



# FRASER AND NEAVE, LIMITED

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

## THIRD QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2006

The Directors are pleased to make the following announcement of the unaudited results for the 3rd Quarter ended 30 June 2006.

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), HALF 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

	3rd Quarter to 30/6/2006	3rd Quarter to 30/6/2005 (Restated)	Change %	9 Months to 30/6/2006	9 Months to 30/6/2005 (Restated)	Change %
	\$'000	\$'000		\$'000	\$'000	
Revenue	1,112,835	1,016,468	9.5	3,331,432	2,970,668	12.1
Cost of sales	(737,200)	(662,329)	11.3	(2,178,299)	(1,933,996)	12.6
Gross profit	375,635	354,139	6.1	1,153,133	1,036,672	11.2
Operating expenses						
- Distribution	(42,257)	(39,720)	6.4	(129,804)	(117,084)	10.9
- Marketing	(94,478)	(121,462)	(22.2)	(312,753)	(335,730)	(6.8)
- Administration	(75,552)	(65,746)	14.9	(232,344)	(199,117)	16.7
	(212,287)	(226,928)	(6.5)	(674,901)	(651,931)	3.5
Trading profit	163,348	127,211	28.4	478,232	384,741	24.3
Share of joint venture companies' profits	8,040	6,100	31.8	20,370	25,356	(19.7)
Share of associated companies' profits	8,188	5,415	51.2	12,761	22,509	(43.3)
Gross income from investments	3,516	2,213	58.9	9,089	5,548	63.8
<b>Profit before interest, taxation and exceptional items</b>	<b>183,092</b>	<b>140,939</b>	<b>29.9</b>	<b>520,452</b>	<b>438,154</b>	<b>18.8</b>
Net interest expense	(17,922)	(10,998)	63.0	(42,326)	(32,305)	31.0
<b>Profit before taxation and exceptional items</b>	<b>165,170</b>	<b>129,941</b>	<b>27.1</b>	<b>478,126</b>	<b>405,849</b>	<b>17.8</b>
Exceptional items	(1,933)	737	NM	4,473	4,300	4.0
<b>Profit before taxation</b>	<b>163,237</b>	<b>130,678</b>	<b>24.9</b>	<b>482,599</b>	<b>410,149</b>	<b>17.7</b>
Taxation	(36,779)	(38,315)	(4.0)	(130,662)	(113,477)	15.1
<b>Profit after taxation</b>	<b>126,458</b>	<b>92,363</b>	<b>36.9</b>	<b>351,937</b>	<b>296,672</b>	<b>18.6</b>
Attributable profit to: Shareholders of the Company						
- Before exceptional items	75,927	60,675	25.1	201,327	177,246	13.6
- Exceptional items	(485)	1,199	NM	5,537	6,087	(9.0)
	75,442	61,874	21.9	206,864	183,333	12.8
Minority interests	51,016	30,489	67.3	145,073	113,339	28.0
	126,458	92,363	36.9	351,937	296,672	18.6

NM - Not meaningful

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

	3rd Quarter to 30/6/2006 \$'000	3rd Quarter to 30/6/2005 (Restated) \$'000	Change %	9 Months to 30/6/2006 \$'000	9 Months to 30/6/2005 (Restated) \$'000	Change %
<b>Investment income</b>						
(A) Gross income from investments	3,516	2,213	58.9	9,089	5,548	63.8
<b>Net interest expense</b>						
(B) Interest income	2,782	4,443	(37.4)	22,489	13,566	65.8
(C) Interest expense	(20,704)	(15,441)	34.1	(64,815)	(45,871)	41.3
	(17,922)	(10,998)	63.0	(42,326)	(32,305)	31.0
<b>Operating expenses</b>						
Included in operating expenses are:						
(D) Depreciation & amortisation	(38,094)	(33,734)	12.9	(113,405)	(104,090)	8.9
(E) Provision for doubtful debts & bad debts (written off)/written back	(682)	1,587	NM	(2,569)	(1,421)	80.8
(F) Provision for stock obsolescence written back/(written off)	118	(49)	NM	(3,435)	(2,112)	62.6
(G) Impairment in value of investments	-	-	-	-	-	-
(H) Foreign exchange (loss)/gain	(395)	450	NM	(3,311)	6,435	NM
(I) Loss on disposal of fixed assets	(881)	(72)	NM	(1,088)	(377)	188.6
(J) Employee share-based expense	(1,962)	(1,217)	61.2	(5,791)	(3,563)	62.5
<b>Taxation</b>						
(K) Over provision of prior year taxation	879	480	83.1	1,646	2,990	(44.9)
<b>Exceptional items</b>						
(L) Profit on disposal of other investments	-	536	NM	1,847	825	123.9
Gain on change of interest in subsidiary and associated companies	2,408	-	NM	9,263	5,588	65.8
(Loss)/profit on disposal of properties	(36)	428	NM	693	944	(26.6)
Write back impairment of investment property	-	-	-	1,066	-	NM
Share of exceptional items of joint venture and associated companies	262	1,811	(85.5)	160	1,580	(89.9)
Restructuring and re-organisation costs	(1,385)	(998)	38.8	(4,388)	(1,262)	NM
Provision for professional fees	(1,182)	(1,040)	13.7	(2,168)	(3,375)	(35.8)
Donation to APB Foundation	(2,000)	-	NM	(2,000)	-	NM
	(1,933)	737	NM	4,473	4,300	4.0
(M) <b>Extraordinary items</b>	-	-		-	-	
(N) <b>Profit before interest, taxation and exceptional items as a percentage of revenue</b>	16.5%	13.9%		15.6%	14.7%	

NM - Not meaningful

## 1(a)(iii) ADDITIONAL INFORMATION

## GROUP REVENUE AND PROFIT ANALYSIS

	3rd Quarter to 30/6/2006	3rd Quarter to 30/6/2005 (Restated)	9 Months to 30/6/2006	9 Months to 30/6/2005 (Restated)
	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>				
<b>By Business Activity</b>				
Soft drinks	81,349	99,819	320,832	338,015
Dairies	107,312	107,922	306,574	296,606
Breweries	432,345	424,075	1,388,098	1,302,674
Printing & publishing	113,356	114,526	350,449	337,503
Glass containers	28,992	25,121	86,843	81,117
Investment property	49,905	48,564	155,713	143,904
Development property	293,585	190,648	705,132	453,624
Corporate office	5,991	5,793	17,791	17,225
	<u>1,112,835</u>	<u>1,016,468</u>	<u>3,331,432</u>	<u>2,970,668</u>
<b>By Territory</b>				
Singapore	455,904	397,373	1,230,868	1,083,638
Malaysia	178,894	199,020	596,181	594,425
Rest of South East Asia	155,569	139,535	506,905	441,026
North East Asia	100,613	99,842	323,475	268,590
South Asia	2,520	-	6,995	-
South Pacific	165,994	155,571	537,090	504,436
Europe/USA	53,341	25,127	129,918	78,553
	<u>1,112,835</u>	<u>1,016,468</u>	<u>3,331,432</u>	<u>2,970,668</u>
<b>Profit before interest, taxation and exceptional items</b>				
<b>By Business Activity</b>				
Soft drinks	3,453	8,229	33,641	36,293
Dairies	5,615	3,949	12,034	10,693
Breweries	74,235	53,269	222,232	186,330
Printing & publishing	5,752	10,272	15,934	23,520
Glass containers	3,295	2,985	9,062	7,516
Investment property	32,898	28,153	94,920	85,647
Development property	53,486	31,579	126,489	72,364
Investment income	3,516	2,213	9,089	5,548
Corporate office	842	290	(2,949)	10,243
	<u>183,092</u>	<u>140,939</u>	<u>520,452</u>	<u>438,154</u>
<b>By Territory</b>				
Singapore	67,428	57,141	190,748	159,102
Malaysia	13,890	22,315	67,093	67,321
Rest of South East Asia	61,802	32,307	145,145	105,538
North East Asia	9,730	8,075	16,244	19,586
South Asia	(944)	-	(1,541)	-
South Pacific	21,391	20,415	84,929	79,254
Europe/USA	9,795	686	17,834	7,353
	<u>183,092</u>	<u>140,939</u>	<u>520,452</u>	<u>438,154</u>
<b>Attributable profit</b>				
<b>By Business Activity</b>				
Soft drinks	1,552	3,341	13,356	15,290
Dairies	2,404	195	3,919	1,706
Breweries	15,089	10,529	46,513	40,343
Printing & publishing	3,637	7,729	9,797	16,350
Glass containers	1,322	1,232	3,417	3,091
Investment property	21,462	19,069	61,829	59,309
Development property	36,991	24,525	79,994	51,252
Investment income	2,873	1,311	6,734	3,133
Corporate office	(9,403)	(7,256)	(24,232)	(13,228)
	<u>75,927</u>	<u>60,675</u>	<u>201,327</u>	<u>177,246</u>
Exceptional items	(485)	1,199	5,537	6,087
	<u>75,442</u>	<u>61,874</u>	<u>206,864</u>	<u>183,333</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.**

<b>BALANCE SHEET</b>	<b>Group</b>		<b>Company</b>	
	<b>As at 30/6/2006 \$'000</b>	<b>As at 30/9/2005 (Restated) \$'000</b>	<b>As at 30/6/2006 \$'000</b>	<b>As at 30/9/2005 (Restated) \$'000</b>
Fixed assets	1,422,499	1,499,004	-	-
Investment properties	2,372,979	2,305,537	-	-
Properties under development	2,236,096	1,994,012	-	-
Subsidiary companies	-	-	3,663,839	3,613,231
Joint venture companies	156,989	144,733	-	-
Associated companies	380,138	308,074	-	-
Intangible assets	186,568	164,873	-	-
Other investments	105,657	116,749	6,619	6,579
Brands	5,577	5,747	-	169
Deferred tax assets	8,471	10,247	-	-
Bank fixed deposits	4,687	4,600	-	-
<b>CURRENT ASSETS</b>				
Properties held for sale	292,588	431,867	-	-
Inventories	391,284	434,090	-	-
Trade debtors	551,722	632,450	-	-
Subsidiary companies	-	-	103,994	45,033
Joint venture companies	501	228	-	-
Associated companies	9,205	7,547	-	-
Other debtors	306,284	235,937	6,579	2,942
Short term investments	154,100	11,796	-	-
Bank fixed deposits	401,627	360,425	19,138	22,618
Cash and bank balances	210,503	280,687	420	452
	<b>2,317,814</b>	<b>2,395,027</b>	<b>130,131</b>	<b>71,045</b>
<b>Deduct: CURRENT LIABILITIES</b>				
Trade creditors	388,598	486,645	-	-
Subsidiary companies	-	-	17,631	20,329
Joint venture companies	3,652	3,938	-	-
Associated companies	34,943	33,874	-	-
Other creditors	507,821	513,228	13,574	6,544
Bank borrowings	836,163	716,153	155,196	112,340
Term loans	330,000	500,000	-	-
Provision for taxation	180,998	167,550	5,986	5,986
	<b>2,282,175</b>	<b>2,421,388</b>	<b>192,387</b>	<b>145,199</b>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	<b>35,639</b>	<b>(26,361)</b>	<b>(62,256)</b>	<b>(74,154)</b>
	<b>6,915,300</b>	<b>6,527,215</b>	<b>3,608,202</b>	<b>3,545,825</b>
<b>Deduct: DEFERRED LIABILITIES</b>				
Bank borrowings	837,994	686,011	-	-
Term loans	1,670,000	1,500,000	950,000	800,000
Employee benefits	22,291	23,951	-	-
Deferred tax liabilities	114,725	96,622	25	-
	<b>2,645,010</b>	<b>2,306,584</b>	<b>950,025</b>	<b>800,000</b>
	<b>4,270,290</b>	<b>4,220,631</b>	<b>2,658,177</b>	<b>2,745,825</b>
Financed by:				
Share capital	393,523	233,359	393,523	233,359
Share premium	-	152,223	-	152,223
Reserves	2,751,581	2,711,046	2,264,654	2,360,243
	<b>3,145,104</b>	<b>3,096,628</b>	<b>2,658,177</b>	<b>2,745,825</b>
Minority interests	1,125,186	1,124,003	-	-
	<b>4,270,290</b>	<b>4,220,631</b>	<b>2,658,177</b>	<b>2,745,825</b>

- 1(b)(ii) Aggregate amount of Group's borrowings and debt securities.**  
**The Group's borrowings and debt securities as at the end of the financial period reported on, and comparative figures as at the end of the immediately preceding financial year.**

**Amount repayable in one year or less, or on demand**

	<b>As at 30/6/2006</b>	<b>As at 30/9/2005</b>
	<b>\$'000</b>	<b>\$'000</b>
Secured :	201,061	317,668
Unsecured :	965,102	898,485
	1,166,163	1,216,153
	1,166,163	1,216,153

**Amount repayable after one year**

	<b>As at 30/6/2006</b>	<b>As at 30/9/2005</b>
	<b>\$'000</b>	<b>\$'000</b>
Secured :	643,976	506,179
Unsecured :	1,864,018	1,679,832
	2,507,994	2,186,011
	2,507,994	2,186,011

**Details of collaterals**

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 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.**

**GROUP CASH FLOW STATEMENT**

	3rd Quarter to 30/6/2006	3rd Quarter to 30/6/2005 (Restated)	9 Months to 30/6/2006	9 Months to 30/6/2005 (Restated)
	\$'000	\$'000	\$'000	\$'000
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Profit before taxation and exceptional items	165,170	129,941	478,126	405,849
Adjustments for:				
Depreciation of fixed assets and investment properties	35,903	32,495	106,748	99,588
Impairment of fixed assets	167	287	268	254
Provision for employee benefits	698	337	2,208	1,280
Provision for foreseeable losses in development properties	-	-	4,100	-
Loss on disposal of fixed assets (net)	881	72	1,088	377
Profit on disposal of investment properties	-	(70)	-	(87)
Amortisation of development properties	721	27	2,183	79
Amortisation and write off of brands and intangible assets	1,501	1,212	4,644	4,423
Interest expenses (net)	17,374	10,998	41,350	32,305
Share of joint venture companies' profits	(8,040)	(6,100)	(20,370)	(25,356)
Share of associated companies' profits	(8,188)	(5,415)	(12,761)	(22,509)
Investment income	(3,516)	(2,213)	(9,089)	(5,548)
Profits on development properties	(53,848)	(31,677)	(139,539)	(58,349)
Employee share-based expense	1,962	1,217	5,791	3,563
Fair value adjustment of financial instruments	(456)	-	1,834	-
Operating cash before working capital changes	150,329	131,111	466,581	435,869
Change in inventories	16,114	(34,908)	57,561	(41,431)
Change in trade and other debtors	5,011	(105,640)	29,936	(222,041)
Change in joint venture and associated companies' balances	1,804	5,109	(1,148)	(9,544)
Change in trade and other creditors	926	101,112	(133,059)	78,464
Currency realignment	(11,739)	6,727	(25,989)	430
Cash generated from operations	162,445	103,511	393,882	241,747
Interest expenses paid, net	(17,374)	(10,998)	(41,350)	(32,305)
Income taxes paid	(41,511)	(30,228)	(102,034)	(85,430)
Payment of employee benefits	(1,251)	(1,565)	(2,411)	(2,380)
Progress payment received/receivable on development properties	193,979	155,467	748,563	693,873
Expenditure on development properties	(210,828)	(238,825)	(800,593)	(679,721)
<b>Net cash from/(used in) operating activities</b>	<b>85,460</b>	<b>(22,638)</b>	<b>196,057</b>	<b>135,784</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
Dividends from joint venture and associated companies	9,899	9,356	21,466	19,256
Investment income	3,516	2,215	9,089	5,555
Proceeds from sale of fixed assets and investment properties	1,016	2,198	5,625	6,018
Proceeds from sale of investments	126	1,055	5,677	8,492
Disposal of business	-	-	1,242	-
Purchase of fixed assets	(26,287)	(58,153)	(111,744)	(178,562)
Purchase of investments	(17,182)	(48)	(66,701)	(28,129)
Acquisition of minority interests of subsidiary company	-	(14,222)	(1,845)	(17,064)
Acquisition of businesses/subsidiary companies	(2,877)	(1,169)	(39,938)	(35,407)
Payment for intangible assets	(1,317)	(3,035)	(8,337)	(6,222)
Acquisition and development expenditure on investment properties	(267)	(41)	(47,389)	(170)
Investments in joint venture and associated companies	(28,541)	(45,099)	(82,060)	(46,419)
Repayment of/(additional) trade advances	1,026	(1,248)	(2,875)	(9,050)
<b>Net cash used in investing activities</b>	<b>(60,888)</b>	<b>(108,191)</b>	<b>(317,790)</b>	<b>(281,702)</b>

**GROUP CASH FLOW STATEMENTS (cont'd)**

	3rd Quarter to 30/6/2006 \$'000	3rd Quarter to 30/6/2005 (Restated) \$'000	9 Months to 30/6/2006 \$'000	9 Months to 30/6/2005 (Restated) \$'000
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>				
Proceeds from term loans and bank borrowings	59,732	90,146	310,189	129,834
(Repayment)/proceeds of loan from minority interests	(23)	-	1,377	(54)
Transfer from/(to) secured bank deposits	-	127,672	(61)	153,310
Capital repayment to minority interests	-	-	-	(1,522)
Proceeds from issue of shares:				
- by subsidiary companies to minority interests	4,152	1,150	8,922	4,664
- by parent company to shareholders	372	283	4,713	4,257
Payment of dividends:				
- by subsidiary companies to minority interests	(40,952)	(28,782)	(83,727)	(58,091)
- by parent company to shareholders	(46,795)	(46,520)	(128,661)	(127,900)
<b>Net cash (used in)/from financing activities</b>	<b>(23,514)</b>	<b>143,949</b>	<b>112,752</b>	<b>104,498</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,058</b>	<b>13,120</b>	<b>(8,981)</b>	<b>(41,420)</b>
Cash and cash equivalents at beginning of period	609,251	505,816	635,865	564,913
Effects of exchange rate changes on cash and cash equivalents	(6,067)	4,661	(22,642)	104
<b>Cash and cash equivalents at end of period</b>	<b>604,242</b>	<b>523,597</b>	<b>604,242</b>	<b>523,597</b>
<b>Cash and cash equivalents at end of period comprise:</b>				
Bank fixed deposits	401,627	538,358	401,627	538,358
Cash and bank balances	210,503	(4,577)	210,503	(4,577)
Bank overdrafts	(7,888)	(10,184)	(7,888)	(10,184)
	<b>604,242</b>	<b>523,597</b>	<b>604,242</b>	<b>523,597</b>
<b>Analysis of acquisition/disposal of businesses/ subsidiary companies</b>				
Net assets acquired:				
Fixed assets	9,580	7,222	9,580	7,222
Non-current assets	532	12,494	532	12,494
Current assets	21,407	26,366	21,407	26,366
Current liabilities	(6,834)	(14,185)	(6,834)	(14,185)
Non-current liabilities	(285)	(5,958)	(285)	(5,958)
Minority interests	(491)	(457)	(491)	(457)
Cash	601	686	601	686
	24,510	26,168	24,510	26,168
Goodwill on acquisition	16,029	9,925	16,029	9,925
Consideration paid	40,539	36,093	40,539	36,093
Less: Cash of businesses/subsidiary companies	(601)	(686)	(601)	(686)
Cash flow on acquisition net of cash and cash equivalent acquired	39,938	35,407	39,938	35,407
Less: Cash flow on acquisition recognised in the 6 months to 31 March	(37,061)	(34,238)		
Cash flow on acquisition recognised in the current quarter	2,877	1,169		
Net assets disposed:				
Current assets	2,066		2,066	
Non-current liabilities	(279)		(279)	
	1,787		1,787	
Loss on disposal	(545)		(545)	
Cash flow on disposal net of cash and cash equivalent disposed	1,242		1,242	
Less: Cash flow on disposal recognised in the 6 months to 31 March	(1,242)			
Cash flow on disposal recognised in the current quarter	-			

- 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	Other Reserve	Dividend Reserve	Total	Minority Interests	Total Equity
<u>3rd Quarter ended</u> <u>30 June 2006</u>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2006	393,151	-	-	525,849	2,167,696	(72,770)	71,010	46,788	3,131,724	1,129,760	4,261,484
Change in minority interests' in reserves upon the issue of shares by subsidiary companies	-	-	-	(1)	96	-	-	-	95	(95)	-
Share of associated companies' reserves	-	-	-	430	1,877	-	(270)	-	2,037	-	2,037
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	-	(2,860)	-	(2,860)	(63)	(2,923)
Net fair value changes on cash flow hedge	-	-	-	-	-	-	424	-	424	-	424
Currency translation difference	-	-	-	-	-	(16,889)	-	-	(16,889)	(19,308)	(36,197)
Net (losses)/gains recognised directly in equity	-	-	-	429	1,973	(16,889)	(2,706)	-	(17,193)	(19,466)	(36,659)
Employee share-based expense	-	-	-	-	-	-	1,554	-	1,554	154	1,708
Issue of shares in the Company upon exercise of share options	372	-	-	-	-	-	-	-	372	-	372
Contribution of capital by minority interest	-	-	-	-	-	-	-	-	-	4,152	4,152
Change of interests in subsidiary companies	-	-	-	-	-	-	-	-	-	545	545
Minority interests' loan	-	-	-	-	-	-	-	-	-	(23)	(23)
Profit after taxation	-	-	-	-	75,442	-	-	-	75,442	51,016	126,458
<u>Dividends:</u>											
Dividend to minority interests, paid	-	-	-	-	-	-	-	-	-	(40,952)	(40,952)
Dividend to shareholders, paid	-	-	-	-	(7)	-	-	(46,788)	(46,795)	-	(46,795)
Balance at 30 June 2006	393,523	-	-	526,278	2,245,104	(89,659)	69,858	-	3,145,104	1,125,186	4,270,290

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

	Group										
	Share Capital	Share Premium	Capital Redemption Reserve	Capital Reserve	Revenue Reserve	Exchange Reserve	Other Reserve	Dividend Reserve	Total	Minority Interests	Total Equity
<u>3rd Quarter ended</u> <u>30 June 2005</u>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2005	232,559	147,021	3,228	560,181	2,000,206	(22,245)	-	46,512	2,967,462	964,232	3,931,694
- As previously stated	-	-	-	-	(3,700)	-	3,573	-	(127)	(212)	(339)
- Effect of adopting FRS 102	-	-	-	-	-	-	-	-	-	-	-
As restated	232,559	147,021	3,228	560,181	1,996,506	(22,245)	3,573	46,512	2,967,335	964,020	3,931,355
Revaluation surplus on investment and development properties realised	-	-	-	(289)	320	-	-	-	31	-	31
Change in minority interests' in reserves upon the issue of shares by subsidiary companies	-	-	-	(5)	90	-	-	-	85	(85)	-
Currency translation difference	-	-	-	-	-	16,899	-	-	16,899	(1,577)	15,322
Net (losses)/gains recognised directly in equity	-	-	-	(294)	410	16,899	-	-	17,015	(1,662)	15,353
Employee share-based expense	-	-	-	-	-	-	908	-	908	131	1,039
Issue of shares in the Company upon exercise of share options	37	246	-	-	-	-	-	-	283	-	283
Contribution of capital by minority interests	-	-	-	-	-	-	-	-	-	1,150	1,150
Change of interests in subsidiary companies	-	-	-	-	-	-	-	-	-	135	135
Profit after taxation	-	-	-	-	61,874	-	-	-	61,874	30,489	92,363
<u>Dividends:</u>											
Dividend to minority interests, paid	-	-	-	-	-	-	-	-	-	(28,782)	(28,782)
Dividend to shareholders, paid	-	-	-	-	(8)	-	-	(46,512)	(46,520)	-	(46,520)
Balance at 30 June 2005	232,596	147,267	3,228	559,887	2,058,782	(5,346)	4,481	-	3,000,895	965,481	3,966,376

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

	Company							
	Share Capital	Share Premium	Capital Redemption Reserve	Capital Reserve	Revenue Reserve	Other Reserve	Dividend Reserve	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>3rd Quarter ended 30 June 2006</b>								
Balance at 1 April 2006	393,151	-	-	1,039,274	1,195,488	13,916	46,788	2,688,617
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	(67)	-	(67)
Employee share-based expense	-	-	-	-	-	1,396	-	1,396
Issue of share in the Company upon exercise of share options	372	-	-	-	-	-	-	372
Profit after taxation	-	-	-	-	14,654	-	-	14,654
Dividend to shareholders, paid	-	-	-	-	(7)	-	(46,788)	(46,795)
Balance at 30 June 2006	393,523	-	-	1,039,274	1,210,135	15,245	-	2,658,177
<b>3rd Quarter ended 30 June 2005</b>								
Balance at 1 April 2005								
- As previously stated	232,559	147,021	3,228	1,039,274	1,226,838	-	46,512	2,695,432
- Effect of adopting FRS 102	-	-	-	-	-	3,010	-	3,010
- As restated	232,559	147,021	3,228	1,039,274	1,226,838	3,010	46,512	2,698,442
Employee share-based expense	-	-	-	-	-	787	-	787
Issue of shares in the Company upon exercise of share options	37	246	-	-	-	-	-	283
Profit after taxation	-	-	-	-	65,063	-	-	65,063
Dividend to shareholders, paid	-	-	-	-	(8)	-	(46,512)	(46,520)
Balance at 30 June 2005	232,596	147,267	3,228	1,039,274	1,291,893	3,797	-	2,718,055

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

	Group										
	Share Capital	Share Premium	Capital Redemption Reserve	Capital Reserve	Revenue Reserve	Exchange Reserve	Other Reserve	Dividend Reserve	Total	Minority Interests	Total Equity
9 Months ended 30 June 2006	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 October 2005	233,359	152,223	3,228	527,012	2,092,423	6,967	-	81,676	3,096,888	1,124,438	4,221,326
- As previously stated	233,359	152,223	3,228	527,012	2,092,423	6,967	-	81,676	3,096,888	1,124,438	4,221,326
- Effect of adopting FRS 102	-	-	-	-	(5,672)	-	5,412	-	(260)	(435)	(695)
- As restated	233,359	152,223	3,228	527,012	2,086,751	6,967	5,412	81,676	3,096,628	1,124,003	4,220,631
Effect of adopting FRS 39	-	-	-	-	(4,971)	-	10,760	-	5,789	637	6,426
	233,359	152,223	3,228	527,012	2,081,780	6,967	16,172	81,676	3,102,417	1,124,640	4,227,057
Revaluation surplus on investment and development properties realised	-	-	-	(1,176)	700	-	-	-	(476)	-	(476)
Change in minority interests' in reserves upon the issue of shares by subsidiary companies	-	-	-	(11)	331	-	-	-	320	(320)	-
Share of associated companies' reserves	-	-	-	430	2,555	-	(270)	-	2,715	-	2,715
Transfer of distributable reserves by overseas subsidiary companies in compliance with statutory requirements	-	-	-	141	(141)	-	-	-	-	-	-
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	-	49,078	-	49,078	(1,417)	47,661
Net fair value changes on cash flow hedges	-	-	-	-	-	-	274	-	274	862	1,136
Currency translation difference	-	-	-	(118)	-	(96,626)	-	-	(96,744)	(70,453)	(167,197)
Net (losses)/gains recognised directly in equity	-	-	-	(734)	3,445	(96,626)	49,082	-	(44,833)	(71,328)	(116,161)
Employee share-based expenses	-	-	-	-	-	-	4,604	-	4,604	469	5,073
Issue of shares in the Company upon exercise of share options	1,417	3,296	-	-	-	-	-	-	4,713	-	4,713
Transfer to share capital	158,747	(155,519)	(3,228)	-	-	-	-	-	-	-	-
Contribution of capital by minority interests	-	-	-	-	-	-	-	-	-	8,922	8,922
Change of interests in subsidiary companies	-	-	-	-	-	-	-	-	-	(240)	(240)
Minority interests' loan	-	-	-	-	-	-	-	-	-	1,377	1,377
Profit after taxation	-	-	-	-	206,864	-	-	-	206,864	145,073	351,937
<u>Dividends:</u>											
Dividend to minority interests, paid	-	-	-	-	-	-	-	-	-	(83,727)	(83,727)
Dividend to shareholders, paid	-	-	-	-	(46,985)	-	-	(81,676)	(128,661)	-	(128,661)
Balance at 30 June 2006	393,523	-	-	526,278	2,245,104	(89,659)	69,858	-	3,145,104	1,125,186	4,270,290

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

	Group										
	Share Capital	Share Premium	Capital Redemption Reserve	Capital Reserve	Revenue Reserve	Exchange Reserve	Other Reserve	Dividend Reserve	Total	Minority Interests	Total Equity
<u>9 Months ended 30 June 2005</u>	\$'000	\$'000	\$'000	\$'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	915,348	3,841,548
- As previously stated	-	-	-	-	(1,814)	-	1,814	-	-	-	-
- Effect of adopting FRS 102											
- As restated	232,008	143,598	3,228	561,251	1,920,643	(17,545)	1,814	81,203	2,926,200	915,348	3,841,548
Revaluation surplus on investment and development properties realised	-	-	-	(1,406)	1,359	-	-	-	(47)	-	(47)
Change in minority interests' in reserves upon the issue of shares by subsidiary companies	-	-	-	(13)	230	-	-	-	217	(217)	-
Transfer of distributable reserves by overseas subsidiary companies in compliance with statutory requirements	-	-	-	55	(86)	-	-	-	(31)	-	(31)
Currency translation difference	-	-	-	-	-	12,199	-	-	12,199	(10,111)	2,088
Net (losses)/gains recognised directly in equity	-	-	-	(1,364)	1,503	12,199	-	-	12,338	(10,328)	2,010
Employee share-based expense	-	-	-	-	-	-	2,667	-	2,667	379	3,046
Issue of shares in the Company upon exercise of share options	588	3,669	-	-	-	-	-	-	4,257	-	4,257
Contribution of capital by minority interest	-	-	-	-	-	-	-	-	-	4,664	4,664
Change in interests in subsidiary companies	-	-	-	-	-	-	-	-	-	1,746	1,746
Minority interests' loan	-	-	-	-	-	-	-	-	-	(54)	(54)
Capital repayment to minority interest	-	-	-	-	-	-	-	-	-	(1,522)	(1,522)
Profit after taxation	-	-	-	-	183,333	-	-	-	183,333	113,339	296,672
<u>Dividends:</u>											
Dividend to minority interests, paid	-	-	-	-	-	-	-	-	-	(58,091)	(58,091)
Dividend to shareholders, paid	-	-	-	-	(46,697)	-	-	(81,203)	(127,900)	-	(127,900)
Balance at 30 June 2005	232,596	147,267	3,228	559,887	2,058,782	(5,346)	4,481	-	3,000,895	965,481	3,966,376

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

	Company							Total Equity \$000
	Share Capital \$'000	Share Premium \$'000	Capital Redemption Reserve \$'000	Capital Reserve \$'000	Revenue Reserve \$'000	Other Reserve \$'000	Dividend Reserve \$'000	
<b>9 Months ended 30 June 2006</b>								
Balance at 1 October 2005								
- As previously stated	233,359	152,223	3,228	1,039,274	1,231,473	-	81,676	2,741,233
- Effect of adopting FRS 102	-	-	-	-	-	4,592	-	4,592
- As restated	233,359	152,223	3,228	1,039,274	1,231,473	4,592	81,676	2,745,825
Effect of adopting FRS 39	-	-	-	-	(4,666)	6,738	-	2,072
	233,359	152,223	3,228	1,039,274	1,226,807	11,330	81,676	2,747,897
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	(207)	-	(207)
Employee share-based expense	-	-	-	-	-	4,122	-	4,122
Issue of share in the Company upon exercise of share options	1,417	3,296	-	-	-	-	-	4,713
Transfer to share capital	158,747	(155,519)	(3,228)	-	-	-	-	-
Profit after taxation	-	-	-	-	30,313	-	-	30,313
Dividend to shareholders, paid	-	-	-	-	(46,985)	-	(81,676)	(128,661)
Balance at 30 June 2006	393,523	-	-	1,039,274	1,210,135	15,245	-	2,658,177
<b>9 Months ended 30 June 2005</b>								
Balance at 1 October 2004								
- As previously stated	232,008	143,598	3,228	1,039,274	1,254,680	-	81,203	2,753,991
- Effect of adopting FRS 102	-	-	-	-	-	1,473	-	1,473
- As restated	232,008	143,598	3,228	1,039,274	1,254,680	1,473	81,203	2,755,464
Employee share-based expense	-	-	-	-	-	2,324	-	2,324
Issue of shares in the Company upon exercise of share options	588	3,669	-	-	-	-	-	4,257
Profit after taxation	-	-	-	-	83,910	-	-	83,910
Dividend to shareholders, paid	-	-	-	-	(46,697)	-	(81,203)	(127,900)
Balance at 30 June 2005	232,596	147,267	3,228	1,039,274	1,291,893	3,797	-	2,718,055

(d)(ii) **SHARE CAPITAL**

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>Number of Shares</u>	
	<b>3rd Quarter to 30/6/2006</b>	<b>2nd Quarter to 31/3/2006</b>
Issued and fully paid ordinary shares:		
As at beginning of period	233,941,343	233,491,167
Issue during the period - Exercise of share options	55,087	450,176
	233,996,430	233,941,343
As at end of period	233,996,430	233,941,343
	<b>As at 30/6/2006</b>	<b>As at 30/6/2005</b>
The number of shares that may be issued on exercise of share options outstanding at the end of the period	7,027,461	6,307,404

Pursuant to the approval given by shareholders at an Extraordinary General Meeting of the Company held on 31 May 2006, each ordinary share was sub-divided into 5 ordinary shares on 4 July 2006. If the sub-division had been implemented on 30 June 2006, the number of sub-divided ordinary shares as at the end of the period would be 1,169,982,150. The number of ordinary shares that may be issued on the exercise of share options would be similarly adjusted and the adjusted number would be 35,137,305 sub-divided ordinary shares.

**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 financial statements, except:

(a) The Accounting and Corporate Regulatory Authority ("ACRA") had on 27 April 2006 issued Practice Direction No. 4 of 2006 "Interpretation of Requirement to Prepare Accounts under Section 201(1A), (3) and (3A) of the Companies Act". The Company is reviewing the interpretation of the Practice Direction on the presentation of the consolidated financial statements of the Group. Pending the completion of this review, the Group consolidated financial statements for the 3rd quarter and 9 months to 30 June 2006 are presented on the same basis as that of the most recently audited financial statements. In the event that the Company decides to change the method of consolidation, there will be no impact on the Group attributable profit to shareholders of the Company and the Group shareholders' funds for 9-month period ended 30 June 2006 and those announced previously; and

(b) for changes in accounting policies 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 Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 30 September 2005 except for the adoption of the following new Financial Reporting Standards (FRS) that are mandatory to the Group for the financial year beginning on 1 October 2005.

FRS 39 Financial Instruments: Recognition and Measurement  
FRS 102 Share-based Payment

The impact of the changes in accounting policies is as follows:

**FRS 39**

In accordance with FRS 39, the financial effects arising from the measurement of financial instruments and financial assets at fair value will be recorded prospectively. Consequently, the comparatives for 2005 are not restated. The financial effect of implementing FRS 39 is an increase of \$5.8 million which has been adjusted to Group shareholders' equity on 1 October 2005 (made up of an increase in hedging reserve and fair value reserve of \$6.3 million and \$4.5 million respectively offset by a reduction in revenue reserve of \$5.0 million) and a decrease of \$0.5 million in Group attributable profit to shareholders of the Company for the quarter.

**FRS 102**

In accordance with FRS 102, the implementation of the new standard will be recorded retrospectively and applied to share options granted after 22 November 2002 and not vested by 1 October 2005. Consequently, the Group's opening reserves have been restated to take into account a cumulative charge of \$5.7 million up to 30 September 2005. The charge to Group attributable profit to the shareholders of the Company for the quarter is \$1.7 million (same quarter last year: \$1.0 million).

In addition to the adoption of the above mentioned FRS, the Group adopted other revisions in FRS from 1 October 2005. These do not have a material financial impact on the Group's results.

**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>3rd Quarter to 30/6/2006</b>	<b>3rd Quarter to 30/6/2005 (Restated)</b>	<b>9 Months to 30/6/2006</b>	<b>9 Months to 30/6/2005 (Restated)</b>
Earnings per sub-divided ordinary share (note):				
(a) Based on the weighted average number of ordinary shares on issue (cents)				
- before exceptional items	6.5	5.2	17.2	15.3
- after exceptional items	6.4	5.3	17.7	15.8
(b) On a fully diluted basis (cents)				
- before exceptional items	6.4	5.2	17.0	15.1
- after exceptional items	6.4	5.3	17.5	15.6

Note: As explained in paragraph 1(d)(ii), each ordinary share was sub-divided into 5 ordinary shares on 4 July 2006. The computation of earnings per share is based on the weighted average number of sub-divided shares as if the sub-division had taken place.

	<b>Group</b>			
	<b>3rd Quarter to 30/6/2006</b>	<b>3rd Quarter to 30/6/2005 (Restated)</b>	<b>9 Months to 30/6/2006</b>	<b>9 Months to 30/6/2005 (Restated)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Attributable profit to shareholders of the Company after exceptional items	75,442	61,874	206,864	183,333
Change due to dilutive share options of subsidiary companies	(162)	(179)	(671)	(597)
Adjusted attributable profit to shareholders of the Company after exceptional items	<u>75,280</u>	<u>61,695</u>	<u>206,193</u>	<u>182,736</u>

**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 30/6/2006</b>	<b>As at 30/9/2005 (Restated)</b>	<b>As at 30/6/2006</b>	<b>As at 30/9/2005 (Restated)</b>
Net asset value per sub-divided ordinary share based on number of outstanding shares (note)	\$2.69	\$2.65	\$2.27	\$2.35

Note: As explained in paragraph 1(d)(ii), each ordinary share was sub-divided into 5 ordinary shares on 4 July 2006. The calculation of net asset value per ordinary share is based on the number of sub-divided ordinary shares as if the sub-division had taken place.

**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) seasonable 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 FOR THE QUARTER**

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.

## **Profit Statement**

### **The Group**

Group profit before interest and tax ("PBIT") at \$183.1 million for the quarter is up 30%, mainly from a 9% growth in revenue and a one-off adjustment on royalties by Asia Pacific Breweries Group. Group attributable profit to shareholders of the Company of \$75.9 million (before exceptional items) is 25% higher than the corresponding period last year.

### **Soft Drinks**

Soft Drinks revenue and PBIT were lower by 19% and 58% respectively due to weak consumer sentiment in Malaysia from rising prices of essential goods including fuel and electricity.

### **Dairies**

Revenue from Dairies was maintained but PBIT improved by 42%, due to the lower losses in the Vietnam operation and action to recover cost increases in Malaysia, partially offset by higher promotional activities and selling costs in Singapore.

### **Glass Containers**

The Glass Containers segment registered revenue and PBIT growth of 15% and 10% respectively. In particular the glass plant in Sichuan, the People's Republic of China, recorded a profit compared to a loss for the same quarter last year. In Malaysia production at KL Glass was interrupted by the conversion of the furnace to natural gas.

### **Breweries**

With volume growth reported from all regions, except New Zealand (volume down 4%), revenue from Breweries was up 2% and PBIT, which had the benefit of the one-off royalty adjustment, was higher by 39% over the same quarter last year. In Singapore, PBIT grew on higher export and contract brew volumes while in Malaysia, PBIT was hit by higher commercial spending. In Papua New Guinea, PBIT was up on higher volumes and marginal price increases and in New Zealand, PBIT declined due to lower sales and suppressed pricing due to strong discounting activities by competitors, aggravated by the weak NZ dollar. In Vietnam, revenue and PBIT continued to register strong growth. The breweries in China reported very strong revenue and PBIT growth, signaling a good start to the summer season. Profit in Thailand fell as a result of higher expenses to build the "Cheers" brand. The new markets of Sri Lanka and Mongolia incurred small gestation losses during the quarter.

### **Printing and Publishing**

Revenue for Printing and Publishing was maintained at the same level as last year. However, PBIT fell 44% for the quarter as the printing group was hit by a sharp decline in margins from intense competition, the shift to low margin soft-bound books, and the loss of catalogue printing jobs in Australia.

### **Development Property**

Revenue and PBIT from Development Property continued to grow very strongly by 54% and 69% respectively underpinned by the progressive completion of residential projects successfully launched previously as well as contributions from overseas projects and increased sales of completed units from existing stocks.

One Jervois (275 units) and the Infiniti (315 units) were launched in Singapore during the quarter. Development and construction of Lumiere at Regent Place (Sydney), Vincent Square (London) and JingAn Four Seasons (Shanghai) are progressing as planned.

The Group has also been replenishing its land bank. In Singapore, 3 sites were acquired; Waterfront View at Bedok Reservoir (in a joint venture with another developer), Far East Mansion at Kim Yam Road and a leasehold site at Sinaran Drive near the Novena MRT station. In Australia, the Group won a tender for a large mixed development site in Perth, and acquired a site within Camperdown's City Quarter estate, the Parramatta Business Park and 4 properties at Lorne Avenue in Sydney.

Phase 2 of JingAn Four Seasons in Shanghai was launched in July 2006 and all units were sold out.

### **Investment Property**

Revenue for the quarter was marginally above last year by 3% on the back of near full occupancy of retail malls. Together with profit from Frasers Property (China) Limited, which became a subsidiary at the end of the last financial year, PBIT grew by 17%.

On 3 July 2006, three retail malls, namely Causeway Point, Northpoint and Anchorpoint, were transferred to Frasers Centrepoint Trust, a real estate investment trust (REIT), giving rise to an increase in net asset value of Frasers Centrepoint Limited by approximately \$181 million.

**Taxation**

The effective tax rate for the Group at 22.5% for the quarter is higher than the Singapore corporate tax rate as a result of higher overseas tax rates.

**Balance Sheet****The Group**

The increase in properties under development of \$242.1 million is mainly due to the completion of the acquisition of land at St Thomas Walk, the land adjacent to Northpoint Shopping Centre in Singapore and the land bank in Australia. The decrease in Properties Held for Sale of \$139.3 million reflects the sale of residential units in Singapore and overseas projects. The increase in Investment in Associated Companies of \$72.1 million is mainly due to investment in Krungthep Land in Thailand, Qingdao Fung Choi Culture Development Company in China and acquisition of additional interest in Fung Choi Media Group Limited. Trade Debtors decreased due to receipt of remaining sales proceeds for completed projects. Other Debtors increased due to higher deposits for land banking and higher prepayments.

**The Company**

In accordance with the amendments to the Companies Act that came into effect on 30 January 2006, the Company's Share Premium and Capital Redemption Reserves have been combined into the Share Capital Account. Receivable from subsidiary companies increased due to additional loans to them for their investments. The Company's borrowings increased as a result of the payment of dividends to shareholders.

**Group Cash Flow Statement for quarter ended 30 June 2006**

During the quarter, net cash flow from operating activities arose mainly from operating cash and progress payments received less payment for development expenditure. Net cash used in investing activities was mainly for capital expenditure and investment in Fung Choi Media Group Limited.

- 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**

Barring any unforeseen circumstances, the outlook for the year remains positive.

- 11. If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared for the quarter.

BY ORDER OF THE BOARD  
Anthony Cheong Fook Seng  
Group Company Secretary

11 August 2006

**STATEMENT BY DIRECTORS**  
**Pursuant to SGX Listing Rule 705(4)**

To the best of our knowledge, nothing has come to the attention of the Directors which may render the interim financial results to be false or misleading. Based on our knowledge, except for the Note given in paragraph 4(a) above, the financial statements and other financial information included in this report, present fairly in all material respects the financial condition, results of operations and cash flows of the Group as of, and for, the periods presented in this report.

On behalf of the Board

Michael Fam  
Director

Han Cheng Fong  
Director