

REPORT ON CORPORATE GOVERNANCE

For the year ended 30 September 2002

Fraser and Neave Limited ("F&N") is committed to a high standard of corporate governance to preserve and enhance shareholder value.

1. BOARD OF DIRECTORS

F&N is headed by an effective Board to lead and direct F&N in its pivotal role in charting the strategic course and direction of the F&N Group of Companies (the "Group").

The Board comprises the following members:

Dr Michael Fam	(Executive Chairman)
Mr Fock Siew Wah	(Deputy Chairman – non-executive)
Dr Han Cheng Fong	(Managing Director)
Mr Ho Tian Yee	(Non-executive)
Mr Stephen Lee	(Non-executive)
Mr Lee Ek Tieng	(Non-executive)
Dr Lee Tih Shih	(Non-executive)

Mr Tan Yam Pin and Mr I A MacLean retired from the Board on 30 September 2002 after more than 21 and 24 years respectively, of outstanding service with the Group. Mr MacLean remains as a consultant to assist in the completion of year-end accounts and the preparation of annual reports and announcements, leading up to the annual general meeting of F&N scheduled for the end of January 2003. Mr MacLean also remains on the Board of DB Breweries Limited.

The Board, of which more than half are independent non-executive directors, is able to exercise its powers, objectively and independently from Management. The Board has reviewed, and is satisfied that Dr Lee Tih Shih can be considered independent, notwithstanding his relationship to Oversea-Chinese Banking Corporation Limited, a substantial shareholder of F&N, and with which the Group also has a business relationship, under normal commercial terms.

The size of the Board, the standing of members of the Board in the business community, and their experience, knowledge and expertise, provide for effective decision-making and direction to the Group, in its mission to be a world-class multinational consumer product group, focused on service and product excellence for our customers, superior returns to our shareholders, and a rewarding career for its employees.

The Executive Chairman is the Chief Executive Officer of the Group. Through him, the Managing Director, the Group Financial Controller, the Group Company Secretary, and the Chief Executive Officers of the respective business units, are responsible for the management of the Company and the Group. A Group Compliance Officer, who is also the Group Legal Manager, has been appointed in respect of compliance with the Group's guidelines on corporate governance.

The Board meets regularly to oversee the business affairs of the Group, approve the financial objectives and business strategies, and monitor standards of performance both directly and through its specialised committees.

Board members are provided with adequate and timely information prior to board meetings, and on an ongoing basis, and have separate and independent access to the Company's senior management.

During the year, the Board adopted an orientation programme for new directors, and with respect to major new projects, for existing directors. Visits to a number of overseas operations were made.

Key information on the directors is set out on pages 62 and 63.

REPORT ON CORPORATE GOVERNANCE

For the year ended 30 September 2002

1. BOARD OF DIRECTORS (CONT'D)

The number of board meetings of F&N held in the year and meetings of specialised committees established by the Board are as follows:

DIRECTORS	BOARD		EXCO		AUDIT		REMUNERATION		NOMINATING	
	NO. OF MEETINGS	ATTENDANCE	NO. OF MEETINGS	ATTENDANCE	NO. OF MEETINGS	ATTENDANCE	NO. OF MEETINGS	ATTENDANCE	NO. OF MEETINGS	ATTENDANCE
Dr Michael Fam	13	13	12	12	NA	NA	2	2	1	1
Mr Fock Siew Wah	13	13	12	12	4	4	2	2	1	1
Dr Han Cheng Fong*	9	8	NA	NA	NA	NA	NA	NA	NA	NA
Mr Ho Tian Yee	13	12	12	11	NA	NA	2	2	1	1
Mr Lee Ek Tieng	13	11	NA	NA	4	3	2	2	NA	NA
Mr Stephen Lee	13	10	12	10	4	4	2	2	1	1
Dr Lee Tih Shih**	13	4	NA	NA	NA	NA	NA	NA	NA	NA
Mr I A MacLean***	13	13	NA	NA	NA	NA	NA	NA	NA	NA
Mr Tan Yam Pin***	13	13	NA	NA	NA	NA	NA	NA	NA	NA

Notes:

* Dr Han Cheng Fong was appointed to the Board on 1 April 2002.

** Dr Lee Tih Shih is on leave of absence from the Board.

*** Mr I A MacLean and Mr Tan Yam Pin retired from the Board on 30 September 2002.

NA : Not Applicable

The Remuneration Committee was re-constituted on 26 September 2002 and Dr Michael Fam stepped down as a Member on the same date.

2. SPECIALISED COMMITTEES

The composition of the Specialised Committees set up by the Board is as follows:

2.1 Executive Committee

The Executive Committee ("EXCO") comprises:

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

The role of the EXCO is to formulate the Group's strategic development initiatives, provide directions for new investments and material financial and non-financial matters, and oversee the Company's and the Group's conduct and corporate governance structure. The objective is to ensure that the Group achieves its desired performance goals as well as enhance long-term shareholder value.

2.2 Remuneration Committee

The Remuneration Committee incorporates the Committee of the F&N Executives' Share Option Scheme ("F&N ESOS"). The composition of the Remuneration Committee consists of a majority of non-executive directors who are independent of Management and free from any business or other relationships.

The Remuneration Committee comprises:

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

REPORT ON CORPORATE GOVERNANCE

For the year ended 30 September 2002

2. SPECIALISED COMMITTEES (CONT'D)

2.2 Remuneration Committee (cont'd)

The Remuneration Committee's role is to review and recommend to the Board, an appropriate and competitive framework of remuneration for the Board, key executives and the Group.

In setting remuneration packages, the Remuneration Committee takes into account the performance of the Group, as well as individual directors and key executives, aligning their interests with those of shareholders, and linking rewards to corporate and individual performance. An annual performance incentive plan has been implemented for executive staff.

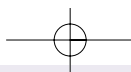
The remuneration of directors and key executives are set out below:

	FEE %	SALARY %	BONUS %	ALLOWANCES & BENEFITS %	RETIREMENT GRATUITIES %	TOTAL %
a) Directors of the Company						
i) Between \$2,250,001 to \$2,500,000						
Dr Michael Fam	10	71	17	2	–	100
ii) Between \$2,000,001 to \$2,250,000						
Mr Tan Yam Pin	–	30	11	15	44	100
Mr I A MacLean	–	29	11	10	50	100
iii) Between \$1,250,001 to \$1,500,000						
Dr Han Cheng Fong*	–	64	28	8	–	100
iv) Below \$250,000						
Mr Fock Siew Wah	100	–	–	–	–	100
Mr Stephen Lee	100	–	–	–	–	100
Mr Ho Tian Yee	100	–	–	–	–	100
Dr Lee Tih Shih	100	–	–	–	–	100
Mr Lee Ek Tieng	100	–	–	–	–	100
b) Key Executives of the Group						
i) Between \$750,001 to \$1,000,000						
Mr Koh Poh Tiong	–	60	22	18	–	100
ii) Between \$500,001 to \$750,000						
Mr Lai Seck Khui	–	69	17	14	–	100
iii) Between \$250,001 to \$500,00						
Mr Jeffrey Heng Wah Yong#	–	73	25	2	–	100
Mr Patrick Goh	–	66	24	10	–	100
Mr Tan Ang Meng	–	81	11	8	–	100

* Dr Han Cheng Fong was appointed to the Board on 1 April 2002. His above remuneration is for a full year.

Mr Jeffrey Heng Wah Yong was appointed as director and Chief Executive Officer of Centrepont Properties Ltd on 1 April 2002.

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



REPORT ON CORPORATE GOVERNANCE

For the year ended 30 September 2002

2. SPECIALISED COMMITTEES (CONT'D)

2.3 Nominating Committee

The Nominating Committee was constituted on 14 August 2002 comprising:

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

The role of the Nominating Committee is to establish a formal and transparent process for the Group, for the appointment of new directors and re-nomination and re-election of directors at regular intervals. The Nominating Committee will also assess the effectiveness of the Board as a whole, and the contribution of each director to the effectiveness of the Board. In drawing up objective performance criteria for such evaluation and determination, the Nominating Committee considers a number of factors, including those set out in the Code of Corporate Governance. The Nominating Committee also considers and determines the independence of directors.

2.4 Audit Committee

The Audit Committee comprises:

Mr Fock Siew Wah	(Chairman)
Mr Stephen Lee	(Member)
Mr Lee Ek Tieng	(Member)

all being independent non-executive directors appropriately qualified to discharge their responsibilities.

The Audit Committee has oversight of the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditors. The Audit Committee is empowered to investigate any matter relating to the Group's accounting, auditing, internal controls and/or financial practices brought to its attention, with full access to records, resources and personnel, to enable it to discharge its functions properly.

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

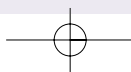
The internal and external auditors have unrestricted access to the Audit Committee. The Head of Internal Audit reports to the Chairman of the Audit Committee. The Audit Committee has full access to and cooperation of Management, and has full discretion to invite any director and executive officer to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

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

The Audit Committee has reviewed and is satisfied with:

- the effectiveness of the Group's material internal controls, including financial, operational and compliance controls, and risk management; and
- the adequacy of the Internal Audit function. The Internal Audit function is adequately resourced, and has appropriate standing within the Company and the Group. The Head of Internal Audit is a certified public accountant.

In the opinion of the directors, F&N is in compliance with Singapore Exchange Securities Trading Limited ("SGX")'s Best Practices Guide on Audit Committees.



REPORT ON CORPORATE GOVERNANCE

For the year ended 30 September 2002

3. RISK MANAGEMENT

During the year, the Group engaged a firm of independent consultants to facilitate the process of establishing a consistent, strategic enterprise wide risk management ("ERM") framework for the Group. The focus, in setting up the framework for ERM, was to formalise across the Group, processes which in many cases are currently in place, so that the consolidated register of risks, controls and management actions identified, would serve as a tool for Management to monitor, control and review the risks. The study was conducted at the strategic level and the framework for ERM set up and implemented.

The report of the consultants on ERM has been reviewed by the Audit Committee, and endorsed by the Board. The Board is satisfied that Management has in place adequate controls and management action plans for ERM.

4. COMMUNICATION WITH SHAREHOLDERS

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

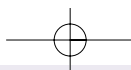
5. CODE OF BUSINESS CONDUCT

The Group has adopted a Code of Business Conduct to regulate the standards and ethical conduct of the Group, and that its directors, officers and employees are required to observe and maintain high standards of integrity, as are in compliance with the law and the regulations, and Company policies.

6. DEALINGS IN SECURITIES

In line with SGX's Best Practices Guide on Dealings in Securities, the Group issues circulars to its directors, officers and employees that there must be no dealings in listed securities of the Group, one month before the release of the half-year and year-end financial results, and if they are in possession of unpublished material price-sensitive information.

The Board is satisfied with the Group's commitment to compliance with the Code of Corporate Governance, and on the adequacy of internal controls within the Group.

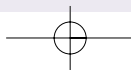


REPORT ON CORPORATE GOVERNANCE

For the year ended 30 September 2002

PARTICULARS OF DIRECTORS AS AT 30 SEPTEMBER 2002

NAME OF DIRECTOR	ACADEMIC & PROFESSIONAL QUALIFICATIONS	BOARD COMMITTEES AS CHAIRMAN OR MEMBER	DIRECTORSHIP: DATE FIRST APPOINTED DATE LAST RE-ELECTED	BOARD APPOINTMENT WHETHER EXECUTIVE OR NON-EXECUTIVE	DUE FOR RE-ELECTION AT NEXT AGM
Dr Michael Fam	BBM, PJG, DUBC, DUNU (1st Class), Hon ILLD, Hon D Eng, Hon D Litt, Bachelor of Engineering with 1st Class Honours in Civil Engineering, Fellow of The Institution of Civil Engineers, London and Hon Fellow of The Institution of Engineers, Australia	Chairman: Executive Committee Member: Nominating Committee	16.08.1978 31.01.2002	Executive	Retirement pursuant to S153(6) Companies Act (Cap.50)
Mr Fock Siew Wah	Diploma, Chartered Institute of Bankers, London Fellow of the Singapore Institute of Directors	Member: Executive Committee Chairman: Audit Committee Chairman: Remuneration Committee Chairman: Nominating Committee	02.02.1996 24.02.2000	Independent	Retirement by Rotation
Dr Han Cheng Fong	Bachelor of Science (1st Class) in Physics, University of Singapore Master of Science, Doctor of Philosophy, University of Birmingham, UK	Nil	01.04.2002	Executive	Retirement pursuant to Article 122
Mr Ho Tian Yee	Bachelor of Arts (Honours) Economics (CNAAP) Portsmouth University, UK Executive Program, Carnegie-Mellon University, USA	Member: Executive Committee Member: Remuneration Committee Member: Nominating Committee	01.12.1997 22.02.2001	Independent	-



REPORT ON CORPORATE GOVERNANCE

For the year ended 30 September 2002

PARTICULARS OF DIRECTORS AS AT 30 SEPTEMBER 2002 (CONT'D)

NAME OF DIRECTOR	ACADEMIC & PROFESSIONAL QUALIFICATIONS	BOARD COMMITTEES AS CHAIRMAN OR MEMBER	DIRECTORSHIP: DATE FIRST APPOINTED DATE LAST RE-ELECTED	BOARD APPOINTMENT WHETHER EXECUTIVE OR NON-EXECUTIVE	DUE FOR RE-ELECTION AT NEXT AGM
Mr Stephen Lee	MBA, Northwestern University, Evanston, USA	Member: Executive Committee Member: Audit Committee Member: Remuneration Committee Member: Nominating Committee	01.07.1997 24.02.2000	Independent	Retirement by Rotation
Mr Lee Ek Tieng	Bachelor of Engineering Diploma in Public Health Engineering Fellow, Institution of Civil Engineers, UK Fellow, Chartered Institution of Water & Environmental Management, UK Hon Fellow, Institution of Engineers, Singapore Member, Institution of Engineers, Malaysia	Member: Audit Committee Member: Remuneration Committee	08.01.2001 22.02.2001	Independent	–
Dr Lee Tih Shih	Bachelor of Science (Honours Program) (Northwestern) Doctor of Medicine (Yale) Master of Business Administration with Distinction (London)	Nil	01.12.1997 22.02.2001	Independent	–

Notes

- (1) Information on directors' shareholdings in the Company and its related companies is set out on page 70.
- (2) Information on directorships or chairmanships in other listed companies and other major appointments is set out on pages 20 and 21.

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 2002.

1. DIRECTORATE

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

Dr Michael Fam

Mr Fock Siew Wah

Dr Han Cheng Fong (Appointed on 1 April 2002)

Mr Ho Tian Yee

Mr Stephen Lee

Mr Lee Ek Tieng

Dr Lee Tih Shih

Mr Patrick Goh (Appointed on 15 November 2002 as alternate to Dr Han Cheng Fong)

Messrs I A Maclean and Tan Yam Pin retired from the Board on 30 September 2002.

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

– Pursuant to Section 153 of the Companies Act, Cap.50:

- Dr Michael Fam

– By rotation pursuant to Article 117 of the Company's Articles of Association:

- Mr Fock Siew Wah
- Mr Stephen Lee

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

- Dr Han Cheng Fong

2. PRINCIPAL ACTIVITIES

The principal activities of the Group are:

- (a) production and sale of soft drinks, beer, stout, dairy products and glass containers;
- (b) development of and investment in property; and
- (c) printing, publishing and provision of education services.

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

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

DIRECTORS' REPORT

	THE GROUP (\$'000)	THE COMPANY (\$'000)
3. RESULTS FOR THE FINANCIAL YEAR		
Profit after taxation	348,202	361,266
Share of subsidiary companies' results attributable to outside shareholders	(107,187)	-
Profit attributable to members of the Company transferred to reserves	<u>241,015</u>	<u>361,266</u>
4. TRANSFERS TO/(FROM) RESERVES OR PROVISIONS		
The following amounts have been credited/(debited) to reserves:		
Capital redemption reserve created on the repurchase of shares in the Company	674	674
Revenue reserve utilised for the repurchase of shares in the Company	(3,913)	(3,913)
Share premium in the Company reduced upon capital reduction	(207,512)	(207,512)
Share premium from the issue of shares by the Company upon exercise of share options	6,775	6,775
Adjustment of prior year's revaluation reserve resulting from release of completion cost provisions	549	-
Deficit on the revaluation of properties	(41,201)	-
Change in outside shareholders' interest in reserves upon the issue of shares by subsidiary companies	433	-
Provision for unconsumed leave and deferred taxation due to change in accounting policies	(28,244)	-
Realignment of foreign currency assets and liabilities	<u>22,446</u>	<u>-</u>

Apart from the above and the transfer of attributable net profit to reserves, there have been no material transfers to or from reserves or provisions of the Company or of the Group.

5. SUBSIDIARY COMPANIES ACQUIRED OR DISPOSED OF

(a) The Company

During the financial year, the Company:

- (i) acquired two wholly-owned subsidiary companies, Norford Investments Pte Ltd and Foregain Investments Pte Ltd. Each company had an authorised share capital of \$100,000 and an issued and paid-up capital of \$2 each.
- (ii) transferred 212,817 ordinary shares of RM1 each in Fraser & Neave Holdings Bhd ("F&NHB") upon the exercise by executives of the same number of share options (182,461 of 1998 Options at an exercise price of RM3.38 per share and 30,356 of 2000 Options at an exercise price of RM3.07 per share) granted under the F&NHB Executives' Share Option Scheme referred to under paragraph 9(k) hereof.
- (iii) made a voluntary conditional offer for Centrepoint Properties Ltd ("CPL") through its wholly-owned subsidiary company, Norford Investments Pte Ltd, at a cash offer price of \$2.07 per share, while another voluntary conditional offer was made for Times Publishing Limited ("TPL") through another wholly-owned subsidiary company, Foregain Investments Pte Ltd, at a cash offer price of \$4.48 per share. Both takeover exercises were successfully completed on 4 March 2002 and CPL and TPL became wholly-owned subsidiary companies and were delisted from the Singapore Exchange Securities Trading Limited on 8 March 2002.
- (iv) Commenced liquidation of the following subsidiary companies:
 - Norford Investments Pte Ltd
 - Foregain Investments Pte Ltd
 - Abiud Pte Ltd

DIRECTORS' REPORT

5. SUBSIDIARY COMPANIES ACQUIRED OR DISPOSED OF (CONT'D)

(b) Breweries Group

During the financial year:

- (i) Asia Pacific Breweries Ltd ("APBL") increased its interest in Hatay Brewery Limited, incorporated in Vietnam, from 60.1% to 96.6% by acquiring Hatay Food Company's 36.5% equity interest in the company for a total consideration of \$5.7 million.
- (ii) APBL applied to the Registrar of Companies and Businesses to strike off Asia Pacific Breweries (Vietnam) Pte Ltd, a dormant wholly-owned subsidiary of APBL incorporated in Singapore, pursuant to Section 344 of the Companies Act, Cap.50.
- (iii) APBL's subsidiary company, SP Holdings Limited ("SPH") returned Kina 26.7 million to its shareholders in a capital reduction and restructuring exercise. APBL received Kina 20.3 million (about S\$10.2 million) from this exercise. SPH was dissolved on 20 September 2002. SPH's shareholding in South Pacific Brewery Ltd was transferred to its shareholders.
- (iv) APBL's subsidiary company, DB Breweries Limited's wholly-owned subsidiary company, Black Dog Brewery Limited, was incorporated on 12 December 2001 in New Zealand with an issued capital of NZ\$100.
- (v) Sino Brew Investments Company Limited, incorporated in Hong Kong, was liquidated.

(c) Properties Group

During the financial year:

- (i) The following subsidiary companies were incorporated by Centrepoint Properties Ltd ("CPL"):

	INCORPORATED IN	DATE OF INCORPORATION	PAID-UP CAPITAL		CPL'S EFFECTIVE INTEREST
			LOCAL CURRENCY	S\$	
Centrepoint Retail Concepts Pte Ltd	Singapore	11.02.2002	S\$2	2	100%
CPL (Town Hall) Pty Limited	Australia	03.06.2002	A\$100	100	80.5%
CPL Sophia Pte Ltd	Singapore	26.06.2002	S\$2	2	100%
Shanghai Centrepoint Management Consultancy Co Ltd	China	29.11.2001	Rmb 2,897,090	643,220	100%

- (ii) CPL's wholly-owned subsidiary company, CPL (China) Pte Ltd entered into a joint venture with Shanghai Jin Di City Construction & Development Co Ltd ("SJDC") to develop a 13,843 sqm site in Jing An District, Shanghai. The development project when completed will comprise about 453 units of apartments and a retail podium. The joint venture company, Shanghai Sian Jin Property Development Co Ltd was incorporated on 29 November 2001. The registered capital of the joint venture company is US\$20 million, with CPL (China) Pte Ltd holding a 95% equity stake and SJDC the remaining 5%.

(d) Publishing and Printing Group

During the year:

- (i) The following subsidiary companies were incorporated by Times Publishing Limited ("TPL"):

	INCORPORATED IN	DATE OF INCORPORATION	PAID-UP CAPITAL		TPL'S EFFECTIVE INTEREST
			LOCAL CURRENCY	S\$	
Marshall Cavendish Language Centre Limited	United Kingdom	25.01.2002	£2	6	100%
MC East Limited	United Kingdom	01.05.2002	£100	263	100%
Times Information Systems Sdn Bhd	Malaysia	20.03.2002	RM2	1	100%
Times Business Information Limited	Hong Kong	11.12.2001	HK\$10,000,000	2,352,451	100%
Marshall Cavendish International (Thailand) Co Ltd *	Thailand	10.07.2002	Baht 100,000	4,141	49%

* TPL has control of this entity.

DIRECTORS' REPORT

5. SUBSIDIARY COMPANIES ACQUIRED OR DISPOSED OF (CONT'D)

(d) Publishing and Printing Group (cont'd)

(ii) The following subsidiary companies were acquired by TPL:

	INTEREST ACQUIRED	CONSIDERATION S\$	ATTRIBUTABLE NET TANGIBLE ASSETS AT ACQUISITION S\$
Vine Graphic Pte Ltd	100%	729,754	1,658,487
Everbest Printing Holdings Ltd	51%	18,047,122 (HK\$78,053,515)	14,534,779 (HK\$62,862,688)
TransQuest Asia Publishers Pte Ltd	100%	1,400,000	1,400,000
Times Distri-Services Sdn Bhd	100%	1 (RM2)	1 (RM2)

(iii) TPL acquired the remaining 490,000 (29.81%) ordinary shares of \$1 each in Times Learning Systems Private Limited for a consideration of \$251,457.

(iv) Everbest Printing Holdings Limited, a 51%-owned subsidiary, disposed of its wholly-owned subsidiary company, A.C Technologies International Holdings Limited for a cash consideration of HK\$774,000. The share of net liabilities at the time of disposal was HK\$1,849,253.

6. ISSUE/REDEMPTION OF SHARES OR DEBENTURES IN GROUP COMPANIES

During the financial year:

(a) The Company

(i) Executives' Share Options

The Company issued 1,438,238 new ordinary shares of \$1 each fully paid upon the exercise of the following Options on the basis of 1 share for each option:

1998 Options of 1989 Scheme

421,814	at \$7.12 per share (previous exercise price)
120,339	at \$7.02 per share (adjusted exercise price)

1999 Options of 1989 Scheme

822,400	at \$4.84 per share (previous exercise price)
51,560	at \$4.49 per share (adjusted exercise price)

Year 1 Options of 1999 Scheme

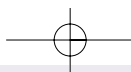
22,125	at \$6.91 per share (adjusted exercise price)
<u>1,438,238</u>	

(ii) Share Buy-Back

Under a mandate given by shareholders at the Annual General Meeting on 22 February 2001 which allowed the Company to re-purchase up to 5% of its then issued capital during the period up to its next AGM, the Company re-purchased 534,000 ordinary shares from an on-market buy-back programme. These shares, together with 140,000 re-purchased near the end of the previous financial year, were subsequently cancelled.

(iii) Capital Restructuring

A capital restructuring exercise involving, inter alia, a capital reduction under Section 73 of the Companies Act, Cap.50 whereby 1 share for every 10 shares held was cancelled and in conjunction with that, a return of capital to Shareholders on the basis of \$0.80 per ordinary share of par value \$1 in cash, was completed by the Company on 12 April 2002. A total of \$237,156,541 was returned by the Company to shareholders and the issued share capital was reduced by \$29,644,569 to \$266,801,108 divided into 266,801,108 ordinary shares of \$1 each.



DIRECTORS' REPORT

6. ISSUE/REDEMPTION OF SHARES OR DEBENTURES IN GROUP COMPANIES (CONT'D)

(a) The Company (cont'd)

(iv) \$1,000,000,000 Medium Term Note Programme

A \$1,000,000,000 Medium Term Note Programme ("MTN Programme") was established by the Company on 26 August 2002.

Under the MTN Programme, the Company may from time to time issue notes ("Notes") in series or tranches in Singapore dollars or any other currency as may be agreed between the relevant dealer of the MTN Programme and the Company. Each series or tranche of Notes may be issued in various amounts and tenors, and may bear fixed, floating or variable rates of interest or may not bear interest. The Notes will constitute direct, unconditional, unsubordinated and (subject to a negative pledge) unsecured obligations of the Company and will rank pari passu among themselves (and save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Company, from time to time outstanding.

The net proceeds from the issue of the Notes (after deducting issue expenses) will be used for the purposes of funding the working capital requirements and refinancing indebtedness of the Company, or its subsidiary, joint venture and associated companies.

Pursuant to the MTN Programme, the Company issued:

Series 1 : \$300 million 5-year Fixed Rate Notes on 9 September 2002 at a fixed interest rate of 3.26% per annum.

(v) The following occurred in the issued capital of subsidiary companies:

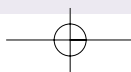
- Norford Investments Pte Ltd increased its issued capital by allotting and issuing 78,016 ordinary shares of \$1 each fully paid, at a premium of \$19,999 per share, to the Company by way of capitalising its shareholder's loan from the issue of 78,002 shares for a consideration of \$1,560,040,000 and of \$280,000 from the issue of 14 shares for cash. Total consideration being \$1,560,320,000.
- Foregain Investments Pte Ltd increased its issued capital by allotting and issuing 55,628 ordinary shares of \$1 each fully paid, at a premium of \$9,999 per share, to the Company by way of capitalising its shareholder's loan from the issue of 55,602 shares for a consideration of \$556,020,000 and of \$260,000 from the issue of 26 shares for cash. Total consideration being \$556,280,000.
- These two companies were subsequently put into liquidation.

(b) Breweries Group

- (i) Asia Pacific Breweries Limited ("APBL") issued, under the Executives Share Option Scheme, 678,000 new ordinary shares of \$1 each fully paid upon the exercise of 334,470 of the 1998 Options and 343,530 of the 1999 Options on the basis of 1 share for each option at exercise prices of \$4.27 per share and \$3.61 per share respectively.
- (ii) Asia Pacific Breweries (India) Pte Ltd, due to a change in the statutory requirement for a company in India to have a minimum issued capital of Rs.100,000, increased its issued capital to Rs.100,000 by the issue of 9,998 new ordinary shares of Rs.10 each to APBL for a consideration of Rs. 99,980.
- (iii) Shanghai Asia Pacific Brewery Company increased its share capital by Rmb133,127,400 to Rmb 361,879,000 by capitalising the shareholders' loans.

(c) Properties Group

- (i) Prior to the privatisation of Centrepont Properties Ltd ("CPL"), CPL issued, under the Executives Share Option Scheme, 7,200 new ordinary shares of 50 cents each fully paid in cash upon the exercise of 7,200 of the 1999 Options on the basis of 1 share for each option at \$1.07 per share.



DIRECTORS' REPORT

6. ISSUE/REDEMPTION OF SHARES OR DEBENTURES IN GROUP COMPANIES (CONT'D)

(c) Properties Group (cont'd)

(ii) The following occurred in the issued capital of CPL's subsidiary companies:

- CPL Boon Lay Pte Ltd increased its issued capital from \$2 to \$1,000,000 by the allotment of 999,998 ordinary shares of \$1 each fully paid to CPL for a consideration of \$999,998 as additional working capital.
- CPL Homes Pte Ltd increased its authorised capital from \$100,000 to \$1,000,000 by the creation of 900,000 new ordinary shares of \$1 each and increased its issued capital from \$2 to \$1,000,000 by the allotment of 999,998 ordinary shares of \$1 each fully paid to CPL for a consideration of \$999,998 as additional working capital.
- Fraser Serviced Residences Pte Ltd increased its authorised capital from \$100,000 to \$1,000,000 by the creation of 900,000 new ordinary shares of \$1 each and increased its issued capital from \$2 to \$500,000 by the allotment of 499,998 ordinary shares of \$1 each fully paid to CPL for a consideration of \$499,998 as additional working capital.
- Woodlands Complex Pte Ltd redeemed 1,000 Redeemable Preference Shares, issued in the year 1998, for \$10,000,000.

(d) Dairies Group

F&N Boncafe Beverages Pte Ltd, a joint venture company between the Company's wholly-owned subsidiary company, F&N Dairy Investments Pte Ltd ("F&NDI") (60%) and Boncafe International Pte Ltd (40%), increased its issued capital from \$2 to \$500,000 by the allotment of 299,998 ordinary shares of \$1 each fully paid to F&NDI and 200,000 ordinary shares of \$1 each fully paid to Boncafe International Pte Ltd as additional working capital.

(e) Publishing and Printing Group

Times Publishing (Hong Kong) Limited, a subsidiary company of Times Publishing Limited ("TPL"), increased its issued share capital from HK\$7,327,770 to HK\$62,091,870 by the issue of 5,476,410 ordinary shares of HK\$10 each at par to TPL through the capitalisation of inter-company loans.

STP Distributors (M) Sdn Bhd, a subsidiary company of TPL, increased its issued share capital from RM1,000,000 to RM2,500,000 by the issue of 1,500,000 ordinary shares of RM1 each at par to TPL, through the capitalisation of inter-company loans of RM450,000 and for cash of RM1,050,000 respectively.

Times Distri-Services Sdn Bhd, a subsidiary company of TPL, increased its issued share capital from RM2 to RM6,180,242 by the issue of 6,180,240 ordinary shares of RM1 each at par to TPL, through the capitalisation of inter-company loans.

DIRECTORS' REPORT

7. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

	ORDINARY SHARES OF THE COMPANY		OTHER SECURITIES IN GROUP COMPANIES		NAME OF COMPANY
	AS AT 1 OCT 2001	AS AT 30 SEP 2002	AS AT 1 OCT 2001	AS AT 30 SEP 2002	
Michael Fam	379,292	523,142	982,000	714,420	Fraser and Neave Limited Share Options Asia Pacific Breweries Ltd Ordinary Shares
Fock Siew Wah	Nil	Nil	Nil	20,000	
Han Cheng Fong	Nil*	Nil	Nil*	126,000	Fraser and Neave Limited Share Options
Ho Tian Yee	Nil	Nil	Nil	Nil	
Stephen Lee	Nil	Nil	Nil	Nil	
Lee Ek Tieng	50,000	45,000	17,000	17,000	Asia Pacific Breweries Ltd Ordinary Shares @ Centrepont Properties Ltd Ordinary Shares
Lee Tih Shih	Nil	Nil	12,629	Nil	@ Centrepont Properties Ltd Ordinary Shares
# I A MacLean	154,081	273,762	473,100	292,500	Fraser and Neave Limited Share Options Asia Pacific Breweries Ltd Ordinary Shares
			624	624	
			9,387	Nil	@ Centrepont Properties Ltd Ordinary Shares
# Tan Yam Pin	163,691	372,456	645,150	355,500	Fraser and Neave Limited Share Options

* As at date of appointment

Retired on 30 September 2002

@ Centrepont Properties Ltd was privatised and delisted on 8 March 2002

Neither at the end of, nor at any time during the financial year did there subsist any arrangements to which the Company or the Group is a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except for the options granted under the Fraser and Neave Limited Executives' Share Option Scheme referred to under paragraph 9(h).

8. DIVIDENDS

Dividends paid or proposed since the end of the Company's last financial year were as follows:

	\$'000
A final dividend of 21 cents per share, being after Malaysian income tax @ 28% was paid on 21 February 2002 for the financial year ended 30 September 2001	<u>62,134</u>
An interim dividend of 15 cents per share, being after Singapore income tax @ 22% was paid on 19 June 2002	40,117
A proposed final dividend of 20 cents per share, being after Singapore income tax @ 22%, payable on 20 February 2003, for the financial year ended 30 September 2002 subject to shareholders' approval	53,399
	<u>93,516</u>

DIRECTORS' REPORT

9. OTHER STATUTORY INFORMATION RELATING TO THE COMPANY AND THE GROUP

(a) Bad and doubtful debts

Before the profit statement and balance sheet of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the consolidated financial statements inadequate to any substantial extent.

(b) Current assets

Before the profit statement and balance sheet of the Company were made out, the directors took reasonable steps to ascertain that any current assets of the Company which were unlikely to realise in the ordinary course of business their book values had been written down to their estimated realisable values or that adequate provisions have been made for the diminution in value of such current assets.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to current assets in the consolidated financial statements misleading.

(c) Ability to meet obligations

No contingent or other liability of the Company or any corporation in the Group which in the opinion of the directors will or may substantially affect the ability of the Company and the Group to meet its obligations as and when they fall due, has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year.

(d) Absence of circumstances rendering amounts misleading

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the consolidated financial statements which would render any amount stated in the financial statements of the Company and in the consolidated financial statements misleading.

(e) Charges on assets and contingent liabilities after the end of the financial year

At the date of this report:

(i) no charges on the assets of the Company or any corporation in the Group have arisen since the end of the financial year to secure the liabilities of any other person; and

(ii) no contingent liability of the Company or any corporation in the Group has arisen since the end of the financial year.

(f) Material and unusual transactions

In the opinion of the directors, the results of the operations of the Company and of the Group during the financial year have not been affected by any item, transaction or event of a material and unusual nature except those referred to in the profit statement as exceptional items and changes in accounting policies as disclosed in Note 2.2 to the financial statements.

In the opinion of the directors, the results of the operations of the Company and of the Group for the financial year in which this report is made are not likely to be substantially affected by any item, transaction or event of a material and unusual nature which has arisen in the interval between the end of the financial year and the date of this report, except for the subsequent events disclosed in Note 38 to the financial statements.

DIRECTORS' REPORT

9. OTHER STATUTORY INFORMATION RELATING TO THE COMPANY AND THE GROUP (CONT'D)

(g) Directors' benefits

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

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

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

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

The 1999 Scheme succeeded the 1989 Scheme.

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

Mr Fock Siew Wah (Chairman)
Mr Ho Tian Yee
Mr Stephen Lee
Mr Lee Ek Tieng

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

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

NAME OF PARTICIPANT	NUMBER OF ORDINARY SHARES GRANTED UNDER OPTIONS DURING THE FINANCIAL YEAR UNDER REVIEW	AGGREGATE NUMBER OF ORDINARY SHARES GRANTED UNDER OPTIONS SINCE COMMENCEMENT OF SCHEMES TO END OF THE FINANCIAL YEAR UNDER REVIEW	AGGREGATE NUMBER OF ORDINARY SHARES GRANTED UNDER OPTIONS EXERCISED SINCE COMMENCEMENT OF SCHEMES TO END OF THE FINANCIAL YEAR UNDER REVIEW	OPTIONS LAPSED	AGGREGATE NUMBER OF ORDINARY SHARES GRANTED UNDER OPTIONS OUTSTANDING AS AT END OF THE FINANCIAL YEAR UNDER REVIEW
Michael Fam	180,000	2,509,281	831,815	963,046	714,420
Han Cheng Fong	126,000	126,000	-	-	126,000
I A MacLean	99,000	1,195,128	482,628	420,000	292,500
Tan Yam Pin	121,500	1,453,426	512,726	585,200	355,500

Year 3, 3A and 3B Options of the 1999 Scheme

During the financial year ended 30 September 2002, in consideration of the payment of \$1 for each offer accepted, offers of options were granted pursuant to the Scheme in respect of 2,138,400 unissued shares of \$1 each of the Company (Year 3, 3A and 3B Options) at an exercise price of \$7.17 (adjusted), \$7.89 (adjusted) and \$7.87 per share respectively. Adjustments were made to take into account capital reduction of 1 share for every 10 shares held and capital repayment of 80 cents per share held.

DIRECTORS' REPORT

9. OTHER STATUTORY INFORMATION RELATING TO THE COMPANY AND THE GROUP (CONT'D)

(h) Share Options pursuant to the Fraser and Neave Limited Executives' Share Option Schemes Approved by Shareholders on 7 August 1989 ("the 1989 Scheme") and 30 September 1999 ("the 1999 Scheme") (cont'd)

Information pertaining to Outstanding Options

At the end of the financial year, there were 4,175,938 unissued ordinary shares of the Company under options granted pursuant to the Schemes. Details of the options to subscribe for ordinary shares of \$1 each in the capital of the Company granted to executives pursuant to the Schemes are as follows:

OPTIONS	OFFER DATE	BALANCE AS AT 01.10.2001 OR OFFER DATE IF LATER	OPTIONS LAPSED #	OPTIONS EXERCISED	ADJUSTMENT DUE TO CAPITAL REDUCTION*	BALANCE AS AT 30.09.2002	PREVIOUS EXERCISE PRICE	ADJUSTED EXERCISE PRICE*	EXERCISE PERIOD
1989 Scheme									
1997	26.12.1996	954,720	(954,720)	-	-	-	\$14.06	-	26.09.1999 - 25.11.2001
1998	24.12.1997	838,552	(12,825)	(542,153)	(40,391)	243,183	\$7.12	\$7.02	24.09.2000 - 23.11.2002
1999	23.12.1998	943,700	(6,600)	(873,960)	(11,470)	51,670	\$4.84	\$4.49	23.09.2001 - 22.11.2008
1999 Scheme									
Year 1	23.11.1999	1,076,700	(10,800)	(22,125)	(106,590)	937,185	\$7.02	\$6.91	23.08.2002 - 22.10.2009
Year 2	21.11.2000	1,206,500	(3,870)	-	(120,830)	1,081,800	\$6.83	\$6.70	22.08.2003 - 21.10.2010
Year 3	08.10.2001	1,464,900	(34,080)	-	(143,730)	1,287,090	\$7.25	\$7.17	09.07.2004 - 08.09.2011
Year 3A	28.01.2002	477,300	(53,280)	-	(45,210)	378,810	\$7.90	\$7.89	29.10.2004 - 28.12.2011
Year 3B	02.07.2002	196,200	-	-	-	196,200	\$7.87	-	03.04.2005 - 02.06.2012
		<u>7,158,572</u>	<u>(1,076,175)</u>	<u>(1,438,238)</u>	<u>(468,221)</u>	<u>4,175,938</u>			

Lapsed due to expiry (954,720), non-acceptance (33,000) and resignation (88,455).

* Adjusted to take into account capital reduction of 1 share for every 10 shares held and capital repayment of 80 cents per share held.

Statutory and other information regarding the options

- The Exercise Price is equal to the market value of a share based on the average last done price on the Singapore Exchange Securities Trading Limited for the five market days preceding the option offer date.
- The grantee may exercise an option during the Exercise Period (which commences 33 months after the Offer Date) by notice in writing accompanied by a remittance for the number of options at the full amount of the Exercise Price.
- Options expire 59 months after the Offer Date (except for options granted after 18 November 1998 which 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.
- The number of shares which may be acquired by a grantee and the Exercise Price are subject to adjustment, as confirmed by the auditors of the Company that such adjustment is fair and reasonable, by reason of any issue of additional shares in the Company by way of rights or capitalisation of profits or reserves, or repayment and reduction of capital, made while an option remains unexercised.
- 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.

DIRECTORS' REPORT

9. OTHER STATUTORY INFORMATION RELATING TO THE COMPANY AND THE GROUP (CONT'D)

(i) Share Options pursuant to the Centrepont Properties Ltd Executives' Share Option Scheme ("CPL Scheme")

All outstanding options under the CPL Scheme were acquired by Norford Investments Pte Ltd during the takeover exercise and cancelled.

Arising from the privatisation, it was resolved that the CPL Scheme be terminated and no further grants of options will be made under this scheme. Henceforth, CPL executives will participate in the Fraser and Neave Limited Executives' Share Option Scheme.

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

2002 Options

During the financial year ended 30 September 2002, in consideration of the payment of \$1 for each offer accepted, offers of options were granted pursuant to the APBL Scheme in respect of 900,550 unissued shares of \$1 each of APBL at an exercise price of \$3.79 per share.

Information pertaining to Outstanding Options

At the end of the financial year, 2,853,954 unissued ordinary shares of APBL were under options granted pursuant to the APBL Scheme. Details of the options to subscribe for ordinary shares of \$1 each in the capital of APBL granted to executives pursuant to the APBL Scheme are as follows:

OPTIONS	OFFER DATE	BALANCE AS AT 1.10.2001 OR OFFER DATE IF LATER	OPTIONS LAPSED #	OPTIONS EXERCISED	BALANCE AS AT 30.09.2002	EXERCISE PRICE	EXERCISE PERIOD
1997	26.12.1996	530,250	(530,250)	-	-	\$7.38	26.09.1999 - 25.11.2001
1998	24.12.1997	637,550	(400)	(334,470)	302,680	\$4.27	24.09.2000 - 23.11.2002
1999	23.12.1998	646,796	(9,942)	(343,530)	293,324	\$3.61	22.09.2001 - 21.11.2008
2000	22.12.1999	625,850	(7,780)	-	618,070	\$4.28	21.09.2002 - 20.11.2009
2001	20.12.2000	810,680	(15,750)	-	794,930	\$3.91	19.09.2003 - 18.11.2010
2002	08.10.2001	900,550	(55,600)	-	844,950	\$3.79	08.07.2004 - 07.09.2011
		<u>4,151,676</u>	<u>(619,722)</u>	<u>(678,000)</u>	<u>2,853,954</u>		

Lapsed due to expiry (530,250), non-acceptance (26,150) and resignation (63,322).

Statutory and other information regarding the APBL Options

The statutory and other information provided above at paragraph 9(h), sub-paragraphs (i) to (v) inclusive in respect of the Fraser and Neave Limited Executives' Share Option Scheme, applies also to the APBL options.

DIRECTORS' REPORT

9. OTHER STATUTORY INFORMATION RELATING TO THE COMPANY AND THE GROUP (CONT'D)

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

2002 Options

During the financial year ended 30 September 2002, in consideration of the payment of RM1 for each offer accepted, offers of options were granted by Fraser and Neave Limited pursuant to the F&NHB Scheme to executives to acquire 2,033,000 shares of RM1 each in the capital of F&NHB at an exercise price of RM3.56 per share.

Information pertaining to Outstanding Options

At the end of the financial year, 6,445,934 F&NHB ordinary shares held by Fraser and Neave Limited were under options granted pursuant to the F&NHB Scheme. Details of the options granted to executives pursuant to the F&NHB Scheme to acquire ordinary shares of RM1 each in the capital of F&NHB from Fraser and Neave Limited are as follows:

OPTIONS	OFFER DATE	BALANCE AS AT 01.10.2001 OR OFFER DATE IF LATER	OPTIONS LAPSED #	OPTIONS EXERCISED	BALANCE AS AT 30.09.2002	EXERCISE PRICE	EXERCISE PERIOD
1997	31.12.1996	958,705	(958,705)	-	-	RM10.96*	30.09.1999 - 30.11.2001
1998	26.12.1997	1,004,318	(33,999)	(182,461)	787,858	RM 3.38*	26.09.2000 - 25.11.2002
1999	24.12.1998	909,649	(58,747)	-	850,902	RM 4.23*	24.09.2001 - 23.11.2003
2000	07.12.1999	1,299,630	(170,900)	(30,356)	1,098,374	RM 3.07*	07.09.2002 - 06.11.2004
2001	08.12.2000	1,941,300	(201,700)	-	1,739,600	RM 3.13	08.09.2003 - 07.11.2005
2002	31.12.2001	2,033,000	(63,800)	-	1,969,200	RM 3.56	01.10.2004 - 30.11.2006
		<u>8,146,602</u>	<u>(1,487,851)</u>	<u>(212,817)</u>	<u>6,445,934</u>		

Lapsed due to expiry (931,711) and resignation (556,140)

* Adjusted exercise price

Statutory and other information regarding the F&NHB Options

The statutory and other information provided above at paragraph 9(h), sub-paragraphs (i) to (v) inclusive in respect of the Fraser and Neave Limited Executives' Share Option Scheme, applies to the F&NHB options except that Singapore Exchange Securities Trading Limited should be replaced by Kuala Lumpur Stock Exchange and that all options expire 59 months after the option offer date.

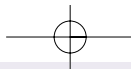
(l) Share Options pursuant to the Times Publishing Group Executives' Share Option Scheme ("TPG Scheme")

All outstanding options under the TPG Scheme were acquired by Foregain Investments Pte Ltd during the takeover exercise and cancelled.

Arising from the privatisation of Times Publishing Limited ("TPL"), it was resolved that the TPG Scheme be terminated and no further grants of options will be made under this Scheme. Henceforth, TPL executives will participate in the Fraser and Neave Limited Executives' Share Option Scheme.

(m) Other than those reported in this paragraph 9 at sub-paragraphs (h) to (l), no shares of the Company or any corporations 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 corporations in the Group, whether granted before or during that financial year.

(n) Other than those reported in this paragraph 9 at sub-paragraphs (h) to (l), 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.



DIRECTORS' REPORT

10. AUDIT COMMITTEE

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

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

11. AUDITOR

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

12. 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 2002 as set out at paragraph 7 hereof, except for –

- (i) Dr Michael Fam who exercised 174,420 of 1998 Options thereby increasing his beneficial and deemed interests to 697,562 shares in the capital of the Company.
- (ii) Dr Michael Fam and Dr Han Cheng Fong who were respectively granted, under the 1999 Executives' Share Option Scheme, 300,000 and 126,000 Year 4 Options exercisable not earlier than 2 July 2005 at \$7.65.

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

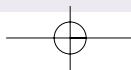
- (i) the sale and purchase contract entered into with interested persons related to Dr Han Cheng Fong for the purchase of a condominium unit for a price of \$1,017,900; and
- (ii) those disclosed in this Directors' Report and in the Financial Statements.

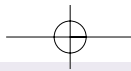
On behalf of the Board

MICHAEL FAM
Director

FOCK SIEW WAH
Director

Singapore,
15 November 2002





STATEMENT BY DIRECTORS

Pursuant to Section 201(15)

We, MICHAEL FAM and FOCK SIEW WAH, being two of the Directors of Fraser and Neave Limited, do hereby state that in the opinion of the Directors:-

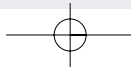
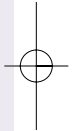
- (i) the balance sheet, profit statement, statement of changes in equity and consolidated cash flow statement together with the notes thereto, set out on pages 79 to 130, are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 September 2002 and of the results and changes in equity of the Company and of the Group and the cash flows of the Group for the year ended 30 September 2002; 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.

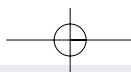
On behalf of the Board

MICHAEL FAM
Director

FOCK SIEW WAH
Director

Singapore,
15 November 2002





AUDITOR'S REPORT

To the Members of Fraser and Neave Limited

We have audited the financial statements of FRASER AND NEAVE LIMITED and of the Group set out on pages 79 to 130. These financial statements comprise the balance sheets of the Company and of the Group as at 30 September 2002, and the profit statements and the statements of changes in equity of the Company and of the Group and the cash flow statement of the Group for the year ended 30 September 2002, and the notes thereto. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion,

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act ("Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:
 - (i) the state of affairs of the Company and of the Group as at 30 September 2002, and of the results and changes in equity of the Company and of the Group and the cash flows of the Group for the year ended on that date; and
 - (ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements and consolidated financial statements;
- (b) the accounting and other records, and the registers required by the Act to be kept by the Company and by those subsidiary companies incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

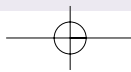
We have considered the financial statements and auditors' reports of all subsidiary companies of which we have not acted as auditors, being financial statements included in the consolidated financial statements. The names of those subsidiary companies audited by our associated firms and those audited by other firms are stated in Note 40.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company are in a form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and in respect of subsidiary companies incorporated in Singapore did not include any comment made under Section 207(3) of the Act.

ERNST & YOUNG
Certified Public Accountants

Singapore,
15 November 2002



PROFIT STATEMENT

For the year ended 30 September 2002

	NOTES	THE GROUP		PARENT COMPANY	
		2002 (\$'000)	2001 (\$'000)	2002 (\$'000)	2001 (\$'000)
		(RESTATED)			
REVENUE	3				
Sale of goods		3,480,595	2,939,042	-	-
Other revenue		3,246	2,900	718	459
		3,483,841	2,941,942	718	459
Cost of sales		(2,335,916)	(1,900,424)	-	-
Gross profit		1,147,925	1,041,518	718	459
Operating expenses					
- Distribution		(126,553)	(120,309)	-	-
- Marketing		(326,408)	(289,537)	-	-
- Administration		(240,401)	(220,558)	(4,999)	(997)
		(693,362)	(630,404)	(4,999)	(997)
TRADING PROFIT/(LOSS)		454,563	411,114	(4,281)	(538)
Gross dividends from subsidiary companies	6				
- Quoted		-	-	13,644	18,323
- Unquoted		-	-	464,944	96,992
Share of joint venture companies' profits		31,387	23,291	-	-
Share of associated companies' losses		(2,251)	(1,116)	-	-
Gross income from investments	7	16,996	29,016	2,631	12,392
OPERATING PROFIT BEFORE INTEREST, TAXATION AND EXCEPTIONAL ITEMS		500,695	462,305	476,938	127,169
Net interest expenses	4	(47,490)	(44,078)	(16,961)	(2,220)
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS	4	453,205	418,227	459,977	124,949
Exceptional items	8	17,982	33,664	5,432	(54,745)
PROFIT BEFORE TAXATION		471,187	451,891	465,409	70,204
Taxation	9	(122,985)	(116,502)	(104,143)	(29,563)
PROFIT AFTER TAXATION		348,202	335,389	361,266	40,641
Attributable to outside shareholders		(107,187)	(118,854)	-	-
ATTRIBUTABLE NET PROFIT		241,015	216,535	361,266	40,641
- Before exceptional items		225,860	200,742	355,834	95,386
- Exceptional items		15,155	15,793	5,432	(54,745)
Earnings per \$1 share	11				
Basic - before exceptional items		80.3¢	67.4¢		
- after exceptional items		85.7¢	72.7¢		
Fully diluted - before exceptional items		79.9¢	67.2¢		
- after exceptional items		85.3¢	72.5¢		

The Notes on pages 86 to 130 form an integral part of the Financial Statements.

BALANCE SHEET

As at 30 September 2002

	NOTES	THE GROUP		PARENT COMPANY	
		2002 (\$'000)	2001 (\$'000)	2002 (\$'000)	2001 (\$'000)
			(RESTATED)		
CAPITAL AND RESERVES					
Issued capital	12	266,995	295,875	266,995	295,875
Reserves	12	2,719,194	2,802,179	2,892,941	2,837,902
		2,986,189	3,098,054	3,159,936	3,133,777
OUTSIDE SHAREHOLDERS					
		820,218	1,098,451	-	-
		3,806,407	4,196,505	3,159,936	3,133,777
Represented by:-					
FIXED ASSETS	13	1,311,021	1,259,564	-	-
INVESTMENT PROPERTIES	14	2,360,900	2,373,323	-	-
PROPERTIES UNDER DEVELOPMENT	15	1,024,162	1,518,401	-	-
SUBSIDIARY COMPANIES	16	-	-	3,984,447	3,331,836
JOINT VENTURE COMPANIES	17	163,428	63,283	-	-
ASSOCIATED COMPANIES	18	118,256	16,358	-	-
INTANGIBLE ASSETS	19	40,422	32,030	-	-
OTHER INVESTMENTS	20	109,980	384,965	60,820	60,872
BRANDS	22	10,601	12,344	-	-
DEFERRED TAX ASSETS	32	16,009	14,836	-	-
CURRENT ASSETS					
Properties held for sale	23	655,646	189,108	-	-
Stocks	24	294,703	300,717	-	-
Trade debtors	25	575,757	363,695	-	-
Subsidiary companies	16	-	-	19,700	56,477
Joint venture companies	17	1,408	5,559	-	-
Associated companies	18	1,170	14,260	-	-
Other debtors	26	122,293	222,341	251	290
Short term investments	27	328,278	124,583	-	-
Bank fixed deposits	21	539,989	552,300	7,210	63,216
Cash and bank balances		119,580	127,688	298	335
		2,638,824	1,900,251	27,459	120,318
Deduct: CURRENT LIABILITIES					
Trade creditors		369,917	293,883	-	-
Subsidiary companies	16	-	-	24,649	16,472
Joint venture companies	17	896	690	-	-
Associated companies	18	65	142	-	-
Other creditors	28	363,169	341,895	5,393	5,173
Bank borrowings	29	918,914	591,701	279,194	54,050
Term loans	30	638,333	221,184	-	-
Provision for taxation		126,957	113,170	3,554	3,554
		2,418,251	1,562,665	312,790	79,249
NET CURRENT ASSETS/(LIABILITIES)		220,573	337,586	(285,331)	41,069
		5,375,352	6,012,690	3,759,936	3,433,777
Deduct: DEFERRED LIABILITIES					
Bank borrowings	29	300,000	301,076	300,000	300,000
Term loans	30	1,146,572	1,396,846	300,000	-
Provision for retirement benefits	31	25,957	25,202	-	-
Deferred tax liabilities	32	96,416	93,061	-	-
		1,568,945	1,816,185	600,000	300,000
		3,806,407	4,196,505	3,159,936	3,133,777

The Notes on pages 86 to 130 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

	NOTES	THE GROUP							TOTAL (\$'000)
		SHARE CAPITAL (\$'000)	SHARE PREMIUM (\$'000)	CAPITAL REDEMPTION RESERVE (\$'000)	CAPITAL RESERVE (\$'000)	REVENUE RESERVE (\$'000)	EXCHANGE RESERVE (\$'000)	DIVIDEND RESERVE (\$'000)	
YEAR ENDED 30 SEPTEMBER 2002									
Balance at 1 October 2001									
As previously reported		295,875	534,209	2,554	772,880	1,500,168	(41,522)	62,134	3,126,298
Changes in accounting policies		-	-	-	-	(28,244)	-	-	(28,244)
As restated		295,875	534,209	2,554	772,880	1,471,924	(41,522)	62,134	3,098,054
Adjustment of prior year's revaluation reserve resulting from release of completion cost provisions		-	-	-	549	-	-	-	549
Deficit on revaluation of properties		-	-	-	(41,201)	-	-	-	(41,201)
Change in outside shareholders' interest in reserves upon the issue of shares by subsidiary companies		-	-	-	(1,200)	1,633	-	-	433
Transfer to non-distributable reserves by overseas subsidiary companies in compliance with statutory requirements		-	-	-	63	(63)	-	-	-
Currency exchange difference arising from translating foreign subsidiary, joint venture and associated companies		-	-	-	1,173	-	21,273	-	22,446
Net (losses)/gains not recognised in the profit statement		-	-	-	(40,616)	1,570	21,273	-	(17,773)
Issue of shares in the Company upon exercise of share options	12	1,438	6,775	-	-	-	-	-	8,213
Shares in the Company repurchased and cancelled	12	(674)	-	674	-	(3,913)	-	-	(3,913)
Shares in the Company reduced upon capital reduction	12	(29,644)	(207,512)	-	-	-	-	-	(237,156)
Net profit for the year		-	-	-	-	241,015	-	-	241,015
Dividends	10								
Final dividend for the previous year, paid		-	-	-	-	-	-	(62,134)	(62,134)
Interim dividend for the year, paid		-	-	-	-	(40,117)	-	-	(40,117)
Final dividend for the year, proposed		-	-	-	-	(53,399)	-	53,399	-
		-	-	-	-	(93,516)	-	53,399	(40,117)
Balance at 30 September 2002		266,995	333,472	3,228	732,264	1,617,080	(20,249)	53,399	2,986,189

The Notes on pages 86 to 130 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

	NOTES	THE GROUP							TOTAL (\$'000)
		SHARE CAPITAL (\$'000)	SHARE PREMIUM (\$'000)	CAPITAL REDEMPTION RESERVE (\$'000)	CAPITAL RESERVE (\$'000)	REVENUE RESERVE (\$'000)	EXCHANGE RESERVE (\$'000)	DIVIDEND RESERVE (\$'000)	
YEAR ENDED 30 SEPTEMBER 2001									
Balance at 1 October 2000									
As previously reported		298,263	533,301	-	885,516	1,366,950	(37,493)	26,844	3,073,381
Changes in accounting policies		-	-	-	-	(19,038)	-	-	(19,038)
As restated		298,263	533,301	-	885,516	1,347,912	(37,493)	26,844	3,054,343
Adjustment of prior year's revaluation reserve resulting from release of completion cost provisions		-	-	-	6,097	-	-	-	6,097
Deficit on revaluation of properties		-	-	-	(103,683)	-	-	-	(103,683)
Revaluation surplus (net) on properties developed for sale realised		-	-	-	(22,123)	22,123	-	-	-
Surplus on revaluation of fixed assets realised		-	-	-	(545)	2,074	-	-	1,529
Transfer to non-distributable reserves by overseas subsidiary companies in compliance with statutory requirements		-	-	-	7,800	(7,800)	-	-	-
Currency exchange difference arising from translating foreign subsidiary, joint venture and associated companies		-	-	-	(182)	-	(4,029)	-	(4,211)
Net (losses)/gains not recognised in the profit statement		-	-	-	(112,636)	16,397	(4,029)	-	(100,268)
Issue of shares in the Company upon exercise of share options	12	166	908	-	-	-	-	-	1,074
Shares in the Company repurchased and cancelled	12	(2,554)	-	2,554	-	(19,936)	-	-	(19,936)
Net profit for the year									
As previously reported		-	-	-	-	225,741	-	-	225,741
Changes in accounting policies		-	-	-	-	(9,206)	-	-	(9,206)
As restated		-	-	-	-	216,535	-	-	216,535
Dividends	10								
Final dividend for the previous year, paid		-	-	-	-	-	-	(26,844)	(26,844)
Interim dividend for the year, paid		-	-	-	-	(26,850)	-	-	(26,850)
Final dividend for the year, proposed		-	-	-	-	(62,134)	-	62,134	-
		-	-	-	-	(88,984)	-	62,134	(26,850)
Balance at 30 September 2001		295,875	534,209	2,554	772,880	1,471,924	(41,522)	62,134	3,098,054

The Notes on pages 86 to 130 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

	NOTES	SHARE CAPITAL (\$'000)	SHARE PREMIUM (\$'000)	PARENT COMPANY CAPITAL REDEMPTION RESERVE (\$'000)	CAPITAL RESERVE (\$'000)	REVENUE RESERVE (\$'000)	DIVIDEND RESERVE (\$'000)	TOTAL (\$'000)
YEAR ENDED 30 SEPTEMBER 2002								
Balance at 1 October 2001		295,875	534,209	2,554	1,230,996	1,008,009	62,134	3,133,777
Issue of shares in the Company upon exercise of share options	12	1,438	6,775	-	-	-	-	8,213
Shares in the Company repurchased and cancelled	12	(674)	-	674	-	(3,913)	-	(3,913)
Shares in the Company reduced upon capital reduction		(29,644)	(207,512)	-	-	-	-	(237,156)
Net profit for the year		-	-	-	-	361,266	-	361,266
Dividends	10							
Final dividend for the previous year, paid		-	-	-	-	-	(62,134)	(62,134)
Interim dividend for the year, paid		-	-	-	-	(40,117)	-	(40,117)
Final dividend for the year, proposed		-	-	-	-	(53,399)	53,399	-
		-	-	-	-	(93,516)	53,399	(40,117)
Balance at 30 September 2002		<u>266,995</u>	<u>333,472</u>	<u>3,228</u>	<u>1,230,996</u>	<u>1,271,846</u>	<u>53,399</u>	<u>3,159,936</u>
YEAR ENDED 30 SEPTEMBER 2001								
Balance at 1 October 2000		298,263	533,301	-	1,230,996	1,076,288	26,844	3,165,692
Issue of shares in the Company upon exercise of share options	12	166	908	-	-	-	-	1,074
Shares in the Company repurchased and cancelled	12	(2,554)	-	2,554	-	(19,936)	-	(19,936)
Net profit for the year		-	-	-	-	40,641	-	40,641
Dividends	10							
Final dividend for the previous year, paid		-	-	-	-	-	(26,844)	(26,844)
Interim dividend for the year, paid		-	-	-	-	(26,850)	-	(26,850)
Final dividend for the year, proposed		-	-	-	-	(62,134)	62,134	-
		-	-	-	-	(88,984)	62,134	(26,850)
Balance at 30 September 2001		<u>295,875</u>	<u>534,209</u>	<u>2,554</u>	<u>1,230,996</u>	<u>1,008,009</u>	<u>62,134</u>	<u>3,133,777</u>

The Notes on pages 86 to 130 form an integral part of the Financial Statements.

CASH FLOW STATEMENT

For the year ended 30 September 2002

	THE GROUP	
	2002 (\$'000)	2001 (\$'000) (RESTATED)
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit before taxation and exceptional items	453,205	418,227
Adjustments for:		
Depreciation of fixed assets and investment properties	125,222	119,234
Provision for fixed assets written off	2,093	2,460
Loss/(Gain) on disposal of fixed assets	511	(5,216)
Amortisation of development properties	845	-
Amortisation of brands	1,793	1,785
Amortisation of intangible assets	7,570	3,010
Write off of intangible assets	18	7,887
Provision for retirement benefits	3,550	4,779
Interest expenses (net)	47,490	44,078
Share of joint venture companies' profits	(31,387)	(23,291)
Share of associated companies' losses	2,251	1,116
Investment income	(16,996)	(29,016)
Provision for foreseeable losses in properties held for sale	19,624	7,833
Write back of provision for impairment in value of associated company	-	(720)
Development profits	(153,286)	(116,350)
Operating cash before working capital changes	462,503	435,816
Change in stocks	11,518	(32,284)
Change in trade and other debtors	(125,924)	(122,882)
Change in joint venture and associated companies' balances	17,370	3,538
Change in trade and other creditors	78,911	23,987
Currency realignment	(1,505)	(5,431)
Cash generated from operations	442,873	302,744
Interest expenses paid, net	(47,490)	(44,078)
Income taxes paid	(97,958)	(76,331)
Payment of retirement benefits	(2,897)	(3,027)
Progress payment received/receivable on properties developed for sale	714,168	436,219
Development expenditure on properties developed for sale	(516,575)	(683,956)
Net cash from/(used in) operating activities	492,121	(68,429)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends from joint venture and associated companies	21,117	13,934
Investment income	17,153	29,016
Proceeds from return of capital from other investments	27	24,459
Proceeds from sale of fixed assets and properties	27,162	26,441
Net proceeds from sale of bonds, securities and other investment	37,869	176,600
Net proceeds from disposal of joint venture and associated companies	-	27,246
Net proceeds from disposal of subsidiary companies and businesses	173	110,278
Acquisition of subsidiary companies	(15,457)	-
Acquisition of outside shareholders' interest in subsidiary companies	(321,365)	(17,909)
Purchase of fixed assets	(149,271)	(125,278)
Purchase of other investments and short term investments	(91,686)	(105,952)
Payment of intangible assets and brands	(6,235)	(9,363)
Development expenditure on investment properties	(67,074)	(32,509)
Investments in joint venture and associated companies	(68,814)	(4,142)
Net cash (used in)/from investing activities	(616,401)	112,821

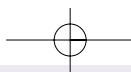
The Notes on pages 86 to 130 form an integral part of the Financial Statements.

CASH FLOW STATEMENT

For the year ended 30 September 2002

	THE GROUP	
	2002 (\$'000)	2001 (\$'000) (RESTATED)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from term loans and bonds	480,297	46,237
Proceeds from issue of shares:		
- by subsidiary companies to outside shareholders	17,961	48,839
- by parent company to shareholders	8,213	1,074
Payment on share buy-back	(3,913)	(19,936)
Payment on capital reduction:		
- by subsidiary companies to outside shareholders	(3,139)	(25,451)
- by parent company to shareholders	(237,156)	-
Payment of dividends:		
- by subsidiary companies to outside shareholders	(56,151)	(48,871)
- by parent company to shareholders	(102,251)	(53,694)
Net cash from/(used in) financing activities	103,861	(51,802)
Net decrease in cash and cash equivalents	(20,419)	(7,410)
Cash and cash equivalents at beginning of year	679,988	687,398
Cash and cash equivalents at end of year	659,569	679,988
Cash and cash equivalents at end of year comprise:		
Bank fixed deposits	539,989	552,300
Cash and bank balances	119,580	127,688
	659,569	679,988
Analysis of acquisition and disposal of subsidiary companies		
Net assets acquired:		
Fixed assets	(28,532)	
Current assets	(18,651)	
Current liabilities	16,600	
Deferred liabilities	323	
Minority interest	13,965	
	(16,295)	
Goodwill on acquisition	(2,709)	
Consideration paid	(19,004)	
Less : Cash of subsidiary companies	3,547	
Cash flow on acquisition net of cash and cash equivalents acquired	(15,457)	
Net assets disposed:		
Fixed assets	-	55,239
Current assets	445	41,011
Current liabilities	(272)	(12,297)
Short term borrowings	-	(3,287)
	173	80,666
Translation differences	-	(830)
Loss on disposal	-	27,155
Consideration received	173	106,991
Add : Short term borrowings	-	3,287
Cash flow on disposal net of cash and cash equivalents disposed	173	110,278

The Notes on pages 86 to 130 form an integral part of the Financial Statements.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

The following Notes form an integral part of the Financial Statements on pages 79 to 85.

1. GENERAL

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

Corporate Restructuring

(a) Share Buy-Back

Pursuant to the shareholders' mandate given at the Annual General Meeting held on 22 February 2001, the Company repurchased 534,000 of its ordinary shares in issue. These, together with 140,000 ordinary shares re-purchased near the end of the previous financial year, have been cancelled.

(b) Acquisition of shares in Centrepoint Properties Ltd and Times Publishing Limited

In November 2001, the Company announced that it would offer to acquire all the issued ordinary shares it did not already own in Centrepoint Properties Ltd and Times Publishing Limited for \$2.07 and \$4.48 per share respectively in cash. These acquisitions were completed and the two companies were delisted in March 2002.

(c) Capital Reduction and Capital Distribution to Shareholders

At an extraordinary general meeting on 15 March 2002, shareholders approved a capital reduction and capital distribution of 80 cents in cash per share held and the cancellation of one share for every ten shares held. The capital reduction and capital distribution was completed in April 2002 with the total number of ordinary shares issued reduced by 29,644,569 to 266,801,108.

The principal activities of the Company are investment holding and the provision of management and administrative services to its subsidiary, joint venture and associated companies.

The principal activities of the subsidiary, joint venture and associated companies are:

- (i) production and sale of soft drinks, beer, stout, dairy products and glass containers,
- (ii) development of and investment in property, and
- (iii) printing, publishing and provision of education services.

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

The Group has 11,816 (2001: 11,455) employees as at balance sheet date. The Company has no employees as the operation is managed by a subsidiary company.

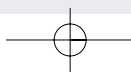
The financial statements of the Company and the Group were authorised for issue in accordance with a resolution of the Directors on 15 November 2002.

2. ACCOUNTING POLICIES

2.1 Basis of Accounting

The financial statements of the Company and the consolidated financial statements of the Group are expressed in Singapore dollars. The financial statements of the Company and of the Group are prepared under the historical cost convention as modified by the revaluation of certain fixed assets, investment properties, properties under development and investments. The financial statements are prepared in accordance with Singapore Statements of Accounting Standard and the applicable provisions of the Companies Act, Cap.50.

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



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

2. ACCOUNTING POLICIES (CONT'D)

2.2 Changes in Accounting Policies

In compliance with new Singapore Statements of Accounting Standard ("SAS"), the Group has this year modified its accounting policies in respect of:-

(i) SAS 12 (2001) : Income Taxes

During the year, the Group applied SAS 12 (2001), Income Taxes.

SAS 12 (2001) requires deferred tax to be calculated using the balance sheet liability method, for all temporary differences at the balance sheet date between the carrying amounts of assets and liabilities and the amounts used for income tax purposes. Deferred tax assets should be recognised when it is probable that sufficient taxable profit will be available against which the deferred tax assets can be utilised. Previously, tax was deferred on account of differences only to the extent that a tax liability was expected to materialise in the foreseeable future.

As a result, unrecognised deferred tax of \$14.5m as at 1 October 2000 was adjusted against revenue reserve on that date. The adoption of SAS 12 resulted in a decrease in profit for the last financial year of the Group by \$8.6m.

(ii) SAS 17 (revised 2001) : Employee Benefits

During the year, the Group applied SAS 17 (revised 2001), Employee Benefits.

SAS 17 (revised 2001) prescribes the classification, disclosure and accounting treatment of employee benefits. In accordance with the provisions of the standard, the Group is now required to accrue for the expected cost of accumulated compensated absences as the additional expenses that the Group expects to pay as a result of the unconsumed leave that has accumulated as at the balance sheet date.

As a result, provision for unconsumed leave of \$4.5m for the Group as at 1 October 2000 was adjusted against revenue reserve on that date. The adoption of SAS 17 resulted in a decrease in profit for the last financial year of the Group by \$0.6m.

As a result of the above new policies, the comparative figures in the profit statement have been restated, resulting in the Group's net profit attributable to shareholders for the year ended 30 September 2001 of \$216.5m, being lower than previously reported by \$9.2m (last year reported: \$225.7m).

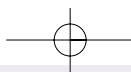
The changes in accounting policies resulted in a decrease of \$4.9m in the Group's current year attributable net profit but has no impact on the Company's results.

2.3 Basis of Consolidation

Subsidiary companies are consolidated from the date the parent company obtains control until such time as control ceases. Acquisitions of subsidiary companies are accounted for using the purchase method of accounting.

The financial year of the Company and all its subsidiary companies ends on 30 September unless otherwise stated. The consolidated financial statements 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 accounting policies. A list of the Company's subsidiary companies is shown at Note 40.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

2. ACCOUNTING POLICIES (CONT'D)

2.4 Investments

The Company's investments in subsidiary companies are stated at directors' valuation. In the case of unquoted subsidiary companies, the basis of valuation is net assets value. In the case of quoted subsidiary companies, if market value exceeds book value, the valuation is based on the higher of net assets value and book value or, if book value exceeds market value, it is based on the higher of net assets value and market value. The valuation which is carried out annually will be recorded when the difference between the book value and the valuation of each class of investment is significant. An increase arising from a revaluation is transferred to reserves and a deficit is offset against the reserves to the extent possible on the same class of investments, with any shortfall being charged in the profit statement. An assessment of the book value of investments in subsidiary companies is performed when there is indication that the asset has been impaired or the impairment losses recognised in prior years no longer exist.

Other investments held on a long-term basis, which include investments in joint venture and associated companies, are stated at cost or directors' valuation. An assessment of the book value of other investments is performed when there is indication that the asset has been impaired or the impairment losses recognised in prior years no longer exist.

Short term quoted and unquoted investments are stated at the lower of cost and market value determined on an aggregate basis. An assessment of the book value of short term investments is performed when there is indication that the asset has been impaired or the impairment losses recognised in prior years no longer exist. In the case of investments managed by fund managers, if the lower of cost and market value falls below the amount guaranteed by the fund manager, the investments are stated at the guaranteed value.

2.5 Joint Venture Companies

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

The Group's investment in joint venture companies are recorded at cost and adjusted to recognise the Group's share of the net assets of the joint venture companies at the date of acquisition.

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

Where an investment in a joint venture company is acquired or sold during the year, its results are included from the date of acquisition or excluded from the date of sale. In the Group balance sheet, the amount at which investments in joint venture companies is shown includes the Group's share of their post-acquisition reserves.

A list of the joint venture companies is shown at Note 40.

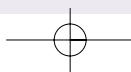
2.6 Associated Companies

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

The Group's investment in associated companies are recorded at cost and adjusted to recognise the Group's share of the net assets of the associated companies at the date of acquisition.

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

A list of the associated companies is shown at Note 40.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

2. ACCOUNTING POLICIES (CONT'D)

2.7 Revenue Recognition

Revenue from the sale of goods are recognised upon delivery.

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

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

Proceeds from properties developed for sale is recognised based on the percentage of completion and of sale, less any revenue taken up in previous financial periods. A unit is considered sold upon the signing of the sale and purchase agreement. Development is considered completed upon the issue of Temporary Occupation Permit.

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

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

For funds under management where the initial capital amount is guaranteed, income from the portfolio will be recognised only when the value of the portfolio exceeds the guaranteed amount. Similarly, loss from the portfolio will be recognised up to the point where the value of the portfolio equals the guaranteed amount.

2.8 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Amounts are set aside on certain sales as a provision against possible sales returns inherent in the publishing and printing business. Goods returned are stated at the lower of cost and net realisable value.

2.9 Taxation

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

2. ACCOUNTING POLICIES (CONT'D)

2.10 Fixed Assets

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

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

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

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

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

2.11 Investment Properties

Investment properties are held on a long-term basis for their investment potential and income. These properties comprise freehold, long leasehold with leases of more than 50 years and short leasehold with leases of 50 years or less. The freehold and long leasehold properties are included in the balance sheet at directors' valuation having regard to their open market value. The open market value is determined annually by external professional valuers.

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

Short leasehold investment properties with unexpired term of 50 years or less are stated at cost (or at directors' valuation carried out in the past where applicable), less depreciation. Depreciation is calculated on a straight line method over 50 years or the term of the lease, whichever is shorter.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

2. ACCOUNTING POLICIES (CONT'D)

2.12 Properties Under Development

Properties under development are stated at cost (or directors' valuation based on an independent professional valuation, when applicable), which includes cost of land and construction, related overhead expenditure and financing charges incurred during the period of construction.

Provision for diminution in value of property under development is made for foreseeable losses.

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

Profit on properties for sale is recognised on partly completed projects based on the percentage of completion and of sales method. The percentage of completion is deemed to be the costs incurred to balance sheet date divided by total expected costs; costs in both cases exclude land and interest costs. The percentage of sales is deemed to be the floor area sold at balance sheet date divided by the total floor area offered for sale in the project. Profit is taken up on the basis of total expected profit on the project multiplied by the percentage of completion and the percentage of sales, less profit if any, taken up in previous financial periods. Total expected profit is assessed after including the cost of land and interest and after making due allowance for known potential cost over-runs and allowance for contingencies.

2.13 Borrowing Costs

Borrowing costs that are directly attributable to acquisition and construction are capitalised as part of the cost of property under development, commencing from the time these costs are being incurred till the completion of development, after netting off interest income earned from progress billings received and placed on fixed deposit.

2.14 Intangible Assets

Intangible assets are stated at cost less amortisation and comprise:

(i) Promotion costs incurred at the launch of publications, when the benefits of these costs extend throughout most of the publications' lives. In order to relate these costs to future profits, the following criteria are applied:

Partworks: Costs are written off in appropriate installments over 60% of the life of the publications.

Books: Costs are written off over a nine-month period in accordance with a formula which matches costs to related revenues.

The rate of write-off of promotion costs is accelerated if there is any doubt as to the future profitability of a publication.

(ii) Franchise rights on educational services are amortised over its useful life of 10 years using the straight line method.

(iii) Development cost for textbooks are amortised equally over 3 years in accordance with their estimated economic useful life.

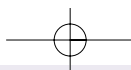
(iv) Goodwill is identified as any excess of the consideration paid over the fair value of the net assets acquired as at the date of acquisition. Where the consideration is lower than the fair value of the net assets acquired, the difference is recognised as negative goodwill. Goodwill is amortised over its estimated useful life of not more than 20 years using the straight line method.

To the extent that negative goodwill relates to expectations of future losses and expenses, the amount will be taken to profit statement in the period the losses and expenses are incurred.

If the negative goodwill cannot be matched to future losses, the amount relating to non-monetary identifiable depreciable assets acquired will be amortised over the remaining useful life of the assets. Other amounts will be taken to the profit statement as income immediately.

2.15 Brands

Brands are stated at their purchase cost less amortisation to write off their cost over their estimated useful lives of up to 15 years on a straight line basis.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

2. ACCOUNTING POLICIES (CONT'D)

2.16 Properties Held For Sale

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

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

2.17 Stocks

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

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

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

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

2.18 Trade and Other Debtors

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

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

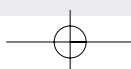
2.19 Cash and Cash Equivalents

Cash on hand and in bank and short term deposits which are held to maturity are carried at cost. For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash on hand and deposits in bank. Included in fixed deposit are deposits held under the Project Account Rules (1997 Ed), withdrawals from which are restricted to payments for development expenditure incurred on properties developed for sale.

2.20 Trade and Other Creditors

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

Payables to related parties are carried at cost.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

2. ACCOUNTING POLICIES (CONT'D)

2.21 Employee Benefits

(i) Retirement Benefits

Provision for retirement benefits is made in accordance with:

- (a) the terms of agreements concluded by Group companies with various categories of employees, or
- (b) pension and retirement benefit schemes, or
- (c) 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 at each intervening year on the same basis as those used for the independent actuarial calculation.

Pension and Retirement Benefit Schemes

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

Defined contribution plans under statutory regulations

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

(ii) Share Options

The Company and certain listed subsidiary companies have in place Executives' Share Option Schemes for the granting of options to eligible executives of the Group to subscribe for shares or to acquire shares in the companies under the respective schemes. Details of the respective schemes are disclosed under paragraph 9(h) to 9(l) of the Directors' Report. There are no charges to profit statement upon the grant or exercise of the options as the exercise price equals the market value of the shares at the time of grant.

(iii) Accrued Annual Leave

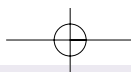
Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for employee entitlements to annual leave as a result of services rendered by employees up to the balance sheet date.

2.22 Foreign Currencies

Foreign currency transactions are recorded in the local currency of the respective Group companies at rates of exchange approximating those ruling at transaction date. All other foreign currency monetary assets and liabilities are translated at the rates ruling at balance sheet date or at forward rates where applicable. Exchange differences are dealt with in the profit statement.

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

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



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

2. ACCOUNTING POLICIES (CONT'D)

2.23 Exceptional Items

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

2.24 Government Grants

Approved government grants for the development of multimedia products are taken up in profit statement on an accrual basis. The amount accrued is based on actual qualifying expenditure incurred.

2.25 Leases

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the present value of the minimum lease payments at the inception of the lease term and disclosed as leased property, plant and equipment. 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 against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

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

2.26 Impairment

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

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

2.27 Derivative Financial Instruments

The Group uses foreign exchange forward contracts to hedge its risks associated primarily with foreign currency fluctuations. The Group also uses interest rate swap contracts to hedge its risks associated with interest rate fluctuations. It is the Group's policy not to trade in derivative financial instruments. Details of foreign exchange forward contracts and interest rate swap contracts entered into by the Group are recorded as off-balance sheet items at their notional principal amounts. The Group's financial risk management objectives and policies are set out in Note 37.

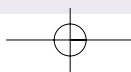
3. REVENUE

(i) Sale of goods

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

(ii) Other revenue

Other revenue represents service fees, management fees and technical fee income.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS

	THE GROUP		PARENT COMPANY	
	2002 (\$'000)	2001 (\$'000)	2002 (\$'000)	2001 (\$'000)
		(RESTATED)		
Profit before taxation and exceptional items have been arrived at after charging:				
Depreciation of fixed assets	122,055	116,107	-	-
Depreciation of investment properties	3,167	3,127	-	-
Provision for fixed assets write-off	2,093	2,460	-	-
Amortisation of properties under development	845	-	-	-
Amortisation of brands	1,793	1,785	-	-
Amortisation of goodwill, development, promotion and franchise rights expenses	7,570	3,010	-	-
Intangible assets written off	18	7,887	-	-
Provision for doubtful trade debts	3,033	2,842	-	-
Bad debts written off	879	104	-	-
Provision for stocks obsolescence (include stocks write-off)	11,281	9,369	-	-
Provision for retirement benefits	3,550	4,779	-	-
Provision for impairment in value of short term investment	530	-	-	-
Directors of the Company -				
Fee	562	562	369	353
Remuneration of members of Board committees	226	345	226	345
Remuneration of executive directors	5,278	3,892	-	-
Central Provident Fund contribution for executive directors	371	284	-	-
Gratuities paid to executive directors on retirement	1,987	-	-	-
Auditors' remuneration -				
Auditors of the parent company	1,109	1,031	143	118
Other auditors	1,615	1,540	-	-
Professional fees paid to -				
Auditors of the parent company	772	205	150	28
Other auditors	333	270	-	-
Staff cost (exclude directors' remuneration)	315,196	306,430	-	-
Defined contribution plan (exclude directors' remuneration)	20,393	18,221	-	-
Interest expense (see below)	64,755	67,304	17,179	20,647
Exchange loss	362	2,277	182	6,448
Loss on disposal of fixed assets	2,286	231	-	-
Provision for foreseeable losses in properties held for sale	19,624	7,833	-	-
and crediting:				
Interest income (see below)	17,265	23,226	218	18,427
Exchange gain	1,928	7,717	231	9,707
Gain on disposal of fixed assets	1,775	5,447	-	-
Amortisation of discount on investment in bonds	-	-	-	2,189
Write back of impairment losses of an associated company	-	720	-	-
Net Interest Income/(Expense):				
Interest income				
Subsidiary companies	-	-	154	16,959
Bank and other deposits	14,010	22,911	64	1,468
Others	3,255	315	-	-
	17,265	23,226	218	18,427
Interest expense				
Subsidiary companies	-	-	(322)	(1,979)
Bank loans and overdrafts	(63,754)	(65,965)	(16,857)	(18,668)
Bonds	-	(558)	-	-
Others	(1,001)	(781)	-	-
	(64,755)	(67,304)	(17,179)	(20,647)
	(47,490)	(44,078)	(16,961)	(2,220)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

5. SEGMENT INFORMATION

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

For year ended 30 September 2002

The following table presents financial information regarding business segments:

	SOFT DRINKS (\$'000)	DAIRIES (\$'000)	BREWERIES (\$'000)	PUBLISHING & PRINTING (\$'000)	GLASS CONTAINERS (\$'000)	INVESTMENT PROPERTY (\$'000)	DEVELOPMENT PROPERTY (\$'000)	OTHERS (\$'000)	ELIMINATION (\$'000)	GROUP (\$'000)
Revenue										
External	366,539	347,317	1,192,271	434,792	98,476	188,287	834,689	21,470	-	3,483,841
Inter-segment	4,008	-	-	-	14,573	3,595	-	51,380	(73,556)	-
Total revenue	370,547	347,317	1,192,271	434,792	113,049	191,882	834,689	72,850	(73,556)	3,483,841
PBIT*										
Subsidiary companies	33,669	16,278	106,150	20,788	14,290	119,792	133,744	26,848	-	471,559
Joint venture and associated companies	-	(95)	31,769	117	-	(2,456)	-	(199)	-	29,136
Total PBIT*	33,669	16,183	137,919	20,905	14,290	117,336	133,744	26,649	-	500,695
Interest income										17,265
Interest expense										(64,755)
Profit before taxation and exceptional items										453,205
Exceptional items										17,982
Profit before taxation										471,187
Taxation										(122,985)
Profit after taxation										348,202
Attributable to outside shareholders										(107,187)
Attributable net profit										241,015
Assets	228,655	260,220	906,055	520,038	159,187	2,705,260	1,679,809	658,801	-	7,118,025
Unallocated assets										16,009
Bank deposits and cash balances										659,569
Total assets										7,793,603
Liabilities	86,761	49,905	215,119	109,454	21,360	239,177	-	38,228	-	760,004
Unallocated liabilities										223,373
Bank borrowings and term loans										3,003,819
Total liabilities										3,987,196
Other segment information:										
Capital expenditure	7,652	18,152	51,153	32,730	42,856	5,361	-	1,241	-	159,145
Depreciation and amortisation	13,642	15,255	52,826	30,501	13,086	6,266	-	3,854	-	135,430
Impairment losses	-	-	-	-	-	-	-	17,708	-	17,708

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

5. SEGMENT INFORMATION (CONT'D)

For year ended 30 September 2002 (cont'd)

The following table presents financial information regarding geographical segments:

	SINGAPORE (\$'000)	MALAYSIA (\$'000)	REST OF SOUTHEAST ASIA (\$'000)	NORTHEAST ASIA (\$'000)	SOUTH PACIFIC (\$'000)	EUROPE & USA (\$'000)	GROUP (\$'000)
Total revenue	1,613,092	705,681	403,450	189,390	427,649	144,579	3,483,841
PBIT*	304,535	76,150	61,399	(11,577)	64,868	5,320	500,695
Other segment information:							
Assets	5,171,385	752,010	496,245	509,808	637,004	211,142	7,777,594
Capital expenditure	38,080	23,381	12,797	44,601	38,599	1,687	159,145

* PBIT = Profit before interest, taxation and exceptional items

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

5. SEGMENT INFORMATION (CONT'D)

For year ended 30 September 2001 (Restated)

The following table presents financial information regarding business segments:

	SOFT DRINKS (\$'000)	DAIRIES (\$'000)	BREWERIES (\$'000)	PUBLISHING & PRINTING (\$'000)	GLASS CONTAINERS (\$'000)	INVESTMENT PROPERTY (\$'000)	DEVELOPMENT PROPERTY (\$'000)	OTHERS (\$'000)	ELIMINATION (\$'000)	GROUP (\$'000)
Revenue										
External	340,985	353,514	1,086,409	416,441	96,805	187,262	448,545	11,981	-	2,941,942
Inter-segment	3,900	-	-	-	13,105	1,826	-	27,687	(46,518)	-
Total revenue	344,885	353,514	1,086,409	416,441	109,910	189,088	448,545	39,668	(46,518)	2,941,942
PBIT*										
Subsidiary companies	28,334	10,358	98,395	21,083	15,929	116,421	116,350	33,260	-	440,130
Joint venture and associated companies	-	(102)	23,393	(909)	-	(207)	-	-	-	22,175
Total PBIT*	28,334	10,256	121,788	20,174	15,929	116,214	116,350	33,260	-	462,305
Interest income										23,226
Interest expense										(67,304)
Profit before taxation and exceptional items										418,227
Exceptional items										33,664
Profit before taxation										451,891
Taxation										(116,502)
Profit after taxation										335,389
Attributable to outside shareholders										(118,854)
Attributable net profit										216,535
Assets	237,076	275,329	889,303	469,824	130,216	2,547,257	1,707,509	624,017	-	6,880,531
Unallocated assets										14,836
Bank deposits and cash balances										679,988
Total assets										7,575,355
Liabilities	80,731	56,369	200,566	107,988	21,393	174,667	-	20,098	-	661,812
Unallocated liabilities										206,231
Bank borrowings and term loans										2,510,807
Total liabilities										3,378,850
Other segment information:										
Capital expenditure	4,483	13,337	42,366	59,656	7,758	3,235	-	4,456	-	135,291
Depreciation and amortisation	14,708	14,377	52,947	21,811	12,954	4,825	-	2,407	-	124,029
Impairment losses	-	-	-	-	-	3,357	-	28,700	-	32,057

The following table presents financial information regarding geographical segments:

	SINGAPORE (\$'000)	MALAYSIA (\$'000)	REST OF SOUTHEAST ASIA (\$'000)	NORTHEAST ASIA (\$'000)	SOUTH PACIFIC (\$'000)	EUROPE & USA (\$'000)	GROUP (\$'000)
Total revenue	1,259,384	706,601	355,667	162,658	326,889	130,743	2,941,942
PBIT*	308,977	62,063	46,211	(15,275)	48,853	11,476	462,305
Other segment information:							
Assets	5,390,452	704,651	478,643	339,520	497,840	149,413	7,560,519
Capital expenditure	28,029	27,165	12,887	8,390	51,703	7,117	135,291

* PBIT = Profit before interest, taxation and exceptional items

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

6. GROSS DIVIDENDS FROM SUBSIDIARY COMPANIES

	PARENT COMPANY	
	2002 (\$'000)	2001 (\$'000)
Quoted subsidiary companies	13,644	18,323
Unquoted subsidiary companies	464,944	96,992
	478,588	115,315

The substantial increase in gross dividends from unquoted subsidiary companies relate to the special dividends declared by certain Singapore subsidiary companies out of accumulated reserves to ensure the transfer of related tax credit to the Company for future use.

7. GROSS INCOME FROM INVESTMENTS

	THE GROUP		PARENT COMPANY	
	2002 (\$'000)	2001 (\$'000)	2002 (\$'000)	2001 (\$'000)
Quoted equity investments in companies	10,647	15,808	2,406	9,727
Quoted non-equity investments in companies	-	2,765	-	2,379
Unquoted equity investments in companies	225	287	225	286
Unquoted non-equity investments in companies	1,962	1,508	-	-
Quoted government securities and bonds	511	664	-	-
Income from funds under management	3,651	7,984	-	-
	16,996	29,016	2,631	12,392

8. EXCEPTIONAL ITEMS

Profit on disposal of investments in subsidiary, associated and joint venture companies	2,370	39,053	5,432	-
Profit on disposal of other investments	-	28,527	-	46,604
Profit on disposal of properties	16,202	7,122	-	-
Provision for impairment in value of investments	(17,708)	(32,057)	-	(101,349)
Provision for impairment in value of fixed assets of joint venture company	(950)	(544)	-	-
Provision for restructuring cost in joint venture company	(2,182)	-	-	-
Assets write-off and other costs in respect of re-organisation of production facilities	(8,567)	(4,890)	-	-
Negative goodwill arising from additional investments in subsidiaries	28,817	-	-	-
Exchange loss on foreign currency loans and deposits	-	(3,547)	-	-
	17,982	33,664	5,432	(54,745)

9. TAXATION

	THE GROUP		PARENT COMPANY	
	2002 (\$'000)	2001 (\$'000)	2002 (\$'000)	2001 (\$'000)
Based on profit for the year -				
Singapore tax	59,549	54,222	104,132	28,311
Overseas tax	51,479	40,105	11	1,252
Deferred taxation	9,869	13,533	-	-
	120,897	107,860	104,143	29,563
(Over)/Under provision of prior years	(5,303)	2,621	-	-
Share of taxation of joint venture companies	7,391	6,021	-	-
	122,985	116,502	104,143	29,563

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

9. TAXATION (CONT'D)

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

	THE GROUP		PARENT COMPANY	
	2002 %	2001 %	2002 %	2001 %
		(RESTATED)		
Singapore statutory rate:	22.0	24.5	22.0	24.5
Effect of different tax rate of other countries	1.2	(0.5)	-	-
Tax effect of tax losses of subsidiary companies not available for set-off against profits of other companies within the Group	3.5	4.3	-	-
Income not subject to tax (tax incentive/exemption)	(2.8)	(4.8)	-	-
Expenses not deductible for tax purposes	4.0	3.0	0.4	17.6
Utilisation of previously unrecognised tax losses in determining tax profit	(0.4)	(1.4)	-	-
Tax effect of withholding tax on foreign source income	-	0.2	-	-
(Over)/Under provision in prior years	(1.1)	0.6	-	-
Adjustment due to change in tax rate	(1.4)	(0.4)	-	-
Deferred tax benefits not recognised	1.1	0.9	-	-
Others	-	(0.6)	-	-
	26.1	25.8	22.4	42.1

The statutory income tax rate applicable to Singapore companies of the Group was reduced to 22% for year of assessment 2003 from 24.5% for year of assessment 2002.

As at 30 September 2002, certain Singapore subsidiary companies have unutilised tax losses of approximately \$29,383,000 (2001: \$23,092,000) and unabsorbed capital allowances of \$2,625,000 (2001: \$704,000) available for set-off against future profits. In addition, certain overseas subsidiary companies have unutilised tax losses carried forward of approximately \$186,492,000 (2001: \$162,913,000) and unabsorbed capital allowances of \$38,528,000 (2001: \$30,589,000).

The availability of these losses and capital allowances to set-off against future profits is subject to the meeting of certain statutory requirements by those subsidiary companies in their countries of incorporation. The deferred tax benefits of these losses recognised in the financial statements are disclosed in Note 32.

10. DIVIDENDS

	THE GROUP		PARENT COMPANY	
	2002 (\$'000)	2001 (\$'000)	2002 (\$'000)	2001 (\$'000)
Interim paid of 15 cents after deducting Singapore income tax at 22% (2001: 9 cents after deducting Singapore income tax at 24.5%)	40,117	26,850	40,117	26,850
Final proposed of 20 cents after deducting Singapore income tax at 22% (2001: 21 cents after deducting Malaysian income tax at 28%)	53,399	62,134	53,399	62,134
	93,516	88,984	93,516	88,984

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

12. CAPITAL AND RESERVES

	THE GROUP & PARENT COMPANY	
	2002 (\$'000)	2001 (\$'000)
Share Capital		
<u>Authorised:</u>		
500,000,000 ordinary shares of \$1 each	500,000	500,000
<u>Issued and fully paid:</u>		
Balance at beginning of year		
295,875,463 (2001: 298,263,313) ordinary shares of \$1 each	295,875	298,263
Issued during the year		
1,438,238 (2001: 166,150) shares following exercise of Executives' Share Options	1,438	166
Cancelled during the year		
674,000 (2001: 2,554,000) shares following re-purchase made by way of market acquisition	(674)	(2,554)
Cancelled during the year		
29,644,569 (2001: nil) shares pursuant to a capital reduction	(29,644)	-
Balance at end of year		
266,995,132 (2001: 295,875,463) ordinary shares of \$1 each	266,995	295,875

During the year, the consideration received following the exercise of Executives' Share Options was \$8,212,900 (2001: \$1,073,776).

At the end of the year, there were 4,175,938 (2001: 5,020,172) unissued ordinary shares of the Company under Options granted pursuant to the Executives' Share Option Schemes of the Company ("the Schemes"). Details of the Schemes are disclosed in paragraph 9(h) of the Directors' Report.

	THE GROUP		PARENT COMPANY	
	2002 (\$'000)	2001 (\$'000)	2002 (\$'000)	2001 (\$'000)
		(RESTATED)		
Reserves				
The reserves comprise the following:				
Share Premium (Non-distributable)	333,472	534,209	333,472	534,209
Capital Redemption Reserve (Non-distributable)	3,228	2,554	3,228	2,554
Capital Reserve (Non-distributable)	732,264	772,880	1,230,996	1,230,996
Revenue Reserve (Distributable)	1,617,080	1,471,924	1,271,846	1,008,009
Dividend Reserve (Distributable)	53,399	62,134	53,399	62,134
Exchange Reserve (Distributable)	(20,249)	(41,522)	-	-
	2,719,194	2,802,179	2,892,941	2,837,902
Comprising:				
Non-distributable reserves	1,068,964	1,309,643	1,567,696	1,767,759
Distributable reserves	1,650,230	1,492,536	1,325,245	1,070,143
	2,719,194	2,802,179	2,892,941	2,837,902

Revenue reserve is distributable profits retained to finance growth of the business. Based on prevailing legislation and income tax rates, the Company has sufficient tax credits to distribute by way of dividend up to \$566,531,000 (2001: \$211,182,000) out of revenue reserve without obligation to make further tax payments.

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

During the year, \$63,000 (2001: \$7,800,000) of revenue reserve was transferred to capital reserve by certain subsidiary companies as required by local legislation. The reserve is all realised profits and can only be distributed with approval from their respective local authorities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

13. GROUP FIXED ASSETS

	FREEHOLD LAND (\$'000)	LEASEHOLD LAND (\$'000)	BUILDING (\$'000)	PLANT & MACHINERY (\$'000)	OTHER ASSETS (\$'000)	TOTAL (\$'000)
At cost/valuation						
Balance at beginning of year	84,426	110,612	501,522	1,241,377	306,579	2,244,516
Currency realignment	1,599	(192)	10,418	36,393	6,311	54,529
Additions	355	1,715	20,224	92,800	34,177	149,271
Acquisition of subsidiary companies	-	2,027	11,602	27,843	5,298	46,770
Disposals [see note (c)]	-	(25,255)	(3,797)	(37,903)	(22,460)	(89,415)
Reclassification	-	1,134	(45)	3,773	(4,862)	-
Revaluation	-	-	(4)	(445)	(11)	(460)
Provision for write-off	(18)	-	(3,173)	(3,858)	(2,329)	(9,378)
Transfer to current assets	-	-	29	(27)	(750)	(748)
Transfer to investment properties	(315)	(232)	(6,425)	-	-	(6,972)
Balance at end of year	86,047	89,809	530,351	1,359,953	321,953	2,388,113
Analysis of cost/valuation:						
At cost	29,807	68,374	494,254	1,352,941	321,953	2,267,329
At valuation 1976	-	-	-	2,929	-	2,929
At valuation 1983	1,436	-	1,434	-	-	2,870
At valuation 1988	53	-	3,113	4,083	-	7,249
At valuation 1996	54,751	21,435	31,550	-	-	107,736
	86,047	89,809	530,351	1,359,953	321,953	2,388,113

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

13. GROUP FIXED ASSETS (CONT'D)

	FREEHOLD LAND (\$'000)	LEASEHOLD LAND (\$'000)	BUILDING (\$'000)	PLANT & MACHINERY (\$'000)	OTHER ASSETS (\$'000)	TOTAL (\$'000)
Accumulated depreciation						
Balance at beginning of year	64	16,539	109,949	670,501	187,899	984,952
Currency realignment	-	126	1,257	17,046	5,497	23,926
Charge for the year	-	3,918	13,069	74,954	30,114	122,055
Acquisition of subsidiary companies	-	253	2,775	12,145	3,065	18,238
Disposals [see note (c)]	-	(4,093)	(2,537)	(35,525)	(19,045)	(61,200)
Reclassification	-	910	(34)	51	(927)	-
Provision for write-off	(19)	-	(1,696)	(3,523)	(2,047)	(7,285)
Transfer to current assets	-	-	(58)	-	-	(58)
Transfer to investment properties	-	(152)	(3,384)	-	-	(3,536)
Balance at end of year	45	17,501	119,341	735,649	204,556	1,077,092
Charge for the year 2001	-	2,587	12,136	70,170	31,214	116,107
Net book value						
At 30 September 2002	86,002	72,308	411,010	624,304	117,397	1,311,021
At 30 September 2001	84,362	94,073	391,573	570,876	118,680	1,259,564

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

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

(c) Included in disposals is the withdrawal of a land use right by a minority shareholder upon disposal of their interest in a subsidiary company.

The net book value of the fixed assets which had been revalued if these are stated at cost less depreciation:

At 30 September 2002	34,640	7,712	16,820	410	-	59,582
At 30 September 2001	34,433	8,156	17,648	549	-	60,786

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

14. GROUP INVESTMENT PROPERTIES

	FREEHOLD LAND (\$'000)	LEASEHOLD LAND (\$'000)	BUILDING (\$'000)	TOTAL (\$'000)
At cost/valuation				
Balance at beginning of year	695,503	855,871	836,001	2,387,375
Currency realignment	1,226	25	4,473	5,724
Additions	-	-	3,639	3,639
Disposals	(2,182)	-	(4,878)	(7,060)
Revaluation (deficit)/surplus	(780)	2,437	(18,428)	(16,771)
Transfer from other assets	315	-	6,825	7,140
Balance at end of year	694,082	858,333	827,632	2,380,047
Analysis of cost/valuation:				
At cost	2,535	4,181	82,225	88,941
At valuation 2002	691,547	854,152	745,407	2,291,106
	694,082	858,333	827,632	2,380,047
Accumulated depreciation				
Balance at beginning of year	-	262	13,790	14,052
Currency realignment	-	-	733	733
Charge for the year	-	91	3,076	3,167
Disposals	-	-	(2,341)	(2,341)
Transfer from other assets	-	-	3,536	3,536
Balance at end of year	-	353	18,794	19,147
Charge for the year 2001	-	116	3,011	3,127
Net book value				
At 30 September 2002	694,082	857,980	808,838	2,360,900
At 30 September 2001	695,503	855,609	822,211	2,373,323

Investment properties of the Group stated at 2002 valuation made by the directors are based on open market valuation at 30 September 2002 carried out by independent professional valuers, DTZ Debenham Tie Leung (SEA) Pte Ltd (Singapore properties), M Nawawi & Co, Malaysia (land in Kota Bahru) and BEM Property Consultants Pty Limited (Bridgepoint, Australia).

The directors have adopted all the valuations in the reports of the valuers except for the valuations of Centrepoint, Northpoint and Bridgepoint. The directors are of the opinion that the valuations of these three properties approximate their current book values and the increase of \$27.3m (2001: \$14.0m) in respect of the properties has not been adopted.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

15. GROUP PROPERTIES UNDER DEVELOPMENT

	THE GROUP	
	2002 (\$'000)	2001 (\$'000) (RESTATED)
Balance at beginning of year	1,518,401	1,341,996
Expenditure incurred during the year	580,011	715,815
	2,098,412	2,057,811
Add: Development profit credited to income	153,286	116,350
Less: Progress payments received and receivable	(714,168)	(436,219)
Provision for amortisation	(845)	-
Provision for impairment in value of development	(24,430)	(22,600)
Transferred to properties held for sale	(488,093)	(196,941)
Balance at end of year	1,024,162	1,518,401
Group properties under development comprise:		
Freehold Land		
At cost	302,370	353,920
At valuation 1996	99,000	99,000
Leasehold Land		
At cost	785,152	800,906
Development expenditure	738,221	390,417
Interest cost	102,733	102,755
Property tax	12,985	10,115
	2,040,461	1,757,113
Development profit	56,985	96,700
Progress payments received and receivable	(1,022,254)	(308,812)
Provision for impairment in value of development	(51,030)	(26,600)
	1,024,162	1,518,401

Interest capitalised during the year is \$35,967,000 (2001: \$45,892,000)

(a) The valuations for 1996 were made by the Directors based on appraisals by independent professional valuers.

(b) Properties under development include:

- (i) Rosewood – leasehold land of approximately 24,793.9 sqm at Lot 3522PT/PT Parcel No.597 MK 13 situated at Rosewood Drive/Woodlands Avenue 1 for the development of 437 condominium units for sale.
- (ii) Lilydale – leasehold land of approximately 14,400 sqm at Lot 1817PT MK at Yishun Avenue 6/Avenue 11 for the development of 318 executive condominium units for sale.
- (iii) Freehold property situated at Lots 892, 894 and 896 of MK 29 at Elias Road for the development of approximately 460 condominium units for sale.
- (iv) Cote d'Azur – leasehold land of approximately 24,661.8 sqm at Lot 8556C PT MK 26 situated at Marine Parade Road for the development of 612 condominium units for sale.
- (v) Leasehold land of approximately 17,000 sqm at Lot 3784A Mukim 6 situated at Boon Lay Way/Corporation Road for the development of approximately 369 condominium units for sale.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

15. GROUP PROPERTIES UNDER DEVELOPMENT (CONT'D)

(b) Properties under development include: (cont'd)

- (vi) Leasehold land of approximately 2,160 sqm at No. 3 Nguyen Sieu Street, Ho Chi Minh City, Vietnam.
- (vii) Freehold land of approximately 1,650 sqm situated at Annandale, 2 West Heath Avenue, Golders Green, London, United Kingdom for the development of 15 residential apartments for sale.
- (viii) Pavilions on the Bay – freehold land of approximately 8,647 sqm situated at 461-465 Glebe Point Road, Sydney, Australia for the development of a 6-storey residential flat containing 46 units for sale.
- (ix) The Habitat – freehold land of approximately 862 sqm situated at 11-17 Chandos Street, Sydney, Australia for the development of 60 residential units for sale.
- (x) Leasehold land of approximately 13,843 sqm situated at No. 169 Wujiang Road, Shanghai, China for a mixed development comprising 2 blocks of approximately 453 apartment units and a retail podium for sale.
- (xi) Freehold land of approximately 23,819.7 sqm situated at Holland Park, off Holland Road, Singapore.

16. SUBSIDIARY COMPANIES

	PARENT COMPANY	
	2002 (\$'000)	2001 (\$'000)
Quoted shares		
At directors' valuation, 1997	144,231	144,231
At cost	160,751	274,503
	<u>304,982</u>	<u>418,734</u>
Unquoted shares		
At directors' valuation, 1997	2,015,219	2,015,219
At directors' valuation, 2002	16,512	–
At cost	2,178,606	225,671
	<u>4,515,319</u>	<u>2,659,624</u>
Amounts owing by subsidiary companies (unsecured)	355,566	856,167
Amounts owing to subsidiary companies (unsecured)	<u>(886,438)</u>	<u>(183,955)</u>
	<u>3,984,447</u>	<u>3,331,836</u>
MARKET VALUE		
Quoted shares	<u>412,943</u>	<u>491,830</u>

The Company's investments in subsidiary companies include an interest in 60.68% (2001: 60.75%) of the issued ordinary shares of Fraser & Neave Holdings Bhd. This interest will be reduced to 55.75% by 31 December 2006 by the operation of an Executives' Share Option Scheme.

The amounts owing by subsidiary companies are due on loan account with no fixed terms of repayment and bear interest at an average rate of 1.3% (2001: 4.4%) per annum except for an amount of \$335,533,000 (2001: \$318,823,000) which is interest-free.

The amounts owing to subsidiary companies are due on loan account with no fixed terms of repayment and bear interest at an average rate of 1.4% (2001: 3%) per annum except for an amount of \$874,081,000 (2001: \$72,192,000) which is interest-free.

The amounts owing from and to subsidiary companies disclosed under current assets and current liabilities are unsecured, trade in nature and interest-free.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

	THE GROUP	
	2002 (\$'000)	2001 (\$'000)
17. JOINT VENTURE COMPANIES		
Unquoted equity investments		
At net asset values on acquisition	197,561	54,595
Share of net post acquisition (losses)/reserves	(34,133)	8,688
	<u>163,428</u>	<u>63,283</u>
 (a) The amounts due from/to joint venture companies classified under current assets and current liabilities are unsecured, trade in nature and interest-free.		
 (b) The Group's share of the consolidated results of the joint venture companies for the year are as follows:		
Profit before taxation and exceptional items	31,387	23,291
Exceptional items	(3,132)	(544)
Taxation	(7,391)	(6,021)
	<u>20,864</u>	<u>16,726</u>
 (c) The Group's share of the consolidated assets and liabilities of the joint venture companies comprises:		
Fixed assets	202,251	79,971
Current assets	255,932	91,364
Current liabilities	(151,240)	(57,372)
Long term liabilities	(143,515)	(50,680)
	<u>163,428</u>	<u>63,283</u>
 (d) The share of the results, assets and liabilities as stated in paragraphs (b) and (c) above are based on the accounts of the joint venture companies to 30 September.		
18. ASSOCIATED COMPANIES		
Unquoted equity investments in companies		
At cost	1,173	1,005
At net asset values on acquisition	27,553	10,063
Share of net post acquisition (losses)/reserves	(9,503)	1,239
	<u>19,223</u>	<u>12,307</u>
Loans owing from associated companies (unsecured)	99,033	4,051
	<u>118,256</u>	<u>16,358</u>

The loans owing from associated companies are interest-free, non-trade in nature and are not repayable within one year.

The amounts due from/to associated companies classified under current assets and current liabilities are unsecured, interest-free and trade in nature.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

19. INTANGIBLE ASSETS

	THE GROUP			TOTAL (\$'000)
	GOODWILL (\$'000)	FRANCHISE (\$'000)	DEFERRED DEVELOPMENT COST (\$'000)	
At cost				
Balance at beginning of year	30,079	219	6,049	36,347
Currency realignment	(45)	-	2	(43)
Additional expenditure during the year	-	-	6,235	6,235
Goodwill arising from acquisitions during the year	8,571	-	-	8,571
Write-off	1,218	-	(2,812)	(1,594)
Balance at end of year	39,823	219	9,474	49,516
Accumulated amortisation				
Balance at beginning of year	1,565	68	2,684	4,317
Currency realignment	-	-	1	1
Charge for the year	3,591	22	3,957	7,570
Write-off	-	-	(2,794)	(2,794)
Balance at end of year	5,156	90	3,848	9,094
Net book value	34,667	129	5,626	40,422

20. OTHER INVESTMENTS

	THE GROUP		PARENT COMPANY	
	2002 (\$'000)	2001 (\$'000)	2002 (\$'000)	2001 (\$'000)
Quoted				
Singapore government securities, at cost	10,076	10,190	-	-
Equity investments in companies				
At cost	13,613	15,439	59,842	59,842
At directors' valuation, 1992	48,927	48,927	-	-
At directors' valuation, 1999	-	184,924	-	-
	62,540	249,290	59,842	59,842
	72,616	259,480	59,842	59,842
Unquoted				
Non-equity investments in companies				
At cost	16,343	30,388	-	25
Equity investments in companies				
At cost	19,222	11,718	978	1,005
At directors' valuation, 2001	1,799	83,379	-	-
	21,021	95,097	978	1,005
	109,980	384,965	60,820	60,872
MARKET VALUE OF QUOTED INVESTMENTS				
Singapore government securities	10,326	10,774	-	-
Equity investments in companies	124,421	279,428	121,044	119,107
	134,747	290,202	121,044	119,107

Included in other investments are Singapore government securities and non-equity investments in companies that carry interest rates between 2.9% to 6.25%. Interest is receivable semi-annually in arrears with maturity of not more than 4 years.

The fair values of unquoted investments as at the end of the year approximate their carrying values.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

21. BANK FIXED DEPOSITS

Included in the Group's current bank fixed deposits disclosed under current assets are amounts held under the Project Account Rules (1997 Ed) of \$55,677,000 (2001: \$112,134,000) withdrawals from which are restricted to payments for development expenditure incurred on properties developed for sale.

	THE GROUP	
	2002 (\$'000)	2001 (\$'000)
22. BRANDS		
At cost		
Balance at beginning of year	26,198	26,219
Currency realignment	63	(72)
Additions	-	51
Balance at end of year	<u>26,261</u>	<u>26,198</u>
Accumulated amortisation		
Balance at beginning of year	13,854	12,075
Currency realignment	13	(6)
Amortisation for the year	1,793	1,785
Balance at end of year	<u>15,660</u>	<u>13,854</u>
Net book value	<u>10,601</u>	<u>12,344</u>
23. PROPERTIES HELD FOR SALE		
At cost		
Balance at beginning of year	196,941	-
Transferred from properties under development	490,381	196,941
Transferred to investment properties	(168)	-
Sold during the year	(1,763)	-
Balance at end of year	<u>685,391</u>	<u>196,941</u>
Less : Provision for foreseeable losses		
Balance at beginning of year	7,833	-
Provision for the year	19,624	7,833
Transferred from properties under development	1,564	-
Balance at end of year	<u>29,021</u>	<u>7,833</u>
	<u>656,370</u>	<u>189,108</u>
Progress payment received	(724)	-
Net book value	<u>655,646</u>	<u>189,108</u>

Included in the Group's properties held for sale is an amount of \$200,219,000 (2001: nil) in respect of strata units with a lettable area of 25,041 sqm in a 4-storey commercial building with 4 basement levels which was disposed of subsequent to year end (see Note 38).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

24. STOCKS

	THE GROUP					
	AT COST (\$'000)	2002 AT NRV* (\$'000)	TOTAL (\$'000)	AT COST (\$'000)	2001 AT NRV* (\$'000)	TOTAL (\$'000)
Containers	39,988	979	40,967	21,777	3,756	25,533
Raw materials	32,815	13,449	46,264	53,310	11,286	64,596
Manufactured stocks	52,327	29,174	81,501	53,811	34,265	88,076
Engineering, work-in-progress and other stocks	53,533	23,497	77,030	46,849	26,685	73,534
Packaging materials	20,996	376	21,372	19,246	1,040	20,286
Goods purchased for resale	2,941	24,628	27,569	2,729	25,963	28,692
	<u>202,600</u>	<u>92,103</u>	<u>294,703</u>	<u>197,722</u>	<u>102,995</u>	<u>300,717</u>

The stocks at NRV are stated after deducting provision for obsolescence of:

Containers	11,821	12,664
Raw materials	1,175	1,801
Manufactured stocks	5,765	7,984
Engineering, work-in-progress and other stocks	4,274	4,147
Packaging materials	332	386
Goods purchased for resale	7,380	4,928
	<u>30,747</u>	<u>31,910</u>
Balance at beginning of year	31,910	39,773
Currency realignment	1,037	194
Provision for the year	8,206	7,436
Write-off against provision	(10,561)	(15,326)
Acquisition/(Disposal) of subsidiary companies	155	(167)
Balance at end of year	<u>30,747</u>	<u>31,910</u>

Obsolete stocks written off during the year directly to the profit statement amounted to \$3,075,000 (2001: \$1,933,000).

* NRV = Net Realisable Value

25. TRADE DEBTORS

	THE GROUP	
	2002 (\$'000)	2001 (\$'000)
Balance at beginning of year	23,612	25,594
Currency realignment	432	62
Provision for the year	8,209	7,612
Bad debts written off against provision	(6,309)	(4,676)
Acquisition/(Disposal) of subsidiary companies	887	(210)
Provision written back	(5,176)	(4,770)
Balance at end of year	<u>21,655</u>	<u>23,612</u>

Included in trade debtors is an amount of \$81,799,000 (2001: \$61,889,000) which relates to the balance sale proceeds from completed condominium projects which will be received upon issuance of Certificate of Statutory Completion and title subdivision.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

	THE GROUP		PARENT COMPANY	
	2002 (\$'000)	2001 (\$'000)	2002 (\$'000)	2001 (\$'000)
26. OTHER DEBTORS				
Accrued income	2,668	3,888	178	257
Prepayments	25,194	77,378	-	-
Deposits paid	21,107	14,201	-	-
Tax recoverable	20,633	25,008	-	-
Staff loans	14,229	15,404	-	-
Loans to directors of subsidiary company	309	318	-	-
Amount receivable from joint venture partners	2,013	24,907	-	-
Other receivables	36,140	61,237	73	33
	122,293	222,341	251	290

Included in prepayments of the Group are \$6,980,000 (2001: \$51,096,000) being part payment for purchase of land which will be transferred to properties under development upon the completion of the sale and purchase agreement in the next financial year and \$nil (2001: \$11,037,000) being advance payment for participation in a joint venture development.

Included in deposits of the Group is \$5,917,000 (2001: nil) being payment for the acquisition of properties in Australia.

Loans to directors are staff loans made in accordance with schemes approved at a general meeting of a subsidiary company.

27. SHORT TERM INVESTMENTS

(a) Funds under Management

A subsidiary company places funds with certain professional fund managers who are given discretionary powers within certain guidelines to invest the funds.

Funds under management at end of year are:

Quoted investments

Non-equity investments in companies, at cost	61,039	99,911
Equity investments in companies, at cost	3,898	-
	64,937	99,911
Less : Provision for impairment	(715)	-
	64,222	99,911
Accrued interest and cash on deposit held by fund managers	18,264	19,099
	82,486	119,010

Movement in the provision for impairment in value of funds under management is as follows:

Balance at beginning of year	-	1,339
Provision/(write back) for the year	715	(1,339)
Balance at end of year	715	-

MARKET VALUE OF QUOTED INVESTMENTS

Non-equity investments	61,502	100,612
Equity investments in companies	3,175	-
	64,677	100,612

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

	THE GROUP	
	2002 (\$'000)	2001 (\$'000)
27. SHORT TERM INVESTMENTS (CONT'D)		
(b) Other Short Term Investments		
Quoted investments		
Government stocks and bonds, at cost	4,227	4,131
Non-equity investments in companies, at cost	42,136	1,895
Equity investments in companies		
At cost	-	227
At directors' valuation, 1999	184,924	-
	<u>231,287</u>	<u>6,253</u>
Unquoted investments		
Non-equity investments in companies, at cost	15,000	-
	<u>246,287</u>	<u>6,253</u>
Less: Provision for impairment	(495)	(680)
	<u>245,792</u>	<u>5,573</u>
Movement in the provision for impairment in value of other short term investments is as follows:		
Balance at beginning of year	680	349
Currency realignment	-	(31)
(Write back)/Provision for the year	(185)	362
Balance at end of year	<u>495</u>	<u>680</u>
MARKET VALUE OF QUOTED INVESTMENTS		
Government stocks and bonds	4,227	4,131
Non-equity investments in companies	41,641	1,285
Equity investments in companies	188,375	157
	<u>234,243</u>	<u>5,573</u>
Grand total of short term investments	<u>328,278</u>	<u>124,583</u>

The Company has entered into a call option agreement with a financial institution on certain quoted shares included in short term investments. The agreement gives the financial institution the right to buy the quoted shares at a certain price from the Company on a certain date.

The fair value of unquoted investment as at the end of the year approximate their carrying values.

Included in short term investments are government stocks and bonds and non-equity investments in companies that carry interest rates between 0.81% to 6%. Interest is receivable semi-annually in arrears with maturity of not more than 8 years.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

28. OTHER CREDITORS

	THE GROUP		PARENT COMPANY	
	2002 (\$'000)	2001 (\$'000)	2002 (\$'000)	2001 (\$'000)
		(RESTATED)		
Advances from joint venture partners	36,950	32,672	-	-
Interest payable	19,851	25,370	4,056	3,228
Accrued operating expenses	83,916	96,357	201	1,158
Sundry provisions	35,506	47,748	-	-
Sundry deposits	65,517	51,938	-	-
Staff costs payable	53,440	39,632	-	-
Provision for unconsumed leave	8,172	6,877	-	-
Amounts due to minority shareholders of subsidiary companies	15,221	-	-	-
Deferred income	10,747	2,960	-	-
Other payables	33,849	38,341	1,136	787
	363,169	341,895	5,393	5,173

Included in deferred income is an amount of \$8,248,000 from the call option mentioned in Note 27 and this amount is amortised over the period of the call option. As at 30 September 2002, the fair value of the deferred income is \$6,311,000.

Included in other payables is an amount of \$5,657,000 (2001: \$10,540,000) relating to provision for plant closure of a subsidiary company.

Amounts due to minority shareholders are non-trade in nature, unsecured, interest-free and have no fixed terms of repayment.

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

29. BANK BORROWINGS

	Notes	THE GROUP		PARENT COMPANY	
		2002 (\$'000)	2001 (\$'000)	2002 (\$'000)	2001 (\$'000)
Repayable within one year:					
Unsecured					
Bank loans	(a)	891,538	512,075	279,194	54,050
Bank overdrafts		17,377	70,018	-	-
		908,915	582,093	279,194	54,050
Secured					
Bank loans	(b)	9,999	9,608	-	-
		918,914	591,701	279,194	54,050
Repayable after one year:					
Unsecured					
Bank loans	(c)	300,000	301,076	300,000	300,000

Notes

(a) The unsecured bank loans and overdrafts bear interest at prevailing rates of 1% to 6% (2001: 1% to 8%) per annum.

(b) The secured bank loans are charged on the fixed deposits of a certain overseas subsidiary company and bear interest at prevailing rates of 5% to 9% (2001: 6%) per annum.

(c) The unsecured bank loan repayable after one year relates to bank facilities utilised to finance long term investments. The bank loan is for a period of 3 years from 29 December 2000 and bears interest at a rate of 3.95% (2001: 5%) per annum.

The carrying amounts of bank borrowings repayable within one year approximate fair value as these bank borrowings bear interest at rates which approximate the current incremental borrowing rate for similar types of lending and borrowing arrangements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

	THE GROUP		PARENT COMPANY	
	2002 (\$'000)	2001 (\$'000)	2002 (\$'000)	2001 (\$'000)
29. BANK BORROWINGS (CONT'D)				
The carrying amounts and fair value of bank borrowings repayable after one year are as follows:				
Carrying amounts	300,000	301,076	300,000	300,000
Fair value	308,250	307,076	308,250	306,000
30. TERM LOANS				
Repayable within one year:	Notes			
Unsecured				
Bank loans	(a) 44,922	26,274	-	-
Variable Rate Notes	(b) 180,250	80,000	-	-
Medium Term Notes	(c) -	110,000	-	-
Fixed Rate Notes	(d) 350,000	-	-	-
Secured				
Bank loans	(e) 63,161	4,910	-	-
	638,333	221,184	-	-
Repayable after one year but not later than five years:				
Unsecured				
Bank loans	(a) 71,246	218,780	-	-
Medium Term Notes	(c) 300,000	65,000	300,000	-
Fixed Rate Notes	(d) 750,000	1,100,000	-	-
Secured				
Bank loans	(e) 25,326	13,066	-	-
	1,146,572	1,396,846	300,000	-

Notes

(a) Unsecured bank loans

The unsecured bank loans repayable within one year bear interest at rates of 3% to 8% (2001: 3% to 7%) per annum.

The unsecured bank loans repayable after one year but not later than five years bear interest at rates of 3.9% to 6.63% (2001: 4.5%) and 1.425% per annum over SIBOR (2001: 1.425% per annum over SIBOR).

(b) Variable Rate Notes

\$200,000,000 Notes which will mature in 2011, are unsecured and fully underwritten by a panel of banks. These Notes are issued in tranches. As at 30 September 2002, \$180,250,000 (2001: \$80,000,000) was utilised. The Notes bear interest at rates between 1.15% and 1.65% (2001: between 2.5% and 2.6%) per annum.

(c) Medium Term Notes

(i) \$1,000,000,000 Medium Term Notes established on 26 August 2002. Issued one tranche as follows:

Series 1: \$300,000,000 5-year Fixed Rate Notes issued on 9 September 2002 at a fixed interest rate of 3.26% per annum.

(ii) \$175,000,000 Unsecured Medium Term Notes in issue as at the end of 30 September 2001, were redeemed during this financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

30. TERM LOANS (CONT'D)

(d) Fixed Rate Notes

\$1,100,000,000 Fixed Rate Notes established on 15 September 2000. Issued in three tranches as follows:

Series 1 : \$350,000,000 3-year Fixed Rate Note issued on 18 September 2000 at a fixed interest rate of 4.95% per annum;

Series 2 : \$500,000,000 5-year Fixed Rate Note issued on 4 October 2000 at a fixed interest rate of 5.05% per annum; and

Series 3 : \$250,000,000 3-year Fixed Rate Note issued on 7 December 2000 at a fixed interest rate of 4.2% per annum.

(e) Secured bank loans

The secured bank loan of \$8,036,000 (£2,800,000) [2001: \$4,910,000] is secured by a subsidiary company by way of a fixed and floating charge over its assets and a mortgage on freehold land under development, for a period of 1 year from 31 March 2002. The loan bears interest at a rate of 5.5% (2001: 7.75%) per annum.

The secured bank loan of \$32,488,000 (A\$33,565,000) [2001: \$13,066,000] is secured by a subsidiary company by way of a fixed and floating charge over its assets and a mortgage on freehold land under development, for a period of 3 years from June 2000. The loan bears interest at a rate of 6.38% (2001: 8.35%) per annum.

The secured bank loan of \$20,798,000 (US\$11,700,000) [2001: nil] which is part of a revolving credit facility of US\$20 million which is secured by a subsidiary company by way of an equivalent amount in US\$ to be placed in fixed deposit for a period of 2 years and 9 months from 10 January 2002. The loan bears interest at a rate of 0.5% (2001: nil) per annum over LIBOR.

The bank loans of \$5,077,000 and \$3,224,000 (2001: nil) are secured by a subsidiary company on the machinery in Hong Kong and share pledge on a subsidiary company respectively. The loans bear interest at rate of 3.5% and 3.6% per annum and are repayable between May 2003 and May 2007, and November 2011 respectively.

\$7,580,000 (A\$7,832,000) [2001: nil] bank term loan is secured by a subsidiary company by way of a fixed and floating charge over its assets and a mortgage on freehold land under development, for a period of 3 years from October 2001. The loan bears interest at an average rate of 6.82% (2001: nil) per annum.

\$8,804,000 (RM 18,819,000) [2001: nil] bank loan is secured by a subsidiary company by way of a charge over its plant and machinery. The loan is repayable monthly over a four year period and bears interest at a rate of 5.8% to 6.63% (2001: nil) per annum.

\$2,480,000 (VND 2,870,457,000) [2001: nil] bank loan is secured by a subsidiary company against its plant and machinery. The loan is repayable between June 2005 and June 2007 and bears interest at an average rate of 9.4% (2001: nil) per annum.

The aggregate fair values of Medium Term Notes and Fixed Rate Notes are determined by reference to market value.

The carrying amounts and fair values of Medium Term Notes and Fixed Rate Notes repayable after one year are as follows:

	THE GROUP		PARENT COMPANY	
	2002 (\$'000)	2001 (\$'000)	2002 (\$'000)	2001 (\$'000)
Term loans				
Carrying amounts	<u>1,050,000</u>	<u>1,165,000</u>	<u>300,000</u>	<u>-</u>
Fair value	<u>1,081,006</u>	<u>1,195,762</u>	<u>301,950</u>	<u>-</u>

At 30 September 2001, an amount of bank loan \$150,000,000 not repayable within one year has a fair value of \$153,900,000.

The carrying amounts of Variable Rate Notes and other bank loans repayable within one year approximate their fair value due to their short term nature. The carrying amounts of other bank loans repayable after one year but not later than five years approximate fair value as these loans bear interest at rates which approximate the current incremental borrowing rate for similar types of lending and borrowing arrangements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

31. PROVISION FOR RETIREMENT BENEFITS

	THE GROUP	
	2002 (\$'000)	2001 (\$'000)
Balance at beginning of year	25,202	23,810
Currency realignment	102	(360)
Provision for the year	3,550	4,779
Payment for the year	(2,897)	(3,027)
Balance at end of year	<u>25,957</u>	<u>25,202</u>

(a) The Group makes contributions to approved provident and superannuation funds in Singapore, Malaysia, Hong Kong and Australia and to pension and post-retirement benefit plans in the United Kingdom, Europe, USA and Japan.

(b) A subsidiary company, Marshall Cavendish Ltd operates a number of pension schemes in the various countries in which its subsidiary companies are active. The main scheme is that provided to the United Kingdom employees, which is a funded, defined benefit pension scheme, the assets of which are held in a separate trustee-administered fund. All other schemes have the characteristics of defined contribution schemes. The pension cost relating to the scheme is assessed in accordance with the advice of independent qualified actuaries using the Attained Age Method, the latest actuarial valuation of the scheme having taken place as at 6 April 2000, and updated to 30 September 2002 by a qualified independent actuary. The major assumptions used by the actuary were:

	2002	2001
Rate of increase in salaries	4.0%	5.0%
Future pension increases		
Pension accrued before 1 April 2002	5.0%	5.0%
Pension accrued after 31 March 2002	2.5%	3.0%
Rate of revaluation of deferred pensions	2.5%	3.0%
Discount rate	5.5%	6.1%
Inflation rate	2.5%	3.0%
Expected rate of return on assets	6.0%	7.0%
Fair value of assets (\$'000)	23,630	25,108

The valuation, using methods and assumptions prescribed for Minimum Funding Requirement under the Pensions Act 1995, indicated that the actuarial value of the asset represented 137% of the actuarial value of the accrued benefits to members, allowing for expected future increases in pensionable remuneration. The actuarial surplus is being spread over the average remaining service lives of current employees. No employer contributions were made in respect of the financial year. The current agreement as regards contribution rate for future years is described in the schedule of contributions dated 31 January 2001, which shows a nil employer contribution for 5 years from this date.

Other schemes relate mainly to Group undertakings and branches in the USA, Europe and Australia, and are defined contribution schemes. The charge to profit statement relating to these schemes was a total of \$151,000 (2001: \$125,000) for the year.

A provision of \$1,729,000 (2001: \$1,721,000) is included in provision for retirement benefits representing the excess of the pension charge to profit over amounts funded.

(c) In Japan, a branch of a subsidiary company is a party to a retirement and severance plan which provides for a lump-sum payment, based on current rates of pay and length of services, to employees who retire or terminate their employment for reasons other than dismissal after having completed at least one year of service. The provision made in the financial statements in respect of the liability for employee retirement allowances represents the estimated liability of benefits based on voluntary retirement at 30 September 2002, less the value of assets employed by the retirement and severance fund at that date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

	THE GROUP	
	2002 (\$'000)	2001 (\$'000) (RESTATED)
32. DEFERRED TAX ASSETS AND LIABILITIES		
Deferred taxes at the end of the financial year related to the following:		
<u>Deferred tax liabilities</u>		
Differences in depreciation	102,108	104,079
Tax effect of revaluation surplus	1,510	1,895
Provisions	7,038	8,692
Other deferred tax liabilities	1,101	615
Gross deferred tax liabilities	<u>111,757</u>	<u>115,281</u>
<u>Deferred tax assets</u>		
Unabsorbed losses and capital allowances	(2,161)	(10,972)
Provisions	<u>(13,180)</u>	<u>(11,248)</u>
Gross deferred tax assets	<u>(15,341)</u>	<u>(22,220)</u>
Net deferred tax liabilities	<u>96,416</u>	<u>93,061</u>
Some overseas subsidiary companies have deferred tax asset and it is analysed as follows:		
Difference in depreciation	3,488	4,228
Unabsorbed losses and capital allowances	(4,587)	(4,555)
Provisions	<u>(14,910)</u>	<u>(14,509)</u>
Net deferred tax assets	<u>(16,009)</u>	<u>(14,836)</u>

	THE GROUP	
	2002 (\$'000)	2001 (\$'000)
33. FUTURE COMMITMENTS		
Commitments not provided for in the financial statements:		
(i) Commitments in respect of contracts placed	453,280	510,540
(ii) Other amounts approved by directors but not committed	<u>381,482</u>	<u>613,507</u>
	<u>834,762</u>	<u>1,124,047</u>
34. LEASE COMMITMENTS		
Lease commitments under non cancellable operating leases:		
Payable within 1 year	9,747	9,196
Payable between 1 and 5 years	22,471	16,930
Payable after 5 years	42,505	25,838
	<u>74,723</u>	<u>51,964</u>

35. RELATED PARTY TRANSACTIONS

The following were the significant related party transactions entered by the Group with:

Joint venture companies		
Sale of beer	30,854	30,332

These transactions were based on agreed fees or terms determined on a commercial basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

36. CONTINGENT LIABILITIES

	THE GROUP	
	2002 (\$'000)	2001 (\$'000)
Contingent liabilities not provided for in the financial statements are as follows:		
(a) Guarantees given by subsidiary companies:		
– granting of banking facilities	865	–
– to lessors for the granting of leases on properties	7,716	8,389
	8,581	8,389
(b) Withholding tax liabilities under dispute by a subsidiary company with local authorities	–	368
	8,581	8,757

37. RISK MANAGEMENT

The Company and the Group are exposed to market risk, including primarily changes in currency exchange rates and interest rates and uses derivatives and other instruments in connection with its 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 policy and guidelines are adhered to. The Group's accounting policies in relation to derivatives are set out in Note 2.

Foreign currency risk

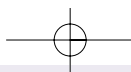
The Group has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from normal trading and investment activities. Where exposures are certain, it is the Group's policy to hedge these risks as they arise. For those exposures less certain in their timing and extent, it is the Group's policy to cover 50% to 90% of anticipated exposure for a maximum period of 12 months forward. The Group uses foreign currency forward exchange contracts to manage these exposures.

At 30 September 2002, the Group had entered into foreign currency forward exchange buy contracts amounting to \$98 million (2001: \$228 million) and foreign currency forward exchange sell contracts amounting to \$33 million (2001: \$35 million). The fair value adjustments of the buy contracts and sell contracts (which is the difference between the notional principal amounts and market value of the contracts) are gain of \$481,000 (2001: \$1,918,000) and loss of \$513,000 (2001: \$21,000) respectively.

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 manages its liquidity risk by maintaining sufficient cash and marketable securities, the availability of funding through a diverse source of uncommitted credit facilities from various banks and the ability to close out market positions.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

37. RISK MANAGEMENT (CONT'D)

Credit risk

The Company's and the Group's maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as of 30 September 2002 in relation to each class of recognised financial assets, other than derivatives, is the carrying amount of those assets as indicated in the balance sheet, and is generally limited to the amounts, if any, by which the counterparty's obligations exceed the obligations of the Company and the Group.

With respect to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Group's maximum credit risk exposure for foreign exchange contracts is limited to the fair value adjustments of the foreign currency contracts.

It is the Company's and the Group's policy to enter into financial instruments with a diversity of creditworthy counterparties. The Company and the Group does not expect to incur material credit losses on its financial assets or other financial instruments.

Concentrations of credit risk exist when changes in economic, industry or geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instruments is broadly diversified along industry, product and geographic lines, and transactions are entered into with diverse creditworthy counterparties, thereby mitigating any significant concentration of credit risk.

Interest rate risk

The Company's and the Group's exposure to market risk for changes in interest rates relate primarily to investment portfolio in fixed deposits and bonds and debt obligation with financial institutions. The Company's and the Group's policy is to manage interest cost using a mix of fixed, variable rate debts and interest rate swaps. The Company and the Group sometimes uses interest rate swaps as cash flow hedges of future interest payments, which have the economic effect of converting borrowings from fixed rates to variable rates.

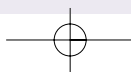
At 30 September 2002, a subsidiary company has back to back interest rate swap agreements that have the same notional amount of \$260,000,000, same terms and the same maturity date. The interest rate swap agreements effectively offset each other, therefore their fair value as of 30 September 2002 is nil.

At 30 September 2002, the Company has interest rate swap agreements in place with a notional amount of \$300,000,000 where it receives a fixed rate of 3.26% and pays a variable rate equal to 6 months SORIA plus 1.32% to 1.48% on the notional amount. The variable rate is capped at maximum of 4.25% p.a. The fair value of the swap, which expires in March 2005, was a gain of \$1,010,000 as of 30 September 2002.

The Company and the Group are in a net interest expense position for the year ended 30 September 2002.

Market Risk

The Company and the Group are exposed to market risk and the risk of impairment in the value of investments held. The Company and the Group manages the risk of impairment by evaluation of investments opportunities, continuously monitoring the performance of investments held and assessing market risk relevant to which the investments operates.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

37. RISK MANAGEMENT (CONT'D)

Fair values

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

(i) Cash and bank balances, other receivables and other payables

The carrying amounts of these amounts 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 in nature.

No disclosure of fair value is made for amounts due from/to related companies, as it is not practicable to determine their fair values with sufficient reliability since these balances have no fixed terms of payment.

(iv) Unquoted other investments

The fair value of the unquoted other investments are determined by reference to market value and/or by reference to net asset value of the investee company.

(v) Medium Term Notes and Fixed Rate Notes

The fair value of Medium Term Notes and Fixed Rate Notes are determined by reference to market value.

38. SUBSEQUENT EVENTS

Subsequent to the year end:

- (a) A subsidiary company, Centrepont Properties Ltd, through its subsidiary company in Singapore granted options to five Special Purpose Vehicle Companies (the "Purchasers") to purchase (the "Transaction") the strata title units in the retail mall known as "Compass Point" (the "Property"), for a cash consideration of \$335 million. The Transaction will be structured by way of an asset securitisation and the purchase price will be raised by the holding company of the Purchasers, a special purpose vehicle, through the issue of an aggregate of \$335 million in principal amount of bonds, comprising \$201 million in senior bonds and \$134 million in junior bonds (with attached preference shares). The coupons for the 10-year senior bonds and junior bonds are 4.88% and 8% per annum respectively. These securities are proposed to be listed on the Singapore Exchange Securities Trading Limited. The issue of the bonds and the preference shares are lead-managed by The Development Bank of Singapore Ltd and Oversea-Chinese Banking Corporation Limited.

Centrepont Properties Ltd intends to take up 45% of the \$134 million in principal amount of junior bonds to be issued.

The Transaction is expected to increase earnings and net tangible assets by 17 cents per share in the financial year ending 30 September 2003.

- (b) On 25 October 2002, the Housing & Development Board awarded to a subsidiary company, Centrepont Properties Ltd, the tender for land parcel Choa Chu Kang E3 at Choa Chu Kang Street 64 for a period of 99 years for \$108,300,000. The land will be developed as condominium housing for sale.
- (c) On 13 November 2002, a subsidiary company, Centrepont Properties Ltd was awarded the tender for a freehold land parcel at Jalan Ulu Sembawang. The land will be developed as condominium housing for sale.

39. COMPARATIVE FIGURES

Certain items in the comparative figures have been restated as a result of the adoption of the revised SASs with effect from 1 October 2001, mentioned in Note 2.2. Where necessary, comparatives have been adjusted to give retrospective effect to the adoption of these standards.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

40. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES

	EFFECTIVE SHAREHOLDING		PRINCIPAL ACTIVITIES	PARENT COMPANY COST	
	2002	2001		2002 (\$'000)	2001 (\$'000)
SUBSIDIARY COMPANIES OF THE COMPANY					
Country of Incorporation and Place of Business: Singapore					
Asia Pacific Investment Pte Ltd	50.0%	50.0%	Investment Holding	67,463	67,463
Fraser & Neave (Singapore) Pte Ltd	100.0%	100.0%	Management Services	13,400	13,400
F&N Investments Pte Ltd	100.0%	100.0%	Investment Holding	471,147	471,147
River Valley Properties Pte Ltd	100.0%	100.0%	Property Development	274,446	274,446
River Valley Tower Pte Ltd	100.0%	100.0%	Property Investment	#	#
River Valley Apartments Pte Ltd	100.0%	100.0%	Property Investment	#	#
River Valley Shopping Centre Pte Ltd	100.0%	100.0%	Property Investment	#	#
F&N Foods Pte Ltd	100.0%	100.0%	Manufacture of Dairy Products	97,041	97,041
Premier Milk (S) Pte Ltd	100.0%	100.0%	Dormant	#	#
Asia Dairies (S) Pte Ltd	100.0%	100.0%	Dormant	@	@
F&N Dairy Investments Pte Ltd	100.0%	100.0%	Investment Holding	62,017	62,017
Interflavine Pte Ltd	100.0%	100.0%	Beverage Base Manufacturing	4,429	4,429
International Theme Parks (Singapore) Pte Ltd	100.0%	96.9%	Dormant	33,000	33,000
Lion (Singapore) Pte Ltd	100.0%	100.0%	Property Development	1,000	1,000
Phoenix (Singapore) Pte Ltd	100.0%	100.0%	Dormant	560	560
Fannet Online (S) Pte Ltd	100.0%	100.0%	Investment Holding	@	@
Times Publishing Ltd	100.0%	87.5%	Investment Holding	538,412	#
Centrepoint Properties Ltd	100.0%	83.9%	Investment Holding	1,561,034	#
F&N Boncafe Beverages Pte Ltd	60.0%	-	Marketing Ready-To-Drink Coffee Beverages	#	-
Country of Incorporation and Place of Business: Hong Kong					
* Fraser & Neave Investments (HK) Ltd	100.0%	100.0%	Investment Holding	1	1
Country of Incorporation and Place of Business: Malaysia					
* Fraser & Neave Holdings Bhd	60.7%	60.8%	Investment Holding	192,460	192,460
* Tiger Taverns Sdn Bhd	100.0%	100.0%	Dormant	3	3
* Magnolia – PDL Dairies (1993) Sdn Bhd	100.0%	100.0%	Dormant	#	#
* Fannet Online Sdn Bhd	100.0%	100.0%	Dormant	@	@
Country of Incorporation and Place of Business: Vietnam					
* F&N Vietnam Foods Co Ltd	100.0%	100.0%	Distribution of Dairy Products and Beverages	#	#
Country of Incorporation and Place of Business: Thailand					
* F&N United Ltd	95.0%	95.0%	Manufacture of Dairy Products	#	#

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

40. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (CONT'D)

	EFFECTIVE SHAREHOLDING		PRINCIPAL ACTIVITIES	PARENT COMPANY COST	
	2002	2001		2002 (\$'000)	2001 (\$'000)
SUBSIDIARY COMPANIES OF THE COMPANY (CONT'D)					
Country of Incorporation and Place of Business: United Kingdom					
*** Fraser & Neave (London) Ltd	100.0%	100.0%	Dormant	29	29
Country of Incorporation and Place of Business: Myanmar					
** Myanmar Brewery Ltd (2)	55.0%	55.0%	Brewery	18,230	18,230
#	# Held by a subsidiary company				
@	@ Cost of investment is less than \$1,000				
Asia Pacific Investment Pte Ltd which holds 66% of the issued capital of Asia Pacific Breweries Ltd is owned equally by Fraser and Neave Limited and the Heineken group. The company is deemed to be a subsidiary of Fraser and Neave Limited under the Companies Act by reason of Fraser and Neave Limited's right to appoint a majority of its directors.					
SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP					
Country of Incorporation and Place of Business: Malaysia					
* Fraser & Neave (Malaya) Sdn Bhd	60.7%	60.8%	Management Services and Property Investment		
* F&N Coca-Cola (Malaysia) Sdn Bhd	54.6%	54.7%	Distribution of Soft Drinks		
* F&N CC Beverages Sdn Bhd	54.6%	54.7%	Manufacture of Soft Drinks		
* F&N Dairies (Malaysia) Sdn Bhd	60.7%	60.8%	Distribution of Dairy Products		
* Premier Milk (Malaya) Sdn Bhd	45.5%	45.6%	Manufacture of Dairy Products		
* Four Eights Sdn Bhd	60.7%	60.8%	Dormant		
* F&N Foods Sdn Bhd	60.7%	60.8%	Manufacture of Dairy Products		
* Wimanis Sdn Bhd	60.7%	60.8%	Dormant		
* Malaya Glass Products Sdn Bhd	60.7%	60.8%	Manufacture and Sale of Glass Containers		
* Kuala Lumpur Glass Manufacturers Co Sdn Bhd	60.7%	60.8%	Manufacture and Sale of Glass Containers		
Country of Incorporation and Place of Business: China					
* Sichuan Malaya Glass Co Ltd	36.4%	-	Manufacture and Sale of Glass Containers		
Country of Incorporation and Place of Business: Vietnam					
* Malaya Vietnam Glass Ltd	42.5%	42.5%	Manufacture and Sale of Glass Containers		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

40. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (CONT'D)

	EFFECTIVE SHAREHOLDING		PRINCIPAL ACTIVITIES
	2002	2001	
SUBSIDIARY COMPANIES OF CENTREPOINT PROPERTIES GROUP			
Country of Incorporation and Place of Business: Singapore			
CS Centrepoint Pte Ltd	100.0%	83.9%	Investment Holding
Anchor Developments Pte Ltd	100.0%	83.9%	Property Investment and Development
Centrepoint Developments Pte Ltd	100.0%	83.9%	Dormant
CPL Alexandra Point Pte Ltd	100.0%	83.9%	Property Investment
CPL Enterprises Pte Ltd	100.0%	83.9%	Property Investment
CPL Property Investments Pte Ltd	100.0%	83.9%	Property Investment
CPL Woodlands Pte Ltd	100.0%	83.9%	Dormant
Emerald Hill Developments Pte Ltd	100.0%	83.9%	Property Investment
Orrick Investments Pte Ltd	100.0%	83.9%	Property Investment
Riverside Property Pte Ltd	100.0%	83.9%	Property Investment
Woodlands Complex Pte Ltd	100.0%	83.9%	Property Investment
Yishun Development Pte Ltd	100.0%	83.9%	Property Investment
Chempaka Development Pte Ltd	100.0%	83.9%	Property Development
Riverside Walk Pte Ltd	100.0%	83.9%	Property Development
Northspring Development Pte Ltd	100.0%	83.9%	Property Development
CPL Management Services Pte Ltd	100.0%	83.9%	Management Services
Nasidon Investments Pte Ltd	100.0%	83.9%	Property Investment and Development
CPL Ventures Pte Ltd	100.0%	83.9%	Property Development
Riverside Investments Pte Ltd	100.0%	83.9%	Property Development
Yishun Property Pte Ltd	100.0%	83.9%	Property Development
Yishun Land Pte Ltd	100.0%	83.9%	Property Development
CPL Tampines Pte Ltd	80.0%	67.1%	Property Development
CPL Land Pte Ltd	100.0%	83.9%	Property Development
CPL Homes Pte Ltd	100.0%	83.9%	Property Development
CPL Assets Pte Ltd	100.0%	83.9%	Dormant
CPL Estates Pte Ltd	100.0%	83.9%	Property Development
CPL (Korea) Pte Ltd	100.0%	83.9%	Investment Holding
Fraser Serviced Residences Pte Ltd	100.0%	83.9%	Management Services
CPL (UK) Pte Ltd	75.0%	62.9%	Investment Holding
CPL (Australia) Pte Ltd	75.0%	62.9%	Investment Holding
CPL (China) Pte Ltd	100.0%	83.9%	Investment Holding
Marine Parade View Pte Ltd	100.0%	83.9%	Property Development
CPL (Fraser) Pte Ltd	100.0%	83.9%	Investment Holding
CPL Boon Lay Pte Ltd	100.0%	83.9%	Property Development
CPL Sophia Pte Ltd	100.0%	–	Property Development
Centrepoint Retail Concepts Pte Ltd	100.0%	–	Management Services

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

40. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (CONT'D)

	EFFECTIVE SHAREHOLDING		PRINCIPAL ACTIVITIES
	2002	2001	
SUBSIDIARY COMPANIES OF CENTREPOINT PROPERTIES GROUP (CONT'D)			
Country of Incorporation: Singapore			
Place of Business: United Kingdom			
CPL Resort Pte Ltd	75.0%	62.9%	Property Development
Country of Incorporation and Place of Business: United Kingdom			
** LCR Developments Ltd	75.0%	62.9%	Management Services
Country of Incorporation and Place of Business: Australia			
* CPL (Surry Hills) Pty Ltd	75.0%	62.9%	Property Development
* Greycliff (CPL) Developments Pty Ltd	75.0%	62.9%	Management Services
* CPL (Chandos) Pty Ltd	75.0%	62.9%	Property Development
* CPL (Town Hall) Pty Ltd	80.5%	–	Property Development
Country of Incorporation: Singapore			
Place of Business: Australia			
CPL Bridgepoint Pte Ltd	100.0%	83.9%	Property Investment
Country of Incorporation and Place of Business: Vietnam			
* Me Linh Point Ltd	75.0%	62.9%	Property Investment
* Saigon Apartments Joint Venture Company	70.0%	58.7%	Property Investment
Country of Incorporation and Place of Business: British Virgin Islands			
*** Reaves Ltd	100.0%	83.9%	Dormant
Country of Incorporation and Place of Business: Malaysia			
* Centrepoint - Utama Sdn Bhd	100.0%	83.9%	Dormant
Country of Incorporation and Place of Business: China			
* Shanghai Sian Jin Property Development Co, Ltd (1)	95%	–	Property Development
* Shanghai Centrepoint Management Consultancy Co, Ltd (1)	100%	–	Management Services
SUBSIDIARY COMPANIES OF ASIA PACIFIC BREWERIES GROUP			
Country of Incorporation and Place of Business: Singapore			
Asia Pacific Breweries Ltd	37.8%	37.9%	Investment Holding
Asia Pacific Breweries (Singapore) Pte Ltd	37.8%	37.9%	Brewing and Distribution of Beer and Stout
Archipelago Brewery Co (1941) Pte Ltd	37.8%	37.9%	Dormant
Tiger Marketing Pte Ltd	37.8%	37.9%	Investment Holding
Sino Brew Investments Pte Ltd	43.9%	44.0%	Investment Holding
Tiger Export Pte Ltd	37.8%	37.9%	Export of Beer and Stout
Country of Incorporation and Place of Business: India			
** Asia Pacific Breweries (India) Private Ltd	37.8%	37.9%	Dormant
Country of Incorporation and Place of Business: Papua New Guinea			
* South Pacific Brewery Ltd	28.6%	28.7%	Brewing and Distribution of Beer

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

40. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (CONT'D)

	EFFECTIVE SHAREHOLDING		PRINCIPAL ACTIVITIES
	2002	2001	
SUBSIDIARY COMPANIES OF ASIA PACIFIC BREWERIES GROUP (CONT'D)			
Country of Incorporation and Place of Business: Vietnam			
* Vietnam Brewery Ltd	22.7%	22.7%	Brewing and Distribution of Beer
* Hatay Brewery Ltd	36.5%	22.8%	Brewing and Distribution of Beer
Country of Incorporation and Place of Business: New Zealand			
* DB Breweries Ltd	29.1%	29.1%	Investment Holding and Brewing and Distribution of Beer
Country of Incorporation and Place of Business: China			
* Hainan Asia Pacific Breweries Co Ltd (1)	37.8%	37.9%	Brewing and Distribution of Beer
* Shanghai Asia Pacific Brewery Co Ltd (1)	42.6%	42.6%	Brewing and Distribution of Beer
Country of Incorporation and Place of Business: Cambodia			
** Cambodia Brewery Ltd	30.2%	30.3%	Brewing and Distribution of Beer
SUBSIDIARY COMPANIES OF DB BREWERIES			
Country of Incorporation and Place of Business: New Zealand			
* DB Nominees Ltd	29.1%	29.1%	Trustee Company
* DB South Island Brewery Ltd	16.1%	16.0%	Brewing and Distribution of Beer
* DBG Insurances Ltd	29.1%	29.1%	Insurance Company
* Liquorland Ltd	29.1%	29.1%	Franchise Manager
* Monteith's Brewing Company Ltd	29.1%	29.1%	Dormant
* Robbie Burns Ltd	29.1%	29.1%	Dormant
* Tui Brewery Ltd	29.1%	29.1%	Dormant
* Black Dog Brewery Ltd	29.1%	-	Dormant
SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP			
Country of Incorporation and Place of Business: Singapore			
Marshall Cavendish International Pte Ltd	100.0%	87.5%	Investment Holdings
(formerly known as The Times of Singapore Pte Ltd)			
Times Media Pte Ltd	100.0%	87.5%	Books
STP Distributors Pte Ltd	100.0%	87.5%	Books and Magazines
Times-Dharmala Pte Ltd	51.0%	44.6%	Distribution of Books
Times Editions Pte Ltd	100.0%	87.5%	Books
Times Learning Systems Pte Ltd	100.0%	61.3%	Electronic Publishing
Times Information Systems Pte Ltd	100.0%	87.5%	Electronic Publishing
Times Trade Directories Pte Ltd	100.0%	87.5%	Dormant
Times Educational Services Pte Ltd	100.0%	87.5%	Education and Training
Times Conferences & Exhibitions Pte Ltd	100.0%	87.5%	Conferences and Exhibitions
Eastern Universities Press Sdn Bhd	100.0%	87.5%	Dormant
United Publishers Services Pte Ltd	100.0%	87.5%	Dormant
TransQuest Asia Publishers Pte Ltd	100.0%	-	Distribution of Books
Vine Graphic Pte Ltd	100.0%	-	Commercial Printing

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

40. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (CONT'D)

	EFFECTIVE SHAREHOLDING		PRINCIPAL ACTIVITIES
	2002	2001	
SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (CONT'D)			
Country of Incorporation: Singapore			
Place of Business: Singapore and Malaysia			
Times The Bookshop Pte Ltd	100.0%	87.5%	Retailing of Books
Country of Incorporation: Singapore			
Place of Business: Singapore, Australia, United Kingdom and United States of America			
Times Printers Pte Ltd	100.0%	87.5%	Commercial Printing
Country of Incorporation and Place of Business: Australia			
* Argyle Times Graphics Pty Limited	100.0%	87.5%	Commercial Printing
* Times Properties Pty Limited	100.0%	87.5%	Investment Holdings
* Marshall Cavendish (Australia) Pty Ltd	100.0%	87.5%	Partworks
* Musicway Corporation Ltd	100.0%	87.5%	Distribution of Cassettes & Hi-fi Accessories
* Rainbow Products Ltd	100.0%	87.5%	Distribution of Records, Cassettes & Videos
Country of Incorporation and Place of Business: China			
** Liaoning Times Xinhua Printers Ltd (1)	51.0%	44.6%	Commercial Printing
** Everbest Printing (Panyu Nansha) Co. Ltd (1)	51.0%	–	Property Investment
Country of Incorporation and Place of Business: Czech Republic			
* Marshall Cavendish CR,s.r.o.	100.0%	87.5%	Partworks
Country of Incorporation and Place of Business: France			
* Marshall Cavendish Editions S.A.	100.0%	87.5%	Partworks
Country of Incorporation and Place of Business: Germany			
* Sammelwerk Redaktions Service GmbH	100.0%	87.5%	Partworks
Country of Incorporation and Place of Business: Thailand			
* Marshall Cavendish International (Thailand) Co. Ltd	49.0%	–	Publishing
Country of Incorporation and Place of Business: Hong Kong			
* Educational Associates Ltd	100.0%	87.5%	Investment Holdings
* BBD Distributors Limited	60.0%	52.5%	Commission Agent
* Times Printer (Hong Kong) Ltd	100.0%	87.5%	Dormant
* Times Publishing (Hong Kong) Ltd	100.0%	87.5%	Books and Magazines
* Times Education (Hong Kong) Ltd	100.0%	87.5%	Dormant
* Times Business Information Ltd	100.0%	–	Publishing
* United Publishers Services Ltd	100.0%	87.5%	Books
** Everbest Printing Holdings Ltd	51.0%	–	Investment Holding
** Everbest Printing Investment Ltd	51.0%	–	Investment Holding
** Everbest Printing Company Ltd	51.0%	–	Printing

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

40. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (CONT'D)

	EFFECTIVE SHAREHOLDING		PRINCIPAL ACTIVITIES
	2002	2001	
SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (CONT'D)			
Country of Incorporation: Hong Kong			
Place of Business: Thailand			
* Far East Publications Ltd	100.0%	87.5%	Books
Country of Incorporation: United Kingdom			
Place of Business: Russia			
* MC East Limited	100.0%	–	Partworks
Country of Incorporation and Place of Business: Japan			
* Kabushiki Kaisha Union Enterprises	60.0%	52.5%	Books
Country of Incorporation and Place of Business: Malaysia			
* Eastern Universities Press (Malaysia) Sdn Bhd	60.0%	52.5%	Books
* Federal Publications Sdn Bhd	100.0%	87.5%	Books
* STP Distributors (M) Sendirian Berhad	30.0%	26.3%	Books and Magazines
* Times Offset (Malaysia) Sdn Bhd	70.0%	61.3%	Commercial Printing
* Times Corporation Sdn Bhd	100.0%	87.5%	Dormant
* Times Distri-Services Sdn Bhd	100.0%	–	Distribution of Books & Magazines
* Times Information Systems Sdn Bhd	100.0%	–	Electronic Publishing
Country of Incorporation and Place of Business: Poland			
* Marshall Cavendish Polska Sp. zo.o	100.0%	87.5%	Partworks
Country of Incorporation and Place of Business: Romania			
* Marshall Cavendish Romania S.R.L	100.0%	87.5%	Partworks
Country of Incorporation and Place of Business: United Kingdom			
* ALP Ltd	100.0%	87.5%	Investment Holdings
* Hazeldean Ltd	100.0%	87.5%	Property Investment
* Marshall Cavendish Ltd	100.0%	87.5%	Investment Holdings
* Shendene Ltd	100.0%	87.5%	Dormant
* Marshall Cavendish Books Ltd	100.0%	87.5%	Dormant
* Marshall Cavendish International Ltd	100.0%	87.5%	Partworks
* Marshall Cavendish Partworks Ltd	100.0%	87.5%	Partworks
* TPL Printers (UK) Ltd	100.0%	87.5%	Commercial Printing and Manufacture of Binders
* TPL Digital (UK) Limited (formerly know as TPL Corporation (UK) Limited)	100.0%	87.5%	Media Representation
* Marshall Cavendish Language Centre Ltd	100.0%	–	Education & Training
Country of Incorporation and Place of Business: United States of America			
** Marshall Cavendish Corporation	100.0%	87.5%	Books

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

40. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (CONT'D)

	EFFECTIVE SHAREHOLDING		PRINCIPAL ACTIVITIES
	2002	2001	
SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (CONT'D)			
Country of Incorporation and Place of Business: Ukraine			
* A Wholly-Owned Subsidiary Marshall Cavendish Ukraine	100.0%	87.5%	Partworks
JOINT VENTURE COMPANIES OF THE COMPANY			
Country of Incorporation and Place of Business: Singapore			
Unilac Dairy Products Pte Ltd	50.0%	50.0%	Dormant
Country of Incorporation: British Virgin Islands			
Place of Business: Hong Kong			
Vision Century Limited	50.0%	–	Investment Holdings
JOINT VENTURE COMPANY OF CENTREPOINT PROPERTIES GROUP			
Country of Incorporation and Place of Business: United Kingdom			
Fraser Residences Limited (Formerly known as Fairbrair Residence Limited)	50.0%	–	Management Consultancy Services to Serviced Apartments
ASSOCIATED COMPANIES OF CENTREPOINT PROPERTIES GROUP			
Country of Insa Incorporation and Place of Business: Korea			
** Rodamco Insa Co Ltd	25.0%	21.0%	Property Investment
Country of Incorporation and Place of Business: United Kingdom			
** Fairbrair Residential Investment Partnership	20.0%	–	Investment in Residential Property Fund
* Wandsworth Riverside Quarter Limited	47.5%	–	Property Investment
Country of Incorporation and Place of Business: Singapore			
** Hua Li Holdings Pte Ltd (1)	45.7%	–	Investment Holding
JOINT VENTURE COMPANIES OF ASIA PACIFIC BREWERIES GROUP			
Country of Incorporation and Place of Business: Singapore			
** GAPL Pte Ltd	18.9%	18.9%	Investment Holding & Distribution of Stout in Singapore
Country of Incorporation and Place of Business: Thailand			
** Thai Asia Pacific Brewery Co Ltd	13.2%	13.3%	Brewing and Distribution of Beer
** Thai Asia Pacific Trading Co Ltd	13.2%	13.3%	Distribution of Beer

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

40. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (CONT'D)

	EFFECTIVE SHAREHOLDING		PRINCIPAL ACTIVITIES
	2002	2001	
ASSOCIATED COMPANIES OF ASIA PACIFIC BREWERIES GROUP			
Country of Incorporation and Place of Business: New Zealand			
** Heathcote Properties Ltd	14.6%	14.6%	Investment Holding
* The Associated Bottlers Company Ltd	14.6%	14.6%	Hire of Returnable Beer Bottles
ASSOCIATED COMPANIES OF TIMES PUBLISHING GROUP			
Country of Incorporation and Place of Business: Singapore			
** Times-Newslink (1)	50.0%	43.8%	Retail of Books and Magazines
Country of Incorporation and Place of Business: China			
** Shanghai Times Sanyin Printers Co Ltd (1)	40.0%	39.4%	Commercial Printing
** Shenyang Times Packaging Printing Co Ltd (1)	50.0%	43.8%	Commercial Printing and Packaging
** Beijing 21st Century Times Education Centre (1)	50.0%	43.8%	Education and Training
ASSOCIATED COMPANY OF CENTREPOINT PROPERTIES GROUP AND FRASER & NEAVE HOLDINGS GROUP			
Country of Incorporation and Place of Business: Malaysia			
** Harmonic Fairway Sdn Bhd (3)	40.2%	36.2%	Dormant

* Audited by Ernst & Young in the respective countries

** Audited by other auditors as follows:

Subsidiary companies of the Company	Name of auditors
Myanmar Brewery Ltd	U Tin Win Group, CPA
Subsidiary companies of Centrepoint Properties Group	
LCR Developments Ltd	Elliotts, Registered Auditors
Subsidiary companies of Times Publishing Group	
Marshall Cavendish Corporation	Marks Paneth & Shron LLP
Everbest Printing Holdings Ltd	Tony Kwok Tung Ng & Co., CPA
Everbest Printing Investment Ltd	Tony Kwok Tung Ng & Co., CPA
Everbest Printing (Panyu Nansha) Co. Ltd	Tony Kwok Tung Ng & Co., CPA
Everbest Printing Company Ltd	Tony Kwok Tung Ng & Co., CPA
Liaoning Times Xinhua Printers Ltd	Hualun CPA
Subsidiary companies of Asia Pacific Breweries Group	
Asia Pacific Breweries (India) Private Ltd	Sushmita Chowdhury & Co
Cambodia Brewery Ltd	PricewaterhouseCoopers

*** Not required to be audited under the laws of the country of incorporation

(1) Accounting year ends on 31 December

(2) Accounting year ends on 31 March

(3) Accounting year ends on 31 August

PARTICULARS OF GROUP PROPERTIES

The main properties as at 30 September 2002 and their net book values are indicated below :
("F&N" refers to Fraser and Neave Group, "APBL" refers to Asia Pacific Breweries Group, "CPL" refers to Centrepoint Properties Group and "TPL" refers to Times Publishing Group)

(A) CLASSIFIED AS GROUP FIXED ASSETS (Note 13 to the Financial Statement)

		LAND (\$'000)	BUILDING (\$'000)
FREEHOLD			
Singapore			
F&N	- Other properties	45	-
TPL	- 1.1 hectares industrial property at Times Centre, 1 New Industrial Road	6,100	6,040
Peninsular Malaysia			
F&N	- 17.8 hectares industrial property at Lion Industrial Park, Shah Alam	22,724	28,653
	- 4.5 hectares industrial property at Jln Foss, Kuala Lumpur	15,785	5,333
	- 3.2 hectares industrial property at Jln Yew and Jln Chan Sow Lin, Kuala Lumpur	11,129	2,188
	- 2.1 hectares industrial property at 3724 to 3726 Sungei Nyior, Butterworth	2,208	1,253
	- 2.7 hectares industrial property at Jln Lahat, Ipoh	1,403	1,215
	- 0.5 hectare industrial property at 79 & 81 Jln Tun Perak, Ipoh	170	117
	- 1.0 hectare industrial property at Jln Bkt Gedong, Malacca	267	485
	- 2.2 hectares industrial property at Jln Tampoi, Johor Bahru	3,602	2,100
	- 5.8 hectares industrial property at Tampoi, Johor Bahru	2,462	3,474
	- 0.6 hectare industrial property at Jln Liat, Seremban	1,605	148
	- Other properties	710	102
TPL	- Residential property at Ria Apartments 18/A5, Genting Highlands	-	162
	- 0.1 hectare commercial property at No. 43 Jalan Nilam 1/2, Subang Square, Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam	88	91
	- 1.0 hectare industrial property at Lot 46 Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam	1,802	3,984
	- 0.1 hectare commercial property at 59/61 Jalan Nilam 1/2, Subang Square, Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam	693	230
Papua New Guinea			
APBL	- 0.5 hectare industrial property at Port Moresby	53	-
New Zealand			
APBL	- 2.5 hectares commercial property for Auckland & South Island Office	1,029	2,170
	- 19.8 hectares industrial property for Waitemata Brewery site at Auckland	4,250	33,657
	- 9.1 hectares industrial property at Timaru Brewery	233	3,540
	- 10.8 hectares industrial property at Tui Brewery - Pahiatua	-	-
Australia			
TPL	- 0.2 hectare commercial property at Unites 7 & 8 Monash Business Park, 29 Business Park Drive, Nottinghill, Melbourne - Victoria	740	436
	- 1.7 hectares industrial property at 1 Diamond Drive, Sunshine - Victoria	1,029	7,032

PARTICULARS OF GROUP PROPERTIES

(A) CLASSIFIED AS GROUP FIXED ASSETS (CONT'D)
(Note 13 to the Financial Statement)

			LAND (\$'000)	BUILDING (\$'000)
FREEHOLD (CONT'D)				
United Kingdom				
TPL	-	1.6 hectares industrial property at 111 Hartlebury Trading Estate Hartlebury, Worcestershire	2,085	8,980
	-	0.4 hectare commercial property at 119/125 Wardour Street London W1	3,998	2,762
France				
TPL	-	0.1 hectare commercial property at 66 Rue Rochefoucauld - Paris	903	3,448
United State of America				
TPL	-	0.4 hectare commercial property at 99 White Plains Road, Tarrytown, New York	889	5,145
Total Freehold			86,002	122,745
LEASEHOLD				
Singapore				
F&N	-	3.5 hectares industrial property at 214 Pandan Loop (Lease expires year 2010)	-	17,308
	-	Other properties	2,186	449
APBL	-	9.0 hectares industrial property at Jurong (Lease expires year 2046)	-	44,196
	-	Other properties	3,139	1,110
TPL	-	Commercial property at Unit #04-08/11 Centrepoint (Lease expires year 2078)	-	919
	-	1.8 hectares industrial property at 16 & 18 Tuas Avenue 5 (Lease expires year 2043)	-	17,459
Peninsular Malaysia				
F&N	-	3.5 hectares industrial property at 70 Jln University, Petaling Jaya (Lease expires year 2058)	10,151	8,609
	-	1.6 hectares industrial property at 16 Jln Bersatu 13/4, Petaling Jaya (Lease expires year 2058)	5,345	2,494
	-	1.9 hectares industrial property at Lot 5, Jalan Kilang, 460500 Petaling Jaya, State 3136 (Lease expires year 2058)	3,461	2,187
	-	Other properties	1,149	314
TPL	-	Commercial property at LG-28 Bayan World Megamall, Penang	-	-
East Malaysia				
F&N	-	1.8 hectares industrial property at Penrissen Road, Kuching (Lease expires year 2038)	879	1,621
	-	2.6 hectares industrial property at Tuaran Road, Kota Kinabalu (Lease expires year 2062)	1,497	942

PARTICULARS OF GROUP PROPERTIES

(A) CLASSIFIED AS GROUP FIXED ASSETS (CONT'D)
(Note 13 to the Financial Statement)

NG 000)			LAND (\$'000)	BUILDING (\$'000)
	LEASEHOLD (CONT'D)			
	Cambodia			
80	APBL	- 11.3 hectares industrial property at Kandal Province		
62		(Land rights expires year 2065 – lease payable yearly)	-	18,815
	Vietnam			
48	F&N	- 3.4 hectares industrial property at Ton That Thuyet		
		(Lease expires year 2005)	1,350	6,031
		- 8.1 hectares industrial property at VSIP, Thuan An District, Binh Duong Province		
45		(Lease expires year 2046)	8,808	10,933
45	APBL	- 12.0 hectares industrial property at Ho Chi Minh City		
		(Lease expires year 2021)	1,725	23,464
		- 30.0 hectares industrial property at Van Tao Village – Hatay Province		
		(Lease expires year 2046)	-	24,691
	Thailand			
08	F&N	- 0.9 hectare industrial property at No. 19/111 Moo 7		
49		Thakarm Road, Samaedam, Bangkhuntien, Bangkok 10150		
		(Lease expires year 2029)	628	2,808
96	TPL	- 0.1 hectare commercial property at Mahathun Plaza 8th Floor 888/84-86, Phoenchit Road, Bangkok		
10		(Lease expires year 2004)	-	15
		- Warehouse at Wat Kok #20/526-527, Thonbun Partok Road, Bangkok		
19		(Lease expires year 2021)	-	57
	Myanmar			
59	F&N	- 5.0 hectares industrial property at Mingaladon Township, Yangon		
		(Lease expires year 2023)	2,700	14,483
	China/Hong Kong			
09	F&N	- Residential property at Liu Shu Town, SheHong Country, Sichuan Province, China		
94		(Lease expires year 2058)	-	52
87	APBL	- 20.0 hectares industrial property at Haikou, Hainan, China		
14		(Lease expires year 2065)	12,178	35,695
-		- 13.0 hectares industrial property at Shanghai, China		
		(Lease expires year 2038)	12,963	21,412

PARTICULARS OF GROUP PROPERTIES

(A) CLASSIFIED AS GROUP FIXED ASSETS (CONT'D)
(Note 13 to the Financial Statement)

		LAND (\$'000)	BUILDING (\$'000)
LEASEHOLD (CONT'D)			
China/Hong Kong (cont'd)			
TPL	- Residential property at Unite 1AF Riverside Garden Shenyang, China	-	190
	- Residential property at Vanke Garden Shenyang, China	-	113
	- 0.4 hectare industrial property at 13A Xingshun Street Tiexi District, Shenyang, China (Lease expires year 2009)	219	786
	- Offices at Seaview Estate – 10th Floor Block C, No. 2-8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	-	5,228
	- Offices at Seaview Estate – 9th Floor Block C, No. 2-8 Watson Road, North Point, Hong Kong (Lease expires year 2056)	-	8,434
	- Warehouse at Unit D, 2nd Floor, Freder Centre 68 Sung Wong Toi Road, Tokwawan, Kowloon, Hong Kong (Lease expires year 2022)	-	175
	- Industrial property at Dachong Western Industrial District Nansha Panyu, Guangdong, China	1,752	7,779
	- Industrial property at Unit A1,C5, Ko Fai Industrial Building 7 Ko Fai Road, Yau Tong, Kowloon, Hong Kong	-	931
Papua New Guinea			
APBL	- 5.6 hectares industrial property at Port Moresby (Lease expires year 2067)	1,297	7,507
	- 7.7 hectares industrial property at Lae (Lease expires year 2057 and year 2063)	478	492
	- 1.3 hectares residential properties	403	566
New Zealand			
APBL	- 0.8 hectares industrial property for Monteiths Brewery – Greymouth	-	-
Total Leasehold		72,308	288,265
TOTAL PROPERTIES (CLASSIFIED AS GROUP FIXED ASSETS)		158,310	411,010

(B) CLASSIFIED AS GROUP INVESTMENT PROPERTIES
(Note 14 to the Financial Statements)

Singapore			
CPL	- A 24-storey office building at 438 Alexandra Road. Freehold, lettable area – 18,565 sqm	97,700	56,300
	- Retained interests (excluding apartments) in a 7-storey shopping cum residential complex with 2 basement floors at Centrepoint, 176 Orchard Road Freehold and leasehold (Lease expires year 2078), lettable area – 30,886 sqm	368,730	94,262
	- Retained interests in a 4-storey shopping complex with 2 basement shopping levels and one basement carpark at 930, Yishun Avenue 2 Leasehold (Lease expires year 2089), lettable area – 10,601 sqm	81,500	35,602
	- A 2-storey shopping complex at 368 & 370 Alexandra Road, situated on the 1st storey and 1st basement level of a 5-storey commercial cum residential block and a 2-storey free-standing restaurant building Freehold, lettable area – 6,592 sqm	24,620	22,980

PARTICULARS OF GROUP PROPERTIES

(B) CLASSIFIED AS GROUP INVESTMENT PROPERTIES (CONT'D)
(Note 14 to the Financial Statements)

NG 000)				LAND (\$'000)	BUILDING (\$'000)
	Singapore (cont'd)				
90	CPL	-	Two 8-storey high-tech industrial building with basement carpark at 438A and 438B Alexandra Road		
13			Freehold, lettable area – 96,327 sqm	246,100	171,500
86		-	A 10-storey commercial cum serviced apartment complex at Robertson Walk Shopping Centre and Fraser Place Serviced Residences, 11 Unity Street, with 2 basement carparks comprising a 2-storey retail podium and serviced apartment units		
28			Leasehold (999 years)		
			Lettable area:		
			Retail	9,068 sqm	
			Serviced apartments	15,204 sqm	
			Total	<u>24,272 sqm</u>	
				125,200	71,000
34		-	A 7-storey shopping/entertainment complex at 1, Woodlands Square with 3 basement floors (comprising 2 basement carparks and 1 basement shop)		
75			Leasehold (Lease expires year 2094), lettable area – 39,478 sqm	367,000	141,000
79		-	Other properties	422	98
31	F&N	-	A 20-storey commercial cum serviced apartment complex with a 3-storey covered carpark, a 5-storey podium block, a 2-storey retail podium and serviced apartment units at River Valley Road		
07			Leasehold (999 years)		
			Lettable area:		
			Retail	3,700 sqm	
			Serviced apartments	20,326 sqm	
92			Office	16,931 sqm	
66			Total	<u>40,957 sqm</u>	
				225,700	136,300
		-	Other properties	-	952
	Peninsular Malaysia				
65	CPL	-	Freehold land at Jalan Pasir Puteh, Kota Bahru	239	-
	Vietnam				
10	CPL	-	A 22-storey retail/office building plus 2 basements at 2 Ngoc Duc Ke Street, District 1, Ho Chi Minh City		
			Leasehold (Lease expires year 2035), lettable area – 17,864 sqm	3,827	45,376
	Hong Kong				
00	TPL	-	Shop unit at Houston Centre, Tsimshatsui East, Kowloon		
			Leasehold (Lease expires year 2053), lettable area – 68 sqm	-	277
62		-	Office unit at Hunghom Commercial Centre, Hunghom, Kowloon		
			Leasehold (Lease expires year 2047), lettable area – 194 sqm	-	97
	Australia				
02	CPL	-	Bridgepoint Shopping Centre and Viewpoint Apartments, Mosman, Sydney		
			Freehold, lettable area – 6,910 sqm	8,488	15,412

PARTICULARS OF GROUP PROPERTIES

(B) CLASSIFIED AS GROUP INVESTMENT PROPERTIES (CONT'D)
(Note 14 to the Financial Statements)

		LAND (\$'000)	BUILDING (\$'000)
Australia (cont'd)			
TPL	- Office/warehouse unit at 19 Rodborough Road, French Forrest, Sydney Freehold, lettable area - 3,620 sqm	1,455	1,365
	- Office building at The Esplanade, Perth Freehold, lettable area - 6,940 sqm	763	13,251
United States of America			
TPL	- 1.0 hectare industrial property at 333 Post Road, Westport Connecticut	318	3,066
TOTAL PROPERTIES (CLASSIFIED AS GROUP INVESTMENT PROPERTIES)		1,552,062	808,838

(C) CLASSIFIED AS PROPERTIES HELD FOR SALE
(Note 23 to the Financial Statements)**Singapore**

F&N	- Seletaris Freehold land of approximately 35,745.1 sqm situated at Sembawang. The development consists of 328 units of which 302 units were sold.
CPL	- The Petals Freehold land of approximately 20,454.4 sqm situated at 85 Hillview Avenue. The development consists of 270 units of which 174 units were sold.
	- Euphony Gardens Leasehold land of approximately 26,383.6 sqm situated at Jalan Mata Ayer. The development consists of 304 units of which 251 units were sold.
	- Yishun Sapphire Leasehold land of approximately 22,383 sqm situated at Yishun. The development consists of 380 units of which 192 units were sold.
	- Yishun Emerald Leasehold land of approximately 21,038.5 sqm situated at Yishun. The development consists of 436 units of which 316 units were sold.
	- Compass Heights Leasehold land of approximately 27,067.3 sqm situated at Sengkang Square for a mixed development comprising a block of 4-storey commercial building with 4 basements and 2 blocks of 15-storey, 536 condominium units, of which 517 units were sold.
	- Camelot Leasehold land of approximately 10,607 sqm situated at Tanjong Rhu. The development consists of 99 units of which 52 units were sold.
	- Holt Residences Freehold land of approximately 3,432.3 sqm situated at No.5 Holt Road. The development consists of 46 units of which 7 units were sold.

(D) CLASSIFIED AS GROUP PROPERTIES UNDER DEVELOPMENT
(Note 15 to the Financial Statements)

Details of the properties under development are included in Note 15 to the Financial Statements.

SHAREHOLDING STATISTICS

As at 18 December 2002

Class of shares	-	Ordinary share of \$1
Voting rights	-	One vote per share

SIZE OF HOLDING	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 – 999	1,674	22.48	1,094,973	0.41
1,000 – 10,000	4,592	61.67	15,780,523	5.91
10,001 – 1,000,000	1,160	15.58	46,722,272	17.48
1,000,001 and over	20	0.27	203,624,241	76.20
	7,446	100.00	267,222,009	100.00

TWENTY LARGEST SHAREHOLDERS (as shown in the Register of Members)

NO.	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD	%
1.	DBS Nominees Pte Ltd	35,638,377	13.34
2.	Raffles Nominees Pte Ltd	35,155,637	13.16
3.	The Great Eastern Life Assurance Co Ltd	18,562,613	6.95
4.	Great Eastern Life Assurance (Malaysia) Berhad	17,761,183	6.64
5.	Oversea-Chinese Banking Corporation Limited	13,470,724	5.04
6.	Citibank Noms S'pore Pte Ltd	11,771,678	4.40
7.	Oversea-Chinese Bank Nominees Pte Ltd	11,620,511	4.35
8.	The Overseas Assurance Corporation Ltd	10,764,162	4.03
9.	UOB Kay Hian Pte Ltd	10,311,547	3.86
10.	United Overseas Bank Nominees Pte Ltd	8,072,144	3.02
11.	HSBC (Singapore) Noms Pte Ltd	7,709,426	2.89
12.	DB Nominees (S) Pte Ltd	4,489,595	1.68
13.	J M Sassoon & Co (Pte) Ltd	4,098,516	1.53
14.	Morgan Stanley Asia (S'pore) Securities Pte Ltd	3,950,160	1.48
15.	Lee Latex Pte Limited	2,368,026	0.89
16.	PSA Corporation Limited	2,053,285	0.77
17.	Tropical Produce Company Pte Ltd	1,925,645	0.72
18.	The Asia Life Assurance Society Ltd – S'pore Life Fund	1,671,100	0.62
19.	Selat Pte Limited	1,170,000	0.44
20.	National University of Singapore	1,059,912	0.39
		203,624,241	76.20

SUBSTANTIAL SHAREHOLDERS (as shown in the Register of Substantial Shareholders)

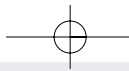
	DIRECT INTEREST	DEEMED INTEREST
Oversea-Chinese Banking Corporation Limited	14,869,828	56,297,918
Great Eastern Life Assurance Company Limited	18,571,613	17,761,183
Great Eastern Holdings Limited	-	47,176,377
Great Eastern Life Assurance (Malaysia) Berhad	17,761,183	-
GEL Capital (Malaysia) Berhad	-	17,761,183
Inscribe Investments Limited	14,125,800	-
Brierley Investments Limited	-	14,125,800
Camerlin Investments Limited	-	14,125,800
Camerlin Holdings Sdn Bhd	-	14,125,800
Camerlin Group Berhad	-	14,125,800

Based on the Register of Substantial Shareholders, the shareholding spread of the Company complies with Rule 723 of the Listing Manual.

Notes

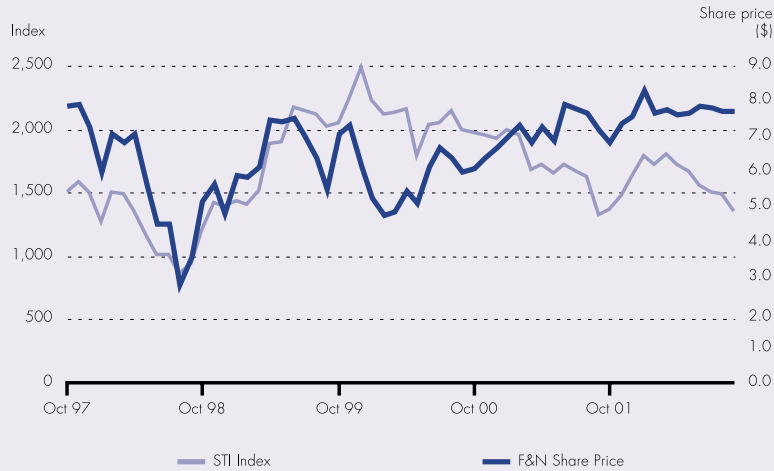
- 'Substantial Shareholders' are those shareholders who own at least 5% of the equity of the Company.
- 'Deemed Interests' in shares arise, for example, when a person (including a company) owns at least 20% of another company which in turn owns shares in Fraser and Neave Limited. The person is "deemed" 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.



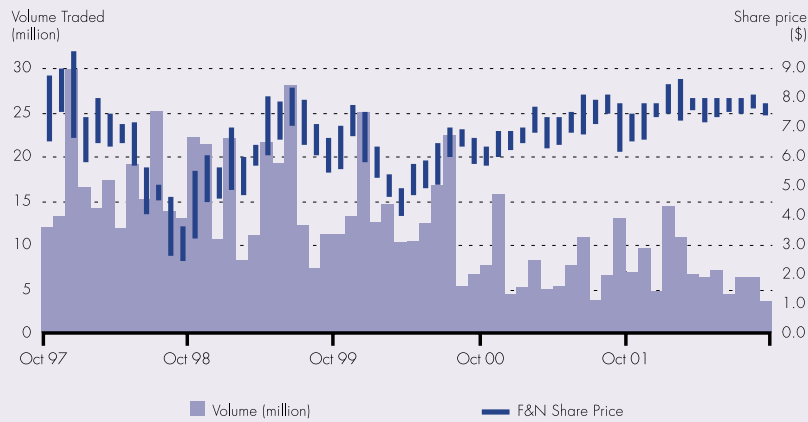
SHARE PRICE CHART

F&N SHARE PRICE AND STI INDEX



SOURCE: SGX

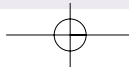
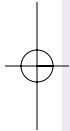
F&N SHARE PRICE AND VOLUME TRADED



SOURCE: SGX

INVESTOR DATA (BASED ON \$1 PAR VALUE SHARE)

	1998	1999	2000	2001	2002
Earnings per share (before EI) (cents)	12.7	22.8	61.0	67.4	80.3
Gross dividends per share (cents)	21.6	21.9	24.4	41.1	44.9
Net dividends per share (cents)	16.0	16.0	18.0	30.0	35.0
Share price (\$)					
Highest	9.65	8.35	7.55	8.05	8.40
Lowest	2.83	3.30	4.04	5.80	6.65
Average	6.14	6.20	5.96	7.05	7.66
Total Volume (million shares)	200.39	194.72	160.34	93.07	86.59
Gross dividend yield (%)	3.5%	3.5%	4.1%	5.8%	5.9%
Net dividend yield (%)	2.6%	2.6%	3.0%	4.3%	4.6%
Price earnings ratio	48.3	27.2	9.8	10.5	9.5
Net tangible assets per share (\$)	8.69	9.64	10.25	10.32	10.99



NOTICE OF ANNUAL GENERAL MEETING

Date : Thursday, 30 January 2003
Place : Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958

NOTICE IS HEREBY GIVEN that the 104th Annual General Meeting of FRASER AND NEAVE LIMITED will be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on Thursday 30 January 2003 at 10.00am for the following purposes:-

ROUTINE BUSINESS

1. To receive and adopt the report of the directors and audited accounts for the year ended 30 September 2002.
2. To approve a final dividend of 20 cents per share, being after deduction of Singapore tax, in respect of the year ended 30 September 2002.
3. To pass the following resolutions in respect of appointment of Directors:-
 - (a) "That pursuant to Section 153(6) of the Companies Act, Cap.50, Dr Michael Fam be and is hereby re-appointed as a Director of the Company to hold such office until the next Annual General Meeting of the Company."
Subject to his re-appointment, Dr Fam will be re-appointed as Chairman of the Executive Committee and a Member of the Nominating Committee.
 - (b) "That Mr Fock Siew Wah who retires by rotation be and is hereby re-appointed as a Director of the Company."
Subject to his re-appointment, Mr Fock will be re-appointed as Chairman of the Audit, Remuneration and Nominating Committees and a Member of the Executive Committee.
 - (c) "That Mr Stephen Lee who retires by rotation be and is hereby re-appointed as a Director of the Company."
Subject to his re-appointment, Mr Lee will be re-appointed as a Member of the Executive, Audit, Remuneration and Nominating Committees.
 - (d) "That Dr Han Cheng Fong who was appointed during the year be and is hereby re-appointed as a Director of the Company."
4. To approve additional directors' fees of \$13,000 paid by the Company for the year ended 30 September 2002.
5. To approve directors' fees of \$440,000 payable by the Company for the year ending 30 September 2003 (last year: \$369,000 – including \$13,000 additional fee).
6. 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:-

7. "That approval be and is hereby given to the Directors to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the Fraser and Neave Limited Executives' Share Option Scheme."
8. "That approval be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the Fraser and Neave Limited Executives' Share Option Scheme 1999 ("the 1999 Scheme") and to allot and issue such shares as may be issued pursuant to the exercise of options under the 1999 Scheme, provided always that the aggregate number of shares to be issued pursuant to the 1999 Scheme shall not exceed 15 per cent. of the issued share capital of the Company from time to time."

OTHER

9. To transact any other business which may properly be brought forward.

By Order of the Board
Anthony Cheong
Company Secretary

Singapore, 6 January 2003

A member of the Company entitled to attend the meeting and vote is entitled to appoint a proxy to attend and vote instead of him; a proxy need not be a member of the Company. The instrument appointing a proxy (a form is enclosed) must be deposited with the company secretary at the registered office not less than 48 hours before the time appointed for holding the meeting.

