



# FRASER AND NEAVE, LIMITED

(Registration No. 189800001R)  
(Incorporated in the Republic of Singapore)

## RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2005 Financial Statements and Dividend Announcement

The Directors are pleased to make the following announcement of the unaudited results for the year ended 30 September 2005:-

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

#### 1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) PROFIT STATEMENT	Group			Company		
	30/9/2005 \$'000	30/9/2004 \$'000	Change %	30/9/2005 \$'000	30/9/2004 \$'000	Change %
Revenue	4,269,808	3,446,259	23.9	3,094	2,285	35.4
Cost of sales	(2,841,772)	(2,188,956)	29.8	-	-	-
Gross profit	1,428,036	1,257,303	13.6	3,094	2,285	35.4
Operating expenses						
- Distribution	(156,848)	(140,267)	11.8	-	-	-
- Marketing	(456,111)	(417,650)	9.2	-	-	-
- Administration	(258,963)	(255,881)	1.2	(5,726)	(6,425)	(10.9)
	(871,922)	(813,798)	7.1	(5,726)	(6,425)	(10.9)
Trading profit/(loss)	556,114	443,505	25.4	(2,632)	(4,140)	(36.4)
Gross dividends from subsidiary companies	-	-	-	145,255	138,158	5.1
Share of joint venture companies' profits	35,046	27,568	27.1	-	-	-
Share of associated companies' profits	31,854	30,066	5.9	-	-	-
Gain on Compass Point securitisation	-	59,794	N/M	-	-	-
Gross income from investments	9,326	21,248	(56.1)	1,620	2,641	(38.7)
Profit before interest, taxation and exceptional items	632,340	582,181	8.6	144,243	136,659	5.5
Net interest expenses	(39,739)	(31,413)	26.5	(19,889)	(14,412)	38.0
Profit before taxation and exceptional items	592,601	550,768	7.6	124,354	122,247	1.7
Exceptional items	29,594	20,630	43.5	10,005	84,172	(88.1)
Profit before taxation	622,195	571,398	8.9	134,359	206,419	(34.9)
Taxation	(171,266)	(141,099)	21.4	(29,193)	(22,508)	29.7
Profit after taxation	450,929	430,299	4.8	105,166	183,911	(42.8)
Minority interests, net of taxes	(151,429)	(138,391)	9.4	-	-	-
Attributable profit						
- Before exceptional items	274,815	266,204	3.2	95,161	99,739	(4.6)
- Exceptional items	24,685	25,704	(4.0)	10,005	84,172	(88.1)
	299,500	291,908	2.6	105,166	183,911	(42.8)
N/M - Not meaningful						

## 1(a)(ii) BREAKDOWN AND EXPLANATORY NOTES TO PROFIT STATEMENT

		Group		
		30/9/2005	30/9/2004	Change
		\$'000	\$'000	%
	<b>Investment income</b>			
(A)	Gross income from investments	9,326	21,248	(56.1)
	<b>Net interest expenses</b>			
(B)	Interest income	23,374	21,337	9.5
(C)	Interest expenses	(63,113)	(52,750)	19.6
		(39,739)	(31,413)	26.5
	<b>Operating expenses</b>			
	Included in operating expenses are:			
(D)	Depreciation & amortisation	(143,167)	(142,131)	0.7
(E)	Provision for doubtful debts & bad debts written back/(written off)	144	(2,573)	N/M
(F)	Write-off for inventory	(12,510)	(6,005)	108.3
(G)	Impairment in value of investments	-	-	-
(H)	Foreign exchange gain	7,148	9,482	(24.6)
(I)	(Loss)/Gain on disposal of fixed assets	(1,347)	2,810	N/M
	<b>Taxation</b>			
(J)	Under provision of prior year taxation	(2,561)	(2,059)	24.4
(K)	<b>Exceptional items</b>			
	Profit on disposal of portfolio investments	12,150	30,093	(59.6)
	Gain/(Loss) on disposal of investments in subsidiary and associated companies and change in interest in associated company	12,634	(45)	N/M
	Profit on disposal of properties	875	29,051	(97.0)
	Write back of impairment in value of investments	-	2,202	N/M
	Write back of/(provision for) assets and other costs in respect of re-organisation and restructuring of operations	1,760	(32,908)	N/M
	Provision for professional fees	(5,779)	(3,389)	70.5
	Negative goodwill arising from investment in subsidiary company	6,384	-	N/M
	Share of associated and joint venture companies' write back of/(provision for) impairment in value of assets and restructuring costs	1,570	(4,374)	N/M
		29,594	20,630	
(L)	<b>Extraordinary items</b>	-	-	-
(M)	<b>Profit before interest, taxation and exceptional items as a percentage of revenue</b>	14.8%	16.9%	

N/M - Not meaningful

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

**BALANCE SHEET**

	<b>Group</b>		<b>Company</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>30/9/2005</b>	<b>30/9/2004</b>	<b>30/9/2005</b>	<b>30/9/2004</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Fixed assets	1,499,004	1,333,023	-	-
Investment properties	2,305,537	2,227,432	-	-
Properties under development	1,994,012	1,833,290	-	-
Subsidiary companies	-	-	3,608,227	3,583,715
Joint venture companies	144,733	122,213	-	-
Associated companies	308,074	184,561	-	-
Intangible assets	164,873	224,512	-	-
Other investments	116,749	81,180	6,579	7,952
Brands	5,747	7,591	169	1,336
Deferred tax assets	10,247	12,399	-	-
Bank fixed deposits	4,600	157,887	-	-
<b>CURRENT ASSETS</b>				
Properties held for sale	431,867	398,862	-	-
Inventories	434,090	355,008	-	-
Trade debtors	632,450	412,514	-	-
Subsidiary companies	-	-	45,033	7,406
Joint venture companies	228	304	-	-
Associated companies	7,547	8,106	-	-
Other debtors	235,937	172,457	2,942	3,237
Short term investments	11,796	13,123	-	-
Bank fixed deposits	360,425	443,824	22,618	21,688
Cash and bank balances	280,687	133,546	452	364
	<u>2,395,027</u>	<u>1,937,744</u>	<u>71,045</u>	<u>32,695</u>
<b>Deduct: CURRENT LIABILITIES</b>				
Trade creditors	486,645	360,615	-	-
Subsidiary companies	-	-	20,329	28,272
Joint venture companies	3,938	14,038	-	686
Associated companies	33,874	33,317	-	-
Other creditors	512,533	432,992	6,132	5,365
Bank borrowings	716,153	890,642	112,340	32,980
Term loans	500,000	184,500	-	-
Provision for taxation	167,550	138,758	5,986	4,404
	<u>2,420,693</u>	<u>2,054,862</u>	<u>144,787</u>	<u>71,707</u>
<b>NET CURRENT LIABILITIES</b>	(25,666)	(117,118)	(73,742)	(39,012)
	<u>6,527,910</u>	<u>6,066,970</u>	<u>3,541,233</u>	<u>3,553,991</u>
<b>Deduct: DEFERRED LIABILITIES</b>				
Bank borrowings	686,011	128,542	-	-
Term loans	1,500,000	1,985,266	800,000	800,000
Provision for employee benefits	23,951	23,760	-	-
Deferred tax liabilities	96,622	87,854	-	-
	<u>2,306,584</u>	<u>2,225,422</u>	<u>800,000</u>	<u>800,000</u>
	<u>4,221,326</u>	<u>3,841,548</u>	<u>2,741,233</u>	<u>2,753,991</u>
<b>Financed by:</b>				
Share capital	233,359	232,008	233,359	232,008
Share premium	152,223	143,598	152,223	143,598
Reserves	2,711,306	2,550,594	2,355,651	2,378,385
	<u>3,096,888</u>	<u>2,926,200</u>	<u>2,741,233</u>	<u>2,753,991</u>
Minority interests	1,124,438	915,348	-	-
	<u>4,221,326</u>	<u>3,841,548</u>	<u>2,741,233</u>	<u>2,753,991</u>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**
**Amount repayable in one year or less, or on demand**

As at 30/9/2005		As at 30/9/2004	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
317,668	898,485	279,640	795,502

**Amount repayable after one year**

As at 30/9/2005		As at 30/9/2004	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
506,179	1,679,832	374,409	1,739,399

**Details of any collateral**

Secured borrowings are generally bank overdrafts and bank loans secured on the borrowing companies' land and buildings, plant and machinery, share pledge on a subsidiary and/or a first fixed and floating charge over all assets and assignment of all rights, benefits and title of the borrowing companies.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**CASH FLOW STATEMENT**

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

## CASHFLOW STATEMENT (cont'd)

	Group	
	30/9/2005 \$'000	30/9/2004 \$'000
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Proceeds from term loans and bank borrowings	90,877	58,149
Loan from minority interests	4,166	3,826
Transfer from/(to) secured bank deposits	153,287	(69,031)
Proceeds from issue of shares:		
- by subsidiary companies to minority interests	11,351	12,315
- by the Company to shareholders	9,976	9,978
Payment of dividends:		
- by subsidiary companies to minority interests	(80,862)	(78,116)
- by the Company to shareholders	(127,900)	(115,647)
<b>Net cash from/(used in) financing activities</b>	<b>60,895</b>	<b>(178,526)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>67,361</b>	<b>(192,526)</b>
Cash and cash equivalents at beginning of year	564,913	754,964
Effects of exchange rate changes on cash and cash equivalents	3,591	2,475
<b>Cash and cash equivalents at end of year</b>	<b>635,865</b>	<b>564,913</b>
Cash and cash equivalents at end of year comprise:		
Cash and bank deposits	641,112	577,370
Bank overdrafts	(5,247)	(12,457)
	<b>635,865</b>	<b>564,913</b>
<b>Analysis of acquisition and disposal of subsidiary companies</b>		
Net assets acquired:		
Fixed assets	21,283	20,281
Development properties	122,197	153,890
Investment properties	108,833	-
Other non-current assets	17,883	-
Current assets	143,791	92,607
Current liabilities	(43,533)	(71,156)
Non-current liabilities	(122,150)	(142,747)
Minority interests	(124,276)	(11,705)
Cash	63,641	21,447
	187,669	62,617
Cost of investment as a joint venture company	(37,290)	(53,156)
Translation difference	-	1,242
Goodwill on acquisition (net)	4,033	113
Consideration paid	154,412	10,816
Add: Loan on acquisition	(4,161)	-
	150,251	10,816
Less: Cash of subsidiary companies	(63,641)	(21,447)
Cash flow on acquisition net of cash and cash equivalent acquired	86,610	(10,631)
Net assets disposed:		
Current assets	(2,681)	
Current liabilities	16	
Minority interests	1,522	
Cash	(3,896)	
	(5,039)	
Translation difference	589	
Gain on disposal	(697)	
Consideration received	(5,147)	
Less: Cash of subsidiary companies	3,896	
Cash flow on disposal net of cash and cash equivalent disposed	(1,251)	

- 1(d)(i) A statement (for the issuer and group) showing either**  
**(i) all changes in equity or**  
**(ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**STATEMENT OF CHANGES IN EQUITY**

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

**STATEMENT OF CHANGES IN EQUITY**
**Group**

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

**1(d)(i) STATEMENT OF CHANGES IN EQUITY (cont'd)**

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

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	<u>4th Quarter to 30/9/2005</u>	<u>3rd Quarter to 30/6/2005</u>
Issue and fully paid ordinary shares of \$1.00 each:		
As at beginning of period	232,596,051	232,558,748
Issued during the period - Exercise of share options	763,284	37,303
As at end of period	<u>233,359,335</u>	<u>232,596,051</u>
	<u>As at 30/9/2005</u>	<u>As at 30/9/2004</u>
The number of shares that may be issued on exercise of share options outstanding at the end of the year	<u>5,447,448</u>	<u>5,062,191</u>

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by our auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation as in the most recently audited annual financial statements, except as disclosed in note 5 below.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

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

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

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

- (a) based on the weighted average number of ordinary shares on issue and  
 (b) on a fully diluted basis (detailing any adjustments made to the earnings).

	<b>Group</b>	
	<b>30/9/2005</b>	<b>30/9/2004</b>
Earnings per ordinary share:		
(a) Based on the weighted average number of ordinary shares on issue (cents)		
- before exceptional items	118.1	115.1
- after exceptional items	128.7	126.2
(b) On a fully diluted basis (cents)		
- before exceptional items	116.9	113.8
- after exceptional items	127.4	124.8
	<b>\$'000</b>	<b>\$'000</b>
Attributable profit after exceptional items	299,500	291,908
Change in attributable profit due to dilutive share options of subsidiary companies	(1,004)	(1,091)
Adjusted attributable profit after exceptional items	298,496	290,817

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

- (a) current financial period reported on; and  
 (b) immediately preceding financial year.

	<b>Group</b>		<b>Company</b>	
	<b>As at 30/9/2005</b>	<b>As at 30/9/2004</b>	<b>As at 30/9/2005</b>	<b>As at 30/9/2004</b>
Net asset value per ordinary share based on issued share capital	\$13.27	\$12.61	\$11.75	\$11.87

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

#### **REVIEW OF PERFORMANCE**

The principal activities of the Group 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 the provision of education services.

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

#### **Group Profit Statement - Year ended 30 September 2005**

##### **The Group**

The Directors are pleased to announce a 3% improvement in Group attributable profit (before exceptional items) to \$275 million for the financial year ended 30 September 2005. Earnings per share rose to \$1.18, compared to \$1.15 last year.

Group revenue increased by 24% to \$4.27 billion for the year under review with continued growth in food and beverage and a 165% jump in development property sales. Group profit before interest and tax (PBIT) at \$632 million is up by 9% over last year.

##### **Soft Drinks**

Sales volume for soft drinks grew by 3% and, together with a price increase in the middle of the year to mitigate across-the-board increases in raw materials and packaging costs, revenue and PBIT are higher by 7% and 4% respectively.

##### **Dairies**

Revenue and PBIT are respectively up by 8% and 9% compared with last year with all business units in the dairies operation achieving improved sales. In Malaysia selling prices were raised towards the financial year end to partially recover margins lost as a result of higher raw material and packaging costs. Profit contribution from our associated company in China was offset by initial loss from the newly acquired A2 Milk business in Australia.

##### **Glass Containers**

Sales revenue was flat as higher sales in China and Vietnam were offset by lower output in Malaysia (due to disruption to production caused by furnace leakage and fire). PBIT for the glass containers operation is up by 11% benefiting from lower operating expenses.

##### **Breweries**

The Group's breweries achieved high sales revenue of \$1.72 billion and PBIT of \$235 million, an increase of 11% and 14% respectively over last year. Except for Thailand with a marginally lower profit as a result of higher brand promotion costs, all regions performed better than last year. In Singapore and Malaysia, despite declining sales, PBIT improved from effective cost management. Higher sales and price increases in Papua New Guinea and New Zealand, and a strong NZ\$ exchange rate, led to significant improvement in PBIT. Strong double digit growth was recorded in sales and PBIT for Cambodia and Vietnam. In China, sales growth of more than 30% and profits from investments in Kingway Brewery and Jiangsu DaFuHao Brewery pared losses down significantly.

**Printing and Publishing**

Sales revenue increased by 4% over last year, attributable to the new businesses acquired during the year and higher sales achieved by the printing plants in Malaysia, China and Australia. PBIT improved by 39% boosted by the full year profit contribution from the investment in Fung Choi, and elimination of losses from the closure of the under-performing UK printing plant and the Hong Kong publishing and retailing operations.

**Development Property**

Sales of development property surged strongly in the year under review with the highly successful launches of The Spectrum and 8 @ Mount Sophia in Singapore and phase 1 of Jingan Four Seasons in Shanghai, China. Together with sales of units from its existing inventory of completed development and progressive recognition of revenue and profit from Frasers Park in Malaysia and other projects under development, revenue jumped 165% over last year. PBIT rose 18% due to last year's one-off gains from the disposal of the Compass Point bonds. Sales and development of projects in the UK and Australia are progressing as scheduled and contributed to profits. Just before the close of the financial year, all the units of the Group's lifestyle development on Sentosa, The Azure, were snapped up. This will contribute to sales revenue and profit from the new financial year.

During the year, Centrepont Properties replenished its land bank with the acquisition of development sites in Singapore, Australia and New Zealand.

**Investment Property**

Group rental revenue from investment property increased by 5%. The higher revenue from the Group's retail malls in Singapore, which had another good year enjoying continued high occupancy of close to 100%, and Fraser Serviced Residences were offset by lower income from offices and industrial properties. In the circumstances maintaining Group PBIT was a satisfactory performance.

Our flagship retail mall, Centrepont Shopping Centre on Orchard Road, is undergoing a major renewal with the addition of a 6-storey extension which will add approximately 55,000 sq ft of space. Completion is expected before Christmas 2006.

**Taxation**

The higher effective tax rate of the Group of 27.5% (2004: 24.7%) is attributable mainly to the higher profits from operations in countries with higher corporate tax rates.

**Group Balance Sheet as at 30 September 2005**

The increase in investment properties and properties under development is due to the additions from Frasers Property (China) Limited ("FPCL"), and respectively offset by the decrease in valuation of the Group's other investment properties at the year end over last year and the transfer of units to current assets upon completion of development. FPCL became a subsidiary after the Group raised its equity interest to 55% (from 27% before). The increase in investments in joint venture companies is due to the acquisition of a 40% shareholding in Jiangsu DaFuHao Breweries Co Ltd less the re-classification of FPCL.

The increase in investments in associated companies is due to the additional investments in Fung Choi and China Dairy Group and a change in presentation of the goodwill arising from investments in associated companies. As required by FRS, the goodwill of associated companies (previously shown as part of intangible assets) is reclassified to investments in associated companies. This change, partially offset by the goodwill paid for investments in subsidiary companies, accounts for the decrease in intangible assets compared to 30 September 2004.

**Group Cash Flow Statement for the year ended 30 September 2005**

The cash inflows and outflows are detailed in the Group cash flow statement. Cash inflows from operations and increase in borrowings were utilized for investing activities and payment of dividends, with a resultant net increase in cash and cash equivalents of \$67 million.

**9. Where as forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

**OUTLOOK**

The outlook on all our businesses generally is positive. High material, energy and packaging costs continue to challenge the Group's efforts to improve margins in its beverage business.

Improved sentiment in the Singapore residential property market is expected to continue in the new financial year. Rental income from investment properties will be underpinned by high occupancy in an improved economy.

Overall, barring unforeseen circumstances, the Directors expect attributable profit before exceptional items in the new financial year to be higher than the year just ended.

11. **Dividend**

**(a) *Current Financial Period Reported On***

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	:	Final
Dividend Type	:	Cash
Dividend Amount per share (in cents)	:	35 cents per ordinary share (net of tax)
Par Value of Shares	:	\$1.00
Tax Rate	:	20%

**(b) *Corresponding period of the immediately preceding financial year***

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	:	Final
Dividend Type	:	Cash
Dividend Amount per share (in cents)	:	35 cents per ordinary share (net of tax)
Par Value of Shares	:	\$1.00
Tax Rate	:	20%

**(c) *Date payable***

The Directors propose, subject to shareholders' approval at the Annual General Meeting to be held on 26 January 2006, a final dividend of 35 cents per share, being AFTER deduction of tax (last year: 35 cents), to be paid on 17 February 2006. This is equivalent to a gross dividend of 43.8 cents per share. Taken with the interim dividend of 20 cents per share (last year: 20 cents per share) this will give a total distribution for the year of 55 cents per share after tax, or 68.8 cents per share gross (last year: 55 cents per share or in total 68.8 cents per share gross).

**(d) *Books closure date***

Registrable Transfers received by the Company's Registrar, Barbinder & Co Pte Ltd, 8 Cross Street, #11-00 PWC Building, Singapore 048424 up to 5.00 pm on 7 February 2006 will be registered before entitlements to the dividends are determined. Notice is hereby given that the share registers will be closed from 8 to 10 February 2006, both dates inclusive, for preparation of dividend warrants.

12. **If no dividend has been declared or recommended, a statement to that effect.**

Not applicable.

**PART II - ADDITIONAL REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**SEGMENTAL RESULTS**

For year ended 30 September 2005

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

The following table presents financial information regarding geographical segments:

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

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

## SEGMENTAL RESULTS

### For year ended 30 September 2004

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

The following table presents financial information regarding geographical segments:

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

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

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by earnings by the business or geographical segments**

Refer to No. 8.

**15. A breakdown of sales**

		<b>Group</b>		
		<b>30/9/2005</b>	<b>30/9/2004</b>	<b>Change</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
(a)	Sales reported for first half year	1,954,200	1,702,294	14.8
(b)	Operating profit after tax before deducting minority interest reported for first half year	206,655	200,038	3.3
(c)	Sales reported for second half year	2,315,608	1,743,965	32.8
(d)	Operating profit after tax before deducting minority interest reported for second half year	244,274	230,261	6.1

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

	<b>30/9/2005</b>	<b>30/9/2004</b>
	<b>\$'000</b>	<b>\$'000</b>
Ordinary	128,196	127,645
Preference	-	-
Total Annual Dividend	<u>128,196</u>	<u>127,645</u>

**17. Annual General Meeting**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on Thursday 26 January 2006 at 10.00 am.

**BY ORDER OF THE BOARD**

Anthony Cheong Fook Seng  
Group Company Secretary

11 November 2005