FRASER AND NEAVE, LIMITED

ANNUAL REPORT 2004

Marking 121 years of 1-to-1 partnerships

Contents

Marking 121 Years of One-to-One Partnerships

This being our 121st year, we celebrate the unique one-to-one ('1-2-1') relationships we enjoy with our partners and customers.

F&N is built on trust created by strong, enduring one-to-one bonding. From the very first day of our founding, our relationships with business partners, shareholders, customers, suppliers and staff have been marked by exceptional mutual affection and regard. This glowing bond has lent us wings and allowed us to soar.

And so, in this 121st year, we would like to say to you one-to-one : "Thank you for inspiring us to greater heights."


"After a game, nothing refreshes like 100PLUS."
"F&N invokes good memories – we had F&N orange served at my wedding!"
"After a game, nothing refreshes like 100PLUS."
"I bagged my biggest deal at Fraser Place at Robertson Walk. There's no doubt in my mind it is the best business meeting place."
"F&N invokes good memories – we had F&N orange served at my wedding!"
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"I grew up with Federal Publications textbooks."
"After a gane, nothing refreshes like 100PLUS.""
"I grew up with Federal Publications textbooks."
100 PLUS
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Through the course of the Group's journey to international repute, F&N has acquired the trust and affection of its shareholders — priceless commodities that have stood the test of time.

The Group's strength lies in its ability to relate to and bond with its stakeholders and customers. This attribute has allowed us to successfully :

- develop brand champions that enjoy fierce consumer loyalty,
- deliver award-winning customer experiences across all product and service categories,
- enlarge market share in almost all our business sectors, and
- become a well-respected global corporation.

But all this did not happen by chance.

Over the past 121 years, we have single-mindedly stressed the importance of delivering premier, people-focused experiences to all whom we come into contact with and in every aspect of our operations. As a result, our companies and brands today resonate with soul and credibility.

With this annual report, we thank you for an exceptional 121-year run. And we look forward to more fulfilling years with you.

TEN-YEAR GROUP STATISTICS

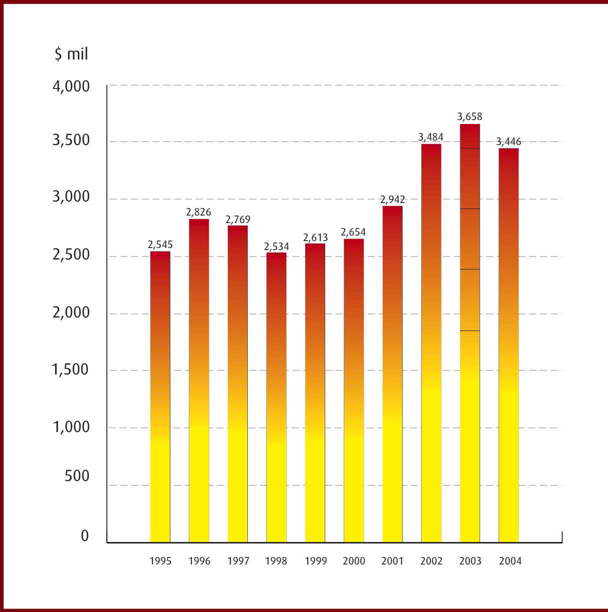
Note	Year ended 30 September (all figures in $ million)	1995	1996	1997	1998	1999	2000	2001	2002	2003	**2004**
	Profit Statement										
	Revenue	2,545	2,826	2,769	2,534	2,613	2,654	2,942	3,484	3,658	**3,446**
	Profit before taxation										
	- before exceptional items	392	428	322	144	124	344	418	453	543	**551**
	- after exceptional items	438	623	426	174	287	345	452	471	597	**571**
	Profit after taxation attributable to shareholders										
	- before exceptional items	183	209	120	38	68	182	201	226	273	**266**
	- after exceptional items	187	414	210	63	238	192	217	241	333	**292**
	Balance Sheet										
1	Net asset value (Share capital & reserves)	1,982	2,491	2,816	2,600	2,881	3,054	3,098	2,986	2,839	**2,926**
	Total assets employed	4,469	6,311	6,467	6,692	6,371	7,327	7,575	7,794	7,730	**8,122**
	Long-term borrowings	546	900	1,320	1,696	1,224	882	1,698	1,447	1,442	**2,114**
	Market Capitalisation at close of business on the first trading day after preliminary announcement of results	4,203	4,277	2,341	1,444	1,879	2,043	2,189	2,069	2,628	**3,271**

Note

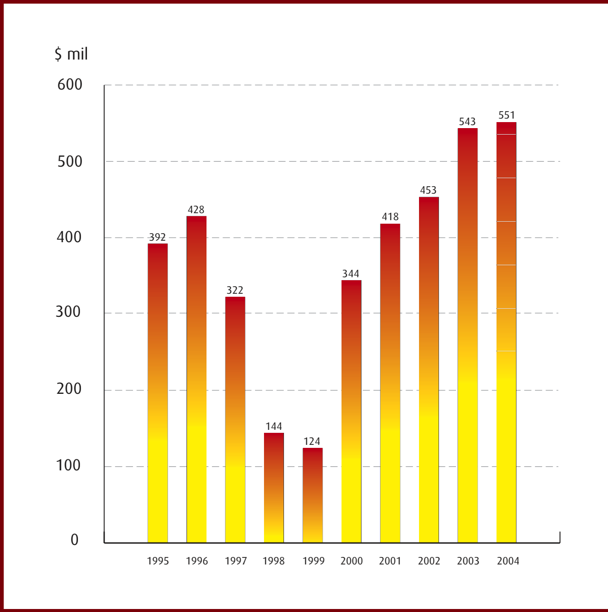
1 Pursuant to Capital Reduction and Capital Distribution Exercises carried out in 2003 and 2002, the share capital and reserves of the Company and of the Group were reduced by a sum of $317.6 million in 2003 and $237.2 million in 2002.

TEN-YEAR GROUP STATISTICS

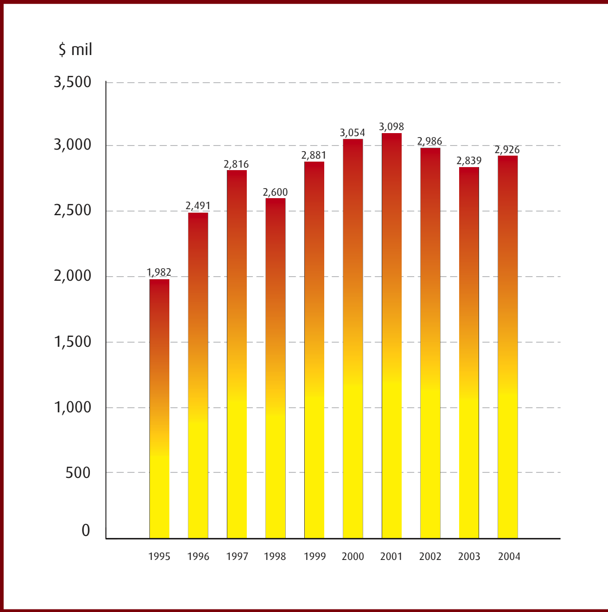
Revenue



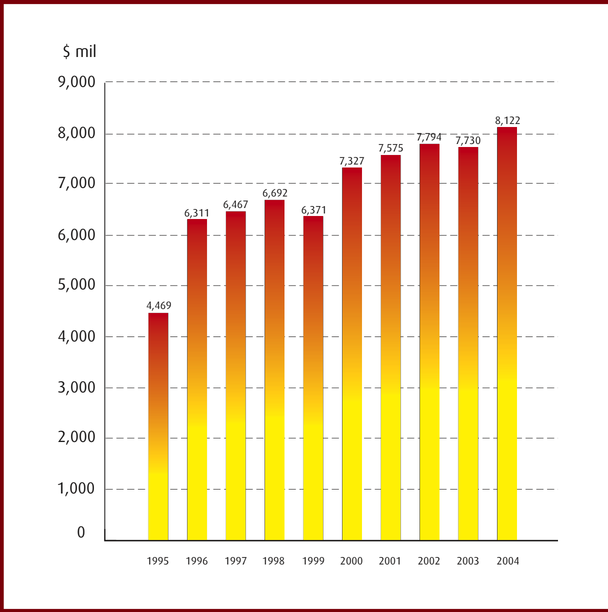
Profit Before Taxation and Exceptional Items



Net Asset Value



Total Assets Employed



FIVE-YEAR GROUP FINANCIAL RATIOS

Notes	Year ended 30 September	2000	2001	2002	2003	**2004**
	Financial Ratio					
	Return on average shareholders' equity					
	- profit before taxation and exceptional items (%)	11.6	13.6	14.9	18.7	**19.1**
1	- attributable profit before exceptional items (%)	6.1	6.5	7.4	9.4	**9.2**
2	Gearing ratio (%)					
	- without minority interest	58.1	59.1	78.5	75.2	**83.9**
	- with minority interest	43.5	43.6	61.6	57.5	**63.9**
	Per $1 Share					
	Profit before taxation and exceptional items (cents)	115.3	140.3	161.0	205.4	**238.1**
	Attributable profit					
	- before exceptional items (cents)	61.0	67.4	80.3	103.2	**115.1**
	- after exceptional items (cents)	64.4	72.7	85.7	125.9	**126.2**
3	Net asset value ($)	10.24	10.47	11.18	12.32	**12.61**
	Dividend					
	- gross (cents)	24.4	41.1	44.9	64.1	**68.8**
	- net (cents)	18.0	30.0	35.0	50.0	**55.0**
4	- cover (times)	3.4	2.2	2.3	2.1	**2.1**
	Stock Exchange Prices at close of business on the first trading day after preliminary announcement of results ($)	6.85	7.40	7.75	11.40	**14.10**

Notes

1 Attributable profit before exceptional items : Profit after taxation and minority interest but before exceptional items.

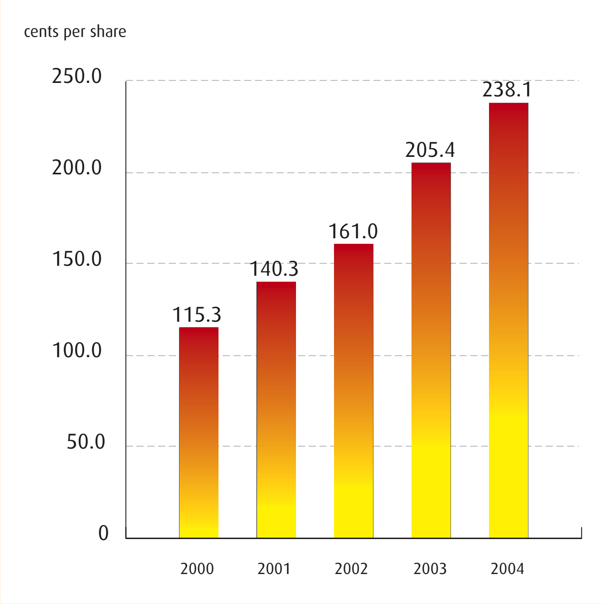
2 Gearing ratio : Sum of bank borrowings and term loans, less fixed deposits and cash and bank balances, expressed as a percentage of shareholders' funds.

3 Net asset value : Share capital and reserves.

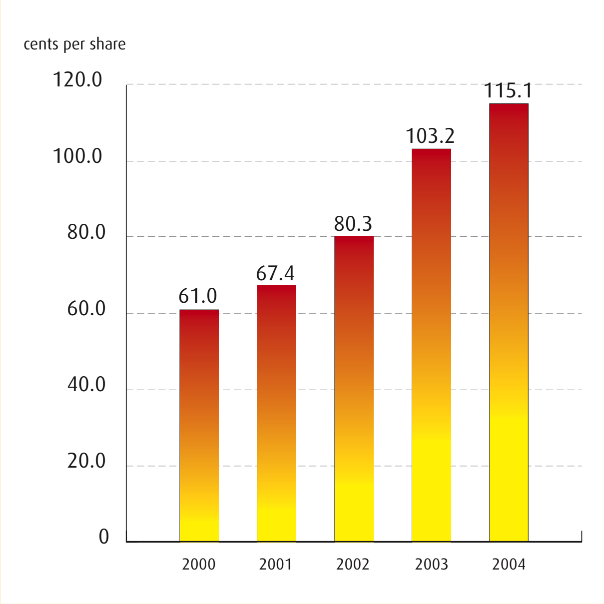
4 Dividend cover : Attributable profit before exceptional items per share divided by net dividend per share.

FIVE-YEAR GROUP FINANCIAL RATIOS

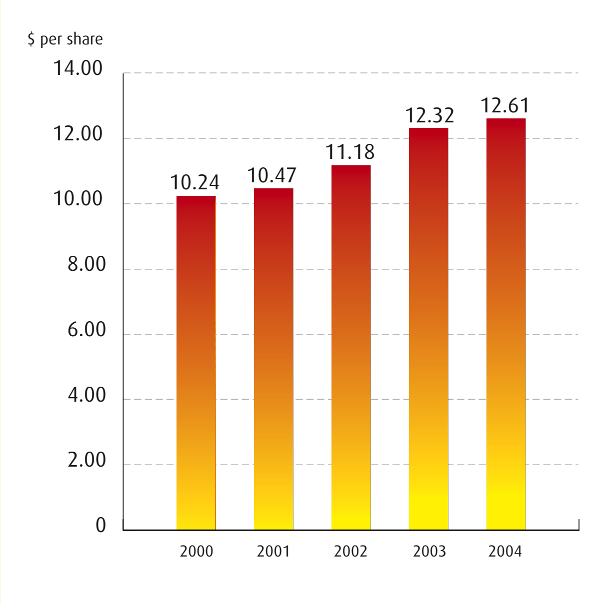
Profit Before Taxation and Exceptional Items



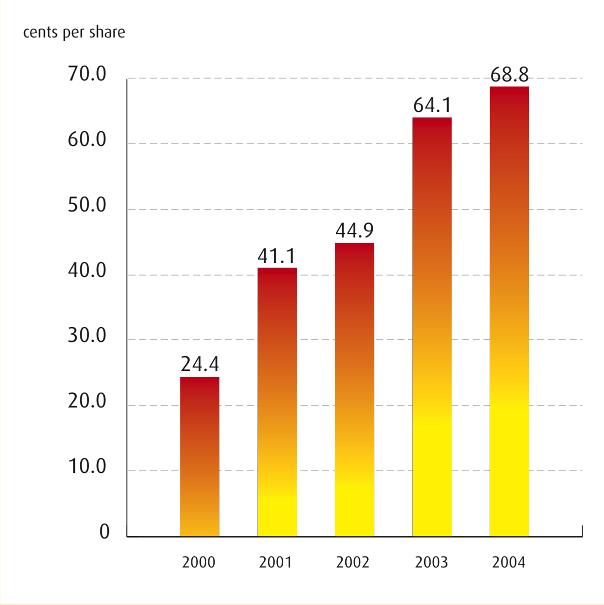
Attributable Profit Before Exceptional Items



Net Asset Value



Dividend - Gross



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Building
Trust

Chairman's Statement

The operating environment in the year under review was more favourable than the previous year, which had witnessed businesses across the region battered by the outbreak of Severe Acute Respiratory Syndrome ("SARS").

Despite the economic rebound across the region, the Group's performance was hampered by the slow take-up rate for residential properties in Singapore. Issues of job security, wage restructuring and planned cuts to the Central Provident Fund contributions kept potential property purchasers away from making large, long-term commitments. However, signs of a gradual improvement in buying sentiment were apparent by the last quarter of our financial year.

The Group is committed to reduce its heavy reliance on residential property sales in Singapore. Our vision continues to be the transformation of Fraser and Neave, Limited ("F&NL") into a world-class multinational enterprise with an Asian base, providing satisfactory returns from a portfolio of core businesses.

Despite the global turbulence over the past few years, we have been resolute in our efforts to extend the geographical footprint of our core businesses. This has required a judicious balance between the need to produce satisfactory short-term financial results for shareholders, whilst investing in opening up new frontiers to sustain longer-term growth.

During the year under review, all our core businesses continued to forge new strategic alliances, stepping up the pace of our geographical diversification, especially in China.

FINANCIAL RESULTS

It is my pleasure to report that the Group had another good year, posting a second consecutive year of record Earnings Per Share ("EPS"). The Group achieved an EPS before exceptional items of $1.15 in FY 2004, an increase of 11.5%. Including exceptional items, EPS was marginally ahead of last year, at $1.26.

Our all-time high EPS of $1.15 was the result of our successful capital management programme and record profits from Asia Pacific Breweries Limited ("APB") and Fraser & Neave Holdings Berhad ("F&NHB"). Although attributable profit before exceptional items (at $266.2 million) was 2.5% lower than the previous year, this was achieved on the back of a 12.5% reduction in weighted average share capital.

In a move to optimise its capital structure, the Company has reduced its share capital by 23.6% since FY 2000, returning $578.7 million to shareholders. During this period, the market capitalisation of F&NL grew 80% reaching $3.22 billion by the end of FY 2004.

Excluding the impact of the securitisation of Compass Point shopping centre[1], Group revenue was maintained at $3.4 billion. Continued robust growth in our food & beverage businesses helped to offset weaker residential sales in Singapore and lower sales in Times Publishing Ltd ("TPL") due to the closure of an under-performing printing plant in the United Kingdom.

Group PBIT, excluding the Compass Point impact, rose 3% to $522.4 million aided by sterling results from our Breweries (up 16.7%) and Soft Drinks (up 23.5%) operations.

"It is my pleasure to report that the Group had another good year, posting a second consecutive year of record Earnings Per Share ("EPS")."

Dr Michael Fam
Executive Chairman

Net assets per share grew by 2.4% to $12.61. Return on equity was maintained at about 9%. Gearing rose to 83.9% (from 75.2% a year ago) due mainly to several strategic investments and purchases of land parcels, locally and overseas, to position the Group for sustainable profit growth. Through effective management of interest rates, net interest expenses were reduced to $31.4 million, compared to $43.8 million in the previous year. Net interest cover was 18.5 times, compared to 13.4 times in the previous financial year.

DIVIDENDS

Given the good results, the Directors recommend for shareholders' approval, a final dividend of 35 cents per $1 share, being after deduction of Singapore tax. Together with the interim dividend already paid, this will give a total distribution for the year of 55 cents per share after tax. This is a 22% increase over last year's normal after-tax dividend of 45 cents. Shareholders may recall that last year's total distribution of 50 cents per share after tax, included a special dividend of 5 cents to commemorate the Group's 120th Anniversary of its founding.

This marks the fifth year of increase in the payment of normal dividends to shareholders and reflects the Board's progressive dividend policy. Barring unforeseen circumstances, it is the Board's intention to maintain the after-tax dividend at not less than the normal after–tax dividend of the previous year.

A payout of up to 50% of attributable profit (before exceptional items) has been adopted by the Board. In any given year, the actual payout will need to take into account the Group's earnings outlook and plans for new investments to ensure sustainable growth. For FY 2004, the after-tax dividend of 55 cents (assuming the proposed final dividend is approved by shareholders) is 48% of Group attributable profit. This compares with 45% in FY 2003.

Singapore has changed from an imputation system of taxation to a 1-tier system with effect from 1 January 2003. Under the 1-tier system, dividend payments to shareholders will not have any tax credit. However, a transitional provision allows companies such as F&NL to remain on the imputation system by using Section 44 tax credits still remaining as at 31 December 2002 to frank tax-paid dividend to shareholders up to 31 December 2007.

With our available Section 44 tax credits, F&NL can distribute a tax-franked dividend of up to $1.39 per share. This estimate assumes no change to our current share capital and corporate tax rate and is before payment of the proposed final net dividend of 35 cents. It is the Board's intention to fully utilise the Section 44 tax credits before they expire in 2007.

OPERATIONS

Soft Drinks

Revenue from our soft drinks business in Malaysia rose 5% (to $413 million), buoyed by new product launches. This, coupled with lower operating expenses arising from a rationalisation of plant and depots and outsourcing of services, boosted PBIT (by 23.5%) to $48.7 million.

Dairies

Revenue from our Dairies operations grew 9.6% but PBIT declined 16.9% as a result of start-up losses in our new dairy plant in Vietnam. These losses more than offset the improved results from our dairy operations in Malaysia and Thailand.

In June 2004, F&NL acquired a 22.1% stake in China Dairy Group Limited ("CDG"), a company listed on the Singapore Exchange ("SGX"). CDG is the holding company for the Silver Bridge Group, which is ranked amongst the top dairy companies in North Western China with established brands and products distributed in most of the major provinces, cities and municipalities. This strategic investment creates the platform and paves the way for F&NL to participate in the fast-growing China dairy market which is enjoying double-digit growth.

Glass Containers

Sales decreased 7.3% and PBIT declined by 59.5% due to the shut down of furnaces for rebuilding in Malaysia and Vietnam, start-up losses in China and high fuel costs affecting all operations. Our China plant is progressing well with sales and product mix improving steadily.

Breweries

Our Breweries operation posted sparkling results, with revenue and PBIT surging ahead by 13.4% and 16.7% respectively. Higher profits from volume growth in Malaysia, Papua New Guinea ("PNG"), New Zealand and Indochina were boosted by favourable PNG Kina and NZ$ exchange rates and profit from APB's new associate, Kingway Brewery.

During the year, APB made great strides in its China Strategy. With effect from 1 April 2004, all its business operations in China were streamlined under its 50% owned joint venture Heineken-APB (China) ("HAPBC"), which was then licensed to produce and market *Heineken* lager in China. With its acquisition of a 21.5% stake in Kingway Brewery at a cost of $122 million, HAPBC has established an alliance with one of the leading breweries in the fast-consolidating beer market in China. HAPBC's other 50% shareholder is Asia Pacific Investment Pte Ltd, an equal joint venture between Heineken NV and F&NL.

APB also completed several major initiatives to expand its technical capabilities during the year under review. These included the start-up of its Hatay brewery in North Vietnam, the doubling of its Thai brewery capacity and the expansion of its Cambodian and Hainan brewery capacities by 20% and 50% respectively.

In October 2004, APB successfully completed the privatisation of DB Breweries Ltd ("DBB"). APB's acquisition of the remaining 23% of DBB at a cost of $124 million was an earnings-accretive and value-enhancing exercise. The New Zealand beer market has been amongst APB's top three best-performing markets.

In November 2004, APB received official approval to expand the production capacity of its brewery in South Vietnam by 50% (to 2.3 million hectolitres). This expansion is expected to cost Euro 38 million (about $80 million) and is targeted for completion in 2006.

In December 2004, the Singapore brewery completed the installation of new bottle packaging facilities, keeping it at the forefront of packaging innovations.

Printing & Publishing

Revenue was lower than last year by 7.8% due mainly to the closure of an under-performing printing plant in the United Kingdom and fewer partwork launches. Despite restructuring costs, PBIT declined marginally, aided by a profit contribution from a newly-acquired associate, Fung Choi Printing and Packaging Group Limited, in the last quarter of the year.

In June 2004, F&NL paid $37.4 million for a strategic stake in Fung Choi, which has printing operations in Guangzhou, Qingdao and Beijing. Together with the four TPL printing joint ventures in Shanghai, Panyu (Guangdong Province) and Shenyang (two plants, Liaoning Province), the Group is on track to achieve its target of a printing network spanning all major regions in coastal China. F&NL now owns 24.7% of Fung Choi, following its listing on the SGX in October.

During the year, TPL invested $81.9 million and committed a further $39.3 million to expand its capacity and sharpen its competitive edge in magazine, book and packaging printing. New printing presses were installed in Singapore and Australia with planned installations in China, Malaysia and Australia to be completed in the new year.

In the publishing business, TPL completed its re-branding exercise during the year. The *Marshall Cavendish* brand will now be used in its international publishing business to promote a common identity. TPL also made inroads in China, with strategic investments as well as collaborative arrangements to position the company for quick entry into the publishing market, when this sector is liberalised.

Investment Property

Occupancy at the *Malls of Centrepoint* remained high. Revenue was maintained and PBIT for the year increased 2.3% helped by improved profit contribution from serviced residences.

At the close of the financial year, Fraser had under its management 1,124 serviced apartment units in six countries, compared to 937 units in four countries a year ago. New management contracts for another 499 units in Scotland and China (Shenzhen) were also signed during the year, with operations to begin in the new financial year.

Given the increasing convergence between the real estate and capital markets, the Company will need to respond to the opportunities and threats of securitised real estate business models like Real Estate Investment Trusts ("REITs"). The Company has started restructuring its shopping malls with a view to laying the platform to meet this challenge.

Development Property

Excluding the impact of the Compass Point securitisation, revenue from Property Development was lower by 36% but PBIT was up 16.8% due to better margins and maiden profit contributions from our associates in United Kingdom and China. The specific development projects that yielded good profits included Wandsworth Riverside Quarter in London and Jin Lin Tian Di in Shanghai. Fraser Business Park, being developed by F&NHB on a former soft drinks factory site in Kuala Lumpur, made an initial contribution. Property development is a new activity for F&NHB.

During the year, Centrepoint Properties Limited ("CPL") acquired a 70-hectare site in Song Jiang, Shanghai, which can potentially yield up to 3,200 mainly landed residential units for sale. Song Jiang is one of four designated satellite towns in Shanghai. CPL also acquired its first two sites in New Zealand. These sites are located in Papamoa and Broadview Rise.

Excavation works for Regent Place, CPL's largest investment in Australia have been completed. Lumière at Regent Place, comprising a 50-storey tower of 447 luxury residential apartments designed by renowned British architect, Sir Norman Foster, was soft launched during the year and met with good response.

In Singapore, CPL added six new sites to its land bank - Hindhede Road, Paya Lebar Crescent, Woodsville, Faber Hills, Serangoon Road and Sentosa Cove. Sentosa Cove was acquired at the start of the new year. These sites, costing $348 million, can yield close to 1,150 apartment units for sale.

In June 2004, CPL formed its first joint venture in Thailand to carry on the business of property acquisition and development. The joint venture, 49% owned by CPL, has acquired a 4-hectare site located by the Chao Phraya River. Plans are currently underway for the development of about 600 units of high-end waterfront condominium apartments.

With effect from October 2003, F&NL assumed a more active involvement in the management and operation of Vision Century Corporation Limited ("VCCL"), in which it has an effective 27.6% equity stake. During the year under review, VCCL performed better, significantly lowering its losses, by extracting higher yields from its assets and managing costs tightly. Following its divestment of several non-core and under-performing assets and activities, VCCL is now focussed on property development, investment and management.

OUTLOOK

Soft Drinks, Dairies and Glass Containers

These businesses are expected to benefit from growing consumer confidence and higher spending. However, significant price increases for raw and packaging materials and fuel will put pressure on margins and profits.

Building Trust : from left, Mr Fock Siew Wah (Deputy Chairman), Dr Wu Jie Si (Chairman, GDH Limited), Dr Michael Fam (Executive Chairman), Dr Han Cheng Fong (Group Deputy CEO) and Mr Ye Xu Quan (Chairman, Kingway Brewery Holdings Ltd)

Breweries

The Breweries business is expected to enjoy continued growth mainly in Indochina. Results from China are expected to improve with the launch of *Tiger Crystal Lite* in Shanghai and further progress by Kingway Brewery.

Printing & Publishing

The privatisation of TPL has provided the company with full flexibility to restructure and streamline its operations. After divestment of non-core assets and loss-making operations, improvements in operational efficiency and new investments, the Printing and Publishing businesses are expected to show better results in the year ahead.

Properties

Stronger economic growth in Singapore has lead to a return of consumer confidence. Take-up rates for residential projects have shown improvement in the third quarter of 2004. CPL has five projects in the pipeline for launch in Singapore in the new year. These include projects located at Mount Sophia, Pasir Panjang, Paya Lebar Crescent, Ulu Sembawang and Sentosa Cove, offering a total of about 700 apartment units for sale.

Projects in the United Kingdom, China and Malaysia are expected to support profit growth. The new year will see further contribution from Fraser Business Park (Malaysia), Wandsworth Riverside Quarter (UK) and Jin Lin Tian Di (China). Depending on market conditions, our residential projects in Shanghai (Jingan Four Seasons and Song Jiang) may be launched during the course of the new financial year.

Barring a hard landing for China's economy, it is envisaged that profits from our overseas projects will outstrip that from Singapore within the next one or two years.

OVERALL

The economic outlook for Singapore and the region is one of cautious optimism. In general, economic growth is expected to continue, albeit at a slower rate. Barring major upheavals, we expect to maintain our earnings in the new financial year.

ACKNOWLEDGEMENTS

We have stood the test of time. Our strong growth over the past 121 years has been made possible by the steadfast support of our consumers, business partners and shareholders. Today, they span the globe. I would like to thank them for their loyal support and re-affirm our commitment to always maintain integrity and fairness in our dealings and strive to provide the highest standards of quality in our products and services.

I would like to commend the 14,500 employees within the F&N Group, who have contributed in their various roles, towards the building of close one-to-one relationships with all our stakeholders. This bedrock of trust has helped the Group create an enviable portfolio of strong brands, with dominant positions in their respective market segments.

I am also grateful for the support we continue to enjoy from our strategic partners Heineken NV, The Coca-Cola Company and the Board of F&NHB.

My thanks also to my eminent, non-executive directors on our main and subsidiary boards for contributing their valuable time and wealth of expertise.

I deeply regret to advise that Mr Fock Siew Wah, who retires as a Director by rotation at the Company's AGM on 27 January 2005 and is eligible for re-election, has decided not to offer himself for re-appointment. Mr Fock wishes to devote more time to his growing commitments in other areas. He was first appointed a Director in 1996 and later appointed the Board's Deputy Chairman in 2000. He also served as Chairman of the Audit Committee since 1997. His years of sterling service to the Fraser & Neave Group of Companies are deeply appreciated. His departure will be a great loss to the Company. On behalf of the Board, I thank him warmly and wish him every success in his future endeavours. In the interest of continuity in current contacts with overseas business partners, Mr Fock has acceded to the Directors' request to accept a temporary appointment, on terms to be agreed, as Consultant for a period of 6 months after he has ceased to be a Director.

Dr Michael Fam
Executive Chairman
6 January 2005

1. When we securitised Compass Point in FY 2003, CPL recognised only 60% of the revenue and profit from the sale of the shopping centre to Sengkang Mall Limited, the special purpose vehicle. This was because CPL had purchased 40% of the Junior Bonds issued by Sengkang Mall Limited. In FY 2004, CPL recognised the remaining 40% profit from the sale of Compass Point when it significantly reduced its holdings of Junior Bonds.

Board Of Directors


Dr Michael Fam


Mr Fock Siew Wah


Dr Han Cheng Fong


Mr Ho Tian Yee

Dr Michael Fam

Dr Fam was appointed to the Board of Directors in 1978 and has held the position of Chairman since 1983 and Executive Chairman since 1988. He serves as Chairman of Asia Pacific Breweries Limited, Centrepoint Properties Ltd and Asia Pacific Investment Pte Ltd and is on the board of Times Publishing Limited. Dr Fam was formerly the Chairman of Singapore Airlines Limited, the Housing and Development Board, Mass Rapid Transit Corporation, the Public Transport Council and the Council of Nanyang Technological University. He was also on the boards of Singapore Press Holdings Ltd, Oversea-Chinese Banking Corporation Limited, the Singapore International Foundation, Temasek Holdings (Pte) Ltd, the Public Utilities Board and the Economic Development Board and was a Member of the Council of Presidential Advisers of the Republic of Singapore.

Mr Fock Siew Wah

A Director since 1996, Mr Fock was appointed Deputy Chairman in November 2000. Mr Fock is currently Senior Adviser of Nuri Holdings (S) Pte Ltd, Chairman of SIA Cargo and a board member of Times Publishing Limited, Temasek Holdings (Pte) Ltd, Singapore Airlines Limited and The Development Bank of Singapore Ltd. Previously a Senior Banker and Regional Treasurer (Asia Pacific) for JP Morgan, Mr Fock later assumed the position of President and Chief Executive Officer of Overseas Union Bank Ltd. He also served as Chairman of the Land Transport Authority of Singapore, Chairman of Singapore MRT Ltd and was Special Adviser to the Minister for Finance of the Republic of Singapore.

Dr Han Cheng Fong

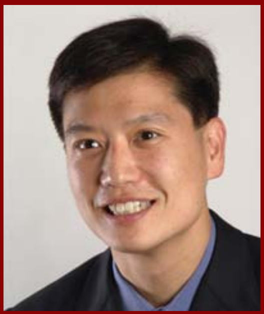
Dr Han was appointed Managing Director in April 2002. He was made the Group's Managing Director cum Deputy CEO in October 2004. He joined the Group in May 2001 as Deputy Chairman of Centrepoint Properties Ltd, a position that he still holds. Dr Han currently holds directorship positions in Asia Pacific Breweries Limited, Centrepoint Properties Ltd, Fraser & Neave Holdings Berhad, Asia Pacific Investment Pte Ltd, Times Publishing Limited and DB Breweries Ltd. He is also the chairman of Vision Century Corporation Ltd. Up to 11 January 2004, he was the Deputy Chairman of the Board of Trustees of Singapore Management University. Until April 2000, he held directorships in companies related to DBS Land Limited, including Deputy Chairman and Group Chief Executive Officer of DBS Land Limited, Chairman of Raffles Hotel (1886) Ltd, Raffles City Pte Ltd, RC Hotels Pte Ltd and Ascott Ltd and was Deputy Chairman of Raffles Holdings Ltd and Parkway Holdings Ltd. Dr Han also held previous regional business appointments as Chairman of Australand Holdings Ltd and Deputy Chairman of United Malayan Land Bhd.

Mr Ho Tian Yee

Mr Ho was appointed a Director in December 1997. He is currently the Executive Director of Pacific Asset Management (S) Pte Ltd. Mr Ho was previously the General Manager and Managing Director of Bankers Trust Company Singapore. He also serves on the boards of Singapore Exchange Limited, Great Eastern Holdings Ltd and Singapore Power Ltd.

Mr Stephen Lee

Mr Lee Ek Tieng



Dr Lee Tih Shih

Mr Nicky Tan Ng Kuang

Mr Patrick Goh

Mr Stephen Lee

Mr Lee was appointed a Director in July 1997. He is currently the Managing Director of Great Malaysia Textile MFG Co. Pte Ltd and Shanghai Commercial & Savings Bank (Taiwan). Mr Lee is also the Chairman of PSA International Limited, PSA Corporation Limited, PSA China Private Limited, Singapore Business Federation, President of the Singapore National Employers Federation and Director of Singapore Labour Foundation & Singapore Airlines Limited.

Mr Lee Ek Tieng

Mr Lee was appointed as a Director in January 2001. He is currently the Group Managing Director of the Government of Singapore Investment Corporation, a position he has held since 1989. Mr Lee was previously the Chairman of the Public Utilities Board and Temasek Holdings (Pte) Ltd, and Deputy Chairman of the Monetary Authority of Singapore. Prior to his retirement in 1999, Mr Lee was the Head of Civil Service and Permanent Secretary (Special Duties) in the Prime Minister's Office.

Dr Lee Tih Shih

Appointed a director in 1997, Dr Lee is a medical doctor licensed in Singapore and the United States, and he divides his time between the two countries. He is a graduate of Yale University School of Medicine and currently holds an appointment of assistant professor. He also graduated from Imperial College, London, with a Master of Business Administration with Distinction. He has served at senior levels at Oversea-Chinese Banking Corporation and the Monetary Authority of Singapore. He is currently on the board of Oversea-Chinese Banking Corporation.

Mr Nicky Tan Ng Kuang

Mr Tan was appointed a Director in October 2003. He currently runs nTan Corporate Advisory Pte Ltd and is also a Director of Singapore Telecommunications Ltd. Mr Tan was previously Partner, Head of Global Corporate Finance of Arthur Andersen Singapore and ASEAN region; Partner, Head of Financial Advisory Services of Price Waterhouse Singapore and Chairman of Financial Advisory Services of PricewaterhouseCoopers Asia Pacific region.

Mr Patrick Goh alternate to Dr Han Cheng Fong

Mr Goh, a member of the Institute of Certified Public Accountants of Singapore, was appointed as an Alternate Director to Dr Han Cheng Fong in November 2002. He joined the Group in January 1969 and currently heads the Corporate Finance Office as Group Financial Controller. Mr Goh also sits on the boards of Centrepoint Properties Ltd, F&N Investments Pte Ltd, Fraser & Neave Investments (Hong Kong) Ltd, F&N Dairy Investments Pte Ltd and Asia Dairies (S) Pte Ltd.

Keeping Traditions Alive

Food & Beverage

Through a union of its rich heritage and ground-breaking marketing, the Group's food and beverage brands remain deeply entrenched in the hearts of consumers. As it has done for the last 121 years, the Group actively sought to integrate its products into the lives of customers to bolster the one-to-one bond that consumers have with its brands. Throughout the year, the Group maintained its innovative edge by continually introducing new products that stretched the boundaries of product segments with an exceptional success rate. As a result, the Group's food and beverage businesses continued to enjoy robust growth in the year. Breweries and soft drinks, in particular, delivered record performances in both revenue and profits.

Breweries

Branding remained a key focus for the Group's beer division. Strong, innovative marketing programmes saw the Group's portfolio of brands growing their leadership position in their various market segments.

The *Tiger* brand was ever-present on the football scene in the region. Among the initiatives to create greater brand awareness for *Tiger* was the sponsorship of English Premier League champions Arsenal, which saw *Tiger* designated the official beer for the English football team in Singapore, Malaysia and Vietnam. To further reinforce the brand's association with world-class football, *Tiger* continued its sponsorship of the regional television broadcast of English Premier League matches.

Beyond the region, *Tiger* worked tirelessly to expand its domain. The year saw *Tiger* roaming further afield, as it was exported to more countries including Estonia, the Russian Federation and Turkey. The brand also enjoyed an increase in sales volume from the previous year in Australia, Canada, Germany, Ireland, New Zealand, the Middle East and the US. Meanwhile, the Group established Tiger Beer USA Inc in December 2003 to drive the growth of *Tiger* in North America.

To further boost brand recognition, *Tiger* sponsored the movie *Kill Bill* in Australia, Germany, Ireland and the UK, as well as the *Tiger Asian Extreme Film Festival* in the UK. Additionally, *Tiger* funded *16 Feet Underground*, a kickboxing event that seems destined to become one of London's leading events. Another novel *Tiger* event was the *Chilli Crab Festival* in Brooklyn, New York City. Organised in cooperation with Singapore Tourism Board and IE Singapore, the event attracted a turnout of over 5,000 people.

In the year ahead, the Group will seek to further grow *Tiger*'s presence worldwide.

At home, *Tiger* remains Singapore's leading beer brand. Its leadership position was buttressed by a dynamic series of promotions including the *Tiger Football Millionaire promotion* and the *Tiger Club Crawl promotion*. To entrench brand loyalty, *Tiger* improved its Customer Relationship Management programme. Finally, to celebrate its 72nd birthday in October 2004, Tiger threw a big bash called *Euphoria,* which featured internationally renowned artistes.

The beer's 'cool quotient' was officially acknowledged in September 2004 when *Tiger* was named the *Cool BrandLeader* along with 62 other brands. The accolade was given by

Superbrands Ltd in UK, an independent branding authority, in an exercise that identifies and pays tribute to the UK's strongest brands. Correspondingly, in Asia, *Tiger* was honoured with the Platinum Award in the *2004 Reader's Digest Asia Superbrands Survey.*

'Cool' was also a hallmark of *Heineken*'s brand building efforts in the year. For *Heineken*, providing fresh and engaging experiences for its young adult consumers was key to bolstering brand loyalty. Heineken concerts like *Elevation 245* — the first ever rooftop concert in Singapore — and *Area 320*, which featured live international acts and DJs in unique settings, delivered on this. The imaginative approach of *Elevation 245* was widely lauded. The event won several marketing awards including three at the **Promotion Marketing Awards Asia**. Additionally, the Marketing Agencies Association Worldwide conferred the gold award on *Elevation 245* for *Best Brand Building Campaign* as well as for *Best Event Marketing Campaign*.

Another key event was *Heineken's* sponsorship of *WOMAD* in Singapore. Now in its fourth year, this partnership with the world music event allows *Heineken* to associate itself with one of the world's greatest celebrations of international music and culture.

To combat increasing competition, Heineken will continue to find innovative ways to grow through unique events, innovative packaging and creative consumer and trade activities.

For *Guinness*, however, the focus was on brand repositioning to recruit young adults while maintaining its bond with its loyal patrons. In the year, activities were carried out that sought to increase the brand's connection to the lifestyle of its target audience. Additionally, campaigns were launched based on the positioning that *Guinness* reflects 'the inner strength of its drinkers'. The principal component of this platform was the *Why Not You* campaign.

The *Why Not You* campaign was widely acclaimed by the advertising industry, garnering prestigious awards including the **Gold EFFIE Awards** for its effectiveness in increasing sales, revenues and awareness of the product and the **Cable TV Campaign of the Year** from the **Singapore Advertising Hall of Fame Awards 2003**.

Geography-wise, the year for the Group was characterised by general growth throughout the network of countries in which it operates. Individual countries either enjoyed a growth in market share or benefited from investments in plant expansion or upgrade. In Malaysia and Singapore, for instance, the Group invested significantly in automation upgrades and packaging innovation respectively. Meanwhile, plants and production capacity were enlarged in Cambodia, China, Thailand and Vietnam, helping the Group meet expanding demand in these countries. In New Zealand, the Group successfully privatised DB Breweries, making the company a wholly-owned subsidiary.

Singapore

In Singapore, the Group continued to face tough challenges. These include the slow recovery in consumer confidence despite generally better economic conditions, the concern over terrorism and the supply of crude oil. The government also removed import barriers, which handed consumers more choice and, concomitantly, ushered in greater competition. Together with the growing sophistication of Singapore consumers and their demand for better service, the Group committed $40 million into replacing its existing bottling lines with new ones that would allow more flexibility and creativity in packaging for its beers. The new lines are expected to be commissioned in December 2004.

Malaysia

In Malaysia, the Group enjoyed favourable economic conditions moderated by the imposition of higher excise duties.

To capitalise on the booming Malaysian economy, Guinness Anchor Berhad is undergoing a multi-phase upgrading in which the brew house will be automated and beer cellars upgraded and automated. Automation work on the brew house has already been carried out, resulting in a leap in production and better cost efficiency.

New Zealand

Once again, DB enjoyed a 1% increase in market share in New Zealand in DB's third straight year of growth. In particular, DB improved its position in the growing premium beer segment.

In that segment, *Tui*, for instance, recorded another great year of growth. A high profile advertising and sponsorship campaign and innovative marketing campaigns helped establish strong brand loyalty for the beer. These programmes include the launch of Amber Card, a loyalty programme designed to give drinkers a range of special bar and store deals. Looking ahead, the outlook for *Tui* is very positive; the brand's consistently spectacular performance indicates that it can become New Zealand's most popular beer in the medium- to long-term.

It has also been a great year for *Monteith*'s. The brand maintained its leadership of the craft beer segment by, once again, recording double-digit growth.

Crowning a year of achievement, DB bagged an impressive number of awards in the two beer award competitions that it entered. DB took home one gold, four silver and two bronze awards in the **Australian International Beer Awards**, and three gold, four silver and two bronze titles in **BrewNZ 2004 New Zealand Beer Awards**. DB also won the inaugural **APB Cost Control Management Award**.

Papua New Guinea

The Group maintained its dominance of the beer market in Papua New Guinea with a market share that is close to 100% amidst an improved business environment that saw a strengthening Kina currency bringing in high international prices for the country's commodities. In the year, SPB updated its flagship brand *SP Lager* by giving it a fresh new look to create a contemporary personality that is more in keeping with the times.

Vietnam

Robust economic growth in Vietnam and an accompanying rise in disposable income have stimulated dynamic growth in the beer industry. The year, however, saw the Group facing off challenges in the shape of the introduction of Value-Added Tax, price-cuts by competitors, aggressive competition from new market entrants and the lingering economic impact of bird flu.

Growth prospects, nevertheless, remain positive and in keeping with this, the Group will expand the production capacity of Vietnam Brewery from 1.5 to 2.3 million hectolitres. Expansion work is expected to be commissioned by 2006. Meanwhile, Hatay Brewery, which officially opened in November 2003, launched the *Anchor* brand in northern Vietnam.

Thailand

Thailand continues to be a dynamic and surprising market. After its strong recovery in 2002/2003, in which the beer market posted a 20% growth, it continued to surge, achieving double-digit growth.

Still the year proved highly difficult for the beer industry with the tightening of regulations. With the Thai government's concern over drink-driving and crime numbers, a campaign was initiated that set a 1am closing time for most bars, clubs and other nightspots. Sales volume of beer was badly hit by the reduced trading times.

The unexpected exit of *Carlsberg* from the market resulted in *Heineken* becoming the only premium beer in Thailand.

For the Group, the year's highlight was the successful completion of the brewery's expansion in capacity to 2 million hectolitres. Another high note was the brewing of *Tiger* beer at the Thai brewery. Prior to this, *Tiger* was imported from Singapore for the Thai market. Distribution of the locally-brewed *Tiger* beer has been extended to the three strategic provinces of Bangkok, Chonburi and Songkla.

Cambodia

The year saw exciting growth for the Cambodian beer industry, fuelled largely by the expansion of the Group's Cambodia Brewery. The biggest growth was registered in the standard and economy beer segments.

Cambodia Brewery installed three fermenting storage tanks in December 2003, adding 60,000 hectolitres of capacity to the plant, bringing total capacity to 350,000 hectolitres. The sales organisation was also restructured to dovetail with that of the regional sales network, enabling it to be more responsive to market needs.

Capping off the year, Cambodia Brewery was awarded a silver medal for its *Gold Crown* brand in the **Monde Selection** and a bronze medal in both the **World Beer Cup** and **Australian International Beer Awards**.

Ahead, prospects look promising as Cambodia's entry into the World Trade Organisation will ensure that the country meets transparency requirements, spurring further business investment.

China

The flourishing Chinese economy attracts ever more new beer entrants, resulting in intense competition. In light of the consolidation of the Chinese beer market, the Group has consolidated its interest in China with Heineken. Heineken-APB (China) Pte Ltd (HAPBC), equally owned by APB and Asia Pacific Investments Pte Ltd, will oversee all sales and distribution, marketing and brewing activities for *Heineken* and APB. Both breweries in Shanghai and Hainan as well as Heineken Trading (Shanghai), a sales and distribution company for the *Heineken* brand, have been transferred to HAPBC. In February 2004, the Group further extended its footprint in China by acquiring a 21% interest in Kingway Brewery.

Also in its efforts to build brand equity, the Group engaged in creative marketing and promotion campaigns in China. In Shanghai, for example, *Reeb* beer was promoted via a television commercial titled *The Reason I Love Shanghai II*. This is based on the beer's brand proposition that 'Only *Reeb* can add Shanghai to every beer moment'. This fresh campaign captured the **Mobius Advertising Award**.

Kingway also adopted innovative marketing strategies to enhance brand awareness. During the first half of 2004, *Kingway* co-produced and sponsored the *Kingway 2004 International Supermodel Contest*, which featured 46 contestants from 33 countries or regions. In addition, the *Kingway* art performance troupe has put on over 110 shows that were enjoyed by 700,000 people.

In addition to its two existing plants, two new *Kingway* plants are being constructed. The first phase of the new Shantou plant, with a capacity of 1 million hectolitres, will be commissioned in the first quarter of 2005. The second, designed with an annual production of 4 million hectolitres, will be built in Dongguan. This new plant represents a major strategic step to penetrate the beer market of the Pearl River Delta.

The *Kingway* brand was named **China Top Brand** for the beer category in 2002, the highest award in the Chinese beer industry. In 2003, the Group was the first brewer in China to promote formaldehyde-free brewing technology.

Soft Drinks Review

The soft drinks division celebrated another record year as it reaped the dividends of strategic initiatives implemented over the last five years. Selective rationalisation and restructuring of business operations throughout the division allowed the Group to achieve greater economies of scale and a more efficient manufacturing, sales and distribution system. As a result, overheads and operating costs were minimised for a stronger bottom line.

Infrastructure improvement was the primary thrust of the year for the soft drinks division.

In Malaysia, the year was marked by the completion of an RM18 million expansion to the Kuching plant. This included the installation of a new PET production line that boosted the plant's capacity by 40%.

In addition, the Group also entered into a cooperative venture with PET Far Eastern to produce PET bottles within the Shah Alam plant. This RM45 million investment included an RM21 million allocation towards the installation of a dedicated blowing line, while PET Far Eastern will bear the cost of supplying the machines. The location of the PET blowing line within the Shah Alam plant will ensure that the Group has a secure supply of PET bottles for its carbonated soft drinks. At the same time, the Group will enjoy cost savings due to greater efficiency in logistics and warehousing.

The year also saw the successful rollout of another infrastructure initiative, *Project Enterprise*. The SAP-based project will play a major role in transforming and streamlining the division's electronic sales and distribution systems. In addition, it will enhance synergies with the division's distributors, allowing the Group to offer them greater value-added solutions.

The division also pulled off an industry first by becoming the only SAP-based beverage company in Asia to deploy the *IS Beverage Solution*, an integrated software system that offers a seamless monitoring system for payments.

Market Leadership

The dynamism of the soft drinks division was staunchly demonstrated in all aspects. Sales volume expanded by 7% to register a turnover of RM919 million. In the year, the Group's Malaysia operations also grew its share in all its market segments to command 65% of the Malaysian carbonated soft drinks market, with the *Coca-Cola* and *F&N* brands accounting for 36% and 29% of the market respectively. The Group also expanded its distribution network in Malaysia by 4%, bringing the total number of outlets to 79,000 as at August 2004. The division was equally vigorous in product innovation, adding a new flavour, *F&N Punky Peach Zappel*, to the *F&N Fun Flavours* range. Moreover, the entire range was given a zesty new look to better project a colourful, funky and fun brand personality to its young target audience. Consumers have responded positively to the new look.

The Group also retained its firm grip on its overall leadership position in the Malaysian ready-to-drink market. With its broad portfolio of carbonated soft drinks, isotonic, Asian selection, juices and water, the division accounts for 38% of the Malaysian ready-to-drink market. This makes the Group's market share in the country more than four times the size of its nearest competitor.

The gain in market share was seen across the board in the various ready-to-drink segments. The introduction of *Vanilla Coke* to the *Coca-Cola* range saw the brand extend its lead in the cola segment by 10%. Indisputably *Vanilla Coke* has the potential to grow to become the second largest cola in Malaysia after *Coca-Cola*. *100PLUS* also grew a further 11% to further consolidate its dominance of the isotonic segment, while *SEASONS* experienced a 29% surge in growth with top performers *Soya Bean Milk* and *Ice Lemon Tea* registering gains of 25% and 86% respectively.

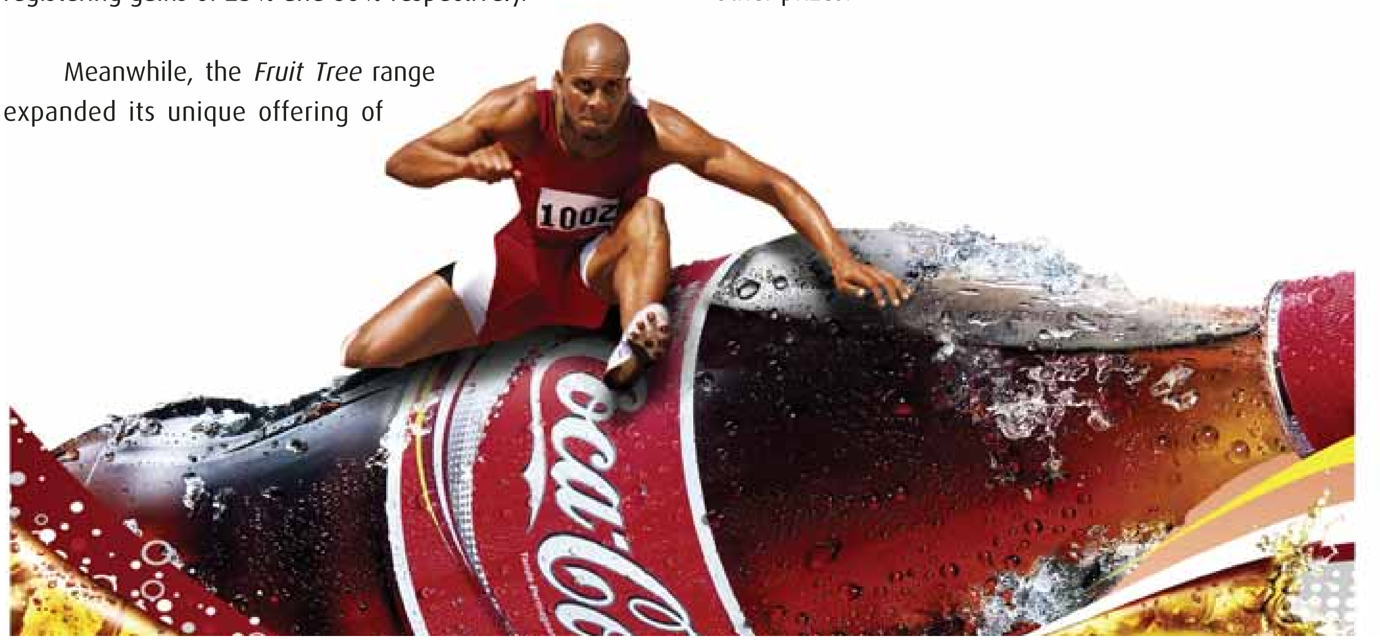
Meanwhile, the *Fruit Tree* range expanded its unique offering of fruit juice drinks. While relatively small within the Malaysian ready-to-drink fruit juice market, this segment is expected to grow.

And the future holds even greater promise for the Group.

According to the *Euromonitor Survey*, consumption of carbonated soft drinks per capita in Malaysia remains relatively low at 70 eight-ounce cups a year. In comparison, Singapore leads the Asean region in carbonated soft drinks consumption with 213 servings, while the Philippines and Thailand account for 172 and 90 servings respectively.

Marketing Highlights

In marketing and promotions, the Group successfully leveraged on the year's most high-profile events to generate brand excitement. Once again, *Coca-Cola* boosted its identification with the Olympic Games by sponsoring live broadcasts of the world's biggest sporting event on Malaysian television. In conjunction with this sponsorship, *Coca-Cola* held a contest offering trips to Athens, cash and other prizes.



The Group also made the most of the *EURO 2004* football frenzy by launching *Coca-Cola EURO 2004*, a contest that captured the imagination of Malaysian football fans with prizes that included tickets to the finals in Portugal.

Another outstanding promotion was *100PLUS*'s *RM2 Million Grab* contest. Organised to celebrate the brand's 20th anniversary, the contest was intended to reward consumers for catapulting *100PLUS* into the ranks of the leading soft drink brands in Malaysia.

In addition, *100PLUS* also launched an *Outdo Yourself* campaign. This involves sponsoring varied events to give *100PLUS* a ubiquitous presence in all Malaysian sports events from school sports meets to major international, regional and domestic championships. With this, *100PLUS* sponsorship now extends to an increasing number of marathons, triathlons, beach volleyball, golf, badminton, soccer and bowling as well as established events like the *Tour of Langkawi* and the *World Power Boat Championships*. It also includes the sponsorship of the Malaysian team to the *Summer X Games* in the US, as well as the *Asian* and *Junior X Games* held in Malaysia.

Finally, the inaugural *SAM 100PLUS Power Athlete of the Year Award* was launched on 21st June 2004 by the Deputy Prime Minister Datuk Seri Najib Tun Razak and Youth and Sports Minister Azalina Othman Said.

Marketing Awards

The Group's brand-building efforts were recognised by Reader's Digest when *100PLUS* was honoured in the **Reader's Digest Asia Superbrand Platinum Awards** for being the top performing brand in the sports/energy drink category in Malaysia and Singapore, where it beat its nearest competitor by more than three times the number of winning votes. For the sixth straight year, *Coca-Cola* was also voted a platinum award winner by Reader's Digest readers.

Finally, the Group enhanced its *Partner Rewards Programme* with the introduction of a 24-hour computerised customer information service that allows the Group's business partners to receive up-to-the-minute updates on their entitlements under the programme.

Dairies

In its dairy operations, the Group continued on its path of growth with an excellent showing across all its product segments and in its three key markets of Malaysia, Singapore and Thailand. A combination of factors gave the Group the winning edge — savvy marketing and promotional programmes, assiduous brand-building efforts, enhanced manufacturing efficiency and the launch of innovative, new products that wowed the market.

In the face of rising costs for raw materials and packaging materials, the Group successfully contained total cost through a substantial improvement in manufacturing efficiency. To achieve this, the management team worked actively on maximising group synergy, resulting in significant savings in areas like packaging.

Substantial savings were also achieved when the Group converted to using natural gas for boiler operations. Besides cutting energy costs, this cleaner energy demonstrates our commitment to caring for the environment.

Malaysia

The Group's Malaysian dairy operations turned in an admirable set of results, reporting market gains in all its product segments. The results were achieved through an increase in sales volume as well as an improvement in manufacturing efficiency.

In sweetened condensed milk (SCM), *F&N* further widened its lead as the top market brand, increasing sales volume by 8%. With this, its market share now stands at 48%. The main marketing vehicle for the brand was the highly popular *Teh Tarik* competition, which aired over two months on national television. To enhance the excitement and interest generated by this competition, the Group conducted a national consumer promotion simultaneously, with prominent product displays at retail outlets. This was reinforced by a second national consumer promotion in the latter part of the year. This time, the soccer-themed campaign rode on the fervour created by the keenly followed Euro 2004 football championship.

In evaporated milk, the Group put in an equally robust performance with sales growth of 13%. Built around the marketing platform of "Providing more taste and more love to Malaysian consumers", the campaign for this product segment sought to position *F&N* evaporated milk as a major ingredient in food and beverage preparation. The chief thrust of the campaign was a major national consumer promotion which ran during Ramadhan and the year-end festive season. An ongoing advertising campaign in various print media kept the momentum going. In addition, recipes for food and beverage were also disseminated the rest of the year to promote usage of this product.

Meanwhile, in the highly competitive pasteurised milk business, *F&N* raised prices in response to increases in the cost of milk as well as negative exchange movements; this allowed the Group to bring its prices back to a commercially-viable level. To prevent any erosion of its market share, the Group conducted an aggressive advertising and consumer promotion to support the *Daisy, Magnolia* and *Farmhouse* pasteurised milk brands. Further, a fresh new look was launched for *Daisy* high-calcium low-fat milk towards the latter part of the year. To reflect the fact that this product targets the new-age female consumer, the new packaging design exudes an elegant and fresh look, whilst retaining its strong red-coloured identity. However, the star turn was seen in the liquid milk business, where *F&N* sterilised milk enjoyed a record year with sales volume growing 30%.

Another segment that reported a record year was the pasteurised juice range, which recorded growth of 14%. *Fruit Tree Fresh Juice* surprised with its exceptional growth, helped by the launch of the innovative Apple & Aloe Vera product. In the year, this product was made available in 1-litre and 250ml PET bottles, and an exciting medley of consumer promotions and road-show events helped boost the product enormously in the market.

In the year, *Sunkist* Juice grew at a highly respectable 11%. The range was given a facelift with a new design that projects a fresh and sunny personality. In addition, a new orange & lemon variant was added to the *Sunkist* range. To support the new look, an integrated campaign comprising advertising, road shows and consumer promotions programmes were carried out, including sponsorship of the *Fantastica* show at Genting Resort. A kids' range of *Yoplait* drinking yogurt in 115g bottles was also developed and launched. This extends the *Yoplait* product range, which currently comes in a variety of exciting flavours in 750g and 200g packs.

There was good news to be had too in the ice cream business segment, which turned around in the year. This was due to product innovations which created a buzz among local consumers. Besides the introduction of new impulse novelty ice cream items, two new premium product ranges under the *Magnolia Moments* and *Magnolia Escapade* brands were launched for take-home tub ice cream. Packed in a trendy gold tub with a transparent lid, *Magnolia Moments* is a delectable range of ice cream topped with sauces and nuts and available in a variety of flavours. *Magnolia Escapade* is another premium range ice cream made with yogurt and fresh fruit chunks — thereby combining the health benefits of yogurt and real fruits with the indulgent pleasure of *Magnolia* ice cream. A back-to-basics programme involving distributors was also implemented this year to improve product availability. Nevertheless, the ice cream market in Malaysia remains very competitive, with two aggressive global players on the scene and new regional entrants in the year.

Singapore

Product innovation saw Singapore put in a fine performance in the year.

In the milk category, *Magnolia* low-fat milk dazzled with sales volume surging by more than 50% monthly. This expanded *Magnolia*'s market share from 5% to 11% in the latest retail audit. The remarkable achievement was due to the launch of *Magnolia Fruit Milk* through an effective campaign comprising TV commercials and a strong public relations programme, which captured top news coverage on almost all television channels and in all the major newspapers. Meanwhile, soya milk volume increased 26% with the introduction of the Barley Soya variant.

Stout growth was also seen in pasteurised juice sales, which increased by 16.2% in value for the year. This was due to the September launch of *Fruit Tree* Blackcurrant With Aloe and extension of Apple Aloe to 2-litre packs. In the same category, *Sunkist* also saw robust growth largely driven by successful promotional activities as well as packaging innovation in the form of a new sealable on-the-go single-serve PET bottle packaging. Currently, *Sunkist* remains the number one selling orange juice brand in Singapore.

Finally, in the ice cream category, the easing of government restrictions on mobile hawkers also helped propel ice cream sales volume. As a result of this, the Group's roll of *Magnolia* hawkers jumped from 20 to 83 and sales of its 1-litre hawker packs grew by 62%. Additionally, effective endorsement by MediaWorks artiste Quan Yifeng of the newly launched *Magnolia Moments,* the higher value transparent tub ice cream, through trailers featuring the product on a TV game show also perked up sales.

All these enabled Singapore domestic sales to grow 5%. To add to the good news, profit margins were safeguarded through product rationalisation and an increase in selling prices. This was despite cost pressure from higher raw material prices and the stronger Australian and New Zealand currencies.

Thailand

Product innovation was also the keynote in the Group's Thailand operation. Domestic ice cream sales grew with the continuous introduction of new and innovative products in the *Gotcha* range catering mainly to the children segment. *Gotcha* is still the key sub-brand of *Magnolia* and is the main driver of sales in the domestic market. New *Gotcha* products introduced during the year were *Gotcha* Hippo and *Gotcha* Jello Crunch Apple & Blueberry. Many other new products were also launched for the teenage, adult and take-home segments.

Thailand's exports to Singapore and Malaysia — traditionally its principal markets — grew strongly. During the year, export markets were further expanded to include Australia, Bangladesh, New Zealand and Sri Lanka, a significant enlargement to its existing markets of Brunei, Cambodia, Hong Kong, Indonesia, Japan, Laos, Myanmar, South Korea and Taiwan.

Overall, the Group's Thai ice cream business continued to grow on the back of a strong Thai economy, with total sales surging by 33%. Ahead, the outlook for the Group's ice cream business has brightened considerably, with the consolidation of the manufacturing base in Thailand resulting in a steady supply of high-quality value-for-money ice cream for the Singapore and Malaysia markets.

Packaging

It was a difficult year for the Group's glass packaging division with the scheduled shutdown of furnaces in Johor Baru and Ho Chi Minh City constraining production output. This, combined with the low pricing structure in China, affected overall glass packaging profitability.

In the year, the glass packaging division revenue was 4% lower than in the previous year. The drop in sales was due to the permanent closure in November 2003 of one furnace at Malaya Glass Products which had reached the end of its useful life after 11 years in operation. In addition, another furnace was closed for refurbishment for a period of three months at a cost of RM33 million. Similarly, the single furnace at Malaya Vietnam Glass was also closed for 2.5 months for rebuilding work that cost over US$6 million.

A major leak at one of Malaya Glass's furnaces at the end of the financial year put it out of operation for five months. However, the restoration costs and loss of revenue were covered by insurance.

The reduction in production capacity at Malaya Glass Products and Malaya Vietnam Glass was largely offset by higher output from Kuala Lumpur Glass and Sichuan Malaya Glass as well as from inventory brought forward from the previous year.

Over in China, while the plants operated at full capacity throughout the year and contributed 36% to the total volume of the glass division, the overall low pricing structure in China meant that sales could not fully cover operating costs. To correct this, efforts are being made to negotiate for price increases as well as to diversify market segments with a view to bringing the operation to profitable levels.

As a result of these factors, operating profit before exceptional items for the glass packaging division fell to RM14.2 million from the previous year's RM30.3 million. Additionally, a provision of RM4.3 million was made to restructure the Malaysian operations.

The year ahead will continue to be challenging for the glass packaging division especially in China, which has set itself a target of breaking even in the coming financial year. The Malaysian and Vietnamese operations are also expected to face an uphill battle ahead as rising fuel oil prices will push costs higher.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12 Demonstrating Commitment

Properties

The Group continues to be a formidable property player in Singapore with an international footprint. In the year in review, Centrepoint forged ahead, with its malls drawing record numbers of shoppers and winning over retailers. Meanwhile, overseas residential developments met with keen interest, bearing out the Group's wisdom in its earlier decision to diversify its development portfolio. Central to the division's growth strategy is its commitment to the value of intimate one-to-one engagement with retailers, shoppers, homebuyers, tenants and guests.

Malls of Centrepoint

www.centrepoint.com.sg

Once again, 2004 was a champagne year for *Malls of Centrepoint*. Despite the difficult retail climate, *Malls of Centrepoint* maintained healthy occupancy rates and patronage. In total, almost 5 million visitors thronged *Malls of Centrepoint* every month. This impressive performance is due to a confluence of factors: the strategic locations of its malls, the strength of *Malls of Centrepoint's* ties with its tenants, and the superior mix of quality retailers within the malls. The results are a resounding affirmation of the strong affinity developed over the decades between the individual malls and their shoppers and retailers.

High marks for this outstanding performance also go to the Group's aggressive promotions. In the year, we implemented measures that demonstrated to retailers our strong commitment to innovative marketing and promotion.

During the year, *Malls of Centrepoint* also strengthened its image as a pro-family corporation by launching a host of family-friendly facilities and promotions. These included installing new family and nursing rooms and children's play areas as well as giving monthly treats to children and grandparents — comprehensively addressing the needs of families shopping with young children.

Centrepoint Shopping Centre is the Group's flagship mall located in Orchard Road. The crown jewel in the *Malls of Centrepoint* stable, Centrepoint is a household name with a loyal base of shoppers and sterling anchor tenants in the form of Robinsons and Cold Storage, both of which made the centre their home right from the onset. Other established anchor tenants include Marks & Spencer and Courts.

The year ushered in an infusion of fresh names to the shopping centre. These included Prints, Asian Woman, ~H_2O+, Eunice Creations, Hair Inn, Lady Xiang, MTM Skincare Centre, Blush!, Jwest, Sountex, Aussino, Rustic Living and Family-Com.

Causeway Point Shopping Centre is the largest mall in the Group's portfolio. This year, new tenants like Lo Hong Ka, Tong Heng, 7-Eleven, Ice Lemon Tee, The Natural Source, Bits & Pieces, Kampong Days, Anglia, Samsung and Creative Art added to Causeway Point's glitter. New escalators were installed to improve traffic flow, to shoppers' and tenants' delight. Causeway Point enjoyed full occupancy and commanded strong rentals.

Compass Point Shopping Centre at Sengkang has 124 tenants, including Metro, Courts, Cold Storage, John Little and Popular Bookstore. The successful marketing of the mall under the unique, compelling identity of a 'learning and discovery mall' saw the centre grab top honours in the Grand Opening category in the annual Maxi Award 2003, an international award presented by the International Council of Shopping Centres to shopping centres that have successfully implemented marketing programmes. The mall has enjoyed 100% occupancy for the past two years and on-going fine-tuning ensured that it would continue to stay current and relevant to its primary customer-base residents in the neighbourhood. Newer tenants include Lee Hwa Jewellery, Mosburger, QB House, Jack's Place and Tong Heng.

Northpoint Shopping Centre is a thriving suburban shopping centre that once again enjoyed full occupancy. The decade-old shopping centre remains a top draw for Yishun residents and experienced brisk business throughout the year. It attracted a slew of new tenants in the year, including Ya Kun Kaya Toast, Precious Thots and PINC.

Anchorpoint Shopping Centre, with its prominent frontage on Alexandra Road, continues to benefit from robust patronage. It embarked on a tenant revamp and repositioning strategy. The result of the exercise was the successful creation of an exciting F&B hub that provides shoppers with a wide spectrum of good quality food set off by a hip, trendy ambience. Some of the new tenants include i Ramen, i Gourmet, Häagen Dazs, Secret Recipe, Artfrenzy, Nail Arts, Aji Ichiban and 7-Eleven.

Robertson Walk has a spread of tantalising restaurants, lifestyle shops, pubs and cafés, and music and arts centres. Located in the affluent River Valley residential district, this Mediterranean village is especially popular on weekends when sports fans cheer for their favourite teams at the "live" screenings of international matches in the courtyard.

Valley Point Shopping Centre serves guests of Fraser Suites Serviced Residences, tenants of Valley Point Office Tower and residents in the prime River Valley area. This year saw the opening of Nagano Japanese Restaurant, Green Apple Pharmacy, Fa Salon, Havana Spa and vegetarian café De'matoes House.

Overseas Shopping Mall

Bridgepoint North, Australia, continued to trade strongly, retaining its anchor tenant, Franklins, with a new lease for 15 years. It also achieved rental growth on the back of a 97% occupancy rate.

Fraser Serviced Residences

www.fraserhospitality.com

Fraser Serviced Residences ranks among the top echelon of global serviced apartment operators with a presence in Glasgow, London, Paris, Manila, Petchaburi, Seoul, Shenzhen and Singapore.

Beyond a reputation for outstanding management of premier properties, Fraser's leadership derives from its unique brand-customer relationship which focuses on continuous product and service development to meet needs locally and globally. Its quest for excellence has garnered Fraser outstanding customer satisfaction through its innovative lifestyle offerings and customer-oriented culture.

The awards won by Fraser lay testimony to the strength of this philosophy. In July 2004, Fraser became the first hospitality company to receive the **Most Distinctive Brand** in the Singapore Promising Brand Award (organised by the *Association of SMEs* and *Lianhe Zaobao*). Apart from this, Fraser also won acclaim in the region for its branding, service and management achievements. Meanwhile, Fraser was named an **Arts Supporter** by the *National Arts Council* for its role in promoting the arts in Singapore. It was also accorded the **People Developer Standard** (*SPRING Singapore)* in recognition of its human resource management strategy.

In line with the Group's overall strategy to increase fee-based income, Fraser will continue to minimise equity participation whilst retaining management to perpetuate the Fraser brand globally through its four lifestyle offerings: *Fraser Suites* and *Fraser Place Serviced Residences, Fraser Corporate Residences* and *Fraser Boutique Resorts*.

In the year, Fraser brought in performances that were above the serviced apartment industry average for all its properties.

Fraser Suites Singapore maintained occupancy of about 90%, higher than the industry's average of 85%. Among multinational and Fortune 500 corporations, Fraser Suites continues to be the preferred accommodation for top management executives and their families.

Fraser Place Singapore sustained its strong occupancy of over 91% in the year. Voted the Best Meeting Place in the Top 50 Destinations category by *The Expat* magazine, The Retreat at Fraser Place has been a hit with executives who warmly welcomed this unique concept of a meeting facility combining business and relaxation.

Overseas Serviced Residences

Fraser Suites Rodamco Place, Seoul, achieved occupancy of over 80% in 2004. This premier development, set in the cultural district of Insadong, won **Best Brand Award** awarded by *The Korea Herald* for the third consecutive year. In addition, it received a similar award for the second consecutive year from *The Korea Times*.

Fraser Place Forbes Tower, Manila, continued to hold strong to its peak occupancy rate of more than 90% despite an increase of 20 rooms. Located in the heart of the Makati Central Business District in Salcedo Village, it is close to the banking and financial districts as well as the city's entertainment and restaurant belt.

Fraser Suites Kensington, London, offers ready access to internationally renowned shops, restaurants, café bars, royal parks, museums and West End theatres with its superb Central London location in Stanhope Gardens. The only serviced apartment building in London fronted by a private landscaped garden, Fraser Suites Kensington has maintained a robust average occupancy of 80% since its opening in 2002.

Fraser Place Chelsea, London, with its location adjacent to Fulham Street and close to King's Road, offers a coveted fashionable London lifestyle. The immediate area features a kaleidoscopic selection of shops, restaurants, bistros, cinemas and health clubs. Since opening in 2002, occupancy has climbed to 80%.

Fraser Place Canary Wharf, London, is strategically located in the fashionable Canary Wharf area, which flanks the ExCel Centre, West End and the city's financial centre. Its immense appeal to global travellers has seen it enjoy a steady occupancy of over 85%.

Fraser Corporate Residence – Prince of Wales Terrace, London, is Fraser's first corporate residence offering flexible lifestyle services. It is located in one of London's most prestigious areas, opposite Kensington Palace with High Street Kensington and the Royal Park at its doorstep. Fraser Corporate Residence epitomises the definition of serviced residences as apartments that offer a unique blend of choice locations and ample living space with flexible housekeeping and maintenance services. This elegant Victorian-style property features spacious 3- and 4-bedroom apartments with a fully fitted kitchen and a lounge with sitting and dining areas. Its 10 apartments have maintained an occupancy rate of about 80%.

Fraser Suites Glasgow, Scotland, was opened in October 2004. Located in the heart of Merchant City amidst sophisticated and elegant Victorian merchant houses, it is set in an extensively renovated 1850s baronial building designed by JT Rochead (famous for designing the Wallace Monument which stands today as a reminder of William Wallace, one of Scotland's most famous heroes) whilst retaining the stunning Victorian façade. Each of the 102 spacious residences offers contemporary and stylish furnishings with fully equipped kitchenette, entertainment and communication facilities. It is currently enjoying an occupancy above 60%

Fraser Suites Harmonie, La Défense, France, opened on 23 September 2004. Located in the futuristic business district of La Défense, where form and function meet to produce poignant beauty, the stately 134-room apartment block overlooks the majestic La Défense, or the River Seine. Most apartments enjoy access to a private balcony for delightful views of the river. This sanctuary in the city offers a comfortable and functional layout amidst a warm and energising atmosphere created by a trendy contemporary design. Another distinctive feature is the street-level garden with an eye-catching terrace.

Fraser Place Shekou, Shenzhen, China, is Fraser's flagship property in China. Opened in December 2004, its 232 apartments cater to varied needs, with units that range from one-bedroom deluxe apartments to four-bedroom penthouses. Its location in the Whale Garden premier residential area also means convenient access to the commercial administration area at Guishan Road and the financial district. Perched atop Nanshan Hill, it offers a panoramic view of the coast.

Fraser Corporate Residences Futian, Shenzhen, located on the main Shennan Avenue in Futian's central business district, is a short walk from the MRT line and close to a new convention centre and golf course. The property provides excellent views of the golf course and enjoys high visibility from the main road. Opening January 2005, the residence has 165 units.

Fisherman's Village, Thailand, is Fraser's first boutique resort. Nestled in Haad Chao Samran, the site of King Rama IV's royal lodging pavilion in Petchaburi is only 2 hours from Bangkok. Fisherman's Village is an exclusive retreat set in a private enclave fronting the beach. It consists of only 30 private villas encircled by lush greenery, water courts, flora and fauna, and a variety of marine life. The development balances the elegance of Thai architecture with the relaxed ease of contemporary living.

Centrepoint Homes

www.centrepointhomes.com

Despite challenging conditions in Singapore, the Group managed to sell about 500 homes during the year.

In Singapore, the Group has released units in Holt Residences, Camelot, Euphony Gardens, Yishun Sapphire, Yishun Emerald, The Petals and Compass Heights for sale on flexible payment terms and for immediate occupation. They are also available for lease and units can be sold with tenancy. Spread over various parts of the island, they appeal to different segments of the local and expatriate population.

For the coming year, the Group is cautiously optimistic about a gradual turnaround of the property market especially in the mass and mid-end segments. In order to sustain profit growth for the next few years, the Group acquired new sites in various parts of Singapore to replenish its landbank. When developed, they will add 1,600 units to the Group's stock.

Local Residential Projects Update

Ris Grandeur, the Group's first enbloc acquisition, sits on 26,442 sqm of freehold land at Elias Road. Its 453 condominium units were launched for sale in September, just before the close of the financial year.

Pasir Panjang Site, a freehold site of 6,698 sqm is slated for a condominium development of 72 units and is scheduled for launch in the first half of 2005.

Mt Sophia Site, a 103-year leasehold site of 16,170 sqm, is located along Mount Sophia, close to Dhoby Ghaut MRT Station. It is intended for a condominium development of around 313 units and is scheduled for launch in the first half of 2005.

Jervoise Close Site, a freehold site, is planned for a condominium development of about 260 units and is scheduled for launch in the second half of 2005.

Hindhede Road Site is a 99-year leasehold site of 16,254 sqm purchased in November 2003 for $68.2 million. Adjacent to Bukit Timah Nature Reserve, the site is slated for a condominium development of 310 units.

Paya Lebar Crescent Site is a freehold site of 10,236 sqm acquired in November 2003 for $38.6 million. It is located in a cosy residential district along Upper Paya Lebar Road and slated for a condominium development of about 125 units.

Woodsville Site is a freehold site of 6,739 sqm acquired through an enbloc sale in January 2004 for $38 million. It is located off Jalan Toa Payoh next to the future St. Andrew's Village, which is currently under construction. There are plans to redevelop the site into a condominium of about 120 units.

Faber Hills Site, now Faber Hills Condominium, located off the Ayer Rajah Expressway, was acquired enbloc in April 2004 for $85.5 million. It is a freehold site of 23,019 sqm suitable for a condominium development of about 315 units.

Serangoon Site is a freehold site of 5,227 sqm acquired in July 2004 for $31 million. Located along Serangoon Road near Boon Keng MRT Station, with easy access to PIE and CTE, the site is slated for a condominium development of about 126 units.

Sentosa Cove Site is a waterfront land parcel situated at the northeastern tip of Sentosa Cove acquired through a public tender. With a site area of 10,926 sqm, it has a longitudinal frontage directly facing the sea. Design development is underway to develop a high-end and exclusive waterfront condominium with no more than 138 units.

Overseas Residential Projects Update

Globally, the Group has identified Australia, China, New Zealand and the United Kingdom as key markets in which to expand its overseas property development business.

Wandsworth Riverside Quarter, United Kingdom, is a 4-hectare London riverside property located on the south bank of the River Thames. The first phase of construction, comprising two residential blocks of 116 apartments, has recently been completed. Construction of the second phase has commenced. A total of 422 residential units and almost 14,000 sqm of ancillary office and retail space will eventually be developed. In September 2004, CPL (UK) Pte Ltd acquired an additional 14.6% share in the project, bringing its effective interest to 64.6%.

68 Vincent Square, Westminster, United Kingdom, is a 50:50 joint venture between CPL (UK) Pte Ltd and Fairbriar Plc. This property was acquired in May 2003 and will see the construction of 70 apartments, with the majority of the units having views that overlook one of London's largest squares. Work has commenced and the development is scheduled to be completed by March 2006.

Habitat, Australia, at 11-17 Chandos Street in St. Leonards, North Sydney, was completed in April 2004. The project is 75% sold. The Group has a 75% interest in this project.

Lumière at Regent Place, Australia, is a prime freehold site of 3,966 sqm at the junction of George and Bathurst Streets in Sydney's Town Hall precinct and Central Business District. The site is next to the Town Hall Station and within easy walking distance to Darling Harbour, Chinatown and Martin Place. A 50-storey tower of 447 luxury residential apartments, a 31-storey tower of 145 serviced apartments and about 8,000 sqm of retail and commercial space will be developed over the next four years. Construction has started on the site with completion due by December 2007. The serviced apartments will be managed by Fraser Serviced Residences and is targeted to be operational by September 2006. The Group has an 80.5% effective interest in this project.

Papamoa, New Zealand, is a 24-hectare freehold property purchased for NZ$18.8 million by CPL (NZ) Pte Ltd. It is located in Tauranga in the Bay of Plenty. Plans have been laid for the construction of about 450 houses and a beachfront condominium complex.

Broadview Rise, New Zealand, a 6,831 sqm freehold property, was acquired by CPL (NZ) Pte Ltd for NZ$3 million. Located in Queenstown, it overlooks Lake Wakatipu. Approval has been granted for 15 luxury apartments but an appeal has been lodged to double the number of apartments.

Jingan Four Seasons, China, is located next to an underground MRT station along the main Nanjing Road in Shanghai. The 32-storey development will yield about 450 residential apartments and a two-storey retail podium providing a total of approximately 69,216 sqm of gross floor area for sale. This project is expected to be completed in 2006.

Jin Lin Tian Di, China, comprises 88 residential units, 120 serviced apartments, a clubhouse and 4,000 sqm of retail space. The residential and retail units were launched and sold out during the year. The Group has a 32% effective interest in this project, which is expected to be completed by the second quarter of 2005.

Residential Development in Song Jiang District, China, is a 711,091 sqm leasehold land parcel located near to the future Light Rapid Transit station at Si Chen Road in Shanghai's Song Jiang district. This exclusive residential development to be built in three phases will yield about 3,200 residential units with communal club facilities and a small commercial component. The Group has a 95% interest in this project, which is expected to be completed over the next four years.

Office & Industrial Properties

The year in review continued to be difficult for the Office and Industrial Property segments. On a positive front, the economy is improving and this was reflected in an improvement in the rental rates of grade A office buildings in the CBD in the latest quarter. Industrial leasing activities were similarly affected. Fortunately, quality tenants at Alexandra Technopark helped maintain a high occupancy of 99.5%. The current excessive supply of office and industrial space will, however, continue to exert pressure on rentals.

Local Office Property

Alexandra Point had to contend with a reduced average occupancy of 61%. The lower occupancy rate was mainly the result of Agilent Technologies centralising operations at its manufacturing plant in Yishun. With the improving economy in the year ahead, occupancy rate is projected to improve.

Alexandra Technopark continued to experience near full occupancy level throughout the year, significantly above the market average of 80.8% for high-tech space.

Rentals will, however, come under pressure from a highly competitive segment.

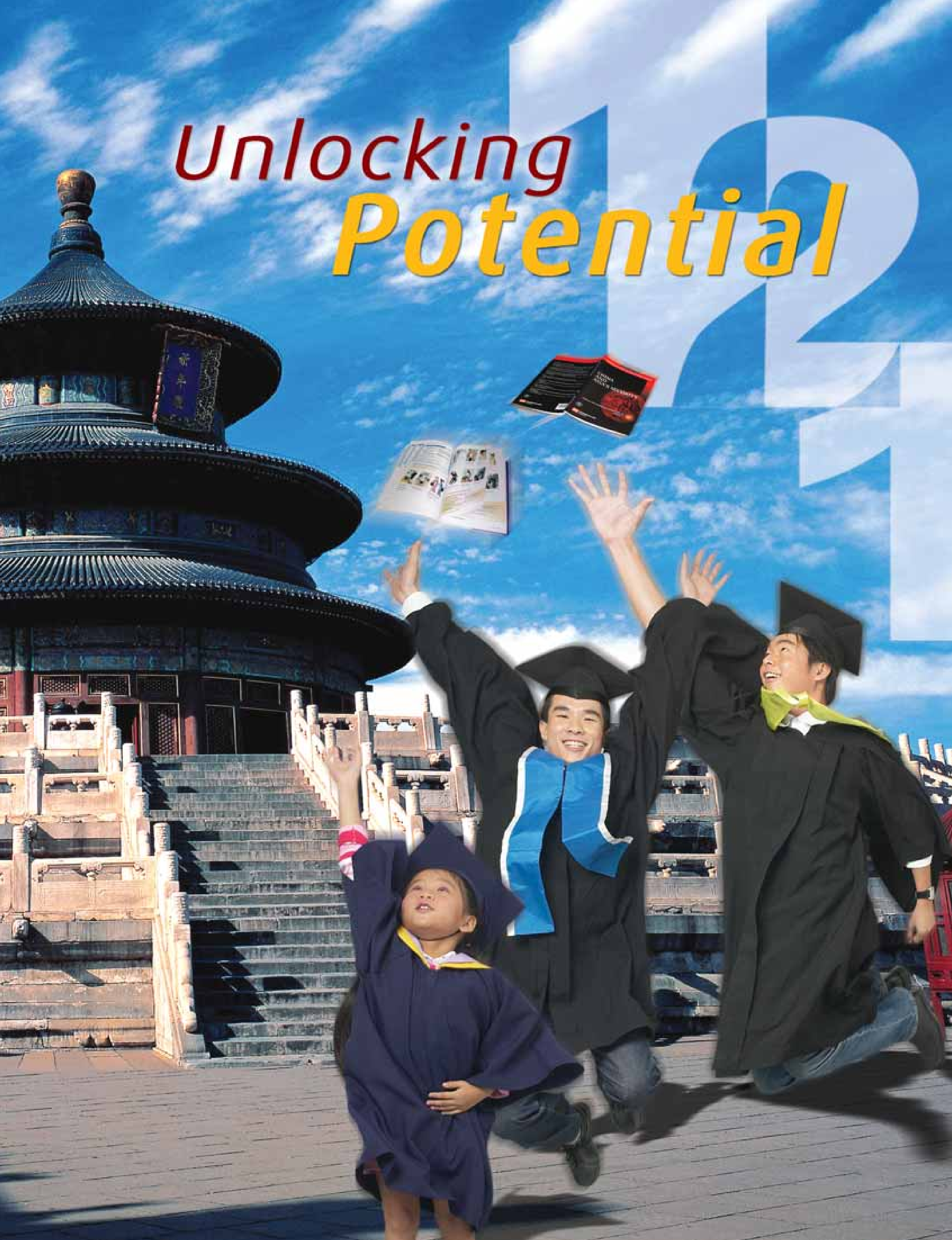
Valley Point Office Tower secured an average occupancy rate of 74% despite an increase in the turnover rate of tenants at the 20-storey office tower.

Overseas Office Property

Me Linh Point Tower, Vietnam, a 22-storey office cum retail complex located in the prime commercial district of Ho Chi Minh City, continued to enjoy robust occupancy throughout the year. Vietnam's strong overall economic growth, coupled with a limited supply of international grade office space in the city, augurs well for this development, making the outlook for the next year a good one.

Fraser Business Park, Malaysia, was formerly home to F&N's manufacturing plant in Kuala Lumpur. The 20 acres of prime freehold land will be developed into three commercial components comprising shop-cum-office blocks, an office tower and a retail centre. Construction of the 80-unit shop-cum-office blocks called Fraser Promenade has commenced, with sales exceeding expectations.


SHARKS


Unlocking
Potential

Publishing & Printing

With its solid, authoritative body of work, the Group's Publishing and Printing division continues to shape the cultural landscape of readers worldwide. At home and abroad, its various well-loved enduring print titles have not only impressed with their hallmark quality but also fostered a one-to-one relationship with multiple generations of readers. This legacy of trust and good opinion has proven invaluable to the division as it continues its global expansion.

Marshall Cavendish International Publishing
Rebranded For Global Expansion

In the year under review, Times International Publishing was rebranded to "Marshall Cavendish", incorporating the name into the various imprints of the publishing group as part of the new brand identity.

The aim is to create a business with international scale and scope, putting the publishing business in the best position to develop new markets while expanding existing ones. Fundamental to the Group's acquisition-led growth plans, the rebranding also allows the Group to better integrate its units and businesses.

Products are now classified under four new content clusters. They are: **Education Publishing**, **General and Reference Publishing**, **Business Publishing** and **Home & Library Reference Publishing**.

Education Publishing

Education

In Singapore, Marshall Cavendish continues to lead in educational publishing with its extensive lists for Primary and Secondary core curriculum. The division published 360 titles in the year, with its flagship series for primary schools, *My Pals are Here!*, hitting the local bestsellers' list. It also sold well internationally.

However, with a new syllabus cycle in Singapore, the division expects keen competition in 2005. The division's exceptional track record in this segment should stand it in good stead.

The division is actively developing its overseas businesses after establishing itself as a leading publisher in the textbook market in Singapore. The year in review saw the division making substantial headway in the international arena, although Singapore continues to be the home base. The division upped its sale of published works as well as its share of co-publishing and licensing agreements in many overseas markets to become an increasingly prominent player on the international scene.

In Thailand, for instance, the division captured significant market share within two years with the publication of high-quality English language textbooks. Plans are afoot to expand the publishing programme in the coming year.

In Malaysia, the division remains the market leader in the STPM (*Sijil Tinggi Pelajaran Malaysia*) levels with highly successful publications such as the *Federal Study Aids* series.

Academic

The Group's Academic publishing division enjoyed a successful year with more titles published and a jump in sales. It continued to expand its Asian Studies publishing programme.

Following an agreement signed with the China Academy of Social Sciences, the division inked another co-publishing agreement with the Shanghai Institute for International Studies for its Chinese Studies titles. The division also published the first of its 12-volume *Materialising China* series, authored by leading scholars in Chinese universities.

In the coming year, the division aims to expand its list of academic titles and revenue through co-publishing with research institutes and universities as well as through licensing. It will concentrate on the library market and publish more materials from China, India and Southeast Asia for the world market.

English Language Teaching

One year after the Group entered the English Language Teaching market by launching four innovative, high-quality titles, its publications in the category have grown to 16 titles. These comprise titles from the *Just Skills* series, which offers self-study materials that are equally suitable for classroom use, and the *Just Right* course, an English course for school teaching. The series has been praised for its content and design and received excellent reviews in professional journals.

In addition, the division produced the American English versions of its British English products to capitalise on the preference for American English in some Asian markets, either through a licensing or distribution arrangement.

Education Services

The performance of the Group's Education Services division in the first half of the year was adversely affected by the spillover effect of SARS, which resulted in smaller enrolments of students from China at its English language training school, the Marshall Cavendish Language Centre. Cutbacks in training budgets by corporate clients and junior colleges further dampened the market for the division's Times Management Institute, which provides corporate training, and undergraduate and postgraduate courses.

The education industry in Singapore is likely to undergo further consolidation, with new measures imposed to regulate the industry such as the Education Services Accreditation Standard and the CASE trustmark for private education organisations.

Moving ahead, the division is adopting an active growth strategy to increase its scale and maintain its competitive edge. The Group is also exploring collaborations in China to expand its network of language centres to capitalise on the rising demand for English-language courses there.

General & Reference Publishing

General & Reference

The Group's General & Reference Publishing achieved respectable results despite the slower adoption of new publishing concepts and reprints by its co-edition partners and a fall in customised publishing projects after the government and multinational corporations reduced spending on such projects.

The division successfully published books written by Asian celebrities such as Sandy Lam, Dick Lee and Jacelyn Tay. Among the division's co-publishing partners were the World Economic Forum and MediaCorp TV Singapore. The division converted selected MediaCorp broadcast content into print.

The division increased sales for its cuisine, language and trade books. It also won **The Gourmand World Cookbook Award** for excellence in the cuisine category.

In China, the division established strategic alliances with local partners endowed with strong distribution networks and publishing infrastructure. The year also saw the licensing of the *Culture Shock! Success Secrets to Maximise Business* series, as well as the *First People* and *Living With* series. In the pipeline are more co-operative publishing activities in China to bring the Group closer to its long-term objective of being recognised as a major publisher in the Asia Pacific region.

Business Publishing

Business Information

The Group's Business Information division turned in a mixed performance in the year.

In Singapore, the division performed well, spurred by the strong recovery in the Singapore economy and bolstered by sales from four new directories. The World Book Fair, an event co-organised with the Singapore Press Holdings Group, drew more exhibitors and visitors compared to last year. The division further strengthened its standing as one of the island's leading trade directory publishers by securing the contract for *Singapore Education Guide*, due out in January 2005. The division confidently expects to maintain its growth momentum into the next financial year.

In Malaysia, the division acquired an additional directory. Two new directories will also be published in the next financial year. With improved economic fundamentals and business sentiment, modest growth is expected in Malaysia in the next financial year.

In Hong Kong, the division suffered from severe price discounting due to intense competition and prolonged contraction in the construction industry which affected sales of its construction-related directories. The division responded by diversifying its portfolio. Directories for other industries like *China Logistics Directory* and *Business Professional Services Directory* will be published in the year.

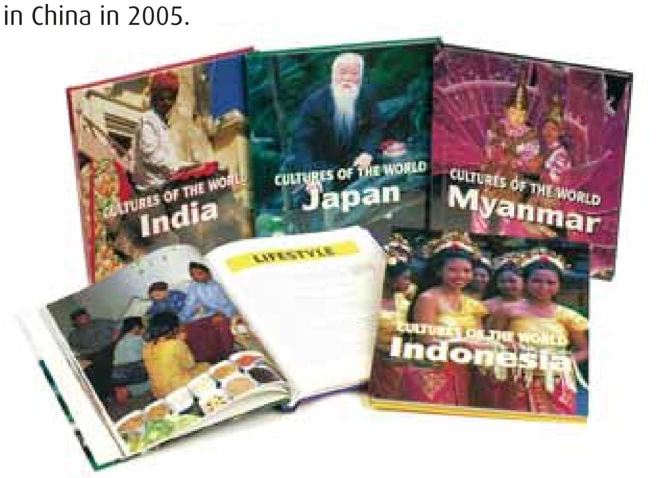
The outlook in China was more promising for the division. A new magazine, *Cargonews China*, targeting the fast expanding logistics industry in China, was launched during the year and the response has been encouraging. The division also established the Guangzhou Times Advertising Company, an advertisement sales operation, making it its first foray into business information publishing in China.

Home & Library Reference Publishing

Home Reference (Partworks)

The performance of partworks products in the Eastern European markets was maintained. In particular, Marshall Cavendish's *Tree Of Knowledge* in the Russian Federation has won much acclaim. This was recognised in the **Distribution Excellence** award conferred by the Association of Russian Publishers in the year.

To penetrate the China market, the division conducted extensive research to evaluate the market's receptivity to *Tree of Knowledge*. The product is expected to be published in China in 2005.



Library Reference

The division's revenue for the Library Reference business shrank in the year due to a difficult operating environment marked by cutbacks in government funding to school and public libraries for book purchases.

Nevertheless, the division continues to aim to be a premier publisher of educational reference materials for the school and public library market.

In the United States, Marshall Cavendish is successfully established as a brand that publishes high-quality illustrated reference books. The division's quality was recognised in the year when it was conferred numerous awards and accolades by prestigious bodies such as **Bank Street College** (for *Best Children's Books of the Year*); the New York Book Show and Booklist (for *Twenty Best Bets for Student Researchers*), to name just a few.

Looking ahead, however, with market conditions remaining uncertain, the Group is exploring opportunities in other markets such as China, India and the Middle East.

Times International Printing Group

The Group continues to upgrade its presses to offer its customers the latest printing technology and the highest quality of production. New printing presses have been or are to be installed in Australia, China, Malaysia and Singapore, which will enhance both quality and efficiency and expand the Group's capacity in key areas.

In China, the Group advanced in its strategy to establish a network of printing plants throughout key cities.

Singapore

The Singapore plant offers one of the most advanced printing facilities in Asia, outside Japan. In the year, the steady printing market in Singapore saw Times Printers and Times Graphics ringing up consistent sales.

Malaysia

The Group is one of the largest, most modern commercial printers in Malaysia. In the year, Times Offset (M) clinched several major new contracts and attained ISO 9001:2000 certification.

China

The Group ventured beyond book and magazine printing in China into packaging printing.

In the year, sales rose across the board at every one of the Group's Chinese ventures. Shanghai Times SanYin won the Yellow Pages contract from China Telecom Group Yellow Pages to print its Yellow Pages. In Shanxi, the Group established a new joint venture company, Shanxi Xinhua Times Packaging Printing Co. Ltd, to provide packaging printing services to food and pharmaceutical companies in the province. Meanwhile, the Everbest Printing Guangdong plant, in which the Group holds a 51% stake, clinched a number of major new contracts. Fung Choi, the Group's 24.7% associate, saw increased demand for its printing and packaging business. It recorded an 80% growth in turnover for the quarter ended September 2004 over the same period in 2003, with net profit leaping a hefty 106%.

Finally, the Group's new venture, Shenyang Times Packaging Printing Co. Ltd, concluded its first full year of operation by securing the ISO 9001:2000 award.

Australia

Argyle Times was awarded a major new contract from one of the largest publishers in Australia, which would involve print work for the Group's plants in Australia, Singapore and Malaysia.

UK

Overcapacity and severe competition in the UK market reduced margins for the Group, causing it to extend the losses seen in the last few years. Consequently, the Group decided to close the UK plant in 2004.

Times Retail and Distribution

Retail

Times The Bookshop is a leading English language retailer in the region with a network of outlets in Singapore and Malaysia.

In Singapore, sales were maintained in spite of the closure of the division's Library Services in the middle of last year. The Group successfully took over WH Smith's retail operation in Singapore in the second half of 2004, which made it the sole book and magazine operator in Singapore Changi International Airport.

In Malaysia, sales improved due to aggressive marketing and promotional activities in the Kuala Lumpur City Centre and Bangsar outlets. A new outlet also opened at Permas Jaya. With the booming economy, the Group expects sales to continue to pick up.

Distribution

The Group is a leading regional distributor of English language books and magazines with a network spanning the Asia Pacific.

In Singapore, the book division overcame a tough retail market to put in a creditable performance with an increase in sales. It clinched new distribution agreements with several major publishers in Australia, the US and the UK and secured new local titles for distribution.

While sales were higher than last year, profitability suffered due to the strong Sterling pound and Australian dollar. However, the lifting of the ban on *Cosmopolitan* magazine in August 2004 and the extension of the Magazine Rack Programme to SPAR convenience stores promise brighter prospects for the Group's revenue next year.

In Malaysia, the book division raised sales with an overall improvement in the retail book trade in the country despite strong competition.

Among the year's highlights for the division was the securing of distribution rights to *Her World* magazine. The division was also conferred the **Most Efficient Distributor Award** by Time Inc Asia in 2004.

In Australia, turnover decreased in the year due to aggressive discounting on DVDs by both major and independent studios.

Turnover declined for the Group's other subsidiary in Australia which specialises in the wholesale and distribution of brand name lifestyle consumer electronics. However, the Group increased its presence locally and internationally with the proprietary *Connexia* brand.

In Japan, the Group continues to be the largest importer-wholesaler of academic reference books. In the year, sales were affected as a result of the privatisation of the country's 99 national universities. However, the Group enjoyed good sales from book distribution channels in Japan.

Community Development

The Group continued its time-honoured tradition of engaging one-to-one with diverse community groups in countries where it has a presence. Whether interacting directly with the local community or working hand-in-hand with local interest groups, the goal is the same: to raise the level of educational, social, sporting and cultural development of local communities.

Charity

In Cambodia, Cambodia Brewery was a major sponsor of Project SMILE, under which more than 150 children with cleft lips had their deformities corrected for free by volunteer foreign doctors in March 2004.

In Singapore, the Group brought Lunar New Year cheer to 200 needy senior citizens with the annual Tiger Beer Chinese New Year Reunion Dinner. Fifty staff served New Year delicacies while senior management distributed oranges and red packets.

The Group also brought cheer to 227 residents of the Silver Jubilee Home for the Aged in Sungai Dua, Penang in conjunction with the Chinese New Year festivities. Besides being feted to a sumptuous lunch, the inmates also received *ang pow* packets while the Home was presented with medical equipment and medical supplies.

In New Zealand, the Group supported this year's *50K of Coronet Peak Race*, a ski race for charity held at Queenstown's Coronet Peak ski slopes. The race's main benefactor was Cure Kids, a charity that undertakes medical research for child-linked diseases.

Educational Development

The Group continues to be a major contributor to educational development in the region.

In Malaysia, the Tiger PowerHitz Concert Series, now in its ninth year, raised funds for the development of Chinese schools. Almost as long-running is the Guinness Torch Fund, which for the seventh year running raised money that went towards providing interest-free study loans for needy students in Malaysia.

In Vietnam, the Group actively provides educational opportunity by offering scholarships for brilliant and needy students. It also contributes equipment to schools and donates cash to the Educational Support Association.

In New Zealand, it offers scholarships to hospitality industry schools at the Manukau Institute of Technology and business schools such as the Auckland University of Technology to help young people realise their career aspirations.

In Singapore, needy students receive help under the Marshall Cavendish Group CARE Programme. Now in its second year, the programme sees 10 needy students in each adopted school receive much-needed textbooks and workbooks each year.

In Cambodia, the Group is a major sponsor of an Education Bursary Fund established by the Singapore Club of Cambodia in September 2004.

Social Development

The Group is also actively engaged in promoting social development of the communities that it is in.

The Group provides information about the dangers of drink driving. The Group collaborates with the Singapore Traffic Police each year on the annual national Responsible Drinking campaign. Traditionally carried out during the year-end festive season for a period of three months, the multimedia campaign reminds motorists not to drink and drive. Aimed at changing attitudes and lifestyle, the campaign has succeeded in heightening public awareness of the potential consequences of drink driving. In Thailand, the Group partners the Don't Drink and Drive Foundation to create breathalyser stations that allow companies to measure the amount of alcohol consumed at their corporate events.

The Group is also a member of the Responsible and Ethical Alcohol Consumption in Thailand (REACT) Organisation, which ensures the responsible marketing of alcoholic beverages. The organisation also supports responsible alcohol consumption in Thailand.

The Soft Drinks division sponsored *AIESEC*'s (International Student Association based in University of Malaya) *Young Visionaries Program* aimed at developing a long-term community project to enhance the quality of life of underprivileged children through educational and cultural activities.

Orphans from two institutions were adopted under a cultural outreach program, which includes weekly tutorials, field trips and cultural activities.

Finally, in Thailand, the Group built a children's playground for the community near its brewery plant to promote physical activity among young people as well as foster community interaction in the neighbourhood.

Culture

The Group is a major contributor to the cultural scene in Singapore through Marshall Cavendish. The publishing arm supports the development of literary arts for the young in Singapore through two unique programmes, Words + Art and the Budding Writers' Project.

Words + Art takes a holistic approach to the development of literary creativity and art appreciation among young Singaporeans by creating opportunities for students to interact with a wide spectrum of art.

Meanwhile, the Budding Writers' Project hopes to inspire young future writers by giving them hands-on experience of the writer's world. The project takes promising young writers through the real world of writing, gives them an understanding of the publishing process and offers them the excitement of seeing their stories in print.

Environment

In keeping with its commitment to a greener planet, the Group supports a broad range of recycling activities.

The Group participated in a recycling campaign launching ceremony in Malaysia organised by the Batu Pahat Town Council and Southern Waste Management Sdn Bhd. The ceremony drew over 500 participants from 42 primary and secondary schools in Batu Pahat as well as corporations, non-government organisations and government bodies. For the event, the Group set up an exhibition booth to promote glass recycling. Following the exhibition, many schools expressed interest in visiting the Group's glass packaging plants to better understand the glass recycling process.

The Group was also involved in the Johor State Level Glass Recycling Campaign. On an invitation by organisers Southern Waste Management and the Johor Education Department, the Group set up an exhibition booth and sponsored a colouring contest based on the theme of glass recycling. Over 200 schools took part in the campaign.

Under *Project Okara,* organic waste from soya bean drink is recycled to manufacture compost for agricultural application.

CORPORATE INFORMATION

HONORARY LIFE PRESIDENT
Tan Sri Dr Tan Chin Tuan

BOARD OF DIRECTORS
Dr Michael Fam (Executive Chairman)
Mr Fock Siew Wah (Deputy Chairman)
Dr Han Cheng Fong
Mr Ho Tian Yee
Mr Stephen Lee
Mr Lee Ek Tieng
Dr Lee Tih Shih
Mr Nicky Tan Ng Kuang
Mr Patrick Goh (Alternate to Dr Han Cheng Fong)

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

AUDIT COMMITTEE
Mr Fock Siew Wah (Chairman)
Mr Stephen Lee
Mr Lee Ek Tieng

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

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

GROUP MANAGEMENT

Dr Michael Fam	Executive Chairman, Fraser and Neave Group
Dr Han Cheng Fong	Group Deputy Chief Executive Officer / Managing Director, Fraser and Neave Group
Mr Koh Poh Tiong	Chief Executive Officer, Asia Pacific Breweries Group
Mr Lim Ee Seng	Chief Executive Officer, Centrepoint Properties Group
Mr Lai Seck Khui	Chief Executive Officer, Times Publishing Group
Mr Tan Ang Meng	Chief Executive Officer, Fraser & Neave Holdings Bhd
Mr Patrick Goh	Group Financial Controller, Fraser and Neave Group
Mr Huang Hong Peng	Chief Operating Officer – Food & Beverage
Dr Kwok Kain Sze	Chief Scientific Officer – Food & Beverage
Mr Anthony Cheong	Group Company Secretary

REGISTERED OFFICE
#21-00 Alexandra Point
438 Alexandra Road
Singapore 119958
Tel : (65) 6318 9393
Fax : (65) 6271 0811

AUDITOR
Mr Kevin Kwok
Ernst & Young

SHARE REGISTRAR AND TRANSFER OFFICE
Barbinder & Co Pte Ltd
8 Cross Street
#11-00 PWC Building
Singapore 048424
Tel : (65) 6236 3333
Fax : (65) 6236 3405

PRINCIPAL BANKER
Oversea-Chinese Banking Corporation Ltd

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REPORT ON CORPORATE GOVERNANCE
for the year ended 30 September 2004

Fraser and Neave, Limited (**"F&N"**) upholds the values of integrity, competence and commitment to excellence and a high standard of corporate governance. Its aim is transparency and accountability, while creating and enhancing long-term shareholder value through enterprise, and strategic growth, transcending boundaries in reaching out to new markets, and forging ahead in strength and resilience with its core businesses in food and beverage, properties, and publishing and printing.

F&N's corporate governance practices are described with reference to the principles set out in the Code of Corporate Governance (the **"Code"**), under the Listing Manual of the Singapore Exchange Securities Trading Limited (**"SGX"**).

Principle 1
The Board's Conduct of its Affairs

The Board of Directors comprises the following members :

Dr Michael Fam	(Executive Chairman)
Mr Fock Siew Wah	(Deputy Chairman and Non-executive)
Dr Han Cheng Fong*	(Group Deputy CEO/Managing Director)
Mr Ho Tian Yee	(Non-executive)
Mr Stephen Lee	(Non-executive)
Mr Lee Ek Tieng	(Non-executive)
Dr Lee Tih Shih	(Non-executive)
Mr Nicky Tan#	(Non-executive)
Mr Patrick Goh (alternate to Dr Han Cheng Fong)	(Executive)

* Dr Han Cheng Fong was designated Group Deputy Chief Executive Officer with effect from 1 October 2004, with responsibilities for supervising all operational activities of the F&N Group.

Mr Nicky Tan was appointed to the Board on 21 October 2003.

The Board plays a key role in leading and charting the strategic direction of F&N. Regular meetings of the Board and of specialized committees established by the Board are convened for this purpose, and the number of meetings and attendance by Board members are set out in the table on page 59.

A Chart of Authority, approved by the Board, setting out the levels of authorization for specified types of transaction has been disseminated to employees.

The Executive Committee (**"EXCO"**) is a specialized Committee of the Board, and except for certain matters specifically reserved for decision by the Board, EXCO is empowered to exercise full powers and authority of the Board, when the Board does not meet. EXCO comprises the following members :

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

The F&N Group has in place a programme to orientate and update Directors on the F&N Group's facilities and operations and major new projects. During the year, as part of the orientation programme, the Directors have travelled to Shanghai to view the operations of its subsidiaries, Heineken-APB (China) Pte Ltd and CPL China (Pte) Ltd.

A session on directors' duties and the Companies (Amendment) Act 2004 was held in November 2004 for new directors and senior managers. With a few exceptions, all Directors are members of the Singapore Institute of Directors (**"SID"**), and eligible to receive updates and training from SID.

Principle 2
Board Composition and Balance

The Board has a strong and independent element comprising a majority of independent non-executive directors, who are able to exercise objective judgment on corporate affairs independently from Management.

The size of the Board, vis-à-vis the scope and nature of the operations of the F&N Group, is appropriate and effective. The Board comprises directors of stature in the business community, and their combined experience, knowledge, expertise, and core competencies provide the leadership and dynamism to chart the strategy and direction for the F&N Group in its continued thrust forward to fulfil its mission and vision.

REPORT ON CORPORATE GOVERNANCE
for the year ended 30 September 2004

Principle 3
Chairman and Chief Executive Officer

At the Annual General Meeting (**"AGM"**) of F&N on 29 January 2004, the Executive Chairman announced that he would be retiring after the AGM in January 2006, upon completion of his current service agreement. In accordance with the best practice of corporate governance, the Executive Chairman's post will be replaced by separate appointments of a Group Chairman and a Group Chief Executive Officer.

All Board and specialized Committee meetings are formally convened, with the prior circulation of agenda and relevant supporting papers to members. There is control over the quality, quantity and timeliness of the flow of information between Management, the Board and between Management and the specialized Committees.

Principle 4
Board Membership

The Nominating Committee comprises a majority of independent directors :

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

The Nominating Committee is responsible for ensuring a formal and transparent process for the Board in the appointment of new directors, the regular rotation of existing directors for re-nomination and re-election and in determining the independence of directors.

In its annual review of the independence of Board members, the Nominating Committee, having considered the guidelines set out in the Code, has confirmed the continued independence of the following non-executive Directors :

Mr Fock Siew Wah
Mr Ho Tian Yee
Mr Stephen Lee
Mr Lee Ek Tieng
Mr Nicky Tan

The Board, on the recommendation of the Nominating Committee, has also confirmed the non-independent status of Dr Lee Tih Shih in view of his position as a non-executive director on the Board of Oversea-Chinese Banking Corporation Limited (**"OCBC"**), and his relationship with one non-executive director on the Board of OCBC who is also a member of the OCBC Executive Committee. OCBC is a substantial shareholder of F&N, with which the F&N Group has a business relationship, under normal commercial terms.

In recommending to the Board any re-nomination and re-election of existing Directors, the Nominating Committee takes into consideration the Directors' contribution and performance at Board meetings.

The Nominating Committee is satisfied that sufficient time and attention are being given by the Directors to the affairs of the F&N Group, notwithstanding that some of the Directors have multiple board representations.

Key information regarding directors is set out on pages 60 and 61.

Principle 5
Board Performance

The Nominating Committee has assessed the effectiveness of the Board as a whole and the contribution of each director. An objective performance criteria is used, which criteria includes achieving of financial targets set, performance of the Board as a whole, and of individual directors vis-à vis their attendance and contribution during Board meetings, as well as other factors set out in the Code.

Principle 6
Access to Information

Board members are provided with adequate and timely information prior to Board meetings, and on an on-going basis. They have separate and independent access to the Company's senior management, including the Group Company Secretary who, in the normal course of duties, attends all Board meetings. Directors may, at any time, in the furtherance of their duties request for independent professional advice at F&N's expense.

REPORT ON CORPORATE GOVERNANCE
for the year ended 30 September 2004

Principle 7
Remuneration Matters

The Remuneration Committee reviews and recommends to the Board an appropriate and competitive framework of remuneration for the Board, as well as administers the F&N Executives' Share Option Scheme (the **"F&N ESOS"**). A formal and transparent procedure is used when setting the remuneration packages of individual directors. No director is involved in deciding his own remuneration.

The composition of the Remuneration Committee is as follows :

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

Mr Fock Siew Wah, the Chairman, is an independent non-executive Director, and members comprise non-executive directors who are independent of Management and free from any business or other relationships which may materially interfere with the exercise of their independent judgment. Mr Stephen Lee has a wealth of experience and expertise in the field of executive compensation, being Chairman of the Singapore Business Federation, President of the Singapore National Employers' Federation and a council member of the National Wages Council.

The Remuneration Committee recommends to the Board for endorsement a framework of remuneration for key executives, specific remuneration packages for each executive director, the Executive Chairman, and the Group Deputy Chief Executive Officer/Managing Director.

Principle 8
Level and Mix of Remuneration

In line with the National Wages Council Guidelines and the Tripartite Task Force's recommendations to adopt a flexible and competitive wage system to weather volatile business cycles and unexpected economic changes, the Remuneration Committee has approved the implementation, with effect from 1 October 2004, of a monthly variable component, consistent with the national wage restructuring policy.

In setting remuneration packages, the Remuneration Committee takes into consideration pay and employment conditions within the industry and in comparable companies, the relative performance of the F&N Group as a whole, as well as individual Directors and key executives. An annual performance incentive plan has been implemented for executive staff.

Directors' fees are approved by shareholders at F&N's annual general meeting.

In the case of service contracts for directors, the Remuneration Committee's objective is to achieve fair and reasonable terms of service tied in to performance, and a fixed term of office which is not excessively long or with onerous removal clauses.

The Remuneration Committee also administers the F&N ESOS. Executive Directors are eligible for the grant of options under the F&N ESOS. Options can only be exercised by employees upon effluxion of 33 months from the offering date.

REPORT ON CORPORATE GOVERNANCE
for the year ended 30 September 2004

Principle 9
Disclosure on
Remuneration

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

	Fee %	Salary %	Bonus %	Allowances & Benefits %	Ex-gratia %	Total %
a) Directors of the Company						
i) Between $2,250,001 to $2,500,000						
Dr Michael Fam	12	69	17	2	-	100
ii) Between $1,250,001 to $1,500,000						
Dr Han Cheng Fong	-	61	26	13	-	100
iii) Between $500,001 to $750,000						
Mr Patrick Goh	-	66	25	9	-	100
iv) Below $250,000						
Mr Fock Siew Wah	100	-	-	-	-	100
Mr Stephen Lee	100	-	-	-	-	100
Mr Ho Tian Yee	100	-	-	-	-	100
Dr Lee Tih Shih	100	-	-	-	-	100
Mr Lee Ek Tieng	100	-	-	-	-	100
Mr Nicky Tan	100	-	-	-	-	100
b) Key Executives of the Group						
i) Between $1,000,001 to $1,250,000						
Mr Koh Poh Tiong	-	60	29	11	-	100
Mr Jeffrey Heng	-	49	-	2	49*	100
* Ex-gratia paid upon Mr Jeffrey Heng's retirement on 30 September 2004						
ii) Between $500,001 to $750,000						
Mr Lai Seck Khui	-	59	33	8	-	100
Mr Tan Ang Meng	-	68	26	6	-	100
Mr Anthony Cheong	-	61	26	13	-	100

Information on the F&N ESOS is set out in the Directors' Report on page 64. Information on key executives is set out on page 62.

Principle 10
Accountability

The Board is accountable to the shareholders while Management is accountable to the Board. Annual general meetings are held every year to obtain shareholders' approval of routine business, as well as the election of Directors. Quarterly reporting on F&N's financial performance, position and prospects was effected with effect from 1 October 2003. Management regularly provides all members of the Board with balanced operational and financial reports of F&N's performance, position and prospects.

Principle 11
Audit Committee

The Audit Committee comprises the following independent non-executive directors appropriately qualified to discharge their responsibilities :

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

The Audit Committee is empowered to investigate any matter within its terms of reference and has full access to, and the co-operation of, Management, with full discretion to invite any director or executive officer to attend its meetings. It has reasonable resources to enable it to discharge its functions properly.

The Audit Committee has oversight of the scope and results of the audit and its cost effectiveness, as well as the independence and objectivity of the external auditors.

REPORT ON CORPORATE GOVERNANCE
for the year ended 30 September 2004

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

The internal and external auditors have unrestricted access to the Audit Committee.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and recommends to the Board of Directors the nomination of the external auditors for re-appointment.

The Board is satisfied that F&N is in compliance with the SGX's Best Practices Guide on Audit Committees.

Principle 12
Internal Controls

F&N aims to achieve enterprise-wide risk management (**"ERM"**) throughout the F&N Group in a consistent, cohesive, integrated and coordinated manner, with ERM principles embedded in every employee and officer of the F&N Group. This is part of the on-going process to ensure the effectiveness of the F&N Group's material internal controls. A formal system of ERM was introduced in 2002 at the strategic level, and this process has been cascading to the divisional, operational and process levels, both in Singapore and the F&N Group's overseas operations.

Key risks, control measures and management actions to be taken were identified, discussed, confirmed and validated by Management, with oversight from the Deputy Group Chief Executive Officer/Managing Director. The relevant reports were reviewed by the Audit Committee and endorsed by the Board. The internal auditors carry out review of the ERM process as part of their routine audit.

The Audit Committee, with the assistance of internal and external auditors, has reviewed, and the Board is satisfied with, the effectiveness of F&N's material internal controls.

Principle 13
Internal Audit

The Internal Audit Department of the F&N Group is independent of the activities it audits. The Head of Internal Audit has a direct reporting line to the Chairman of the Audit Committee.

The Internal Audit function is adequately resourced and has appropriate standing within the F&N Group. The Head of Internal Audit is a certified public accountant.

The Audit Committee has reviewed and is satisfied with the adequacy of the Internal Audit function.

Principle 14
Communication
with Shareholders

F&N regularly communicates with its shareholders, striving for timeliness and transparency in its disclosures to shareholders and the public. Regular meetings and dialogues are held with investors, analysts, fund managers and the press. When material information is disseminated to SGX, such information is simultaneously posted on the Company's website at www.fraserandneave.com

Principle 15
Communication
by Shareholders

F&N encourages shareholder participation at its annual general meetings and gives shareholders the opportunity to communicate their views on matters affecting F&N.

Code of Business
Conduct

F&N's Code of Business Conduct also regulates the standards and ethical conduct of the F&N Group. Directors, officers and employees are required to observe and maintain high standards of integrity, as are in compliance with the law and the regulations, and company policies.

SGX Best Practices
Guide on Dealings
in Securities

In line with SGX's Best Practices Guide on Dealings in Securities, the F&N Group issues a quarterly circular to its Directors, officers and employees prohibiting dealings in listed securities of the F&N Group from one month or two weeks, as the case may be, before the announcement of F&N's quarterly, half-year and full-year financial results, and at any time they are in possession of unpublished material price sensitive information.

REPORT ON CORPORATE GOVERNANCE
for the year ended 30 September 2004

ATTENDANCE AT BOARD & SPECIALISED COMMITTEE MEETINGS

	BOARD		EXCO		AUDIT		REMUNERATION		NOMINATING	
Directors	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance
Dr Michael Fam	10	10	9	9	NA	NA	NA	NA	2	2
Mr Fock Siew Wah	10	9	9	9	5	5	1	1	2	2
Dr Han Cheng Fong	10	10	NA	NA	NA	NA	NA	NA	NA	NA
Mr Ho Tian Yee	10	10	9	8	NA	NA	1	1	2	2
Mr Stephen Lee	10	8	9	9	5	5	1	1	2	2
Mr Lee Ek Tieng	10	9	NA	NA	5	4	1	1	NA	NA
Dr Lee Tih Shih	10	7	NA	NA	NA	NA	NA	NA	NA	NA
Mr Nicky Tan#	10	8	NA	NA	NA	NA	NA	NA	NA	NA
Mr Patrick Goh (alternate to Dr Han Cheng Fong)	10	9	NA	NA	NA	NA	NA	NA	NA	NA

Note : # Mr Nicky Tan was appointed to the Board on 21 October 2003.
"NA" : not applicable

REPORT ON CORPORATE GOVERNANCE
for the year ended 30 September 2004

Particulars of Directors as at 30 September 2004

Name of Director	Age	Academic & Professional Qualifications	Board Committees as Chairman or Member	Directorship : Date first appointed Date last re-elected	Board appointment whether executive or non-executive	Due for re-election at next AGM
Dr Michael Fam	77	BBM, PJG, DUBC, DUNU (1st Class), Hon LLD, Hon D Eng, Hon D Litt, Bachelor of Engineering with 1st Class Honours in Civil Engineering Fellow of the Institution of Civil Engineers, London Hon Fellow of the Institution of Engineers, Australia	Chairman : Executive Committee Member : Nominating Committee	16.08.1978 29.01.2004	Executive	Retirement pursuant to S153(6)
Mr Fock Siew Wah	64	Diploma, Chartered Institute of Bankers, London Fellow of the Singapore Institute of Directors	Member : Executive Committee Chairman : Audit Committee Chairman : Remuneration Committee Chairman: Nominating Committee	02.02.1996 30.01.2003	Independent Non-Executive	Retirement by rotation
Mr Ho Tian Yee	52	Bachelor of Arts (Honours) Economics (CNAA), Portsmouth University, UK Executive Program, Carnegie-Mellon University, USA	Member : Executive Committee Member : Remuneration Committee Member : Nominating Committee	01.12.1997 29.01.2004	Independent Non-Executive	-
Mr Stephen Lee	57	MBA, Northwestern University, Evanston, USA	Member : Executive Committee Member : Audit Committee Member : Remuneration Committee Member : Nominating Committee	01.07.1997 30.01.2003	Independent Non-Executive	Retirement by rotation

REPORT ON CORPORATE GOVERNANCE
for the year ended 30 September 2004

Particulars of Directors as at 30 September 2004

Name of Director	Age	Academic & Professional Qualifications	Board Committees as Chairman or Member	Directorship : Date first appointed Date last re-elected	Board appointment whether executive or non-executive	Due for re-election at next AGM
Mr Lee Ek Tieng	71	Bachelor of Engineering Diploma in Public Health Engineering Fellow, Institution of Civil Engineers, UK Fellow, Chartered Institution of Water & Environmental Management, UK Hon Fellow, Institution of Engineers, Singapore Member, Institution of Engineers, Malaysia	Member : Audit Committee Member : Remuneration Committee	08.01.2001 29.01.2004	Independent Non-Executive	Retirement pursuant to S153(6)
Dr Lee Tih Shih	41	Bachelor of Science (Honours Program) (Northwestern) Doctor of Medicine (Yale) Master of Business Administration with Distinction (London)	Nil	01.12.1997 29.01.2004	Non Independent Non-Executive	-
Dr Han Cheng Fong	62	Bachelor of Science (Hons)(1st Class) in Physics, University of Singapore Master of Science, Doctor of Philosophy, University of Birmingham, UK	Nil	01.04.2002 30.01.2003	Executive	-
Mr Nicky Tan	46	Member, The Institute of Chartered Accountants, England and Wales Certified Public Accountant, Institute of Certified Public Accountants of Singapore	Nil	21.10.2003 29.01.2004	Independent Non-Executive	-
Mr Patrick Goh	60	Fellow of the Association of Chartered Certified Accountants of UK Associate of the Chartered Institute of Management Accountants of UK	Nil	15.11.2002	Executive Alternate Director to Dr Han Cheng Fong	-

Notes
(1) Directors' shareholdings in the Company and its related companies : please refer to pages 63 and 64.
(2) Directorships or Chairmanships in other listed companies and other major appointments, both present and over the preceding 3 years : please refer to pages 16 and 17.

REPORT ON CORPORATE GOVERNANCE
for the year ended 30 September 2004

Particulars of Key Management Staff

Name	Age	Academic & Professional Qualifications	Past Working Experience	Area of Responsibility
Koh Poh Tiong	58	Bachelor of Science, University of Singapore	1985–1991 General Manager Asia Pacific Breweries Limited 1991–1993 Deputy Group General Manager Asia Pacific Breweries Limited 1993 Asia Pacific Breweries Limited	Director and Chief Executive Officer, Asia Pacific Breweries Limited
Lai Seck Khui	52	Bachelor of Electronic Engineering (1st class Hons), University of Birmingham Master in Public Administration Programme, John F Kennedy School of Government, Harvard University Industrial Engineering (Masters), National University of Singapore Business Administration (Masters), Deakin University Chartered Engineer, UK Professional Engineer, Singapore	September 1997 Head, Group Strategic Planning Unit, F&N Group January 2000 Chief Operating Officer (New Ventures), F&N Group February 2001 Times Publishing Limited	President and Chief Executive Officer, Times Publishing Limited
Tan Ang Meng	49	Certified Public Accountant Member, Malaysian Institute of Certified Public Accountants	1975–1981 PricewaterhouseCoopers, KL 1981–1983 UMW 1983 Guinness Malaysia Berhad 1991–2001 Asia Pacific Breweries Limited 2001 Fraser & Neave Holdings Bhd	Director and Chief Executive Officer, Fraser & Neave Holdings Bhd
Anthony Cheong Fook Seng	50	Member, The Institute of Chartered Accountants, England and Wales Institute of Certified Public Accountants of Singapore	1982–1989 Manager, Corporate Recovery Advisory Services, Ernst & Young 1989–2001 Company Secretary, Carnaudmetalbox Asia Ltd 2002 Fraser and Neave, Limited	Group Company Secretary Fraser and Neave, Limited

DIRECTORS' REPORT

Your directors have pleasure in submitting their report and the audited financial statements of the Company and of the Group for the financial year ended 30 September 2004.

1. DIRECTORATE

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

Dr Michael Fam
Mr Fock Siew Wah
Dr Han Cheng Fong
Mr Ho Tian Yee
Mr Stephen Lee
Mr Lee Ek Tieng
Dr Lee Tih Shih
Mr Nicky Tan Ng Kuang (Appointed on 21 October 2003)
Mr Patrick Goh (Alternate to Dr Han Cheng Fong)

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

- Pursuant to Section 153 of the Companies Act, Cap. 50 :
  - Dr Michael Fam
  - Mr Lee Ek Tieng

- By rotation pursuant to Article 117 of the Company's Articles of Association :
  - Mr Stephen Lee

<u>Afternote:</u>
Mr Fock Siew Wah, who also retires by rotation pursuant to Article 117 of the Company's Articles of Association and is eligible for re-election, has announced his wish not to offer himself for re-election at this forthcoming Annual General Meeting.

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of, nor at any time during the financial year did there subsist any arrangements to which the Company or the Group is a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except for the options granted under the Fraser and Neave, Limited Executives' Share Option Scheme referred to under paragraph 5(a).

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

	ORDINARY SHARES OF THE COMPANY		OTHER SECURITIES IN GROUP COMPANIES		
	As at 1 Oct 2003	As at 30 Sep 2004	As at 1 Oct 2003	As at 30 Sep 2004	NAME OF COMPANY
Michael Fam	802,405 (1)	1,165,005 (2)	567,600	516,000	Fraser and Neave, Limited Share Options
			30,000 (3)	50,000 (4)	Asia Pacific Breweries Ltd Ordinary Shares
Fock Siew Wah	Nil	Nil	Nil	Nil	

DIRECTORS' REPORT

	ORDINARY SHARES OF THE COMPANY		OTHER SECURITIES IN GROUP COMPANIES		
	As at 1 Oct 2003	As at 30 Sep 2004	As at 1 Oct 2003	As at 30 Sep 2004	NAME OF COMPANY
Han Cheng Fong	Nil	Nil	216,720	371,520	Fraser and Neave, Limited Share Options
(Alternate : Patrick Goh)	38,700 (1)	94,492 (2)	161,508	165,636	Fraser and Neave, Limited Share Options
			40,000 (5)	60,000 (6)	Asia Pacific Breweries Ltd Ordinary Shares
Ho Tian Yee	Nil	Nil	Nil	Nil	
Lee Ek Tieng	67,500	67,500	34,000	34,000	Asia Pacific Breweries Ltd Ordinary Shares
Stephen Lee	Nil	Nil	Nil	Nil	
Lee Tih Shih	Nil	Nil	Nil	Nil	
Nicky Tan Ng Kuang	Nil (7)	Nil	Nil (7)	Nil	

(1) Includes deemed interest in 27,000 ordinary shares held by Fraser & Neave (Singapore) Ltd Staff Provident Fund ("Fund") whereby Dr Michael Fam is the Chairman of the Trustees and Mr Patrick Goh is a Trustee of the Fund.
(2) Includes deemed interest in 80,000 ordinary shares held by the Fund.
(3) Deemed interest in 30,000 ordinary shares held by the Fund.
(4) Deemed interest in 50,000 ordinary shares held by the Fund.
(5) Includes deemed interest in 30,000 ordinary shares held by the Fund.
(6) Includes deemed interest in 50,000 ordinary shares held by the Fund.
(7) As at date of appointment i.e. 21 October 2003.

4. DIRECTORS' CONTRACTUAL BENEFITS

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

5. SHARE OPTIONS

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

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

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

The 1999 Scheme succeeded the 1989 Scheme.

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

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

DIRECTORS' REPORT

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

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

Name of Participant	Number of Ordinary Shares granted under Options during the financial year under review	Aggregate Number of Ordinary Shares granted under Options since commencement of Schemes to end of the financial year under review	Aggregate Number of Ordinary Shares granted under Options exercised since commencement of Schemes to end of the financial year under review	Options Lapsed	Aggregate Number of Ordinary Shares granted under Options outstanding as at end of the financial year under review
Michael Fam	258,000	2,974,881	1,495,835	963,046	516,000
Han Cheng Fong	154,800	371,520	-	-	371,520
Patrick Goh	61,920	585,743	243,249	176,858	165,636

Year 5 Options of the 1999 Scheme
During the financial year ended 30 September 2004, in consideration of the payment of $1 for each offer accepted, offers of options were granted pursuant to the Scheme in respect of 2,224,583 unissued shares of $1 each of the Company at an exercise price of $10.58 per share.

Information pertaining to Outstanding Options
At the end of the financial year, there were 5,062,191 unissued ordinary shares of the Company under Options granted pursuant to the Schemes. Details of the options to subscribe for ordinary shares of $1 each in the capital of the Company granted to executives pursuant to the Schemes are as follows :

Options	Offer Date	Balance as at 01.10.2003 or Offer Date if later	Options Lapsed #	Options Exercised	Balance as at 30.9.2004	Exercise Price	Exercise Period
1989 Scheme							
1999	23.12.1998	32,818	-	(2,322)	30,496	$ 3.86	23.09.2001 - 22.11.2008
1999 Scheme							
Year 1	23.11.1999	185,889	-	(178,923)	6,966	$ 6.67	23.08.2002 - 22.10.2009
Year 2	21.11.2000	745,921	-	(668,050)	77,871	$ 6.43	22.08.2003 - 21.10.2010
Year 3	08.10.2001	1,074,852	-	(641,835)	433,017	$ 6.98	09.07.2004 - 08.09.2011
Year 3A	28.01.2002	254,257	(25,078)	-	229,179	$ 7.81	29.10.2004 - 28.12.2011
Year 3B	02.07.2002	168,732	-	-	168,732	$ 7.79	03.04.2005 - 02.06.2012
Year 4	01.10.2002	1,993,049	(47,368)	-	1,945,681	$ 7.54	01.07.2005 - 31.08.2012
Year 5	08.10.2003	2,224,583	(54,334)	-	2,170,249	$10.58	08.07.2006 - 07.09.2013
		6,680,101	(126,780)	(1,491,130)	5,062,191		

lapsed due to resignations.

Subsequent to the financial year ended 30 September 2004, a total of 2,138,610 share options of Year 6 of the 1999 Scheme were offered on 8 October 2004 at an exercise price of $14.08 per share.

DIRECTORS' REPORT

Statutory and other information regarding the Options

(i) The Exercise Price is equal to the market value of a share based on the average of the last done price on the Singapore Exchange Securities Trading Limited for the five market days preceding the option offer date.

(ii) The grantee may exercise an option during the Exercise Period (which commences 33 months after the Offer Date) by notice in writing accompanied by a remittance for the number of options at the full amount of the Exercise Price.

(iii) Options expire 119 months after the Offer Date unless an option has previously lapsed by reason of the resignation of the grantee from employment with the Group after the grant of an option and before its exercise.

(iv) The number of shares which may be acquired by a grantee and the Exercise Price are subject to adjustment, as confirmed by the auditors of the Company that such adjustment is fair and reasonable, by reason of any issue of additional shares in the Company by way of rights or capitalisation of profits or reserves, or repayment and reduction of capital, made while an option remains unexercised.

(v) The persons to whom the options have been issued have no right to participate by virtue of the options in any share issue of any other company.

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

The APBL Scheme expired in July 2004 but options already granted under that Scheme remains exercisable until the end of the relevant Option Period. The Phantom Share Option Plan approved by the Remuneration Committee of APBL on 24 September 2004 and endorsed by the APBL Board will succeed the APBL Scheme.

2004 Options

During the financial year ended 30 September 2004, in consideration of the payment of $1 for each offer accepted, offers of options were granted pursuant to the APBL Scheme in respect of 1,129,200 unissued shares of $1 each of APBL at an exercise price of $6.29 per share.

Information pertaining to Outstanding Options

At the end of the financial year, 2,878,769 unissued ordinary shares of APBL were under options granted pursuant to the APBL Scheme. Details of the options to subscribe for ordinary shares of $1 each in the capital of APBL granted to executives pursuant to the APBL Scheme are as follows :

Options	Offer Date	Balance as at 01.10.2003 or Offer Date if later	Options Lapsed #	Options Exercised	Balance as at 30.9.2004	Exercise Price	Exercise Period
1999	23.12.1998	125,372	-	(112,493)	12,879	$3.61	22.09.2001 - 21.11.2008
2000	22.12.1999	354,330	-	(250,870)	103,460	$4.28	21.09.2002 - 20.11.2009
2001	20.12.2000	692,330	(6,180)	(501,420)	184,730	$3.91	19.09.2003 - 18.11.2010
2002	08.10.2001	802,350	(22,000)	(247,650)	532,700	$3.79	08.07.2004 - 07.09.2011
2003	15.10.2002	1,078,850	(75,800)	-	1,003,050	$4.79	15.07.2005 - 14.09.2012
2004	08.10.2003	1,129,200	(87,250)	-	1,041,950	$6.29	08.07.2006 - 07.09.2013
		4,182,432	(191,230)	(1,112,433)	2,878,769		

\# lapsed due to non-acceptance (26,400) and resignation (164,830).

Statutory and other information regarding the APBL Options

The statutory and other information provided above at paragraph 5(a), sub-paragraphs (i) to (v) inclusive in respect of the Fraser and Neave, Limited Executives' Share Option Scheme, applies also to the APBL options.

DIRECTORS' REPORT

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

2004 Options
During the financial year ended 30 September 2004, in consideration of the payment of RM1 for each offer accepted, offers of options were granted by Fraser and Neave, Limited pursuant to the F&NHB Scheme to executives to acquire 2,493,600 shares of RM1 each in the capital of F&NHB at an exercise price of RM3.83 per share.

Information pertaining to Outstanding Options
At the end of the financial year, 7,021,201 F&NHB ordinary shares held by Fraser and Neave, Limited were under Options granted pursuant to the F&NHB Scheme. Details of the options granted to executives pursuant to the F&NHB Scheme to acquire ordinary shares of RM1 each in the capital of F&NHB from Fraser and Neave, Limited are as follows :

Options	Offer Date	Balance as at 01.10.2003 or Offer Date if later	Options Lapsed #	Options Exercised	Balance as at 30.9.2004	Exercise Price	Exercise Period
1999	24.12.1998	822,457	(822,457)	-	-	RM 4.23	24.09.2001 - 23.11.2003
2000	07.12.1999	789,808	(66)	(651,381)	138,361	RM 3.07	07.09.2002 - 06.11.2004
2001	08.12.2000	1,567,300	-	(960,760)	606,540	RM 3.13	08.09.2003 - 07.11.2005
2002	31.12.2001	1,822,600	(73,300)	-	1,749,300	RM 3.56	01.10.2004 - 30.11.2006
2003	21.11.2002	2,322,500	(117,400)	-	2,205,100	RM 3.49	21.08.2005 - 20.10.2007
2004	24.11.2003	2,493,600	(171,700)	-	2,321,900	RM 3.83	24.08.2006 - 23.10.2008
		9,818,265	(1,184,923)	(1,612,141)	7,021,201		

lapsed due to expiry (811,427), resignation (298,796) and non-acceptance (74,700).

Statutory and other information regarding the F&NHB Options
The statutory and other information provided above at paragraph 5(a), sub-paragraphs (i) to (v) inclusive in respect of the Fraser and Neave, Limited Executives' Share Option Scheme, applies to the F&NHB options except that Singapore Exchange Securities Trading Limited should be replaced by Bursa Malaysia and that all options expire 59 months after the option offer date.

(d) Other than those reported in this paragraph 5, no shares of the Company or any corporation in the Group were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or any corporation in the Group, whether granted before or during that financial year.

(e) Other than those reported in this paragraph 5, there were no unissued shares of the Company or any corporation in the Group under options as at the end of the financial year to which this report relates.

6. AUDIT COMMITTEE

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

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

7. AUDITOR

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

DIRECTORS' REPORT

8. OTHER INFORMATION REQUIRED BY SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

(a) The interests of the directors of the Company in the share capital of the Company and of its related companies as at the 21st day after the end of the financial year remained unchanged from those at 30 September 2004 as set out at paragraph 3 hereof, except for :

Dr Michael Fam, Dr Han Cheng Fong and Mr Patrick Goh who were respectively granted, under the 1999 Executives' Share Option Scheme, 258,000, 154,800 and 92,880 Year 6 Options exercisable not earlier than 8 July 2007 at $14.08 per share.

(b) Since the end of the previous financial year, the Company and its subsidiary companies did not enter into any material contracts involving interests of the directors or controlling shareholders and no such material contracts still subsist at the end of the financial year, except for those disclosed in this Directors' Report and in the Financial Statements.

On behalf of the Board

MICHAEL FAM
Director

FOCK SIEW WAH
Director

Singapore,
12 November 2004

STATEMENT BY DIRECTORS
Pursuant to Section 201(15)

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

(a) the balance sheet, profit statement, statement of changes in equity and consolidated cash flow statement together with the notes thereto, set out on pages 71 to 126, are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 September 2004 and of the results of the business, and changes in equity of the Company and of the Group and the cash flows of the Group for the year ended 30 September 2004; and

(b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board

MICHAEL FAM
Director

FOCK SIEW WAH
Director

Singapore,
12 November 2004

AUDITOR'S REPORT
To the Members of Fraser and Neave, Limited

We have audited the financial statements of FRASER AND NEAVE, LIMITED (the "Company") and its subsidiary companies (the "Group") set out on pages 71 to 126 for the year ended 30 September 2004. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion,

(a) the consolidated financial statements of the Group and the financial statements of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 September 2004, and of the results and changes in equity of the Company and of the Group and the cash flows of the Group for the year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company and by those subsidiary companies incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

ERNST & YOUNG
Certified Public Accountants

Singapore,
12 November 2004

PROFIT STATEMENT
for the year ended 30 September 2004

	Notes	THE GROUP 2004 ($'000)	THE GROUP 2003 ($'000)	THE COMPANY 2004 ($'000)	THE COMPANY 2003 ($'000)
REVENUE	3				
Sale of goods		**3,440,224**	3,651,772	**-**	-
Other revenue		**6,035**	6,017	**2,285**	1,888
		3,446,259	3,657,789	**2,285**	1,888
Cost of sales		**(2,188,956)**	(2,386,034)	**-**	-
Gross profit		**1,257,303**	1,271,755	**2,285**	1,888
Operating expenses					
- Distribution		**(140,267)**	(133,442)	**-**	-
- Marketing		**(417,650)**	(375,528)	**-**	-
- Administration		**(255,881)**	(235,298)	**(6,425)**	(7,966)
		(813,798)	(744,268)	**(6,425)**	(7,966)
TRADING PROFIT/(LOSS)		**443,505**	527,487	**(4,140)**	(6,078)
Gross dividends from subsidiary companies	6	**-**	-	**138,158**	114,161
Share of joint venture companies' profits		**27,568**	23,061	**-**	-
Share of associated companies' profits/(losses)		**30,066**	(857)	**-**	-
Gain on Compass Point securitisation	7	**59,794**	-	**-**	-
Gross income from investments	8	**21,248**	37,378	**2,641**	11,517
OPERATING PROFIT BEFORE INTEREST, TAXATION AND EXCEPTIONAL ITEMS		**582,181**	587,069	**136,659**	119,600
Net interest expense	4	**(31,413)**	(43,822)	**(14,412)**	(18,508)
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS	4	**550,768**	543,247	**122,247**	101,092
Exceptional items	9	**20,630**	54,177	**84,172**	36,975
PROFIT BEFORE TAXATION		**571,398**	597,424	**206,419**	138,067
Taxation	10	**(141,099)**	(145,824)	**(22,508)**	(13,435)
PROFIT AFTER TAXATION		**430,299**	451,600	**183,911**	124,632
Minority interests, net of taxes		**(138,391)**	(118,590)	**-**	-
ATTRIBUTABLE PROFIT					
- Before exceptional items		**266,204**	273,002	**99,739**	87,657
- Exceptional items		**25,704**	60,008	**84,172**	36,975
		291,908	333,010	**183,911**	124,632

		Notes	2004	2003
Earnings per $1 share		12		
Basic	- before exceptional items		**115.1 cts**	103.2 cts
	- after exceptional items		**126.2 cts**	125.9 cts
Fully diluted	- before exceptional items		**113.8 cts**	102.8 cts
	- after exceptional items		**124.8 cts**	125.4 cts

The Notes on pages 78 to 126 form an integral part of the Financial Statements.

BALANCE SHEET
as at 30 September 2004

	Notes	THE GROUP 2004 ($'000)	THE GROUP 2003 ($'000)	THE COMPANY 2004 ($'000)	THE COMPANY 2003 ($'000)
SHARE CAPITAL AND RESERVES					
Share capital	13	**232,008**	230,517	**232,008**	230,517
Reserves	13	**2,694,192**	2,608,774	**2,521,983**	2,635,351
		2,926,200	2,839,291	**2,753,991**	2,865,868
MINORITY INTERESTS		**915,348**	873,163	**-**	-
		3,841,548	3,712,454	**2,753,991**	2,865,868
Represented by :					
FIXED ASSETS	14	**1,333,023**	1,344,906	**-**	-
INVESTMENT PROPERTIES	15	**2,227,432**	2,266,738	**-**	-
PROPERTIES UNDER DEVELOPMENT	16	**1,833,290**	1,100,052	**-**	-
SUBSIDIARY COMPANIES	17	**-**	-	**3,583,715**	3,913,320
JOINT VENTURE COMPANIES	18	**122,213**	118,648	**-**	-
ASSOCIATED COMPANIES	19	**184,561**	161,631	**-**	-
INTANGIBLE ASSETS	20	**224,512**	38,959	**-**	-
OTHER INVESTMENTS	21	**89,810**	42,711	**7,952**	8,879
BRANDS	23	**7,591**	9,536	**1,336**	2,503
DEFERRED TAX ASSETS	33	**12,399**	15,412	**-**	-
BANK FIXED DEPOSITS	22	**157,887**	88,856	**-**	-
CURRENT ASSETS					
Properties held for sale	24	**398,862**	369,398	**-**	-
Inventories	25	**355,008**	336,359	**-**	-
Trade debtors	26	**412,514**	636,767	**-**	-
Subsidiary companies	17	**-**	-	**7,406**	7,858
Joint venture companies	18	**304**	3,428	**-**	-
Associated companies	19	**8,106**	1,984	**-**	-
Other debtors	27	**172,457**	109,481	**3,237**	1,281
Short term investments	28	**4,493**	326,365	**-**	-
Bank fixed deposits	22	**443,824**	598,354	**21,688**	6,102
Cash and bank balances	22	**133,546**	160,561	**364**	4,985
		1,929,114	2,542,697	**32,695**	20,226
Deduct : CURRENT LIABILITIES					
Trade creditors		**360,615**	364,044	**-**	-
Subsidiary companies	17	**-**	-	**28,272**	12,326
Joint venture companies	18	**14,038**	5,245	**686**	686
Associated companies	19	**33,317**	93	**-**	-
Other creditors	29	**432,992**	404,658	**5,365**	7,439
Bank borrowings	30	**890,642**	1,171,685	**32,980**	555,055
Term loans	31	**184,500**	369,750	**-**	-
Provision for taxation		**138,758**	137,958	**4,404**	3,554
		2,054,862	2,453,433	**71,707**	579,060
NET CURRENT (LIABILITIES)/ASSETS		**(125,748)**	89,264	**(39,012)**	(558,834)
		6,066,970	5,276,713	**3,553,991**	3,365,868
Deduct : DEFERRED LIABILITIES					
Bank borrowings	30	**128,542**	156,961	**-**	-
Term loans	31	**1,985,266**	1,285,317	**800,000**	500,000
Employee benefits	32	**23,760**	24,650	**-**	-
Deferred tax liabilities	33	**87,854**	97,331	**-**	-
		2,225,422	1,564,259	**800,000**	500,000
		3,841,548	3,712,454	**2,753,991**	2,865,868

The Notes on pages 78 to 126 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

		THE GROUP							
	Notes	Share Capital ($'000)	Share Premium ($'000)	Capital Redemption Reserve ($'000)	Capital Reserve ($'000)	Revenue Reserve ($'000)	Exchange Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)
YEAR ENDED 30 SEPTEMBER 2004									
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 reserves resulting from release of completion cost provisions		-	-	-	22	-	-	-	22
Deficit on revaluation of properties		-	-	-	(33,943)	-	-	-	(33,943)
Surplus on revaluation of 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 to distributable reserves by overseas subsidiary companies in compliance with statutory requirements	13	-	-	-	(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	13	1,491	8,487	-	-	-	-	-	9,978
Attributable profit		-	-	-	-	291,908	-	-	291,908
Dividends	11								
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

The Notes on pages 78 to 126 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

		THE GROUP							
	Notes	Share Capital ($'000)	Share Premium ($'000)	Capital Redemption Reserve ($'000)	Capital Reserve ($'000)	Revenue Reserve ($'000)	Exchange Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)
YEAR ENDED 30 SEPTEMBER 2003									
Balance at 1 October 2002		266,995	333,472	3,228	732,264	1,617,080	(20,249)	53,399	2,986,189
Adjustment of prior year's revaluation reserve resulting from release of completion cost provisions		-	-	-	1,638	-	-	-	1,638
Deficit on revaluation of properties		-	-	-	(101,026)	-	-	-	(101,026)
Revaluation surplus on properties for sale realised		-	-	-	(1,672)	1,672	-	-	-
Revaluation surplus realised upon disposal of investments and fixed assets		-	-	-	(40,046)	1,168	-	-	(38,878)
Revaluation reserve arising from revaluation of investment		-	-	-	60,541	-	-	-	60,541
Change in minority interests' in reserves upon the issue of shares by subsidiary companies		-	-	-	(16)	167	-	-	151
Transfer to non-distributable reserves by overseas subsidiary companies in compliance with statutory requirements	13	-	-	-	58	(58)	-	-	-
Currency translation difference		-	-	-	(991)	-	15,754	-	14,763
Net (losses)/gains not recognised in the profit statement		-	-	-	(81,514)	2,949	15,754	-	(62,811)
Issue of shares in the Company upon exercise of share options	13	1,116	6,502	-	-	-	-	-	7,618
Shares in the Company reduced upon capital reduction	13	(37,594)	(204,863)	-	-	(75,188)	-	-	(317,645)
Attributable profit		-	-	-	-	333,010	-	-	333,010
Dividends	11								
Additional dividend due to exercise of share options		-	-	-	-	(98)	-	98	-
Final dividend for the previous year, paid		-	-	-	-	-	-	(53,497)	(53,497)
Interim dividend for the year, paid		-	-	-	-	(53,573)	-	-	(53,573)
Final dividend for the year, proposed		-	-	-	-	(69,155)	-	69,155	-
		-	-	-	-	(122,728)	-	69,155	(53,573)
Balance at 30 September 2003		230,517	135,111	3,228	650,750	1,755,025	(4,495)	69,155	2,839,291

The Notes on pages 78 to 126 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

	Notes	Share Capital ($'000)	Share Premium ($'000)	Capital Redemption Reserve ($'000)	Capital Reserve ($'000)	Revenue Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)
		THE COMPANY						
YEAR ENDED 30 SEPTEMBER 2004								
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	13	1,491	8,487	-	-	-	-	9,978
Attributable profit		-	-	-	-	183,911	-	183,911
Dividends	11							
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
YEAR ENDED 30 SEPTEMBER 2003								
Balance at 1 October 2002		266,995	333,472	3,228	1,230,996	1,271,846	53,399	3,159,936
Write back of revaluation in subsidiary companies		-	-	-	(1,628)	-	-	(1,628)
Revaluation deficit on subsidiary realised upon disposal		-	-	-	25	-	-	25
Net losses not recognised in the profit statement		-	-	-	(1,603)	-	-	(1,603)
Issue of shares in the Company upon exercise of share options	13	1,116	6,502	-	-	-	-	7,618
Shares in the Company reduced upon capital reduction		(37,594)	(204,863)	-	-	(75,188)	-	(317,645)
Attributable profit		-	-	-	-	124,632	-	124,632
Dividends	11							
Additional dividend due to exercise of share options		-	-	-	-	(98)	98	-
Final dividend for the previous year, paid		-	-	-	-	-	(53,497)	(53,497)
Interim dividend for the year, paid		-	-	-	-	(53,573)	-	(53,573)
Final dividend for the year, proposed		-	-	-	-	(69,155)	69,155	-
		-	-	-	-	(122,728)	69,155	(53,573)
Balance at 30 September 2003		230,517	135,111	3,228	1,229,393	1,198,464	69,155	2,865,868

The Notes on pages 78 to 126 form an integral part of the Financial Statements.

CASH FLOW STATEMENT
for the year ended 30 September 2004

	THE GROUP	
	2004	2003
	($'000)	($'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and exceptional items	**550,768**	543,247
Adjustments for :		
Depreciation of fixed assets and investment properties	**131,120**	128,907
Provision for fixed assets (write back)/write off	**(2,089)**	1,500
Write off of intangible assets	**218**	-
Provision for employee benefits	**2,550**	2,160
Write back of employee benefits	**(278)**	(950)
Provision for impairment of investment	**-**	974
Provision for loan to associated company	**356**	639
Provision for foreseeable losses in properties developed for sale and properties held for sale	**10,000**	18,700
(Profit)/Loss on disposal of fixed assets (net)	**(2,810)**	1,242
Gain on Compass Point securitisation	**(59,794)**	-
Amortisation of development properties	**109**	111
Amortisation of brands	**1,868**	1,818
Amortisation of intangible assets	**9,034**	5,515
Interest expenses (net)	**31,413**	43,822
Share of joint venture companies' profits	**(27,568)**	(23,061)
Share of associated companies' (profits)/losses	**(30,066)**	857
Investment income	**(21,248)**	(37,378)
Profits on properties developed for sale and properties held for sale	**(62,292)**	(158,321)
Operating cash before working capital changes	**531,291**	529,782
Change in inventories	**(17,124)**	(40,854)
Change in trade and other debtors	**207,572**	(47,786)
Change in joint venture and associated companies' balances	**39,019**	1,543
Change in trade and other creditors	**(59,850)**	31,797
Currency realignment	**(18,039)**	(9,686)
Cash generated from operations	**682,869**	464,796
Interest expenses paid, net	**(31,413)**	(43,822)
Income taxes paid	**(140,366)**	(124,423)
Payment of employee benefits	**(2,786)**	(2,347)
Progress payment received/receivable on properties developed for sale and properties held for sale	**165,377**	939,199
Development expenditure on properties developed for sale	**(658,084)**	(499,158)
Net cash from operating activities	**15,597**	734,245
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends from joint venture and associated companies	**17,174**	13,738
Investment income	**22,623**	37,476
Proceeds from return of capital from joint venture and associated companies	**336**	323
Proceeds from Compass Point securitisation	**28,178**	-
Proceeds from disposal of associated companies	**-**	7,979
Proceeds from sale of fixed assets and properties	**101,772**	8,564
Proceeds from sale of other investments and short term investments	**345,839**	182,675
Purchase of fixed assets	**(186,841)**	(175,187)
Purchase of other investments and short term investments	**(24,272)**	(25,998)
Acquisition of minority interests in subsidiary companies	**(117,169)**	(7,404)
Acquisition of subsidiary companies	**10,631**	-
Acquisition of intangible assets and brands	**(11,111)**	(4,631)
Development expenditure on investment properties	**(1,034)**	(2,320)
Investments in joint venture and associated companies	**(215,723)**	(70,087)
Net cash used in investing activities	**(29,597)**	(34,872)

The Notes on page 78 to 126 form an integral part of the Financial Statements.

CASH FLOW STATEMENT
for the year ended 30 September 2004

	THE GROUP 2004 ($'000)	THE GROUP 2003 ($'000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) of term loans and bank borrowings	**58,149**	(14,609)
Loan from minority interest	**3,826**	-
Transfer to secured bank deposits	**(69,031)**	(88,856)
Proceeds from issue of shares :		
- by subsidiary companies to minority interests	**12,315**	2,558
- by parent company to shareholders	**9,978**	7,618
Payment on capital reduction :		
- by subsidiary companies to minority interests	**-**	(1,919)
- by parent company to shareholders	**-**	(317,645)
Payment of dividends :		
- by subsidiary companies to minority interests	**(78,116)**	(67,713)
- by parent company to shareholders	**(115,647)**	(107,070)
Net cash used in financing activities	**(178,526)**	(587,636)
Net (decrease)/increase in cash and cash equivalents	**(192,526)**	111,737
Cash and cash equivalents at beginning of year	**754,964**	642,192
Effects of exchange rate changes on cash and cash equivalents	**2,475**	1,035
Cash and cash equivalents at end of year	**564,913**	754,964
Cash and cash equivalents at end of year comprise :		
Cash and bank deposits (Note 22)	**577,370**	758,915
Bank overdrafts (Note 30)	**(12,457)**	(3,951)
	564,913	754,964

Analysis of acquisition of subsidiary companies

	2004 ($'000)
Net assets acquired :	
Fixed assets	**20,281**
Development properties	**153,890**
Current assets	**92,607**
Current liabilities	**(71,156)**
Non-current liabilities	**(142,747)**
Minority interests	**(11,705)**
Cash	**21,447**
	62,617
Cost of investment as an associate	**(53,156)**
Translation difference	**1,242**
Goodwill on acquisition	**113**
Consideration paid	**10,816**
Less : Cash of subsidiary companies	**(21,447)**
Cash flow on acquisition net of cash and cash equivalents acquired	**(10,631)**

The Notes on page 78 to 126 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

The following Notes form an integral part of the Financial Statements on pages 71 to 77.

1. GENERAL

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

The principal activities of the Group are :
(a) production and sale of soft drinks, beer, stout, dairy products and glass containers,
(b) development of and investment in property, and
(c) printing, publishing and provision of education services.

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

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

The Company's operation is managed through a wholly-owned subsidiary company. As at the balance sheet date, the Group has 14,489 (2003 : 14,495) employees.

The financial statements of the Company and the Group were authorised for issue in accordance with a resolution of the Directors on 12 November 2004.

2. ACCOUNTING POLICIES

2.1 Effect of Changes in Singapore Companies Legislation

Pursuant to the Companies (Amendment) Act 2002, with effect from financial year commencing on 1 October 2003, the Company and the Group are required to prepare and present their audited financial statements in accordance with Singapore Financial Reporting Standards ("FRS"). Hence, these financial statements, including the comparative figures, have been prepared in accordance with FRS.

Previously, the Company and the Group prepared their audited financial statements in accordance with Singapore Statements of Accounting Standard. The adoption of FRS does not have a material impact on the accounting policies and figures presented in the audited financial statements for the financial year ended 30 September 2003.

2.2 Basis of Preparation

The financial statements of the Company and the consolidated financial statements of the Group are expressed in Singapore dollars. The financial statements of the Company and of the Group are prepared under the historical cost convention as modified by the revaluation of certain fixed assets, properties under development and investments. The financial statements are prepared in accordance with Singapore Financial Reporting Standards as required by the Companies Act, Cap. 50.

2.3 Basis of Consolidation

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

The financial year of the Company and all its subsidiary companies ends on 30 September unless otherwise stated. The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies made up to 30 September. The financial statements of subsidiary companies are prepared using consistent accounting policies. Adjustments are made to any dissimilar material accounting policies to conform to the Group's significant accounting policies. A list of the Company's subsidiary companies is shown in Note 42.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

2.4 Investments

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

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

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

2.5 Joint Venture Companies

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

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

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

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

A list of the joint venture companies is shown in Note 42.

2.6 Associated Companies

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

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

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

A list of associated companies is shown in Note 42.

2.7 Revenue Recognition

Revenue from the sale of goods is recognised upon delivery.

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

2.7 Revenue Recognition (continued)

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

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

Revenue from completed properties held for sale is recognised upon signing of the sale and purchase agreement.

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

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

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

2.8 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Amounts are set aside on certain sales as a provision against possible sales returns inherent in the printing and publishing business.

2.9 Taxation

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

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

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

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

2.10 Fixed Assets

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

2.10 Fixed Assets (continued)

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

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

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

Capital work-in-progress, except for leasehold land included in capital work-in-progress, is not depreciated until each stage of development is completed and becomes operational.

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

2.11 Investment Properties

Investment properties are held for their income and long term investment potential.

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

Freehold and long leasehold investment properties (those with lease balance of more than 50 years) are stated at directors' valuation. The directors' valuation is guided by the open market value determined annually by independent professional valuer as follows :

(a) when the open market value as at the balance sheet date is lower than the book value the directors will take the open market value, or

(b) when the open market value as at the balance sheet date is higher than the book value the directors will take the open market value if it is materially higher than the book value, otherwise the directors will retain the book value.

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

2.12 Properties Under Development

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

Provision for impairment in value of property under development is made when it is anticipated that the net realisable value has fallen below cost.

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

2.12 Properties Under Development (continued)

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

Revenue on development represents the proportion of sales proceeds of the actual floor area sold to the balance sheet date based on the percentage of completion method.

Progress payments received from purchasers of residential units for sales are shown as a deduction from the cost of the property under development.

2.13 Borrowing Costs

Borrowing costs that are directly attributable to acquisition and construction are capitalised as part of the cost of fixed assets or property under development. Capitalisation of borrowing costs commences when activities to prepare the fixed assets and property under development are in progress until the fixed asset is ready for its intended use or completion of development. Borrowing costs capitalised in property under development are after netting off interest income earned from progress billings received and placed on fixed deposits.

2.14 Intangible Assets

Intangible assets are stated at cost less amortisation :

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

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

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

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

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

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

2.15 Brands

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

2.16 Properties Held For Sale

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

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

Revenue from completed properties held for sale is recognised upon execution of sales and purchase agreements.

2.17 Inventories

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

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

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

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

2.18 Trade and Other Debtors

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

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

2.19 Cash and Cash Equivalent

Cash on hand and in bank and bank deposits which are held to maturity are carried at cost. For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash on hand and deposits in bank, net of bank overdrafts.

2.20 Trade and Other Creditors

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

Payables to related parties are carried at cost.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

2.21 Employee Benefits

(a) Retirement Benefits
Provision for retirement benefits is made in accordance with :
(i) the terms of agreements concluded by group companies with various categories of employees, or
(ii) pension and retirement benefit schemes, or
(iii) defined contribution plans under statutory regulations in the country, where applicable.

Retirement Benefits in accordance with agreements
The provisions represent the present value of the amounts likely to become payable in respect of services already rendered. An independent actuarial calculation of the provision is made every three years. Internal calculation of the provision is made each intervening year on the same basis as those used for the independent actuarial calculation.

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

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

(b) Share Options
The Company and certain listed subsidiary companies have in place Executives' Share Option Scheme for the granting of options to eligible executives of the Group to subscribe for shares or to acquire shares in the companies under the respective schemes. Details of the respective schemes are disclosed under paragraph 5 of the Directors' Report. There are no charges to profit statement upon the grant or exercise of the options as the exercise price equals the market value of the shares at the time of grant. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

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

2.22 Foreign Currencies

Foreign currency transactions are recorded in the local currency of the respective group companies at rates of exchange approximating those ruling at transaction date. All other foreign currency monetary assets and liabilities are translated at the rates ruling at balance sheet date or at forward rates where applicable. Exchange differences are dealt with in the profit statement except where exchange differences arising on foreign currency monetary items that in substance form part of the Group's net investment in foreign entity are taken to exchange reserve as a separate component of the shareholders' funds until the disposal of the net investment at which time they are recognised in the profit statement.

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

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

2.23 Exceptional Items

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

2.24 Government Grants

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

2.25 Leases

When the Group is the lessee, a finance lease which effectively transfers to the Group substantially all the risks and benefits incidental to ownership of the leased item is capitalised at the present value of the minimum lease payments at the inception of the lease term and disclosed as fixed asset. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

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

When the Group is the lessor, a lease whereby the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, is classified as an operating lease. Assets leased out under operating leases are included in investment properties and are stated at revalued amounts and not depreciated. Rental income (net of any incentives given to lessees) is recognised on a straight line basis over the lease term.

2.26 Impairment

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

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

2.27 Derivative Financial Instruments

The Group uses foreign exchange forward contracts to hedge its risks associated primarily with foreign currency fluctuations. The Group also uses interest rate swap contracts to hedge its risks associated with interest rate fluctuations. It is the Group's policy not to trade in derivative financial instruments. Details of foreign exchange forward contracts and interest rate swap contracts entered into by the Group are recorded as off-balance sheet items at their notional principal amounts. The Group's financial risk management objectives and policies are set out in Note 38.

3. REVENUE

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

(b) Other revenue
Other revenue represents service fees, management fees and technical fees income.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS

	THE GROUP		THE COMPANY	
	2004	2003	**2004**	2003
	($'000)	($'000)	**($'000)**	($'000)
Profit before taxation and exceptional items have been arrived at after charging :				
Depreciation of fixed assets	**128,144**	125,679	**-**	-
Depreciation of investment properties	**2,976**	3,228	**-**	-
Provision for fixed assets (write back)/write off	**(2,089)**	1,500	**-**	-
Amortisation of brands	**1,868**	1,818	**1,167**	972
Amortisation of intangibles	**9,034**	5,515	**-**	-
Goodwill written off	**6,099**	-	**-**	-
Provision for doubtful trade debts and bad debts	**2,573**	2,224	**-**	-
Provision for inventories obsolescence	**6,005**	8,949	**-**	-
Provision for employee benefits	**2,550**	2,160	**-**	-
Directors of the Company :				
Fee	**700**	641	**493**	432
Remuneration of members of Board committees	**216**	229	**216**	229
Remuneration of executive directors	**4,022**	10,824	**-**	-
Central Provident Fund contribution for executive directors	**12**	113	**-**	-
Key executive officers :				
Remuneration	**3,856**	3,529	**-**	-
Central Provident Fund contribution	**134**	128	**-**	-
Staff costs (exclude directors' and key executives' remuneration)	**340,472**	340,298	**-**	-
Defined contribution plans (exclude directors and key executives)	**24,502**	23,541	**-**	-
Auditors' remuneration :				
Auditor of the parent company	**1,021**	1,061	**133**	131
Other auditors	**1,830**	1,670	**-**	-
Professional fees paid to :				
Auditor of the parent company	**147**	387	**3**	30
Other auditors	**955**	240	**-**	-
Interest expense (see below)	**52,750**	68,291	**20,661**	25,647
Exchange loss	**791**	549	**178**	271
Loss on disposal of fixed assets	**2,701**	1,923	**-**	-
Provision for foreseeable losses on properties held for sale	**10,000**	10,900	**-**	-
Provision for foreseeable losses on properties under development	**-**	7,800	**-**	-
and crediting :				
Interest income (see below)	**21,337**	24,469	**6,249**	7,139
Exchange gain	**10,273**	21,512	**-**	262
Write back of provision for employee benefits	**278**	950	**-**	-
Gain on disposal of fixed assets	**5,511**	681	**-**	-
Net Interest Expense :				
Interest income				
Subsidiary companies	**-**	-	**172**	373
Bank and other deposits	**13,904**	15,295	**139**	19
Interest rate swap contracts	**5,938**	6,747	**5,938**	6,747
Others	**1,495**	2,427	**-**	-
	21,337	24,469	**6,249**	7,139
Interest expense				
Subsidiary companies	**-**	-	**-**	(114)
Bank loans and overdrafts	**(52,171)**	(67,325)	**(20,661)**	(25,533)
Others	**(579)**	(966)	**-**	-
	(52,750)	(68,291)	**(20,661)**	(25,647)
	(31,413)	(43,822)	**(14,412)**	(18,508)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

5. SEGMENT INFORMATION

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

Year ended 30 September 2004

The following table presents financial information regarding business segments :

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 - inter-segment	39	52	-	326	12,961	3,741	-	74,011	(91,130)	-
Total revenue	**412,947**	**377,562**	**1,550,398**	**441,540**	**119,344**	**186,038**	**349,024**	**100,536**	**(91,130)**	**3,446,259**
Subsidiary companies	48,737	15,701	168,149	25,925	5,764	113,621	55,999	90,651	-	524,547
Joint venture and associated companies	-	(2)	38,862	2,449	-	(828)	20,294	(3,141)	-	57,634
PBIT *	**48,737**	**15,699**	**207,011**	**28,374**	**5,764**	**112,793**	**76,293**	**87,510**	**-**	**582,181**
Interest income										21,337
Interest expense										(52,750)
Profit before taxation and exceptional items										**550,768**
Exceptional items										20,630
Profit before taxation										**571,398**
Taxation										(141,099)
Profit after taxation										**430,299**
Minority interests, net of taxes										(138,391)
Attributable profit										**291,908**
Assets	245,625	259,658	1,227,524	548,678	175,615	2,296,967	2,357,409	262,700	-	7,374,176
Tax assets										12,399
Bank deposits & cash balances										735,257
Total assets										**8,121,832**
Liabilities	104,829	70,287	271,559	108,405	22,004	79,635	172,212	35,791	-	864,722
Tax liabilities										226,612
Bank borrowings & term loans										3,188,950
Total liabilities										**4,280,284**
Other segment information :										
Capital expenditure	11,525	9,695	64,399	73,594	29,672	2,865	115	5,741	-	197,606
Depreciation & amortisation	14,352	14,976	59,535	29,755	16,240	3,267	-	4,005	-	142,130
Impairment losses	-	-	-	-	-	-	-	6,237	-	6,237
Attributable profit before exceptional items	21,392	1,451	41,417	18,084	2,440	89,071	48,199	44,150	-	266,204
Exceptional items	(705)	(914)	(1,624)	1,243	(537)	2,202	-	26,039	-	25,704
Attributable profit	20,687	537	39,793	19,327	1,903	91,273	48,199	70,189	-	291,908

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	1,203,926	744,965	505,539	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	4,608,941	585,111	488,840	850,180	450,256	390,848	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.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

5. SEGMENT INFORMATION (continued)

Year ended 30 September 2003
The following table presents financial information regarding business segments :

Business Segment	Soft Drinks ($'000)	Dairies ($'000)	Breweries ($'000)	Printing & Publishing ($'000)	Glass Containers ($'000)	Investment Property ($'000)	Development Property ($'000)	Others ($'000)	Eliminations ($'000)	Group ($'000)
Revenue - external	392,976	344,342	1,366,862	478,736	114,789	183,940	746,235	29,909	-	3,657,789
Revenue - inter-segment	1,831	-	-	-	14,141	3,920	-	60,561	(80,453)	-
Total revenue	**394,807**	**344,342**	**1,366,862**	**478,736**	**128,930**	**187,860**	**746,235**	**90,470**	**(80,453)**	**3,657,789**
Subsidiary companies	39,464	18,913	145,423	28,974	14,234	110,910	145,457	61,490	-	564,865
Joint venture and associated companies	-	(21)	32,002	(301)	-	(643)	-	(8,833)	-	22,204
PBIT *	**39,464**	**18,892**	**177,425**	**28,673**	**14,234**	**110,267**	**145,457**	**52,657**	**-**	**587,069**
Interest income										24,469
Interest expense										(68,291)
Profit before taxation and exceptional items										**543,247**
Exceptional items										54,177
Profit before taxation										**597,424**
Taxation										(145,824)
Profit after taxation										**451,600**
Minority interests, net of taxes										(118,590)
Attributable profit										**333,010**
Assets	238,455	259,874	999,169	544,013	171,205	2,375,800	1,764,873	513,574	-	6,866,963
Tax assets										15,412
Bank deposits & cash balances										847,771
Total assets										**7,730,146**
Liabilities	103,979	63,386	245,213	111,535	27,627	56,455	141,709	48,786	-	798,690
Tax liabilities										235,290
Bank borrowings & term loans										2,983,712
Total liabilities										**4,017,692**
Other segment information :										
Capital expenditure	11,477	16,026	102,851	23,411	19,669	3,109	4	5,343	-	181,890
Depreciation & amortisation	16,128	14,846	51,717	31,533	14,794	3,807	-	3,526	-	136,351
Impairment losses	-	-	-	1,445	-	-	-	38,863	-	40,308
Attributable profit before exceptional items	17,422	7,011	33,644	16,256	6,025	69,341	103,761	19,542	-	273,002
Exceptional items	(1,015)	(776)	222	(3,033)	-	-	-	64,610	-	60,008
Attributable profit	16,407	6,235	33,866	13,223	6,025	69,341	103,761	84,152	-	333,010

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	1,562,855	720,845	461,581	220,473	554,418	137,617	3,657,789
PBIT *	334,213	79,941	107,233	(24,776)	83,833	6,625	587,069
Other geographical information :							
Assets	4,488,998	610,430	449,164	469,328	660,252	188,791	6,866,963
Capital expenditure	26,749	29,192	80,013	19,628	25,023	1,285	181,890

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

	THE GROUP		THE COMPANY	
	2004	2003	**2004**	2003
	($'000)	($'000)	**($'000)**	($'000)
6. GROSS DIVIDENDS FROM SUBSIDIARY COMPANIES				
Quoted subsidiary companies			**24,606**	20,516
Unquoted subsidiary companies			**113,552**	93,645
			138,158	114,161

7. GAIN ON COMPASS POINT SECURITISATION

In the previous financial year, the Group securitised Compass Point retail mall to Sengkang Mall Limited ("SML"). The Group retained 40% of Compass Point by subscribing to the Junior Bonds issued by SML. The Group's revenue and trading profit realised upon the securitisation amounted to $201,000,000 and $80,128,000 respectively. The 40% interest in SML was recognised as an associated company.

During the financial year, SML ceased to be an associated company when the Group disposed of 21% of the Junior Bonds in SML bringing the Group's shareholding of SML to 19%. The remaining investment in the Junior Bonds was re-classified to other investments. As the Group ceased to equity account SML's results, the remaining profit on the securitisation of $59,794,000 was realised and reported in the Group profit statement as “Gain on Compass Point Securitisation”.

8. GROSS INCOME FROM INVESTMENTS

	THE GROUP 2004	THE GROUP 2003	THE COMPANY 2004	THE COMPANY 2003
Quoted equity investments in companies	**8,217**	27,140	**508**	11,051
Unquoted equity investments in companies	**3,172**	1,063	**1,982**	270
Unquoted non-equity investments in companies	**3,184**	1,836	**151**	196
Quoted government securities and bonds	**2,857**	4,488	**-**	-
Income from funds under management	**3,818**	2,851	**-**	-
	21,248	37,378	**2,641**	11,517

9. EXCEPTIONAL ITEMS

	THE GROUP 2004	THE GROUP 2003	THE COMPANY 2004	THE COMPANY 2003
Profit on disposal of other investments	**30,093**	85,275	**222**	46,771
(Loss)/Profit on disposal of investments in subsidiary and associated companies	**(45)**	(16,007)	**109,950**	(59)
Profit on disposal of properties	**29,051**	1,385	**-**	-
Write back/(Provision) for impairment in value of investments and investment in subsidiary companies	**2,202**	35,891	**(26,000)**	(9,737)
Share of joint venture company's provision for impairment in value of assets and restructuring costs	**(4,374)**	(43,670)	**-**	-
Assets write off and other costs in respect of re-organisation of production facilities	**(32,908)**	(7,891)	**-**	-
Provision for professional fees	**(3,389)**	(806)	**-**	-
	20,630	54,177	**84,172**	36,975

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

10. TAXATION

	THE GROUP 2004 ($'000)	THE GROUP 2003 ($'000)	THE COMPANY 2004 ($'000)	THE COMPANY 2003 ($'000)
Based on profit for the year :				
Singapore tax	**52,345**	68,435	**15,893**	14,328
Overseas tax	**73,515**	62,064	**6,615**	104
Deferred tax	**(2,790)**	6,261	**-**	-
	123,070	136,760	**22,508**	14,432
Under/(Over) provision in preceding years				
- Current income tax	**3,563**	4,069	**-**	(997)
- Deferred tax	**(1,504)**	(4,544)	**-**	-
Share of taxation of joint venture companies	**8,164**	8,988	**-**	-
Share of taxation of associated companies	**7,806**	551	**-**	-
	141,099	145,824	**22,508**	13,435

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

	THE GROUP 2004 %	THE GROUP 2003 %	THE COMPANY 2004 %	THE COMPANY 2003 %
Singapore statutory rate	**20.0**	22.0	**20.0**	22.0
Effect of different tax rate of other countries	**3.3**	0.5	**0.9**	-
Effect of tax losses of subsidiary not available for set-off against profits of other companies within the group	**2.0**	1.9	**-**	-
Income not subject to tax (tax incentive/exemption)	**(7.0)**	(3.7)	**(15.1)**	(15.5)
Expenses not deductible for tax purposes	**6.9**	4.7	**4.5**	3.0
Utilisation of previously unrecognised tax losses in determining taxable profit	**(0.3)**	-	**-**	-
Over provision in preceding years	**0.2**	(0.1)	**-**	(0.7)
Other reconciliation items				
Adjustment due to change in tax rate	**(0.8)**	-	**-**	-
Deferred tax benefits not recognised	**-**	1.2	**-**	-
Others	**0.4**	(2.1)	**0.6**	0.9
	24.7	24.4	**10.9**	9.7

As at 30 September 2004, certain Singapore subsidiary companies have unutilised tax losses of approximately $43,810,000 (2003 : $46,400,000) and unabsorbed capital allowances of $2,494,000 (2003 : $1,311,000) available for set-off against future profits. In addition, certain overseas subsidiary companies have unutilised tax losses carried forward of approximately $177,198,000 (2003 : $216,096,000) and unabsorbed capital allowances of $5,956,000 (2003 : $16,528,000). The availability of these losses and capital allowances to set-off against future profits is subject to the meeting of certain statutory requirements by those subsidiary companies in their countries of incorporation. The deferred tax benefits of these losses recognised in the financial statements are disclosed in Note 33.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

11. DIVIDENDS

	THE GROUP & THE COMPANY 2004 ($'000)	2003 ($'000)
Interim paid of 20 cents after deducting Singapore income tax at 20% (2003 : 20 cents after deducting Singapore income tax at 22%)	**46,265**	53,573
Final proposed of 35 cents after deducting Singapore income tax at 20% (2003 : 30 cents after deducting Singapore income tax at 20%)	**81,203**	69,155
	127,468	122,728

The final dividend is proposed by the Directors after the balance sheet date and subject to the approval of shareholders at the next annual general meeting of the Company.

12. EARNINGS PER $1 SHARE

(a) Basic Earnings Per Share

Basic earnings per share is computed by dividing the Group attributable profit by the weighted average number of ordinary shares of $1 each in issue during the year.

		THE GROUP 2004 ($'000)	2003 ($'000)
Attributable profit	- before exceptional items	**266,204**	273,002
	- after exceptional items	**291,908**	333,010
		No. of shares	
Weighted average number of ordinary shares in issue		**231,281,515**	264,468,999
Earnings Per Share (Basic)	- before exceptional items	**115.1 cts**	103.2 cts
	- after exceptional items	**126.2 cts**	125.9 cts

(b) Diluted Earnings Per Share

Diluted earnings per share is computed by dividing the Group adjusted attributable profit by the adjusted weighted average number of ordinary shares in issue during the year. For diluted earnings per share, the Group attributable profit is adjusted for changes in subsidiary companies' attributable profit resulting from exercise of all dilutive share options. The reconciliation of the Group adjusted attributable profit used to compute diluted earnings per share is as follows :

	2004 ($'000)	2003 ($'000)
Attributable profit before exceptional items	**266,204**	273,002
Change in attributable profit due to dilutive share options of subsidiary companies	**(1,124)**	(412)
Adjusted attributable profit before exceptional items	**265,080**	272,590
Attributable profit after exceptional items	**291,908**	333,010
Change in attributable profit due to dilutive share options of subsidiary companies	**(1,091)**	(333)
Adjusted attributable profit after exceptional items	**290,817**	332,677

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

		No. of shares	
Weighted average number of ordinary shares used to compute the basic earnings per share		**231,281,515**	264,468,999
Effect of dilutive share options		**1,673,684**	748,327
Weighted average number of ordinary shares used to compute diluted earnings per share		**232,955,199**	265,217,326
Earnings per share (Fully diluted)	- before exceptional items	**113.8 cts**	102.8 cts
	- after exceptional items	**124.8 cts**	125.4 cts

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

13. SHARE CAPITAL AND RESERVES

	THE GROUP & THE COMPANY 2004 ($'000)	2003 ($'000)
SHARE CAPITAL		
Authorised :		
500,000,000 ordinary shares of $1 each	**500,000**	500,000
Issued and fully paid :		
Balance at beginning of year		
230,516,592 (2003 : 266,995,132) ordinary shares of $1 each	**230,517**	266,995
Issued during the year		
1,491,130 (2003 : 1,115,575) shares following exercise of Executives' Share Options	**1,491**	1,116
Cancelled during the year		
Nil (2003 : 37,594,115) shares pursuant to a capital reduction exercise	**-**	(37,594)
Balance at end of year		
232,007,722 (2003 : 230,516,592) ordinary shares of $1 each	**232,008**	230,517

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

During the year, the consideration received following the exercise of Executives' Share Options was $9,978,000 (2003 : $7,617,800).

	THE GROUP 2004 ($'000)	THE GROUP 2003 ($'000)	THE COMPANY 2004 ($'000)	THE COMPANY 2003 ($'000)
RESERVES				
The reserves comprise the following :				
Non-distributable reserves				
Share Premium	**143,598**	135,111	**143,598**	135,111
Capital Redemption Reserve	**3,228**	3,228	**3,228**	3,228
Capital Reserve	**561,251**	650,750	**1,039,274**	1,229,393
Exchange Reserve	**2,728**	3,659	**-**	-
	710,805	792,748	**1,186,100**	1,367,732
Distributable reserves				
Revenue Reserve	**1,922,457**	1,755,025	**1,254,680**	1,198,464
Dividend Reserve	**81,203**	69,155	**81,203**	69,155
Exchange Reserve	**(20,273)**	(8,154)	**-**	-
	1,983,387	1,816,026	**1,335,883**	1,267,619
Total reserves	**2,694,192**	2,608,774	**2,521,983**	2,635,351

Based on prevailing legislation and income tax rates of 20% and 28% for Singapore and Malaysia respectively, the Company has sufficient tax credits to pay up to $323,604,000 (2003 : $389,336,000) as Singapore tax franked dividend and $38,709,000 (2003 : $22,282,000) as Malaysian tax franked dividend out of revenue reserve. The Company did not exercise the option to move to the one tier corporate tax system in Singapore during the financial year.

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

During the year, $48,000 (2003 : $58,000) of revenue reserve was transferred to capital reserve by certain subsidiary companies as required by local legislation. The reserve is all realised profits and can only be distributed with approval from their respective local authorities.

During the year, $276,000 (2003 : nil) of capital reserve was transferred to revenue reserve by certain subsidiary companies as it is no longer required by local legislation.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

14. GROUP FIXED ASSETS

	Freehold Land ($'000)	Leasehold Land ($'000)	Building ($'000)	Plant & Machinery ($'000)	Capital Work-in-Progess ($'000)	Other Assets ($'000)	Total ($'000)
At cost/valuation							
Balance at beginning of year	76,479	85,590	527,514	1,511,183	-	344,389	2,545,155
Reclassification	(2,632)	-	(8,450)	(13,534)	36,870	(12,254)	-
Balance after reclassification	73,847	85,590	519,064	1,497,649	36,870	332,135	2,545,155
Currency realignment	(460)	(1,703)	173	6,937	1,347	(149)	6,145
Additions	-	-	3,544	101,675	54,233	27,390	186,842
Acquisition of subsidiary companies	-	3,845	3,187	12,982	-	2,601	22,615
Disposals	(5,156)	(99)	(16,077)	(197,372)	(191)	(21,489)	(240,384)
Reclassification	2,514	-	7,540	11,498	(26,450)	4,898	-
Transfer (to)/from current assets	(2,278)	-	(10,708)	6,322	(9,692)	892	(15,464)
Transfer to investment properties	-	-	(15,449)	-	-	-	(15,449)
Balance at end of year	68,467	87,633	491,274	1,439,691	56,117	346,278	2,489,460
Analysis of cost/valuation							
At cost	43,720	67,588	461,063	1,424,214	56,117	346,278	2,398,980
At directors valuation 1976	-	-	-	2,825	-	-	2,825
At directors valuation 1983	-	-	1,372	-	-	-	1,372
At directors valuation 1988	-	-	5,024	12,652	-	-	17,676
At directors valuation 1996	24,747	20,045	23,815	-	-	-	68,607
	68,467	87,633	491,274	1,439,691	56,117	346,278	2,489,460
Accumulated depreciation							
At beginning of year	45	18,656	137,095	823,699	-	220,754	1,200,249
Currency realignment	-	(464)	1,095	8,144	-	596	9,371
Charge for the year	-	1,893	13,855	82,613	-	29,783	128,144
Acquisition of subsidiary companies	-	105	162	1,425	-	642	2,334
Disposals	-	(13)	(7,976)	(150,484)	-	(17,432)	(175,905)
Reclassification	-	-	6	7	-	(13)	-
Provision for write back	-	-	(598)	(1,145)	-	(346)	(2,089)
Transfer (to)/from current assets	-	-	(3,003)	-	-	293	(2,710)
Transfer to investment properties	-	-	(2,957)	-	-	-	(2,957)
Balance at end of year	45	20,177	137,679	764,259	-	234,277	1,156,437
Net book value							
At 30 September 2004	68,422	67,456	353,595	675,432	56,117	112,001	1,333,023
At 30 September 2003	76,434	66,934	390,419	687,484	-	123,635	1,344,906

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

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

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

At 30 September 2004	25,193	7,090	11,729	239	-	-	44,251
At 30 September 2003	25,749	7,368	12,267	366	-	-	45,750

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

15. GROUP INVESTMENT PROPERTIES

	Freehold Land ($'000)	Leasehold Land ($'000)	Building ($'000)	Total ($'000)
At cost/valuation				
Balance at beginning of year	655,705	814,681	819,684	2,290,070
Currency realignment	301	(99)	495	697
Additions	-	-	1,034	1,034
Disposals	(975)	-	(24,779)	(25,754)
Revaluation deficit	(23,310)	(2,998)	(7,561)	(33,869)
Transfer from fixed assets	-	-	15,449	15,449
Transfer of accumulated depreciation upon revaluation	-	-	(7,808)	(7,808)
Balance at end of year	631,721	811,584	796,514	2,239,819
Analysis of cost/valuation				
At cost	-	3,977	50,688	54,665
At directors' valuation 2004	631,721	807,607	745,826	2,185,154
	631,721	811,584	796,514	2,239,819
Accumulated depreciation				
Balance at beginning of year	-	459	22,873	23,332
Currency realignment	-	(12)	34	22
Charge for the year	-	114	2,862	2,976
Disposals	-	-	(9,092)	(9,092)
Transfer from fixed assets	-	-	2,957	2,957
Transfer of accumulated depreciation upon revaluation	-	-	(7,808)	(7,808)
Balance at end of year	-	561	11,826	12,387
Net book value				
At 30 September 2004	631,721	811,023	784,688	2,227,432
At 30 September 2003	655,705	814,222	796,811	2,266,738

Investment properties of the Group stated at 2004 valuation made by the directors are based on open market valuation at 30 September 2004 carried out by independent professional valuers, DTZ Debenham Tie Leung (SEA) Pte Ltd (Singapore properties), M Nawawi & Co, Malaysia (land in Kota Bahru), BEM Property Consultants Pty Limited (Bridgepoint, Australia), CB Richard Ellis (Hong Kong properties and other Australia properties) and The Landmark Appraisal Group, Inc (property in the United States of America).

The directors have adopted all the valuations in the reports of the valuers except for the valuations of Centrepoint, NorthPoint, Bridgepoint and land at Kota Bharu. The directors are of the opinion that the valuations of these four properties approximate their current book value.

The amount of valuation surplus not adopted in the accounts is approximately 1.7% (2003 : 1.5%) of the net book value of the underlying investment properties.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

16. GROUP PROPERTIES UNDER DEVELOPMENT

	THE GROUP	
	2004	2003
	($'000)	($'000)
Balance at beginning of year	**1,100,052**	1,024,162
Expenditure incurred during the year	**641,858**	515,256
Transfer from fixed assets	**-**	16,733
Acquisition of subsidiary companies	**153,890**	-
	1,895,800	1,556,151
Development profit	**46,105**	62,873
Progress payments received and receivable	**(92,925)**	(503,903)
Provision for amortisation	**(109)**	(111)
Provision for impairment in value of development	**-**	(7,800)
Transfer to properties held for sale	**(17,471)**	(12,983)
Currency realignment	**1,890**	5,825
Balance at end of year	**1,833,290**	1,100,052
Group properties under development comprise :		
Freehold land		
At cost	**535,942**	299,625
At directors' valuation 1996	**99,000**	99,000
Leasehold land		
At cost	**740,966**	530,206
Development expenditure	**481,202**	208,864
Interest cost	**94,569**	53,880
Currency realignment	**2,549**	6,942
Property tax	**11,300**	8,534
	1,965,528	1,207,051
Development profit	**101,519**	58,563
Progress payments received and receivable	**(177,896)**	(109,776)
Provision for amortisation	**(1,031)**	(956)
Provision for impairment in value of development	**(54,830)**	(54,830)
	1,833,290	1,100,052

Interest capitalised during the year was $41,524,000 (2003 : $35,086,000). A capitalisation rate of 4.16% (2003 : 3.7%) per annum was used, representing the borrowing cost of the loans used to finance the projects.

(a) The valuation for 1996 was made by the directors based on appraisals by independent professional valuers.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

16. GROUP PROPERTIES UNDER DEVELOPMENT (continued)

(b)	Properties under development include :	Effective Group Interest %
	Singapore	
(i)	Cote d'Azur – leasehold land (99-year tenure commencing 25 July 2001) of approximately 24,661.8 sqm at Lot 8556C Pt MK 26 situated at Marine Parade Road for the development of 612 condominium units of approximately 74,921 sqm of gross floor area for sale.	100
(ii)	Lakeholmz – leasehold land (99-year tenure commencing 29 October 2001) of approximately 17,000 sqm at Lot 3784A Mukim 6 situated at Boon Lay Way/Corporation Road for the development of 369 condominium units of approximately 48,455 sqm of gross floor area for sale.	100
(iii)	Ris Grandeur – freehold land of approximately 26,441.5 sqm situated at Lots 892, 894 and 896 of MK 29 at Elias Road for the development of approximately 453 condominium units of approximately 60,968 sqm of gross floor area for sale.	80
(iv)	Freehold land of approximately 6,697.7 sqm at Lots 98696T, 98693W, 98692M, 1586P and 1588A of Mukim 3 at Pasir Panjang Road for the development of approximately 72 condominium units of approximately 9,387 sqm of gross floor area for sale.	100
(v)	Freehold land of approximately 23,819.7 sqm situated at Holland Park, off Holland Road, Singapore for the development of approximately 12 bungalow units of approximately 19,137 sqm of gross floor area for sale.	100
(vi)	Freehold land of approximately 6,196.5 sqm at Lot 994W MK 13 at No. 1 Jalan Ulu Sembawang for the development of approximately 70 condominium units of approximately 8,243 sqm of gross floor area for sale.	100
(vii)	Quintet – leasehold land (99-year tenure commencing 19 June 2003) of approximately 20,954.6 sqm at Lot 3254X MK 11 at Choa Chu Kang Street 36/46 for the development of 459 executive condominium units of approximately 61,804 sqm of gross floor area for sale.	100
(viii)	103-year leasehold land commencing from the date of issuance of subsidiary strata certificate of title on Lots 361, 593V, 594 and 183N of town subdivision 19 at Mount Sophia for the development of approximately 313 condominium units of 32,528 sqm of gross floor area for sale.	100
(ix)	Freehold land of approximately 10,236.1 sqm at Lots 1595T and 1596A Mukim 23 at 1 Paya Lebar Crescent for the development of approximately 125 condominium units of approximately 14,312 sqm of gross floor area for sale.	100
(x)	Leasehold land (99-year tenure commencing 1 March 2003) of approximately 16,253.5 sqm at MK 16 Lot 2253 situated at Hindhede Road for the development of 310 condominium units of approximately 38,011 sqm of gross floor area for sale.	100
(xi)	Freehold land of approximately 11,668.3 sqm at Lots 803V, 787V, 788P and on Town Subdivision 24 at Jervois Road/Close and Nos. 5, 5A, 6 and 6A at Jervois Road for the development of approximately 260 condominium units of approximately 31,041 sqm of gross floor area for sale.	100

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

16. GROUP PROPERTIES UNDER DEVELOPMENT (continued)

(b) Properties under development include (continued) :

		Effective Group Interest %
	Malaysia	
(xii)	Fraser Park – freehold land of approximately 23,354 sqm at Jalan Yew, Kuala Lumpur, Malaysia for the development of shop office for sale. Total of approximately 15,001 sqm of gross floor area for sale.	60
	Vietnam	
(xiii)	Leasehold land (35-year tenure commencing 3 April 1995) of approximately 2,160 sqm at No. 3 Nguyen Sieu Street, Ho Chi Minh City, Vietnam for the development of approximately 106 residential units of approximately 11,050 sqm of gross floor area for sale.	70
	Australia	
(xiv)	Freehold land of approximately 3,966 sqm situated at the junction of George Street, Bathurst Street and Kent Street, Sydney, Australia for the development of a retail podium of 8,922 sqm, a block of approximately 447 residential units and a block of approximately 145 serviced apartment units of a total of approximately 62,000 sqm of gross floor area for sale.	81
	China	
(xv)	Leasehold land (70-year tenure commencing 7 November 2001) of approximately 13,843 sqm situated at No. 169 Wujiang Road, Shanghai, China for a mixed development comprising 2 blocks of approximately 450 apartment units and a retail podium of a total of approximately 69,216 sqm of gross floor area for sale.	95
(xvi)	Leasehold land (70-year tenure commencing 6 December 2003) of approximately 711,091 sqm located near the future Light Rapid Transit station at Si Chen Road in Song Jiang district, Shanghai, China for the exclusive residential development comprising three phases yielding about 3,200 residential units with communal club facilities and a small commercial quantum of a total of approximately 62,246 sqm of gross floor area for sale.	95
	New Zealand	
(xvii)	Freehold land of approximately 6,831 sqm in Queenstown, South Island New Zealand for a proposed development of 15 luxury residential apartments of approximately 5,200 sqm of gross floor area for sale. Approval from the relevant authorities is being sought to double the number of apartments.	75
	United Kingdom	
(xviii)	Freehold land of approximately 4 hectares on the south bank of the River Thames, London, United Kingdom for a proposed residential and commercial development of 306 residential units and 13,940 sqm of ancillary office and retail space of a total of approximately 29,800 sqm of gross floor area for sale.	49
(xix)	Freehold land of approximately 2,346 sqm situated at 63-69 Rochester Row, 68 Vincent Square, London, United Kingdom for a proposed development of 70 residential units of approximately 4,900 sqm of gross floor area for sale.	49

Certain subsidiary companies have granted fixed and floating charge over their assets and undertaking to banks as well as mortgage on their freehold and leasehold land. As at 30 September 2004, the bank loans drawn down amounted to $216,779,000 (2003 : $76,408,000).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

17. SUBSIDIARY COMPANIES

	THE GROUP	
	2004 ($'000)	2003 ($'000)
Quoted shares		
At directors' valuation, 1997	**131,250**	131,250
At cost	**171,102**	173,102
	302,352	304,352
Unquoted shares		
At directors' valuation, 1997	**1,528,004**	1,992,570
At cost	**2,518,963**	2,185,377
	4,349,319	4,482,299
Amounts owing by subsidiary companies (unsecured)	**41,083**	319,887
Amounts owing to subsidiary companies (unsecured)	**(806,687)**	(888,866)
	3,583,715	3,913,320
MARKET VALUE		
Quoted shares	**485,530**	416,549

The Company's investments in subsidiary companies include an interest in 60.09% (2003 : 60.54%) of the issued ordinary shares of Fraser & Neave Holdings Bhd. This interest will be reduced to 55.75% by 31 December 2006 by the operation of an Executives' Share Option Scheme.

The amounts owing by subsidiary companies are due on loan account, not repayable within the next 12 months and are interest-free except for an amount of $3,357,000 (2003 : $3,440,000) which bears interest at an average rate of 3.51% (2003 : 3.92%) per annum.

The amounts owing to subsidiary companies are due on loan account, not expected to be repaid within the next 12 months and are interest-free.

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

(a) During the financial year, the Group incorporated the following subsidiaries :

Name of company	Country of incorporation and place of business	Equity interest held %	Date of incorporation
F&N (2003) Pte Ltd *	Singapore	51.0	6 January 2004
Times Publication Design & Production (Beijing) Co Ltd	China	100.0	19 April 2004
Tiger Beer USA Inc.	United States of America	37.5	12 December 2003
CPL (Broadview) Limited #	New Zealand	75.0	17 November 2003
CPL Court Pte Ltd	Singapore	100.0	26 December 2003
MLP Co Pte Ltd	Singapore	100.0	9 January 2004
SAJV Co Pte Ltd	Singapore	100.0	9 January 2004
CPL Rise Pte Ltd	Singapore	100.0	9 January 2004
CPL Place Pte Ltd	Singapore	100.0	9 January 2004
CPL China Development Pte Ltd	Singapore	100.0	21 April 2004
CPL (Thailand) Pte Ltd	Singapore	100.0	7 June 2004
CPL Lodge Pte Ltd	Singapore	100.0	8 June 2004
Frasers Lorne Pte Ltd	Australia	75.0	11 August 2004

* The company's name was subsequently changed to F&N DCH Holdings Private Limited and its issued capital was also increased from $2 to $100 by the allotment of 98 ordinary shares of $1 each fully paid up in equal proportion to F&N Dairy Investments Pte Ltd and Macowise Incorporated.

The company's name was subsequently changed to Frasers Broadview Ltd.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

17. SUBSIDIARY COMPANIES (continued)

(b) During the financial year, the Group acquired the following companies :

Properties

(i) On 12 November 2003, the Group's subsidiary company, CPL (China) Pte Ltd, acquired a 100% shareholding interest in Supreme Asia Investment Ltd ("SAI"), a company established under the laws of the British Virgin Islands, at a cash consideration of US$8,444,246. SAI owns a 95% shareholding interest in a PRC limited liability company. The PRC limited liability company owns land in Shanghai for development and sale.

(ii) On 7 January 2004, the Group's subsidiary company, CPL (NZ) Pte Ltd, increased its effective shareholding in Palo Cedro (Papamoa) Limited from 24.9% to 85.0% at a cash consideration of $66.

(iii) On 26 August 2004, the Group's subsidiary company, CPL China Development Pte Ltd, acquired a 100% shareholding interest in Sinomax International Pte Ltd ("Sinomax") at a cash consideration of $3,002,188. The consideration is currently being placed into an escrow account with solicitors and will only be released upon receipt of written confirmation that a joint venture project company be established with Sinomax holding 90% co-operative interests of the project company and seller obtaining the transfer of the land use right for the joint venture project company.

(iv) On 23 September 2004, the Group's subsidiary company, Centrepoint Properties Limited ("CPL") through its subsidiary company, CPL (UK) Pte Ltd ("CPL (UK)"), acquired a 29.2% stake in Fairbriar Plc at a cash consideration of $15.9 million (£5.2 million). Resulting from the acquisition,

(a) Wandsworth Riverside Quarter Limited and Fairpoint Properties (Vincent Square) Limited became subsidiary companies of CPL when CPL (UK)'s effective shareholding increased from 50.0% to 64.6%; and

(b) Fraser Residences Limited became a subsidiary company when CPL's effective shareholding increased from 50.0% to 61.0%.

Breweries

(i) On 26 July 2004, the Group's subsidiary company, Asia Pacific Breweries Limited ("APBL"), made an unconditional cash offer under the New Zealand Takeovers Code to purchase all DB Breweries Limited ("DB") shares which it did not own for NZ$9.50 per share. As APBL received acceptances which increased its total holdings to more than 90% of the shares in DB, it compulsorily acquired all the outstanding shares. As at 30 September 2004, APBL held 99.46% of the DB shares in issue. The compulsory acquisition was completed in October 2004 and DB was subsequently delisted from the New Zealand Stock Exchange.

(ii) On 31 March 2004, the Group's subsidiary company, Heineken-APB (China) Pte Ltd, acquired a 100% shareholding interest in Heineken Trading (Shanghai) Co Ltd at a cash consideration of RMB44.9 million.

Printing and Publishing

(i) During the financial year, the Group's subsidiary, Times Publishing Limited, acquired an additional 10% in the registered capital of Shenyang Times Packaging Printing Co Ltd at a cash consideration of $1,428,000. Consequently, the Group's interest in the investment increased from 50% to 60% and therefore the investment was reclassified from an associated company to a subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

17. SUBSIDIARY COMPANIES (continued)

The effect of the acquisition of the subsidiary companies on the financial position of the Group at 30 September 2004 and its results for the year is shown below :

	($'000)
Total assets at 30 September 2004	291,519
Total liabilities at 30 September 2004	(219,724)
Contributions to the Group for the period :	
- Revenue	45,402
- Loss before tax	(2,531)
- Attributable loss	(1,040)

Details of significant subsidiaries are included in Note 42.

18. JOINT VENTURE COMPANIES

	THE GROUP	
	2004 ($'000)	2003 ($'000)
Investments in joint venture companies		
At net asset values on acquisition	**201,413**	195,216
Share of net post acquisition deficit	**(79,200)**	(76,568)
	122,213	118,648

(a) The amounts due from/to joint venture companies classified under current assets and current liabilities of the Group and the Company balance sheets are unsecured, trade in nature and interest-free.

(b) The Group's share of the consolidated results of the joint venture companies for the year is as follows :

	2004	2003
Profit before taxation and exceptional items	**27,568**	23,061
Exceptional items	**(4,374)**	(43,670)
Taxation	**(8,164)**	(8,988)

(c) The Group's share of the consolidated assets and liabilities of the joint venture companies comprises :

	2004	2003
Fixed assets	**147,185**	122,111
Current assets	**162,218**	174,823
Current liabilities	**(129,652)**	(112,478)
Long term liabilities	**(57,538)**	(65,808)
	122,213	118,648

(d) The share of the results, assets and liabilities as stated in paragraphs (b) and (c) above is based on the accounts of the joint venture companies to 30 September.

(e) The Group's share of capital commitments of the joint venture companies is $4,690,000 (2003 : $20,109,000).

There are no contingent liabilities relating to the Group's interest in joint venture companies.

Details of joint venture companies are included in Note 42.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

19. ASSOCIATED COMPANIES

	THE GROUP	
	2004	2003
	($'000)	($'000)
Investments in associated companies		
At net asset values on acquisition	**113,257**	81,168
Share of net post acquisition reserves/(deficit)	**14,627**	(11,149)
	127,884	70,019
Loans owing from associated companies (unsecured)	**56,677**	91,612
	184,561	161,631

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

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

Details of associated companies are included in Note 42.

20. INTANGIBLE ASSETS

	THE GROUP			
	Goodwill	**Franchise**	**Deferred Development Costs**	**Total**
	($'000)	($'000)	($'000)	($'000)
At cost				
Balance at beginning of year	41,188	219	12,262	53,669
Currency realignment	(39)	-	(71)	(110)
Additional expenditure during the year	185,186	-	9,732	194,918
Write off	27	-	(154)	(127)
Balance at end of year	226,362	219	21,769	248,350
Accumulated amortisation				
Balance at beginning of year	8,012	112	6,586	14,710
Currency realignment	32	-	(29)	3
Charge for the year	4,403	22	4,609	9,034
Write off	91	-	-	91
Balance at end of year	12,538	134	11,166	23,838
Charge for the year 2003	2,067	22	3,426	5,515
Net book value				
At 30 September 2004	213,824	85	10,603	224,512
At 30 September 2003	33,176	107	5,676	38,959

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

	THE GROUP		THE COMPANY	
	2004 ($'000)	2003 ($'000)	**2004 ($'000)**	2003 ($'000)
21. OTHER INVESTMENTS				
Quoted				
Non-equity investment in company				
At cost	**25,450**	-	**-**	-
Equity investments in companies				
At cost	**15,705**	10,580	**7,378**	7,893
	41,155	10,580	**7,378**	7,893
Unquoted				
Non-equity investments in companies				
At cost	**45,648**	30,048	**499**	911
Equity investments in companies				
At cost	**194**	284	**75**	75
At directors' valuation, 2004	**2,813**	1,799	**-**	-
	3,007	2,083	**75**	75
	89,810	42,711	**7,952**	8,879
MARKET VALUE OF QUOTED INVESTMENTS				
Non-equity investment in company	**25,450**	-	**-**	-
Equity investments in companies	**23,091**	15,413	**12,691**	11,719
	48,541	15,413	**12,691**	11,719

The quoted non-equity investment carries interest rate of 8%.
The unquoted non-equity investments carry interest rates of 7.5% to 14% (2003 : 9% to 15%).
The fair values of unquoted investments as at the end of the year approximate their carrying values.

22. CASH AND BANK DEPOSITS

Cash and bank balances	**133,546**	160,561	**364**	4,985
Bank fixed deposits	**443,824**	598,354	**21,688**	6,102
	577,370	758,915	**22,052**	11,087
Secured bank fixed deposits	**157,887**	88,856	**-**	-
	735,257	847,771	**22,052**	11,087

Included in the Company's bank fixed deposits is an amount of $21,171,000 (2003 : $5,366,000) held in trust for a subsidiary company.

Included in the Group's cash and bank balances, and bank fixed deposits are amounts of $3,065,000 (2003 : $3,697,000) and $33,285,000 (2003 : $76,165,000) respectively held under the Project Account Rules (1997 Ed), withdrawals from which are restricted to payments for development expenditure incurred on properties developed for sale.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

22. CASH AND BANK DEPOSITS (continued)

Included in secured fixed deposits are :

(a) $35,751,000 (2003 : $41,028,000) held in escrow to meet interest payment and development costs.

(b) $43,372,000 (US$25,650,000) (2003 : $43,325,000 (US$25,000,000)) which serves as a collateral deposit for a $40,862,000 (RMB 200,000,000) bank facility granted to a subsidiary company.

(c) $78,764,000 (2003 : $4,503,000) which served as a collateral deposit for a $71,968,000 (RMB 352,250,000) (2003: $4,187,000 (RMB20,000,000)) bank facility granted to a subsidiary company.

23. BRANDS

	THE GROUP		THE COMPANY	
	2004 ($'000)	2003 ($'000)	**2004 ($'000)**	2003 ($'000)
At cost				
Balance at beginning of year	**17,831**	26,261	**8,435**	-
Currency realignment	**(136)**	77	**-**	-
Additions	**-**	690	**-**	-
Transfer	**-**	-	**-**	8,435
Write off	**-**	(9,197)	**-**	-
Balance at end of year	**17,695**	17,831	**8,435**	8,435
Accumulated amortisation				
Balance at beginning of year	**8,295**	15,660	**5,932**	-
Currency realignment	**(59)**	14	**-**	-
Amortisation for the year	**1,868**	1,818	**1,167**	972
Transfer	**-**	-	**-**	4,960
Write off	**-**	(9,197)	**-**	-
Balance at end of year	**10,104**	8,295	**7,099**	5,932
Net book value	**7,591**	9,536	**1,336**	2,503

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

24. PROPERTIES HELD FOR SALE

	THE GROUP	
	2004 ($'000)	2003 ($'000)
At cost		
Balance at beginning of year	**406,552**	683,827
Currency realignment	**63**	-
Transfer from properties under development	**17,471**	12,983
Transfer from fixed assets	**11,391**	-
Acquisition of subsidiary companies	**67,340**	-
Withdrawal of sales	**923**	-
Cost adjustments	**(1,250)**	(1,920)
Sold during the year	**(59,420)**	(288,338)
Balance at end of year	**443,070**	406,552
Less : Provision for foreseeable losses		
Balance at beginning of year	**37,052**	27,457
Provision for the year	**10,000**	10,900
Sold during the year	**(2,844)**	(1,305)
Balance at end of year	**44,208**	37,052
	398,862	369,500
Progress payment received	**-**	(102)
Net book value	**398,862**	369,398

25. INVENTORIES

	THE GROUP					
	2004			2003		
	At cost ($'000)	**At net realisable value ($'000)**	**Total ($'000)**	At cost ($'000)	At net realisable value ($'000)	Total ($'000)
Containers	**37,298**	**2,583**	**39,881**	28,283	2,242	30,525
Raw materials	**46,901**	**28,352**	**75,253**	36,071	28,966	65,037
Manufactured inventories	**96,270**	**15,657**	**111,927**	84,200	30,873	115,073
Engineering, work-in-progress and other inventories	**67,460**	**9,184**	**76,644**	64,202	11,207	75,409
Packaging materials	**20,297**	**331**	**20,628**	21,543	1,556	23,099
Goods purchased for resale	**13,688**	**16,987**	**30,675**	12,831	14,385	27,216
	281,914	**73,094**	**355,008**	247,130	89,229	336,359

Write back of provision for inventories obsolescence during the year amounted to $4,563,000 (2003 : $2,869,000).

26. TRADE DEBTORS

Trade debtors of the Group are stated after deducting provision for doubtful debts of $20,696,000 (2003 : $21,774,000).

Included in trade debtors is an amount of $nil (2003 : $261,552,000) which relates to the balance of sale proceeds from completed condominium projects which will be received upon issuance of certificate of statutory completion, notice of vacant possession, expiry of defect liability period and/or title subdivision.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

27. OTHER DEBTORS

	THE GROUP		THE COMPANY	
	2004 (\$'000)	2003 (\$'000)	**2004 (\$'000)**	2003 (\$'000)
Accrued income	**4,804**	2,738	**1,264**	360
Prepayments	**19,909**	26,008	**-**	-
Deposits paid	**45,160**	14,068	**1**	1
Tax recoverable	**46,189**	15,245	**27**	93
Staff loans	**11,121**	11,517	**-**	-
Loans to directors of subsidiary company	**402**	351	**-**	-
Amount receivable from joint venture partners	**3,757**	2,206	**-**	-
Other receivables	**41,115**	37,348	**1,945**	827
	172,457	109,481	**3,237**	1,281

Included in deposits paid of the Group is \$1,845,000 (2003 : \$2,178,000) being payment for the acquisition of additional equity interest from a minority shareholder.

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

Included in deposits paid and prepayments of the Group are \$33,365,000 (2003 : \$5,331,000) being payments for purchase of land which will be transferred to properties under development upon the completion of sale and purchase agreement in the next financial year.

Included in tax recoverable is an amount of \$32,468,000 (2003 : \$nil) relating to tax paid by a subsidiary company on a gain arising from the compensation awarded on the compulsory acquisition by the government of a piece of land in 1995. The Group's solicitors have lodged an objection and are of the opinion that there are substantial merits in the Group's position and that it is very probable that the tax assessed will be discharged.

28. SHORT TERM INVESTMENTS

(a) **Funds under Management**

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

	THE GROUP	
	2004 (\$'000)	2003 (\$'000)
Funds under management at end of year are :		
Quoted investments		
Non-equity investments in companies, at cost	**-**	48,992
Equity investments in companies, at cost	**-**	8,256
	-	57,248
Less : Provision for impairment	**-**	(280)
	-	56,968
Accrued interest and cash on deposit held by fund managers	**-**	24,055
	-	81,023
Movement in the provision for impairment in value of funds under management is as follows :		
Balance at beginning of year	**280**	715
Write back for the year	**(280)**	(435)
Balance at end of year	**-**	280
MARKET VALUE OF QUOTED INVESTMENTS		
Non-equity investments	**-**	49,307
Equity investments in companies	**-**	9,446
	-	58,753

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

28. SHORT TERM INVESTMENTS (continued)

	THE GROUP	
	2004	2003
	($'000)	($'000)
(b) **Other Short Term Investments**		
Quoted investments		
Government stocks and bonds, at cost	-	4,155
Equity investments in companies		
At directors' valuation, 2003	-	222,648
	-	226,803
Unquoted investments		
Non-equity investments in companies, at cost	**4,493**	18,539
	4,493	245,342
Movement in the provision for impairment in value of other short term investments is as follows :		
Balance at beginning of year	-	495
Write back for the year	-	(495)
Balance at end of year	-	-
MARKET VALUE OF QUOTED INVESTMENTS		
Government stocks and bonds	-	4,157
Equity investments in companies	-	222,648
	-	226,805
Grand Total of Short Term Investments	**4,493**	326,365

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

Included in non-equity investments are notes with interest rate of 1.5% (2003 : 1.64%) per annum and mature within the next 12 months.

29. OTHER CREDITORS

	THE GROUP		THE COMPANY	
	2004	2003	**2004**	2003
	($'000)	($'000)	**($'000)**	($'000)
Advances from joint venture partners	**13,916**	9,002	**-**	-
Interest payable	**17,170**	17,488	**3,313**	4,662
Accrued operating expenses	**101,034**	91,392	**559**	581
Sundry accruals	**52,499**	70,336	**-**	-
Sundry deposits	**59,532**	59,244	**-**	-
Staff costs payable	**62,625**	42,171	**-**	-
Accrual for unconsumed leave	**11,208**	9,728	**-**	-
Amounts due to minority shareholders of subsidiary companies	**53,461**	48,808	**-**	-
Deferred income	**1,747**	12,165	**-**	-
Provisions	**3,029**	2,607	**-**	-
Other payables	**56,771**	41,717	**1,493**	2,196
	432,992	404,658	**5,365**	7,439

Except for $6,640,000 (2003 : $3,708,000) which bears interest rate of 10% (2003 : 10%) per annum, amounts due to minority shareholders are non-trade in nature, unsecured, interest-free and are repayable on demand.

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

30. BANK BORROWINGS

	Weighted average effective interest rate %	Notes	THE GROUP 2004 ($'000)	THE GROUP 2003 ($'000)	THE COMPANY 2004 ($'000)	THE COMPANY 2003 ($'000)
Repayable within one year :						
Unsecured						
Bank loans	2.17		**600,047**	1,107,897	**32,980**	555,055
Bank overdrafts			**10,955**	2,701	**-**	-
			611,002	1,110,598	**32,980**	555,055
Secured						
Bank loans	4.51	(a)	**278,138**	59,837	**-**	-
Bank overdrafts		(a)	**1,502**	1,250	**-**	-
			279,640	61,087	**-**	-
			890,642	1,171,685	**32,980**	555,055
Repayable after one year :						
Unsecured						
Bank loans	3.81		**39,399**	52,812	**-**	-
Secured						
Bank loans	5.50	(a)	**89,143**	104,149	**-**	-
		(c)	**128,542**	156,961	**-**	-
Total			**1,019,184**	1,328,646	**32,980**	555,055
Fair value		(b)	**1,019,184**	1,330,125	**32,980**	557,055

Notes

(a) The secured bank loans and overdrafts are secured by certain subsidiary companies by way of a charge over fixed deposit, plant and machinery, pledge of shares of a subsidiary company, fixed and floating charge over certain assets and mortgages on freehold and leasehold land under development.

(b) The carrying amount of bank borrowings approximate fair value as they bear interest at rates which approximate the current incremental borrowing rate for similar types of lending and borrowing arrangements except for an amount of $nil (2003 : $306,323,000) bank loan which has a fair value of $nil (2003 : $307,802,000).

(c) Maturity of non-current borrowings is as follows :

	THE GROUP 2004	THE GROUP 2003	THE COMPANY 2004	THE COMPANY 2003
Between 1 and 2 years	**27,484**	49,005	**-**	-
Between 2 and 5 years	**95,112**	90,790	**-**	-
After 5 years	**5,946**	17,166	**-**	-
	128,542	156,961	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

31. TERM LOANS

	Weighted average effective interest rate		THE GROUP		THE COMPANY	
			2004	2003	**2004**	2003
	%	Notes	**($'000)**	($'000)	**($'000)**	($'000)
Repayable within one year :						
Unsecured	1.32		**184,500**	369,750	**-**	-
Repayable after one year :						
Unsecured	3.56	(b)	**1,700,000**	1,000,000	**800,000**	500,000
Secured	1.88	(c)	**285,266**	285,317	**-**	-
			1,985,266	1,285,317	**800,000**	500,000
Total			**2,169,766**	1,655,067	**800,000**	500,000
Fair value		(d)	**2,201,266**	1,685,922	**809,800**	501,430

Notes

(a) Term loans comprise variable rate notes, medium term notes, fixed rate notes, transferable term loan and floating rate bonds issued by the Company and subsidiary companies.

(b) The unsecured term loans repayable after one year mature between 2005 to 2010.

(c) The secured term loans are secured by receivables and mature in December 2006.

(d) The aggregate fair value of term loans is determined by reference to market value.

(e) As at 30 September 2004, the Company and Group had interest rate swaps in place, which have the economic effect of converting borrowings from fixed rates to variable rates or vice versa. The fair value of these interest rate swaps is discussed in Note 38. The weighted average effective interest rates are as at 30 September 2004 and include the effect of related interest rate swaps.

32. EMPLOYEE BENEFITS

	THE GROUP	
	2004	2003
	($'000)	($'000)
Balance at beginning of year	**24,650**	25,957
Currency realignment	**(376)**	(170)
Write back	**(278)**	(950)
Provision for the year	**2,550**	2,160
Payment for the year	**(2,786)**	(2,347)
Balance at end of year	**23,760**	24,650

Defined Contribution Plan

The Group makes contributions to several post employment benefit plans. Most of these plans are defined contribution plans whereby contributions are made to approved provident and superannuation funds in Singapore, Malaysia, Hong Kong, Australia, Papua New Guinea, Vietnam, the USA and Europe. The other plans are defined benefit plans in the United Kingdom, New Zealand, Thailand, Japan and Malaysia.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

32. EMPLOYEE BENEFITS (continued)

Defined Benefit Plan

The defined benefit plans in the United Kingdom, New Zealand and Japan are funded, defined benefit pension scheme, the assets of which are held in separate trustee-administered funds. The defined benefit plans in Thailand and Malaysia do not have separately funded assets. They provide lump sum benefits at normal retirement age.

The major assumptions used by the qualified independent actuaries were :

	THE GROUP	
	2004	2003
Rate of increase in salaries	**3.5% to 5.0%**	3.5% to 5.0%
Expected rate of return on assets	**5.0% to 6.0%**	6.0%
Discount rate	**3.9% to 7.0%**	4.0% to 7.0%

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

	2004 ($'000)	2003 ($'000)
Net benefit expense		
Benefits earned during the year	**2,803**	2,282
Interest cost on benefit obligation	**3,517**	3,242
Expected return on plan assets	**(2,833)**	(2,568)
Net actuarial (gain)/loss	**(2,938)**	143
Curtailment loss	**1,871**	-
Transition obligation recognised	**(171)**	71
Net benefit expense	**2,249**	3,170
Actual return on plan assets	**4,619**	2,819
Benefit liability		
Present value of benefit obligation	**76,701**	73,434
Fair value of plan assets	**(54,393)**	(48,692)
Unfunded benefit obligation	**22,308**	24,742
Unrecognised net actuarial gain/(loss)	**686**	(328)
Unrecognised transition obligation	**(317)**	262
Deferred tax	**(2,110)**	(2,658)
Benefit liability	**20,567**	22,018
Present value of unfunded benefit obligation	**16,042**	16,017
Present value of funded benefit obligation	**60,659**	57,417
	76,701	73,434

Long Service leave/severance allowances

Long Service leave/severance allowances are provided by subsidiary companies based on the number of years of service of employees at the end of each financial year as required by local legislation in Vietnam and Papua New Guinea. Employees are entitled to receive their benefits in full when they leave their employment.

Share Options

Details of the share options schemes of the Company and subsidiary companies are disclosed under paragraph 5 of the Directors' Report.

The share options schemes are :

(a) Fraser and Neave, Limited Executives' Share Option Scheme, 1989.
(b) Fraser and Neave, Limited Executives' Share Option Scheme, 1999.
(c) Asia Pacific Breweries Limited Executives' Share Option Scheme.
(d) Fraser & Neave Holdings Bhd Executives' Share Option Scheme.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

32. EMPLOYEE BENEFITS (continued)

Phantom Share Option Plan
A subsidiary company, Asia Pacific Breweries Limited, has in place a Phantom Share Option Plan ("PSOP") which succeeds their Executives' Share Option Scheme. No shares will be issued and participants of the plan are not entitled to and have no right or interest in the shares of that subsidiary. Grantees are granted options, at a specified exercise price which has been calculated as the average of the closing market prices for the five market days immediately before the grant ("Exercise Price"). Grantees may exercise the options at any time during a 24-month exercise period (which commences 33 months after the effective date of the grant of the option). Upon exercise of the options, an amount in cash equal to the excess (if any) of the prevailing fair market value of the phantom shares over their Exercise Price would be paid to the grantee. Options expire at the end of 57 months after the offer date unless an option has previously lapsed by reason of the cessation of the employment of the grantee after the grant of an option and before its exercise.

33. DEFERRED TAX ASSETS AND LIABILITIES

	THE GROUP	
	2004	2003
	($'000)	($'000)
Deferred taxes at the end of the financial year related to the following :		
Deferred tax liabilities		
Differences in depreciation	**89,975**	102,320
Provisions	**9,808**	4,919
Other deferred tax liabilities	**4,526**	5,119
Gross deferred tax liabilities	**104,309**	112,358
Deferred tax assets		
Employee benefits	**(7,679)**	(501)
Unabsorbed losses and capital allowances	**(5,922)**	(5,249)
Provisions	**(2,844)**	(7,853)
Other deferred tax assets	**(10)**	(1,424)
Gross deferred tax assets	**(16,455)**	(15,027)
Net deferred tax liabilities	**87,854**	97,331
Some overseas subsidiary companies have net deferred tax asset and it is analysed as follows :		
Employees benefits	**(3,571)**	-
Differences in depreciation	**6,885**	5,688
Unabsorbed losses and capital allowances	**(4,402)**	(4,448)
Provisions	**(11,024)**	(16,652)
Others	**(287)**	-
Net deferred tax assets	**(12,399)**	(15,412)

The deferred tax taken to equity during the year relating to revaluation surpluses is $5,021,000 (2003 : nil).

Deferred tax liabilities of $40,641,000 (2003 : $51,716,000) have not been established for the withholding and other taxes that would be payable on the unremitted earnings as such amounts are permanently reinvested; such unremitted earnings totalled $205,873,000 at 30 September 2004 (2003 : $261,249,000).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

	THE GROUP	
	2004	2003
	($'000)	($'000)

34. FUTURE COMMITMENTS

Commitments not provided for in the financial statements :

	2004	2003
(a) Commitments in respect of contract placed		
- Fixed assets	**99,380**	34,630
- Properties under development	**529,153**	225,027
	628,533	259,657
(b) Other amounts approved by directors but not contracted for :		
- Fixed assets	**45,322**	81,428
- Properties under development	**1,418,273**	945,008
- Others	**-**	375
	1,463,595	1,026,811
	2,092,128	1,286,468

35. LEASE COMMITMENTS

Lease commitments under non-cancellable operating leases where the Group is a lessee :

	2004	2003
Payable within one year	**14,187**	14,178
Payable between one and five years	**31,975**	30,282
Payable after five years	**65,570**	81,906
	111,732	126,366

The operating leases do not contain any escalation clauses and do not provide for contingent rents. Lease terms do not contain restrictions on the Group activities concerning dividends, additional debts or entering into other leasing agreements.

Lease commitments under non-cancellable operating leases where the Group is a lessor :

	2004	2003
Receivable within one year	**141,529**	134,939
Receivable between one and five years	**200,041**	200,584
Receivable after five years	**1,888**	2,608
	343,458	338,131

The operating leases do not provide for contingent rents.

36. RELATED PARTY TRANSACTIONS

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

	2004	2003
Joint venture companies		
Royalties received	**2,019**	1,946
Service fees received	**3,796**	3,869
Sales of beer	**31,915**	28,437
Sales of spares	**487**	-
Purchase of beer	**(3,686)**	(1,730)

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

37. CONTINGENT LIABILITIES

Contingent liabilities not provided for in the financial statements are as follows :

		THE GROUP 2004 ($'000)	THE GROUP 2003 ($'000)
(a)	Guarantees given by subsidiary companies to lessors for the granting of leases on properties	**5,029**	6,250
(b)	Guarantee given to bank on overdraft of an associated company	**565**	515

38. RISK MANAGEMENT

The Company and the Group are exposed to financial risks, including primarily the effects of changes in currency exchange rates and interest rates, and use derivatives and other instruments in connection with their risk management activities. The Company and the Group do not hold or issue derivative financial instruments for trading purposes.

The Group has established processes to monitor and control hedging transactions in a timely and accurate manner. These policies are reviewed regularly by the Audit and Executive Committees to ensure that the Group's policies and guidelines are adhered to. The Group's accounting policies in relation to derivatives are set out in Note 2.

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

At 30 September 2004, the Group had entered into foreign currency forward exchange buy contracts amounting to $132 million (2003 : $92 million) and foreign currency forward exchange sell contracts amounting to $71 million (2003 : $6 million). The fair value adjustments of the buy contracts and sell contracts (which is the difference between the notional principal amount and market value of the contracts) are gain of $28,000 (2003 : loss of $1,277,000) and gain of $219,000 (2003 : $331,000) respectively.

The fair values of foreign currency forward exchange contracts have been calculated (using rates quoted by the Group's bankers) to terminate the contracts at the balance sheet date.

As at 30 September 2004, a subsidiary company also entered into a US$ cross currency swap arrangement to hedge its US$ debt liability during the year. The notional amount is US$162 million (2003 : US$162 million) and the fair value adjustment which was not adjusted in the financial statements is a net loss of $11,226,000 (2003 : $5,291,000).

Liquidity Risk
The Company's and the Group's exposure to liquidity risk arises in the general funding of the Company's and the Group's business activities. It includes the risks of being able to fund business activities in a timely manner.

The Group adopts a prudent approach to managing its liquidity risk. The Group always maintains sufficient cash and marketable securities, and has available funding through a diverse source of committed and uncommitted credit facilities from various banks.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

38. RISK MANAGEMENT (continued)

As at 30 September, the Group's net borrowings to shareholders' fund and total equity ratios are as follows :

	THE GROUP	
	2004 ($'000)	2003 ($'000)
Cash & bank deposits	**735,257**	847,771
Borrowings	**(3,188,950)**	(2,983,713)
Net borrowings	**(2,453,693)**	(2,135,942)
Shareholders' fund	**2,926,200**	2,839,291
Total equity (including Minority Interests)	**3,841,548**	3,712,454
Net borrowings/Shareholders' fund	**0.84**	0.75
Net borrowings/Total equity	**0.64**	0.58

Credit Risk
The Company's and the Group's maximum exposure to credit risk in the event that the counter parties fail to perform their obligations as of 30 September 2004 in relation to each class of recognised financial assets, other than derivatives, is the carrying amount of those assets as indicated in the balance sheet. The Company and the Group have no significant concentration of credit risk. The Company and the Group have policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

With respect to derivative financial instruments, credit risk arises from the potential failure of counter parties to meet their obligations under the contract or arrangement. The Group's maximum credit risk exposures for foreign exchange contracts and interest rate swap contracts are limited to the fair value adjustments of these contracts. It is the Company's and the Group's policy to enter into financial instruments with a diversity of creditworthy counter parties. The Company and the Group do not expect to incur material credit losses on their financial assets or other financial instruments.

The Company and the Group do not have significant exposure to any individual customer or counter party.

Interest Rate Risk
The Company's and the Group's exposure to market risk for changes in interest rates relate primarily to debt obligation with financial institutions. The Group has no significant interest-bearing assets. The Company's and the Group's policy is to manage interest cost using a mix of fixed and variable rate debts, and interest rate swaps. The Company and the Group sometimes use interest rate swaps as cashflow hedges of future interest payments, which have the economic effect of converting borrowings from fixed rates to variable rates or vice versa.

Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals mainly quarterly, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

38. RISK MANAGEMENT (continued)

The Company and the Group have the following interest rate swap arrangements in place :

	THE GROUP		THE COMPANY	
	2004	2003	**2004**	2003
	($'000)	($'000)	**($'000)**	($'000)
Notional Amount				
Within one year	**200,000**	660,000	**-**	140,000
Between one to three years	**898,000**	485,000	**130,000**	-
After three years	**545,000**	340,000	**545,000**	340,000
	1,643,000	1,485,000	**675,000**	480,000
Net Fair Value				
Fair value gain on interest rate swap contracts	**19,623**	22,861	**15,490**	21,605
Fair value loss on interest rate swap contracts	**(6,706)**	(1,594)	**(5,962)**	(122)

The fair values of interest rate swap contracts as at the balance sheet date have been calculated using rates quoted by the Group's bankers to terminate the contracts at the balance sheet date.

The Company and the Group are in a net interest expense position for the years ended 30 September 2004 and 2003.

Market Risk
The Company and the Group are exposed to market risk and the risk of impairment in the value of investments held. The Company and the Group manage the risk of impairment by evaluation of investment opportunities, continuously monitoring the performance of investments held and assessing market risk relevant to which the investments operate.

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

(a) Cash and bank balances, other receivables and other payables
The carrying amounts of these items approximate fair value due to their short term nature.

(b) Trade receivables and trade payables
The carrying amounts of receivables and payables approximate fair value because these are subject to normal trade credit terms.

(c) Amounts due from/to related companies
The carrying amounts of amounts due from/to related companies in current assets and current liabilities approximate fair value due to their short term nature. For amounts due from related companies included in long term assets, no disclosure of the fair value has been made, as it is not practicable to determine the fair value with sufficient reliability since these balances have no fixed terms of repayment.

(d) Other short term investments
Market value of quoted investment is determined by reference to stock exchange quoted prices.

The fair value of unquoted investment is estimated by reference to the current market value of similar investment.
The carrying amounts of unquoted investments approximate fair value.

(e) Term loans
The fair value of term loans is determined by reference to market value.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

39. UNUSUAL ITEM

As previously announced in September 2003, the former Finance Manager of subsidiary, Asia Pacific Breweries (S) Pte Ltd ("APBS"), Chia Teck Leng ("CTL"), was arrested by the police and subsequently charged in Court on multiple charges for cheating and using forged documents to obtain and operate unauthorised bank accounts in the name of APBS with CTL as the sole signatory.

In April 2004, CTL was convicted and sentenced to a total of forty-two years of imprisonment on fourteen charges of cheating and forgery offences under Sections 420 and 467 of the Penal Code (Cap. 224) respectively. Thirty-two other charges were taken into consideration for sentencing.

In September 2004, four banks, Bayerische Hypo-und Vereinsbank Aktiengesellschaft, Skandinaviska Enskilda Banken, Mizuho Corporate Bank and Sumitomo Mitsui Banking Corporation commenced separate actions against APBS amounting to approximately $117.1 million.

Drew & Napier LLC has been instructed to defend APBS in each of these actions which are still in their early stages. APBS's lawyers have advised that APBS has good defences and will be vigorously defending the claim. Consequently, no provision is considered necessary by APBS.

It is understood that the Commercial Affairs Department has recovered approximately $34.8 million. APBS is unable at this time to say whether there are any other claimants in respect of the recovered sum of $34.8 million.

40. SUBSEQUENT EVENTS

On 1 October 2004, a subsidiary company, Times Publishing Ltd, acquired all of the shareholding interest in Pansing Distribution Sdn Bhd. Its subsidiary company, Times Information Systems Sdn Bhd, has also acquired certain assets of Pansing Sales Sdn Bhd.

On 7 October 2004, an associated company, Fung Choi Printing and Packaging Group Limited launched its initial public offer of new and vendor shares ("IPO") and was listed on the Singapore Exchange Securities Trading Ltd on 20 October 2004. Consequent upon this IPO, the Group's shareholding interest in Fung Choi Printing and Packaging Group Limited was diluted to 24.7%.

41. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

NOTES TO THE FINANCIAL STATEMENTS
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42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (continued)

		Effective Shareholding 2004	2003	Principal Activities
	SUBSIDIARY COMPANIES OF THE COMPANY			
	Country of Incorporation and Place of Business : **Singapore**			
	Asia Pacific Investment Pte Ltd	50.0%	50.0%	Investment Holding
	Fraser & Neave (Singapore) Pte Ltd	100.0%	100.0%	Management Services
	F&N Investments Pte Ltd	100.0%	100.0%	Investment Holding
	F&N Foods Pte Ltd	100.0%	100.0%	Manufacture of Dairy Products
	Premier Milk (S) Pte Ltd	100.0%	100.0%	Dormant
	Asia Dairies (S) Pte Ltd	100.0%	100.0%	Dormant
	F&N Dairy Investments Pte Ltd	100.0%	100.0%	Investment Holding
	Interflavine Pte Ltd	100.0%	100.0%	Beverage Base Manufacturing
	International Theme Parks (Singapore) Pte Ltd	100.0%	100.0%	Dormant
	Phoenix (Singapore) Pte Ltd	100.0%	100.0%	Dormant
	Fannet Online Pte Ltd	100.0%	100.0%	Dormant
	Times Publishing Ltd	100.0%	100.0%	Investment Holding
	Centrepoint Properties Ltd	100.0%	100.0%	Investment Holding
	F&N Boncafe Beverages Pte Ltd #	60.0%	60.0%	Marketing Ready-To-Drink Coffee Beverages
	F&N DCH Holding Pte Ltd	51.0%	-	Dormant
	Country of Incorporation and Place of Business : **Hong Kong**			
*	Fraser & Neave Investments (HK) Ltd	100.0%	100.0%	Investment Holding
	Country of Incorporation and Place of Business : **Malaysia**			
*	Fraser & Neave Holdings Bhd	60.1%	60.5%	Investment Holding
*	Tiger Taverns Sdn Bhd	100.0%	100.0%	Dormant
*	Magnolia - PDL Dairies (1993) Sdn Bhd	100.0%	100.0%	Dormant
*	Fannet Online Sdn Bhd	100.0%	100.0%	Dormant
	Country of Incorporation and Place of Business : **Vietnam**			
*	F&N Vietnam Foods Co Ltd #	100.0%	100.0%	Manufacture and Distribution of Dairy Products and Beverages
	Country of Incorporation and Place of Business : **Thailand**			
*	F&N United Ltd #	95.0%	95.0%	Manufacture and Distribution of Dairy Products
	Country of Incorporation and Place of Business : **Myanmar**			
**	Myanmar Brewery Ltd (2)	55.0%	55.0%	Brewing and Distribution of Beer

= Held by a subsidiary company

Asia Pacific Investment Pte Ltd ("APIPL"), which holds 65.5% of the issued capital of Asia Pacific Breweries Ltd, is owned equally by Fraser and Neave, Limited and the Heineken Group. Under the provisions of the Companies Act, Cap. 50, Fraser and Neave, Limited is the ultimate holding company by reason of its rights to appoint a majority of the directors of APIPL.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (continued)

		Effective Shareholding 2004	2003	Principal Activities
	SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP			
	Country of Incorporation and Place of Business : **Malaysia**			
*	Fraser & Neave (Malaya) Sdn Bhd	60.1%	60.5%	Management Services and Property Investment Holdings
*	F&N Coca-Cola (Malaysia) Sdn Bhd	54.1%	54.5%	Distribution of Soft Drinks
*	F&N CC Beverages Sdn Bhd	54.1%	54.5%	Manufacture of Soft Drinks
*	F&N Dairies (Malaysia) Sdn Bhd	60.1%	60.5%	Distribution of Dairy Products
*	Premier Milk (Malaya) Sdn Bhd	45.1%	45.4%	Manufacture of Dairy Products
*	Four Eights Sdn Bhd	60.1%	60.5%	Dormant
*	F&N Foods Sdn Bhd	60.1%	60.5%	Manufacture of Dairy Products
*	Wimanis Sdn Bhd	60.1%	60.5%	Property Development
*	Malaya Glass Products Sdn Bhd	60.1%	60.5%	Manufacture and Sale of Glass Containers
*	Kuala Lumpur Glass Manufacturers Co Sdn Bhd	60.1%	60.5%	Manufacture and Sale of Glass Containers
*	Brampton Holdings Sdn Bhd	60.1%	60.5%	Property Development
	Country of Incorporation and Place of Business : **China**			
**	Sichuan Malaya Glass Co Ltd (1)	36.1%	36.3%	Manufacture and Sale of Glass Containers
	Country of Incorporation and Place of Business : **Vietnam**			
*	Malaya Vietnam Glass Ltd	42.1%	42.4%	Manufacture and Sale of Glass Containers
	SUBSIDIARY COMPANIES OF CENTREPOINT PROPERTIES GROUP			
	Country of Incorporation and Place of Business : **Singapore**			
	CS Centrepoint Pte Ltd	100.0%	100.0%	Investment Holding
	Anchor Developments Pte Ltd	100.0%	100.0%	Property Investment and Development
	Centrepoint Developments Pte Ltd	100.0%	100.0%	Dormant
	CPL Alexandra Point Pte Ltd	100.0%	100.0%	Property Investment
	CPL Enterprises Pte Ltd	100.0%	100.0%	Property Investment
	CPL Property Investments Pte Ltd	100.0%	100.0%	Property Investment
	CPL Woodlands Pte Ltd	100.0%	100.0%	Dormant
	Emerald Hill Developments Pte Ltd	100.0%	100.0%	Property Investment
	Orrick Investments Pte Ltd	100.0%	100.0%	Property Investment
	Riverside Property Pte Ltd	100.0%	100.0%	Property Investment
	Woodlands Complex Pte Ltd	100.0%	100.0%	Property Investment
	Yishun Development Pte Ltd	100.0%	100.0%	Property Investment
	Chempaka Development Pte Ltd	100.0%	100.0%	Property Development
	Riverside Walk Pte Ltd	100.0%	100.0%	Property Development
	Northspring Development Pte Ltd	100.0%	100.0%	Property Development
	CPL Management Services Pte Ltd	100.0%	100.0%	Management Services
	Nasidon Investments Pte Ltd	100.0%	100.0%	Property Development
	CPL Ventures Pte Ltd	100.0%	100.0%	Property Development
	Riverside Investments Pte Ltd	100.0%	100.0%	Property Development

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (continued)

	Effective Shareholding 2004	2003	Principal Activities
SUBSIDIARY COMPANIES OF CENTREPOINT PROPERTIES GROUP (continued)			
Country of Incorporation and Place of Business : **Singapore (continued)**			
Yishun Property Pte Ltd	100.0%	100.0%	Property Development
Yishun Land Pte Ltd	100.0%	100.0%	Property Development
CPL Tampines Pte Ltd	80.0%	80.0%	Property Development
CPL Land Pte Ltd	100.0%	100.0%	Property Development
CPL Homes Pte Ltd	100.0%	100.0%	Property Development
CPL Assets Pte Ltd	100.0%	100.0%	Property Development
CPL Estates Pte Ltd	100.0%	100.0%	Property Development
CPL (Korea) Pte Ltd	100.0%	100.0%	Investment Holding
Fraser Serviced Residences Pte Ltd	100.0%	100.0%	Management Services
CPL (UK) Pte Ltd	75.0%	75.0%	Investment Holding
CPL (Australia) Pte Ltd	75.0%	75.0%	Investment Holding
CPL (China) Pte Ltd	100.0%	100.0%	Investment Holding
Marine Parade View Pte Ltd	100.0%	100.0%	Property Development
CPL (Fraser) Pte Ltd	100.0%	100.0%	Investment Holding
CPL Boon Lay Pte Ltd	100.0%	100.0%	Property Development
CPL Sophia Pte Ltd	100.0%	100.0%	Property Development
Centrepoint Retail Concepts Pte Ltd	100.0%	100.0%	Management Services
CPL Choa Chu Kang Pte Ltd	100.0%	100.0%	Property Development
CPL Joo Chiat Place Pte Ltd	100.0%	100.0%	Property Development
CPL (NZ) Pte Ltd	75.0%	75.0%	Investment Holding
Riviera Investment Ltd (1)	##	##	Investment Holding
CPL Court Pte Ltd	100.0%	-	Property Development
CPL Place Pte Ltd	100.0%	-	Property Development
CPL Rise Pte Ltd	100.0%	-	Property Development
MLP Co Pte Ltd	100.0%	-	Investment Holding
SAJV Co Pte Ltd	100.0%	-	Investment Holding
River Valley Properties Pte Ltd	100.0%	&&&	Investment Holding & Property Development
River Valley Tower Pte Ltd	100.0%	&&&	Property Investment
River Valley Apartments Pte Ltd	100.0%	&&&	Property Investment
River Valley Shopping Centre Pte Ltd	100.0%	&&&	Property Investment
Lion (Singapore) Pte Ltd	100.0%	&&&	Property Development
CPL China Development Pte Ltd	100.0%	-	Investment Holding
CPL (Thailand) Pte Ltd	100.0%	-	Investment Holding
CPL Lodge Pte Ltd	100.0%	-	Property Development
Sinomax International Pte Ltd	100.0%	-	Investment Holding

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (continued)

		Effective Shareholding 2004	2003	Principal Activities
	SUBSIDIARY COMPANIES OF CENTREPOINT PROPERTIES GROUP (continued)			
	Country of Incorporation: **Singapore**			
	Place of Business: **United Kingdom**			
	CPL Resort Pte Ltd	75.0%	75.0%	Property Development
	Country of Incorporation and Place of Business : **United Kingdom**			
**	LCR Developments Ltd	75.0%	75.0%	Management Services
**	Fraser Residences Ltd (&&)	61.0%	50.0%	Management Consultancy Services & Serviced Apartments
**	Wandsworth Riverside Quarter Ltd (&&)	48.5%	37.5%	Property Development
**	Fairpoint Properties (Vincent Square) Ltd (&&)	48.5%	37.5%	Property Development
	Country of Incorporation and Place of Business : **New Zealand**			
*	Frasers Broadview Ltd (formerly known as CPL (Broadview) Ltd)	75.0%	-	Property Development
*	Palo Cedro (Papamoa) Ltd	63.8%	-	Property Development
	Country of Incorporation and Place of Business : **Australia**			
*	Frasers Glede Point Pty Ltd (formerly known as CPL (Surry Hills) Pty Ltd)	75.0%	75.0%	Property Development
*	Greencliff (CPL) Developments Pty Ltd	75.0%	75.0%	Management Services
*	Frasers (Chandos) Pty Ltd (formerly known as CPL (Chandos) Pty Ltd)	75.0%	75.0%	Property Development
*	Frasers Town Hall Pty Ltd (formerly known as CPL (Town Hall) Pty Ltd)	80.5%	80.5%	Property Development
*	Frasers Lorne Pty Limited	75.0%	-	Property Development
	Country of Incorporation : **Singapore**			
	Place of Business : **Australia**			
	CPL Bridgepoint Pte Ltd	100.0%	100.0%	Property Investment
	Country of Incorporation and Place of Business : **Vietnam**			
*	Me Linh Point Ltd	75.0%	75.0%	Property Investment
*	Saigon Apartments Joint Venture Company	70.0%	70.0%	Property Investment
	Country of Incorporation and Place of Business : **British Virgin Islands**			
***	Reaves Ltd	100.0%	100.0%	Dormant
***	Supreme Asia Investment Ltd	100.0%	-	Investment Holding
	Country of Incorporation and Place of Business : **Malaysia**			
*	Centrepoint - Utama Sdn Bhd	100.0%	100.0%	Dormant

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (continued)

		Effective Shareholding 2004	2003	Principal Activities
	SUBSIDIARY COMPANIES OF CENTREPOINT PROPERTIES GROUP (continued)			
	Country of Incorporation and Place of Business : **China**			
*	Shanghai Sian Jin Property Development Co, Ltd (1)	100%	95%	Property Development
*	Shanghai Centrepoint Management Consultancy Co, Ltd (1)	100%	100%	Management Services
*	Shanghai Zhong Jun Real Estate Development Co Ltd	95%	-	Property Development
	Country of Incorporation and Place of Business : **Philippines**			
**	Fraser Serviced Residences Philippines, Inc	100%	100%	Provision of Management Services in the Lodging Industry
	SUBSIDIARY COMPANIES OF ASIA PACIFIC BREWERIES GROUP			
	Country of Incorporation and Place of Business : **Singapore**			
	Asia Pacific Breweries Ltd	37.5%	37.7%	Investment Holding
	Asia Pacific Breweries (Singapore) Pte Ltd	37.5%	37.7%	Brewing and Distribution of Beer and Stout
	Archipelago Brewery Co (1941) Pte Ltd	37.5%	37.7%	Dormant
	Tiger Marketing Pte Ltd	37.5%	37.7%	Investment Holding
	Heineken-APB (China) Pte Ltd (formerly known as Heineken Asia Pacific Breweries (China) Pte Ltd)	43.8%	43.9%	Investment Holding
	Tiger Export Pte Ltd	37.5%	37.7%	Export of Beer and Stout and Investment Holding
	Country of Incorporation and Place of Business : **India**			
**	Asia Pacific Breweries (India) Private Ltd	37.5%	37.7%	Dormant
	Country of Incorporation and Place of Business : **Papua New Guinea**			
**	South Pacific Brewery Ltd	28.5%	28.6%	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business : **Vietnam**			
*	Vietnam Brewery Ltd	22.5%	22.6%	Brewing and Distribution of Beer
*	Hatay Brewery Ltd	37.5%	37.7%	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business : **China**			
*	Hainan Asia Pacific Breweries Co Ltd (1)	43.8%	37.7%	Brewing and Distribution of Beer
*	Shanghai Asia Pacific Brewery Co Ltd (1)	42.5%	42.5%	Brewing and Distribution of Beer
*	Heineken Trading (Shanghai) Co Ltd (1)	43.8%	-	Distribution of Beer
	Country of Incorporation and Place of Business : **Cambodia**			
**	Cambodia Brewery Ltd	30.0%	30.2%	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business : **United States of America**			
**	Tiger Beer USA Inc	37.5%	-	Distribution of Beer

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (continued)

		Effective Shareholding 2004	2003	Principal Activities
	SUBSIDIARY COMPANIES OF ASIA PACIFIC BREWERIES GROUP (continued)			
	Country of Incorporation and Place of Business : **New Zealand**			
*	DB Breweries Ltd	37.5%	29.0%	Investment Holding and Brewing and Distribution of Beer
*	DB Nominees Ltd	37.5%	29.0%	Trustee Company
*	DB South Island Brewing Ltd	20.5%	16.0%	Brewing and Distribution of Beer
*	DBG Insurances Ltd	37.5%	29.0%	Insurance Company
*	Liquorland Ltd	37.5%	29.0%	Franchise Company
*	Monteith's Brewing Company Ltd	37.5%	29.0%	Dormant
*	Robbie Burns Ltd	37.5%	29.0%	Dormant
*	Tui Brewery Ltd	37.5%	29.0%	Dormant
*	Black Dog Brewery Ltd	37.5%	29.0%	Dormant
*	O Pure Water Ltd	37.5%	29.0%	Dormant
*	Mainland Brewery Ltd	37.5%	29.0%	Dormant
*	Waitemata Brewery Ltd	37.5%	29.0%	Dormant
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP			
	Country of Incorporation and Place of Business : **Singapore**			
	Marshall Cavendish International Pte Ltd	100.0%	100.0%	Investment Holdings
	Times Media Pte Ltd	100.0%	100.0%	Books
	STP Distributors Pte Ltd	100.0%	100.0%	Books and Magazines
	Times-Dharmala Pte Ltd	51.0%	51.0%	Distribution of Books
	Times Editions Pte Ltd	100.0%	100.0%	Books
	Marshall Cavendish (Asia) Pte Ltd	100.0%	100.0%	Electronic Publishing
	Marshall Cavendish International (Singapore) Pte Ltd	100.0%	100.0%	Electronic Publishing
	Times Business Information Pte Ltd	100.0%	100.0%	Directory Publishing and Conferences & Exhibitions
	Times Educational Services Pte Ltd	100.0%	100.0%	Education and Training
	Times Conferences & Exhibitions Pte Ltd	100.0%	100.0%	Dormant
	Eastern Universities Press Sdn Bhd	100.0%	100.0%	Dormant
	United Publishers Services Pte Ltd	100.0%	100.0%	Dormant
	TransQuest Asia Publishers Pte Ltd (in voluntary liquidation)	100.0%	100.0%	Dormant
	Times Graphic Pte Ltd	100.0%	100.0%	Commercial Printing
	Country of Incorporation : **Singapore**			
	Place of Business: **Singapore & Malaysia**			
	Times The Bookshop Pte Ltd	100.0%	100.0%	Retail
	Country of Incorporation : **Singapore**			
	Place of Business: **Singapore, Australia, United Kingdom and Unites States of America**			
	Times Printers Pte Ltd	100.0%	100.0%	Commercial Printing

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for the year ended 30 September 2004

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (continued)

		Effective Shareholding 2004	2003	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (continued)			
	Country of Incorporation and Place of Business : **Australia**			
*	Argyle Times Graphics Pty Limited	100.0%	100.0%	Commercial Printing
*	Times Properties Pty Limited	100.0%	100.0%	Investment Holding
*	Marshall Cavendish (Australia) Pty Ltd	100.0%	100.0%	Partworks
*	Musicway Corporation Ltd	100.0%	100.0%	Distribution of Cassettes & Hi-fi Accessories
*	Rainbow Products Ltd	100.0%	100.0%	Distribution of Records, Cassettes & Videos
	Country of Incorporation and Place of Business : **China**			
**	Liaoning Times Xinhua Printers Ltd (1)	51.0%	51.0%	Commercial Printing
**	Everbest Printing (Panyu Nansha) Co. Ltd (1)	51.0%	51.0%	Property Investment
**	Times Publications Design and Production (Beijing) Co., Ltd	100.0%	-	Publishing Design & Production Services
**	Shenyang Times Packaging Printing Co Ltd (1) (&&)	60.0%	50.0%	Commercial Printing & Packaging
	Country of Incorporation and Place of Business : **Czech Republic**			
*	Marshall Cavendish CR,s.r.o.	100.0%	100.0%	Partworks
	Country of Incorporation and Place of Business : **France**			
*	Marshall Cavendish Editions S.A.	100.0%	100.0%	Partworks
	Country of Incorporation and Place of Business : **Germany**			
*	Sammelwerk Redaktions Service GmbH (in voluntary liquidation)	100.0%	100.0%	Partworks
	Country of Incorporation and Place of Business : **Thailand**			
*	Marshall Cavendish International (Thailand) Co. Ltd	49.0%	49.0%	Publishing
	Country of Incorporation and Place of Business : **Hong Kong**			
*	Educational Associates Ltd	100.0%	100.0%	Investment Holding
*	BBD Distributors Limited (in voluntary liquidation)	60.0%	60.0%	Commission Agent
*	Times Printer (Hong Kong) Ltd	100.0%	100.0%	Dormant
*	Times Publising (Hong Kong) Ltd	100.0%	100.0%	Books and Magazines
*	Times Education (Hong Kong) Ltd	100.0%	100.0%	Dormant
*	Times Business Information Ltd	100.0%	100.0%	Publishing
*	United Publishers Services Ltd	100.0%	100.0%	Books
**	Everbest Printing Holdings Ltd	51.0%	51.0%	Investment Holding
**	Everbest Printing Investment Ltd	51.0%	51.0%	Investment Holding
**	Everbest Printing Company Ltd	51.0%	51.0%	Printing
	Country of Incorporation : **Hong Kong** Place of Business : **Thailand**			
*	Far East Publications Ltd	100.0%	100.0%	Books

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (continued)

		Effective Shareholding 2004	2003	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (continued)			
	Country of Incorporation : **United Kingdom**			
	Place of Business : **Russia**			
*	MC East Limited	100.0%	100.0%	Partworks
	Country of Incorporation and Place of Business : **Japan**			
*	Kabushiki Kaisha Union Enterprises (liquidated during the year)	60.0%	60.0%	Books
	Country of Incorporation and Place of Business : **Malaysia**			
*	Eastern Universities Press (Malaysia) Sdn Bhd	60.0%	60.0%	Books
*	Marshall Cavendish (Malaysia) Sdn Bhd (formerly known as Federal Publications Sdn Bhd)	100.0%	100.0%	Books
*	STP Distributors (M) Sdn Bhd	30.0%	30.0%	Books and Magazines
*	Times Offset (Malaysia) Sdn Bhd	100.0%	100.0%	Commercial Printing
*	Times Corporation Sdn Bhd	100.0%	100.0%	Dormant
*	Times Distri-Services Sdn Bhd	100.0%	100.0%	Distribution of Books & Magazines
*	Times Information Systems Sdn Bhd	100.0%	100.0%	Electronic Publishing
	Country of Incorporation and Place of Business : **Poland**			
*	Marshall Cavendish Polska Sp. zo.o	100.0%	100.0%	Partworks
	Country of Incorporation and Place of Business : **Romania**			
*	Marshall Cavendish Romania S.R.L	100.0%	100.0%	Partworks
	Country of Incorporation and Place of Business : **United Kingdom**			
*	ALP Ltd	100.0%	100.0%	Investment Holding
*	Hazeldean Ltd	100.0%	100.0%	Property Investment
*	Marshall Cavendish Ltd	100.0%	100.0%	Investment Holding
*	Shendene Ltd	100.0%	100.0%	Dormant
*	Marshall Cavendish International Ltd	100.0%	100.0%	Partworks
*	Marshall Cavendish Partworks Ltd	100.0%	100.0%	Partworks
*	TPL Printers (UK) Ltd	100.0%	100.0%	Dormant
*	TPL Digital (UK) Limited	100.0%	100.0%	Media Representation
*	Marshall Cavendish Language Centre Ltd	100.0%	100.0%	Education & Training
	Country of Incorporation and Place of Business : **United States of America**			
**	Marshall Cavendish Corporation	100.0%	100.0%	Books
	Country of Incorporation and Place of Business : **Ukraine**			
*	A Wholly Owned Subsidiary Marshall Cavendish Ukraine	100.0%	100.0%	Partworks

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (continued)

		Effective Shareholding 2004	2003	Principal Activities
	JOINT VENTURE COMPANIES OF THE COMPANY			
	Country of Incorporation and Place of Business : **Singapore**			
	Unilac Dairy Products Pte Ltd (4)	50.0%	50.0%	Dormant
	Country of Incorporation : **British Virgin Islands**			
	Place of Business : **Hong Kong**			
	Vision Century Limited (1)	50.0%	50.0%	Investment Holding
	JOINT VENTURE COMPANIES OF CENTREPOINT PROPERTIES GROUP			
	Country of Incorporation and Place of Business : **Thailand**			
	Riverside Homes Development Co, Ltd	49.0%	-	Property Development
	ASSOCIATED COMPANIES OF THE COMPANY			
	Country of Incorporation : **Singapore**			
	Place of Business : **China**			
	China Dairy Group Ltd	22.1%	-	Manufacturing & Distribution of Dairy Products
	Country of Incorporation : **Bermuda**			
	Place of Business : **China**			
	Fung Choi Printing and Packaging Group Limited	33.0%	-	Printing & Packaging
	ASSOCIATED COMPANIES OF CENTREPOINT PROPERTIES GROUP			
	Country of Incorporation and Place of Business : **Korea**			
###	Rodamco Insa Co Ltd (1)	25.0%	25.0%	Property Investment
	Country of Incorporation and Place of Business : **United Kingdom**			
###	Fairbrair Residential Investment Partnership (1)	20.0%	20.0%	Investment in Residential Property Fund
###	Pressdale Ltd (1)	32.3%	32.3%	Property Ownership and Investment
###	Fairbrair Plc	21.9%	-	Investment Holding
	Country of Incorporation and Place of Business : **Singapore**			
	Hua Li Holdings Pte Ltd (1)	45.7%	45.7%	Investment Holding
	JOINT VENTURE COMPANIES OF ASIA PACIFIC BREWERIES GROUP			
	Country of Incorporation and Place of Business : **Singapore**			
###	GAPL Pte Ltd	18.8%	18.9%	Investment Holding & Distribution of Stout
	Country of Incorporation and Place of Business : **Thailand**			
###	Thai Asia Pacific Brewery Co Ltd	13.1%	13.2%	Brewing and Distribution of Beer
###	Thai Asia Pacific Trading Co Ltd	13.1%	13.2%	Distribution of Beer

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (continued)

		Effective Shareholding 2004	2003	Principal Activities
	ASSOCIATED COMPANIES OF ASIA PACIFIC BREWERIES GROUP			
	Country of Incorporation and Place of Business : **New Zealand**			
###	Heathcote Properties Ltd (voluntary liquidation on 13 November 2004)	-	14.6%	Investment Holding
*	The Associated Bottlers Company Ltd	18.7%	14.6%	Hire of Returnable Beer Bottles
	Country of Incorporation : **Bermuda**			
	Place of Business : **Hong Kong**			
*	Kingway Brewery Holdings Limited (1)	9.4%	-	Brewing and Distribution of Beer
	ASSOCIATED COMPANIES OF TIMES PUBLISHING GROUP			
	Country of Incorporation and Place of Business : **Singapore**			
###	Times-Newslink (1)	50.0%	50.0%	Retail of Books and Magazines
###	Learning Edvantage Pte Ltd	31.0%	-	Multi Media Publishing
	Country of Incorporation and Place of Business : **China**			
###	Shanghai Times Sanyin Printers Co Ltd (1)	40.0%	40.0%	Commercial Printing
###	Beijing 21st Century Times Education Centre (1)	90.0%	90.0%	Education and Training
###	Beijing Universal Times Culture Development Co Ltd (1)	40.0%	-	Publishing

* Audited by Ernst & Young in the respective countries

** Audited by :

Subsidiary Companies of the Company	**Name of auditors**
Myanmar Brewery Ltd	U Tin Win Group, CPA
Subsidiary Companies of Fraser & Neave Holdings Group	
Sichuan Malaya Glass Co Ltd	Sichuan Public Trusted Accountant Office Ltd
Subsidiary Companies of Centrepoint Properties Group	
LCR Developments Ltd	Elliotts, Registered Auditors
Fraser Residences Ltd	KPMG, London
Wandsworth Riverside Quarter Ltd (&&)	KPMG, London
Fairpoint Properties (Vincent Square) Ltd (&&)	KPMG, London
Fraser Serviced Residences Philippines, Inc	Punongbayan & Araullo
Subsidiary Companies of Times Publishing Group	
Marshall Cavendish Corporation	Marks Paneth & Shron LLP, CPA
Everbest Printing Holdings Ltd	Tony Kwok Tung Ng & Co., CPA
Everbest Printing Investment Ltd	Tony Kwok Tung Ng & Co., CPA

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2004

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (continued)

Subsidiary Companies of Times Publishing Group (continued)	Name of auditors
Everbest Printing Company Ltd	Tony Kwok Tung Ng & Co., CPA
Everbest Printing (Panyu Nansha) Co. Ltd	Guangzhou Yeqin Certified Public Accountants Co, Ltd
Liaoning Times Xinhua Printers Ltd	Yuehua Certified Public Accountants Co., Ltd
Times Publications Design and Production (Beijing) Co., Ltd	Beijing Jindu CPAs Co., Ltd
Shenyang Times Packaging Printing Co Ltd (1) (&&)	Yuehua Certified Public Accountants Co., Ltd
Subsidiary Companies of Asia Pacific Breweries Group	
Asia Pacific Breweries (India) Private Ltd	Sushmita Chowdhury & Co
Cambodia Brewery Ltd	PricewaterhouseCoopers
South Pacific Brewery Ltd	Deloitte & Touche
Tiger Beer USA Inc	Metis Group CPA's LLC

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

A special purpose company held by Trustee

Audited by other auditors

&& It was an associated/joint venture company in the previous financial year.

&&& These companies were 100% owned by the Company in the previous financial year.

(1) Accounting year ends on 31 December
(2) Accounting year ends on 31 March
(3) Accounting year ends on 30 November
(4) Accounting year ends on 31 January

PARTICULARS OF GROUP PROPERTIES

The main properties as at 30 September 2004 and their net book values are indicated below :
("F&N" refers to Fraser and Neave Group, "APBL" refers to Asia Pacific Breweries Group, "CPL" refers to Centrepoint Properties Group and "TPL" refers to Times Publishing Group)

(A) CLASSIFIED AS GROUP FIXED ASSETS

(Note 14 to the Financial Statements)

			Land ($'000)	Building ($'000)
FREEHOLD				
Singapore				
F&N	-	Other properties	45	-
TPL	-	1.1 hectares industrial property at Times Centre, 1 New Industrial Road	6,100	6,021
APBL	-	Other properties	768	263
Peninsular Malaysia				
F&N	-	18.0 hectares industrial property at Lion Industrial Park, Shah Alam	21,597	27,529
	-	1.6 hectares industrial property at Jln Foss, Kuala Lumpur	9,696	1,494
	-	1.0 hectare industrial property at Jln Yew and Jln Chan Sow Lin, Kuala Lumpur	5,170	84
	-	2.1 hectares industrial property at 3724 to 3726 Sungei Nyior, Butterworth	2,099	1,137
	-	2.7 hectares industrial property at Jln Lahat, Ipoh	1,252	1,203
	-	0.5 hectare industrial property at 79 & 81 Jln Tun Perak, Ipoh	161	-
	-	1.0 hectare industrial property at Jln Bkt Gedong, Malacca	253	-
	-	2.2 hectares industrial property at Jln Tampoi, Johor Bahru	3,423	92
	-	5.8 hectares industrial property at Tampoi, Johor Bahru	2,340	3,120
	-	0.6 hectare industrial property at Jln Liat, Seremban	1,525	135
	-	0.6 hectare industrial property at Jln Tampoi, Johor Bahru	467	1,904
	-	Other properties	45	-
TPL	-	Residential property at Ria Apartments 18/A5, Genting Highlands	-	150
	-	0.1 hectare commercial property at No. 43 Jalan Nilam 1/2, Subang Square, Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam	84	82
	-	1.0 hectare industrial property at Lot 46 Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam	1,712	3,595
	-	0.1 hectare commercial property at 59/61 Jalan Nilam 1/2, Subang Square, Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam	659	208
Papua New Guinea				
APBL	-	0.5 hectare industrial property at Port Moresby	68	-
New Zealand				
APBL	-	17.4 hectares industrial property for Waitemata Brewery site at Auckland	7,595	38,001
	-	9.1 hectares industrial property for Mainland Brewery at Timaru	313	4,402
Australia				
TPL	-	0.2 hectare commercial property at Units 7 & 8 Monash Business Park, 29 Business Park Drive, Nottinghill, Melbourne - Victoria	922	504
	-	1.7 hectares industrial property at 1 Diamond Drive, Sunshine - Victoria	1,283	8,408
United States of America				
TPL	-	0.4 hectare commercial property at 99 White Plains Road, Tarrytown, New York	845	4,658
Total Freehold			68,422	102,990

PARTICULARS OF GROUP PROPERTIES

(A) CLASSIFIED AS GROUP FIXED ASSETS (continued)

(Note 14 to the Financial Statements)

			Land ($'000)	Building ($'000)
LEASEHOLD				
Singapore				
F&N	-	4.0 hectares industrial property at 214 Pandan Loop (Lease expires year 2010)	-	16,725
	-	Other properties	2,186	173
APBL	-	8.8 hectares industrial property at Jurong (Lease expires year 2046)	-	41,195
	-	Other properties	2,370	644
TPL	-	Commercial property at Unit #04-08/11 Centrepoint (Lease expires year 2078)	-	741
	-	1.8 hectares industrial property at 16 & 18 Tuas Avenue 5 (Lease expires year 2043)	-	16,584
Peninsular Malaysia				
F&N	-	3.6 hectares industrial property at 70 Jln University, Petaling Jaya (Lease expires year 2058)	9,304	7,835
	-	1.6 hectares industrial property at 16 Jln Bersatu 13/4, Petaling Jaya (Lease expires year 2058)	4,904	2,261
	-	1.9 hectares industrial property at Lot 5, Jalan Kilang, 460500 Petaling Jaya, State 3136 (Lease expires year 2058)	3,171	1,927
	-	Other properties	852	1,022
East Malaysia				
F&N	-	1.8 hectares industrial property at Penrissen Road, Kuching (Lease expires year 2038)	801	1,446
	-	2.6 hectares industrial property at Tuaran Road, Kota Kinabalu (Lease expires year 2062)	1,423	851
Cambodia				
APBL	-	11.3 hectares industrial property at Kandal Province (Land rights expires year 2065 - lease payable yearly)	-	17,398
Vietnam				
F&N	-	3.4 hectares industrial property at Ton That Thuyet, Vietnam (Lease expires year 2005)	703	5,070
	-	6.0 hectares industrial property at VSIP, Thuan An District, Binh Duong Province (Lease expires year 2045)	6,362	6,999
APBL	-	12.0 hectares industrial property at Ho Chi Minh City (Lease expires year 2021)	1,907	18,630
		30.0 hectares industrial property at Van Tao Village - Hatay Province (Lease expires year 2046)	-	21,922
Thailand				
F&N	-	0.9 hectare industrial property at No. 19/111 Moo 7 Thakarm Road, Samaedam, Bangkhuntien, Bangkok 10150 (Lease expires year 2029)	575	2,588

PARTICULARS OF GROUP PROPERTIES

(A) CLASSIFIED AS GROUP FIXED ASSETS (continued)

(Note 14 to the Financial Statements)

			Land ($'000)	Building ($'000)
LEASEHOLD (continued)				
Thailand (continued)				
TPL	-	Warehouse at Wat Kok #20/526-527, Thonbun Partok Road, Bangkok (Lease expires year 2021)	-	51
Myanmar				
F&N	-	5.0 hectares industrial property at Mingaladon Township, Yangon (Lease expires year 2023)	2,337	12,836
China/Hong Kong				
F&N	-	Residential property at Liu Shu Town, SheHong Country, Sichuan Province, China (Lease expires year 2058)	-	51
APBL	-	20.0 hectares industrial property at Haikou, Hainan, China (Lease expires year 2065)	11,000	32,438
	-	11.0 hectares industrial property at Shanghai, China (Lease expires year 2038)	11,637	17,894
TPL	-	Residential property at Unite 1AF Riverside Garden, Shenyang, China	-	216
	-	Residential property at Vanke Garden, Shenyang, China	-	108
	-	0.4 hectare industrial property at 13A Xingshun Street, Tiexi District, Shenyang, China (Lease expires year 2009)	125	877
	-	Warehouse at Unit D, 2nd Floor, Freder Centre, 68 Sung Wong Toi Road, Tokwawan, Kowloon, Hong Kong (Lease expires year 2022)	-	145
	-	Industrial property at Dachong Western Industrial District Nansha Panyu, Guangdong, China (Lease expires year 2044)	1,585	8,833
	-	Industrial property at Unit A1,C5, Ko Fai Industrial Building 7 Ko Fai Road, Yau Tong , Kowloon, Hong Kong	-	794
	-	1.9 hectares commercial property at 18 Jianshe Zhong Road, China	3,708	2,972
Papua New Guinea				
APBL	-	2.2 hectares industrial property at Port Moresby (Lease expires year 2067)	1,554	8,557
	-	7.7 hectares industrial property at Lae and Goroka (Lease expires year 2057 and year 2067)	617	344
	-	1.0 hectare residential properties (Lease expires year 2057 and year 2071)	335	478
Total Leasehold			67,456	250,605
TOTAL PROPERTIES (CLASSIFIED AS GROUP FIXED ASSETS)			135,878	353,595

PARTICULARS OF GROUP PROPERTIES

(B) CLASSIFIED AS GROUP INVESTMENT PROPERTIES

(Note 15 to the Financial Statements)

			Land ($'000)	Building ($'000)
Singapore				
CPL	-	A 24-storey office building at 438 Alexandra Road Freehold, lettable area - 18,565 sqm	79,040	54,860
	-	Retained interests (excluding apartments) in a 7-storey shopping cum residential complex with 2 basement floors at Centrepoint, 176 Orchard Road Freehold and Leasehold (Lease expires year 2078), lettable area - 30,959 sqm	369,830	94,491
	-	Retained interests in a 4-storey shopping complex with 2 basement shopping levels and one basement carpark at 930, Yishun Avenue 2 Leasehold (Lease expires year 2089), lettable area - 10,554 sqm	84,000	32,100
	-	A 2-storey shopping complex at 368 & 370 Alexandra Road, situated on the 1st storey and 1st basement level of a 5-storey commercial cum residential block and a 2-storey free-standing restaurant building Freehold, lettable area - 6,592 sqm	20,840	22,160
	-	Two 8-storey high-tech industrial buildings with basement carpark at 438A and 438B Alexandra Road Freehold, lettable area - 96,989 sqm	203,410	165,690
	-	A 10-storey commercial cum serviced apartment complex at Robertson Walk Shopping Centre and Fraser Place Serviced Residences, 11 Unity Street, with 2 basement carparks comprising a 2-storey retail podium and serviced apartment units Leasehold (999 years) Lettable area : Retail 9,068 sqm Serviced apartments 14,293 sqm Total 23,361 sqm	110,460	68,440
	-	A 7-storey shopping/entertainment complex at 1, Woodlands Square with 3 basement floors (comprising 2 basement carparks and 1 basement shop) Leasehold (Lease expires year 2094), lettable area - 39,478 sqm	359,920	137,250
	-	Other properties	357	93
	-	A 20-storey commercial cum serviced apartment complex with a 3-storey covered carpark, a 5-storey podium block, a 2-storey retail podium and serviced apartment units at River Valley Road Leasehold (999 years) Lettable area : Retail 3,700 sqm Serviced apartments 20,232 sqm Office 16,931 sqm Total 40,863 sqm	198,540	132,590
Peninsular Malaysia				
CPL	-	Freehold land at Jalan Pasir Puteh, Kota Bahru	238	-
Vietnam				
CPL	-	A 22-storey retail/office building plus 2 basements at 2 Ngoc Duc Ke Street, District 1, Ho Chi Minh City Leasehold (Lease expires year 2035), lettable area - 17,864 sqm	3,416	38,862

PARTICULARS OF GROUP PROPERTIES

(B) CLASSIFIED AS GROUP INVESTMENT PROPERTIES (continued)

(Note 15 to the Financial Statements)

			Land ($'000)	Building ($'000)
Hong Kong				
TPL	-	Shop unit at Houston Centre, Tsimshatsui East, Kowloon Leasehold (Lease expires year 2053), lettable area - 68 sqm	-	433
	-	Office unit at Hunghom Commercial Centre, Hunghom, Kowloon Leasehold (Lease expires year 2047), lettable area - 194 sqm	-	564
	-	Offices at Seaview Estate - 10th Floor Block C, No. 2-8 Watson Road, North Point, Hong Kong (Lease expires year 2056), lettable area - 1,052 sqm	-	2,903
	-	Offices at Seaview Estate - 9th Floor Block C, No. 2-8 Watson Road, North Point, Hong Kong (Lease expires year 2056), lettable area - 1,052 sqm	-	2,816
Australia				
CPL	-	Bridgepoint Shopping Centre and Viewpoint Apartments, Mosman, Sydney Freehold, lettable area - 6,732 sqm	10,578	19,205
TPL	-	Office/warehouse unit at 19 Rodborough Road, French Forrest, Sydney Freehold, lettable area - 3,620 sqm	1,814	5,200
United States of America				
TPL	-	Offices at 333 Post Road, Westport Freehold, lettable area - 16,500 sqm	301	7,031
TOTAL PROPERTIES (CLASSIFIED AS INVESTMENT PROPERTIES)			1,442,744	784,688

(C) CLASSIFIED AS PROPERTIES HELD FOR SALES

(Note 24 to the Financial Statements)

			Effective Group interest %
Singapore			
CPL	-	The Petals Freehold land of approximately 20,454.4 square metres situated at 85 Hillview Avenue. The development has a gross floor area of 39,365 sqm and consists of 270 condominium units.	100
	-	Euphony Gardens Leasehold land of approximately 26,383.6 square metres situated at Jalan Mata Ayer. The development has a gross floor area of 36,937 sqm and consists of 304 condominium units.	100
	-	Yishun Sapphire Leasehold land of approximately 22,383 square metres situated at Yishun. The development has a gross floor area of 47,004 sqm and consists of 380 condominium units.	100
	-	Yishun Emerald Leasehold land of approximately 21,038.5 square metres situated at Yishun. The development has a gross floor area of 52,596 sqm and consists of 436 condominium units.	100
	-	Compass Heights Leasehold land of approximately 27,067.3 square metres situated at Sengkang Square for a mixed development comprising a block of 4-storey commercial building with 4 basements and 2 blocks of 15-storey, 536 condominium units. The condominium development has a gross floor area of 68,209 sqm.	100

PARTICULARS OF GROUP PROPERTIES

(C) CLASSIFIED AS PROPERTIES HELD FOR SALES (continued)

(Note 24 to the Financial Statements)

			Effective Group interest %
Singapore (continued)			
	-	Camelot Leasehold land of approximately 10,607 square metres situated at Tanjong Rhu. The development has a gross floor area of 29,700 sqm and consists of 99 condominium units.	100
	-	Holt Residences Freehold land of approximately 3,432.3 square metres situated at No.5 Holt Road. The development has a gross floor area of 9,610 sqm and consists of 46 condominium units.	100
	-	Seletaris Freehold land of approximately 35,745.1 square metres situated at Sembawang. The development has a gross floor area of 50,039 sqm and consists of 328 condominium units.	100
	-	Rosewood Leasehold land of approximately 24,793.9 square metres situated at Woodland Avenue 1. The development has a gross floor area of 52,085 sqm and consists of 437 condominium units.	100
Australia			
CPL	-	Pavilions on the Bay Freehold land of approximately 8,647 square metres situated at Glebe Point, Sydney. The development has a gross floor area of 7,976 sqm and consists of 46 condominium units.	75
	-	The Habitat Freehold land of approximately 862 square metres situated at Chandos Streets, North Sydney. The development has a gross floor area of 7,855 sqm and consists of 60 condominium units.	75
United Kingdom			
CPL	-	Wandsworth Riverside Quarter Freehold land of approximately 39,600 square metres situated at south bank of River Thames. The development has a gross floor area of 57,897 sqm and consists of 422 condominium units.	49

PARTICULARS OF GROUP PROPERTIES

(D) CLASSIFIED AS PROPERTIES UNDER DEVELOPMENT

(Note 16 to the Financial Statements)

Details of the properties under development are included in Note 16 to the Financial Statements. Additional information as follows :

			Stage of Completion	Estimated Date of Completion
Singapore				
CPL	-	Cote d'Azur	100%	4th Quarter 2004
	-	Lakeholmz	95%	2nd Quarter 2005
	-	Ris Grandeur	61%	3rd Quarter 2005
	-	Pasir Panjang Site	25%	4th Quarter 2005
	-	Holland Vale Site	15%	4th Quarter 2005
	-	Jalan Ulu Sembawang Site	–	3rd Quarter 2006
	-	Quintet	26%	4th Quarter 2006
	-	Mount Sophia Site	8%	1st Quarter 2007
	-	Paya Lebar Crescent Site	–	1st Quarter 2007
	-	Hindhede Road Site	–	2nd Quarter 2008
	-	Jervois Road Site	–	4th Quarter 2008
Malaysia				
F&N	-	Fraser Park	15%	1st Quarter 2008
Vietnam				
CPL	-	Nguyen Sieu Street Site	–	1st Quarter 2007
Australia				
CPL	-	Former Regent Theatre Site	6%	4th Quarter 2007
China				
CPL	-	Jingan Four Seasons (Wu Jiang Lu Site)	14%	3rd Quarter 2006
	-	Song Jiang Site	2%	1st Quarter 2009
New Zealand				
CPL	-	Broadview Queenstown Site	–	–
United Kingdom				
CPL	-	Wandsworth Riverside Quarter	41%	2nd Quarter 2007
	-	Vincent Square	18%	1st Quarter 2006

SHAREHOLDING STATISTICS
as at 8 December 2004

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

SIZE OF HOLDING	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 - 999	1,580	26.01	938,394	0.40
1,000 - 10,000	3,555	58.51	12,579,284	5.42
10,001 - 1,000,000	925	15.22	39,265,040	16.91
1,000,001 and over	16	0.26	179,409,470	77.27
	6,076	100.00	232,192,188	100.00

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

NO.	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD	%
1.	Raffles Nominees Pte Ltd	38,435,144	16.55
2.	DBS Nominees Pte Ltd	32,230,013	13.88
3.	United Overseas Bank Nominees Pte Ltd	17,387,649	7.49
4.	The Great Eastern Life Assurance Co Ltd	16,706,351	7.20
5.	Great Eastern Life Assurance (Malaysia) Berhad	15,985,064	6.88
6.	Citibank Nominees Singapore Pte Ltd	15,320,311	6.60
7.	HSBC (Singapore) Nominees Pte Ltd	12,116,725	5.22
8.	Oversea-Chinese Bank Nominees Pte Ltd	10,895,300	4.69
9.	The Overseas Assurance Corporation Ltd	9,687,745	4.17
10.	Lee Latex Pte Limited	2,131,223	0.92
11.	PSA Corporation Limited	1,847,956	0.80
12.	Tropical Produce Company Pte Ltd	1,733,080	0.75
13.	The Asia Life Assurance Society Ltd	1,508,990	0.65
14.	Merrill Lynch (Singapore) Pte Ltd	1,285,914	0.55
15.	Fam Yue Onn Michael	1,085,005	0.47
16.	Selat Pte Limited	1,053,000	0.45
17.	Morgan Stanley Asia (Singapore) Securities Pte Ltd	963,000	0.41
18.	National University of Singapore	953,920	0.41
19.	Yong Siew Yoon	800,000	0.35
20.	Lee Pineapple Company Pte Ltd	773,503	0.33
		182,899,893	78.77

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

	DIRECT INTEREST	DEEMED INTEREST
Oversea-Chinese Banking Corporation Limited	9,245,370	42,458,737
Great Eastern Life Assurance Company Limited	16,714,451	15,985,064
Great Eastern Holdings Limited	-	42,458,737
Great Eastern Life Assurance (Malaysia) Berhad	15,985,064	-
GEL Capital (Malaysia) Berhad	-	15,985,064

Based on the Register of Substantial Shareholders, the percentage of shareholding of the Company held in the hands of the public is more than 10 percent and this complies with Rule 723 of the Listing Manual.

Notes

- 'Substantial Shareholders' are those shareholders who own at least 5% of the equity of the Company.

- 'Deemed Interests' in shares arise, for example, when a person (including a company) owns at least 20% of another company which in turn owns shares in Fraser and Neave, Limited. The person is "deemed" to have an interest in the Fraser and Neave, Limited shares owned by that other company. It is, therefore, possible for several persons to be deemed interested in the same shares.

  This note is merely illustrative. For a full understanding of the scope of the regulations, it is necessary to refer to the Singapore Companies Act.

NOTICE OF ANNUAL GENERAL MEETING

Date : Thursday 27 January 2005
Place : Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958

NOTICE IS HEREBY GIVEN that the 106th Annual General Meeting of FRASER AND NEAVE, LIMITED will be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on Thursday 27 January 2005 at 10.00am for the following purposes :

ROUTINE BUSINESS

1. To receive and adopt the report of the directors and audited financial statements for the year ended 30 September 2004.

2. To approve a final dividend of 35 cents per share, being after deduction of Singapore tax, in respect of the year ended 30 September 2004.

3. To pass the following resolutions in respect of appointments of Directors :

   (a) "That pursuant to Section 153(6) of the Companies Act, Cap.50, Dr Michael Fam be and is hereby re-appointed as a Director of the Company to hold such office until the next Annual General Meeting of the Company."
   Subject to his re-appointment, Dr Fam will be re-appointed as Chairman of the Executive Committee and a Member of the Nominating Committee.

   (b) "That pursuant to Section 153(6) of the Companies Act, Cap.50, Mr Lee Ek Tieng be and is hereby re-appointed as a Director of the Company to hold such office until the next Annual General Meeting of the Company."
   Subject to his re-appointment, Mr Lee who is considered an independent director, will be re-appointed as a Member of the Audit and Remuneration Committees.

   (c) "That Mr Stephen Lee, who retires by rotation, be and is hereby re-appointed as a Director of the Company."
   Subject to his re-appointment, Mr Lee who is considered an independent director, will be re-appointed as a Member of the Executive, Audit, Nominating and Remuneration Committees.

4. To approve directors' fees of $547,000 payable by the Company for the year ending 30 September 2005 (last year : $547,000).

5. To re-appoint auditor for the ensuing year and authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions, which will be proposed as Ordinary Resolutions, with or without any modification :

6. "That authority be and is hereby given to the Directors of the Company to :

   (a) (i) issue shares in the capital of the Company (**"shares"**) whether by way of rights, bonus or otherwise; and/or
   (ii) make or grant offers, agreements or options (collectively, **"Instruments"**) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,
   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

   provided that :

   (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below);

   (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (**"SGX-ST"**)) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time this Resolution is passed, after adjusting for :

NOTICE OF ANNUAL GENERAL MEETING (continued)

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. "

7. "That approval be and is hereby given to the Directors to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the Fraser and Neave, Limited Executives' Share Option Scheme."

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

OTHER

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

By Order of the Board
Anthony Cheong Fook Seng
Group Company Secretary

Singapore, 6 January 2005

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

STATEMENT PURSUANT TO ARTICLE 64
OF THE COMPANY'S ARTICLES OF ASSOCIATION

The effects of the resolutions under the heading "Special Business" in the Notice of the forthcoming Annual General Meeting are:

(a) Ordinary Resolution No. 6 is to allow the Directors of the Company from the date of that meeting until the next Annual General Meeting to issue, or agree to issue shares and/or grant instruments that might require shares to be issued, up to an amount not exceeding 50 per cent of the issued share capital of the Company (calculated as described) of which the total number of shares to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20 per cent of the share capital of the Company (calculated as described).

(b) Ordinary Resolution No. 7 is to authorise the Directors to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the exercise of such options under the Fraser and Neave, Limited Executives' Share Option Scheme.

(c) Ordinary Resolution No. 8 is to authorise the Directors to offer and grant options in accordance with the provisions of the Fraser and Neave, Limited Executives' Share Option Scheme 1999 (**"the 1999 Scheme"**) and to allot and issue such shares as may be issued pursuant to the exercise of options under the 1999 Scheme up to an amount not exceeding 15 per cent of the issued share capital of the Company from time to time.

FRASER AND NEAVE, LIMITED

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

PROXY FORM - ANNUAL GENERAL MEETING

Important :
1. For investors who have used their CPF monies to buy Fraser and Neave, Limited shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used, or purported to be used, by them.
3. CPF Investors who wish to attend the Annual General Meeting as OBSERVERS have to submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format, with the Company Secretary, Fraser and Neave, Limited. (Agent Banks: please see note No. 9 on required format).

I/We ___________________________________ being a member/members of Fraser and Neave, Limited hereby appoint Michael Fam whom failing Han Cheng Fong, whom failing Ho Tian Yee, whom failing Stephen Lee, whom failing Lee Ek Tieng, whom failing Lee Tih Shih, whom failing Nicky Tan Ng Kuang all being Directors of the Company or (note 2)

NAME	ADDRESS	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS (Note 3)

and/or (delete as appropriate)

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday 27 January 2005 and at any adjournment thereof. The proxy is to vote on the business before the meeting as indicated below (if no indication is given, the proxy may vote or abstain from voting at his discretion, as he may on any other matter arising at the meeting) :

(Please indicate with an "X" in the spaces provided, whether you wish your vote(s) to be cast for or against the Resolutions as set out in the Notice of Annual General Meeting.)

NO.	RESOLUTIONS RELATING TO :	FOR	AGAINST
	Routine Business		
1.	To receive and adopt the report of the directors and audited financial statements for the year ended 30 September 2004.		
2.	To approve a final dividend of 35 cents per share, being after deduction of Singapore tax, in respect of the year ended 30 September 2004.		
3.	(a) To re-appoint Director : Dr Michael Fam		
	(b) To re-appoint Director : Mr Lee Ek Tieng		
	(c) To re-appoint Director : Mr Stephen Lee		
4.	To approve Directors' Fees of $547,000 payable by the Company for the year ending 30 September 2005.		
5.	To re-appoint auditor for the ensuing year and authorise Directors to fix their remuneration.		
	Special Business		
6.	To authorise Directors to issue shares, make or grant offers.		
7.	To authorise Directors to allot and issue shares pursuant to the Fraser and Neave, Limited Executives' Share Option Scheme.		
8.	To authorise Directors to offer and grant options and to allot and issue shares in accordance with the provisions of the Fraser and Neave, Limited Executives' Share Option Scheme 1999.		
	Other		
9.	To transact any other business which may properly be brought forward.		

As witness my/our hand this ____________ day of __________________ 2005.

Total Number of Shares in :	No. of shares (Note 5)
Depository Register	
Register of Members	

____
Signature/Common Seal of Member(s)

IMPORTANT : PLEASE READ NOTES OVERLEAF

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NOTES TO PROXY FORM:

1. A member of the Company entitled to attend the meeting and vote is entitled to appoint a proxy to attend and vote instead of him; a proxy need not be a member of the Company. The instrument appointing a proxy must be deposited with the Company Secretary at the registered office not less than 48 hours before the time appointed for holding the meeting.
2. If any other proxy is preferred, the member should strike out the names of the directors mentioned and add the name and address of the proxy desired in the blank boxes provided.
3. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under this instrument of proxy, to the meeting.
5. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap.50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the number of shares entered against his name in the Depository Register and registered in his name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all shares held by the member.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.
9. Agent Banks acting on the request of CPF Investors who wish to attend the meeting as Observers are required to submit in writing, a list with details of the investors' name, NRIC/Passport numbers, addresses and numbers of shares held. The list, signed by an authorised signatory of the agent bank, should reach the Company Secretary, at the registered office of the Company not later than 48 hours before the time appointed for holding the meeting.

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Affix
Postage
Stamp

THE COMPANY SECRETARY
FRASER AND NEAVE, LIMITED
#21-00 Alexandra Point
438 Alexandra Road
Singapore 119958

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Financial Calendar

- 27 January 2005 (10am)
  Annual General Meeting

- 11 February 2005 (after close of trading) (tentative)
  Announcement of 1st Quarter Results

- 18 February 2005
  Payment of Final Dividend for Year ended 30 September 2004

- 13 May 2005 (after close of trading) (tentative)
  Announcement of 2nd Quarter and Half Year Results

- 12 August 2005 (after close of trading) (tentative)
  Announcement of 3rd Quarter Results

- 11 November 2005 (after close of trading) (tentative)
  Announcement of Full Year Results

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