**632**	2,129	**12,219**	10,240
Charge for the year	**90**	281	**3,842**	6,306
Written back	**(321)**	(401)	**(1,770)**	(3,192)
Acquisition of subsidiary	**-**	-	**498**	-
Disposal of subsidiary	**-**	-	**(373)**	-
Written off	**(78)**	(31)	**(4,812)**	(2,327)
Reclassification	**-**	(1,185)	**-**	1,185
Exchange difference	**(209)**	(161)	**(31)**	7
At 30 September	**114**	632	**9,573**	12,219

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.

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	THE GROUP		THE COMPANY	
	2010 ($'000)	2009 ($'000)	**2010 ($'000)**	2009 ($'000)

27. DERIVATIVE FINANCIAL INSTRUMENTS

Assets				
Interest rate swap	**1,351**	3,100	**800**	2,405
Forward currency contracts	**1,442**	936	**-**	-
	2,793	4,036	**800**	2,405
Liabilities				
Interest rate swap	**21,251**	29,982	**-**	-
Forward currency contracts	**8,740**	12,956	**-**	-
	29,991	42,938	**-**	-
Net position	**(27,198)**	(38,902)	**800**	2,405

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 half yearly basis.

28. SHORT TERM INVESTMENTS

Quoted				
Quoted available-for-sale financial assets				
Equity investments at fair value	**211,332**	251,378	**-**	-
Unquoted				
Loans and receivables				
Non-equity investments at cost	**3,329**	3,318	**-**	-
Total	**214,661**	254,696	**-**	-

Included in non-equity investments are notes with interest rates of 8.9% to 11.9% (2009: 8.9% to 11.9%) per annum and maturing within the next 12 months.

29. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD FOR SALE

a) Discontinued operations

Glass

In May 2010, Fraser and Neave Holdings Bhd ("F&NHB'), the Company's 57.2% owned subsidiary listed on Bursa Malaysia announced it had entered into a share purchase agreement to dispose of its entire equity interest in Malaya Glass Products Sdn Bhd ("Glass Containers segment"). The disposal of the Glass Containers segment was completed in July 2010.

Breweries

In February 2010, the Group's joint venture company, Asia Pacific Breweries Limited, completed the disposal of the entire issued share capital of its two wholly-owned India operations, Asia Pacific Breweries (Aurangabad) Private Limited and Asia Pacific Breweries-Pearl Private Limited at its carrying value. The disposal consideration was fully settled in cash.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

29. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD FOR SALE (cont'd)

a) Discontinued operations (cont'd)

Profit Statement disclosures

The results of the discontinued operations for the year ended 30 September are as follows:

	THE GROUP 2010 ($'000)	2009 ($'000)
Revenue	**157,404**	186,232
Expenses	**(155,515)**	(174,195)
Trading profit from discontinued operations	**1,889**	12,037
Net interest expenses	**(3,540)**	(4,624)
(Loss)/Profit from discontinued operations	**(1,651)**	7,413
Taxation	**(782)**	5,741
Exceptional items	**(10)**	(5,683)
Gain on disposal of subsidiary companies	**162,245**	-
Profit from discontinued operations after tax	**159,802**	7,471

Cash flow statement disclosures

The cash flows attributable to the discontinued operations for the year ended 30 September are as follows:

	2010	2009
Operating cash inflows	**13,614**	(7,965)
Investing cash inflows	**(7,844)**	19,019
Financing cash inflows	**(7,772)**	(9,783)
Net cash (outflows)/inflows	**(2,002)**	1,271

(Loss)/Earnings per share from discontinued operations attributable to the shareholders of the company:

			– cents per share –	
Basic	-	before fair value adjustment and exceptional items	**(0.1) cts**	0.3 cts
	-	after fair value adjustment and exceptional items	**6.5 cts**	0.2 cts
Diluted	-	before fair value adjustment and exceptional items	**(0.1) cts**	0.3 cts
	-	after fair value adjustment and exceptional items	**6.5 cts**	0.1 cts

b) Assets and liabilities held for sale

The assets and liabilities held for sale relate to the sale and closure of certain printing plants in China, closure of glass packaging plant in Malaysia and closure of food business in Vietnam.

	THE GROUP 2010 ($'000)	2009 ($'000)
Assets		
Fixed Assets	**17,928**	-
Other non-current assets	**8,915**	9,387
Current assets	**11,419**	-
	38,262	9,387
Liabilities		
Non-current Liabilities	**2,297**	-

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

30. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2010 ($'000)	2009 ($'000)	**2010 ($'000)**	2009 ($'000)
Trade payables	**724,740**	681,508	**-**	-
Other payables:				
Current				
Advances from joint venture partners	**12,757**	11,447	**-**	-
Interest payable	**25,973**	27,488	**2,544**	3,478
Accrued operating expenses	**203,581**	196,465	**587**	300
Sundry accruals	**153,795**	153,027	**71**	118
Sundry deposits	**47,797**	67,226	**-**	-
Staff costs payable	**84,149**	78,713	**-**	-
Accrual for unconsumed annual leave	**9,497**	9,328	**-**	-
Amounts due to non-controlling interests	**114,923**	96,299	**-**	-
Deferred income	**4,474**	5,642	**-**	-
Derivative financial instruments (Note 27)	**29,991**	42,938	**-**	-
Other payables	**77,268**	71,897	**2,054**	2,075
	764,205	760,470	**5,256**	5,971
	1,488,945	1,441,978	**5,256**	5,971
Non-current				
Amounts due to non-controlling interests	**876**	864	**-**	-
Sundry payables	**2,993**	8,470	**-**	-
	3,869	9,334	**-**	-
	1,492,814	1,451,312	**5,256**	5,971

(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 non-controlling interests are non-trade in nature, unsecured, repayable in cash on demand and interest free, except for loans of $52,284,000 (2009: $11,121,000) which bear interest at 3.7% (2009: 7.5%) per annum.

(c) As at 30 September 2010, the trade and other payables held by the Group are in the following major currencies: Malaysia Ringgit - 18.8% (2009: 14.7%), Chinese Renminbi - 14.3% (2009: 15.4%) and United States Dollars - 5.1% (2009: 5.4%).

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

31. BORROWINGS

	Weighted average effective interest rate %	Notes	THE GROUP 2010 ($'000)	THE GROUP 2009 ($'000)	THE COMPANY 2010 ($'000)	THE COMPANY 2009 ($'000)
Repayable within one year:						
Unsecured						
Bank loans	3.11		**687,899**	393,700	**-**	-
Bank overdrafts	2.10		**2,569**	19,366	**-**	-
			690,468	413,066	**-**	-
Term loans	3.63	(c)	**579,414**	365,324	**-**	199,914
Secured						
Bank loans	4.01	(b)	**637,236**	913,152	**-**	-
Bank overdrafts	12.00	(b)	**1,224**	32	**-**	-
			638,460	913,184	**-**	-
Finance leases			**367**	1,152	**-**	-
			1,908,709	1,692,726	**-**	199,914
Repayable after one year:						
Unsecured						
Bank loans	1.38		**789,462**	1,097,269	**-**	-
Term loans	4.28		**1,443,172**	1,959,192	**150,000**	150,000
Secured						
Bank loans	3.29	(b)	**432,984**	291,063	**-**	-
Term loans		(b)	**-**	260,000	**-**	-
Finance leases			**414**	775	**-**	-
		(e)	**2,666,032**	3,608,299	**150,000**	150,000
Total			**4,574,741**	5,301,025	**150,000**	349,914
Fair value		(d)	**4,655,057**	5,308,999	**148,455**	340,748

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 (2009: 165,000) redeemable non-voting Class A Preference Shares of an aggregate value of $165,000,000 (2009: $165,000,000) are classified as bank borrowings in the consolidated financial statements of the Group.

As disclosed in Note 16(h), as at 30 September 2010, FPUK has not complied with certain covenants of its credit facilities agreement 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. Included in Secured Bank Loans, Repayable within One Year, is an amount of $456,238,000 (2009: $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 16 and 24).

(c) Included in the term loans is a loan from the Group's associated company bearing interest at 2.7% (2009: 2.8%) per annum.

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FOR THE YEAR ENDED 30 SEPTEMBER 2010

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 $2,022,586,000 (2009: $2,276,439,000) which have a fair value of $2,102,901,000 (2009: $2,284,413,000).

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	
	2010 ($'000)	2009 ($'000)	**2010 ($'000)**	2009 ($'000)
Between 1 and 2 years	**597,367**	1,432,330	**-**	-
Between 2 and 5 years	**1,382,288**	1,570,856	**-**	-
After 5 years	**686,377**	605,113	**150,000**	150,000
	2,666,032	3,608,299	**150,000**	150,000

(f) As at 30 September 2010, the borrowings held by the Group are in the following major currencies: United States Dollars - 13.0% (2009: 11.9%), Sterling Pounds - 10.0% (2009: 10.2%) and Australia Dollars - 5.6% (2009: 8.9%).

(g) As at 30 September 2010, 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 2010 and include the effect of related interest rate swaps.

32. PROVISION FOR EMPLOYEE BENEFITS

	THE GROUP	
	2010 ($'000)	2009 ($'000)
Balance at beginning of year	**19,303**	18,764
Currency realignment	**107**	(670)
Acquisition of subsidiary companies	**809**	-
Disposal of subsidiary companies	**(891)**	-
Write back during the year	**(2)**	(961)
Provision for the year		
- Continuing operations	**7,584**	2,818
- Discontinued operations	**118**	1,958
Payment for the year	**(1,984)**	(2,606)
Balance at end of year	**25,044**	19,303

(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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(b) Defined Benefit Plan

The defined benefit plan in the United Kingdom is a funded, defined benefit pension scheme, the assets of which are held in a separate trustee-administrated fund. The defined benefit plans in Malaysia do not have separately funded assets. They provide lump sum benefit at normal retirement age.

The major assumptions used by the qualified independent actuaries were:

	THE GROUP	
	2010	2009
Rate of increase in salaries	**5.0% to 6.0%**	3.5% to 5.0%
Expected rate of return on assets	**7.0%**	5.0% to 7.2%
Discount rate	**4.6% to 6.5%**	4.4% to 6.5%

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

	2010 ($'000)	2009 ($'000)
Net benefit expense		
Benefits earned during the year	**1,094**	1,051
Interest cost on benefit obligation	**2,089**	2,322
Amortisation of unrecognised gain	**(118)**	(36)
Expected return on plan assets	**(1,357)**	(1,976)
Net actuarial loss	**530**	-
Curtailment loss	**-**	262
Transition obligation recognised	**208**	(55)
Settlement gain	**-**	(24)
Net benefit expense	**2,446**	1,544
Benefit liability		
Present value of benefit obligation	**41,641**	39,079
Fair value of plan assets	**(18,627)**	(20,542)
Unfunded benefit obligation	**23,014**	18,537
Unrecognised net actuarial gain	**(2,076)**	(3,163)
Unrecognised transition benefit	**-**	(306)
Provision	**-**	887
Benefit liability	**20,938**	15,955
Present value of unfunded benefit obligation	**15,820**	14,928
Present value of funded benefit obligation	**25,821**	24,151
	41,641	39,079

(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, Sri Lanka, Indonesia and New Caledonia.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

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 (%)	Percentage of shares over which a share option is exercisable: 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 1.10.2009	Options Exercised/ Lapsed	Balance as at 30.9.2010	Exercise Price	Exercise Period
1999 Scheme						
Year 3	08.10.2001	17,505	(3,575)	13,930	$1.40	09.07.2004 - 08.09.2011
Year 4	01.10.2002	374,840	(338,035)	36,805	$1.51	01.07.2005 - 31.08.2012
Year 5	08.10.2003	1,665,650	(862,995)	802,655	$2.12	08.07.2006 - 07.09.2013
Year 6	08.10.2004	3,785,600	(1,572,295)	2,213,305	$2.82	08.07.2007 - 07.09.2014
Year 7	10.10.2005	8,230,600	(3,779,195)	4,451,405	$3.46	10.07.2008 - 09.09.2015
Year 8	10.10.2006	9,000,130	(1,763,882)	7,236,248	$4.22	10.07.2009 - 09.09.2016
Year 9	10.10.2007	10,727,616	(599,850)	10,127,766	$5.80	10.07.2010 - 09.09.2017
Year 10	25.11.2008	13,922,994	(786,771)	13,136,223	$2.86	25.08.2011 - 24.10.2018
		47,724,935	(9,706,598)[1]	38,018,337		

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 $4.71 (2009: $3.22).

Note

[1] Exercised (8,118,609); Lapsed due to Resignations (1,587,989).

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

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 1.10.2009	Options Exercised/ Lapsed	Balance as at 30.9.2010	Exercise Price	Exercise Period
2005	24.11.2004	7,000	(7,000)	-	RM4.89	24.08.2007 - 23.10.2009
2006	26.08.2005	128,300	(128,300)	-	RM5.54	27.05.2008 - 26.07.2010
2007	26.09.2006	770,100	(654,500)	115,600	RM6.12	27.06.2009 - 26.08.2011
		905,400	(789,800)[2]	115,600		

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 RM11.69 (2009: RM8.88).

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

Options	Offer Date	Balance as at 1.10.2009 or Offer Date if later	Options Exercised/ Lapsed	Balance as at 30.9.2010	Exercise Price	Exercise Period
2008	20.11.2007	2,377,300	(918,800)	1,458,500	RM7.77	20.08.2010 - 19.10.2012
2009	19.11.2008	2,811,300	(126,000)	2,685,300	RM8.46	19.08.2011 - 18.10.2013
2010	20.11.2009	3,108,100	(74,500)	3,033,600	RM11.34	20.08.2012 - 19.10.2014
		8,296,700	(1,119,300)[3]	7,177,400		

The fair value of options granted during the year was RM1.70 (2009: RM1.03).
The weighted average share price for options exercised during the year was RM7.77 (2009: RMNIL).

Frasers Property (China) Limited's Share Option Scheme

Options	Offer Date	Balance as at 1.10.2009 or Offer Date if later	Options Exercised/ Lapsed	Balance as at 30.9.2010	Exercise Price	Exercise Period
2003	31.12.2003	9,877,331	(1,972)	9,875,359	HK$0.1580	31.12.2004 - 30.12.2013
2004	31.12.2004	11,474,439	(646,336)	10,828,103	HK$0.1547	31.12.2005 - 30.12.2014
2005	30.12.2005	13,773,647	(647,664)	13,125,983	HK$0.1343	30.12.2006 - 29.12.2015
2006	13.11.2006	15,300,737	(1,050,000)	14,250,737	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	(1,300,000)	15,750,000	HK$0.1000	14.11.2009 - 13.11.2018
2009	13.11.2009	17,800,000	-	17,800,000	HK$0.1550	13.11.2010 - 12.11.2019
		101,826,154	(3,645,972)[4]	98,180,182		

The fair value of options granted during the year was HK$0.16 (2009: HK$0.10).
The weighted average share price for options exercised during the year was HK$0.14 (2009: HK$NIL).

Notes

[2] Exercised (782,800); Lapsed due to Expiry (7,000).
[3] Exercised (832,600), Lapsed due to Resignations and Termination (286,700).
[4] Exercised (3,644,000); Lapsed due to Resignations (1,972).

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FOR THE YEAR ENDED 30 SEPTEMBER 2010

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 1.10.2009	Options Exercised/ Lapsed	Balance as at 30.9.2010	Exercise Price	Exercise Period
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	38,800	-	38,800	$6.29	08.07.2006 - 07.09.2013
		65,210	(10)[5]	65,200		

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 $NIL (2009: $10.30).

The fair value of share options, granted during the year, 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 ($)	4.42	5.75	2.86
Exercise share price ($)	4.22	5.80	2.86

Fraser & Neave Holdings Bhd Executives' Share Option Scheme

	2008	2009	2010
Dividend yield (%)	4.4%	4.1%	3.9%
Expected volatility (%)	14.3%	17.2%	21.8%
Risk-free interest rate (%)	3.8%	3.7%	3.6%
Expected life of option (years)	4.9	4.5	4.5
Share price at date of grant (MYR)	7.80	8.50	11.20
Exercise share price (MYR)	7.77	8.46	11.34

Frasers Property (China) Limited's Share Option Scheme

	2008	2009	2010
Dividend yield (%)	-	-	-
Expected volatility (%)	80.0%	75.0%	75.0%
Risk-free interest rate (%)	3.2%	2.0%	2.0%
Expected life of option (years)	10.0	10.0	10.0
Share price at date of grant (HKD)	0.337	0.064	0.155
Exercise share price (HKD)	0.337	0.100	0.155

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.

Note

[5] Lapsed due to Expiry (10).

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

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 the APBL 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.

The fair value of share options, granted during the year, 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:

	2008	2009	2010
Dividend yield (%)	2.1%	3.3%	3.0%
Expected volatility (%)	16.7%	20.8%	18.3%
Risk-free interest rate (%)	2.3%	1.7%	1.4%
Expected life of option (years)	3.9	4.7	4.7
Share price at date of grant ($)	13.40	10.32	12.00
Exercise share price ($)	13.59	10.95	11.95

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.

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 equal 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 1.10.2009 or Offer Date if later	Options Exercised/ Lapsed	Balance at end of year	Exercise Price	Exercise Period
2005	08.10.2004	-	-	-	$7.48	08.07.2007 - 07.07.2009
2006	09.11.2005	198,725	(198,725)	-	$8.96	09.08.2008 - 08.08.2010
2007	07.11.2006	1,307,650	(15,000)	1,292,650	$15.34	07.08.2009 - 06.08.2011
2008	08.11.2007	1,547,850	(101,800)	1,446,050	$13.59	09.08.2010 - 06.08.2012
2009	08.11.2008	1,410,300	(58,600)	1,351,700	$10.95	08.08.2011 - 07.08.2013
2010	07.11.2009	1,489,750	(72,100)	1,417,650	$11.95	07.08.2012 - 07.08.2014
		5,954,275	(446,225)[6]	5,508,050		

The fair value of options granted during the year was $1.47 (2009: $1.22).
The weighted average share price for options exercised during the year was $13.73 (2009: $12.20).

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 2010 is $5,846,000 (2009: $995,000).

Note

6 Exercised (259,525); Lapsed due to Expiry and Resignation (186,700).

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(f) Share Plans

Fraser & Neave Limited Restricted Share Plan ("RSP")

The RSP is a share-based incentive plan for senior executives and key senior management, which was approved by shareholders of the Company at an Extraordinary General Meeting held on 22 January 2009.

Information regarding the RSP

(1) Depending on the achievement of pre-determined targets over a two year period for the RSP, the final number of restricted shares awarded could range between 0% to 150% of the initial grant of the restricted shares.

(2) Based on meeting stated performance conditions over a two-year performance period, 50% of the RSP awards will vest. The balance will vest equally over the subsequent two years with fulfillment of service requirements.

Information with respect to the number of shares granted under the RSP is as follows:

Shares	Grant Date	Balance as at 1.10.2009 or Grant Date if later	Conditional Performance Adjustments	Shares Vested	Shares Cancelled/ Lapsed	Balance as at 30.9.2010
2010 (Year 1)	14.12.2009	3,260,728	-	-	(126,000)[7]	3,134,728

The expense recognised in profit statement granted under the RSP during the financial year is $4,533,638 (2009: $NIL).

The estimated fair value of shares granted during the year ranges from $3.41 to $3.70. The fair value of equity-settled contingent award of shares are determined using Monte Carlo Valuation Model, which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility of returns. The inputs to the model used are as follows:

	2010
Dividend yield (%)	3.9%
Expected volatility (%)	41.5%
Risk-free interest rate (%)	0.6% to 1.1%
Expected life (years)	2.1 to 4.1
Share price at date of grant (S$)	4.05

Note

7 Cancelled due to Resignations.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(f) Share Plans (cont'd)

Fraser & Neave Limited Performance Share Plan ("PSP")

The PSP is a share-based incentive plan for senior executives and key senior management, which were approved by shareholders of the Company at an Extraordinary General Meeting held on 22 January 2009.

Information regarding the PSP

(1) Depending on the achievement of pre-determined targets over a three year period, the final number of restricted shares awarded could range between 0% to 200% of the initial grant of the restricted shares.

(2) PSP awards will vest based on meeting stated performance conditions over a three-year performance period.

Information with respect to the number of shares granted under the PSP is as follows:

Shares	Grant Date	Balance as at 1.10.2009 or Grant Date if later	Conditional Performance Adjustments	Shares Vested	Shares Cancelled/ Lapsed	Balance as at 30.9.2010
2010 (Year 1)	14.12.2009	283,972	-	-	-	283,972

The expense recognised in profit statement granted under the PSP during the financial year is $290,977 (2009: $NIL).

The estimated fair value of shares granted during the year ranges from $3.34 to $4.56. The fair value of equity-settled contingent award of shares are determined using Monte Carlo Valuation Model, which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility of returns. The inputs to the model used are as follows:

	2010
Dividend yield (%)	3.9%
Expected volatility (%)	41.5%
Cost of equity (%)	7.6%
Risk-free interest rate (%)	0.8%
Expected life (years)	3.1
Share price at date of grant ($)	4.05

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

33. DEFERRED TAX ASSETS AND LIABILITIES

	THE GROUP				THE COMPANY	
	Balance Sheet		Profit Statement		Balance Sheet	
	2010 ($'000)	2009 ($'000)	2010 ($'000)	2009 ($'000)	2010 ($'000)	2009 ($'000)
Deferred tax liabilities						
Differences in depreciation	**67,612**	56,286	**5,391**	(4,010)	**-**	-
Tax effect on revaluation surplus	**68,641**	62,434	**21,813**	(10,157)	**-**	-
Provisions, expenses and income taken in a different period	**26,015**	10,609	**13,584**	(1,782)	**-**	-
Fair value adjustments	**6,813**	468	**578**	-	**417**	291
Other deferred tax liabilities	**9,522**	8,009	**(6,951)**	574	**-**	-
Gross deferred tax liabilities	**178,603**	137,806	**34,415**	(15,375)	**417**	291
Less: Deferred tax assets						
Employee benefits	**(5,490)**	(4,321)	**(4,331)**	1,047	**-**	-
Unabsorbed losses and capital allowances	**(1,961)**	(5,247)	**2,171**	1,339	**-**	-
Provisions, expenses and income taken in a different period	**(9,542)**	(8,506)	**1,432**	(3,720)	**-**	-
Fair value adjustments	**(279)**	-	**(281)**	-	**-**	-
Other deferred tax assets	**(2,947)**	(9,491)	**6,284**	(220)	**-**	-
Gross deferred tax assets	**(20,219)**	(27,565)	**5,275**	(1,554)	**-**	-
Net deferred tax liabilities	**158,384**	110,241	**39,690**	(16,929)	**417**	291

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

Employee benefits	**(3,079)**	(2,184)	**71**	(440)	**-**	-
Differences in depreciation	**4,123**	3,813	**345**	442	**-**	-
Unabsorbed losses and capital allowances	**(16,979)**	(14,227)	**(2,803)**	479	**-**	-
Provisions	**(7,231)**	(8,348)	**944**	(3,376)	**-**	-
Tax effect on revaluation surplus	**(967)**	(967)	**-**	(967)	**-**	-
Others	**(1,118)**	(1,038)	**(452)**	148	**-**	-
Net deferred tax assets	**(25,251)**	(22,951)	**(1,895)**	(3,714)	**-**	-

The deferred tax taken to equity during the year relating to fair value adjustment is $86,000 (2009: $137,000).

Deferred tax liabilities of $7,975,000 (2009: $8,536,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the unremitted earnings of $46,912,000 at 30 September 2010 (2009: $50,200,000).

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

34. FUTURE COMMITMENTS

Commitments not provided for in the financial statements:

	THE GROUP 2010 ($'000)	2009 ($'000)
(a) Commitments in respect of contract placed		
Fixed assets	**140,388**	45,784
Investment properties	**40,262**	26,513
Properties held for sale	**626,870**	1,863,527
Share of joint venture companies' commitments	**113,942**	74,149
Others	**25**	-
	921,487	2,009,973
(b) Other amounts approved by directors but not contracted for:		
Fixed assets	**104,753**	211,342
Investment properties	**117,248**	15,538
Properties held for sale	**6,507,774**	4,655,974
Share of joint venture companies' commitments	**132,745**	290,000
	6,862,520	5,172,854
Total	**7,784,007**	7,182,827

35. LEASE COMMITMENTS

Operating Leases

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

	2010 ($'000)	2009 ($'000)
Payable within one year	**42,371**	49,816
Payable between one and five years	**99,234**	114,954
Payable after five years	**40,231**	44,604
	181,836	209,374
Operating lease expense for the year	**31,603**	41,114

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:

	2010 ($'000)	2009 ($'000)
Receivable within one year	**125,252**	223,259
Receivable between one and five years	**137,502**	238,007
Receivable after five years	**4,607**	4,602
	267,361	465,868

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

35. LEASE COMMITMENTS (cont'd)

Finance Leases

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

	THE GROUP			
	2010 ($'000)		2009 ($'000)	
	Minimum lease payments	**Present value of payments**	Minimum lease payments	Present value of payments
Minimum lease payments due:				
Payable within one year	**400**	**368**	1,225	1,152
Payable between one and five years	**423**	**414**	816	775
Total minimum lease payments	**823**	**782**	2,041	1,927
Less: Future finance charges				
Payable within one year	**(32)**	**-**	(73)	-
Payable between one and five years	**(9)**	**-**	(41)	-
	(41)	**-**	(114)	-
	782	**782**	1,927	1,927

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 joint venture companies:

	THE GROUP		THE COMPANY	
	2010 ($'000)	2009 ($'000)	**2010 ($'000)**	2009 ($'000)
Rental received	**1,478**	1,279	**-**	-
Management fees received	**2,218**	2,218	**-**	-
Sale of services	**8**	40	**-**	-
Management fees paid	**(389)**	(473)	**(389)**	(473)
Purchase of cullets	**-**	(76)	**-**	-

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 $3,837,303,000 (2009: $3,753,222,000) for the purpose of assisting its subsidiary companies to obtain external borrowings. Of the $3,837,303,000 (2009: $3,753,222,000) corporate guarantees given by the Company $1,647,310,000 (2009: $1,561,440,000) 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$8,660,000 (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 of the Group and the Company matures within 1 year and are as follows:

	THE GROUP		THE COMPANY	
	2010 ($'000)	2009 ($'000)	**2010 ($'000)**	2009 ($'000)
Contingent liabilities	**65,660**	65,400	**3,837,303**	3,753,222

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

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.

(a) 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 2010, the Group had entered into foreign currency forward exchange buy contracts amounting to $73 million (2009: $23 million) and foreign currency forward exchange sell contracts amounting to $209 million (2009: $66 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 $11,911,000 (2009: $12,649,000) and gain of $4,613,000 (2009: $629,000) 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.

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 of 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)**
At 30 September 2010				
Australian Dollar	**-**	**(10,364)**	**-**	**95**
Sterling Pound	**-**	**(39)**	**-**	**-**
United States Dollar	**-**	**(48,736)**	**-**	**(512)**
Vietnamese Dong	**23,912**	**429**	**-**	**-**
Hong Kong Dollar	**-**	**34**	**-**	**-**
Euro	**-**	**1,875**	**-**	**-**
Singapore Dollar	**-**	**(546)**	**-**	**-**
At 30 September 2009				
Australian Dollar	-	4,559	-	-
Sterling Pound	-	119	-	-
United States Dollar	-	(18,122)	-	(856)
Vietnamese Dong	28,332	186	-	-
Hong Kong Dollar	-	2,457	-	-
Euro	-	1,296	-	-
Singapore Dollar	-	(1,463)	-	(292)

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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

38. FINANCIAL RISK MANAGEMENT (cont'd)

(b) 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 2010				
Net derivative financial instruments				
Interest rate swaps	**19,900**	**4,466**	**15,143**	**291**
Forward currency contracts	**7,298**	**7,298**	**-**	**-**
Non-derivative financial instruments				
Trade payables	**724,740**	**724,740**	**-**	**-**
Other payables	**723,018**	**719,149**	**2,993**	**876**
Borrowings	**4,574,741**	**1,973,328**	**2,050,199**	**701,996**
Amount due to joint venture companies	**6,350**	**6,350**	**-**	**-**
Amount due to associated companies	**954**	**1,487**	**-**	**-**
	6,057,001	**3,436,818**	**2,068,335**	**703,163**
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	1,790,787	3,185,270	665,059
Amount due to joint venture companies	3,055	3,055	-	-
Amount due to associated companies	1,035	1,035	-	-
	6,732,829	3,190,151	3,208,685	674,084

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

38. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity Risk (cont'd)

	Carrying amount ($'000)	Cash Flows: Less than 1 year ($'000)	Cash Flows: Between 1 and 5 years ($'000)	Cash Flows: Over 5 years ($'000)
Company				
At 30 September 2010				
Net derivative financial instruments				
Interest rate swaps	**(800)**	**(800)**	**-**	**-**
Non-derivative financial instruments				
Other payables	**4,145**	**4,145**	**-**	**-**
Amount due to subsidiary companies	**12,986**	**12,986**	**-**	**-**
Borrowings	**150,000**	**5,430**	**16,498**	**155,430**
	166,331	**21,761**	**16,498**	**155,430**
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	211,316	16,305	161,039
	379,819	241,221	16,305	161,039

(c) Credit Risk

At the balance sheet date, the Company's and the Group's total 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 trade receivable at the balance sheet date is as follows:

	THE GROUP 2010 ($'000)	2010 % of total	2009 ($'000)	2009 % of total
By Geographical Segment:				
Singapore	**665,250**	**65%**	395,779	54%
Malaysia	**168,249**	**16%**	165,111	23%
Rest of South East Asia	**55,909**	**6%**	52,516	7%
Other Asia	**48,047**	**5%**	47,225	6%
South Pacific	**72,641**	**7%**	58,656	8%
Europe & USA	**11,187**	**1%**	14,880	2%
	1,021,283	**100%**	734,167	100%
By Business Segment:				
Soft Drinks	**81,903**	**8%**	65,992	9%
Dairies	**130,195**	**13%**	110,016	15%
Breweries	**98,751**	**10%**	91,330	12%
Printing & Publishing	**94,380**	**9%**	97,758	13%
Glass Containers	**-**	**0%**	32,244	4%
Investment Property	**3,230**	**0%**	12,919	2%
Development Property	**591,830**	**58%**	308,933	42%
Others	**20,994**	**2%**	14,975	3%
	1,021,283	**100%**	734,167	100%

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

38. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Credit Risk (cont'd)

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 total 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.

(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	
	2010 ($'000)	2009 ($'000)	**2010 ($'000)**	2009 ($'000)
Notional Amount	**586,840**	1,168,576	**100,000**	350,000
Net Fair Value				
Fair value gain on interest rate swap contracts	**1,351**	3,100	**800**	2,405
Fair value loss on interest rate swap contracts	**(21,251)**	(29,982)	**-**	-

At 30 September 2010 the fixed interest rate of the outstanding interest rate swap contract is between 1.6% to 4.7% (2009: 0.5% to 8%), while the floating interest rates are mainly linked to Singapore Interbank Offered Rates.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

38. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Interest Rate Risk (cont'd)

The following table sets out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk:

	Floating rates	Fixed rates		
	($'000)	Less than 1 year ($'000)	Between 1 to 5 years ($'000)	After 5 years ($'000)
Group				
Year ended 30 September 2010				
Assets				
Cash and bank deposits	213,920	1,247,530	641	-
Other financial assets	-	3,329	10,755	482,873
Liabilities				
Borrowings	2,505,215	647,724	923,130	498,673
Year ended 30 September 2009				
Assets				
Cash and bank deposits	126,526	1,319,692	-	-
Other financial assets	-	3,318	11,301	408,158
Liabilities				
Borrowings	1,258,325	914,238	2,530,270	598,192
Company				
Year ended 30 September 2010				
Assets				
Cash and bank deposits	-	47,624	-	-
Liabilities				
Borrowings	-	-	-	150,000
Year ended 30 September 2009				
Assets				
Cash and bank deposits	-	52,092	-	-
Liabilities				
Borrowings	-	199,914	-	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 2010 and 2009.

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 $19,018,000 (2009: $9,394,000) and $5,000,000 (2009: $8,346,000) 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 2009.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

38. FINANCIAL RISK MANAGEMENT (cont'd)

(e) Market Price Risk

The Company and the Group are exposed to market price 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	
	2010 ($'000)	2009 ($'000)	**2010 ($'000)**	2009 ($'000)
Equity	**23,627**	27,585	**519**	479

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 2009 and assumes that all other variables remain constant.

(f) 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:

(i) Cash and bank balances, other receivables and other payables

The carrying amounts of these items approximate fair value due to their short term nature.

(ii) Trade receivables and trade payables

The carrying amounts of receivables and payables approximate fair value because these are subject to normal trade credit terms.

(iii) 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.

(iv) 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.

(v) 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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

38. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair Values (cont'd)

(vi) Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Quoted prices in active markets for identical instruments (Level 1) ($'000)	Significant other observable inputs (Level 2) ($'000)	Significant unobservable inputs (Level 3) ($'000)	Total ($'000)
The Group				
2010				
Financial Assets				
Other investments (Note 21)				
Quoted - Non-equity investments	260	-	-	260
Quoted - Equity investments	6,906	-	-	6,906
Unquoted - Equity investments	-	2,787	-	2,787
Derivative financial instruments (Note 27)	-	2,793	-	2,793
Short term investments (Note 28)				
Quoted - Equity investments	211,332	-	-	211,332
	218,498	5,580	-	224,078
Financial Liabilities				
Derivative financial instruments (Note 27)	-	29,991	-	29,991

Fair value hierarchy

The Group classify fair value measurement using a fair value hierarchy that reflect the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

Level 1 - Quoted prices in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 - Inputs for the asset or liability that are not based on observable market data

Quoted equity instruments: Fair value is determined directly by reference to their published market bid price at the balance sheet date.

Derivatives: The fair value of interest rate swap contracts and foreign currency forward contracts is determined by reference to market values for similar instruments.

In the first year of application of the amended FRS 107, comparative information is not required.

There have been no transfers between Level 1 and Level 2 during the financial year.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

38. FINANCIAL RISK MANAGEMENT (cont'd)

(g) Classification of Financial Instruments

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							
2010							
Assets							
Fixed assets	-	-	-	-	-	1,104,216	1,104,216
Investment properties	-	-	-	-	-	2,180,026	2,180,026
Joint venture companies	6,540	-	-	-	-	89,839	96,379
Associated companies	30,551	-	-	-	-	1,335,496	1,366,047
Intangible assets	-	-	-	-	-	576,219	576,219
Brands	-	-	-	-	-	74,275	74,275
Other investments	6,744	-	-	105,555	-	-	112,299
Other receivables	166,804	2,242	551	-	-	144,286	313,883
Deferred tax assets	-	-	-	-	-	25,251	25,251
Properties held for sale	-	-	-	-	-	4,309,185	4,309,185
Inventories	-	-	-	-	-	391,916	391,916
Trade receivables	1,021,283	-	-	-	-	-	1,021,283
Short term investments	3,329	-	-	211,332	-	-	214,661
Bank fixed deposits	1,274,626	-	-	-	-	-	1,274,626
Cash and bank balances	424,290	-	-	-	-	-	424,290
Assets held for sale	-	-	-	-	-	38,262	38,262
	2,934,167	2,242	551	316,887	-	10,268,971	13,522,818
Liabilities							
Trade payables	-	-	-	-	724,740	-	724,740
Other payables	-	6,947	23,044	-	723,018	15,065	768,074
Joint venture companies	-	-	-	-	6,350	-	6,350
Associated companies	-	-	-	-	954	-	954
Borrowings	-	-	-	-	4,574,741	-	4,574,741
Provision for taxation	-	-	-	-	-	313,775	313,775
Liabilities held for sale	-	-	-	-	-	2,297	2,297
Provision for employee benefits	-	-	-	-	-	25,044	25,044
Deferred tax liabilities	-	-	-	-	-	158,384	158,384
	-	6,947	23,044	-	6,029,803	514,565	6,574,359

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

38. FINANCIAL RISK MANAGEMENT (cont'd)

(g) Classification of Financial Instruments (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							
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	-	-	-	-	957,371	983,474
Intangible assets	-	-	-	-	-	376,680	376,680
Brands	-	-	-	-	-	43,127	43,127
Others investments	5,247	-	-	117,466	-	-	122,713
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	368,844	-	10,931,804	13,867,568
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

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

38. FINANCIAL RISK MANAGEMENT (cont'd)

(g) Classification of Financial Instruments (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						
2010						
Assets						
Subsidiary companies	486,434	-	-	(104,494)	3,177,787	3,559,727
Joint venture companies	-	-	-	-	434,421	434,421
Associated companies	-	-	-	-	82,383	82,383
Other investments	-	-	9,053	-	-	9,053
Other receivables	9	800	-	-	-	809
Bank fixed deposits	47,624	-	-	-	-	47,624
Cash and bank balances	910	-	-	-	-	910
	534,977	800	9,053	(104,494)	3,694,591	4,134,927
Liabilities						
Other payables	-	-	-	4,145	1,111	5,256
Subsidiary companies	-	-	-	12,986	-	12,986
Borrowings	-	-	-	150,000	-	150,000
Provision for taxation	-	-	-	-	15,491	15,491
Deferred tax liabilities	-	-	-	-	417	417
	-	-	-	167,131	17,019	184,150
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

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FOR THE YEAR ENDED 30 SEPTEMBER 2010

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
Mizuho: 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. On 29 September 2009, SEB and HVB filed their notices of appeal against the High Court decision. On 27 April 2010, the appeal was heard by the Court of Appeal. Judgement was reserved and remains pending.

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 2010 and 2009.

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 non-controlling interests.

	THE GROUP		**THE COMPANY**	
	2010 ($'000)	2009 ($'000)	**2010 ($'000)**	2009 ($'000)
Cash & bank deposits	**1,698,916**	1,643,308	**48,534**	52,562
Borrowings	**(4,574,741)**	(5,301,025)	**(150,000)**	(349,914)
Net borrowings	**(2,875,825)**	(3,657,717)	**(101,466)**	(297,352)
Shareholders' fund	**6,142,798**	5,584,724	**3,950,777**	3,812,644
Total equity (including non-controlling interests)	**6,948,459**	6,683,455	**3,950,777**	3,812,644
Net borrowings/Shareholders' fund	**0.47**	0.65	**0.03**	0.08
Net borrowings/Total equity	**0.41**	0.55	**0.03**	0.08

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(h), the Group and the Company are in compliance with all externally imposed capital requirements.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

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) Revised FRS 24 Related Party Disclosures (effective for annual periods beginning on or after 1 January 2011)

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. The Group is currently determining the impact of the changes to the definition of a related party has on the disclosure of related party transaction.

The Group will apply the Revised FRS 24 from 1 October 2011. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group when implemented.

(b) INT FRS 115 Agreements for the Construction of Real Estate (effective for annual periods beginning on or after 1 January 2011)

INT FRS 115 clarifies when revenue and related expenses from a sale of real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of real estate is completed. INT FRS 115 determines that contracts which do not classify as construction contracts in accordance with FRS 11 can only be accounted for using the percentage of completion method if the entity continuously transfers to the buyer control and the significant risks and rewards of ownership of the work in progress in its current state as construction progresses.

The Group is currently determining the impact of the application of INT FRS 115 on the accounting policy for revenue recognition on properties held for sale.

The Group will apply INT FRS 115 from 1 October 2011.

(c) Amendments to INT FRS 114 Prepayments of a Minimum Funding Requirement (effective for annual periods beginning on or after 1 January 2011)

The changes to INT FRS 114 require entities sponsoring defined benefit plans to assess whether prepayments have been made that now need to be re-assessed for their impact on recoverability on pension assets. Entities applying the corridor to recognise actuarial gains and losses may also need to take into account the potential interaction between corridor and the recoverability of plan assets.

The Group will apply INT FRS 114 from 1 October 2011.

(d) FRS 102 Share-based Payment – Group Cash-settled Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2010)

For group reporting and consolidated financial statements, the Amendment to FRS 102 clarifies that if an entity receives goods or services that are cash settled by shareholders that are not within the group, they are not accounted for under FRS 102.

The Group will apply FRS 102 from 1 October 2010.

(e) 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. With the issuance of INT FRS 115, RAP 11 will cease to have effect for annual periods beginning on or after 1 January 2011.

The Group uses the POC method for recognising revenue from partly completed residential projects which are held for sale.

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FOR THE YEAR ENDED 30 SEPTEMBER 2010

41. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATION (cont'd)

(e) RAP 11 Pre-Completion Contracts for the Sale of Development Property (cont'd)

If the Group had adopted the completed contract method, the impact on the financial statements will be as follows:

	THE GROUP	
	2010 ($'000)	2009 ($'000)
Profit statement		
Decrease in revenue recognised for the year	**(66,592)**	(495,485)
Increase/(decrease) in profit for the year	**31,018**	(71,691)
Balance sheet		
Decrease in opening accumulated profits	**(319,575)**	(248,604)
Decrease in properties under development		
At beginning of the year	**(401,310)**	(306,386)
At end of the financial year	**(387,365)**	(401,496)
(Decrease)/increase in non-controlling interests		
At beginning of the year	**(3,231)**	(735)
Share of profit for the year	**3,231**	(2,543)

42 SUBSEQUENT EVENTS

On 13 October 2010, the Group announced that its subsidiary company, F&N Foods Pte Ltd has completed the sale of its entire 100% shareholding interest in F&N Vietnam Foods Limited.

On 20 October 2010, the Group announced that its subsidiary company, F&N Foods Pte Ltd has entered into a conditional agreement to acquire 100% of the issued share capital of King's Creameries (S) Pte Ltd for a consideration of $20.8 million. The transaction is subject to obtaining final regulatory approval.

On 29 October 2010, the Group announced that its subsidiary company, Times Publishing Limited has entered into an agreement to sell its entire 60% shareholding interest in Pacific Bookstores Pte Ltd for a consideration of $3.4 million.

43 COMPARATIVE FIGURES

The following comparative figures in the financial statements as a result of the disposal of Glass container and Indian Breweries business. The results of these operations have been reclassified as discontinued operations.

	THE GROUP	
	2009 As reclassified ($'000)	**2009 As previously reported ($'000)**
Profit statement		
Continuing operations		
Revenue	5,146,334	5,332,567
Cost of sales	(3,438,008)	(3,557,525)
Other income/(expenses) (net)	17,623	17,414
Operating expenses - Distribution	(203,704)	(221,103)
Operating expenses - Marketing	(443,548)	(465,897)
Operating expenses - Adminstration	(305,525)	(320,247)
Interest income	21,976	22,367
Interest expense	(83,695)	(88,711)
Exceptional items	7,122	1,440
Taxation	(179,192)	(173,451)
Profit from continuing operations after taxation	434,906	442,377
Discontinued operations		
Profit from discontinued operations after taxation	7,471	-

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES

		Effective Shareholding 2010	Effective Shareholding 2009	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
	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
	Times Publishing Ltd	**100.0%**	100.0%	Investment Holding
	Frasers Centrepoint Limited	**100.0%**	100.0%	Investment Holding
	F&NBev Manufacturing Pte. Ltd *(Formerly F&N Boncafe Beverages Pte Ltd)*	**100.0%**	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	**57.0%**	57.4%	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

Notes:

(A) Audited by Ernst & Young in the respective countries.

(C) Audited by other firms of auditors.

Notes To The Financial Statements

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44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2010	Effective Shareholding 2009	Principal Activities
	SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(A)	Fraser & Neave (Malaya) Sdn Bhd	**57.0%**	57.4%	Management Services and Property Investment Holdings
(A)	F&N Beverages Marketing Sdn Bhd *(Formerly F&N Coca-Cola (Malaysia) Sdn Bhd)*	**57.0%**	57.4%	Distribution of Soft Drinks
(A)	F&N Beverages Manufacturing Sdn Bhd *(Formerly F&NCC Beverages Sdn Bhd)*	**57.0%**	57.4%	Manufacture of Soft Drinks
(A)	F&N Dairies (Malaysia) Sdn Bhd	**57.0%**	57.4%	Distribution of Dairy Products
(A)	Premier Milk (Malaya) Sdn Bhd	**57.0%**	57.4%	Manufacture of Dairy Products
(A)	Four Eights Sdn Bhd	**57.0%**	57.4%	Dormant
(A)	F&N Foods Sdn Bhd	**57.0%**	57.4%	Manufacture of Dairy Products
(A)	Kuala Lumpur Glass Manufacturers Company Sdn Bhd	**57.0%**	57.4%	Manufacture and Sale of Glass Containers (ceased operation during the year)
(A)	Wimanis Sdn Bhd	**57.0%**	57.4%	Property Development
(A)	Brampton Holdings Sdn Bhd	**57.0%**	57.4%	Property Development
(A)	Lettricia Corporation Sdn Bhd	**39.9%**	40.2%	Property Development
(A)	Elsinburg Holdings Sdn Bhd	**57.0%**	57.4%	Property Development
(A)	Vacaron Company Sdn Bhd	**57.0%**	57.4%	Dormant
(A)	Nuvak Company Sdn Bhd	**57.0%**	57.4%	Dormant
(A)	Greenclipper Corporation Sdn Bhd	**57.0%**	57.4%	Dormant
(A)	Utas Mutiara Sdn Bhd	**57.0%**	57.4%	Property Investment Holding
(A)	Borneo Springs Sdn Bhd	**57.0%**	57.4%	Manufacture and Sale of Mineral Water, Carbonated Drinks and Bottles
(A)	PML Dairies Sdn Bhd	**57.0%**	57.4%	Manufacture and Distribution of Dairy Products
(A)	F&N Properties Sdn Bhd	**57.0%**	57.4%	Provision of Property Management Services
(A)	F&N Capital Sdn Bhd	**57.0%**	57.4%	Provide Financial and Treasury Services
(A)	Tropical League Sdn Bhd	**57.0%**	57.4%	Dormant
(A)	Vibrant Asset Sdn Bhd	**57.0%**	-	Dormant
	Country of Incorporation and Place of Business: **Singapore**			
(A)	Arolys Singapore Pte Ltd	**57.0%**	57.4%	Distribution of Dairy Products
	Country of Incorporation and Place of Business: **Thailand**			
(A)	F&N Dairies (Thailand) Limited	**57.0%**	57.4%	Manufacture and Distribution of Dairy Products
	Country of Incorporation and Place of Business: **British Virgin Islands**			
(A)	Lion Share Management Limited	**57.0%**	57.4%	Brand Owner

Note:

(A) Audited by Ernst & Young in the respective countries.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

	Effective Shareholding 2010	2009	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
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
FCL Management Services Pte Ltd	**100.0%**	100.0%	Management Services
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 and Property Development
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
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

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2010	Effective Shareholding 2009	Principal Activities
	SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
	Country of Incorporation and Place of Business: **Singapore** (cont'd)			
	FCL Trust Holdings (Commercial) Pte Ltd	**100.0%**	100.0%	Investment Holding
	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
	MLP Co. Pte Ltd	**100.0%**	100.0%	Investment Holding
	SAJV Co. Pte Ltd	**100.0%**	100.0%	Investment Holding
	FCL Clover Pte Ltd	**100.0%**	100.0%	Financial Services
	FCL Emerald (1) Pte Ltd	**100.0%**	100.0%	Investment Holding
	Opal Star Pte Ltd	**100.0%**	100.0%	Investment Holding
	Fraser Suites Jakarta Pte Ltd *(Formerly FCL (Korea) Pte Ltd)*	**100.0%**	100.0%	Investment Holding
	Fraser Residence Orchard Pte Ltd *(Formerly Frasers Hospitality (China) Pte Ltd)*	**100.0%**	100.0%	Management Consultancy Services
	FCL Crystal Pte Ltd	**100.0%**	-	Property Development
	FCL Topaz Pte Ltd	**100.0%**	-	Investment Holding
	Emerald Hill Developments Pte Ltd	**100.0%**	100.0%	Property Investment
	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
	Frasers Hospitality Management Pte Ltd	**100.0%**	100.0%	Management Consultancy Services
	Frasers Hospitality Property Services Pte Ltd	**100.0%**	100.0%	Management Consultancy Services
	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
	FCL Compassvale Pte Ltd	**80.0%**	-	Property Development
	Country of Incorporation and Place of Business: **Vietnam**			
(A)	Me Linh Point Ltd	**75.0%**	75.0%	Property Investment
	Country of Incorporation and Place of Business: **China**			
(A)	Beijing Fraser Suites Real Estate Management Co., Ltd	**100.0%**	100.0%	Property Investment
(A)	Shanghai Sian Jin Property Development Co., Ltd	**100.0%**	100.0%	Property Development
(A)	Shanghai Zhong Jun Real Estate Development Co., Ltd	**76.0%**	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
(A)	Vision (Shenzhen) Business Park Co., Ltd	**56.2%**	56.2%	Business Park Development and Investment
(A) (1)	Vision Huaqing (Beijing) Development Co., Ltd	**33.7%**	33.7%	Business Park Development and Investment

Notes:

(A) Audited by Ernst & Young in the respective countries.

(1) Company is treated as an subsidiary of the Group by virtue of management control over financial and operating policies of the company.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding		
		2010	2009	**Principal Activities**
	SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
	Country of Incorporation and Place of Business: **China** (cont'd)			
(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)	Shanghai Frasers Management Consultancy Co., Ltd	**100.0%**	100.0%	Management Services
(A)	Beijing Sin Hua Yan Real Estate Development Co., Ltd	**100.0%**	95.0%	Property Development
(A)	Singlong Property Development (Suzhou) Co., Ltd	**100.0%**	100.0%	Property Development
(A)	Frasers Property Management (Shanghai) Co., Ltd	**100.0%**	100.0%	Management Services
(A)	Chengdu Sino Singapore Southwest Logistics Co., Ltd *(All the above companies, incorporated in China, accounting year ends on 31 December)*	**80.0%**	80.0%	Property Development
	Country of Incorporation: **Bermuda** Place of Business: **Hong Kong**			
(A)	Frasers Property (China) Limited	**56.2%**	56.2%	Investment Holding
	Country of Incorporation and Place of Business: **Hong Kong**			
(A)	Excellent Esteem Limited	**100.0%**	100.0%	Investment Holding
(A)	Vision Century Secretaries Limited	**56.2%**	56.2%	Secretarial and Nominee 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)	Frasers Hospitality (Hong Kong) Limited	**100.0%**	100.0%	Management Consultancy Services
(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%	Dormant
(A)	Superway Logistics Investments (Hong Kong) Limited *(Accounting year ends on 31 December)*	**80.0%**	80.0%	Investment Holding
	Country of Incorporation: **British Virgin Islands** Place of Business: **Hong Kong**			
(B)	Limbo Enterprises Limited	**56.2%**	56.2%	Property Holding
(B)	Supreme Asia Investments Ltd	**75.2%**	76.0%	Investment Holding
	Country of Incorporation and Place of Business: **Philippines**			
(A)	Frasers Hospitality Philippines, Inc	**100.0%**	100.0%	Management Consultancy Services
(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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2010	Effective Shareholding 2009	Principal Activities
	SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
	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	**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)	Frasers Islington Properties 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)	Frasers Sloane Avenue Limited	**51.2%**	51.2%	Property Development
(C)	Frasers (Brown Street) Limited	**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 and Serviced Apartments
(C)	Frasers (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
(B)	Frasers Highbury Limited	**75.0%**	75.0%	Property Development
(C)	Frasers (St Giles Street, Edinburgh) Ltd	**51.2%**	51.2%	Property Investment
(C)	Frasers St Giles Street Management Ltd	**51.2%**	51.2%	Property Management
(C)	Frasers (Maidenhead) Ltd	**51.2%**	51.2%	Property Development
(C)	Frasers Imperial Place Ltd	**51.2%**	51.2%	Property Development

Notes:

(B) Not required to be audited under the laws of the country of incorporation.

(C) Audited by other firms of auditors.

(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2010	Effective Shareholding 2009	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 and Place of Business: **Australia**			
(A)	Frasers Town Hall Pty Ltd	**80.5%**	80.5%	Investment Holding and Property Development
(A)	Frasers Town Hall Residences Pty Ltd	**80.5%**	80.5%	Property Investment
(A)	Frasers Town Hall Issuer Pty Ltd	**80.5%**	80.5%	Financial Services
(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 Property Management Australia Pty Limited	**75.0%**	75.0%	Management Services
(A)	Frasers Chandos Pty Limited	**75.0%**	75.0%	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 Killara Pty Ltd	**75.0%**	75.0%	Property Development
(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 Homes WA Pty Limited	**56.3%**	56.3%	Property Development
(A)	Frasers Putney Pty Limited	**75.0%**	-	Property Development
	Country of Incorporation and Place of Business: **Japan**			
(B)	Frasers Hospitality Japan Kabushiki Kaisha	**100.0%**	-	Management Consultancy Services
	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%**	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
	Educational Technologies Pte Ltd	**100.0%**	100.0%	Distribution of Home Library Reference Books
	MC Online Pte Ltd *(Formerly Learning Advantage Pte Ltd)*	**100.0%**	100.0%	E-Learning Provider
	Panpac Education Pte Ltd	**100.0%**	100.0%	Publishing - Education

Notes:

(A) Audited by Ernst & Young in the respective countries.

(B) Not required to be audited under the laws of the country of incorporation.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2010	Effective Shareholding 2009	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)			
	Country of Incorporation and Place of Business: **Singapore** (cont'd)			
(C)	Pacific Bookstores Pte Ltd	**60.0%**	60.0%	Retail of School Textbooks and Supplies
(C)	Pansing Distribution Pte Ltd	**100.0%**	100.0%	Distribution of Books and Magazines
(C)	Goodwill Binding Pte Ltd	**51.0%**	51.0%	Printing and Binding
(C)	JCS Digital Solutions Pte Ltd	**51.0%**	51.0%	Digital Printing
(C)	Starprint Production Pte Ltd	**51.0%**	51.0%	Dormant
	Times Editions Pte Ltd	**60.0%**	60.0%	Dormant
	Times Graphics Private Limited	**100.0%**	100.0%	Dormant
*	TransQuest Asia Publishers Pte Ltd	**100.0%**	100.0%	Distribution of 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%	Publishing of Books
(A) (1)	STP Distributors (M) Sdn Bhd	**30.0%**	30.0%	Distribution of Home Library Reference Books
(A)	Pansing Marketing Sdn Bhd	**100.0%**	100.0%	Distribution of Books and Magazines
(A)	Times Offset (Malaysia) Sdn Bhd	**100.0%**	100.0%	Commercial Printing
(A)	Times Distri-Services Sdn Bhd	**100.0%**	100.0%	Dormant
	Country of Incorporation: **Hong Kong** Place of Business: **Thailand**			
(A)	Far East Publications Ltd	**100.0%**	100.0%	Distribution of Home Library Reference Books
	Country of Incorporation and Place of Business: **Thailand**			
(A)	Marshall Cavendish International (Thailand) Co. Ltd	**49.0%**	49.0%	Publishing - Education

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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2010	Effective Shareholding 2009	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)			
	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
(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
	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 and Packaging
(A)	Shanxi Xinhua Times Packaging Printing Co Ltd	**51.0%**	51.0%	Commercial Printing and Packaging
(C)	Marshall Cavendish (Beijing) Co. Limited *(All the above companies, incorporated in China, accounting year ends on 31 December)*	**100.0%**	100.0%	Book Production Services
	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%	Dormant
(A)	Times Properties Pty Limited	**100.0%**	100.0%	Dormant
(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 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 Partworks Ltd	**100.0%**	100.0%	Partworks
(A) *	Summertown Publishing Ltd	**100.0%**	100.0%	English Language Teaching (ELT) Publishing

Notes:

(A) Audited by Ernst & Young in the respective countries.

(C) Audited by other firms of auditors.

* In voluntary liquidation.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

			Effective Shareholding 2010	Effective Shareholding 2009	Principal Activities
		SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)			
		Country of Incorporation and Place of Business: **Poland**			
(A)	*	Marshall Cavendish Polska Sp. zo.o	**100.0%**	100.0%	Partworks
		Country of Incorporation and Place of Business: **Romania**			
(A)	*	Marshall Cavendish Romania S.R.L	**100.0%**	100.0%	Partworks
		Country of Incorporation and Place of Business: **Ukraine**			
(A)	*	A Wholly Owned Subsidiary Marshall Cavendish Ukraine	**100.0%**	100.0%	Partworks
		Country of Incorporation and Place of Business: **United States of America**			
(B)		Marshall Cavendish Corporation	**100.0%**	100.0%	Publishing of Library Reference Books
		JOINT VENTURE COMPANIES OF THE COMPANY			
		Country of Incorporation and Place of Business: **Singapore**			
	#	Asia Pacific Investment Pte Ltd	**50.0%**	50.0%	Investment Holding
		JOINT VENTURE COMPANIES OF FRASERS CENTREPOINT GROUP			
		Country of Incorporation and Place of Business: **Thailand**			
(A)	(2)	Riverside Homes Development Co., Ltd *(Accounting year ends on 31 December)*	**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%**	50.0%	Property Development
		Yishun Gold 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)	(3)	Lumiere Leeds Limited Partnership	**23.0%**	23.0%	Property Development

Notes:

(A) Audited by Ernst & Young in the respective countries.

(B) Not required to be audited under the laws of the country of incorporation.

(C) Audited by other firms of auditors.

(2) This is accounted for as a joint venture as the Group exercises only joint control over the Company.

(3) In liquidation.

* In voluntary liquidation.

\# 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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2010	Effective Shareholding 2009	Principal Activities
	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 and 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 and Packaging
	Country of Incorporation and Place of Business: **Australia**			
(C) (1)	PMP Limited *(Accounting year ends on 30 June)*	**11.6%**	11.6%	Printing and Packaging
	ASSOCIATED COMPANIES OF FRASERS CENTREPOINT GROUP			
	Country of Incorporation and Place of Business: **United Kingdom**			
(C)	Fairbrair Residential Investment Partnership *(Accounting year ends on 31 December)*	**26.1%**	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)	Frasers Commercial Trust	**24.4%**	22.5%	Real Estate Investment Trust
(C)	Frasers Centrepoint Trust	**42.9%**	52.0%	Real Estate Investment Trust

Notes:

(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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2010	Effective Shareholding 2009	Principal Activities
	ASSOCIATED COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
	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 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**			
(B)	Poly-strong Development Limited	**28.1%**	28.1%	Dormant
	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 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
	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

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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2010	Effective Shareholding 2009	Principal Activities
	SUBSIDIARY COMPANIES OF ASIA PACIFIC BREWERIES GROUP (cont'd)			
	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: **New Zealand**			
(B)	Amstel Brouwerij Importers Ltd	**39.7%**	39.7%	Dormant
(A)	Barneydale Limited	**23.8%**	23.8%	Distribution of Beer
(A)	Barworks Group Limited	**23.8%**	23.8%	On-premise Management
(A)	Barworks Holdings Limited	**23.8%**	23.8%	Investment Holding Company
(B)	Black Dog Brewery Limited	**39.7%**	39.7%	Dormant
(A)	BOF Limited	**17.8%**	17.8%	Distribution of Beer
(A)	Clifford Pubs Limited	**17.8%**	17.8%	Distribution of Beer
(A)	DB Breweries Limited	**39.7%**	39.7%	Investment Holding and Brewing and Distribution of Beer
(A)	DB Nominees Ltd	**39.7%**	39.7%	Trustee Company
(A)	DB South Island Brewery Ltd	**21.8%**	21.8%	Brewing and Distribution of Beer
(B)	Drinkworks Limited	**39.7%**	39.7%	Dormant
(A)	Gaults On Quay Limited	**23.8%**	23.8%	Distribution of Beer
(A)	George Corporation Limited	**17.8%**	17.8%	Distribution of Beer
(A)	Hurstmere Pubs Limited	**17.8%**	23.8%	Distribution of Beer
(B)	Kustenbrau Breweries Limited	**39.7%**	39.7%	Dormant
(B)	Mainland Brewery Limited	**39.7%**	39.7%	Dormant
(A)	Market St Holdings Limited	**17.8%**	17.8%	Distribution of Beer
(B)	Monteith's Brewery Company Limited	**39.7%**	39.7%	Dormant
(A)	Portumna Limited	**23.8%**	23.8%	Distribution of Beer
(A)	Riccarton Hospitality 2007 Limited	**23.8%**	23.8%	Distribution of Beer
(B)	Robbie Burns Limited	**39.7%**	39.7%	Dormant
(E)	Rock Ember Limited	**17.8%**	-	Distribution of Beer
(B)	Sale Street Brewery Co Limited	**23.8%**	23.8%	Dormant
(A)	Studio 25 Limited	**17.8%**	17.8%	Distribution of Beer
(A)	Tarmon Limited	**17.8%**	17.8%	Distribution of Beer
(A)	Temperance Hospitality Company Limited	**23.8%**	23.8%	Distribution of Beer
(A)	Temperance Holdings Limited *(Formerly Trinity Hospitality Company Limited)*	**23.8%**	23.8%	Investment Holding Company
(B)	Tui Brewery Limited	**39.7%**	39.7%	Dormant
(B)	Waitemata Brewery Limited	**39.7%**	39.7%	Dormant

Notes:

(A) Audited by Ernst & Young in the respective countries.

(B) Not required to be audited under the laws of the country of incorporation.

(C) Audited by other firms of auditors.

(E) To be appointed

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2010	Effective Shareholding 2009	Principal Activities
	SUBSIDIARY COMPANIES OF ASIA PACIFIC BREWERIES GROUP (cont'd)			
	Country of Incorporation and Place of Business: **India**			
(C)	Asia Pacific Breweries (India) Private Limited	**39.7%**	39.7%	Dormant
	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: **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
	Country of Incorporation and Place of Business: **New Caledonia**			
(C)	Grande Brasserie de Nouvelle Caledonie S.A	**34.6%**	-	Brewing and Distribution of Beer and Spring water
	Country of Incorporation and Place of Business: **Indonesia**			
(C)	PT Multi Bintang Indonesia Tbk	**32.0%**	-	Brewing and Distribution of Beer
(C)	PT Multi Bintang Indonesia Niaga *(All the above companies, incorporated in Indonesia, accounting year ends on 31 December)*	**32.0%**	-	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.

Notes To The Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2010

44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

		Effective Shareholding 2010	Effective Shareholding 2009	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 and 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%**	22.0%	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business: **Thailand**			
(C)	Thai Asia Pacific Brewery Co Ltd	**14.6%**	14.6%	Brewing and Distribution of Beer
(C)	TAP Trading Co Ltd	**14.6%**	14.6%	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 *(Accounting year ends on 31 March)*	**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
	Country of Incorporation and Place of Business: **New Caledonia**			
(C)	Societe Industrielle des Eaux du Mont Dore *(Accounting year ends on 31 December)*	**11.9%**	-	Bottling of Spring water

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 2010 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)

				Land ($'000)	Building ($'000)
(A)	**CLASSIFIED AS GROUP FIXED ASSETS (Note 13 to the Financial Statements)**				
	FREEHOLD				
	Singapore				
	TPL	-	1.1	hectares industrial property at Times Centre, 1 New Industrial Road	6,100	5,855
	Peninsular Malaysia				
	F&N	-	18.0	hectares industrial property at Lot 3-1 & Lot 3-2, Lion Industrial Park, Shah Alam	20,682	31,120
		-	2.1	hectares industrial property at 3724 to 3726 Sungei Nyior, Butterworth	2,010	917
		-	2.7	hectares industrial property at 217, Jalan Lahat, Ipoh	1,199	1,646
		-	2.2	hectares industrial property at 701, Jalan Tampoi, Johor Bahru	3,262	75
		-	0.6	hectares industrial property at 598, Jalan Tampoi, Johor Bahru	447	1,560
		-	0.1	hectares property at No. 3, Jalan Metro Pudu, Fraser Business Park	-	6,734
		-		Other properties	398	-
	TPL	-	1.2	hectares industrial property at Lot 46 Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam	1,640	2,892
	East Malaysia				
	F&N	-	1.1	hectares industrial property at Matang Land District, Sarawak	1,865	1,125
		-	2.0	hectares industrial property at Jalan Mempaga, Mukim Sabai, Karak	1,575	2,202
	Thailand				
	F&N	-	1.2	hectares industrial property at Amphur Pakchong, Nakonratchasima Province 30320	-	52,611
		-	9.2	hectares industrial property at U-thai, Phra Nakhon Si Avutthava 13210 Thailand	7,280	-
	New Zealand				
	APBL	-	17.4	hectares industrial property for Waitemata Brewery site at Auckland	3,499	15,701
		-	9.1	hectares industrial property for Mainland Brewery at Timaru	167	1,703
		-	10.8	hectares industrial property for Tui Brewery at Pahiatua	305	1,228
	Australia				
	TPL	-	0.2	hectare commercial property at Unit 7 & 8 Monash Business Park, 29 Business Park Drive, Nottinghill, Melbourne - Victoria	972	439
	United State of America				
	TPL	-	3.4	hectares commercial property at 99 White Plains Road, Tarrytown, New York	658	3,106
	Mongolia				
	APBL	-	5.0	hectares industrial property at 10th Khoroo, Bayanzurkh District, Ulaanbaatar City, Mongolia	-	3,444
	Sri Lanka				
	APBL	-	0.4	hectares industrial property at Millawa Land	11	-
	New Caledonia				
	APBL	-	3.7	hectares industrial property at 12 Rue Edmond Harbulot, Noumea	1,233	15,465
		-	0.2	hectares residential property at 1 Rue De La Baie D'Houiguie, Noumea	236	698
	Total Freehold				**53,538**	**148,521**

Particulars Of Group Properties

				Land ($'000)	Building ($'000)
(A)	**CLASSIFIED AS GROUP FIXED ASSETS** (cont'd) **(Note 13 to the Financial Statements)**				
	LEASEHOLD				
	Singapore				
	F&N	-	4.0 hectares industrial property at 214 Pandan Loop (Lease expires year 2010)	-	13,553
	APBL	-	8.8 hectares industrial property at Jurong (Lease expires year 2046)	-	18,094
	TPL	-	Commercial property at Unit #04-08 - #04-11, 176 Orchard Road Centrepoint (Lease expires year 2078)	-	209
		-	1.8 hectares offices at 16 & 18 Tuas Avenue 5 (Lease expires year 2043)	-	13,967
	Peninsular Malaysia				
	F&N	-	3.6 hectares industrial property at 70 Jalan University, Petaling Jaya (Lease expires year 2058)	7,925	6,593
		-	1.6 hectares industrial property at 16 Jalan Bersatu 13/4, Petaling Jaya (Lease expires year 2058)	4,196	1,848
		-	1.4 hectares industrial property at Lot 56, Section 4, Phase 2B, Mukim Klang, Selangor (Lease expires year 2097)	12,350	-
		-	Other properties	642	601
	East Malaysia				
	F&N	-	1.8 hectares industrial property at 3.5 miles Penrissen Road, Kuching (Lease expires year 2038)	668	2,807
		-	2.6 hectares industrial property at 5.5 miles Tuaran Road, Kota Kinabalu (Lease expires year 2062)	962	736
		-	1.2 hectares industrial property at Lot 1557, Block 218 KNLD, Kuching (Lease expires year 2038)	2,947	-
		-	2.8 hectares industrial property at Matang Land District, Sarawak/Kuching District (Lease expires year 2038/2784)	1,975	336
	Cambodia				
	APBL	-	11.3 hectares industrial property at Kandal Province (Land rights expires year 2065)	-	6,177
	Vietnam				
	APBL	-	13.0 hectares industrial property at Ho Chi Minh City (Lease expires year 2021)	1,156	6,185
		-	30.0 hectares industrial property at Van Tao Village - Hatay Province (Lease expires year 2046)	-	7,064
		-	5.1 hectares industrial property at Tien Giang Province (Lease expires year 2022)	-	969
		-	7.7 hectares industrial property at Danang City (Lease expires year 2022)	-	969
		-	3.0 hectares industrial property at Quang Nam (Lease expires year 2046)	-	267
	New Zealand				
	APBL	-	0.1 hectares industrial property at Christchurch, Auckland (Lease expires year 2016)	-	127
		-	0.1 hectares industrial property at Dunedin, Auckland (Lease expires year 2013)	-	4
	Thailand				
	F&N	-	0.9 hectare industrial property at No. 19/111 Moo 7 Thakarm Road, Samaedam, Bangkhuntien, Bangkok 10150 (Lease expires year 2029)	465	3,186
	TPL	-	Warehouse at Soi Wat Kok #20/526-527, Rama II Road, Bangkok (Lease expires year 2021)	-	36

Particulars Of Group Properties

				Land ($'000)	Building ($'000)
(A)	**CLASSIFIED AS GROUP FIXED ASSETS** (cont'd) **(Note 13 to the Financial Statements)**				
	LEASEHOLD (cont'd)				
	Myanmar				
	F&N	-	5.0 hectares industrial property at Mingaladon Township, Yangon (Lease expires year 2023)	1,181	9,869
	China/Hong Kong				
	APBL	-	20.0 hectares industrial property at Haikou, Hainan, China (Lease expires year 2065)	4,470	15,605
		-	11.0 hectares industrial property at Shanghai, China (Lease expires year 2038)	5,280	6,974
		-	0.02 hectares industrial property at Shanghai, China (Lease expires year 2042)	-	262
	TPL	-	Residential property at Unit 1AF Riverside Garden, Shenyang, China	-	188
		-	Residential property at Vanke Garden, Shenyang, China	-	94
		-	Warehouse at Unit D, 2nd Floor, Freder Centre 68 Sung Wong Toi Road, Tokwawan, Kowloon, Hong Kong (Lease expires year 2022)	7	22
		-	Industrial property at Dachong Western Industrial District Nansha Panyu, Guangdong, China (Lease expires year 2044)	2,511	14,114
		-	Industrial property at Unit A1,C5, Ko Fai Industrial Building 7 Ko Fai Road, Yau Tong , Kowloon, Hong Kong (Lease expires year 2048)	-	409
		-	Factory at 1 Zhao Yu Street, Yuci Economic Development Zone Jin Zhong City, Shanxi Province (Lease expires year 2026)	-	2,924
		-	Offices at Seaview Estate - 10th Floor Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	4,709	113
		-	Offices at Seaview Estate - 9th Floor Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	4,454	99
	Papua New Guinea				
	APBL	-	2.2 hectares industrial property at Port Moresby (Lease expires year 2067)	591	4,003
		-	7.7 hectares industrial property at Lae and Goroka (Lease expires year 2057 and year 2067)	288	3,322
		-	1.0 hectares residential properties (Lease expires year 2057 and year 2071)	109	67
	Sri Lanka				
	APBL	-	2.3 hectares industrial property at Mawathagama (Lease expires year 2027)	35	358
	Laos				
	APBL	-	13.5 hectares industrial property at Veunkham Road, B.Nongno, Xaythany District, Vientianne, Lao, PDR (Lease expires year 2056)	1,285	7,201
		-	0.1 hectares industrial property at Mini Tavern, Unit 16, House No. 160, Ban Mixay, Chanthabouly District, Vientianne, Lao PDR (Lease expires year 2017)	-	230
	Indonesia				
	APBL	-	10.4 hectares industrial property at Tangerang, West Java (Lease expires year 2033)	81	1,760
		-	30.0 hectares industrial property at Sampang Agung, East Java (Lease expire between year 2025 - 2029)	647	2,003
	Total Leasehold			**58,934**	**153,344**
	TOTAL PROPERTIES (CLASSIFIED AS GROUP FIXED ASSETS)			**112,472**	**301,865**

Particulars Of Group Properties

			Land ($'000)	Building ($'000)
(B)	**CLASSIFIED AS GROUP INVESTMENT PROPERTIES (Note 14 to the Financial Statements)**			
	COMPLETED INVESTMENT PROPERTIES			
	Singapore			
	FCL	- A 24-storey office building at 438 Alexandra Road Freehold, lettable area - 18,423.0 sqm	75,670	78,330
		- 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	424,890	156,310
		- 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	41,000	-
		- 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 9,068.0 sqm Serviced apartments 14,293.0 sqm Total 23,361.0 sqm	138,160	116,640
		- 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	226,500	206,600
		- Other properties	1,200	150
	TPL	- 0.7 hectares industrial property at 438 Ang Mo Kio Industrial Park Leasehold (Lease expires year 2038)	-	8,425
		- 1.9 hectares warehouse at No. 24 Senoko Drive Leasehold (Lease expires year 2016)	-	95
	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 - 17,816.0 sqm	32,138	28,297
	Philippines			
	FCL	- 69 apartment units with 116 car park slots in the East Tower of Fraser Place Forbes Tower, Valero Street, Salcedo Village, Makati City, Manila Leasehold, lettable area - 17,046.0 sqm	-	26,082
	Australia			
	FCL	- A 2-storey Shopping Centre and 1 unit Viewpoint Apartment at Bridgepoint, Mosman, Sydney Freehold, lettable area - 6,784.0 sqm	27,499	25,570

Particulars Of Group Properties

		Land ($'000)	Building ($'000)
(B)	**CLASSIFIED AS GROUP INVESTMENT PROPERTIES** (cont'd) **(Note 14 to the Financial Statements)**		
	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 Road/Keji South Road, Shenzhen Lettable area - 157,610.0 sqm	40,014	109,574
	- A 13-storey building with 2 levels of basement car parks and ancillary facilities at Vision International Centre (Sohu.com Internet Plaza), TsingHua Science Park, No. 1 Zhongguancun East Road, Haidian District, Beijing Lettable area - 14,820.0 sqm	40,667	8,404
	- 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	-	204,595
	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	-	63,901
	- A 4-storey building of 99 serviced residences at Fraser Suites 1-19 Albion Street, Glasgow G1 1 NY Freehold, lettable area - 4,964.0 sqm	-	20,042
	- A 8-storey building of serviced residences with 75 apartments at Fraser Suites Edinburgh, St Giles Street Freehold, lettable area - 4,037.0 sqm	13,201	16,467
	Hong Kong		
	TPL - Shop unit at Houston Centre, Tsimshatsui East, Kowloon Leasehold (Lease expires year 2053), lettable area - 68.0 sqm	483	115
	- 0.1 hectares industrial property at 35 Kallang Pudding Road #07-14 Tong Lee Building Blk A	-	850
	TOTAL COMPLETED INVESTMENT PROPERTIES	**1,061,422**	**1,070,447**
	INVESTMENT PROPERTIES UNDER CONSTRUCTION		
	Singapore		
	FCL - A 12-storey hotel and a shopping mall at Plot 61, Changi Business Park Leasehold land of approximately 47,006.0 sqm	28,000	2,200
	Peninsular Malaysia		
	F&N - Commercial buildings with retail space, city campus and hostel, hotels and carparks at Jalan Yew, Kuala Lumpur, Malaysia Freehold land of approximately 25,659.0 sqm	3,963	13,994
	TOTAL INVESTMENT PROPERTIES UNDER CONSTRUCTION	**31,963**	**16,194**
	TOTAL PROPERTIES (CLASSIFIED AS INVESTMENT PROPERTIES)	**1,093,385**	**1,086,641**

Particulars Of Group Properties

		Effective Group interest %
(C)	**CLASSIFIED AS COMPLETED PROPERTIES HELD FOR SALES (Note 24 to the Financial Statements)**	
	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
	- Lumiere Freehold land of approximately 3,966.0 sqm situated at former Regent Theatre, Frontages on George Street, Bathurst & Kent Street, Sydney NSW. The development has a gross floor area of 62,000.0 sqm and consists of 1 retail podium, 456 residential units, 145 serviced apartments, 3 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
	- Trio, Alexandra & Altro Freehold land of approximately 9,366.0 sqm situated at Pyrmont Road Camperdown NSW. The development has a gross floor area of 38,847.0 sqm and consist of 409 residential units and 2 offices.	88
	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 64 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 105 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
	- 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.	100
	- Chengdu Logistics Park Leasehold land of approximately 195,845.76 sqm situated at South-West sector of Chengdu. The development has a gross floor area of 584,283.0 sqm.	80
	United Kingdom	
	FCL - Wandsworth Freehold land of approximately 40,014.9 sqm situated at 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
	- 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 apartments and townhouses.	51
	- Shoppenhangers Lane Freehold land of approximately 3,035.0 sqm situated at Maidenhead. The development has a gross floor area of 2,316.0 sqm and consists of proposed 28 residential units.	51

Particulars Of Group Properties

(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	-	Soleil @ Sinaran	79%	3rd Quarter FY 2011	100
	-	Martin Place Residences	67%	3rd Quarter FY 2011	100
	-	Bedok Waterfront Waves (B1)-Wave	63%	4th Quarter FY 2011	50
	-	Bedok Waterfront Key (B2)-Key	31%	4th Quarter FY 2012	50
	-	Bedok Waterfront (A2)-Gold	-	1st Quarter FY 2013	50
	-	Bedok Waterfront (A1)-Isle	-	1st Quarter FY 2014	50
	-	Woodsville 28	53%	3rd Quarter FY 2011	100
	-	Caspian	35%	3rd Quarter FY 2012	100
	-	Flamingo Valley	-	3rd Quarter FY 2014	100
	-	8 @ Woodleigh	21%	3rd Quarter FY 2012	100
	-	Residences Botanique	28%	2nd Quarter FY 2012	100
	-	Holland Vale	-	4th Quarter FY 2012	100
	-	Esparina Residences	-	4th Quarter FY 2014	80
	-	Yishun Ave 2/Ave 7/Canberra Drive	-	1st Quarter FY 2014	50
	-	Bedok/Changi Theatre	-	-	100
Malaysia					
F&N	-	Jalan Yew, Kuala Lumpur site	-	-	57
	-	Hulu Langat, Selangor site	-	-	57
	-	Johor Baru, State of Johor site	-	-	57
Thailand					
FCL	-	The Pano	98%	1st Quarter FY 2011	70
Australia					
FCL	-	Queens Riverside	-	4th Quarter FY 2012	88
	-	Paramatta River	-	4th Quarter FY 2014	75
	-	Killara Pavilions	-	4th Quarter FY 2013	75
	-	Frasers Landing	-	4th Quarter FY 2017	56
	-	One Central Park	-	3rd Quarter FY 2013	75
	-	Central Park (CUB site)	-	4th Quarter FY 2013	75
China					
FCL	-	Chengdu Logistics Park (Phase 2 - 5)	-	2nd Quarter FY 2010 - 2nd Quarter FY 2015	80
	-	Chengdu Logistics Park (Office) - Phase1	100%	FY 2010	80
	-	Shanshui Four Seasons (Phase 2 - 4)	-	FY 2018	76
	-	Shanshui Four Seasons (Phase 1)	100%	FY 2010	76
	-	Baitang One (Phase 2 - 4)	-	FY 2017	100
	-	Baitang One (Phase 1a)	86%	3rd Quarter FY 2011	100
	-	Baitang One (Phase 1b)	33%	4th Quarter FY 2011	100
	-	Vision Shenzhen Business Park (Phase 3)	-	-	56
New Zealand					
FCL	-	Broadview Rise	-	Project on Hold	75
	-	Coast Papamoa Beach	-	4th Quarter FY 2014	68
United Kingdom					
FCL	-	Wandsworth Riverside Quarters	-	4th Quarter FY 2016	51
	-	Wandsworth Road	-	-	51
	-	Camberwell Green	-	-	51
	-	Collins Theatre	-	FY 2011	51
	-	Granton Harbour	-	Suspended	26
	-	Water Street	100%	Completed	26
	-	Ferry Village	100%	Completed	26
	-	Shrubhill	-	4th Quarter FY 2012	26
	-	Brown Street	-	-	51
	-	Baildon	-	Project on Hold	51

Shareholding Statistics

AS AT 09 DECEMBER 2010

Class of shares - Ordinary share
Voting rights - One vote per share

Size of holding	Number of Shareholders	%	Number of Shares	%
1 - 999	372	2.58	122,352	0.01
1,000 - 10,000	10,766	74.79	38,352,607	2.73
10,001 - 1,000,000	3,220	22.37	183,874,501	13.09
1,000,001 and above	37	0.26	1,182,330,120	84.17
	14,395	100.00	1,404,679,580	100.00

TWENTY LARGEST SHAREHOLDERS (as shown in the Register of Members)

No	Shareholder's Name	Number of Shares Held	%
1	Merrill Lynch (Singapore) Pte Ltd	210,622,587	14.99
2	DBS Nominees Pte Ltd	203,932,637	14.52
3	Citibank Nominees Singapore Pte Ltd	195,868,195	13.94
4	DBSN Services Pte Ltd	95,461,300	6.80
5	Great Eastern Life Assurance Co Ltd - Participating Fund	77,358,575	5.51
6	HSBC (Singapore) Nominees Pte Ltd	73,525,889	5.23
7	Great Eastern Life Assurance (Malaysia) Berhad	70,393,850	5.01
8	Oversea Chinese Bank Nominees Pte Ltd	48,282,695	3.44
9	The Overseas Assurance Corporation Ltd	46,505,570	3.31
10	United Overseas Bank Nominees Pte Ltd	22,805,311	1.62
11	The Great Eastern Trust Private Limited	17,587,805	1.25
12	Raffles Nominees (Pte) Ltd	15,488,091	1.10
13	Lee Pineapple Company Pte Ltd	15,250,000	1.09
14	Lee Latex Pte Limited	10,656,115	0.76
15	BNP Paribas Securities Services Singapore	10,156,203	0.72
16	UOB Kay Hian Pte Ltd	9,416,200	0.67
17	Tropical Produce Company Pte Ltd	8,665,400	0.62
18	DB Nominees (Singapore) Pte Ltd	7,951,490	0.57
19	Morgan Stanley Asia (Singapore) Securities Pte Ltd	6,019,447	0.43
20	Selat Pte Limited	5,265,000	0.37
		1,151,212,360	81.95

SUBSTANTIAL SHAREHOLDERS (as shown in the Register of Substantial Shareholders)

		DIRECT INTEREST (Number of Shares)	DEEMED INTEREST (Number of Shares)
1	Oversea-Chinese Banking Corporation Limited	46,226,850	212,929,065
2	Great Eastern Life Assurance Company Limited	77,409,075	70,393,850
3	Great Eastern Holdings Limited	-	212,293,685
4	Great Eastern Life Assurance (Malaysia) Berhad	70,393,850	-
5	Great Eastern Capital (Malaysia) Sdn Bhd	-	70,393,850
6	Kirin Holdings Company, Limited held through Merrill Lynch (Singapore) Pte Ltd - depository agent	205,500,000	-
7	Prudential Asset Management (Singapore) Ltd (reporting on behalf of Prudential Asset Management (Singapore) Ltd, Jackson National Life and M&G Investments)	-	116,393,259
8	BlackRock, Inc	-	81,048,534
9	The PNC Financial Services Group, Inc	-	81,048,534

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 27 January 2011
Place : Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958

NOTICE IS HEREBY GIVEN that the 112th Annual General Meeting of FRASER AND NEAVE, LIMITED will be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on Thursday 27 January 2011 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 2010.

2. To approve a final tax-exempt dividend of 12 cents per share in respect of the year ended 30 September 2010.

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 Lee Hsien Yang, who retires by rotation, be and is hereby re-appointed as a Director of the Company."

   Subject to his re-appointment, Mr Lee, who is considered a non-independent director, will be re-appointed as Chairman of the Board of Directors, and the Board Executive and the Food & Beverage Board ("**F&B Board**") Committees.

   (b) "That Mr Soon Tit Koon, who retires by rotation, be and is hereby re-appointed as a Director of the Company."

   Subject to his re-appointment, Mr Soon, who is considered a non-independent director, will be re-appointed as a Member of the Board Executive, the F&B Board and the Remuneration & Staff Establishment Committees.

   (c) "That Mr Ho Tian Yee, who retires by rotation, be and is hereby re-appointed as a Director of the Company."

   Subject to his re-appointment, Mr Ho who is considered an independent director, will be re-appointed as Chairman of the Nominating Committee and a Member of the Board Executive and the Remuneration & Staff Establishment Committees.

   (d) "That Ms Maria Mercedes Corrales, who was appointed during the year, be and is hereby re-appointed as a Director of the Company."

   (e) "That Mr Hirotake Kobayashi, who was appointed during the year, be and is hereby re-appointed as a Director of the Company."

4. To approve Directors' fees of S$2,700,000 payable by the Company for the year ending 30 September 2011 (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

Fraser And Neave, Limited

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(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."

Fraser And Neave, Limited

(COMPANY REGISTRATION NO. 189800001R)
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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.

Fraser And Neave, Limited

(COMPANY REGISTRATION NO. 189800001R)
(INCORPORATED IN SINGAPORE)

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 2011

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.

Fraser And Neave, Limited

(COMPANY REGISTRATION NO. 189800001R)
(INCORPORATED IN SINGAPORE)

STATEMENT PURSUANT TO ARTICLE 64 OF THE COMPANY'S ARTICLES OF ASSOCIATION

The effects of the resolutions under the heading "Special Business" in this Notice of the 112th 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 2010 (the "**Latest Practicable Date**"), the purchase by the Company of 7% of its issued ordinary shares will result in the purchase or acquisition of 98,327,570 ordinary shares. Assuming that the Company purchases or acquires the 98,327,570 ordinary shares at the Maximum Price of S$6.54 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 98,327,570 ordinary shares is approximately S$643,062,308.

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 2010, based on certain assumptions, are set out in paragraph 2.6 of the Letter to Shareholders dated 4 January 2011, which is enclosed together with the Annual Report 2010.

Fraser And Neave, Limited

(COMPANY REGISTRATION NO. 189800001R)
(INCORPORATED IN SINGAPORE)

PROXY FORM – ANNUAL GENERAL MEETING

IMPORTANT
1. For investors who have used their CPF monies to buy Fraser and Neave, Limited shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used, or purported to be used, by them.
3. CPF investors who wish to attend the Annual General Meeting as OBSERVERS have to submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format, with the Company Secretary, Fraser and Neave, Limited. (Agent Banks: please see Note No. 8 on required format).

I/We ____________________ (Name) ____________________ (NRIC/Passport Number)

of ____ (Address)

being a member/members of Fraser and Neave, Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (Note 2)	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (Note 2)	
			No. of Shares	%

or failing him/them, the Chairman of the Annual General Meeting ("**AGM**"), as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the AGM of the Company to be held at 10.00 a.m. on 27 January 2011 at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting 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 AGM.

NOTE: The Chairman of the AGM will be exercising his right under Article 70(a) of the Articles of Association of the Company to demand a poll in respect of the resolutions to be put to the vote of members at the AGM and at any adjournment thereof. Accordingly, such resolutions at the AGM will be voted on by way of poll.

NO.	RESOLUTIONS RELATING TO:	No. of Votes For*	No. of Votes Against*
	ROUTINE BUSINESS		
1.	To receive and adopt the report of the Directors and audited financial statements for the year ended 30 September 2010.		
2.	To approve a final tax-exempt dividend of 12 cents per share in respect of the year ended 30 September 2010.		
3.	(a) To re-appoint Director: Mr Lee Hsien Yang		
	(b) To re-appoint Director: Mr Soon Tit Koon		
	(c) To re-appoint Director: Mr Ho Tian Yee		
	(d) To re-appoint Director: Ms Maria Mercedes Corrales		
	(e) To re-appoint Director: Mr Hirotake Kobayashi		
4.	To approve Directors' fees of S$2,700,000 payable by the Company for the year ending 30 September 2011.		
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 renewal of the Share Purchase Mandate.		
	OTHER BUSINESS		
11.	To transact any other business which may properly be brought forward.		

* If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (√) within the relevant box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant resolution, please indicate the number of Shares in the boxes provided.

Dated this __________ day of __________ 2011.

Total Number of Shares held (Note 4)	

____
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. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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

27 JANUARY 2011
Annual General Meeting

11 FEBRUARY 2011
(after close of trading) (tentative)
Announcement of 1st Quarter Results

13 MAY 2011
(after close of trading) (tentative)
Announcement of 2nd Quarter Results
Declaration of Interim Dividend

12 AUGUST 2011
(after close of trading) (tentative)
Announcement of 3rd Quarter Results

11 NOVEMBER 2011
(after close of trading) (tentative)
Announcement of Full Year Results
Declaration of Final Dividend

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

For online version of F&N FY10 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