



FRASER AND NEAVE, LIMITED

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

RESULTS FOR THE 2ND QUARTER ENDED 31 MARCH 2005 Financial Statements and Dividend Announcement

The Directors are pleased to make the following announcement of the unaudited results for the 2nd Quarter ended 31 March 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) GROUP PROFIT STATEMENT

	2nd Quarter to 31/3/2005 \$'000	2nd Quarter to 31/3/2004 \$'000	Change %	6 Months to 31/3/2005 \$'000	6 Months to 31/3/2004 \$'000	Change %
Revenue	874,819	780,865	12.0	1,954,200	1,698,483	15.1
Cost of sales	(561,366)	(505,441)	11.1	(1,271,667)	(1,080,388)	17.7
Gross profit	313,453	275,424	13.8	682,533	618,095	10.4
Operating expenses						
- Distribution	(38,923)	(33,339)	16.7	(77,364)	(70,251)	10.1
- Marketing	(94,251)	(81,476)	15.7	(214,268)	(189,067)	13.3
- Administration	(68,060)	(53,982)	26.1	(131,025)	(118,099)	10.9
	(201,234)	(168,797)	19.2	(422,657)	(377,417)	12.0
Trading profit	112,219	106,627	5.2	259,876	240,678	8.0
Share of joint venture companies' profits	8,278	5,731	44.4	19,256	13,446	43.2
Share of associated companies' profits/(losses)	14,479	109	NM	17,094	(26)	NM
Gain on Compass Point securitisation	-	-	-	-	25,648	NM
Gross income from investments	1,583	8,581	(81.6)	3,335	16,893	(80.3)
Profit before interest, taxation and exceptional items	136,559	121,048	12.8	299,561	296,639	1.0
Net interest expense	(11,361)	(10,569)	7.5	(21,307)	(21,420)	(0.5)
Profit before taxation and exceptional items	125,198	110,479	13.3	278,254	275,219	1.1
Exceptional items	4,790	(773)	NM	3,563	(3,743)	NM
Profit before taxation	129,988	109,706	18.5	281,817	271,476	3.8
Taxation	(31,999)	(24,134)	32.6	(75,162)	(71,438)	5.2
Profit after taxation	97,989	85,572	14.5	206,655	200,038	3.3
Minority interests, net of taxes	(40,686)	(36,510)	11.4	(83,310)	(77,090)	8.1
Attributable profit						
- Before exceptional items	51,536	48,743	5.7	118,457	124,050	(4.5)
- Exceptional items	5,767	319	NM	4,888	(1,102)	NM
	57,303	49,062	16.8	123,345	122,948	0.3

N/M - Not meaningful

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

		Group					
		2nd Quarter to 31/3/2005 \$'000	2nd Quarter to 31/3/2004 \$'000	Change %	6 Months to 31/3/2005 \$'000	6 Months to 31/3/2004 \$'000	Change %
Investment income							
(A)	Gross income from investments	1,583	8,581	(81.6)	3,335	16,893	(80.3)
Net interest expense							
(B)	Interest income	5,234	3,863	35.5	9,123	9,488	(3.8)
(C)	Interest expense	(16,595)	(14,432)	15.0	(30,430)	(30,908)	(1.5)
		(11,361)	(10,569)	7.5	(21,307)	(21,420)	(0.5)
Operating expenses							
Included in operating expenses are:							
(D)	Depreciation & amortisation	(35,541)	(35,626)	(0.2)	(70,356)	(71,619)	(1.8)
(E)	Provision for doubtful debts & bad debts written off	(1,351)	(694)	94.7	(3,008)	(2,276)	32.2
(F)	Write-off for stock obsolescence	(818)	(887)	(7.8)	(2,063)	(1,591)	29.7
(G)	Impairment in value of investments	-	-	-	-	-	-
(H)	Foreign exchange gain	1,948	238	NM	5,985	6,877	(13.0)
(I)	Loss on disposal of fixed assets	(211)	(82)	157.3	(305)	(424)	(28.1)
Taxation							
(J)	Over provision of prior year taxation	1,706	1,812	(5.8)	2,703	1,120	141.3
Exceptional items							
(K)	Profit on disposal of other investments	289	405	(28.6)	289	405	(28.6)
	Profit/(loss) on disposal/dilution of investments in subsidiary and associated companies	5,524	(89)	NM	5,588	(89)	NM
	Profit on disposal of properties	357	88	NM	516	88	NM
	Share of exceptional items of joint venture and associated companies	516	2,449	(78.9)	(231)	2,402	NM
	Restructuring and re-organisation costs	(1,896)	(3,247)	(41.6)	(2,599)	(6,170)	(57.9)
	Goodwill arising from additional investment in subsidiary companies	-	(379)	NM	-	(379)	NM
		4,790	(773)	NM	3,563	(3,743)	NM
(L)	Extraordinary items	-	-	-	-	-	-
(M)	Profit before interest, taxation and exceptional items as a percentage of revenue	15.6%	15.5%		15.3%	17.5%	

N/M - Not meaningful



1(a)(iii) ADDITIONAL INFORMATION

GROUP REVENUE AND PROFIT ANALYSIS

	2nd Quarter to 31/3/2005 \$'000	2nd Quarter to 31/3/2004 \$'000	6 Months to 31/3/2005 \$'000	6 Months to 31/3/2004 \$'000
Revenue				
By Business Activity				
Soft drinks	125,834	103,971	238,196	218,248
Dairies	94,510	88,647	188,684	181,158
Breweries	404,666	329,407	878,599	778,364
Printing and publishing	99,891	110,813	222,977	241,457
Glass containers	25,512	26,735	55,996	55,185
Investment property	48,307	45,862	95,383	91,092
Development property	70,758	69,065	262,976	119,612
Investment and other income	5,341	6,365	11,389	13,367
	<u>874,819</u>	<u>780,865</u>	<u>1,954,200</u>	<u>1,698,483</u>
By Territory				
Singapore	282,672	273,559	689,680	550,960
Malaysia	200,485	184,475	395,405	380,728
Rest of South East Asia	137,776	95,512	301,491	270,770
North East Asia	82,035	58,138	168,748	113,244
South Pacific	148,630	140,424	348,865	323,712
Europe/USA	23,221	28,757	50,011	59,069
	<u>874,819</u>	<u>780,865</u>	<u>1,954,200</u>	<u>1,698,483</u>
Profit before interest, taxation and exceptional items				
By Business Activity				
Soft drinks	14,730	12,860	28,064	27,005
Dairies	2,595	2,254	6,744	6,842
Breweries	63,959	54,962	133,668	119,944
Printing and publishing	2,735	1,562	14,658	11,001
Glass containers	1,581	1,435	4,531	3,999
Investment property	28,513	29,200	57,501	56,712
Development property	18,622	11,316	38,432	21,654
Investment and other income	3,824	7,459	15,963	49,482
	<u>136,559</u>	<u>121,048</u>	<u>299,561</u>	<u>296,639</u>
By Territory				
Singapore	47,541	60,569	104,307	140,756
Malaysia	21,304	21,462	45,006	48,149
Rest of South East Asia	35,439	22,926	73,231	65,123
North East Asia	10,429	(7,468)	11,511	(16,369)
South Pacific	19,886	23,395	58,839	57,358
Europe/USA	1,960	164	6,667	1,622
	<u>136,559</u>	<u>121,048</u>	<u>299,561</u>	<u>296,639</u>
Attributable profit				
By Business Activity				
Soft drinks	6,274	5,499	11,949	11,485
Dairies	(44)	(614)	1,511	793
Breweries	15,906	13,996	30,042	24,489
Printing and publishing	1,740	(43)	9,801	6,170
Glass containers	663	491	1,859	1,735
Investment property	19,495	21,773	40,247	40,271
Development property	11,129	7,317	24,545	13,484
Investment and other income	(3,627)	324	(1,497)	25,623
	<u>51,536</u>	<u>48,743</u>	<u>118,457</u>	<u>124,050</u>
Exceptional items	5,767	319	4,888	(1,102)
	<u>57,303</u>	<u>49,062</u>	<u>123,345</u>	<u>122,948</u>

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

	Group		Company	
	As at 31/3/2005 \$'000	As at 30/9/2004 \$'000	As at 31/3/2005 \$'000	As at 30/9/2004 \$'000
Fixed assets	1,379,791	1,333,023	-	-
Investment properties	2,227,035	2,227,432	-	-
Properties under development	1,827,611	1,833,290	-	-
Subsidiary companies	-	-	3,601,075	3,583,715
Joint venture companies	128,608	122,213	-	-
Associated companies	203,103	184,561	-	-
Intangible assets	250,109	224,512	-	-
Other investments	127,227	89,810	7,963	7,952
Brands	6,681	7,591	753	1,336
Deferred tax assets	12,380	12,399	-	-
Bank fixed deposits	132,249	157,887	-	-
CURRENT ASSETS				
Properties held for sale	341,484	398,862	-	-
Inventories	372,016	355,008	-	-
Trade debtors	537,457	412,514	-	-
Subsidiary companies	-	-	7,335	7,406
Joint venture companies	626	304	-	-
Associated companies	7,672	8,106	-	-
Other debtors	177,095	172,457	3,377	3,237
Short term investments	606	4,493	-	-
Bank fixed deposits	374,265	443,824	38,321	21,688
Cash and bank balances	146,701	133,546	375	364
	1,957,922	1,929,114	49,408	32,695
Deduct: CURRENT LIABILITIES				
Trade creditors	339,891	360,615	-	-
Subsidiary companies	-	-	20,432	28,272
Joint venture companies	2,825	14,038	686	686
Associated companies	29,765	33,317	-	-
Other creditors	452,210	432,992	6,515	5,365
Bank borrowings	784,107	890,642	131,730	32,980
Term loans	675,750	184,500	-	-
Provision for taxation	147,768	138,758	4,404	4,404
	2,432,316	2,054,862	163,767	71,707
NET CURRENT LIABILITIES	(474,394)	(125,748)	(114,359)	(39,012)
	5,820,400	6,066,970	3,495,432	3,553,991
Deduct: DEFERRED LIABILITIES				
Bank borrowings	275,129	128,542	-	-
Term loans	1,500,000	1,985,266	800,000	800,000
Employee benefits	23,837	23,760	-	-
Deferred tax liabilities	89,740	87,854	-	-
	1,888,706	2,225,422	800,000	800,000
	3,931,694	3,841,548	2,695,432	2,753,991
Financed by:				
Share capital	232,559	232,008	232,559	232,008
Share premium	147,021	143,598	147,021	143,598
Reserves	2,587,882	2,550,594	2,315,852	2,378,385
	2,967,462	2,926,200	2,695,432	2,753,991
Minority interests	964,232	915,348	-	-
	3,931,694	3,841,548	2,695,432	2,753,991

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/3/2005		As at 30/9/2004	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
163,575	1,296,282	279,640	795,502

Amount repayable after one year

As at 31/3/2005		As at 30/9/2004	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
238,556	1,536,573	374,409	1,739,399

Details of any collateral

Secured borrowings are generally bank overdrafts and bank loans secured by the borrowing companies' land and buildings, plant and machinery, equivalent amounts placed in fixed deposits and share pledge on a subsidiary.

Secured term loans are secured by a first fixed and floating charge over all assets and assignments 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

Group

	2nd Quarter to 31/3/2005 \$'000	2nd Quarter to 31/3/2004 \$'000	6 Months to 31/3/2005 \$'000	6 Months to 31/3/2004 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation and exceptional items	125,198	110,479	278,254	275,219
Adjustments for:				
Depreciation of fixed assets and investment properties	34,783	33,592	67,093	66,863
Provision for fixed assets write back	(172)	(1,214)	(33)	(639)
Write back of intangible assets	(961)	(157)	-	-
Provision/write off of employee benefits	613	386	943	756
Provision for loan to associated company write back	(60)	-	-	-
Profit on disposal of investment properties	(17)	-	(17)	-
Loss on disposal of fixed assets (net)	211	82	305	424
Gain on Compass Point securitisation	-	-	-	(25,648)
Amortisation of development properties	26	27	52	54
Amortisation of brands	466	468	931	936
Amortisation of intangible assets	266	1,539	2,280	3,766
Interest expense (net)	11,361	10,569	21,307	21,420
Share of joint venture companies' profits	(8,278)	(5,731)	(19,256)	(13,446)
Share of associated companies' (profits)/losses	(14,479)	(109)	(17,094)	26
Investment income	(1,583)	(8,581)	(3,335)	(16,893)
Profit on properties developed for sale and properties held for sale	(7,517)	(11,365)	(26,672)	(18,279)
Operating cash before working capital changes	139,857	129,985	304,758	294,559
Change in inventories	3,991	2,532	(6,523)	5,289
Change in trade and other debtors	(84,910)	84,990	(116,401)	198,018
Change in joint venture and associated companies' balances	(10,463)	(885)	(14,653)	(168)
Change in trade and other creditors	(62,246)	(92,374)	(31,991)	(75,143)
Currency realignment	(1,503)	(4,232)	(6,252)	(6,367)
Cash generated from operations	(15,274)	120,016	128,938	416,188
Interest expense paid, net	(11,361)	(10,569)	(21,307)	(21,420)
Income taxes paid	(32,579)	(42,504)	(55,202)	(73,012)
Payment of employee benefits	(746)	(368)	(815)	(947)
Progress payment received/receivable on properties developed for sale and properties held for sale	436,545	28,234	538,406	50,081
Development expenditure on properties developed for sale	(264,303)	(184,311)	(440,896)	(366,611)
Net cash from / (used in) operating activities	112,282	(89,502)	149,124	4,279
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividends from joint venture and associated companies	1,748	217	9,900	6,764
Investment income	1,586	8,417	3,340	16,729
Proceeds from return of capital from associated companies	-	-	-	333
Proceeds from Compass Point securitisation	-	-	-	23,300
Proceeds from sale of fixed assets and properties	2,659	6,263	3,820	6,796
Proceeds from sale of other investments and short term investments	1,035	91,946	7,437	93,185
Purchase of fixed assets	(56,643)	(38,781)	(120,409)	(71,228)
Purchase of other investments and short term investments	(25,073)	(28,003)	(35,883)	(32,892)
Acquisition of minority interests in subsidiary company	-	(79)	(2,842)	(79)
Acquisition of subsidiary companies	(28,728)	-	(34,238)	-
Acquisition of intangible assets	(1,762)	(54,205)	(3,187)	(57,262)
Development expenditure on investment properties	(74)	(444)	(129)	(444)
Investments in associated companies	331	(72,602)	(1,320)	(76,710)
Net cash used in investing activities	(104,921)	(87,271)	(173,511)	(91,508)

**CASH FLOW STATEMENT (cont'd)**

	Group			
	2nd Quarter to 31/3/2005 \$'000	2nd Quarter to 31/3/2004 \$'000	6 Months to 31/3/2005 \$'000	6 Months to 31/3/2004 \$'000
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
(Repayment)/proceeds of term loans and bank borrowings	(3,350)	110,215	39,688	46,827
Loan from minority interests	953	2,479	9,289	3,655
Transfer from/(to) secured bank deposits	31,565	(3,818)	25,638	(43,395)
Proceeds from issue of shares:				
- by subsidiary companies to minority interests	667	3,203	3,514	4,411
- by parent company to shareholders	2,372	3,905	3,974	5,080
Capital repayment to minority interests	-	-	(1,522)	-
Payment of dividends:				
- by subsidiary companies to minority interests	(23,445)	(19,629)	(29,309)	(36,587)
- by parent company to shareholders	(81,380)	(69,382)	(81,380)	(69,382)
Net cash (used in)/from financing activities	(72,618)	26,973	(30,108)	(89,391)
Net decrease in cash and cash equivalents	(65,257)	(149,800)	(54,495)	(176,620)
Cash and cash equivalents at beginning of period	568,409	728,225	564,913	754,964
Effects of exchange rate changes on cash and cash equivalents	2,664	(3,986)	(4,602)	(3,905)
Cash and cash equivalents at end of period	505,816	574,439	505,816	574,439
Cash and cash equivalents at end of period comprise:				
Bank fixed deposits	374,265	444,859	374,265	444,859
Cash and bank balances	146,701	137,360	146,701	137,360
Bank overdrafts	(15,150)	(7,780)	(15,150)	(7,780)
	505,816	574,439	505,816	574,439
Analysis of acquisition of subsidiary companies				
Net assets acquired:				
Fixed assets	397		8,402	
Non-current assets	402		402	
Current assets	14,140		23,803	
Current liabilities	(7,235)		(18,416)	
Non-current liabilities	(1,120)		(2,097)	
Minority interests	(457)		(457)	
Cash	625		1,537	
	6,752		13,174	
Goodwill on acquisition	22,601		22,601	
Consideration paid	29,353		35,775	
Less: Cash of subsidiary companies	(625)		(1,537)	
Cash flow on acquisition net of cash and cash equivalents acquired	28,728		34,238	



- 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	Redemption Reserve	Capital Reserve	Revenue Reserve	Exchange Reserve	Dividend Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2nd Quarter ended 31 March 2005								
Balance at 1 January 2005	232,223	144,985	3,228	560,980	1,988,714	(19,205)	81,278	2,992,203
Revaluation surplus on investment and properties for sale realised	-	-	-	(797)	719	-	-	(78)
Change in minority interests' reserves upon the issue of shares by subsidiary companies	-	-	-	(5)	118	-	-	113
Transfer of reserves by overseas subsidiary companies in compliance with statutory requirements	-	-	-	3	(34)	-	-	(31)
Currency translation difference	-	-	-	-	-	(3,040)	-	(3,040)
Net (losses)/gains not recognised in the profit statement	-	-	-	(799)	803	(3,040)	-	(3,036)
Issue of shares in the Company upon exercise of share options	336	2,036	-	-	-	-	-	2,372
Attributable profit	-	-	-	-	57,303	-	-	57,303
Dividends:								
Additional dividend due to exercise of share options	-	-	-	-	(102)	-	102	-
Final dividend for the previous year, paid	-	-	-	-	-	-	(81,380)	(81,380)
Interim dividend for the year, proposed	-	-	-	-	(46,512)	-	46,512	-
Balance at 31 March 2005	232,559	147,021	3,228	560,181	2,000,206	(22,245)	46,512	2,967,462

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

	Group							
	Share Capital	Share Premium	Capital Redemption Reserve	Capital Reserve	Revenue Reserve	Exchange Reserve	Dividend Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2nd Quarter ended 31 March 2004								
Balance at 1 January 2004	230,699	136,104	3,228	625,153	1,829,285	(902)	69,210	2,892,777
Revaluation surplus on properties for sale realised	-	-	-	(1,080)	1,080	-	-	-
Change in minority interests' reserves upon the issue of shares by subsidiary companies	-	-	-	(10)	228	-	-	218
Transfer of reserves by overseas subsidiary companies in compliance with statutory requirements	-	-	-	(278)	278	-	-	-
Currency translation difference	-	-	-	(20)	-	(7,808)	-	(7,828)
Net (losses)/gains not recognised in the profit statement	-	-	-	(1,388)	1,586	(7,808)	-	(7,610)
Issue of shares in the Company upon exercise of share options	602	3,303	-	-	-	-	-	3,905
Attributable profit	-	-	-	-	49,062	-	-	49,062
Dividends:								
Additional dividend due to exercise of share options	-	-	-	-	(172)	-	172	-
Final dividend for the previous year, paid	-	-	-	-	-	-	(69,382)	(69,382)
Interim dividend for the year, proposed	-	-	-	-	(46,260)	-	46,260	-
Balance at 31 March 2004	231,301	139,407	3,228	623,765	1,833,501	(8,710)	46,260	2,868,752

**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
<u>2nd Quarter ended 31 March 2005</u>							
Balance at 1 January 2005	232,223	144,985	3,228	1,039,274	1,247,994	81,278	2,748,982
Issue of shares in the Company upon exercise of share options	336	2,036	-	-	-	-	2,372
Attributable profit	-	-	-	-	25,458	-	25,458
Dividends:							
Additional dividend due to exercise of share options	-	-	-	-	(102)	102	-
Final dividend for the previous year, paid	-	-	-	-	-	(81,380)	(81,380)
Interim dividend for the year, proposed	-	-	-	-	(46,512)	46,512	-
Balance at 31 March 2005	232,559	147,021	3,228	1,039,274	1,226,838	46,512	2,695,432
<u>2nd Quarter ended 31 March 2004</u>							
Balance at 1 January 2004	230,699	136,104	3,228	1,229,393	1,199,191	69,210	2,867,825
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	602	3,303	-	-	-	-	3,905
Attributable profit	-	-	-	-	234,418	-	234,418
Dividends:							
Additional dividend due to exercise of share options	-	-	-	-	(172)	172	-
Final dividend for the previous year, paid	-	-	-	-	-	(69,382)	(69,382)
Interim dividend for the year, proposed	-	-	-	-	(46,260)	46,260	-
Balance at 31 March 2004	231,301	139,407	3,228	1,039,274	1,387,177	46,260	2,846,647



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

Group

	Share Capital	Share Premium	Capital Redemption Reserve	Capital Reserve	Revenue Reserve	Exchange Reserve	Dividend Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
6 Months ended 31 March 2005								
Balance at 1 October 2004	232,008	143,598	3,228	561,251	1,922,457	(17,545)	81,203	2,926,200
Revaluation surplus on investment and properties for sale realised	-	-	-	(1,117)	1,039	-	-	(78)
Change in minority interests' reserves upon the issue of shares by subsidiary companies	-	-	-	(8)	140	-	-	132
Transfer of reserves by overseas subsidiary companies in compliance with statutory requirements	-	-	-	55	(86)	-	-	(31)
Currency translation difference	-	-	-	-	-	(4,700)	-	(4,700)
Net (losses)/gains not recognised in the profit statement	-	-	-	(1,070)	1,093	(4,700)	-	(4,677)
Issue of shares in the Company upon exercise of share options	551	3,423	-	-	-	-	-	3,974
Attributable profit	-	-	-	-	123,345	-	-	123,345
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, proposed	-	-	-	-	(46,512)	-	46,512	-
Balance at 31 March 2005	232,559	147,021	3,228	560,181	2,000,206	(22,245)	46,512	2,967,462



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

	Group							
	Share Capital	Share Premium	Capital Redemption Reserve	Capital Reserve	Revenue Reserve	Exchange Reserve	Dividend Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
6 Months ended 31 March 2004								
Balance at 1 October 2003	230,517	135,111	3,228	650,750	1,755,025	(4,495)	69,155	2,839,291
Revaluation surplus on investment and properties for sale realised	-	-	-	(27,668)	1,351	-	-	(26,317)
Change in minority interests' reserves upon the issue of shares by subsidiary companies	-	-	-	(18)	435	-	-	417
Transfer of reserves by overseas subsidiary companies in compliance with statutory requirements	-	-	-	(229)	229	-	-	-
Currency translation difference	-	-	-	930	-	(4,215)	-	(3,285)
Net (losses)/gains not recognised in the profit statement	-	-	-	(26,985)	2,015	(4,215)	-	(29,185)
Issue of shares in the Company upon exercise of share options	784	4,296	-	-	-	-	-	5,080
Attributable profit	-	-	-	-	122,948	-	-	122,948
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, proposed	-	-	-	-	(46,260)	-	46,260	-
Balance at 31 March 2004	231,301	139,407	3,228	623,765	1,833,501	(8,710)	46,260	2,868,752

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
<u>6 Months ended 31 March 2005</u>							
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	551	3,423	-	-	-	-	3,974
Attributable profit	-	-	-	-	18,847	-	18,847
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, proposed	-	-	-	-	(46,512)	46,512	-
Balance at 31 March 2005	232,559	147,021	3,228	1,039,274	1,226,838	46,512	2,695,432
<u>6 Months ended 31 March 2004</u>							
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	784	4,296	-	-	-	-	5,080
Attributable profit	-	-	-	-	235,200	-	235,200
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, proposed	-	-	-	-	(46,260)	46,260	-
Balance at 31 March 2004	231,301	139,407	3,228	1,039,274	1,387,177	46,260	2,846,647

- 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.**

	2nd Quarter to 31/3/2005	1st Quarter to 31/12/2004
Issued and fully paid ordinary shares of \$1.00 each:		
As at beginning of period	232,222,872	232,007,722
Issued during the period - Exercise of share options	335,876	215,150
As at end of period	<u>232,558,748</u>	<u>232,222,872</u>
	As at 31/3/2005	As at 31/3/2004
The number of shares that may be issued on exercise of share options outstanding at the end of period	<u>6,497,778</u>	<u>5,777,153</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.**

On 1 July 2004, the Council on Corporate Disclosure and Governance issued Financial Reporting Standard (“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 quarter attributable profit of the Group by \$1.9 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).

	Group			
	2nd Quarter to 31/3/2005	2nd Quarter to 31/3/2004	6 Months to 31/3/2005	6 Months to 31/3/2004
Earnings per ordinary share:				
(a) Based on the weighted average number of ordinary shares on issue (cents)				
- before exceptional items	22.2	21.1	51.0	53.7
- after exceptional items	24.6	21.2	53.1	53.2
(b) On a fully diluted basis (cents)				
- before exceptional items	21.8	20.8	50.4	53.0
- after exceptional items	24.3	20.9	52.5	52.6
	\$'000	\$'000	\$'000	\$'000
Attributable profit after exceptional items	57,303	49,062	123,345	122,948
Change in attributable profit due to dilutive share options of subsidiary companies	(283)	(243)	(448)	(573)
Adjusted attributable profit after exceptional items	57,020	48,819	122,897	122,375

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.

	Group		Company	
	As at 31/3/2005	As at 30/9/2004	As at 31/3/2005	As at 30/9/2004
Net asset value per ordinary share based on issued share capital	\$12.76	\$12.61	\$11.59	\$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

The Group

Group profit before interest and tax ("PBIT") for the quarter under review grew by 12.8% to \$136.6 million in line with a 12% increase in revenue to \$874.8 million compared to the corresponding quarter last year, driven by strong festive sales in soft drinks and breweries. Group attributable profit (before exceptional items) for the quarter and year to date were \$51.5 million (up 5.7%) and \$118.5 million (down 4.5%) respectively.

Excluding the \$20 million impact of the securitisation of Compass Point in the first quarter of the previous year, the attributable profit for the 6 months to date increased by 13.9% over last year.

Soft Drinks

PBIT grew by 14.5% as a result of a 21% increase in Soft Drinks revenue from festive sales and deliveries to distributors prior to price increase effective 1 April 2005.

Dairies

Revenue and PBIT for Dairies were up by 6.6% and 15.1% respectively compared to last year. Higher profit from Singapore and profit contribution from China were eroded by initial losses from a new acquisition in Australia and lower profit, as a result of high raw material and packaging costs, from Malaysia.

Glass Containers

Despite a 4.6% decline in revenue, PBIT for Glass Containers increased by 10.2% from higher profit in Vietnam after furnace rebuilding.

Breweries

Revenue for the quarter grew strongly by 22.8% to \$404.7 million, helped by Chinese New Year and Tet spending, and PBIT rose by 16.4% to \$64 million. Sales volume in the Indochina region jumped 55.6% and PBIT increased by 70.6%. In China, sales volume growth of 11.9% and 44.5% respectively were registered in Shanghai and Hainan for the quarter and the investment in Kingway Brewery Holdings Limited made a steady contribution to profit. PBIT from Malaysia, Papua New Guinea and New Zealand improved (higher sales, effective cost management and price increases) but were offset by the declines from Singapore and Thailand due mainly to higher marketing expenses.

Printing and Publishing

Revenue from Printing and Publishing declined by 9.9%. The loss of revenue from the closure of the under-performing printing plant in the UK and the curtailment of partwork launches were partially offset by new sources of revenue from investments in Singapore, Malaysia and China. Coupled with profit contribution from Fung Choi (acquired in the latter half of last year), PBIT increased by 75.1% to \$2.7 million for the 2nd quarter.



Investment Property

Revenue from Investment Property increased by 5.3% over the corresponding quarter last year but PBIT decreased by 2.4%. Higher rentals from retail malls and serviced residences were offset by lower rentals from offices and industrial park.

Development Property

The 277-unit residential project, 8 @ Mount Sophia, launched in March 2005 was hugely successful. This will underpin profits for the second half year. For the quarter under review, revenue from Development Property increased by 2.5% compared to last year. PBIT was up 64.6% to \$18.6 million due to recognition of profit by the associated company from the Jin Lin Tian Di project in Shanghai, China.

Investment and Other Income

Investment income was significantly lower due to the liquidation of investments in the previous year.

Balance Sheet

The Company's short term borrowings increased as a result of the payment of dividends to shareholders.

At the Group, the increase in intangible assets and other investments arose from new investments made during the 6 months to date. Trade debtors increased as a result of billing of sale proceeds upon Cote d'Azur obtaining TOP in December 2004.

Group Cash Flows

Cash and cash equivalents decreased by \$65 million during the quarter under review and this is \$85 million lower than the net outflow for the corresponding quarter last year and is attributed to higher collections from Development Property projects.

- 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.**

While we were able to mitigate the impact on profit, rising raw material and packaging costs remain a challenge to the Group. Barring unforeseen adverse circumstances in the next few months, the Directors are cautiously optimistic that earnings for the full year will be maintained.



11. Dividend

(a) *Current Financial Period Reported On*

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

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

(c) *Date payable*

The Directors have declared an interim dividend of 20 cents (last year: 20 cents) per share, being AFTER deduction of tax, to be paid on 15 June 2005. This is equivalent to a gross dividend of 25 cents per share.

(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 6 June 2005 will be registered before entitlements to the dividends are determined. Notice is hereby given that the share registers will be closed on 7 June 2005 and 8 June 2005, for the preparation of dividend warrants.

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

Not applicable.

BY ORDER OF THE BOARD

Anthony Cheong Fook Seng
Group Company Secretary

13 May 2005