



# CHORATING

the future

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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 2008.

## 1. DIRECTORATE

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

Mr Lee Hsien Yang	(Chairman)
Mr Timothy Chia Chee Ming	
Mr Ho Tian Yee	
Mr Simon Israel	
Mr Koh Beng Seng	
Mr Stephen Lee	
Mr Soon Tit Koon	
Mr Tan Chong Meng	(Appointed on 18 June 2008)
Mr Nicky Tan Ng Kuang	

Mr Stephen Lee who retires by rotation pursuant to Article 117 of the Company's Articles of Association, has intimated his wish to retire at this forthcoming Annual General Meeting and therefore does not offer himself for re-election.

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

- By rotation pursuant to Article 117 of the Company's Articles of Association:
  - Mr Ho Tian Yee
  - Mr Koh Beng Seng
- Pursuant to Article 122 of the Company's Articles of Association, having been appointed since the last Annual General Meeting:
  - Mr Tan Chong Meng

## 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.

## 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 OF GROUP COMPANIES	
	As at 1 Oct 2007	As at 30 Sep 2008
Lee Hsien Yang		
- Fraser and Neave, Limited Ordinary Shares	Nil	180,000
Timothy Chia Chee Ming	Nil	Nil
Ho Tian Yee	Nil	Nil
Simon Israel	Nil	Nil
Koh Beng Seng	Nil	Nil
Stephen Lee	Nil	Nil
Soon Tit Koon	Nil	Nil
Tan Chong Meng	Nil*	Nil
Nicky Tan Ng Kuang		
- Frasers Centrepoint Trust Units	300,000	300,000

\* As at date of appointment 18 June 2008

## 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.

## 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 & Staff Establishment Committee which comprises the following four non-executive directors who do not participate in the Schemes:

Mr Stephen Lee	(Chairman)
Mr Timothy Chia Chee Ming	
Mr Ho Tian Yee	
Mr Soon Tit Koon	

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 schemes.

### Year 9 Options of the 1999 Scheme

During the financial year ended 30 September 2008, in consideration of the payment of \$1 for each offer accepted, offers of options were granted pursuant to the 1999 Scheme in respect of 11,708,107 unissued ordinary shares of the Company at an exercise price of \$5.80 per share.

## 5. SHARE OPTIONS (cont'd)

### Information pertaining to Outstanding Options

At the end of the financial year, there were 38,227,169 unissued ordinary shares of the Company under Options granted pursuant to the Schemes. Details of the options to subscribe for ordinary shares in the capital of the Company granted to executives pursuant to the Schemes are as follows:

Options	Offer Date	Balance as at 1.10.2007 or Offer Date if later	Options Exercised/ Lapsed	Balance as at 30.9.2008	Exercise Price	Exercise Period
<b>1989 Scheme</b>						
1999	23.12.1998	37,925	(37,925)	-	\$0.77	23.09.2001 to 22.11.2008
<b>1999 Scheme</b>						
2002 (Year 3)	08.10.2001	128,960	-	128,960	\$1.40	09.07.2004 to 08.09.2011
2002 (Year 3A)	28.01.2002	15	(15)	-	\$1.56	29.10.2004 to 28.12.2011
2002 (Year 3B)	02.07.2002	541,800	(541,800)	-	\$1.56	03.04.2005 to 02.06.2012
2003 (Year 4)	01.10.2002	2,203,050	(1,461,925)	561,125	\$1.51	01.07.2005 to 31.08.2012
2004 (Year 5)	08.10.2003	4,300,640	(1,103,155)	3,197,485	\$2.12	08.07.2006 to 07.09.2013
2005 (Year 6)	08.10.2004	7,750,370	(2,251,265)	5,499,105	\$2.82	08.07.2007 to 07.09.2014
2006 (Year 7)	10.10.2005	10,765,685	(2,099,495)	8,666,190	\$3.46	10.07.2008 to 09.09.2015
2007 (Year 8)	10.10.2006	10,877,060	(1,668,357)	9,208,703	\$4.22	10.07.2009 to 09.09.2016
2008 (Year 9)	10.10.2007	11,708,107	(742,506)	10,965,601	\$5.80	10.07.2010 to 09.09.2017
		48,133,612	(9,906,443)*	38,227,169		

\* Exercised (6,149,210)  
Lapsed due to Resignations and Non-acceptance (3,757,233)

### Statutory and other information regarding the Options

- 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.
- The grantee may exercise an option during the Exercise Period (which commences 33 months after the Offer Date) by notice in writing accompanied by a remittance for the number of options at the full amount of the Exercise Price.
- Options expire 119 months after the Offer Date unless an option has previously lapsed by reason of the resignation of the grantee from employment with the group after the grant of an option and before its exercise.
- The number of shares which may be acquired by a grantee and the Exercise Price are subject to adjustment, as confirmed by the auditors of the Company that such adjustment is fair and reasonable, by reason of any issue of additional shares in the Company by way of rights or capitalisation of profits or reserves, or repayment and reduction of capital or subdivision or consolidation of shares, made while an option remains unexercised.
- The persons to whom the options have been issued have no right to participate by virtue of the options in any share issue of any other company.

## 5. SHARE OPTIONS (cont'd)

### (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 succeeded the APBL Scheme.

### Information pertaining to Outstanding Options

At the end of the financial year, 71,108 unissued ordinary shares of APBL were under options granted pursuant to the APBL Scheme. Details of the options to subscribe for ordinary shares in the capital of APBL granted to executives pursuant to the APBL Scheme are as follows:

Options	Offer Date	Balance as at 1.10.2007	Options Exercised/ Lapsed	Balance as at 30.9.2008	Exercise Price	Exercise Period
1999	23.12.1998	6,279	(2,381)	3,898	\$3.61	22.09.2001 to 21.11.2008
2000	22.12.1999	5,720	(5,710)	10	\$4.28	21.09.2002 to 20.11.2009
2001	20.12.2000	14,950	(12,200)	2,750	\$3.91	19.09.2003 to 18.11.2010
2002	08.10.2001	5,650	-	5,650	\$3.79	08.07.2004 to 07.09.2011
2003	15.10.2002	27,100	(9,100)	18,000	\$4.79	15.07.2005 to 14.09.2012
2004	08.10.2003	48,050	(7,250)	40,800	\$6.29	08.07.2006 to 07.09.2013
		107,749	(36,641)*	71,108		

\* Exercised (19,675)  
Lapsed due to resignation (16,966)

### 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.

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

The F&NHB Scheme expired on 12 November 2006 but Options already granted under that Scheme remain exercisable until the end of the relevant Option Period.

### Information pertaining to Outstanding Options

At the end of the financial year, 2,986,200 F&NHB ordinary shares held by Fraser and Neave, Limited were under Options granted pursuant to the F&NHB Scheme.

## 5. SHARE OPTIONS (cont'd)

### Information pertaining to Outstanding Options (cont'd)

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 1.10.2007	Options Exercised/ Lapsed	Balance as at 30.9.2008	Exercise Price	Exercise Period
<b>Old Scheme</b>						
2003	21.11.2002	38,600	(38,600)	-	RM3.49	21.08.2005 to 20.10.2007
2004	24.11.2003	205,800	(178,300)	27,500	RM3.83	24.08.2006 to 23.10.2008
2005	24.11.2004	1,634,900	(1,411,200)	223,700	RM4.89	24.08.2007 to 23.10.2009
2006	26.08.2005	2,119,400	(1,372,400)	747,000	RM5.54	27.05.2008 to 26.07.2010
2007	26.09.2006	2,165,400	(177,400)	1,988,000	RM6.12	27.06.2009 to 26.08.2011
		<u>6,164,100</u>	<u>(3,177,900)*</u>	<u>2,986,200</u>		

\* Exercised (2,926,300)  
Lapsed due to Expiry, Resignations, Retirement and Non-Acceptance (251,600)

### 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 Securities Bhd and that all options expire 59 months after the option offer date.

### (ii) Share Options pursuant to the Fraser & Neave Holdings Bhd Executives' Share Option Scheme Approved by Shareholders on 5 April 2007 ("F&NHB 2007 Scheme")

The F&NHB 2007 Scheme succeeded the F&NHB Scheme.

### Information pertaining to Outstanding Options

At the end of the financial year, 2,504,300 F&NHB unissued ordinary shares of F&NHB under Options were granted pursuant to the F&NHB 2007 Scheme.

Details of the options granted to executives pursuant to the F&NHB 2007 Scheme to acquire ordinary shares of RM1 each in the capital of F&NHB are as follows:

Options	Offer Date	Balance as at 1.10.2007	Options Exercised/ Lapsed	Balance as at 30.9.2008	Exercise Price	Exercise Period
<b>New Scheme</b>						
2008	20.11.2007	2,705,900	(201,600)*	2,504,300	RM7.77	20.08.2010 to 19.10.2012

\* Lapsed due to Resignations, Retirement and Non-Acceptance

## 5. SHARE OPTIONS (cont'd)

### Statutory and other information regarding the F&NHB Options

The main features of the F&NHB 2007 Scheme are outlined below:

- The maximum number of new ordinary shares of RM1.00 each in the Company which may be issued on the exercise of the F&NHB 2007 Scheme shall not exceed 10% of the issued and paid-up share capital of F&NHB at any point of time throughout the duration of the F&NHB 2007 Scheme.
- Eligible full-time executives of the Group and Executive Directors of the Company with at least one year service shall be eligible to participate in the ESOS.
- The allotment of an Eligible Executive shall not exceed the maximum limits for any specific job grade in any one financial year and 1,000,000 new shares of the Company during the tenure of the F&NHB 2007 Scheme, subject to the limits below:
  - not more than 50% of the new shares of F&NHB available under the F&NHB 2007 Scheme shall be allocated, in aggregate, to the Directors and senior management of the Group; and
  - not more than 10% of the new shares of the Company available under the F&NHB 2007 Scheme shall be allocated to any individual Eligible Executive who, either singly or collectively through persons connected to that Eligible Executive, holds 20% or more of the issued and paid-up share capital of the Company.

The option price shall be the five days weighted average market price of the Company's shares as quoted on Bursa Malaysia Securities Bhd immediately preceding the date of the offer, or the par value of the shares of F&NHB, whichever is higher.

The F&NHB 2007 Scheme shall be in force for a period of 10 years from the effective date for the implementation of the F&NHB 2007 Scheme.

### (d) Share Options pursuant to Frasers Property (China) Limited Share Option Scheme ("FPCL Scheme")

Frasers Property (China) Limited ("FPCL") has in place a share option scheme, FPCL Scheme, since 20 May 2003 and, unless otherwise cancelled or amended will remain in force for 10 years from that date.

### 2007 Options

During the financial year ended 30 September 2008, offers of options were granted pursuant to the Scheme in respect of 16,800,000 unissued ordinary shares of HK\$0.10 each of FPCL at an exercise price of HK\$0.3370 per share.

## 5. SHARE OPTIONS (cont'd)

### Information pertaining to Outstanding Options

At the end of the financial year, there were 67,064,481 unissued ordinary shares of FPCL under Options granted pursuant to the FPCL Scheme. Details of the options to subscribe for ordinary shares of HK\$0.10 each in the capital of FPCL granted to employees pursuant to the FPCL Scheme are as follows:

Options	Offer Date	Balance as at 1.10.2007 or Offer Date if later	Options Exercised/ Lapsed	Balance as at 30.9.2008	Exercise Price	Exercise Period
2003	31.12.2003	10,616,284	(650,626)	9,965,658	HK\$0.1580	31.12.2004 to 30.12.2013
2004	31.12.2004	11,549,999	(75,560)	11,474,439	HK\$0.1547	31.12.2005 to 30.12.2014
2005	30.12.2005	13,816,824	(43,177)	13,773,647	HK\$0.1343	30.12.2006 to 29.12.2015
2006	13.11.2006	15,750,000	(449,263)	15,300,737	HK\$0.1670	13.11.2007 to 12.11.2016
2007	09.11.2007	16,800,000	(250,000)	16,550,000	HK\$0.3370	09.11.2008 to 08.11.2017
		<u>68,533,107</u>	<u>(1,468,626)*</u>	<u>67,064,481</u>		

\* Exercised (894,000)  
Lapsed due to Resignations (574,626)

### Statutory and other information regarding the FPCL Options

- (i) The Exercise Price will be determined by FPCL Board, but shall not be less than the highest of:
- (1) the closing price as stated in the daily quotation sheet of the Stock Exchange of Hong Kong Limited ("HKEX") on the date of grant, which must be a trading day;
  - (2) the average closing prices as stated in the HKEX's daily quotation sheets for the five trading days immediately preceding the date of grant; and
  - (3) the nominal value of FPCL share.
- (ii) The exercise period of the FPCL options granted is determinable by the FPCL Board, and commences on a specified date and ends on a date which is not later than 10 years from the date of grant of the FPCL options.
- (iii) The vesting period of the share options is in the following manner:

Vesting Schedule	Percentage of shares over which a share option is exercisable	
	Granted before 2004 (%)	Granted on or after 2004 (%)
Before the first anniversary of the date of grant	Nil	Nil
On or after the first but before the second anniversary of the date of grant	25	40
On or after the second but before the third anniversary of the date of grant	25	30
On or after the third but before the fourth anniversary of the date of grant	25	30
On or after the fourth anniversary of the date of grant	25	NA

## 5. SHARE OPTIONS (cont'd)

### Statutory and other information regarding the FPCL Options (cont'd)

In relation to the FPCL options, if the grantee, during any of the periods specific above, exercised that share options for such number of shares which, in aggregate, represents less than the number of shares for which the eligible participant may exercise in respect of such period, the balance of the shares comprised in that share option for which the grantee could have exercised (but did not exercise) in that period shall be carried forward and added to the number of shares which the grantee may exercise in the next succeeding period or periods.

- (e) 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.
- (f) 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 quarterly results 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 LLP for re-appointment by shareholders as auditor for the ensuing financial year.

## 7. AUDITORS

The auditors, Ernst & Young LLP, has expressed willingness to accept re-appointment.

## 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 2008 as set out at paragraph 3 hereof.
- (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

**LEE HSIEN YANG**  
Director

**KOH BENG SENG**  
Director

Singapore,  
14 November 2008

## Statement by Directors

We, **LEE HSIEN YANG** and **KOH BENG SENG**, being two of the Directors of Fraser and Neave, Limited, do hereby state that in the opinion of the Directors:

- (i) the balance sheets, profit statements, statements of changes in equity and consolidated cash flow statement together with the notes thereto, set out on pages 88 to 191, 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 2008 and of the results of the businesses and changes in equity of the Company and of the Group and the cash flows of the Group for the year ended 30 September 2008; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board

**LEE HSIEN YANG**  
Director

**KOH BENG SENG**  
Director

Singapore,  
14 November 2008

## Independent Auditors' Report

To the members of Fraser and Neave, Limited

We have audited the accompanying financial statements of Fraser And Neave, Limited ("the Company") and its subsidiaries (collectively, "the Group") set out on pages 88 to 191, which comprise the balance sheets of the Group and the Company as at 30 September 2008, and the profit statements, statements of changes in equity of the Group and the Company, and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion,

- (a) the consolidated financial statements of the Group and the balance sheet, profit statement and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 September 2008 and the results and changes in equity of the Group and the Company and 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 subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

### ERNST & YOUNG LLP

Public Accountants and  
Certified Public Accountants

Singapore,  
14 November 2008

# Profit Statement

for the year ended 30 September 2008

	Notes	THE GROUP		THE COMPANY	
		2008 (\$'000)	2007 (\$'000)	2008 (\$'000)	2007 (\$'000)
		(Restated)			
<b>Revenue</b>	3	<b>4,951,391</b>	4,731,174	<b>4,439</b>	4,090
Cost of sales		<b>(3,294,917)</b>	(3,197,970)	-	-
<b>Gross profit</b>		<b>1,656,474</b>	1,533,204	<b>4,439</b>	4,090
Other income/(expenses) (net)	4	<b>13,057</b>	52,015	<b>4</b>	(3,730)
Operating expenses					
– Distribution		<b>(196,712)</b>	(180,971)	-	-
– Marketing		<b>(410,854)</b>	(392,345)	-	-
– Administration		<b>(332,039)</b>	(327,458)	<b>(9,946)</b>	(8,297)
		<b>(939,605)</b>	(900,774)	<b>(9,946)</b>	(8,297)
<b>TRADING PROFIT/(LOSS)</b>		<b>729,926</b>	684,445	<b>(5,503)</b>	(7,937)
Gross dividends from subsidiary and joint venture companies	6	-	-	<b>355,639</b>	125,212
Share of joint venture companies' profits		<b>11,708</b>	14,164	-	-
Share of associated companies' profits		<b>25,716</b>	22,017	-	-
Gross income from investments	7	<b>9,241</b>	11,476	<b>728</b>	983
<b>PROFIT BEFORE INTEREST AND TAXATION ("PBIT")</b>		<b>776,591</b>	732,102	<b>350,864</b>	118,258
Interest income		<b>31,551</b>	26,916	<b>9,716</b>	22,680
Interest expense		<b>(96,140)</b>	(97,986)	<b>(21,353)</b>	(35,308)
Net interest expense	4	<b>(64,589)</b>	(71,070)	<b>(11,637)</b>	(12,628)
<b>PROFIT BEFORE IMPAIRMENT, FAIR VALUE GAIN, TAXATION AND EXCEPTIONAL ITEMS</b>		<b>712,002</b>	661,032	<b>339,227</b>	105,630
Impairment on investments		<b>(47,955)</b>	-	<b>(11,413)</b>	-
Fair value gain of investment properties (net)	14	<b>61,037</b>	-	-	-
<b>PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS</b>		<b>725,084</b>	661,032	<b>327,814</b>	105,630
Exceptional items	8	<b>12,057</b>	11,662	-	(19,336)
<b>PROFIT BEFORE TAXATION</b>		<b>737,141</b>	672,694	<b>327,814</b>	86,294
Taxation	9	<b>(169,429)</b>	(174,364)	<b>(9,936)</b>	(23,810)
<b>PROFIT AFTER TAXATION</b>		<b>567,712</b>	498,330	<b>317,878</b>	62,484
<b>ATTRIBUTABLE PROFIT TO:</b>					
Shareholders of the Company					
– Before fair value gain and exceptional items		<b>379,026</b>	377,920	<b>317,878</b>	81,820
– Fair value gain of investment properties (net)		<b>37,063</b>	-	-	-
– Exceptional items		<b>19,738</b>	681	-	(19,336)
		<b>435,827</b>	378,601	<b>317,878</b>	62,484
Minority interests		<b>131,885</b>	119,729	-	-
		<b>567,712</b>	498,330	<b>317,878</b>	62,484
<b>Earnings per share attributable to the shareholders of the Company</b>	11				
Basic		<b>27.3 cts</b>	28.6 cts		
– before fair value gain and exceptional items		<b>31.4 cts</b>	28.7 cts		
– after fair value gain and exceptional items		<b>27.1 cts</b>	28.3 cts		
Fully diluted		<b>31.2 cts</b>	28.3 cts		
– before fair value gain and exceptional items		<b>31.2 cts</b>	28.3 cts		
– after fair value gain and exceptional items		<b>31.2 cts</b>	28.3 cts		

The Notes on pages 95 to 191 form an integral part of the Financial Statements.

# Balance Sheet

as at 30 September 2008

	Notes	THE GROUP		THE COMPANY	
		2008 (\$'000)	2007 (\$'000)	2008 (\$'000)	2007 (\$'000)
		(Restated)			
<b>SHARE CAPITAL AND RESERVES</b>					
Share capital	12	<b>1,330,297</b>	1,313,915	<b>1,330,297</b>	1,313,915
Reserves	12	<b>3,952,977</b>	3,906,682	<b>2,348,272</b>	2,211,249
		<b>5,283,274</b>	5,220,597	<b>3,678,569</b>	3,525,164
		<b>1,135,242</b>	1,161,447	-	-
		<b>6,418,516</b>	6,382,044	<b>3,678,569</b>	3,525,164
<b>MINORITY INTERESTS</b>					
Represented by:					
<b>NON-CURRENT ASSETS</b>					
Fixed assets	13	<b>1,231,828</b>	1,157,638	-	-
Investment properties	14	<b>3,558,922</b>	3,224,389	-	-
Properties held for development	15	<b>162,297</b>	127,834	-	-
Subsidiary companies	16	-	-	<b>3,752,960</b>	3,635,651
Joint venture companies	17	<b>60,639</b>	96,460	<b>408,921</b>	408,921
Associated companies	18	<b>638,234</b>	428,154	<b>83,541</b>	-
Intangible assets	19	<b>357,530</b>	292,404	-	-
Brands	23	<b>48,139</b>	52,263	-	-
Other investments	21	<b>152,442</b>	65,818	<b>8,085</b>	9,027
Other receivables	26	<b>19,204</b>	22,231	-	-
Deferred tax assets	33	<b>17,844</b>	16,868	-	-
		<b>6,247,079</b>	5,484,059	<b>4,253,507</b>	4,053,599
<b>CURRENT ASSETS</b>					
Properties held for sale	24	<b>4,576,737</b>	3,958,204	-	-
Inventories	25	<b>468,502</b>	480,063	-	-
Trade receivables	26	<b>714,058</b>	863,967	-	-
Other receivables	26	<b>283,338</b>	484,566	<b>3,204</b>	5,100
Subsidiary companies	16	-	-	<b>72,509</b>	109,075
Joint venture companies	17	<b>26,559</b>	7,577	-	-
Associated companies	18	<b>910</b>	251	-	-
Short term investments	28	<b>141,111</b>	322,048	-	19,997
Bank fixed deposits	22	<b>629,882</b>	845,209	<b>39,200</b>	29,977
Cash and bank balances	22	<b>403,057</b>	305,585	<b>356</b>	1,794
		<b>7,244,154</b>	7,267,470	<b>115,269</b>	165,943
Assets held for sale	29	<b>27,086</b>	121,124	-	-
		<b>7,271,240</b>	7,388,594	<b>115,269</b>	165,943
<b>Deduct: CURRENT LIABILITIES</b>					
Trade payables	30	<b>576,592</b>	506,985	-	-
Other payables	30	<b>660,393</b>	659,760	<b>11,303</b>	14,811
Subsidiary companies	16	-	-	<b>18,938</b>	21,800
Joint venture companies	17	<b>4,066</b>	2,148	-	-
Associated companies	18	<b>17,545</b>	16,790	-	-
Borrowings	31	<b>2,079,576</b>	2,437,121	<b>299,960</b>	-
Provision for taxation		<b>247,417</b>	229,356	<b>9,925</b>	7,858
		<b>3,585,589</b>	3,852,160	<b>340,126</b>	44,469
Liabilities held for sale	29	-	19,277	-	-
		<b>3,585,589</b>	3,871,437	<b>340,126</b>	44,469
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>3,685,651</b>	3,517,157	<b>(224,857)</b>	121,474
<b>Deduct: NON-CURRENT LIABILITIES</b>					
Other payables	30	<b>10,037</b>	18,269	-	-
Borrowings	31	<b>3,355,259</b>	2,476,939	<b>349,814</b>	649,470
Provision for employee benefits	32	<b>18,764</b>	18,811	-	-
Deferred tax liabilities	33	<b>130,154</b>	105,153	<b>267</b>	439
		<b>3,514,214</b>	2,619,172	<b>350,081</b>	649,909
		<b>6,418,516</b>	6,382,044	<b>3,678,569</b>	3,525,164

The Notes on pages 95 to 191 form an integral part of the Financial Statements.

## Statement of Changes in Equity

Notes	THE GROUP									
	Share Capital (\$'000)	Capital Reserve (\$'000)	Revenue Reserve (\$'000)	Exchange Reserve (\$'000)	Fair Value Adjustment Reserve (\$'000)	Employee Share Option Reserve (\$'000)	Dividend Reserve (\$'000)	Total (\$'000)	Minority Interests (\$'000)	Total Equity (\$'000)
<b>YEAR ENDED 30 SEPTEMBER 2008</b>										
	1,313,915	1,146,500	2,431,588	(29,164)	225,246	14,916	117,596	5,220,597	1,161,447	6,382,044
Effects of adopting FRS 40	-	(871,148)	903,713	-	-	-	-	32,565	21,533	54,098
Balance at 1 October 2007, restated	1,313,915	275,352	3,335,301	(29,164)	225,246	14,916	117,596	5,253,162	1,182,980	6,436,142
Share of associated companies' reserves	-	577	-	(6,084)	(37)	-	-	(5,544)	-	(5,544)
Transfer on disposal of subsidiary company	-	(4,273)	5,940	(1,667)	-	-	-	-	-	-
Change in minority interests' in reserves upon the issue of shares by subsidiary companies	-	-	(229)	-	-	-	-	(229)	229	-
Change of interest in subsidiary due to treasury share buy-back	-	-	(131)	-	-	-	-	(131)	(94)	(225)
Net fair value changes on available-for-sale financial assets	-	-	-	-	(160,987)	-	-	(160,987)	(401)	(161,388)
Currency translation difference	-	-	-	(75,652)	-	-	-	(75,652)	(41,863)	(117,515)
Net (expenses)/income recognised directly in equity	-	(3,696)	5,580	(83,403)	(161,024)	-	-	(242,543)	(42,129)	(284,672)
Profit after taxation	-	-	435,827	-	-	-	-	435,827	131,885	567,712
Total recognised (expenses)/income for the year	-	(3,696)	441,407	(83,403)	(161,024)	-	-	193,284	89,756	283,040
Employee share-based expense	-	-	-	-	-	9,865	-	9,865	63	9,928
Issue of shares in the Company upon exercise of share options	12	16,382	-	-	-	(2,007)	-	14,375	-	14,375
Contribution of capital by minority interests	-	-	-	-	-	-	-	-	5,623	5,623
Change of interests in subsidiary and joint venture companies	-	-	-	-	-	-	-	-	(58,031)	(58,031)
<b>Dividends</b>	10	-	-	-	-	-	-	-	(85,149)	(85,149)
Dividend to minority interests	-	-	-	-	-	-	-	-	(85,149)	(85,149)
Dividend to shareholders, paid	-	-	(69,816)	-	-	-	(117,596)	(187,412)	-	(187,412)
Dividend to shareholders, proposed	-	-	(118,119)	-	-	-	118,119	-	-	-
Balance at 30 September 2008	1,330,297	271,656	3,588,773	(112,567)	64,222	22,774	118,119	5,283,274	1,135,242	6,418,516

The Notes on pages 95 to 191 form an integral part of the Financial Statements.

## Statement of Changes in Equity

Notes	THE GROUP									
	Share Capital (\$'000)	Capital Reserve (\$'000)	Revenue Reserve (\$'000)	Exchange Reserve (\$'000)	Fair Value Adjustment Reserve (\$'000)	Employee Share Option Reserve (\$'000)	Dividend Reserve (\$'000)	Total (\$'000)	Minority Interests (\$'000)	Total Equity (\$'000)
<b>YEAR ENDED 30 SEPTEMBER 2007</b>										
	400,971	849,306	2,262,638	(72,824)	56,607	9,947	93,835	3,600,480	1,004,098	4,604,578
Revaluation surplus on investment properties	-	312,118	-	-	-	-	-	312,118	36,699	348,817
Deferred taxation on revaluation of assets	-	(23,105)	-	-	-	-	-	(23,105)	-	(23,105)
Share of associated companies' reserves	-	8,108	(1,602)	6,524	(102)	-	-	12,928	-	12,928
Transfer of distributable reserves by overseas subsidiary companies in compliance with statutory requirements	-	73	(73)	-	-	-	-	-	-	-
Transfer on disposal of subsidiary company	-	-	-	(3,169)	-	-	-	(3,169)	-	(3,169)
Change in minority interests' in reserves upon the issue of shares by subsidiary companies	-	-	(243)	-	-	-	-	(243)	243	-
Change of interest in subsidiary due to treasury share buy-back	-	-	(299)	-	-	-	-	(299)	(211)	(510)
Net fair value changes on available-for-sale financial assets	-	-	-	-	179,311	-	-	179,311	(874)	178,437
Fair value gain realised	-	-	-	-	(10,570)	-	-	(10,570)	-	(10,570)
Transfer of revenue reserve to exchange reserve	-	-	(4,373)	4,373	-	-	-	-	-	-
Currency translation difference	-	-	-	35,932	-	-	-	35,932	1,766	37,698
Net income/(expenses) recognised directly in equity	-	297,194	(6,590)	43,660	168,639	-	-	502,903	37,623	540,526
Profit after taxation	-	-	378,601	-	-	-	-	378,601	119,729	498,330
Total recognised income for the year	-	297,194	372,011	43,660	168,639	-	-	881,504	157,352	1,038,856
Employee share-based expense	-	-	-	-	-	6,729	-	6,729	322	7,051
Issue of new shares	12	900,090	-	-	-	-	-	900,090	-	900,090
Issue of shares in the Company upon exercise of share options	12	12,854	-	-	-	(1,760)	-	11,094	-	11,094
Contribution of capital by minority interests	-	-	-	-	-	-	-	-	85,321	85,321
Change of interests in subsidiary and joint venture companies	-	-	-	-	-	-	-	-	7,950	7,950
Minority interests' loan repaid	-	-	-	-	-	-	-	-	(4,489)	(4,489)
Equity's issue expenses	-	-	200	-	-	-	-	200	358	558
<b>Dividends</b>	10	-	-	-	-	-	-	-	(89,465)	(89,465)
Dividend to minority interests	-	-	-	-	-	-	-	-	(89,465)	(89,465)
Dividend to shareholders, paid	-	-	(85,665)	-	-	-	(93,835)	(179,500)	-	(179,500)
Dividend to shareholders, proposed	-	-	(117,596)	-	-	-	117,596	-	-	-
Balance at 30 September 2007	1,313,915	1,146,500	2,431,588	(29,164)	225,246	14,916	117,596	5,220,597	1,161,447	6,382,044

The Notes on pages 95 to 191 form an integral part of the Financial Statements.

## Statement of Changes in Equity

	Notes	THE COMPANY						Total (\$'000)
		Share Capital (\$'000)	Capital Reserve (\$'000)	Revenue Reserve (\$'000)	Fair Value Adjustment Reserve (\$'000)	Employee Share Option Reserve (\$'000)	Dividend Reserve (\$'000)	
<b>YEAR ENDED 30 SEPTEMBER 2008</b>								
Balance at 1 October 2007		1,313,915	1,039,274	1,038,879	1,997	13,503	117,596	3,525,164
Net fair value changes on available-for-sale financial assets		-	-	-	(779)	-	-	(779)
Net expense recognised directly in equity		-	-	-	(779)	-	-	(779)
Profit after taxation		-	-	317,878	-	-	-	317,878
Total recognised income/(expenses) for the year		-	-	317,878	(779)	-	-	317,099
Employee share-based expense		-	-	-	-	9,343	-	9,343
Issue of shares in the Company upon exercise of share options	12	16,382	-	-	-	(2,007)	-	14,375
<b>Dividends</b>	10	-	-	(69,816)	-	-	(117,596)	(187,412)
Dividend to shareholders, paid		-	-	(69,816)	-	-	(117,596)	(187,412)
Dividend to shareholders, proposed		-	-	(118,119)	-	-	118,119	-
Balance at 30 September 2008		1,330,297	1,039,274	1,168,822	1,218	20,839	118,119	3,678,569
<b>YEAR ENDED 30 SEPTEMBER 2007</b>								
Balance at 1 October 2006		400,971	1,039,274	1,179,656	71	8,484	93,835	2,722,291
Net fair value changes on available-for-sale financial assets		-	-	-	1,926	-	-	1,926
Net income recognised directly in equity		-	-	-	1,926	-	-	1,926
Profit after taxation		-	-	62,484	-	-	-	62,484
Total recognised income for the year		-	-	62,484	1,926	-	-	64,410
Employee share-based expense		-	-	-	-	6,779	-	6,779
Issue of shares in the Company upon exercise of share options	12	12,854	-	-	-	(1,760)	-	11,094
Issue of new shares	12	900,090	-	-	-	-	-	900,090
<b>Dividends</b>	10	-	-	(85,665)	-	-	(93,835)	(179,500)
Dividend to shareholders, paid		-	-	(85,665)	-	-	(93,835)	(179,500)
Dividend to shareholders, proposed		-	-	(117,596)	-	-	117,596	-
Balance at 30 September 2007		1,313,915	1,039,274	1,038,879	1,997	13,503	117,596	3,525,164

The Notes on pages 95 to 191 form an integral part of the Financial Statements.

## Cash Flow Statement

for the year ended 30 September 2008

	THE GROUP	
	2008 (\$'000)	2007 (\$'000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation and exceptional items	725,084	661,032
Adjustments for:		
Depreciation of fixed assets and investment properties	124,969	123,465
Impairment of fixed assets, intangible assets, other investments and associated companies	51,366	6,242
Impairment reversal of fixed assets and properties held for sale	(1,582)	(2,330)
Provision for employee benefits	5,072	7,395
Write back of employee benefits	(1,031)	(2,497)
Allowance for foreseeable losses in properties held for sale	25,936	-
(Profit)/Loss on disposal of fixed assets (net)	(317)	408
Profit on disposal of other investments	-	(11,865)
Amortisation of properties held for development	-	313
Amortisation of brands and intangible assets	24,431	21,739
Interest expenses (net)	61,349	71,430
Share of joint venture companies' profits	(11,708)	(14,164)
Share of associated companies' profits	(25,716)	(22,017)
Investment income	(9,241)	(11,476)
Profit on properties held for sale	(307,088)	(324,890)
Employee share-based expense	9,781	8,985
Fair value adjustments of financial instruments	2,015	1,089
Fair value adjustments of investment properties	(62,643)	-
Loss/(Gain) on disposal of financial instruments	309	(223)
Operating cash before working capital changes	610,986	512,636
Change in inventories	13,346	(150,066)
Change in receivables	356,392	(537,576)
Change in joint venture and associated companies' balances	(16,968)	(19,840)
Change in payables	30,773	212,555
Currency realignment	(9,198)	(1,612)
Cash generated from operations	985,331	16,097
Interest expenses paid, net	(64,589)	(71,070)
Income taxes paid	(151,335)	(140,328)
Payment of employee benefits	(2,858)	(5,953)
Payment of cash-settled options	(854)	(3,519)
Progress payment received/receivable on properties held for sale	1,109,298	1,490,533
Development expenditure on properties held for sale	(1,578,355)	(2,303,582)
<b>Net cash from/(used in) operating activities</b>	<b>296,638</b>	<b>(1,017,822)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends from joint venture and associated companies	19,134	14,517
Investment income	9,241	11,476
Proceeds from sale of fixed assets and properties	15,466	77,463
Proceeds from sale of other and short term investments	25,215	239,952
(Outflow)/Proceeds from disposal of subsidiary companies	(2,335)	2,170
Purchase of fixed assets and properties	(453,404)	(264,970)
Purchase of other investments	(105,759)	(59,253)
Acquisition of minority interests of subsidiary companies	(65,057)	(24,036)
Acquisition of subsidiary companies and businesses	(84,558)	(23,987)
Payment for intangible assets	(23,709)	(45,159)
Development expenditure on properties held for development	(29,532)	(65,634)
Investments in joint venture and associated companies	(120,792)	(100,286)
(Additional)/Repayment of trade advances	(60)	4,645
<b>Net cash used in investing activities</b>	<b>(816,150)</b>	<b>(233,102)</b>

The Notes on pages 95 to 191 form an integral part of the Financial Statements.

# Cash Flow Statement

for the year ended 30 September 2008

	THE GROUP	
	2008 (\$'000)	2007 (\$'000)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from term loans and bank borrowings	676,463	854,944
Uplift of fixed deposits pledged	-	6,082
Payment of equity's listing expenses	-	(377)
Loan to minority interests	-	(4,470)
Share buy-back by a subsidiary company	(225)	(510)
Proceeds from issue of shares:		
– by subsidiary companies to minority interests	5,623	72,262
– by the Company to shareholders	14,375	911,184
Payment of dividends:		
– by subsidiary companies to minority interests	(85,149)	(83,358)
– by the Company to shareholders	(187,412)	(179,500)
<b>Net cash from financing activities</b>	<b>423,675</b>	<b>1,576,257</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(95,837)</b>	<b>325,333</b>
Cash and cash equivalents at beginning of year	1,138,186	816,736
Effects of exchange rate changes on cash and cash equivalents	(22,281)	(3,883)
<b>Cash and cash equivalents at end of year</b>	<b>1,020,068</b>	<b>1,138,186</b>
Cash and cash equivalents at end of year comprise:		
Cash and bank deposits (Note 22)	1,032,939	1,150,794
Bank overdrafts (Note 31)	(12,871)	(12,608)
	<b>1,020,068</b>	<b>1,138,186</b>
<b>Analysis of acquisition, restructuring and disposal of subsidiary companies and business</b>		
Net assets acquired:		
Fixed assets	4,511	14,222
Investment properties	-	116,363
Other non-current assets	68,626	17,245
Properties held for sale	25,137	160,825
Current assets	12,421	45,619
Current liabilities	(31,946)	(299,258)
Non-current liabilities	(7,130)	(2,533)
Minority interests	(1,416)	(30,469)
Cash	8,051	3,804
	<b>78,254</b>	<b>25,818</b>
Cost of investment as an associated company	(945)	-
Goodwill on acquisition (net)	15,300	1,973
	<b>92,609</b>	<b>27,791</b>
Less: Cash of subsidiary companies and businesses	(8,051)	(3,804)
Cash flow on acquisition net of cash and cash equivalents acquired	<b>84,558</b>	<b>23,987</b>
Net assets disposed:		
Fixed assets	(79,587)	(403)
Current assets	(25,624)	(19,863)
Non-current liabilities	2,657	1,790
Current liabilities	12,732	9,051
Cash	-	(3,801)
	<b>(89,822)</b>	<b>(13,226)</b>
Translation difference	(1,148)	-
Cost of investment in associated company	90,356	-
Provision for cost of disposal	6,217	-
(Gain)/Loss on disposal	(3,268)	7,255
	<b>2,335</b>	<b>(5,971)</b>
Less: Cash of subsidiary companies and business	-	3,801
Cash flow on disposal net of cash and cash equivalents disposed	<b>2,335</b>	<b>(2,170)</b>

The Notes on pages 95 to 191 form an integral part of the Financial Statements.

# Notes to the Financial Statements

for the year ended 30 September 2008

The following Notes form an integral part of the Financial Statements on pages 88 to 94.

## 1. GENERAL

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

The principal activities of the Group consist of:

- production and sale of soft drinks, beer, stout, dairy products and glass containers;
- development of and investment in property;
- investment in and management of REIT; and
- printing and publishing.

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 principal activities during the financial year.

The Company's operation is managed through a wholly-owned subsidiary company.

The financial statements of the Company and the consolidated financial statements of the Group were authorised for issue in accordance with a resolution of the Directors on 14 November 2008.

## 2. ACCOUNTING POLICIES

### 2.1 Basis of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Companies Act, Cap. 50. The financial statements are prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars and all values are rounded to the nearest thousand (\$'000) unless otherwise stated.

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year and are consistent with those used in the previous financial year, except as disclosed below.

On 1 October 2007, the Group and the Company adopted the new FRS that are applicable in the current financial year.

The following are the FRS that are relevant to the Group:

FRS 1	Amendment to FRS 1 (Revised), Presentation of Financial Statements (Capital Disclosures)
FRS 40	Investment Property
FRS 107	Financial Instruments: Disclosures

Except as set out below, the adoption of the other new FRS has no material effect on the financial statements of the Group and the Company.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 2. ACCOUNTING POLICIES (cont'd)

### 2.1 Basis of Preparation (cont'd)

#### FRS 40

The Group has adopted FRS 40 Investment Property with effect from 1 October 2007.

Prior to the adoption of FRS 40, freehold and long leasehold investment properties were stated at directors' valuation while short leasehold investment properties were stated at cost less accumulated depreciation.

With the implementation of FRS 40, short leasehold investment properties have been revalued on 1 October 2007 resulting in a revaluation surplus of \$32,565,000 (net of deferred tax liability and minority interests) which has been taken directly to revenue reserve on 1 October 2007. The revaluation of freehold and long leasehold investment properties will continue, except that under FRS 40 the changes in fair value will now be taken to profit statement instead of capital reserve.

The financial effects of the adoption of FRS 40 have been recorded prospectively in accordance with the transitional provisions. Consequently, on 1 October 2007, the cumulative revaluation reserve of \$871,148,000 was transferred from capital reserve to revenue reserve. Going forward, any changes in fair values of investment properties will be included in the profit statement.

Under the transitional provisions of FRS 40, the Group had the following financial effects:

	Group (\$'000)
<b>Balance Sheet as at 1 October 2007</b>	
Decrease in capital reserve	(871,148)
Increase in revenue reserve	903,713
<b>Profit Statement for the year ended 30 September 2008</b>	
Increase in fair value gain	61,037
Increase in share of associates' results	10,809
Increase in taxation	(8,368)
Increase in minority interests	(15,606)
Increase in profit attributable to shareholders of the Company	<u>47,872</u>
<b>Earnings per share</b>	
Increase in basic earnings per share (cents)	3.4
Increase in diluted earnings per share (cents)	3.4

#### FRS 107

The Group has adopted FRS 107 Financial Instruments: Disclosures with effect from 1 October 2007.

The new standard has resulted in an expansion of the disclosure in these financial statements regarding the Group's financial instruments. The group has also presented information regarding its objectives, policies and processes for managing capital as required by the consequential amendments to FRS 1 which are effective from 1 October 2007.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 2. ACCOUNTING POLICIES (cont'd)

### 2.2 Basis of Consolidation

The Company's investments in subsidiary companies are stated at cost less accumulated impairment losses.

Subsidiary companies are those companies controlled by the Group. Subsidiary companies are consolidated from the effective date of acquisition and up to the effective date of disposal. The financial year of the Company and all its subsidiary companies ends on 30 September unless otherwise stated. The consolidated financial statements of the Group 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.

Acquisitions of subsidiary companies are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The accounting policy on goodwill on acquisition of subsidiary companies is included in Note 2.12 (b).

All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Minority interest is that part of the net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Group. It is measured as the minorities' share of the fair value of the subsidiary companies' identifiable assets and liabilities at the date of acquisition by the Group and the minorities' share of changes in equity since the date of acquisition, except when the losses applicable to the minority in a subsidiary exceed the minority interest in the equity of that subsidiary company. In such cases, the excess and further losses applicable to the minority are attributed to the Company, unless the minority has a binding obligation to make good the losses. When that subsidiary company subsequently reports profits, the profits applicable to the minority are attributed to the Company until the minority's share of losses previously absorbed by the Company has been recovered.

A list of the Company's subsidiary companies is shown in Note 44.

### 2.3 Joint Venture Companies

A joint venture company (not being a subsidiary company) is a company in which the Group has a long-term interest of not more than 50% of the equity and has a contractual agreement to jointly share the control with one or more parties in the joint venture company's commercial and financial affairs.

The Group recognises its interest in joint venture companies using proportionate consolidation. The Group combines its share of each of the assets, liabilities, income and expenses of the joint venture companies with the similar items, line by line, in its consolidated financial statements.

The joint venture is proportionately consolidated until the date on which the Group ceases to have joint control over the joint venture. Joint venture companies ("JVC") that are held by the Group's joint venture companies are equity accounted for in accordance with the accounting policies of these joint venture companies. No adjustments have been made at the Group to recognise the interest of these JVC using proportionate consolidation as the contribution of these JVC to the Group are not material. Details of the Group's share of the consolidated results, assets and liabilities of the JVC held by the Group's joint venture companies can be found in Note 17.

In the Company's separate financial statements, interests in joint venture company is carried at cost less impairment losses.

A list of the joint venture companies is shown in Note 44.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 2. ACCOUNTING POLICIES (cont'd)

### 2.4 Associated Companies

An associated company (not being a subsidiary company or joint venture company) is a company in which the Group exercises significant influence over the financial and operating policy decisions.

The Group's investments in associated companies are recorded at cost less accumulated impairment losses and adjusted to recognise the Group's share of post-acquisition reserves of the associated companies. Investments in associated companies include goodwill.

When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

The Group's share of the results of associated companies includes the Group's share of exceptional items, and net assets of the associated 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 an associated company is acquired or sold during the year, its results are included from the date of acquisition or excluded from the date of sale.

A list of associated companies is shown in Note 44.

### 2.5 Revenue Recognition

Revenue from the sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold.

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

Rental income is accounted for on a straight-line basis over the lease terms on ongoing leases.

Revenue on development properties held for sale represents the proportion of sales proceeds of the actual floor area sold at the balance sheet date based on the percentage of completion method.

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

Interest income is taken up on an accrual basis (using the effective interest method).

Dividend income is recognised when the Group's right to receive payment is established.

Other categories of revenue are taken up on an accrual basis.

### 2.6 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where, 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 the provision is the present value of the expenditure expected to be required to settle the obligation.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 2. ACCOUNTING POLICIES (cont'd)

### 2.7 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.

#### (a) Current Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

#### (b) Deferred Tax

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 profits 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 by the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be recovered.

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.

Deferred tax is charged or credited directly to equity if the tax relates to items that are charged or credited, in the same or a different period, directly to equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 2.8 Fixed Assets

Fixed assets are carried at cost or valuation less accumulated depreciation and accumulated impairment losses. 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. Dismantlement, removal or restoration costs are included as part of the cost of fixed assets if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit statement. Subsequent expenditure relating to fixed assets that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 2. ACCOUNTING POLICIES (cont'd)

### 2.8 Fixed Assets (cont'd)

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. Any amount in revaluation reserve relating to that asset is transferred to revenue reserves.

When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset. Any surplus on revaluation is credited to asset revaluation reserve unless it offsets previous revaluation losses of the same asset that were taken to the profit statement. 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.

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 residual values, depreciation method and useful lives are reviewed and adjusted as appropriate at each balance sheet date. The annual depreciation rates applied to write down the fixed assets over their estimated useful lives are as follows:

Leasehold land	– Lease term (ranging from 10 to 99 years)
Building	– 2% to 5%
Plant, machinery and equipment	– 2.5% to 33%
Motor, vehicle and forklift	– 10% to 20%
Postmix and vending machine	– 10% to 20%
Furniture and fitting, computer equipment and beer cooler	– 5% to 100%

Capital work-in-progress is not depreciated until each stage of development is completed and becomes operational.

The carrying amounts of fixed assets are reviewed for impairment when events or circumstances indicate that the carrying value may not be recoverable.

### 2.9 Investment Properties

Investment properties include those portions of office buildings that are held for long term rental yields and/or for capital appreciation.

Investment properties are initially recognized at cost and subsequently carried at fair value, determined annually by independent professional valuers. Changes in fair values are recognized in the profit statement.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalized as addition and the carrying amounts of the replaced components are written off to the profit statement. The cost of maintenance, repairs and minor improvements is charged to the profit statement when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognized in the profit statement.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 2. ACCOUNTING POLICIES (cont'd)

### 2.10 Properties Held for Development

Properties held for development are stated at cost (or directors' valuation based on an independent professional valuation, when applicable) less provision for foreseeable losses. The cost of properties held for development includes cost of land and construction, related overhead expenditure and financing charges incurred up to the completion of construction.

Allowance for foreseeable losses of property held for development is made when it is anticipated that the net realisable value has fallen below cost.

Properties held for development are considered completed and are transferred to investment properties when they are ready for their intended use.

### 2.11 Borrowing Costs

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

### 2.12 Intangible Assets

Intangible assets acquired separately are capitalised at cost. Intangible assets from a business acquisition are capitalised at fair value as at the date of acquisition. After initial recognition, an intangible asset is carried at cost less any accumulated amortisation and any accumulated impairment loss.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Amortisation charged on finite intangible assets is taken to the profit statement as amortisation expense.

Internally generated goodwill and internally generated intangible asset arising from research are not capitalised and the expenditure is charged to the profit statement when it is incurred. Deferred development costs arising from deferred expenditure is recognised when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditure during the development.

Intangible assets are tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value might be impaired. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

a) Deferred publishing 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.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 2. ACCOUNTING POLICIES (cont'd)

### 2.12 Intangible Assets (cont'd)

- b) Goodwill on acquisition is identified as being the excess of the cost of acquisition over the Group's share of net fair value of the identifiable assets, liabilities and contingent liabilities acquired as at the date of acquisition. Where the cost of acquisition is lower than the Group's share of net fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is recognised as negative goodwill. Negative goodwill is recognised immediately in profit statement.

Positive goodwill is carried at cost less any accumulated impairment loss. Goodwill is subjected to impairment test annually or more frequently if events or changes in circumstances indicate that the carrying value might be impaired.

Positive goodwill acquired is allocated to the cash-generating units ("CGU") expected to benefit from the acquisition synergies. An impairment loss is recognised in the profit statement when the carrying amount of the CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount is the higher of the CGU's fair value less costs to sell and its value in use.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rated on the basis of the carrying amount of each asset in the CGU.

Impairment loss on goodwill is not reversed in a subsequent period.

Internally generated goodwill is not capitalised.

### 2.13 Brands

Brands with finite lives are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated to write off their cost over their estimated useful lives of up to 15 years on a straight line method.

Brands with indefinite lives are stated at cost less any impairment loss. The useful life of the brand is estimated to be indefinite because based on the current market share of the brand, management believes there is no foreseeable limit to the period over which the brand is expected to generate net cash flows to the Group. The brand is tested for impairment annually or more frequently when indicators of impairment are identified.

Internally generated brands are not capitalised and the expenditure is charged against profit in the year in which the expenditure is incurred.

### 2.14 Properties Held For Sale

#### (a) Development Properties Held for Sale

Development properties held for sale are stated at cost (or directors' valuation based on an independent professional valuation, when applicable) less provision for foreseeable losses. The cost includes cost of land and construction, related overhead expenditure and financing charges incurred up to the completion of construction.

Allowance for foreseeable losses 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, development properties held for sale are transferred to completed properties held for sale.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 2. ACCOUNTING POLICIES (cont'd)

### 2.14 Properties Held For Sale (cont'd)

#### (a) Development Properties Held for Sale (cont'd)

Profit on development properties held for sale is recognised on partly completed projects which have been sold and is based on the percentage of completion and of sales method. The percentage of completion is deemed to be the construction and related overhead costs incurred to the balance sheet date divided by the expected construction and related overhead costs of the project. These costs exclude land and interests cost. The percentage of sales is deemed to be the floor area sold at the balance sheet date divided by the floor area in the project offered for sale. Profit is taken up on the basis of the total expected profit of the area sold multiplied by the percentage of completion, less profit if any, taken up in previous financial periods. The expected profit is assessed having regard to the sale proceeds less attributable total costs including the cost of land, construction 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.

Progress payments received from purchasers are shown as a deduction from the cost of the development property held for sale.

#### (b) Completed Properties Held for Sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost includes cost of land and construction, related overhead expenditure, and financing charges and other net costs incurred during the period of development.

Allowance for impairment is made when it is anticipated that the net realisable value has fallen below cost.

Revenue from completed properties held for sale is recognised upon execution of Sale and Purchase Agreements.

### 2.15 Inventories

All inventories including containers (comprising returnable bottles, cases and pallets) are stated at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

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 realizable 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.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 2. ACCOUNTING POLICIES (cont'd)

### 2.16 Trade and Other Receivables

Trade and other receivables including receivables from related parties are classified and accounted for as loans and receivables under FRS 39. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade receivables is established when there is evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is recognised in the profit statement. Bad debts are written off as incurred.

### 2.17 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in bank, deposits with financial institutions and bank overdrafts. Bank overdrafts are included in bank borrowings on the balance sheet.

Cash on hand and in banks and fixed deposits are classified and accounted for as loans and receivables under FRS 39. The accounting policy is stated in Note 2.25.

### 2.18 Financial Liabilities

Financial liabilities include trade payables, other payables, payables to related parties and interest-bearing loans and borrowings. Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit statement when the liabilities are derecognised as well as through the amortisation process. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### 2.19 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 the greater of 10% of present value of the obligation and 10% of the fair value of plan assets. These gains or losses are recognised over the average remaining working lives of the employees participating in the plans.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 2. ACCOUNTING POLICIES (cont'd)

### 2.19 Employee Benefits (cont'd)

#### (a) Retirement Benefits (cont'd)

##### *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. The companies pay fixed contributions into separate entities and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. 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.

##### (i) *Equity-settled transactions*

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense in the profit statement with a corresponding increase in the employee share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options on the date of grant. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable on the vesting date. It recognises the impact of the revision of original estimates, if any, in the profit statement, and a corresponding adjustment to equity over the remaining vesting period.

When the options are exercised and new ordinary shares issued, the proceeds received (net of any directly attributable transaction costs) and the corresponding share option reserve is credited to share capital. For certain listed subsidiary companies which have treasury shares, the proceeds received (net of any directly attributable transaction costs) and the corresponding share option reserve is credited to the 'treasury share' account when treasury shares purchased are re-issued to the employees.

##### (ii) *Cash-settled transactions*

The cost of phantom share options granted is measured initially at fair value at the grant date taking into account the terms and conditions upon which the options were granted. Until the liability is settled, it is remeasured at each reporting date and the fair value is expensed over the period till vesting with recognition of a corresponding liability.

#### (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.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 2. ACCOUNTING POLICIES (cont'd)

### 2.20 Functional and Foreign Currencies

#### (a) Functional Currency

The currency of the primary economic environment in which the Company operates ("the functional currency") is Singapore Dollars. The consolidated financial statements are presented in Singapore Dollars, which is the Company's functional and presentation currency.

#### (b) Foreign Currency Transactions

Foreign currency transactions are recorded in the functional currencies of the Company and the respective subsidiary companies at rates of exchange approximating those ruling at transaction date. Foreign currency monetary assets and liabilities at the balance sheet date are translated at the rates ruling at that date. Exchange differences are dealt with in the profit statement except where exchange differences arise on foreign currency monetary items that in substance form part of the Group's net investment in the foreign entity. These exchange differences 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. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined.

Currency translation differences on non-monetary items, such as equity investments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Currency translation differences on non-monetary items, such as equity investments classified as available-for-sale financial assets, are included in the fair value reserve within equity.

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

#### (c) Foreign Currency Translations

On consolidation of subsidiary companies, proportionate consolidation for joint venture companies and equity accounting for associated companies, profit statement items are translated into presentation currency at average exchange rates ruling during the year and assets and liabilities are translated into presentation currency 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.

On disposal of a foreign operation, the cumulative amount of exchange differences deferred in equity relating to that foreign operation is recognised in the profit statement as a component of the gain or loss on disposal.

### 2.21 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 Group and Company for the year.

### 2.22 Government Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised in the profit statement over the period necessary to match them on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is recognised as deferred capital grant and is amortised to the profit statement over the expected useful life of the relevant asset by equal annual instalments.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 2. ACCOUNTING POLICIES (cont'd)

### 2.23 Leases

#### (a) As 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 lower of the fair value of the leased item and 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 to the profit statement. Contingent rents, if any, are expensed in the periods in which they are incurred.

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.

#### (b) As 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. Properties 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. Contingents rents, if any, are recorded as income in the periods in which they are earned.

### 2.24 Impairment of Non-Financial Assets

The carrying amounts of the Group's assets are reviewed at each reporting date or when annual impairment testing is required, to determine whether there is any indication of impairment. For the purpose of impairment testing, the recoverable amount (ie the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. 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 unless the asset is carried at revalued amount in which case, such reversal is treated as a revaluation increase. However, the increased carrying amount is only recognised to the extent it does not exceed the carrying amount (net of amortisation or depreciation) that would have been had the impairment loss not been recognised. Impairment loss on goodwill is not reversed in a subsequent period.

### 2.25 Financial Assets

#### (a) Classification

The classification of financial assets is determined at initial recognition and re-evaluated at every reporting date, with the exception that the designation of financial assets at fair value through profit or loss is irrevocable. The Group classifies its investments in financial assets in the following categories:

##### (i) *Financial assets at fair value through profit or loss*

Derivative financial instruments whose fair value is positive are classified as financial assets at fair value through profit or loss. The accounting policy for derivative financial instruments is included in Note 2.26.

##### (ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 2. ACCOUNTING POLICIES (cont'd)

### 2.25 Financial Assets (cont'd)

#### (a) Classification (cont'd)

##### (iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity. The Group's held-to-maturity investments include investments in corporate bonds.

##### (iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless there is intention to dispose of the assets within 12 months after the balance sheet date.

#### (b) Recognition and Derecognition

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Purchases and sales of investments are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or when all risks and rewards of ownership have been substantially transferred. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received and (b) any cumulative gain or loss recognised directly in equity is recognised in the profit statement.

#### (c) Initial Measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

#### (d) Subsequent Measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss are included in the profit statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in the fair value reserve within equity.

When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments in the fair value reserve within equity will be released through the profit statement.

#### (e) Determination of Fair Value

The fair value of quoted financial assets are based on current bid prices. Unquoted investments that do not have quoted market prices in an active market nor methods of reasonably estimating the fair value, are carried at cost.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 2. ACCOUNTING POLICIES (cont'd)

### 2.25 Financial Assets (cont'd)

#### (f) Impairment

##### (i) *Assets carried at amortised cost*

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the profit statement, to the extent that the carrying of the asset does not exceed its amortised cost at the reversal date.

##### (ii) *Assets carried at cost*

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

##### (iii) *Available-for-sale financial assets*

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the investment below its cost is considered in determining whether the investments are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the profit statement is removed from the fair value reserve within equity and recognised in the profit statement. Impairment losses recognised in the profit statement on equity investments are not reversed through the profit statement, until the equity investments are disposed of.

### 2.26 Derivative Financial Instruments

The Group uses derivative financial instruments to hedge against risks associated with foreign currency and interest rate fluctuations. Foreign exchange forward contracts are used to hedge its risks associated primarily with foreign currency fluctuations. Interest rate swap contracts are used to hedge its risks associated with interest rate fluctuations. It is the Group's policy not to trade in derivative financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The changes in fair value of any derivative instrument that do not qualify for hedge accounting are recognised immediately in the profit statement.

The fair value of forward foreign currency contracts is calculated by reference to current forward foreign exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 2. ACCOUNTING POLICIES (cont'd)

### 2.27 Significant Accounting Estimates and Judgements

Estimates and assumptions concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### (a) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### (i) Impairment of non-financial and financial assets

###### Development/completed properties held for sale

The Group assesses whether there are any indicators of impairment for non-financial assets at each reporting date. In particular, allowance for foreseeable losses/impairment is made for development/completed properties held for sale when the net realizable value has fallen below cost. In arriving at estimates of net realizable values, management considered factors such as current market conditions, recent selling prices of the development properties and comparable development properties. The allowance for foreseeable losses has been disclosed in Note 4.

###### Goodwill and brands

Goodwill and brands are tested for impairment at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill and brands are allocated. Estimating the value in cash requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the goodwill and brands at balance sheet date is disclosed in Note 19, Note 20 and Note 23.

###### Investment in associated companies

The Group assesses whether at each reporting date whether there is any objective evidence that investment in associated companies are impaired. Where there is objective evidence of impairment, the recoverable amount is estimated based the higher of the value-in-use and the fair value less costs to sell. Estimating the value in use requires the Group to make an estimate of the expected future cash flows to be generated by the associated companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The impairment on investment in associated companies have been disclosed in Note 4.

###### Investment in available-for-sale financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that any available-for-sale financial assets is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the market condition and whether there is a significant prolonged decline in the values of these financial assets.

Where there is objective evidence of impairment for quoted available-for-sale financial assets, the difference between the cost and current fair value is recognised as impairment loss. Where there is objective evidence of impairment for unquoted available-for-sale financial assets, the recoverable value is estimated based on the amount and timing of the future cash flows.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 2. ACCOUNTING POLICIES (cont'd)

### 2.27 Significant Accounting Estimates and Judgements (cont'd)

#### (a) Key Sources of Estimation Uncertainty (cont'd)

##### (ii) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of taxation and deferred taxation at balance sheet date are disclosed in the balance sheet.

##### (iii) Revenue recognition

The Group recognises contract revenue based on the percentage of completion method. The stage of completion is measured in accordance with the accounting policy stated in Note 2.14. Significant assumption is required in determining the percentage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. In making the assumption, the Group relies on past experiences and the work of specialists.

##### (iv) Depreciation of fixed assets

Fixed assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these fixed assets to be within 1 to 99 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

##### (v) Valuation of Investment Properties

The Group's investment properties are stated at their estimated market values, which are determined annually based on independent professional valuations. These estimated market values may differ from the prices at which the Group's investment properties could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates require an assessment of factors not within the directors' control, such as overall market conditions. As a result, actual results of operations and realization of these investment properties could differ from the estimates set forth in these financial statements, and the differences could be significant.

#### (b) Critical Judgements made in Applying Accounting Policies

Management is of the opinion that the instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimates.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 2. ACCOUNTING POLICIES (cont'd)

### 2.28 Assets and Liabilities Held for Sale

A component of the Group is classified as a 'discontinued operation' when the criteria to be classified as held-for-sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. A component is deemed to be held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the assets (or all the assets and liabilities in the group) are measured in accordance with the applicable FRSs. Upon classification as held for sale, non-current assets and disposal groups are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in the profit statement.

## 3. REVENUE

	THE GROUP		THE COMPANY	
	2008 (\$'000)	2007 (\$'000)	2008 (\$'000)	2007 (\$'000)
		(Restated)		
Sale of properties	1,172,107	1,398,820	-	-
Sale of goods	3,233,170	2,804,337	-	-
Sale of services	212,943	252,408	-	-
Gross rental income	284,978	229,693	-	-
Others	48,193	45,916	4,439	4,090
<b>Total revenue</b>	<b>4,951,391</b>	<b>4,731,174</b>	<b>4,439</b>	<b>4,090</b>

# Notes to the Financial Statements

for the year ended 30 September 2008

## 4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS

	THE GROUP		THE COMPANY	
	2008 (\$'000)	2007 (\$'000)	2008 (\$'000)	2007 (\$'000)
<b>(a) Profit before taxation and exceptional items have been arrived at after charging:</b>				
Depreciation of fixed assets	124,969	118,603	-	-
Depreciation of investment properties	-	4,820	-	-
Impairment of fixed assets	2,977	6,118	-	-
Impairment of investment in associated companies	47,955	-	11,400	-
Impairment of investment in subsidiary companies	-	-	13	-
Impairment of other and short term investment	22	-	-	-
Impairment of intangibles	412	124	-	-
Allowance for foreseeable losses on properties held for sale	25,936	-	-	-
Amortisation of properties held for development	-	313	-	-
Amortisation of brands	729	614	-	-
Amortisation of intangibles	23,702	21,125	-	-
Allowance for doubtful trade debts and bad debts	2,616	2,090	-	-
Allowance for doubtful other receivables	-	15,010	-	-
Allowance for inventory obsolescence	10,790	12,813	-	-
Provision for employee benefits	5,072	7,395	-	-
Directors of the Company:				
Fee	2,218	1,213	1,890	915
Remuneration of members of Board committees	211	327	211	327
Remuneration of executive directors	-	4,912	-	-
Central Provident Fund contribution of executive directors	-	11	-	-
Consultancy fees	-	2,451	-	-
Share option expense	-	1,725	-	-
Retired Directors of the Company:				
Fee	107	-	62	-
Remuneration of members of Board committees	8	-	8	-
Remuneration of executive directors	5,269	-	-	-
Central Provident Fund contribution of executive directors	3	-	-	-
Consultancy fees	73	-	-	-
Share option expense	248	-	-	-
Key executive officers:				
Remuneration	7,336	6,956	-	-
Provident Fund contribution	162	147	-	-
Share option expense	1,417	912	-	-
Staff costs (exclude directors and key executives)	382,974	369,055	-	-
Defined contribution plans (exclude directors and key executives)	25,729	21,649	-	-
Share option expense (exclude directors and key executives)	8,364	6,348	1,607	2,175
Auditors' remuneration:				
Auditor of the company	1,245	1,221	208	180
Other auditors	2,695	3,046	-	10
Professional fees paid to:				
Auditor of the company	58	297	-	-
Other auditors	413	842	-	-
Interest expense (see 4(b))	96,140	97,986	21,353	35,308
Exchange loss	-	1,668	373	-

# Notes to the Financial Statements

for the year ended 30 September 2008

## 4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS (cont'd)

	THE GROUP		THE COMPANY	
	2008 (\$'000)	2007 (\$'000)	2008 (\$'000)	2007 (\$'000)
<b>(a) Profit before taxation and exceptional items have been arrived at after charging (cont'd):</b>				
<b>and crediting:</b>				
Interest income (see 4(b))	31,551	26,916	9,716	22,680
Exchange gain	7,565	-	-	647
Write back of provision for employee benefits	1,031	2,497	-	-
Reversal of impairment of fixed assets	1,582	487	-	-
Writeback of foreseeable losses on properties held for sale	-	1,843	-	-
<b>(b) Net Interest Expense:</b>				
Interest income				
Subsidiary companies	-	-	8,664	20,004
Bank and other deposits	27,675	24,696	479	1,833
Interest rate swap contracts	1,576	1,107	573	759
Others	2,300	1,113	-	84
	31,551	26,916	9,716	22,680
Interest expense				
Subsidiary companies	-	-	-	(68)
Bank and other borrowings	(90,745)	(95,019)	(21,353)	(35,240)
Interest rate swap contracts	(4,816)	(435)	-	-
Others	(579)	(2,532)	-	-
	(96,140)	(97,986)	(21,353)	(35,308)
	(64,589)	(71,070)	(11,637)	(12,628)
<b>(c) Included in Other Income/(Expenses) (net):</b>				
Gain on disposal of development land	-	30,445	-	-
Gain on disposal of available-for-sale investments	-	11,865	-	-
(Loss)/Gain on disposal of derivatives	(309)	223	-	-
Fair value gain on derivatives	1,225	525	-	-
Rental income	2,756	2,071	-	-
Sale of non-stock/scrap items	1,843	301	-	-
Profit/(Loss) on disposal of fixed assets	317	(408)	-	-
Fair value loss on derivatives	-	(1,974)	-	(1,974)

## 5. SEGMENT INFORMATION

The Group's operating businesses are organised and managed separately according to the nature of activities. The Group's operating business segments are namely soft drinks, dairies, breweries, printing and publishing, glass containers, investment property, development property, Real Estate Investment Trust (REIT) and others. The Group operates in seven main geographical areas, namely Singapore, Malaysia, Rest of South East Asia, North East Asia, South Asia, South Pacific, and Europe and 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.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 5. SEGMENT INFORMATION (cont'd)

### Year ended 30 September 2008

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)	REIT (\$'000)	Others (\$'000)	Elimination (\$'000)	Group (\$'000)
Revenue – external	506,403	1,016,985	1,291,442	475,997	151,329	209,936	1,179,438	84,664	35,197	-	4,951,391
Revenue – inter-segment	95	-	-	283	30,260	4,884	-	-	152,624	(188,146)	-
<b>Total revenue</b>	<b>506,498</b>	<b>1,016,985</b>	<b>1,291,442</b>	<b>476,280</b>	<b>181,589</b>	<b>214,820</b>	<b>1,179,438</b>	<b>84,664</b>	<b>187,821</b>	<b>(188,146)</b>	<b>4,951,391</b>
Subsidiary companies	52,538	35,578	175,330	17,776	17,007	112,046	280,078	49,302	(488)	-	739,167
Joint venture and associated companies	-	58	10,341	11,632	-	7,380	1,683	6,426	(96)	-	37,424
<b>PBIT</b>	<b>52,538</b>	<b>35,636</b>	<b>185,671</b>	<b>29,408</b>	<b>17,007</b>	<b>119,426</b>	<b>281,761</b>	<b>55,728</b>	<b>(584)</b>	<b>-</b>	<b>776,591</b>
Interest income											31,551
Interest expense											(96,140)
<b>Profit before taxation and exceptional items</b>											<b>712,002</b>
Impairment on investments											(47,955)
Fair value gain of investment properties											61,037
Exceptional items											12,057
<b>Profit before taxation</b>											<b>737,141</b>
Taxation											(169,429)
<b>Profit after taxation</b>											<b>567,712</b>
Minority interest, net of taxes											(131,885)
<b>Attributable profit</b>											<b>435,827</b>
Assets	226,463	468,379	1,108,231	819,366	267,652	2,854,697	4,899,330	1,280,721	542,697	-	12,467,536
Tax assets											17,844
Bank deposits & cash balances											1,032,939
<b>Total assets</b>											<b>13,518,319</b>
Liabilities	126,016	160,144	247,753	129,381	34,591	189,452	224,768	142,332	32,960	-	1,287,397
Tax liabilities											377,571
Borrowings											5,434,835
<b>Total liabilities</b>											<b>7,099,803</b>
Other segment information:											
Capital expenditure	12,699	37,749	74,895	54,687	56,187	207,704	3,742	21,327	8,123	-	477,113
Depreciation & amortisation	16,506	19,185	41,713	44,393	18,936	3,359	37	-	5,271	-	149,400
Impairment and foreseeable losses	218	20,120	21,097	9,440	386	-	25,936	-	105	-	77,302
Negative goodwill	-	-	-	-	-	-	-	(54,998)	-	-	(54,998)
Reversal of impairment losses	(913)	(412)	(224)	-	-	-	-	-	(33)	-	(1,582)
Attributable profit before fair value gains and exceptional items	20,814	(9,258)	50,834	18,022	6,081	73,612	214,371	17,955	(13,405)	-	379,026
Fair value gain of investment properties (net)	-	-	-	3,626	-	(1,870)	-	35,307	-	-	37,063
Exceptional items	45	-	(5,523)	(9,599)	(730)	-	(38)	54,998	(19,415)	-	19,738
Attributable profit	20,859	(9,258)	45,311	12,049	5,351	71,742	214,333	108,260	(32,820)	-	435,827

The following table presents financial information regarding geographical segments:

Geographical Segment	Singapore (\$'000)	Malaysia (\$'000)	Rest of South East Asia (\$'000)	North East Asia (\$'000)	South Asia (\$'000)	South Pacific (\$'000)	Europe & USA (\$'000)	Group (\$'000)
Total revenue	1,824,733	1,062,909	968,661	364,963	26,791	609,763	93,571	4,951,391
PBIT	395,912	102,854	145,416	7,839	(5,529)	110,139	19,960	776,591
Other geographical information:								
Assets	6,240,457	751,158	1,069,683	2,162,628	41,209	1,392,708	809,693	12,467,536
Capital expenditure	62,553	60,024	49,506	263,676	9,557	18,615	13,182	477,113

Rest of South East Asia: Myanmar, Thailand, Cambodia, Vietnam and Laos  
North East Asia: China, Taiwan, Japan, Korea and Mongolia  
South Asia: India and Sri Lanka  
South Pacific: Australia, New Zealand and Papua New Guinea

# Notes to the Financial Statements

for the year ended 30 September 2008

## 5. SEGMENT INFORMATION (cont'd)

### Year ended 30 September 2007 (Restated)

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)	REIT (\$'000)	Others (\$'000)	Elimination (\$'000)	Group (\$'000)
Revenue – external	461,565	778,886	1,164,411	529,741	123,435	171,509	1,399,412	77,499	24,716	-	4,731,174
Revenue – inter-segment	1	62	-	208	26,064	3,091	-	-	92,574	(122,000)	-
<b>Total revenue</b>	<b>461,566</b>	<b>778,948</b>	<b>1,164,411</b>	<b>529,949</b>	<b>149,499</b>	<b>174,600</b>	<b>1,399,412</b>	<b>77,499</b>	<b>117,290</b>	<b>(122,000)</b>	<b>4,731,174</b>
Subsidiary companies	46,514	19,996	150,716	18,676	14,702	95,953	301,694	46,193	1,477	-	695,921
Joint venture and associated companies	-	3,907	14,644	14,210	-	441	1,950	1,029	-	-	36,181
<b>PBIT</b>	<b>46,514</b>	<b>23,903</b>	<b>165,360</b>	<b>32,886</b>	<b>14,702</b>	<b>96,394</b>	<b>303,644</b>	<b>47,222</b>	<b>1,477</b>	<b>-</b>	<b>732,102</b>
Interest income											26,916
Interest expense											(97,986)
<b>Profit before taxation and exceptional items</b>											<b>661,032</b>
Exceptional items											11,662
<b>Profit before taxation</b>											<b>672,694</b>
Taxation											(174,364)
<b>Profit after taxation</b>											<b>498,330</b>
Minority interest, net of taxes											(119,729)
<b>Attributable profit</b>											<b>378,601</b>
Assets	259,232	587,317	1,079,913	801,996	228,539	2,799,845	4,438,375	1,037,214	472,560	-	11,704,991
Tax assets											16,868
Bank deposits & cash balances											1,150,794
<b>Total assets</b>											<b>12,872,653</b>
Liabilities	127,114	172,297	238,980	136,164	26,098	376,112	86,274	28,788	50,213	-	1,242,040
Tax liabilities											334,509
Borrowings											4,914,060
<b>Total liabilities</b>											<b>6,490,609</b>
Other segment information:											
Capital expenditure	11,515	105,205	67,282	52,356	50,240	33,951	1,713	-	10,815	-	333,077
Depreciation & amortisation	14,566	16,365	39,108	49,382	14,375	6,018	3,122	22	2,517	-	145,475
Impairment losses	906	3,821	1,391	124	-	-	-	-	-	-	6,242
Reversal of impairment losses	(254)	(67)	(166)	-	-	-	(1,843)	-	-	-	(2,330)
Attributable profit before exceptional items	18,440	5,972	64,954	24,813	6,082	64,084	211,495	14,604	(32,524)	-	377,920
Exceptional items	456	(1,385)	434	(19,252)	-	1,205	-	-	19,223	-	681
Attributable profit	18,896	4,587	65,388	5,561	6,082	65,289	211,495	14,604	(13,301)	-	378,601

The following table presents financial information regarding geographical segments:

Geographical Segment	Singapore (\$'000)	Malaysia (\$'000)	Rest of South East Asia (\$'000)	North East Asia (\$'000)	South Asia (\$'000)	South Pacific (\$'000)	Europe & USA (\$'000)	Group (\$'000)
Total revenue	1,725,169	949,604	731,356	483,392	18,054	619,886	203,713	4,731,174
PBIT	334,159	96,023	125,450	74,753	(3,336)	78,913	26,140	732,102
Other geographical information:								
Assets	5,540,573	775,238	1,074,020	1,825,708	24,830	1,639,797	824,825	11,704,991
Capital expenditure	35,724	69,246	149,847	32,919	10,398	21,253	13,690	333,077

Rest of South East Asia: Myanmar, Thailand, Cambodia, Vietnam and Laos  
North East Asia: China, Taiwan, Japan, Korea and Mongolia  
South Asia: India and Sri Lanka  
South Pacific: Australia, New Zealand and Papua New Guinea

# Notes to the Financial Statements

for the year ended 30 September 2008

	THE GROUP		THE COMPANY	
	2008 (\$'000)	2007 (\$'000)	2008 (\$'000)	2007 (\$'000)
<b>6. GROSS DIVIDENDS FROM SUBSIDIARY AND JOINT VENTURE COMPANIES</b>				
Quoted subsidiary companies			<b>46,235</b>	37,703
Quoted joint venture company			<b>6,001</b>	5,931
Unquoted subsidiary companies			<b>303,403</b>	81,578
			<b>355,639</b>	125,212
<b>7. GROSS INCOME FROM INVESTMENTS</b>				
Interest income	<b>3,678</b>	5,812	<b>530</b>	827
Dividend income	<b>5,563</b>	5,664	<b>198</b>	156
	<b>9,241</b>	11,476	<b>728</b>	983
<b>8. EXCEPTIONAL ITEMS</b>				
Profit on disposal of other investments	-	16,985	-	-
Provision for impairment of assets held for sale	<b>(4,577)</b>	(6,217)	-	-
Provision for impairment in value of investments	<b>(27,780)</b>	-	-	-
Loss on change in interest in subsidiary and associated companies	<b>(820)</b>	(1,327)	-	-
Negative goodwill on acquisition of an associated company	<b>54,998</b>	-	-	-
Write off of goodwill on acquisition of a subsidiary company	<b>(9,862)</b>	-	-	-
Gain/(Loss) on disposal of subsidiary companies	<b>3,268</b>	(7,255)	-	-
Profit on disposal of properties	<b>4,389</b>	12,996	-	-
Provision for impairment on properties	-	(903)	-	-
Share of exceptional items of joint venture and associated companies	-	437	-	-
Provision for restructuring and re-organisation costs of operations	<b>(5,187)</b>	(2,245)	-	-
Provision for professional fee	<b>(2,372)</b>	(809)	-	-
Provision for impairment of investment in and amounts due from subsidiary companies	-	-	-	(19,336)
	<b>12,057</b>	11,662	-	(19,336)

# Notes to the Financial Statements

for the year ended 30 September 2008

## 9. TAXATION

	THE GROUP		THE COMPANY	
	2008 (\$'000)	2007 (\$'000)	2008 (\$'000)	2007 (\$'000)
Based on profit for the year:				
Singapore tax	<b>71,732</b>	58,125	<b>2,972</b>	11,628
Overseas tax				
– current year	<b>91,494</b>	120,722	<b>10,951</b>	7,195
– withholding tax	<b>12,405</b>	6,068	<b>185</b>	176
Deferred tax				
– current year	<b>18,674</b>	(3,978)	-	-
– adjustment of tax rate	-	(3,368)	-	-
	<b>194,305</b>	177,569	<b>14,108</b>	18,999
(Over)/Under provision in preceding years				
– current income tax	<b>(20,269)</b>	(2,928)	<b>(4,172)</b>	4,811
– deferred tax	<b>(4,607)</b>	(277)	-	-
	<b>169,429</b>	174,364	<b>9,936</b>	23,810

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		THE COMPANY	
	2008 %	2007 %	2008 %	2007 %
Singapore statutory rate	<b>18.0</b>	18.0	<b>18.0</b>	18.0
Effect of different tax rates of other countries	<b>4.6</b>	6.5	<b>1.0</b>	2.8
Effect of tax losses of subsidiary and joint venture companies not available for set-off against profits of other companies within the group	<b>2.4</b>	3.7	-	-
Income not subject to tax (tax incentive/exemption)	<b>(6.9)</b>	(7.9)	<b>(17.3)</b>	(11.1)
Expenses not deductible for tax purposes	<b>6.7</b>	6.8	<b>2.5</b>	11.9
Utilisation of previously unrecognised tax losses in determining taxable profit	<b>(2.7)</b>	(2.6)	-	-
(Over)/Under provision in prior years	<b>(3.4)</b>	(0.5)	<b>(1.3)</b>	5.6
Adjustment due to change in tax rate	-	(0.5)	-	-
Deferred tax benefits not recognised	-	0.7	-	-
Tax effect of FRS 40 fair value adjustments	<b>2.0</b>	-	-	-
Other reconciliation items	<b>2.3</b>	1.7	<b>0.1</b>	0.4
	<b>23.0</b>	25.9	<b>3.0</b>	27.6

# Notes to the Financial Statements

for the year ended 30 September 2008

## 9. TAXATION (cont'd)

As at 30 September 2008, certain Singapore subsidiary companies have unutilised tax losses of approximately \$54,353,000 (2007: \$59,651,000), unutilised investment allowances of approximately \$7,433,000 (2007: \$7,433,000) and unabsorbed capital allowances of \$224,000 (2007: \$11,464,000) available for set off against future profits. In addition, certain overseas subsidiary companies have unutilised tax losses carried forward of approximately \$324,268,000 (2007: \$355,286,000), unutilised investment allowance of approximately \$22,399,000 (2007: \$26,934,000) and unabsorbed capital allowances of \$32,758,000 (2007: \$22,763,000). 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 tax residence. The deferred tax benefits of these losses recognised in the financial statements are disclosed in Note 33.

For the year of assessment ("YA") 2008, certain subsidiaries have transferred loss items of \$17,203,000 (YA 2007: \$29,829,000) to offset against the taxable income of other companies in the Group. Tax benefits of \$14,497,000 (YA 2007: \$6,946,000) were recognised on the tax losses utilised under the group relief systems. Tax benefits of \$5,151,000 (YA 2007: \$6,159,000) arising from the utilisation of group relief are not recognised as they are subject to compliance with the relevant tax legislation governing group relief and agreement of the Inland Revenue Authority of Singapore.

## 10. DIVIDENDS

	THE GROUP & THE COMPANY	
	2008 (\$'000)	2007 (\$'000)
Interim paid of 5 cents per share (1-tier tax exempt) (2007: 5 cents per share (1-tier tax exempt))	<b>69,437</b>	69,050
Final proposed of 8.5 cents per share (1-tier tax exempt) (2007: 8.5 cents per share (1-tier tax exempt))	<b>118,119</b>	117,975
	<b>187,556</b>	187,025

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

# Notes to the Financial Statements

for the year ended 30 September 2008

## 11. EARNINGS PER SHARE

### (a) Basic Earnings Per Share

Basic earnings per share is computed by dividing the Group attributable profit to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	THE GROUP	
	2008 (\$'000)	2007 (\$'000)
Group attributable profit to shareholders of the Company		
– before fair value gains and exceptional items	379,026	377,920
– after fair value gains and exceptional items	435,827	378,601
	— No. of shares —	
Weighted average number of ordinary shares in issue	1,388,365,973	1,321,214,013
Earnings Per Share (Basic)		
– before fair value gains and exceptional items	27.3 cts	28.6 cts
– after fair value gains and exceptional items	31.4 cts	28.7 cts

### (b) Diluted Earnings Per Share

Diluted earnings per share is computed by dividing the Group adjusted attributable profit to shareholders of the Company by the adjusted weighted average number of ordinary shares in issue during the year.

For diluted earnings per share, the Group attributable profit to shareholders of the Company 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 to shareholders of the Company used to compute diluted earnings per share is as follows:

	THE GROUP	
	2008 (\$'000)	2007 (\$'000)
Group attributable profit to shareholders of the Company		
before fair value gains and exceptional items	379,026	377,920
Change in attributable profit due to dilutive share options	(550)	(841)
Group adjusted attributable profit to shareholders of the Company		
before fair value gains and exceptional items	378,476	377,079
Group attributable profit to shareholders of the Company		
after fair value gains and exceptional items	435,827	378,601
Change in attributable profit due to dilutive share options	(558)	(858)
Group adjusted attributable profit to shareholders of the Company		
after fair value gains and exceptional items	435,269	377,743

# Notes to the Financial Statements

for the year ended 30 September 2008

## 11. EARNINGS PER SHARE (cont'd)

### (b) Diluted Earnings Per Share (cont'd)

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:

	THE GROUP	
	2008	2007
	— No. of shares —	
Weighted average number of ordinary shares used to compute the basic earnings per share	1,388,365,973	1,321,214,013
Effect of dilutive share options	8,017,728	11,618,510
Weighted average number of ordinary shares used to compute diluted earnings per share	1,396,383,701	1,332,832,523
Earnings Per Share (Fully diluted)		
– before fair value gains and exceptional items	27.1 cts	28.3 cts
– after fair value gains and exceptional items	31.2 cts	28.3 cts

10,965,601 (2007: Nil) share options granted to employees under share option plans have been excluded in the computation of diluted earnings per share because these options were anti-dilutive for the current financial year.

## 12. SHARE CAPITAL AND RESERVES

	THE GROUP & THE COMPANY			
	2008 No. of shares	2008 (\$'000)	2007 No. of shares	2007 (\$'000)
<b>SHARE CAPITAL</b>				
<b>Ordinary shares issued and fully paid up</b>				
Balance at beginning of year	1,383,483,685	1,313,915	1,172,943,085	400,971
Issued during the year				
– pursuant to a share subscription agreement	-	-	205,500,000	900,090
– pursuant to the exercise of Executives' Share Options	6,149,210	16,382	5,040,600	12,854
Balance at end of year	1,389,632,895	1,330,297	1,383,483,685	1,313,915

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.

The Company has 2 employee share option plans (Note 32) under which options to subscribe for the Company's ordinary shares have been granted to employees.

During the year, the consideration received following the exercise of Executives' Share Options was \$16,382,000 (2007: \$12,854,000).

# Notes to the Financial Statements

for the year ended 30 September 2008

## 12. SHARE CAPITAL AND RESERVES (cont'd)

	THE GROUP		THE COMPANY	
	2008 (\$'000)	2007 (\$'000)	2008 (\$'000)	2007 (\$'000)
<b>RESERVES</b>				
The reserves comprise the following:				
Capital Reserve	271,656	1,146,500	1,039,274	1,039,274
Fair Value Adjustment Reserve	64,222	225,246	1,218	1,997
Employee Share Option Reserve	22,774	14,916	20,839	13,503
Revenue Reserve	3,588,773	2,431,588	1,168,822	1,038,879
Dividend Reserve	118,119	117,596	118,119	117,596
Exchange Reserve	(112,567)	(29,164)	-	-
<b>Total reserves</b>	<b>3,952,977</b>	<b>3,906,682</b>	<b>2,348,272</b>	<b>2,211,249</b>

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.

The financial effects of the adoption of FRS 40 have been recorded prospectively. Consequently, on 1 October 2007, the cumulative revaluation reserves of \$871,148,000 were transferred from capital reserves to revenue reserves. Going forward, any changes in fair values of investment properties will be included in the profit statement.

Fair value adjustment reserve comprises the cumulative fair value changes of available-for-sale financial assets until they are derecognised or impaired.

Employee share option reserve represents the equity-settled options granted to employees and is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options.

Exchange reserve comprises the exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Dividend reserve relates to proposed final dividend of 8.5 cents (2007: 8.5 cents) per share.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 13. GROUP FIXED ASSETS

	Note	Freehold	Leasehold	Building	Plant &	Capital	Other	Total
		Land	Land		Machinery	Work-in-		
		(\$'000)	(\$'000)	(\$'000)	(\$'000)	Progress	(\$'000)	(\$'000)
<b>For the year ended 30 September 2008</b>								
<b>At cost/valuation</b>								
Balance at beginning of year		54,800	86,388	399,876	1,235,635	127,745	359,219	2,263,663
Currency realignment		(3,310)	(1,374)	(12,504)	(43,679)	(9,005)	(17,440)	(87,312)
Additions		812	21	8,062	76,664	90,487	59,907	235,953
Acquisition of subsidiary companies/ business assets		-	-	653	2,511	-	1,347	4,511
Acquisition of joint venture companies		-	-	-	2,262	-	-	2,262
Disposals		-	(1,789)	(4,168)	(22,128)	(233)	(37,073)	(65,391)
Reclassification		-	14,349	15,748	72,726	(114,912)	12,089	-
Transfer to intangibles		-	-	-	-	(635)	-	(635)
Transfer from/(to) investment properties		-	5,028	(7,818)	-	-	-	(2,790)
Reclassified from assets held for sale *	29	1,395	-	14,543	-	-	-	15,938
<b>Balance at end of year</b>		<b>53,697</b>	<b>102,623</b>	<b>414,392</b>	<b>1,323,991</b>	<b>93,447</b>	<b>378,049</b>	<b>2,366,199</b>
<b>Analysis of cost/valuation</b>								
At cost		29,843	85,913	411,222	1,317,379	93,447	378,049	2,315,853
At directors valuation 1983		-	-	559	-	-	-	559
At directors valuation 1988		-	-	2,611	6,612	-	-	9,223
At directors valuation 1996		23,854	16,710	-	-	-	-	40,564
<b>Balance at end of year</b>		<b>53,697</b>	<b>102,623</b>	<b>414,392</b>	<b>1,323,991</b>	<b>93,447</b>	<b>378,049</b>	<b>2,366,199</b>
<b>Accumulated depreciation and impairment</b>								
Balance at beginning of year		1,013	25,383	123,100	717,483	-	239,046	1,106,025
Currency realignment		(49)	(767)	(3,489)	(29,271)	-	(11,154)	(44,730)
Depreciation charge for the year		-	1,857	10,872	74,995	-	37,245	124,969
Impairment charge for the year		-	-	105	803	-	2,069	2,977
Impairment reversal for the year		-	(4)	(53)	(638)	-	(887)	(1,582)
Disposals		-	(169)	(1,966)	(18,994)	-	(32,392)	(53,521)
Reclassification		-	220	(107)	(5,184)	-	5,071	-
Transfer to investment properties		-	-	(1,235)	-	-	-	(1,235)
Reclassified from assets held for sale *	29	-	-	1,468	-	-	-	1,468
<b>Balance at end of year</b>		<b>964</b>	<b>26,520</b>	<b>128,695</b>	<b>739,194</b>	<b>-</b>	<b>238,998</b>	<b>1,134,371</b>
<b>Net book value at end of year</b>		<b>52,733</b>	<b>76,103</b>	<b>285,697</b>	<b>584,797</b>	<b>93,447</b>	<b>139,051</b>	<b>1,231,828</b>

\* During the financial year, the Group's subsidiary company reclassified to fixed assets, a property previously classified as "Assets held for sale" as the proposed disposal in the prior year did not materialise. The Group's intention to dispose this property has not changed. However, the likelihood of the disposal within the next 12 months cannot be determined and thus the property is not classified as "Assets held for sale" as provided by FRS 105.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 13. GROUP FIXED ASSETS (cont'd)

Note	Freehold Land (\$'000)	Leasehold Land (\$'000)	Building (\$'000)	Plant & Machinery (\$'000)	Capital Work-in-Progress (\$'000)	Other Assets (\$'000)	Total (\$'000)
<b>For the year ended 30 September 2007 (Restated)</b>							
<b>At cost/valuation</b>							
Balance at beginning of year	59,545	80,262	380,640	1,240,353	66,483	324,877	2,152,160
Currency realignment	1,550	(1,051)	1,254	8,382	1,725	3,968	15,828
Additions	1,939	2,803	8,576	87,883	107,388	32,473	241,062
Acquisition of subsidiary companies/ business assets	-	7,055	884	1,366	5,358	1,532	16,195
Acquisition of joint venture companies	-	-	426	3,582	-	474	4,482
Disposals of subsidiary company	-	-	-	-	-	(1,911)	(1,911)
Disposals	(1,937)	(2,103)	(754)	(7,161)	-	(17,050)	(29,005)
Reclassification	740	(1,768)	24,941	11,869	(46,591)	10,809	-
Reclassification from intangibles	-	1,190	-	-	-	-	1,190
Reclassified to assets held for sale	29	(1,395)	(14,543)	(110,480)	-	(1,667)	(128,085)
Transfer to current assets	-	-	-	(159)	(6,618)	(933)	(7,710)
Transfer (to)/from properties held for sale	(5,642)	-	(1,548)	-	-	6,647	(543)
Balance at end of year	54,800	86,388	399,876	1,235,635	127,745	359,219	2,263,663
<b>Analysis of cost/valuation</b>							
At cost	29,667	68,782	396,896	1,229,564	127,745	359,219	2,211,873
At directors valuation 1983	-	-	583	-	-	-	583
At directors valuation 1988	-	-	2,397	6,071	-	-	8,468
At directors valuation 1996	25,133	17,606	-	-	-	-	42,739
	54,800	86,388	399,876	1,235,635	127,745	359,219	2,263,663
<b>Accumulated depreciation and impairment</b>							
Balance at beginning of year	1,009	22,320	114,624	671,376	-	219,667	1,028,996
Currency realignment	4	(634)	(770)	3,603	-	2,421	4,624
Depreciation charge for the year	-	2,100	10,276	75,076	-	31,151	118,603
Impairment charge for the year	-	1,629	-	2,354	-	2,135	6,118
Impairment reversal for the year	-	-	-	(188)	-	(299)	(487)
Acquisition of subsidiary companies/ business assets	-	-	839	541	-	593	1,973
Disposals of subsidiary company	-	-	-	-	-	(1,508)	(1,508)
Disposals	-	(5)	(1,315)	(5,218)	-	(15,141)	(21,679)
Reclassification	-	(63)	867	(2,565)	-	1,761	-
Reclassification from intangibles	-	36	-	-	-	-	36
Reclassified to assets held for sale	29	-	(1,421)	(27,465)	-	(1,266)	(30,152)
Transfer to current assets	-	-	-	(31)	-	(468)	(499)
Balance at end of year	1,013	25,383	123,100	717,483	-	239,046	1,106,025
<b>Net book value at end of year</b>	<b>53,787</b>	<b>61,005</b>	<b>276,776</b>	<b>518,152</b>	<b>127,745</b>	<b>120,173</b>	<b>1,157,638</b>

# Notes to the Financial Statements

for the year ended 30 September 2008

## 13. GROUP FIXED ASSETS (cont'd)

- (a) The valuations for 1983, 1988 and 1996 were made by the directors of the respective subsidiary companies and were based on appraisals by independent valuers.
- (b) Other assets comprise motor vehicle, postmix and vending machine, beer cooler, fixture and fitting and computer equipment.
- (c) If the fixed assets stated at revaluation had been included in the financial statements at cost less depreciation, the net book value would have been as follows:

	Freehold Land (\$'000)	Leasehold Land (\$'000)	Building (\$'000)	Plant & Machinery (\$'000)	Capital Work-in-Progress (\$'000)	Other Assets (\$'000)	Total (\$'000)
At 30 September 2008	22,699	7,572	14,758	-	-	-	45,029
At 30 September 2007	23,737	8,105	15,964	-	-	-	47,806

- (d) Additions in the consolidated financial statements include \$710,000 (2007: \$Nil) of Plant & Machinery acquired under finance leases. The carrying amount of assets held under finance leases at 30 September 2008 amounted to \$2,025,000 (2007: \$3,667,000).
- (e) The net book value of fixed assets pledged to financial institutions as security for borrowings are as follows:

	2008 (\$'000)	2007 (\$'000)
Plant and machinery	69,750	20,250
Building	10,241	21,937
Freehold and leasehold land	4,331	4,828
Capital work-in-progress	313	49,874
Other fixed assets	895	834

## Notes to the Financial Statements

for the year ended 30 September 2008

### 14. GROUP INVESTMENT PROPERTIES

	2008 (\$'000)	2007 (\$'000)
Balance at beginning of year, as previously reported	3,224,389	2,708,016
Effects of adopting FRS 40 (see Note 2.1)	68,239	-
Balance at beginning of year, as restated	3,292,628	2,708,016
Currency realignment	(15,396)	1,835
Subsequent expenditure	217,451	30,450
Disposals	(950)	(39,745)
Revaluation surplus	-	351,238
Depreciation charge for the year	-	(4,820)
Net fair value gain recognised in the income statement	62,643	-
Acquisition of subsidiary companies	-	116,363
Transfer from properties held for development	991	61,052
Transfer from fixed assets	1,555	-
Balance at end of year	<b>3,558,922</b>	3,224,389

Investment properties comprise serviced residences and commercial properties that are leased mainly to third parties under operating leases (Note 35).

The following amounts are recognised in the income statement:

	2008 (\$'000)	2007 (\$'000)
Rental income	284,978	229,693
Direct operating expenses arising from:		
– Rental generating properties	42,713	37,295

In 2007, freehold and leasehold investment properties are stated at directors' valuation, guided by independent professional valuation.

With the adoption of FRS 40, investment properties are carried at fair values at the balance sheet date as determined annually by independent professional valuers with recent experience in the location and category of the properties being valued.

The valuations are based on a combination of the Direct Comparison Method, Income Approach and Discounted Cash Flow Analysis. In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

Independent professional valuations were carried out by the following valuers:

Valuers	Valuation Date
DTZ Debenham Tie Leung (SEA) Pte Ltd	September 2008
Knight Frank Pte Ltd	September 2008
BEM Property Consultants Pty Limited	September 2008
DTZ Debenham Tie Leung Limited	September 2008
Asian Appraisal Company, Inc.	September 2008
CB Richard Ellis (Vietnam) Co., Ltd	September 2008
CB Richard Ellis (Pte) Ltd	September 2008
CB Richard Ellis Limited	September 2008

## Notes to the Financial Statements

for the year ended 30 September 2008

### 15. GROUP PROPERTIES HELD FOR DEVELOPMENT

	2008 (\$'000)	2007 (\$'000)
Properties held for development comprise:		
Freehold land, at cost	1,530	-
Leasehold land, at cost	99,446	99,446
Building	4,051	-
Development expenditure	55,376	27,218
Interest cost	620	579
Property tax	1,274	591
	<b>162,297</b>	127,834

Properties held for development include:

#### Singapore

- (1) Leasehold land (99-year tenure commencing 1 April 1990) of Lots 2569C-PT and 2348W-PT MK 19 at Yishun Central for the development of a commercial building with five levels of retail space including a retail basement floor and a basement carpark.
- (2) Leasehold land (99-year tenure commencing 15 March 1978) at Lots 10283 PT (Plot 1) and 10283 PT (Plot 2) of Mukim 27 at 799 and 795 New Upper Changi Road for the development of a commercial building with five levels of retail space including a retail basement floor and a basement carpark.

#### Malaysia

- (3) Freehold land at Jalan Yew, Kuala Lumpur, Malaysia for the development of commercial buildings with retail space, city campus and hostel, hotels and carparks.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 16. SUBSIDIARY COMPANIES

	THE COMPANY	
	2008 (\$'000)	2007 (\$'000)
Quoted shares at cost	260,300	264,750
Unquoted shares at cost	2,759,141	3,406,481
	<b>3,019,441</b>	3,671,231
Amounts owing by subsidiary companies (unsecured)	753,359	686,192
Amounts owing to subsidiary companies (unsecured)	(19,840)	(721,772)
	<b>3,752,960</b>	3,635,651
<b>MARKET VALUE</b>		
Quoted shares	<b>772,879</b>	734,752

The Company's investments in subsidiary companies include an interest in 57.92% (2007: 58.72%) of the issued ordinary shares of Fraser & Neave Holdings Bhd.

The amounts owing by subsidiary companies are due on loan account, not repayable within the next 12 months and are interest-free except for amounts of \$726,863,000 (2007: \$686,092,000) which bear interest at an average rate of 1.39% (2007: 2.26%) per annum.

The amounts owing from and to subsidiary companies disclosed under current assets and current liabilities are unsecured, non-trade in nature, interest-free, no fixed repayment term and to be settled in cash.

The carrying amounts of the amounts owing from and to subsidiary companies are largely denominated in Singapore Dollars.

### (a) During the financial year, the Group incorporated the following subsidiary companies:

Name of Company	Country of incorporation and place of business	Equity interest held %	Date of incorporation
FCL Emerald (1) Pte Ltd	Singapore	100.0	17 March 2008
FCL Clover Pte Ltd	Singapore	100.0	17 March 2008
Opal Star Pte Ltd	Singapore	100.0	18 March 2008
FC Retail Trustee Pte Ltd	Singapore	100.0	18 March 2008
FC Retail Trust Management Pte Ltd	Singapore	100.0	18 March 2008
FCL Emerald (2) Pte Ltd	Singapore	100.0	19 March 2008
FCL Emerald (3) Pte Ltd	Singapore	100.0	19 March 2008
Frasers Hospitality Management Pte Ltd	Singapore	100.0	18 March 2008
Frasers Property (Europe) Holdings Pte Ltd	Singapore	51.2	15 November 2007
Frasers Town Hall Issuer Pty Ltd	Australia	80.5	26 February 2008
Frasers Property Australia Pty Limited	Australia	75.0	9 May 2008
Frasers Property Management (Shanghai) Co. Ltd	China	100.0	14 June 2007*
Frasers Hospitality Management Co. Ltd, Shanghai	China	100.0	15 June 2007*
Fraser Place (Beijing) Property Management Co. Ltd	China	100.0	31 July 2007*
Modena Hospitality Management Co. Ltd (Shanghai)	China	51.0	28 August 2007*
Shenyang Frasers Real Estate Development Co. Ltd	China	56.2	18 September 2007*
F&N Capital Sdn Bhd	Malaysia	57.9	16 May 2008
Goodwill Binding Pte Ltd	Singapore	51.0	24 January 2008

\* The share capital were injected during the financial year.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 16. SUBSIDIARY COMPANIES (cont'd)

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

#### Properties

- (i) On 16 November 2007, the Group, through its indirect subsidiary, Singapore Logistics Investments Pte Ltd ("SLI"), acquired the entire issued share capital of Superway Logistics Investments (Hong Kong) Limited ("SLIHK"), a company incorporated in the Hong Kong Special Administrative Region of the People's Republic of China ("PRC"), for a cash consideration of HK\$95million, being the aggregate of the paid-up capital of SLIHK and a shareholder's loan owing by SLIHK to the vendor which is assigned to SLI upon completion. SLIHK is the holding company of Chengdu Sino Singapore Southwest Logistics Co., Ltd, a PRC company which holds land for the development thereon of an industrial complex in Chengdu, PRC.
- (ii) On 14 August 2008, the Group, through its subsidiary Frasers Centrepoint Limited ("FCL"), acquired 100% of Frasers Centrepoint Asset Management (Commercial) Ltd (formerly Allco (Singapore) Limited), the manager of Frasers Commercial Trust (formerly Allco Commercial REIT). FCL also acquired 100% of Frasers Centrepoint Asset Management (Commercial) Pte Ltd (formerly Allco Asset Management Pte Ltd), Frasers Centrepoint Property Management (Commercial) Pte Ltd (formerly Allco Asset Management Services Pte Ltd) and FCL REIT Management Ltd (formerly Allco REIT Management Limited).
- (iii) Following the restructuring of the Frasers (UK) Pte. Ltd, ("Frasers (UK)") subgroup in January 2007 where Frasers (UK)'s shareholding interest in Frasers Property (UK) Limited ("FPUK") increased from 33.33% to approximately 68.23% with Scarborough Group and Uberior Group (collectively the "FP Shareholders" holding approximately 20.20% and 11.57%, respectively, the Group undertook a second restructuring exercise (the "Restructuring") on 1 April 2008.

The FP Shareholders transferred their entire shareholding interest in FPUK ("the FPUK Shares") to Frasers Property (Europe) Holdings Pte Ltd ("FPEH") in exchange for new ordinary shares in FPEH ("FPEH Shares") ("Shares Exchange"). The FPEH Shares were valued at approximately £0.717 (\$\$1.978) per FPEH share, based on the net asset value of FPUK of £64,252,516 (\$\$177,300,000) as disclosed in FPUK's management accounts as at 31 March 2008.

Pursuant to the Restructuring, FPUK is the wholly-owned subsidiary of FPEH, and the FP Shareholders are the only shareholders of FPEH. The Shares Exchange preserves the FP Shareholders' respective shareholding interest that each of them had in FPUK immediately prior to the Shares Exchange.

- (iv) On 29 August 2008, the Group, through its subsidiary, Frasers (Australia) Pte. Ltd. ("Frasers (Australia)"), undertook a restructuring exercise to form a tax consolidated group under the Australian taxation legislation. Frasers Property Australia Pty Limited ("FPA") was incorporated as the new Australian holding company ("new Holdco") on 9 May 2008. The following wholly-owned subsidiaries of Frasers (Australia) were then transferred to FPA:

1. Frasers Killara Pty Limited;
2. Frasers Lorne Pty Limited;
3. Frasers Chandos Pty Limited;
4. Frasers Morton Pty Limited; and
5. Frasers Broadway Pty Limited;

(each a "FPA subsidiary" and collectively, the "FPA subsidiaries")

The shares of each FPA subsidiary were transferred by Frasers (Australia) to FPA at net book value (which is equivalent to the value of their respective paid up capital). In consideration therefore, FPA issued such number of fully paid ordinary shares in its capital as is equivalent to the aggregate value of the paid up share capitals of the subsidiaries.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 16. SUBSIDIARY COMPANIES (cont'd)

### (b) During the financial year, the Group acquired the following subsidiary companies: (cont'd)

#### Printing and Publishing

- (i) On 29 August 2008, Pansing Distribution Private Limited ("PDPL"), a wholly-owned subsidiary of the Group, exercised the call option granted by Viadoc Investments Limited and acquired the remaining 49% shares in IMM Singapore Holdings Pte Ltd ("IMMS"). PDPL's shareholding interest in IMMS would increase from the existing 51% to 100%. The cash consideration paid was A\$2.05 million funded by internal sources.
- (ii) On 30 September 2008, Times The Bookshop Pte Ltd ("TTB"), a wholly-owned subsidiary of the Group, exercised the first of two call options and acquired a further 11% interest in Pacific Bookstores Pte Ltd ("PBPL") for a cash consideration of S\$594,000. TTB's shareholding interest in PBPL, a subsidiary over which it has management control, increases from the existing 49% to 60%.
- (iii) On 16 January 2008, Marshall Cavendish Limited ("MCL"), a wholly-owned subsidiary of the Group, acquired 100% of the issued share capital of Summertown Publishing Limited ("Summertown") for a cash consideration of £1,000,000. Summertown carries on the business as a publisher of English language teaching materials with a distribution network in the United Kingdom, and parts of Europe and Asia.
- (iv) On 25 April 2008, Marshall Cavendish International (Singapore) Pte Ltd ("MCIS"), a wholly-owned subsidiary of the Group, acquired from Popular E-Learning Holdings Pte Ltd and Ednovation Pte Ltd, all their respective shareholding interests in Learning Edvantage Pte Ltd ("LEAD") representing in aggregate 69% of the issued share capital of LEAD, and thereby increasing MCIS's shareholding interest in LEAD from the existing 31% to 100%. The total consideration of \$6,555,000 was fully paid in cash. LEAD carries on the business of providing web-based e-learning courseware, content and application to primary and secondary schools in Singapore.
- (v) On 28 May 2008, Times Printers Private Limited ("TPPL"), a wholly-owned subsidiary of the Group, acquired 51% of the issued share capital of JCS Digital Solutions Pte Ltd ("JCS") for a cash consideration of \$1,632,000. TPPL has been granted a call option to acquire the remaining 49% of the issued share capital of JCS. JCS carries on the business of servicing activities related to digital printing.

#### Dairies

On 18 June 2008, the Group's subsidiary company, Frasers and Neave Holdings Bhd ("F&NHB")'s subsidiary, F&NCC Beverages Sdn Bhd, acquired the remaining 5% of the issued and paid-up share capital of Borneo Springs Sdn Bhd ("BSSB") for purchase price of RM841,099. As a result, BSSB become a wholly-owned subsidiary of F&NCC Beverages Sdn Bhd.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 16. SUBSIDIARY COMPANIES (cont'd)

### (b) During the financial year, the Group acquired the following subsidiary companies: (cont'd)

#### Dairies (cont'd)

The fair value and carrying value of the identifiable assets and liabilities arising from acquisition and restructuring of subsidiary company and businesses as at the date of acquisition are:

	Fair value at date of acquisition (\$'000)	Carrying value at date of acquisition (\$'000)
Fixed assets	4,511	4,511
Other non-current assets	68,626	68,626
Current assets	37,558	37,603
Current liabilities	(31,946)	(31,931)
Non-current liabilities	(7,130)	(7,130)
Minority interest	(1,416)	(1,416)
Cash	8,051	8,051
Net asset value as at acquisition	78,254	78,314
Cost of investment as an associated company	(945)	
Goodwill on acquisition, net	15,300	
Consideration	92,609	
Less: Cash of subsidiary companies	(8,051)	
Cash flows on acquisition net of cash and cash equivalents acquired	84,558	

The attributable gain contribution by the acquired subsidiary companies from the date of acquisition was \$0.8 million. The impact on the results of the Group for the year as though the acquisition dates for the above acquisitions and restructuring effected during the year had been at the beginning of the year cannot be practicably quantified.

### (c) Payment of Management Fees and Acquisition Fees by way of Units in Frasers Centrepoint Trust ("FCT")

The Group, through FCL's subsidiary company, Frasers Centrepoint Assets Management Ltd ("FCAM"), received 2,931,624 Units (total value of \$3,865,717) in FCT in payment of 65% of its management fees.

The Group, through FCL's subsidiary company, FCAM, received 60,101 Units in FCT issued at a price of \$1.2408 per Unit, in payment of acquisition fee payable in the acquisition by FCT of a further 13,000,000 units in Hektar Real Estate Investment Trust ("Hektar") of \$74,574, calculated at 1% of RM17.29 million, the total purchase price consideration for the acquisition of Hektar Units, which was completed in April 2008.

### (d) Disposal of business assets

During the year, the Group disposed of its interest in Times Printers (Australia) Pty Limited. The gain on disposal of \$3,268,000, reflected in the current year, is due to the reversal of over provided losses in the prior year. The Group has reported an estimated loss on this disposal of \$6,217,000 in 2007.

### (e) Strategic review

On 30 June 2008, the Group has announced that it has initiated a review of its strategic options for the printing and publishing business, and has engaged financial advisers to assist in evaluating various strategic options.

Details of significant subsidiaries are included in Note 44.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 17. JOINT VENTURE COMPANIES

	THE COMPANY	
	2008 (\$'000)	2007 (\$'000)
(a) Unquoted investment, at cost	276,126	276,126
Quoted investment, at cost	132,795	132,795
	<b>408,921</b>	408,921

### MARKET VALUE

Quoted shares	<b>202,542</b>	258,804
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Details of joint venture companies are included in Note 44.

- (b) The following amounts represent the Group's share of the revenue, expenses, assets and liabilities of the joint venture companies and are included in the consolidated profit statement and balance sheet using the line-by-line format of proportionate consolidation.

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

	THE GROUP	
	2008 (\$'000)	2007 (\$'000)
Revenue	1,278,253	1,149,824
Profit before taxation and exceptional items	143,040	136,075
Exceptional items	(14,532)	586
Taxation	(56,872)	(44,139)
Minority interests	(44,210)	(41,918)

- (ii) The Group's share of the consolidated assets and liabilities of the joint venture companies is as follows:

Non-current assets	818,314	1,137,267
Current assets	832,449	340,007
Current liabilities	(731,641)	(678,670)
Long term liabilities	(159,751)	(100,122)
	<b>759,371</b>	698,482

- (iii) The share of the results, assets and liabilities as stated in paragraphs (a) and (b) above is based on the accounts of the joint venture companies to 30 September 2008.

- (iv) The amounts owing from/to joint venture companies classified under current assets and current liabilities are unsecured, trade in nature, interest-free, to be settled in cash and are denominated in Singapore Dollars, US Dollars and Euro Dollars.

- (v) The Group's and the Company's share of capital commitments of the joint venture companies as at 30 September 2008 is \$30,824,000 (2007: \$31,577,000).

- (vi) The Group's and the Company's share of contingent liabilities of the joint venture companies as at 30 September 2008 is \$258,000 (2007: \$302,000).

# Notes to the Financial Statements

for the year ended 30 September 2008

## 17. JOINT VENTURE COMPANIES (cont'd)

### (c) Joint Venture Company's Investment in Joint Venture

Joint venture companies ("JVC") that are held directly by the Group's joint venture companies are equity accounted for in accordance with the accounting policies of the Group's joint venture companies. No adjustments have been made in the Group consolidated financial statements to recognise the interests of these JVC using proportionate consolidation as the contribution of these JVC to the Group are not material. During the year, the Group's joint venture company entered into a conditional agreement to sell its entire shareholding interest in a joint venture company. Investments in and share of the results, assets and liabilities of the joint venture companies, are as follows:

	THE GROUP	
	2008 (\$'000)	2007 (\$'000)
Investment in joint venture companies, at cost	29,172	58,855
Acquisition of interests	9,959	1,361
Share of net post acquisition reserves	21,505	26,834
	<b>60,636</b>	87,050
Loans owing from joint venture companies (unsecured)	3	9,410
	<b>60,639</b>	96,460
Share of profit from JVC	<b>11,708</b>	14,164

- (i) The Group's share of the consolidated results of the JVC for the year is as follows:

Revenue	234,082	228,934
Profit before exceptional items	11,708	14,164
Exceptional items	(165)	(39)

- (ii) The Group's share of the consolidated assets and liabilities of the JVC is as follows:

Non-current assets	51,408	76,574
Current assets	66,155	77,369
Current liabilities	(29,046)	(34,851)
Long term liabilities	(28,081)	(33,830)
	<b>60,436</b>	85,262

# Notes to the Financial Statements

for the year ended 30 September 2008

## 18. ASSOCIATED COMPANIES

	THE GROUP		THE COMPANY	
	2008 (\$'000)	2007 (\$'000)	2008 (\$'000)	2007 (\$'000)
Unquoted investments, at cost	39,919	31,814	-	-
Quoted investments, at cost	265,127	180,676	-	-
Acquisition of interests	257,750	93,916	94,941	-
Provision for impairment	(47,955)	-	(11,400)	-
Share of net post acquisition reserves	94,051	89,664	-	-
	<b>608,892</b>	396,070	<b>83,541</b>	-
Loans owing from associated companies (unsecured)	29,342	32,084	-	-
	<b>638,234</b>	428,154	<b>83,541</b>	-

### MARKET VALUE

Quoted shares	234,862	343,401	55,103	-
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- (a) The loans owing from associated companies are interest-free, non-trade in nature and are not repayable within one year. They are treated like quasi-equity loans. The fair value of the loans is not determinable as the timing of future cash flows arising from the repayment of the loans cannot be estimated reliably. Accordingly, the loans are recorded at transaction price.
- (b) The amounts due from/to associated companies classified under current assets and current liabilities are unsecured, trade in nature, interest-free, to be settled in cash and are denominated mostly in Chinese Renminbi.
- (c) The summarised financial statements of the associated companies are as follows:

	THE GROUP	
	2008 (\$'000)	2007 (\$'000)
Revenue	2,327,804	876,574
Profit before exceptional items	110,252	81,043
Exceptional items	-	1,615
	<b>3,592,390</b>	1,257,953
Non-current assets	1,426,849	764,442
Current assets	(1,077,503)	(291,104)
Current liabilities	(1,241,980)	(484,704)
Long term liabilities	<b>2,699,756</b>	1,246,587

- (d) The results, assets and liabilities as stated in paragraph (c) above are based on the accounts of the associated companies to 30 September 2008.
- (e) The Group's share of capital commitments of the associated companies as at 30 September 2008 is \$12,633,000 (2007: \$1,788,000).
- (f) The Group's share of contingent liabilities of the associated companies as at 30 September 2008 is \$Nil (2007: \$Nil).

Impairment loss of \$47,955,000 (2007: \$Nil) and \$11,400,000 (2007: \$Nil) relating to investment in associated companies was recognised for the current year for the Group and Company respectively. This represents the write-down of the carrying values to the recoverable amounts. The recoverable amounts were estimated based on our value-in-use. The discount rates applied ranged from 9% to 9.9%.

Details of associated companies are included in Note 44.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 19. INTANGIBLE ASSETS

	THE GROUP				Total (\$'000)
	Goodwill (\$'000)	Deferred Development Costs (\$'000)	Management Contracts (\$'000)	Other Intangible Assets (\$'000)	
<b>For the year ended 30 September 2008</b>					
<b>At cost</b>					
Balance at beginning of year	239,085	91,319	3,848	21,000	355,252
Currency realignment	(425)	(4,004)	109	(11)	(4,331)
Additional expenditure during the year	-	22,297	-	1,412	23,709
Acquisition of subsidiary companies and additional interests in subsidiary companies	5,512	794	62,600	2,918	71,824
Acquisition of additional interests in joint venture companies	7,100	-	-	-	7,100
Disposals	(12,322)	-	-	-	(12,322)
Reclassified from fixed assets	-	-	-	635	635
Write off for the year	(77)	(676)	-	(14)	(767)
Balance at end of year	238,873	109,730	66,557	25,940	441,100
<b>Accumulated amortisation and impairment</b>					
Balance at beginning of year	-	56,798	-	6,050	62,848
Currency realignment	-	(2,763)	-	(18)	(2,781)
Amortisation charge for the year	-	20,173	490	3,039	23,702
Impairment charge for the year	-	412	-	-	412
Write off for the year	-	(597)	-	(14)	(611)
Balance at end of year	-	74,023	490	9,057	83,570
<b>Net book value</b>	238,873	35,707	66,067	16,883	357,530

# Notes to the Financial Statements

for the year ended 30 September 2008

## 19. INTANGIBLE ASSETS (cont'd)

	THE GROUP				Total (\$'000)
	Goodwill (\$'000)	Deferred Development Costs (\$'000)	Management Contracts (\$'000)	Other Intangible Assets (\$'000)	
<b>For the year ended 30 September 2007 (Restated)</b>					
<b>At cost</b>					
Balance at beginning of year	232,684	38,045	-	18,432	289,161
Currency realignment	(4,015)	(1,483)	-	(30)	(5,528)
Additional expenditure during the year	-	29,437	-	74	29,511
Acquisition of subsidiary companies and additional interests in subsidiary companies	9,607	-	3,848	1,190	14,645
Acquisition of additional interests in joint venture companies	2,088	-	-	-	2,088
Reclassification to fixed assets	-	-	-	(1,190)	(1,190)
Reclassification from inventories	-	29,094	-	-	29,094
Reclassification	-	(2,524)	-	2,524	-
Write off for the year	(1,279)	(1,250)	-	-	(2,529)
Balance at end of year	239,085	91,319	3,848	21,000	355,252
<b>Accumulated amortisation and impairment</b>					
Balance at beginning of year	-	15,253	-	2,696	17,949
Currency realignment	-	(297)	-	(13)	(310)
Amortisation charge for the year	-	18,775	-	2,350	21,125
Impairment charge for the year	-	124	-	-	124
Reclassification to fixed assets	-	-	-	(36)	(36)
Reclassification from inventories	-	23,002	-	-	23,002
Reclassification	-	-	-	1,053	1,053
Write off for the year	-	(59)	-	-	(59)
Balance at end of year	-	56,798	-	6,050	62,848
<b>Net book value</b>	239,085	34,521	3,848	14,950	292,404

Except for goodwill and management contract of \$62,600,000 acquired during the year, all intangible assets have finite useful lives of not more than 20 years.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 20. IMPAIRMENT TESTS FOR GOODWILL

The carrying value of the Group's goodwill arising from acquisitions of subsidiary and joint venture companies was assessed for impairment during the financial year.

	As at 30 Sep 2008 (\$'000)	Basis on which recoverable values are determined	Terminal growth rate	Pre-tax Discount rate
<b>Carrying value of capitalised goodwill based on cash generating units</b>				
Subsidiary companies:				
Printing and Publishing Group	27,448	Value-in-use	0%	5.5% – 12.1%
Dairies Group	2,645	Value-in-use	0%	7.6%
Soft Drinks Group	21,447	Fair value less cost to sell	-	-
	51,540			
Joint venture companies:				
Breweries Group	187,333	Value-in-use and Fair value less cost to sell	2%	11.5% – 24.0%
	238,873			
<b>Carrying value of capitalised goodwill based on cash generating units</b>				
Subsidiary companies:				
Printing and Publishing Group	22,496	Value-in-use	0%	7.0% – 7.8%
Dairies Group	2,787	Value-in-use	1%	7.1%
Soft Drinks Group	21,449	Fair value less cost to sell	-	-
	46,732			
Joint venture companies:				
Breweries Group	192,353	Value-in-use and Fair value less cost to sell	2%	8.1% – 15.4%
	239,085			

Goodwill is allocated for impairment testing purposes to the individual entity which is also the cash generating unit. The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management covering 3 to 5 year periods. Cash flows beyond these periods are extrapolated using the estimated growth rates stated in the table above. The fair value less costs to sell calculations are based on quoted market prices obtained from active markets.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 20. IMPAIRMENT TESTS FOR GOODWILL (cont'd)

The terminal growth rate used does not exceed the long term average growth rate of the respective industry and country in which the entity operates.

The discount rates applied to the cash flow projections are derived from the cost of capital plus a reasonable risk premium at the date of assessment of the respective cash generating units.

No impairment loss was required for the financial years ended 30 September for the goodwill assessed as their recoverable values were in excess of their carrying values.

## 21. OTHER INVESTMENTS

	THE GROUP		THE COMPANY	
	2008 (\$'000)	2007 (\$'000)	2008 (\$'000)	2007 (\$'000)
<b>Quoted</b>				
<b>Quoted available-for-sale financial assets</b>				
Non-equity investments				
At fair value	25,708	25,752	-	-
Equity investments				
At fair value	8,353	22,164	5,463	6,191
Quoted total	34,061	47,916	5,463	6,191
<b>Unquoted</b>				
<b>Unquoted available-for-sale financial assets</b>				
Non-equity investments				
At cost (less impairment loss)	1,106	692	-	-
At fair value	265	268	-	-
Equity investments				
At cost (less impairment loss)	105,274	5,054	14	14
At fair value	2,608	2,822	2,608	2,822
<b>Loan and receivables</b>				
Non-equity investments in company	9,128	9,066	-	-
Unquoted total	118,381	17,902	2,622	2,836
<b>Total</b>	<b>152,442</b>	<b>65,818</b>	<b>8,085</b>	<b>9,027</b>

- (a) The quoted non-equity investments carry interest rate of 6% (2007: 6%).
- (b) The unquoted non-equity investments carry interest rates of 10.4% (2007: 10.75% to 13.75%).
- (c) Certain unquoted investments do not have quoted market prices in an active market nor are other methods of reasonably estimating the fair values readily available. Hence it is not practicable to determine their fair value with sufficient reliability without incurring excessive costs.
- (d) Market value of quoted investments are determined by reference to stock exchange quoted prices.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 22. CASH AND BANK DEPOSITS

	THE GROUP		THE COMPANY	
	2008 (\$'000)	2007 (\$'000)	2008 (\$'000)	2007 (\$'000)
Cash and bank balances	403,057	305,585	356	1,794
Bank fixed deposits	629,882	845,209	39,200	29,977
	<b>1,032,939</b>	<b>1,150,794</b>	<b>39,556</b>	<b>31,771</b>

The weighted average effective interest rate for bank fixed deposits is 5.47% (2007: 4.48%).

Included in the Group's cash and bank balances, and bank fixed deposits are amounts of \$968,000 (2007: \$3,527,000) and \$309,156,000 (2007: \$445,846,000) respectively held under the Project Account Rules (1997 Ed), withdrawals from which are restricted to payments for development expenditure incurred on development properties held for sale.

As at 30 September 2008, the cash and bank deposits held by the Group are in the following major currencies: Chinese Renminbi – 21.7% (2007: 16.5%), US Dollars – 11.8% (2007: 9.5%) and Sterling Pound – 7.4% (2007: 2.5%).

## 23. BRANDS

	THE GROUP		THE COMPANY	
	2008 (\$'000)	2007 (\$'000)	2008 (\$'000)	2007 (\$'000)
<b>At cost</b>				
Balance at beginning of year	65,196	33,056	8,435	8,435
Currency realignment	(3,650)	86	-	-
Additions during the year	-	32,054	-	-
Balance at end of year	<b>61,546</b>	<b>65,196</b>	<b>8,435</b>	<b>8,435</b>
<b>Accumulated amortisation</b>				
Balance at beginning of year	12,933	12,015	8,435	8,435
Currency realignment	(255)	304	-	-
Amortisation for the year	729	614	-	-
Balance at end of year	<b>13,407</b>	<b>12,933</b>	<b>8,435</b>	<b>8,435</b>
<b>Net book value</b>	<b>48,139</b>	<b>52,263</b>	<b>-</b>	<b>-</b>

Included in the Group's brands are brands with indefinite useful life of carrying amount of \$44,230,000 (2007: \$47,481,000).

No impairment loss was required for the financial year ended 30 September 2008 as the recoverable value was in excess of the carrying amount.

The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management covering 3 to 5 year periods. The growth rate used does not exceed the average growth rate of the respective industry in which the brands operate. The discount rates applied to the cash flow projections are derived from the cost of capital plus a reasonable risk premium.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 24. PROPERTIES HELD FOR SALE

	THE GROUP	
	2008 (\$'000)	2007 (\$'000)
<b>(a) Development Properties Held for Sale</b>		
Freehold land		
At cost	<b>1,791,842</b>	1,846,800
At directors' valuation 1996	<b>99,000</b>	99,000
Leasehold land, at cost	<b>1,676,591</b>	1,165,127
Development expenditure	<b>1,923,176</b>	1,887,320
Property tax	<b>36,279</b>	29,397
Interest cost	<b>315,281</b>	186,785
Currency realignment	<b>(73,433)</b>	27,064
	<b>5,768,736</b>	5,241,493
Allowance for foreseeable losses	<b>(60,771)</b>	(49,727)
Accumulated amortisation	<b>(1,240)</b>	(1,240)
	<b>5,706,725</b>	5,190,526
Development profit	<b>572,180</b>	595,723
	<b>6,278,905</b>	5,786,249
Progress payments received and receivable	<b>(1,820,744)</b>	(1,819,186)
	<b>4,458,161</b>	3,967,063
Transfer to completed properties held for sale	<b>(303,645)</b>	(178,250)
Transfer to investment properties	<b>(991)</b>	-
	<b>4,153,525</b>	3,788,813
<b>(b) Completed Properties Held for Sale</b>		
<b>At cost</b>		
Balance at beginning of year	<b>172,317</b>	200,822
Currency realignment	<b>(15,920)</b>	596
Transfer from development properties held for sale	<b>308,717</b>	180,573
Acquisition of subsidiary companies	-	22,366
Cost adjustments	<b>(871)</b>	(7,268)
Sold during the year	<b>(33,922)</b>	(224,772)
Balance at end of year	<b>430,321</b>	172,317
<b>Less: Allowance for foreseeable losses</b>		
Balance at beginning of year	<b>2,926</b>	22,429
Currency realignment	<b>(828)</b>	(99)
Allowance for the year	<b>140</b>	-
Transfer from development properties held for sale	<b>5,072</b>	2,323
Sold during the year	<b>(201)</b>	(21,727)
Balance at end of year	<b>7,109</b>	2,926
<b>Net book value</b>	<b>423,212</b>	169,391
<b>Total Properties Held for Sale</b>	<b>4,576,737</b>	3,958,204

# Notes to the Financial Statements

for the year ended 30 September 2008

## 24. PROPERTIES HELD FOR SALE (cont'd)

Interest capitalised during the year was \$142,813,000 (2007: \$82,105,000). A capitalisation rate of between 1.62% and 14.00% (2007: 2.16% and 10.00%) per annum was used, representing the borrowing cost of the loans used to finance the projects.

As at 30 September 2008, the bank loans drawn down amounted to \$1,045,227,000 (2007: \$637,331,000).

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

(ii) Development properties held for sale include:

### Singapore

- One Jervis – freehold land of approximately 11,668.3 sqm at Lots 803V, 787V, 788P and on Town Subdivision 24 at Jervis Road/Close and Nos. 5, 5A, 6 and 6A at Jervis Road for the development of 275 condominium units of approximately 33,716.8 sqm of gross floor area for sale.
- 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 19,137.0 sqm of gross floor area for sale.
- One St Michael's – freehold land of approximately 5,227.0 sqm at MK17 Lot 3309 situated at St Michael's Road for the development of 131 condominium units of approximately 15,288.0 sqm of gross floor area for sale.
- The Infiniti – freehold land of approximately 23,018.6 sqm at Lot 3385K of Mukim 5 at 89 West Coast Park (Clementi Planning Area) for a residential development comprising 315 condominium units of approximately 36,973.0 sqm of gross floor area for sale.
- St Thomas Suites – freehold land of approximately 12,991.8 sqm at Lots 99709T and 112N TS 21 situated at St Thomas Walk for the development of 176 condominium units of approximately 38,122.3 sqm of gross floor area for sale.
- Clementi Woods – leasehold land (99-year tenure commencing 7 February 2006) of approximately 20,062.0 sqm at Lot 1201K MK 3 situated at 50 West Coast Road for the development of 240 condominium units of approximately 31,560.5 sqm of gross floor area for sale.
- Martin Place Residences – freehold land of approximately 12,992.3 sqm at TS 21 on Lots 317K-PT, 318N-PT, 453A, 454K, 457L-PT, 752K-PT, 1090N-PT and 1111T-PT at Kim Yam Road for the development of approximately 302 units of 39,123.5 sqm of gross floor area for sale.
- Soleil @ Sinaran – leasehold land (99-year tenure commencing 23 October 2006) of approximately 12,468.4 sqm at Lot(s) 931T TS 29 Sinaran Drive for the development of 417 units of approximately 44,877.7 sqm of gross floor area for sale.
- 50% proportionate share of a leasehold land (Plot B1 and B2 have 99-year tenure commencing 31 October 2007 while Plot A1 and A2 have 99-year tenure commencing 1 January 1985 which will be revised) of approximately 75,164.7sqm at Lots 6182W and 6183V Mukim 28 Bedok Reservoir Road for the development of approximately 1,493 units of approximately 202,716.5 sqm of gross floor area for sale.
- Freehold land of approximately 5,590.0 sqm at MK 22 on Lot 9339C Yio Chu Kang Road/Sirat Road for a residential development of approximately 68 units of approximately 7,827.0 sqm of gross floor area for sale.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 24. PROPERTIES HELD FOR SALE (cont'd)

(ii) Development properties held for sale include: (cont'd)

### Singapore (cont'd)

- (11) Woodville 28 – leasehold land (99-year tenure commencing 15 October 2007) of approximately 3,870.0 sqm on Lot 9684M Mukim 17 at Woodville Close for the development of 110 condominium units of approximately 11,015.0 sqm of gross floor area for sale.
- (12) Leasehold land (99-year tenure commencing 1 March 2008) of approximately 22,000.0 sqm on Lots 4216T, 4217A, 4218K MK 06 at Boon Lay Way/Lakeside Drive for the development of approximately 712 condominium units of approximately 77,003.0 sqm of gross floor area for sale.
- (13) Freehold land of approximately 2,801.1 sqm at Lots 3655K and 3654A Mukim 2 at Holland Park for the development of 2 good class bungalows for sale.
- (14) Freehold land of approximately 31,161.0 sqm at Lot 06495W MK27 Siglap Road for the development of approximately 320 condominium units of approximately 45,237.0 sqm of gross floor area for sale.
- (15) Leasehold land (99-year tenure commencing 22 September 2008) of approximately 10,774.0 sqm on Lot Q949W MK17 Woodleigh Close for the development of approximately 300 condominium units of approximately 30,167.0 sqm of gross floor area for sale.

### Vietnam

- (16) 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 11,845.0 sqm of gross floor area for sale.

### Australia

- (17) Freehold land of approximately 193 hectares situated at Wanjeep Street, Mandurah, Western Australia for a proposed mixed development of approximately 1,350 residential and commercial units of a total of approximately 192,500.0 sqm of gross floor area for sale.
- (18) Freehold land of approximately 1.19 hectares situated at East Perth, Australia for a proposed mixed development comprising approximately 288 private apartment units, 166 serviced suites and commercial space of a total of approximately 42,000.0 sqm of gross floor area for sale.
- (19) Freehold land of approximately 4,022.0 sqm situated at 25-29 Lorne Avenue, Killara, Sydney, Australia for a proposed development comprising 40 apartments of approximately 6,671.0 sqm of gross floor area for sale.
- (20) Freehold land of approximately 4.8 hectares situated at Morton Street, Parramatta, Sydney, Australia for a proposed development of approximately 550 apartment units for sale.
- (21) Freehold land of approximately 0.74 hectares situated in Camperdown's City Quarter, Sydney, Australia for a proposed development of approximately 415 apartment units of a total of approximately 40,400.0 sqm of gross floor area for sale.
- (22) Freehold land of approximately 5.8 hectares situated at Broadway Sydney, Australia for a proposed mixed development comprising about 105,000.0 sqm of commercial space and about 1,300 residential apartment units for sale.
- (23) Freehold land of approximately 6,215.0 sqm situated at 3,5,7 Lorne Avenue, Killara, Sydney, Australia for a proposed development comprising 66 apartment units of approximately 7,997.0 sqm of gross floor area for sale.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 24. PROPERTIES HELD FOR SALE (cont'd)

(ii) Development properties held for sale include: (cont'd)

### New Zealand

- (24) Freehold land of approximately 6,831.0 sqm in the South Island, Queenstown, New Zealand for a proposed development of 24 luxury residential apartments of approximately 6,250.0 sqm of gross floor area for sale.
- (25) Freehold land of approximately 27 hectares located in Tauranga in the Bay of Plenty, New Zealand for a proposed development of approximately 686 houses and apartments and a beach front condominium complex of approximately 102,900.0 sqm of gross floor area for sale.

### United Kingdom

- (26) Freehold land of approximately 40,015.0 sqm on the south bank of River Thames, London, United Kingdom for a proposed residential and commercial development of 395 residential units and ancillary office and retail space of a total of approximately 41,203.0 sqm of gross floor area for sale for Phase 3 of the Wandsworth Riverside Development.
- (27) Freehold land of approximately 1,901.0 sqm situated at 143-161 Wandsworth Road, London, United Kingdom, for a proposed residential and commercial development of approximately 94 residential units and ancillary office and retail space of a total of approximately 8,219.0 sqm of gross floor area for sale.
- (28) Freehold land of approximately 3,400.0 sqm situated at 1-6 Camberwell Green and 307-311 Camberwell New Road SE5, London, United Kingdom, for a proposed residential development of approximately 130 units and ancillary office and retail space of a total of approximately 11,614.0 sqm of gross floor area for sale.
- (29) Freehold land of approximately 5,385.0 sqm situated at Shoppenhangers Lane, Maidenhead, United Kingdom, for a proposed residential development of approximately 28 units of approximately 2,397.0 sqm of gross floor area for sale.
- (30) Freehold land of approximately 2,165.0 sqm situated at Collins Theatre, Islington, United Kingdom, for a proposed residential development of approximately 72 units and commercial space of a total of approximately 3,026.0 sqm of gross floor area for sale.
- (31) 50% proportionate share of a freehold land of approximately 19,838.0 sqm situated at Leith Walk, Edinburgh, United Kingdom, for a proposed residential and commercial development of approximately 356 residential units and ancillary office and retail space of a total of approximately 25,951.0 sqm of gross floor area for sale.
- (32) 50% proportionate share of a freehold land of approximately 8,299.0 sqm situated at Granton Harbour, Leith, United Kingdom, for a proposed residential development of approximately 120 apartments of approximately 10,648.0 sqm of gross floor area for sale.
- (33) 50% proportionate share of a freehold land of approximately 1,619.0 sqm situated at Water Street, Edinburgh, United Kingdom, for a proposed residential and commercial development of 36 refurbished apartments and 8 new build apartments, together with office space of a total of approximately 4,514.0 sqm of gross floor area for sale.
- (34) 50% proportionate share of a freehold land of approximately 26,315.0 sqm situated at Ferry Village, Renfrew, Glasgow, United Kingdom, for a proposed residential development of approximately 177 apartments and 13 townhouses of a total of approximately 16,116.0 sqm of gross floor area for sale.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 24. PROPERTIES HELD FOR SALE (cont'd)

(ii) Development properties held for sale include: (cont'd)

### United Kingdom (cont'd)

- (35) Freehold land of approximately 4,037.0 sqm situated at St Giles Street, Edinburgh, United Kingdom for a proposed development of approximately 73 residential apartments for sale.
- (36) 45% proportionate share of a freehold land of approximately 3,644.0 sqm situated between Wellington Street and Whitehall Road, Leeds, United Kingdom for a proposed mixed development of 608 private residential units, 206 service apartments and ancillary office and retail space for sale.
- (37) Freehold land of approximately 3,158.0 sqm situated at Brown Street, Glasgow, United Kingdom, for a proposed development of approximately 288 residential units and commercial space with 22,629.0 sqm of gross floor area for sale.
- (38) Freehold land of approximately 5,870.0 sqm situated at Baildon, United Kingdom, for a proposed residential development of approximately 120 units with approximately 7,264.0 sqm of gross floor area for sale.

### China

- (39) Leasehold land (50-year tenure commencing 22 August 1999) of approximately 633,153.0 sqm situated at Teng Qiao River, Hai Tang Bay, Hainan, China for a low density resort and tourist development of a total of approximately 67,997.0 sqm of gross floor area for sale.
- (40) Leasehold land (70-year tenure commencing 27 December 2004) of approximately 314,501.0 sqm situated in Gongye Yuan District, Nan Shi Jie Dong, Suzhou, China for a residential development of a total of approximately 555,000.0 sqm of gross floor area for sale.
- (41) Leasehold land (70-year tenure commencing 6 December 2003) of approximately 711,101.0 sqm located near the future Light Rapid Transit station at Si Chen Road in Song Jiang district, Shanghai, China for a composite development with a total of approximately 837,291.0 sqm of gross floor area for sale.
- (42) Leasehold land (50-year tenure commencing 19 September 2007) of approximately 195,846.0 sqm situated in Chengdu, China for a proposed industrial/commercial development with a total of approximately 652,277.0 sqm of gross floor area for sale.

### Thailand

- (43) 49% proportionate share of The Pano – freehold land of approximately 40,608.0 sqm situated at Rama III Road, Bangkok, Thailand which is separated into phase 1 of 19,062.0 sqm and phase 2 and 3 of 26,546.0 sqm. Phase 1 consists of development of 397 condominium units of approximately 62,322.0 sqm of gross floor area for sale.

### Malaysia

- (44) Freehold land of approximately 25,659.0 sqm at Jalan Yew, Kuala Lumpur, Malaysia for the development of commercial buildings with retail space, city campus and hostel, hotels and carparks with a total of approximately 163,357.0 sqm of gross floor area for sale.
- (45) Freehold land of approximately 6,313.0 sqm at Jalan Ampang, Kuala Lumpur, Malaysia for a proposed development of serviced apartments and office suites.
- (46) Freehold land of approximately 245,283.0 sqm at Mukim Hulu Semenyih, District of Hulu Langat, Selangor, Malaysia for a proposed development of residential properties.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 24. PROPERTIES HELD FOR SALE (cont'd)

(ii) Development properties held for sale include: (cont'd)

### Malaysia (cont'd)

- (47) Freehold land of approximately 12,268.0 sqm at Johor Bahru, State of Johor, Malaysia for a proposed development of commercial properties.
- (48) Freehold land of approximately 3,788.0 sqm at Jalan Yew, Kuala Lumpur, Malaysia.

## 25. INVENTORIES

	THE GROUP					
	2008 At net realisable At cost (\$'000)	2008 At net realisable value (\$'000)	Total (\$'000)	2007 At net realisable At cost (\$'000)	2007 At net realisable value (\$'000)	Total (\$'000)
Containers	35,916	1,277	37,193	27,561	439	28,000
Raw materials	86,779	41,166	127,945	139,000	19,534	158,534
Manufactured inventories	119,125	26,929	146,054	126,341	21,492	147,833
Engineering spares, work-in-progress and other inventories	71,081	3,460	74,541	68,222	10,347	78,569
Packaging materials	25,987	2,264	28,251	25,306	2,236	27,542
Goods purchased for resale	26,333	28,185	54,518	11,463	28,122	39,585
	<b>365,221</b>	<b>103,281</b>	<b>468,502</b>	397,893	82,170	480,063

- (a) Write back of allowance for inventory obsolescence during the year amounted to \$3,190,000 (2007: \$2,906,000).
- (b) Inventories of \$1,495,000 (2007: \$977,000) of the Group's joint venture company is secured against its bank overdrafts.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 26. TRADE RECEIVABLES AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2008 (\$'000)	2007 (\$'000)	2008 (\$'000)	2007 (\$'000)
<b>Trade receivables</b>	<b>714,058</b>	863,967	-	-
<b>Other receivables:</b>				
<b>Current</b>				
Accrued income	5,217	2,846	6	265
Prepayments	148,605	213,121	7	4
Deposits paid	11,145	50,460	-	-
Tax recoverable	23,718	38,807	-	-
Staff loans	6,171	6,872	-	-
Loans to related parties	7,555	61,317	-	-
Amount receivable from joint venture partners	15,347	13,102	-	-
Derivative financial instruments (Note 27)	4,605	5,529	3,188	4,831
Advanced project cost paid	5,881	2,153	-	-
Sundry debtors	28,956	43,194	-	-
Other receivables	26,138	47,165	3	-
	<b>283,338</b>	484,566	<b>3,204</b>	5,100
	<b>997,396</b>	1,348,533	<b>3,204</b>	5,100
<b>Non current</b>				
Prepayments	10,910	12,808	-	-
Staff loans	1,511	1,414	-	-
Other receivables	6,783	8,009	-	-
	<b>19,204</b>	22,231	-	-
	<b>1,016,600</b>	1,370,764	<b>3,204</b>	5,100

- (a) Included in trade receivables is an amount of \$229,174,000 (2007: \$393,328,000) 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.
- (b) As at 30 September 2008, the trade receivables and other receivables held by the Group are in the following major currencies: Chinese Renminbi – 13.3% (2007: 18.1%), Malaysia Ringgit – 17.3% (2007: 12.7%) and United States Dollars – 7.0% (2007: 4.0%).

# Notes to the Financial Statements

for the year ended 30 September 2008

## 26. TRADE RECEIVABLES AND OTHER RECEIVABLES (cont'd)

### Trade receivables that are past due but not impaired

The Group has trade receivables amounting to \$195,740,000 (2007: \$170,831,000) that are past due at balance sheet date but not impaired. These receivables are unsecured and the aging analysis at the balance sheet date is as follows:

	THE GROUP	
	2008 (\$'000)	2007 (\$'000)
Trade receivables past due:		
1 to 30 days	141,423	118,926
31 to 60 days	21,800	28,385
61 to 90 days	11,402	8,162
91 to 120 days	6,234	4,513
more than 120 days	14,881	10,845
	<b>195,740</b>	170,831

### Trade receivables that are impaired

The Group's trade receivables that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:

	THE GROUP			
	Collectively impaired 2008 (\$'000)	2007 (\$'000)	Individually impaired 2008 (\$'000)	2007 (\$'000)
Trade receivables – nominal amounts	11,907	7,346	14,213	31,729
Less: Allowance for impairment	(2,129)	(329)	(10,240)	(13,792)
	<b>9,778</b>	7,017	<b>3,973</b>	17,937
Movement in allowance accounts:				
At 1 October	329	478	13,792	14,556
Charge for the year	1,632	(54)	981	6,351
Disposal of subsidiary	-	-	-	(1,716)
Written off	(5)	(8)	(3,571)	(5,233)
Exchange difference	173	(87)	(962)	(166)
At 30 September	<b>2,129</b>	329	<b>10,240</b>	13,792

Trade receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

## Notes to the Financial Statements

for the year ended 30 September 2008

### 27. DERIVATIVE FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
	2008 (\$'000)	2007 (\$'000)	2008 (\$'000)	2007 (\$'000)
<b>Assets</b>				
Interest rate swap	3,188	4,866	3,188	4,831
Forward currency contracts	1,417	663	-	-
	<b>4,605</b>	<b>5,529</b>	<b>3,188</b>	<b>4,831</b>
<b>Liabilities</b>				
Interest rate swap	7,000	3,319	2,218	3,069
Forward currency contracts	1,371	635	-	-
	<b>8,371</b>	<b>3,954</b>	<b>2,218</b>	<b>3,069</b>
<b>Net position</b>	<b>(3,766)</b>	<b>1,575</b>	<b>970</b>	<b>1,762</b>

### 28. SHORT TERM INVESTMENTS

	THE GROUP		THE COMPANY	
	2008 (\$'000)	2007 (\$'000)	2008 (\$'000)	2007 (\$'000)
<b>Quoted</b>				
<b>Quoted available-for-sale financial assets</b>				
Equity investments at fair value	137,891	298,020	-	-
Non-equity investments at fair value	-	181	-	-
	<b>137,891</b>	<b>298,201</b>	<b>-</b>	<b>-</b>
<b>Unquoted</b>				
<b>Available-for-sale financial assets</b>				
Non-equity investments at fair value	-	19,997	-	19,997
<b>Loans and receivables</b>				
Non-equity investments at cost	3,220	3,850	-	-
	<b>3,220</b>	<b>23,847</b>	<b>-</b>	<b>19,997</b>
<b>Total</b>	<b>141,111</b>	<b>322,048</b>	<b>-</b>	<b>19,997</b>

Included in non-equity investments are notes with interest rates of 8.9% to 11.9% (2007: 3.6% to 13.8%) per annum and maturing within the next 12 months.

## Notes to the Financial Statements

for the year ended 30 September 2008

### 29. ASSETS AND LIABILITIES HELD FOR SALE

In June 2008, the Group's joint venture company entered into an agreement to sell its entire shareholding interest in a joint venture company for a consideration of US\$38 million (approximately S\$54 million).

	THE GROUP	
	2008 (\$'000)	2007 (\$'000)
<b>Assets</b>		
Non-current assets	-	98,545
Current assets	27,086	22,579
	<b>27,086</b>	<b>121,124</b>
<b>Liabilities</b>		
Non-current liabilities	-	(3,105)
Current liabilities	-	(16,172)
	<b>-</b>	<b>(19,277)</b>
<b>Net assets held for sale</b>	<b>27,086</b>	<b>101,847</b>

### 30. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2008 (\$'000)	2007 (\$'000)	2008 (\$'000)	2007 (\$'000)
<b>Trade payables</b>	<b>576,592</b>	<b>506,985</b>	<b>-</b>	<b>-</b>
<b>Other payables:</b>				
<b>Current</b>				
Advances from joint venture partners	22,432	41,573	-	-
Interest payable	38,077	34,945	5,543	6,261
Accrued operating expenses	179,065	185,928	1,086	1,274
Sundry accruals	119,847	89,963	259	130
Sundry deposits	64,095	47,660	-	-
Staff costs payable	77,200	72,841	-	-
Accrual for unconsumed leave	11,083	10,128	-	-
Amounts due to minority shareholders of subsidiary companies	58,468	60,042	-	-
Deferred income	9,524	4,029	-	-
Provisions	9,211	10,284	-	-
Derivative financial instruments (Note 27)	8,371	3,954	2,218	3,069
Other payables	63,020	98,413	2,197	4,077
	<b>660,393</b>	<b>659,760</b>	<b>11,303</b>	<b>14,811</b>
	<b>1,236,985</b>	<b>1,166,745</b>	<b>11,303</b>	<b>14,811</b>
<b>Non-current</b>				
Amounts due to minority shareholders of subsidiary companies	1,404	3,840	-	-
Sundry payables	8,633	14,429	-	-
	<b>10,037</b>	<b>18,269</b>	<b>-</b>	<b>-</b>
	<b>1,247,022</b>	<b>1,185,014</b>	<b>11,303</b>	<b>14,811</b>

# Notes to the Financial Statements

for the year ended 30 September 2008

## 30. TRADE AND OTHER PAYABLES (cont'd)

- (a) Advances from joint venture partners are non-trade in nature, unsecured, interest-free and have no fixed terms of repayment.
- (b) As at 30 September 2008, the trade and other payables held by the Group are in the following major currencies: Malaysia Ringgit – 14.4% (2007: 17.9%), Chinese Renminbi – 18.3% (2007: 15.1%) and United States Dollars – 5.7% (2007: 6.9%).

## 31. BORROWINGS

	Weighted average effective interest rate %	Notes	THE GROUP		THE COMPANY	
			2008 (\$'000)	2007 (\$'000)	2008 (\$'000)	2007 (\$'000)
<b>Repayable within one year:</b>						
<b>Unsecured</b>						
Bank loans	3.40		1,153,313	1,315,667	299,960	-
Bank overdrafts	13.90		12,871	12,431	-	-
			<b>1,166,184</b>	1,328,098	<b>299,960</b>	-
Term loans	3.04	(c)	<b>345,679</b>	450,786	-	-
<b>Secured</b>						
Bank loans	6.31	(b)	566,628	653,809	-	-
Bank overdrafts		(b)	-	177	-	-
			<b>566,628</b>	653,986	-	-
Term loans			-	3,009	-	-
Finance leases			1,085	1,242	-	-
			<b>2,079,576</b>	2,437,121	<b>299,960</b>	-
<b>Repayable after one year:</b>						
<b>Unsecured</b>						
Bank loans	4.96		531,025	74,756	-	-
Term loans	3.77		1,741,260	1,369,470	349,814	649,470
<b>Secured</b>						
Bank loans	7.64	(b)	808,858	756,240	-	-
Term loans	4.02	(b)	272,902	274,745	-	-
Finance leases			1,214	1,728	-	-
		(e)	<b>3,355,259</b>	2,476,939	<b>349,814</b>	649,470
<b>Total</b>			<b>5,434,835</b>	4,914,060	<b>649,774</b>	649,470
<b>Fair value</b>		(d)	<b>5,425,608</b>	4,922,693	<b>645,502</b>	651,384
<b>Notes</b>						
(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.					

# Notes to the Financial Statements

for the year ended 30 September 2008

## 31. BORROWINGS (cont'd)

- (b) The secured bank loans, overdrafts and term loans 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.

A subsidiary company's issue of 330,000 redeemable non-voting Class A Preference Shares of an aggregate value of \$330,000,000 (2007: \$330,000,000) are classified as bank borrowings in the consolidated financial statements of the Group.

- (c) Included in the term loans is a loan from the Group's associated company and bear interest rate of 8.7% (2007: 8.4%) per annum.
- (d) The carrying amounts of bank borrowings and finance leases 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 bank loans of \$1,856,548,000 (2007: \$1,478,661,000) which have a fair value of \$1,847,321,000 (2007: \$1,487,294,000).

The aggregate fair value of term loans are determined by reference to market value.

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

	THE GROUP		THE COMPANY	
	2008 (\$'000)	2007 (\$'000)	2008 (\$'000)	2007 (\$'000)
Between 1 and 2 years	1,218,535	1,080,171	199,814	299,757
Between 2 and 5 years	1,788,741	1,239,291	-	199,713
After 5 years	347,983	157,477	150,000	150,000
	<b>3,355,259</b>	2,476,939	<b>349,814</b>	649,470

- (f) As at 30 September 2008, the borrowings held by the Group are in the following major currencies: US Dollars – 11.5% (2007: 6.4%), Australia Dollars – 10.2% (2007: 13.8%) and Sterling Pounds – 10.2% (2007: 10.0%).

- (g) As at 30 September 2008, 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 2008 and include the effect of related interest rate swaps.

## 32. PROVISION FOR EMPLOYEE BENEFITS

	THE GROUP	
	2008 (\$'000)	2007 (\$'000)
Balance at beginning of year	18,811	21,882
Currency realignment	(1,237)	(30)
Acquisition/(Disposal) of subsidiary companies	7	(2,085)
Write back during the year	(1,031)	(2,497)
Provision for the year	5,072	7,395
Payment for the year	(2,858)	(5,953)
Transfer	-	99
Balance at end of year	<b>18,764</b>	18,811

# Notes to the Financial Statements

for the year ended 30 September 2008

## 32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

### (a) 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, Cambodia, Sri Lanka, the USA and Europe.

### (b) Defined Benefit Plan

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

The major assumptions used by the qualified independent actuaries were:

	THE GROUP	
	2008	2007
Rate of increase in salaries	3.5% to 5.0%	3.5% to 5.0%
Expected rate of return on assets	5.0%	5.0% to 9.3%
Discount rate	4.5% to 6.5%	4.0% to 5.9%

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

	2008 (\$'000)	2007 (\$'000)
<b>Net benefit expense</b>		
Benefits earned during the year	654	759
Interest (income)/cost on benefit obligation	(651)	3,004
Net actuarial gain/(loss)	1,828	(2,751)
Curtailment loss	(31)	(48)
Transition obligation recognised	(250)	127
Settlement gain	-	(1,173)
Net benefit expense/(income)	1,550	(82)
<b>Benefit liability</b>		
Present value of benefit obligation	39,165	44,397
Fair value of plan assets	(21,211)	(29,714)
Unfunded benefit obligation	17,954	14,683
Unrecognised net actuarial gain/(loss)	1,683	(576)
Unrecognised transition obligation	498	-
Provision	(679)	-
Benefit liability	19,456	14,107
Present value of unfunded benefit obligation	15,180	15,900
Present value of funded benefit obligation	23,985	28,497
	39,165	44,397

# Notes to the Financial Statements

for the year ended 30 September 2008

## 32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

### (b) Defined Benefit Plan (cont'd)

The following table summarises the components of benefit liabilities/(asset) not taken up in the Group's consolidated financial statements:

	THE GROUP	
	2008 (\$'000)	2007 (\$'000)
<b>Benefit liabilities/(asset)</b>		
Present value of benefit obligation	10,207	12,396
Fair value of plan assets	(10,325)	(13,862)
Unfunded benefit obligation	(118)	(1,466)
Unrecognised net actuarial loss	158	770
Benefit liabilities/(asset)	40	(696)

### (c) Long Service Leave/Severance Allowances/Gratuity

Long service leave, severance allowances and gratuity are provided by joint venture companies based on the number of years of service the employees have rendered at the end of each financial year as required by local legislation in Vietnam, Papua New Guinea, Cambodia and Sri Lanka.

### (d) Share Options

The equity-based equity-settled share option schemes of the Group are:

			Approval by Shareholders
(i)	Fraser and Neave, Limited Executives' Share Option Scheme, 1989.	("1989 Scheme")	7 August 1989
(ii)	Fraser and Neave, Limited Executives' Share Option Scheme, 1999.	("1999 Scheme")	30 September 1999
(iii)	Asia Pacific Breweries Limited Executives' Share Option Scheme.	("APBL Scheme")	21 February 1995
(iv)	Fraser & Neave Holdings Bhd Executives' Share Option Scheme.	("F&NHB Scheme")	-
(v)	Fraser's Property (China) Limited's Share Option Scheme.	("FPCL Scheme")	20 May 2003
(vi)	Fraser & Neave Holdings Bhd Executives' Share Option Scheme.	("F&NHB 2007 Scheme")	5 April 2007

The options granted under the above schemes are for a term of no longer than 10 years from date of grant.

#### Information Regarding the 1989 Scheme, 1999 Scheme, APBL Scheme and F&NHB Scheme

- The exercise price is equal to the market value of a share based on the average of the last done price on the exchange which the respective shares are traded, for the five market days preceding the option offer date.
- The grantee may exercise an option during the exercise period which commences 33 months after the offer date.
- Options expire 119 months after the offer date, except for F&NHB Scheme options which expire 59 months after the option offer date.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

### (d) Share Options (cont'd)

#### Information Regarding F&NHB 2007 Scheme

- (i) The maximum number of new ordinary shares of RM1.00 each in the Company which may be issued on the exercise of the F&NHB 2007 Scheme shall not exceed 10% of the issued and paid-up share capital of F&NHB at any point of time throughout the duration of the F&NHB 2007 Scheme.
- (ii) Eligible full-time executives of the Group and Executive Directors of the Company with at least one year service shall be eligible to participate in the ESOS.
- (iii) The allotment of an Eligible Executive shall not exceed the maximum limits for any specific job grade in any one financial year and 1,000,000 new shares of the Company during the tenure of the F&NHB 2007 Scheme, subject to the limits below:
  - (1) not more than 50% of the new shares of F&NHB available under the F&NHB 2007 Scheme shall be allocated, in aggregate, to the Directors and senior management of the Group; and
  - (2) not more than 10% of the new shares of the Company available under the F&NHB 2007 Scheme shall be allocated to any individual Eligible Executive who, either singly or collectively through persons connected to that Eligible Executive, holds 20% or more of the issued and paid-up share capital of the Company.
- (iv) The option price shall be the five days weighted average market price of the Company's shares as quoted on Bursa Malaysia Securities Bhd immediately preceding the date of the offer, or the par value of the shares of F&NHB, whichever is higher.
- (v) The F&NHB 2007 Scheme shall be in force for a period of 10 years from the effective date for the implementation of the F&NHB 2007 Scheme.

#### Information Regarding FPCL Scheme

- (i) The exercise price will be determined by FPCL Board, but shall not be less than the highest of:
  - (1) the closing price as stated in the daily quotation sheet of the Stock Exchange of Hong Kong Limited ("HKEX") on the date of grant, which must be a trading day;
  - (2) the average closing prices as stated in the HKEX's daily quotation sheets for the five trading days immediately preceding the date of grant; and
  - (3) the nominal value of FPCL share.
- (ii) The exercise period of the FPCL options granted is determinable by the FPCL Board and commences on a specified date and ends on a date which is not later than 10 years from the date of grant of the FPCL options.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

### (d) Share Options (cont'd)

#### Information Regarding FPCL Scheme (cont'd)

- (iii) The vesting period of the share options is in the following manner:

Vesting Schedule	Percentage of shares over which a share option is exercisable	
	Granted before 2004 (%)	Granted on or after 2004 (%)
Before the first anniversary of the date of grant	Nil	Nil
On or after the first but before the second anniversary of the date of grant	25	40
On or after the second but before the third anniversary of the date of grant	25	30
On or after the third but before the fourth anniversary of the date of grant	25	30
On or after the fourth anniversary of the date of grant	25	NA

In relation to the share options, if the grantee, during any of the periods specific above, exercise that share options for such number of shares which, in aggregate, represents less than the number of shares for which the eligible participant may exercise in respect of such period, the balance of the share comprised in that share option for which the grantee could have exercised (but did not exercise) in that period shall be carried forward and added to the number of shares which the grantee may exercise in the next succeeding period or periods.

Information with respect to the number of options granted under the respective share options scheme is as follows:

#### Fraser & Neave, Limited Executives' Share Option Schemes (1989 and 1999)

Options	Offer Date	Balance as at 1.10.2007 or Offer Date if later	Options Exercised/ Lapsed	Balance as at 30.9.2008	Exercise Price	Exercise Period
<b>1989 Scheme</b>						
1999	23.12.1998	37,925	(37,925)	-	\$0.77	23.09.2001 – 22.11.2008
<b>1999 Scheme</b>						
Year 3	08.10.2001	128,960	-	128,960	\$1.40	09.07.2004 – 08.09.2011
Year 3A	28.01.2002	15	(15)	-	\$1.56	29.10.2004 – 28.12.2011
Year 3B	02.07.2002	541,800	(541,800)	-	\$1.56	03.04.2005 – 02.06.2012
Year 4	01.10.2002	2,023,050	(1,461,925)	561,125	\$1.51	01.07.2005 – 31.08.2012
Year 5	08.10.2003	4,300,640	(1,103,155)	3,197,485	\$2.12	08.07.2006 – 07.09.2013
Year 6	08.10.2004	7,750,370	(2,251,265)	5,499,105	\$2.82	08.07.2007 – 07.09.2014
Year 7	10.10.2005	10,765,685	(2,099,495)	8,666,190	\$3.46	10.07.2008 – 09.09.2015
Year 8	10.10.2006	10,877,060	(1,668,357)	9,208,703	\$4.22	10.07.2009 – 09.09.2016
Year 9	10.10.2007	11,708,107	(742,506)	10,965,601	\$5.80	10.07.2010 – 09.09.2017
		48,133,612	(9,906,443) <sup>1</sup>	38,227,169		

The fair value of options granted during the year was \$1.34 (2007: \$0.94).

The weighted average share price for options exercised during the year was \$4.93 (2007: \$5.09).

Note:

<sup>1</sup> Exercised (6,149,210); Lapsed due to Resignations and Non-acceptance (3,757,233).

# Notes to the Financial Statements

for the year ended 30 September 2008

## 32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

### (d) Share Options (cont'd)

#### Fraser & Neave Holdings Bhd Executives' Share Option Scheme

Options	Offer Date	Balance as at 1.10.2007 or Offer Date if later	Options Excercised/ Lapsed	Balance as at 30.9.2008	Exercise Price	Exercise Period
2003	21.11.2002	38,600	(38,600)	-	RM 3.49	21.08.2005 – 20.10.2007
2004	24.11.2003	205,800	(178,300)	27,500	RM 3.83	24.08.2006 – 23.10.2008
2005	24.11.2004	1,634,900	(1,411,200)	223,700	RM 4.89	24.08.2007 – 23.10.2009
2006	26.08.2005	2,119,400	(1,372,400)	747,000	RM 5.54	27.05.2008 – 26.07.2010
2007	26.09.2006	2,165,400	(177,400)	1,988,000	RM 6.12	27.06.2009 – 26.08.2011
		6,164,100	(3,177,900) <sup>2</sup>	2,986,200		

The scheme has expired and therefore no options were granted during the year.  
The weighted average share price for options exercised during the year was RM8.31 (2007: RM7.23).

#### Fraser & Neave Holdings Bhd Executives' Share Option Scheme ("F&NHB 2007 Scheme")

Options	Offer Date	Balance as at 1.10.2007 or Offer Date if later	Options Lapsed	Balance as at 30.9.2008	Exercise Price	Exercise Period
2008	20.11.2007	2,705,900	(201,600) <sup>3</sup>	2,504,303	RM7.77	20.08.2010 – 19.10.2012

The fair value of options granted during the year was RM0.79.

#### Fraser's Property (China) Limited's Share Option Scheme

Options	Offer Date	Balance as at 1.10.2007 or Offer Date if later	Options Excercised/ Lapsed	Balance as at 30.9.2008	Exercise Price	Exercise Period
2003	31.12.2003	10,616,284	(650,626)	9,965,658	HK\$0.1580	31.12.2004 – 30.12.2013
2004	31.12.2004	11,549,999	(75,560)	11,474,439	HK\$0.1547	31.12.2005 – 30.12.2014
2005	30.12.2005	13,816,824	(43,177)	13,773,647	HK\$0.1343	30.12.2006 – 29.12.2015
2006	13.11.2006	15,750,000	(449,263)	15,300,737	HK\$0.1670	13.11.2007 – 12.11.2016
2007	09.11.2007	16,800,000	(250,000)	16,550,000	HK\$0.3370	09.11.2008 – 08.11.2017
		68,533,107	(1,468,626) <sup>4</sup>	67,064,481		

The fair value of options granted during the year was HK\$0.23 (2007: HK\$0.11).  
The weighted average share price for options exercised during the year was HK\$0.24. No options were exercised in 2007.

Notes:

<sup>2</sup> Exercised (2,926,300); Lapsed due to Expiry, Resignations, Retirement and Non-acceptance (251,600).

<sup>3</sup> Lapsed due to Resignations, Retirement and Non-acceptance.

<sup>4</sup> Exercised (894,000); Lapsed due to Resignations (574,626).

# Notes to the Financial Statements

for the year ended 30 September 2008

## 32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

### (d) Share Options (cont'd)

#### Asia Pacific Breweries Limited Executives' Share Option Scheme

Options	Offer Date	Balance as at 1.10.2007	Options Excercised/ Lapsed	Balance as at 30.9.2008	Exercise Price	Exercise Period
1999	23.12.1998	6,279	(2,381)	3,898	\$3.61	22.09.2001 – 21.11.2008
2000	22.12.1999	5,720	(5,710)	10	\$4.28	21.09.2002 – 20.11.2009
2001	20.12.2000	14,950	(12,200)	2,750	\$3.91	19.09.2003 – 18.11.2010
2002	08.10.2001	5,650	-	5,650	\$3.79	08.07.2004 – 07.09.2011
2003	15.10.2002	27,100	(9,100)	18,000	\$4.79	15.07.2005 – 14.09.2012
2004	08.10.2003	48,050	(7,250)	40,800	\$6.29	08.07.2006 – 07.09.2013
		107,749	(36,641) <sup>5</sup>	71,108		

The scheme has expired in 2004 and therefore no options were granted during the year.  
The weighted average share price for options exercised during the year was \$12.69 (2007: \$15.46).

The fair value of share options, granted during the year, (both equity-settled and cash-settled options) as at the date of grant, is determined using the Binomial valuation model, taking into account the terms and conditions upon which the options were granted. The inputs to the model used are as follows:

#### Fraser and Neave, Limited Executives' Share Option Schemes 1999

	Year 7	Year 8	Year 9
Dividend yield (%)	3.1%	2.7%	2.4%
Expected volatility (%)	21.9%	24.4%	29.6%
Risk-free interest rate (%)	3.1%	3.0%	2.6%
Expected life of option (years)	4.0	4.0	5.0
Share price at date of grant (\$)	3.54	4.42	5.75
Exercise share price (\$)	3.46	4.22	5.80

#### Fraser & Neave Holdings Bhd Executives' Share Option Scheme

	2006	2007
Dividend yield (%)	5.7%	5.1%
Expected volatility (%)	12.9%	15.6%
Risk-free interest rate (%)	3.6%	3.7%
Expected life of option (years)	4.5	4.5
Share price at date of grant (MYR)	5.35	6.15
Exercise share price (MYR)	5.54	6.12

Note:

<sup>5</sup> Exercised (19,675); Lapsed due to Resignations (16,966).

# Notes to the Financial Statements

for the year ended 30 September 2008

## 32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

### (d) Share Options (cont'd)

#### Fraser & Neave Holdings Bhd Executives' Share Option Scheme ("F&NHB 2007 Scheme")

	2008
Dividend yield (%)	4.4%
Expected volatility (%)	14.3%
Risk-free interest rate (%)	3.8%
Expected life of option (years)	4.9
Share price at date of grant (MYR)	7.80
Exercise share price (MYR)	7.77

#### Fraser's Property (China) Limited's Share Option Scheme

	2006	2007	2008
Dividend yield (%)	-	-	-
Expected volatility (%)	75.0%	72.0%	80.0%
Risk-free interest rate (%)	4.1%	3.8%	3.2%
Expected life of option (years)	5.2	10.0	10.0
Share price at date of grant (HKD)	0.145	0.167	0.337
Exercise share price (HKD)	0.145	0.167	0.337

#### Asia Pacific Breweries Limited Phantom Share Option Scheme

	Phantom share option 2006	Phantom share option 2007	Phantom share option 2008
Dividend yield (%)	3.3%	1.9%	2.1%
Expected volatility (%)	16.3%	24.8%	16.7%
Risk-free interest rate (%)	2.7%	3.1%	2.3%
Expected life of option (years)	3.7	3.6	3.9
Share price at date of grant (\$)	8.94	15.50	13.40
Exercise share price (\$)	8.96	15.34	13.59

The expected life of the option is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumptions that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

### (e) Phantom Shares Option Plan

Asia Pacific Breweries Limited ("APBL"), has in place an equity-based cash-settled Phantom Share Option Plan ("APBL 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 APBL.

Information with respect to the number of options granted under the APBL PSOP is as follows:

- (i) The exercise price is equal to the average closing market price for the thirty market days immediately before the grant.
- (ii) The grantee may exercise an option during the exercise period which commences 33 months after the date of grant.
- (iii) The options expire 57 months after the offer date.
- (iv) Upon exercise of the options, an amount in cash equals to the excess (if any) of the average of the closing price for the thirty days immediately preceding the date the options are exercised over the exercise price, would be paid to the grantee. In the event the excess exceeds the exercise price, the amount payable to the grantee shall not exceed the exercise price.

Options	Offer Date	Balance as at 1.10.2007		Options Lapsed	Options Exercised	Balance at end of year	Exercise Price	Exercise Period
		Date if later						
2005	08.10.2004	69,700	-	(24,550)	45,150	\$7.48	08.07.2007 – 07.07.2009	
2006	09.11.2005	1,056,525	(49,000)	(485,200)	522,325	\$8.96	09.08.2008 – 08.08.2010	
2007	07.11.2006	1,433,000	(96,900)	-	1,336,100	\$15.34	07.08.2009 – 06.08.2011	
2008	08.11.2007	1,705,050	(99,350)	-	1,605,700	\$13.59	09.08.2010 – 06.08.2012	
		4,264,275	(245,250)	(509,750)	3,509,275			

The fair value of options granted during the year was \$1.35 (2007: \$2.97).

The weighted average share price for options exercised during the year was \$12.84 (2007: \$15.24).

The carrying amount of the liability recognised in the Group's balance sheet relating to cash-settled option granted under the APBL PSOP as at 30 September 2008 is \$1,722,000 (2007: \$2,493,000).

# Notes to the Financial Statements

for the year ended 30 September 2008

## 33. DEFERRED TAX ASSETS AND LIABILITIES

	THE GROUP		THE COMPANY	
	2008 (\$'000)	2007 (\$'000)	2008 (\$'000)	2007 (\$'000)
<b>Deferred tax liabilities</b>				
Differences in depreciation	66,899	67,253	-	-
Tax effect on revaluation surplus	62,439	30,397	-	-
Provisions, expenses and income taken in a different period	11,050	10,579	-	-
Fair value adjustments	331	829	267	439
Other deferred tax liabilities	16,493	7,147	-	-
Gross deferred tax liabilities	157,212	116,205	267	439
<b>Less: Deferred tax assets</b>				
Employee benefits	(5,528)	(3,000)	-	-
Unabsorbed losses and capital allowances	(6,973)	(520)	-	-
Provisions, expenses and income taken in a different period	(4,734)	(7,532)	-	-
Other deferred tax assets	(9,823)	-	-	-
Gross deferred tax assets	(27,058)	(11,052)	-	-
<b>Net deferred tax liabilities</b>	<b>130,154</b>	<b>105,153</b>	<b>267</b>	<b>439</b>

Some overseas subsidiary companies have net deferred tax assets relating to the following:

Employee benefits	(1,158)	(2,869)	-	-
Differences in depreciation	6,883	12,317	-	-
Unabsorbed losses and capital allowances	(16,222)	(14,257)	-	-
Provisions	(5,515)	(9,485)	-	-
Others	(1,832)	(2,574)	-	-
<b>Net deferred tax assets</b>	<b>(17,844)</b>	<b>(16,868)</b>	<b>-</b>	<b>-</b>

The deferred tax taken to equity during the year relating to revaluation surpluses is \$Nil (2007: \$23,105,000). Net deferred tax of \$Nil (2007: \$16,840,000) relating to fair value adjustment was written back during the year.

Deferred tax liabilities of \$7,849,000 (2007: \$5,413,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the unremitted earnings as such amounts are permanently reinvested; such unremitted earnings totalled \$43,605,000 at 30 September 2008 (2007: \$30,070,000).

# Notes to the Financial Statements

for the year ended 30 September 2008

## 34. FUTURE COMMITMENTS

	THE GROUP	
	2008 (\$'000)	2007 (\$'000)
Commitments not provided for in the financial statements:		
(a) Commitments in respect of contract placed		
– Fixed assets	40,313	78,399
– Raw materials	224	-
– Properties held for sale	917,942	930,107
– Share of joint venture companies' commitments	515	293
– Purchase of investments	-	4,133
– Investment properties	23,749	-
	<b>982,743</b>	<b>1,012,932</b>
(b) Other amounts approved by directors but not contracted for:		
– Fixed assets	309,571	198,157
– Properties held for sale	6,988,579	5,023,375
– Share of joint venture companies' commitments	1,166	1,270
– Investment properties	3,792	-
	<b>7,303,108</b>	<b>5,222,802</b>
<b>Total</b>	<b>8,285,851</b>	<b>6,235,734</b>

## 35. LEASE COMMITMENTS

### Operating Leases

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

Payable within one year	30,436	16,485
Payable between one and five years	38,241	27,441
Payable after five years	42,121	43,796
	<b>110,798</b>	<b>87,722</b>

Operating lease expense for the year

	<b>37,574</b>	<b>35,455</b>
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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:

Receivable within one year	186,570	159,807
Receivable between one and five years	232,139	193,263
Receivable after five years	6,071	10,203
	<b>424,780</b>	<b>363,273</b>

Contingent rents, generally determined based on a percentage of tenants' revenue of \$6,794,000 (2007: \$3,709,000) have been recognised as income by the Group in the profit statement during the year.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 35. LEASE COMMITMENTS (cont'd)

### Finance Leases

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

	THE GROUP	
	2008 (\$'000)	2007 (\$'000)
Minimum lease payments due:		
Payable within one year	1,183	1,367
Payable between one and five years	1,281	1,866
	2,464	3,233
Less: Future finance charges	(165)	(263)
	2,299	2,970

The finance 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.

## 36. RELATED PARTY TRANSACTIONS

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

	THE GROUP	
	2008 (\$'000)	2007 (\$'000)
Directors		
Sale of condominium units	2,659	57,885
Joint venture companies		
Rental received	1,095	976
Management fees received	2,418	2,218
Sales of bottles	30,007	25,294
Sale of services	29	-
Management fees paid	(387)	(340)
Purchase of cullets	(6)	(31)

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 2008

## 37. CONTINGENT LIABILITIES

The Company issued corporate guarantees to the extent of \$3,231,771,000 (2007: \$2,428,000,000) for the purpose of assisting its subsidiary companies to obtain external borrowings. Of the \$3,231,771,000 (2007: \$2,428,000,000) corporate guarantees given by the Company \$874,590,000 (2007: \$745,000,000) has been utilised by its subsidiary companies as security for its borrowings, and these borrowings have been included as borrowings under the Group Balance Sheet. Any further borrowings by its subsidiary companies supported by the Company corporate guarantees are reported as borrowings in the Group Balance Sheet.

The Group provides an unconditional and irrevocable corporate guarantee for up to \$57,000,000 to finance the payment of development charge and construction cost of the New Wing of The Centrepoint held by The Management Corporation Strata Title Plan No. 1298 ("MCST 1298"). The corporate guarantee will only be discharged upon full repayment of the loan by the MCST 1298. The Group also provided a corporate guarantee for S\$8,400,000 (Baht 200,000,000) as security for bank facility granted to a joint venture company in respect of the acquisition of land.

The corporate guarantees of the Group and the Company are as follows:

	THE GROUP		THE COMPANY	
	2008 (\$'000)	2007 (\$'000)	2008 (\$'000)	2007 (\$'000)
Contingent liabilities	65,400	65,400	3,231,771	2,428,000

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

At 30 September 2008, the Group had entered into foreign currency forward exchange buy contracts amounting to \$59 million (2007: \$51 million) and foreign currency forward exchange sell contracts amounting to \$59 million (2007: \$27 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 loss of \$808,000 (2007: \$306,000) and gain of \$854,000 (2007: \$334,000) 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.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 38. FINANCIAL RISK MANAGEMENT (cont'd)

### Foreign Currency Risk (cont'd)

#### Sensitivity analysis for foreign currency risk

A 10% strengthening of the Singapore dollar against the following currencies at the balance sheet date would have increased/(decreased) total equity and profit before tax by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for financial year ended 2007.

	THE GROUP		THE COMPANY	
	Equity (\$'000)	Profit (\$'000)	Equity (\$'000)	Profit (\$'000)
<b>30 September 2008</b>				
Australian Dollar	(286)	(172)	-	-
Sterling Pound	-	353	-	-
United States Dollar	-	36,610	-	1,371
Vietnamese Dong	(13,780)	356	-	-
<b>30 September 2007</b>				
Australian Dollar	(1,594)	(8,734)	-	-
Sterling Pound	-	747	-	-
United States Dollar	-	12,384	-	1,237
Vietnamese Dong	(29,791)	659	-	-

A 10% weakening of the Singapore Dollar against the above currencies at the balance sheet date would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

#### 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 maintain sufficient cash and marketable securities, and have available funding through diverse sources of committed and uncommitted credit facilities from various banks.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 38. FINANCIAL RISK MANAGEMENT (cont'd)

### Liquidity Risk (cont'd)

The table below analyses the maturity profile of the Group's and Company's financial liabilities (including derivative financial instruments) based on contractual undiscounted cash flows.

	Carrying amount (\$'000)	Cash Flows		
		Less than 1 year (\$'000)	Between 1 and 5 years (\$'000)	Over 5 years (\$'000)
<b>Group</b>				
<b>At 30 September 2008</b>				
<b>Derivative financial instruments</b>				
Interest rate swaps	7,000	7,000	-	-
Forward currency contracts	1,371	1,371	-	-
<b>Non-derivative financial instruments</b>				
Trade payables	576,592	576,592	-	-
Other payables	631,431	621,394	8,633	2,078
Borrowings	5,434,835	2,216,242	3,275,653	440,240
Amount due to joint venture companies	4,066	4,066	-	-
Amount due to associated companies	17,545	17,545	-	-
	6,672,840	3,444,210	3,284,286	442,318
<b>At 30 September 2007</b>				
<b>Derivative financial instruments</b>				
Interest rate swaps	3,319	3,319	-	-
Forward currency contracts	635	635	-	-
<b>Non-derivative financial instruments</b>				
Trade payables	506,985	506,985	-	-
Other payables	649,634	631,365	14,429	4,660
Borrowings	4,914,060	2,574,819	2,481,765	201,450
Amount due to joint venture companies	2,148	2,148	-	-
Amount due to associated companies	16,790	16,790	-	-
	6,093,571	3,736,061	2,496,194	206,110

# Notes to the Financial Statements

for the year ended 30 September 2008

## 38. FINANCIAL RISK MANAGEMENT (cont'd)

### Liquidity Risk (cont'd)

	Carrying amount (\$'000)	Cash Flows		
		Less than 1 year (\$'000)	Between 1 and 5 years (\$'000)	Over 5 years (\$'000)
<b>Company</b>				
<b>At 30 September 2008</b>				
<b>Derivative financial instruments</b>				
Interest rate swaps	2,218	2,218	-	-
<b>Non-derivative financial instruments</b>				
Other payables	8,747	8,747	-	-
Amount due to subsidiary companies	18,938	18,938	-	-
Borrowings	649,774	301,309	212,706	188,203
	<u>679,677</u>	<u>331,212</u>	<u>212,706</u>	<u>188,203</u>
<b>At 30 September 2007</b>				
<b>Derivative financial instruments</b>				
Interest rate swaps	3,069	3,069	-	-
<b>Non-derivative financial instruments</b>				
Other payables	10,682	10,682	-	-
Amount due to subsidiary companies	21,800	21,800	-	-
Borrowings	649,470	-	530,397	193,648
	<u>685,021</u>	<u>35,551</u>	<u>530,397</u>	<u>193,648</u>

### Credit Risk

At the balance sheet date, the Company's and the Group's maximum exposure to credit risk in the event that the counter parties fail to perform their obligations is represented by the carrying amount of each class of financial assets recognised in the balance sheets, including derivatives with positive fair values.

The Company and the Group have no significant concentration of credit risk. The Company and the Group have policies in place to monitor its credit risk. Contractual deposits are collected and scheduled progress payments are received from the buyers when due. Title to properties are only transferred upon full settlement. Sales of products and services are made to customers with an appropriate credit history.

Cash and fixed deposits are placed in banks and financial institutions which are regulated. The Group limits its credit risk exposure in respect of investments by only investing in liquid securities and only with counterparties that have a sound credit rating. Management does not expect any counterparty to fail to meet its obligations.

Information regarding financial assets that are either past due or impaired and aging analysis is disclosed in Note 26. Management believes that no additional credit risk beyond that provided for is inherent in the Group's trade and other receivables.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 38. FINANCIAL RISK MANAGEMENT (cont'd)

### Credit Risk (cont'd)

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

### 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 Company's and the Group's policy is to manage interest cost using a mix of fixed and variable rate debts, and interest rate economic effect of converting borrowings from fixed rates to variable rates or vice versa.

Under the interest rate swaps, the Company and the Group agree 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.

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

	THE GROUP		THE COMPANY	
	2008 (\$'000)	2007 (\$'000)	2008 (\$'000)	2007 (\$'000)
<b>Notional Amount</b>				
Within one year	<b>175,000</b>	-	<b>175,000</b>	-
Between one to three years	<b>343,561</b>	575,000	<b>250,000</b>	575,000
After three years	<b>545,005</b>	257,420	<b>125,000</b>	125,000
	<u><b>1,063,566</b></u>	<u>832,420</u>	<u><b>550,000</b></u>	<u>700,000</u>
<b>Net Fair Value</b>				
Fair value gain on interest rate swap contracts	<u><b>3,188</b></u>	4,866	<u><b>3,188</b></u>	4,831
Fair value loss on interest rate swap contracts	<u><b>(7,000)</b></u>	(3,319)	<u><b>(2,218)</b></u>	(3,069)

At 30 September 2008, the fixed interest rate of the outstanding interest rate swap contract is between 3.52% to 4.28% (2007: 3.7%), while the floating interest rates are mainly linked to Singapore Interbank Offered Rates.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 38. FINANCIAL RISK MANAGEMENT (cont'd)

### Interest Rate Risk (cont'd)

The following table sets out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk:

	Floating rates (\$'000)	THE GROUP		
		Less than 1 year (\$'000)	Between 1 to 5 years (\$'000)	After 5 years (\$'000)
<b>Year ended 30 September 2008</b>				
Assets				
Cash and bank deposits	193,621	685,738	2,332	-
Other financial assets	-	3,220	19,998	25,450
Liabilities				
Borrowings	1,954,487	1,021,597	2,243,946	213,887
<b>Year ended 30 September 2007</b>				
Assets				
Cash and bank deposits	213,145	721,888	218	-
Other financial assets	-	3,850	22,176	25,450
Liabilities				
Borrowings	2,566,381	913,933	1,270,216	160,129
	Floating rates (\$'000)	THE COMPANY		
		Less than 1 year (\$'000)	Between 1 to 5 years (\$'000)	After 5 years (\$'000)
<b>Year ended 30 September 2008</b>				
Assets				
Cash and bank deposits	-	39,200	-	-
Liabilities				
Borrowings	299,960	-	199,814	150,000
<b>Year ended 30 September 2007</b>				
Assets				
Cash and bank deposits	-	29,977	-	-
Liabilities				
Borrowings	299,757	-	199,713	150,000

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. The other financial instruments of the Company and the Group that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

The Company and the Group are in a net interest expense position for the years ended 30 September 2008 and 2007.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 38. FINANCIAL RISK MANAGEMENT (cont'd)

### Interest Rate Risk (cont'd)

#### Sensitivity Analysis for Interest Rate Risk

It is estimated that a hundred basis points increase/decrease in interest rate, with all other variables held constant, would decrease/increase the Group's profit before tax by approximately \$17,609,000 (2007: \$23,532,000), arising mainly as a result of higher/lower interest expense on net floating borrowing position. The analysis is performed on the same basis for 2007.

#### 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.

#### Sensitivity Analysis for Quoted Investment Risk

If prices for equity securities increase by 10% with all other variables including tax rate being held constant, the total equity and profit before tax will be:

	THE GROUP		THE COMPANY	
	2008 (\$'000)	2007 (\$'000)	2008 (\$'000)	2007 (\$'000)
Equity	17,195	34,685	546	619
Profit	-	-	-	-

A 10% decrease in the underlying equity prices would have had the equal but opposite effect to the amounts shown above. The analysis is performed on the same basis for 2007 and assumes that all other variables remain constant.

#### 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:

- Cash and Bank Balances, Other Receivables and Other Payables**  
The carrying amounts of these items approximate fair value due to their short term nature.
- Trade Receivables and Trade Payables**  
The carrying amounts of receivables and payables approximate fair value because these are subject to normal trade credit terms.
- 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.
- Short Term and Other Investments**  
Market value of quoted investment is determined by reference to stock exchange quoted prices.  
  
Certain unquoted investments do not have quoted market prices in an active market nor are there other methods of reasonably estimating the fair value readily available. It is not practicable to determine fair value with sufficient reliability without incurring excessive costs.
- Bank Borrowings and Term Loans**  
The fair value of fixed rate bank borrowings and term loans are disclosed in Note 31. The carrying values of bank borrowings, and term loans within one year and the floating rates borrowings and loans approximate their fair value.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 38. FINANCIAL RISK MANAGEMENT (cont'd)

### Fair Values (cont'd)

(f) Set out below is a comparison by category of carrying amounts of all the Group's financial instruments that are carried in the financial statements:

	Loans and receivables (\$'000)	Fair value through profit and loss (\$'000)	Available-for-sale (\$'000)	Liabilities at amortised cost (\$'000)	Non-financial assets /liabilities (\$'000)	Total (\$'000)
<b>The Group</b>						
<b>2008</b>						
<b>Assets</b>						
Fixed assets	-	-	-	-	1,231,828	1,231,828
Investment properties	-	-	-	-	3,558,922	3,558,922
Properties held for development	-	-	-	-	162,297	162,297
Joint venture companies	26,562	-	-	-	60,636	87,198
Associated companies	30,252	-	-	-	608,892	639,144
Intangible assets	-	-	-	-	357,530	357,530
Brands	-	-	-	-	48,139	48,139
Other investments	9,128	-	143,314	-	-	152,442
Other receivables	121,397	4,605	-	-	176,540	302,542
Deferred tax assets	-	-	-	-	17,844	17,844
Properties held for sale	-	-	-	-	4,576,737	4,576,737
Inventories	-	-	-	-	468,502	468,502
Trade receivables	714,058	-	-	-	-	714,058
Short term investments	3,220	-	137,891	-	-	141,111
Bank fixed deposits	629,882	-	-	-	-	629,882
Cash and bank balances	403,057	-	-	-	-	403,057
Assets held for sale	-	-	-	-	27,086	27,086
	1,937,556	4,605	281,205	-	11,294,953	13,518,319
<b>Liabilities</b>						
Trade payables	-	-	-	576,592	-	576,592
Other payables	-	8,371	-	631,431	30,628	670,430
Joint venture companies	-	-	-	4,066	-	4,066
Associated companies	-	-	-	17,545	-	17,545
Borrowings	-	-	-	5,434,835	-	5,434,835
Provision for taxation	-	-	-	-	247,417	247,417
Provision for employee benefits	-	-	-	-	18,764	18,764
Deferred tax liabilities	-	-	-	-	130,154	130,154
	-	8,371	-	6,664,469	426,963	7,099,803

# Notes to the Financial Statements

for the year ended 30 September 2008

## 38. FINANCIAL RISK MANAGEMENT (cont'd)

### Fair Values (cont'd)

	Loans and receivables (\$'000)	Fair value through profit and loss (\$'000)	Available-for-sale (\$'000)	Liabilities at amortised cost (\$'000)	Non-financial assets /liabilities (\$'000)	Total (\$'000)
<b>The Group</b>						
<b>2007</b>						
<b>Assets</b>						
Fixed assets	-	-	-	-	1,157,638	1,157,638
Investment properties	-	-	-	-	3,224,389	3,224,389
Properties held for development	-	-	-	-	127,834	127,834
Joint venture companies	16,987	-	-	-	87,050	104,037
Associated companies	32,335	-	-	-	396,070	428,405
Intangible assets	-	-	-	-	292,404	292,404
Brands	-	-	-	-	52,263	52,263
Other investments	9,066	-	56,752	-	-	65,818
Other receivables	195,149	5,529	-	-	306,119	506,797
Deferred tax assets	-	-	-	-	16,868	16,868
Properties held for sale	-	-	-	-	3,958,204	3,958,204
Inventories	-	-	-	-	480,063	480,063
Trade receivables	863,967	-	-	-	-	863,967
Short term investments	3,850	-	318,198	-	-	322,048
Bank fixed deposits	845,209	-	-	-	-	845,209
Cash and bank balances	305,585	-	-	-	-	305,585
Assets held for sale	-	-	-	-	121,124	121,124
	2,272,148	5,529	374,950	-	10,220,026	12,872,653
<b>Liabilities</b>						
Trade payables	-	-	-	506,985	-	506,985
Other payables	-	3,954	-	649,634	24,441	678,029
Joint venture companies	-	-	-	2,148	-	2,148
Associated companies	-	-	-	16,790	-	16,790
Borrowings	-	-	-	4,914,060	-	4,914,060
Provision for taxation	-	-	-	-	229,356	229,356
Liabilities held for sale	-	-	-	-	19,277	19,277
Provision for employee benefits	-	-	-	-	18,811	18,811
Deferred tax liabilities	-	-	-	-	105,153	105,153
	-	3,954	-	6,089,617	397,038	6,490,609

# Notes to the Financial Statements

for the year ended 30 September 2008

## 38. FINANCIAL RISK MANAGEMENT (cont'd)

### Fair Values (cont'd)

	Loans and receivables (\$'000)	Fair value through profit and loss (\$'000)	Available- for-sale (\$'000)	Liabilities at amortised cost (\$'000)	Non-financial assets /liabilities (\$'000)	Total (\$'000)
<b>The Company</b>						
<b>2008</b>						
<b>Assets</b>						
Subsidiary companies	825,868	-	-	(19,840)	3,019,441	3,825,469
Joint venture companies	-	-	-	-	408,921	408,921
Associated companies	-	-	-	-	83,541	83,541
Other investments	-	-	8,085	-	-	8,085
Other receivables	9	3,188	-	-	7	3,204
Bank fixed deposits	39,200	-	-	-	-	39,200
Cash and bank balances	356	-	-	-	-	356
	865,433	3,188	8,085	(19,840)	3,511,910	4,368,776
<b>Liabilities</b>						
Other payables	-	2,218	-	8,747	338	11,303
Subsidiary companies	-	-	-	18,938	-	18,938
Borrowings	-	-	-	649,774	-	649,774
Provision for taxation	-	-	-	-	9,925	9,925
Deferred tax liabilities	-	-	-	-	267	267
	-	2,218	-	677,459	10,530	690,207
<b>2007</b>						
<b>Assets</b>						
Subsidiary companies	795,267	-	-	(721,772)	3,671,231	3,744,726
Joint venture companies	-	-	-	-	408,921	408,921
Other investments	-	-	9,027	-	-	9,027
Other receivables	265	4,831	-	-	4	5,100
Short term investments	-	-	19,997	-	-	19,997
Bank fixed deposits	29,977	-	-	-	-	29,977
Cash and bank balances	1,794	-	-	-	-	1,794
	827,303	4,831	29,024	(721,772)	4,080,156	4,219,542
<b>Liabilities</b>						
Other payables	-	3,069	-	10,682	1,060	14,811
Subsidiary companies	-	-	-	21,800	-	21,800
Borrowings	-	-	-	649,470	-	649,470
Provision for taxation	-	-	-	-	7,858	7,858
Deferred tax liabilities	-	-	-	-	439	439
	-	3,069	-	681,952	9,357	694,378

# Notes to the Financial Statements

for the year ended 30 September 2008

## 39. UNUSUAL ITEM

As previously announced in September 2003, the former Finance Manager of a joint venture company, Asia Pacific Breweries (S) Pte Ltd ("APBS"), Chia Teck Leng ("CTL"), was arrested by the Commercial Affairs Division of the police department and subsequently charged in Court and convicted 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 September 2004, four banks, Bayerische Hypo-und Vereinsbank Aktiengesellschaft, Skandinaviska Enskilda Banken, Mizuho Corporate Bank Ltd and Sumitomo Mitsui Banking Corporation, commenced separate actions against APBS for a total sum amounting to approximately \$117.1 million.

APBS instructed Drew & Napier LLC to defend APBS in each of these actions.

In October 2007, Mizuho and Sumitomo decided not to continue with their respective suits. Mizuho withdrew its action, with costs to be paid to APBS while Sumitomo's action was dismissed with costs.

The court hearing for the remaining suits has ended and APBS is currently awaiting judgment.

Based on the existing documents and instructions, APBS's lawyers have advised that APBS has good arguable defences and will continue to vigorously defend the remaining suits. Consequently, no provision in the financial statements is considered necessary.

## 40. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios to support its business and maximise shareholder value.

The Group monitors its cashflow, debt maturity profile, cost of funds, overall liquidity position and gearing ratio on a continuous basis. The Group's policy is to keep gearing ratio at not more than 100% of net borrowings.

The gearing ratio is calculated as net borrowings divided by total equity. Net borrowings is calculated as borrowings less cash and bank deposits. Total equity is calculated as shareholders' fund plus minority interests.

	THE GROUP		THE COMPANY	
	2008 (\$'000)	2007 (\$'000)	2008 (\$'000)	2007 (\$'000)
Cash & bank deposits	1,032,939	1,150,794	39,556	31,771
Borrowings	(5,434,835)	(4,914,060)	(649,774)	(649,470)
Net borrowings	(4,401,896)	(3,763,266)	(610,218)	(617,699)
Shareholders' fund	5,283,274	5,220,597	3,678,569	3,525,164
Total equity (including Minority Interests)	6,418,516	6,382,044	3,678,569	3,525,164
Net borrowings/Shareholders' fund	0.83	0.72	0.17	0.18
Net borrowings/Total equity	0.69	0.59	0.17	0.18

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 30 September 2007 and 2008.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 41. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATION

Certain new accounting standards and interpretations have been issued as at balance sheet date but are not yet effective. The Group's assessment of those standards and interpretations that are relevant to the Group is as follows:

**(a) FRS 1 Presentation of Financial Statements – Revised Presentation** (effective for annual periods beginning on or after 1 January 2009)

The revised standard separates owners and non-owners changes in funds. The statement of changes in funds will include only details of transactions with owners, with all non-owners' changes in fund presented as a single line. In addition, the standard introduces the statement of comprehensive income. It presents all terms of income and expenses either in one single statement or in two linked statements.

The Group will apply the revised FRS 1 from 1 October 2009.

**(b) FRS 108 Operating Segments** (effective for annual periods beginning on or after 1 January 2009)

FRS 108 supersedes FRS 14 Segment Reporting and requires the Group to report the financial performance of its operating segments based on the information used internally by management for evaluating segment performance and deciding on allocation of resources.

The Group will apply FRS 108 from 1 October 2009 and provide comparative information that conforms to the requirements of FRS 108. Currently, the Group presents segment information in respect of its business and geographical segments.

**(c) Revised FRS 23 Borrowing Costs** (effective for annual periods beginning on or after 1 January 2009)

The revised standard removes the option to recognise immediately as an expense, borrowing costs that are attributable to qualifying assets, and requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of the development property.

The Group will apply the revised FRS 23 from 1 October 2009. As the Group has been capitalising the relevant borrowings costs, the revised standard is not expected to have any impact to the Group.

**(d) RAP 11 Pre-Completion Contracts for the Sale of Development Property**

RAP 11 was issued by the Institute of Certified Public Accountants of Singapore in October 2005. This statement mentioned that a property developer's sales and purchase agreement is not a construction contract as defined in FRS 11 (Construction Contract) and the percentage of completion (POC) method of recognising income, which is allowed under FRS 11 for construction contracts may not be applicable for property developers.

The relevant standard for revenue recognition by property developers is FRS 18 (Revenue), which addresses revenue recognition generally and for all types of entities. However, there is no clear conclusion in FRS 18 whether the POC method or the completion of construction method is more appropriate for property developers. The issue is being addressed by the International Accounting Standards Board.

The Group uses the POC method for recognising revenue from partly completed residential projects which are held for sale.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 41. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATION (cont'd)

**(d) RAP 11 Pre-Completion Contracts for the Sale of Development Property** (cont'd)

If the Group had adopted the completed contract method, the impact on the financial statements will be as follows:

	THE GROUP	
	2008 (\$'000)	2007 (\$'000)
Profit statement		
Increase/(Decrease) in revenue recognised for the year	17,183	(65,921)
(Decrease)/Increase in profit for the year	(51,953)	13,256
Balance sheet		
Decrease in opening accumulated profits	(190,048)	(196,681)
Decrease in properties under development		
At beginning of the year	(241,582)	(276,983)
At end of the financial year	(299,323)	(241,262)
(Decrease)/increase in minority interests		
At beginning of the year	(6,578)	(4,719)
Share of profit for the year	6,045	1,423

## 42. SUBSEQUENT EVENTS

On 31 October 2008, the Group announced that a joint venture company, DB Breweries Limited has entered into an agreement to sell its 100% stake in Liquorland Limited to Foodstuffs Liquor New Zealand Limited for approximately NZ\$4.7 million (\$\$4.0 million) which has been paid in cash following the execution of the agreement between the parties.

## 43. COMPARATIVE FIGURES

The following comparative figures in the financial statements have been reclassified to be consistent with the current year's presentation.

	THE GROUP	
	2007 As reclassified (\$'000)	2007 As previously reported (\$'000)
Profit statement		
Revenue	4,731,174	4,738,272
Cost of sales	(3,197,970)	(3,205,068)
Other income/(expenses) (net)	52,015	52,241
Administration expenses	(327,458)	(327,684)
Balance sheet		
Fixed assets	1,157,638	1,150,563
Intangible assets	292,404	287,589
Brands	52,263	50,773
Trade receivables	863,967	828,530
Other receivables	484,566	520,003
Inventories	480,063	486,368
Other payables	659,760	652,685

# Notes to the Financial Statements

for the year ended 30 September 2008

## 44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES

	Effective Shareholding		Principal Activities
	2008	2007	
<b>SUBSIDIARY COMPANIES OF THE COMPANY</b>			
Country of Incorporation and Place of Business: <b>Singapore</b>			
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 and Distribution of Dairy Products and Beverages
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
F&N 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
Frasers Centrepoint Limited	100.0%	100.0%	Investment Holding
F&N Boncafe Beverages Pte Ltd <i>(Held by a subsidiary company)</i>	60.0%	60.0%	Marketing Ready-To-Drink Coffee Beverages
F&N DCH Holding Pte Ltd <i>(Held by a subsidiary company)</i>	51.0%	51.0%	Dormant
F&N Treasury Pte Ltd	100.0%	100.0%	Provide Treasury and Financial Services
Tien Chun Pte Ltd	100.0%	100.0%	Investment Holding
Country of Incorporation and Place of Business: <b>Hong Kong</b>			
(A) Fraser & Neave Investments (HK) Ltd	100.0%	100.0%	Investment Holding
Country of Incorporation and Place of Business: <b>Malaysia</b>			
(A) Fraser & Neave Holdings Bhd	57.9%	58.7%	Investment Holding
(A) Tiger Taverns Sdn Bhd	100.0%	100.0%	Dormant
(A) Magnolia – PDL Dairies (1993) Sdn Bhd	100.0%	100.0%	Dormant
(A) Fannet Online Sdn Bhd	100.0%	100.0%	Dormant
(A) F&N Services (L) Bhd	100.0%	100.0%	Investment Holding
Country of Incorporation and Place of Business: <b>Vietnam</b>			
(A) F&N Vietnam Foods Co Ltd <i>(Held by a subsidiary company)</i>	100.0%	100.0%	Manufacture and Distribution of Dairy Products and Beverages
Country of Incorporation and Place of Business: <b>Thailand</b>			
(A) F&N United Ltd <i>(Held by a subsidiary company)</i>	95.0%	95.0%	Manufacture and Distribution of Dairy Products
Country of Incorporation and Place of Business: <b>Myanmar</b>			
(C) Myanmar Brewery Ltd <i>(Accounting year ends on 31 March)</i>	55.0%	55.0%	Brewing and Distribution of Beer

Notes:

- (A) Audited by Ernst & Young in the respective countries.  
(C) Audited by other firms of auditors.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

	Effective Shareholding		Principal Activities
	2008	2007	
<b>SUBSIDIARY COMPANIES OF THE COMPANY (cont'd)</b>			
Country of Incorporation and Place of Business: <b>Australia</b>			
(A) Red Lion Holdings Pty Ltd <i>(Held by a subsidiary company)</i>	100.0%	100.0%	Dormant
Country of Incorporation: <b>British Virgin Islands</b> Place of Business: <b>Hong Kong</b>			
(B) Vision Century Limited <i>(Held by a subsidiary company)</i>	100.0%	100.0%	Investment Holding
Country of Incorporation and Place of Business: <b>China</b>			
(A) Paedia Nutrition Company Ltd <i>(Held by a subsidiary company)</i> <i>(Accounting year ends on 31 December)</i>	68.3%	68.3%	Manufacture and Distribution of Dairy Products
<b>SUBSIDIARY COMPANIES OF FRASER &amp; NEAVE HOLDINGS GROUP</b>			
Country of Incorporation and Place of Business: <b>Malaysia</b>			
(A) Fraser & Neave (Malaya) Sdn Bhd	57.9%	58.7%	Management Services and Property Investment Holdings
(A) F&N Coca-Cola (Malaysia) Sdn Bhd	52.1%	52.8%	Distribution of Soft Drinks
(A) F&NCC Beverages Sdn Bhd	52.1%	52.8%	Manufacture of Soft Drinks
(A) F&N Dairies (Malaysia) Sdn Bhd	57.9%	58.7%	Distribution of Dairy Products
(A) Premier Milk (Malaya) Sdn Bhd	57.9%	58.7%	Manufacture of Dairy Products
(A) Four Eights Sdn Bhd	57.9%	58.7%	Dormant
(A) F&N Foods Sdn Bhd	57.9%	58.7%	Manufacture of Dairy Products
(A) Malaya Glass Products Sdn Bhd	57.9%	58.7%	Manufacture and Sale of Glass Containers
(A) Kuala Lumpur Glass Manufacturers Company Sdn Bhd	57.9%	58.7%	Manufacture and Sale of Glass Containers
(A) Wimanis Sdn Bhd	57.9%	58.7%	Property Development
(A) Brampton Holdings Sdn Bhd	57.9%	58.7%	Property Development
(A) Lettricia Corporation Sdn Bhd	40.5%	41.1%	Property Development
(A) Elsinburg Holdings Sdn Bhd	57.9%	58.7%	Property Development
(A) Vacaron Company Sdn Bhd	57.9%	58.7%	Dormant
(A) Nuvak Company Sdn Bhd	57.9%	58.7%	Dormant
(A) Greenclipper Corporation Sdn Bhd	57.9%	58.7%	Dormant
(A) Utas Mutiara Sdn Bhd	57.9%	58.7%	Property Investment Holding
(A) Borneo Springs Sdn Bhd	52.1%	50.2%	Manufacture and Sale of Mineral Water, Carbonated Drinks and Bottles
(A) PML Dairies Sdn Bhd	57.9%	58.7%	Manufacture and Distribution of Dairy Products
(A) F&N Properties Sdn Bhd <i>(Formerly Radiant Worth Sdn Bhd)</i>	57.9%	58.7%	Dormant
(A) F&N Capital Sdn Bhd	57.9%	-	Provision of Financial and Treasury Services
(A) Tropical League Sdn Bhd	57.9%	-	Dormant

Notes:

- (A) Audited by Ernst & Young in the respective countries.  
(B) Not required to be audited under the laws of the country of incorporation.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

	Effective Shareholding		Principal Activities
	2008	2007	
<b>SUBSIDIARY COMPANIES OF FRASER &amp; NEAVE HOLDINGS GROUP (cont'd)</b>			
Country of Incorporation and Place of Business: <b>Singapore</b>			
(A) Arolys Singapore Pte Ltd	57.9%	58.7%	Manufacture and Distribution of Dairy Products
Country of Incorporation and Place of Business: <b>Thailand</b>			
(A) Thai Malaya Glass Company Limited	40.5%	41.1%	Manufacture and Sale of Glass Containers
(A) F&N Dairies (Thailand) Limited	57.9%	58.7%	Manufacture and Distribution of Dairy Products
Country of Incorporation and Place of Business: <b>Vietnam</b>			
(A) Malaya – Vietnam Glass Ltd	40.5%	41.1%	Manufacture and Sale of Glass Containers
Country of Incorporation and Place of Business: <b>China</b>			
(C) Sichuan Malaya Glass Co Ltd <i>(Accounting year ends on 31 December)</i>	34.8%	35.2%	Manufacture and Sale of Glass Containers
Country of Incorporation and Place of Business: <b>British Virgin Islands</b>			
(A) Lion Share Management Limited	57.9%	58.7%	Manufacture and Distribution of Dairy Products
<b>SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP</b>			
Country of Incorporation and Place of Business: <b>Singapore</b>			
FCL Property Investments Pte Ltd	100.0%	100.0%	Property Investment
FCL Enterprises Pte Ltd	100.0%	100.0%	Property Investment
Riverside Property Pte Ltd	100.0%	100.0%	Property Investment
FCL Centrepoint Pte Ltd	100.0%	100.0%	Investment Holding
Anchor Developments Pte Ltd	100.0%	100.0%	Property Investment and Development
Orrick Investments Pte Ltd	100.0%	100.0%	Property Investment
Yishun Development Pte Ltd	100.0%	100.0%	Property Investment
FCL Alexandra Point Pte Ltd	100.0%	100.0%	Property Investment
Woodlands Complex Pte Ltd	100.0%	100.0%	Property Investment
Riverside Walk Pte Ltd	100.0%	100.0%	Property Development
FCL Ventures Pte Ltd	100.0%	100.0%	Property Development
Nasidon Investments Pte Ltd	100.0%	100.0%	Property Development
FCL Management Services Pte Ltd	100.0%	100.0%	Management Services
Northspring Development Pte Ltd	100.0%	100.0%	Property Development
Riverside Investments Pte Ltd	100.0%	100.0%	Property Development
Yishun Land Pte Ltd	100.0%	100.0%	Property Development
Yishun Property Pte Ltd	100.0%	100.0%	Property Development
FCL Tampines Pte Ltd	80.0%	80.0%	Property Development
FCL Homes Pte Ltd	100.0%	100.0%	Property Development
FCL Land Pte Ltd	100.0%	100.0%	Property Development
FCL Assets Pte Ltd	100.0%	100.0%	Investment Holding

Notes:

(A) Audited by Ernst & Young in the respective countries.

(C) Audited by other firms of auditors.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

	Effective Shareholding		Principal Activities
	2008	2007	
<b>SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)</b>			
Country of Incorporation and Place of Business: <b>Singapore (cont'd)</b>			
FCL Estates Pte Ltd	100.0%	100.0%	Property Development
Frasers Hospitality Pte Ltd	100.0%	100.0%	Investment Holding and Management Services
Frasers (UK) Pte Ltd	75.0%	75.0%	Investment Holding
Frasers (Australia) Pte Ltd	75.0%	75.0%	Investment Holding
FCL (China) Pte Ltd	100.0%	100.0%	Investment Holding
Marine Parade View Pte Ltd	100.0%	100.0%	Property Development
FCL (Fraser) Pte Ltd	100.0%	100.0%	Investment Holding
FCL Boon Lay Pte Ltd	100.0%	100.0%	Property Development
FCL Sophia Pte Ltd	100.0%	100.0%	Property Development
Frasers Centrepoint Property Management Services Pte Ltd	100.0%	100.0%	Management Services
FCL Choa Chu Kang Pte Ltd	100.0%	100.0%	Property Development
FCL Joo Chiat Place Pte Ltd	100.0%	100.0%	Property Development
Frasers (NZ) Pte Ltd	75.0%	75.0%	Investment Holding
FCL China Development Pte Ltd	100.0%	100.0%	Investment Holding
FCL Court Pte Ltd	100.0%	100.0%	Property Development
FCL Lodge Pte Ltd	100.0%	100.0%	Property Development
FCL Place Pte Ltd	100.0%	100.0%	Property Development
FCL Rise Pte Ltd	100.0%	100.0%	Property Development
Frasers (Thailand) Pte Ltd	100.0%	100.0%	Investment Holding
MLP Co Pte Ltd	100.0%	100.0%	Investment Holding
SAJV Co Pte Ltd	100.0%	100.0%	Investment Holding
River Valley Properties Pte Ltd	100.0%	100.0%	Investment Holding & Property Development
River Valley Shopping Centre Pte Ltd	100.0%	100.0%	Property Investment
River Valley Tower Pte Ltd	100.0%	100.0%	Property Investment
River Valley Apartments Pte Ltd	100.0%	100.0%	Property Investment
Lion (Singapore) Pte Limited	100.0%	100.0%	Property Development
FCL View Pte Ltd	100.0%	100.0%	Property Development
FCL Tower Pte Ltd	100.0%	100.0%	Property Development
FCL Loft Pte Ltd	100.0%	100.0%	Property Development
Frasers Centrepoint Asset Management Ltd	100.0%	100.0%	Management Services
FCL Investments Pte Ltd	100.0%	100.0%	Investment Holding
FCL Trust Holdings Pte Ltd	100.0%	100.0%	Investment Holding
Frasers Hospitality Investment Holding (Philippines) Pte Ltd	100.0%	100.0%	Investment Holding
FCL Tampines Court Pte Ltd	100.0%	100.0%	Investment Holding
Frasers Centrepoint Asset Management (Malaysia) Pte Ltd	100.0%	100.0%	Investment Holding
FCL Trust Holdings (Commercial) Pte Ltd <i>(Formerly FCL Trust Holdings (Office and Industrial) Pte Ltd)</i>	100.0%	100.0%	Investment Holding
FCL Asset Management Ltd <i>(Formerly Frasers Centrepoint Asset Management (Office &amp; Industrial) Pte Ltd)</i>	100.0%	100.0%	Asset Management, Fund and Property Management and Related Advisory Services
Frasers India (I) Pte Ltd <i>(Formerly Frasers (India) Pte Ltd)</i>	100.0%	100.0%	Investment Holding

# Notes to the Financial Statements

for the year ended 30 September 2008

## 44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

	Effective Shareholding		Principal Activities
	2008	2007	
<b>SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)</b>			
Country of Incorporation and Place of Business: <b>Singapore</b> (cont'd)			
Frasers Centrepoint Asset Management (Commercial) Ltd <i>(Formerly Allco (Singapore) Limited)</i>	100.0%	-	Asset Management, Fund and Property Management and Related Advisory Services
Frasers Centrepoint Property Management (Commercial) Pte Ltd <i>(Formerly Allco Asset Management Pte Ltd)</i>	100.0%	-	Asset Management, Fund and Property Management and Related Advisory Services
FCL Management Services (Commercial) Pte Ltd <i>(Formerly Allco Management Services Pte Ltd)</i>	100.0%	-	Management Services
FCL REIT Management Ltd <i>(Formerly Allco REIT Management Limited)</i>	100.0%	-	Management Services
Frasers Centrepoint Trust	51.0%	51.0%	Real Estate Investment Trust
Emerald Hill Developments Pte Ltd	100.0%	100.0%	Property Investment
Sinomax International Pte Ltd	100.0%	100.0%	Investment Holding
Frasers International Logistics Management Pte. Ltd.	100.0%	100.0%	Management and Consultancy Services
Singapore Logistics Investments Pte Ltd	80.0%	80.0%	Investment Holding
Frasers Hospitality Management Pte Ltd	100.0%	-	Management Consultancy Service and Serviced Apartments
Country of Incorporation and Place of Business: <b>Vietnam</b>			
(A) Me Linh Point Ltd	75.0%	75.0%	Property Investment
(A) Saigon Apartments Joint Venture Company	70.0%	70.0%	Property Development
Country of Incorporation and Place of Business: <b>China</b>			
(A) Shanghai Sian Jin Property Development Co., Ltd	100.0%	100.0%	Property Development
(A) Shanghai Frasers Management Consultancy Co., Ltd	100.0%	100.0%	Management Services
(A) Beijing Sin Hua Yan Real Estate Development Co., Ltd	95.0%	95.0%	Property Development
(A) Hainan Jian Feng Tourism Development Co., Ltd	100.0%	100.0%	Property Development
(A) Beijing Fraser Suites Real Estate Management Co., Ltd	100.0%	100.0%	Property Investment
(A) Singlong Property Development (Suzhou) Co., Ltd	100.0%	80.0%	Property Development
(A) Shanghai Zhong Jun Real Estate Development Co. Ltd	72.2%	72.2%	Property Development
(A) Beijing Gang Lu Real Estate Development Co., Ltd	56.2%	56.2%	Property Development
(A) Beijing Vision Century Property Management Co. Ltd	56.2%	56.2%	Property Management
(A) Vision Century Real Estate Development (Dalian) Co. Ltd	56.2%	56.2%	Property Development
(A) Vision Property Management (Dalian) Co. Ltd	56.2%	56.2%	Property Management
(A) Vision (Shenzhen) Business Park Co. Ltd	53.4%	53.4%	Business Park Development and Investment
(A) (1) Vision Huaqing (Beijing) Development Co. Ltd	33.7%	33.7%	Business Park Development and Investment
(A) Shenyang Frasers Real Estate Development Co., Ltd	56.2%	-	Property Development

Notes:

(A) Audited by Ernst & Young in the respective countries.

(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

	Effective Shareholding		Principal Activities
	2008	2007	
<b>SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)</b>			
Country of Incorporation and Place of Business: <b>China</b> (cont'd)			
(A) Frasers Hospitality Management Co., Ltd, Shanghai	100.0%	-	Management Consultancy Services and Serviced Apartments
(A) Fraser Place (Beijing) Property Management Co., Ltd	100.0%	-	Management Consultancy Services and Serviced Apartments
(A) Modena Hospitality Management Co., Ltd. (Shanghai)	51.0%	-	Management Consultancy Services and Serviced Apartments
(A) Frasers Property Management (Shanghai) Co., Ltd	100.0%	-	Management Services
(A) Chengdu Sino Singapore Southwest Logistics Co. Ltd <i>(All the above companies, incorporated in China, accounting year end on 31 December)</i>	80.0%	-	Property Development
Country of Incorporation: <b>Bermuda</b> Place of Business: <b>Hong Kong</b>			
(A) Frasers Property (China) Limited	56.2%	56.2%	Investment Holding
(A) Vision Century Secretaries Limited	56.2%	56.2%	Secretarial and Nominee Services
Country of Incorporation and Place of Business: <b>Hong Kong</b>			
(A) Excellent Esteem Limited	100.0%	100.0%	Investment Holding
(A) Frasers Hospitality (Hong Kong) Limited	100.0%	100.0%	Management Consultancy Services and Serviced Apartments
(A) Great Project Property Limited	56.2%	56.2%	Investment Holding
(A) Vision Century Administration Limited	56.2%	56.2%	Management Consultancy Services
(A) Vision Century Investments (Dalian) Limited	56.2%	56.2%	Investment Holding
(A) Vision Century Property Management Limited	56.2%	56.2%	Property Management
(A) Metro Charm Holdings Limited	100.0%	100.0%	Investment Holding
(A) Ace Goal Limited	100.0%	100.0%	Investment Holding
(A) Extra Strength Limited	100.0%	100.0%	Investment Holding
(A) Forth Carries Limited	100.0%	100.0%	Investment Holding
(A) Forward Plan Limited	100.0%	100.0%	Investment Holding
(A) Summit Park Limited	100.0%	100.0%	Investment Holding
(A) Blessing Sky Limited	100.0%	100.0%	Investment Holding
(A) Superway Logistics Investments (Hong Kong) Limited	80.0%	-	Investment Holding
Country of Incorporation: <b>British Virgin Islands</b> Place of Business: <b>Hong Kong</b>			
(B) Bestday Assets Limited	56.2%	56.2%	Investment Holding
(B) Limbo Enterprises Limited	56.2%	56.2%	Property Holding
(B) Tenways Investments Limited	56.2%	56.2%	Investment Holding
(B) Vision Business Park (TH) Limited	56.2%	56.2%	Investment Holding
(B) Vision Century Property Consultancy Services Ltd	56.2%	56.2%	Property Consultancy Services

Notes:

(A) Audited by Ernst & Young in the respective countries.

(B) Not required to be audited under the laws of the country of incorporation.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

	Effective Shareholding		Principal Activities
	2008	2007	
<b>SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)</b>			
Country of Incorporation and Place of Business: <b>British Virgin Islands</b>			
(B) Supreme Asia Investments Limited	76.0%	76.0%	Investment Holding
Country of Incorporation and Place of Business: <b>Philippines</b>			
(C) Frasers Hospitality Philippines, Inc	100.0%	100.0%	Provision of Management Services in the Lodging Industry
(C) Frasers Hospitality Investment, Inc	100.0%	100.0%	Investment Holding
Country of Incorporation: <b>Singapore</b> Place of Business: <b>Australia</b>			
FCL Bridgepoint Pte Ltd	100.0%	100.0%	Property Investment
Country of Incorporation: <b>Singapore</b> Place of Business: <b>United Kingdom</b>			
FCL Resort Pte Ltd	75.0%	75.0%	Dormant
Frasers Property (Europe) Holdings Pte Ltd	51.2%	-	Investment Holding
Country of Incorporation and Place of Business: <b>United Kingdom</b>			
(C) Frasers Property (UK) Limited	51.2%	51.2%	Investment Holding
(C) Frasers Property Developments Ltd <i>(Formerly Fairbriar Holdings Limited)</i>	51.2%	51.2%	Investment Holding
(C) Frasers Investments (UK) Limited <i>(Formerly Frasers Europa Limited)</i>	51.2%	51.2%	Property Investment
(C) Frasers Ventures Limited	51.2%	51.2%	Property Development
(C) Fairbriar plc	51.2%	51.2%	Property Investment
(C) (1) Ellisridge Limited	40.4%	40.4%	Property Investment
(C) (1) Ellisridge Suites Limited	40.4%	40.4%	Property Investment
(C) Fairbriar Apartments Limited	51.2%	51.2%	Property Development
(C) Fairbriar Developments Limited	51.2%	51.2%	Property Development
(C) Fairbriar Projects Limited	51.2%	51.2%	Property Development
(C) The School House Tunbridge Wells Limited	51.2%	51.2%	Property Development
(C) Fairbriar General Partner Limited	51.2%	51.2%	Property Investment
(C) Fairbriar Group plc	51.2%	51.2%	Investment Holding
(C) Fairbriar House Limited	51.2%	51.2%	Investment Holding
(C) Frasers Homes (UK) Limited <i>(Formerly Fairbriar Homes Limited)</i>	51.2%	51.2%	Property Development
(C) Buckwood Grange Limited	51.2%	51.2%	Property Development
(C) Fairbriar Investments Limited	51.2%	51.2%	Dormant
(C) Frasers Islington Limited <i>(Formerly Fairbriar Islington Limited)</i>	51.2%	51.2%	Property Development
(C) (1) Islington Theatre Development Limited	38.1%	38.1%	Property Development
(C) Fairbriar Pepys Street Limited	51.2%	51.2%	Property Development
(C) FKB Property Investment Ltd	51.2%	51.2%	Management Consultancy Services
(C) FKB Property Management Limited	51.2%	51.2%	Management Consultancy Services

Notes:

(B) Not required to be audited under the laws of the country of incorporation.

(C) Audited by other firms of auditors.

(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

	Effective Shareholding		Principal Activities
	2008	2007	
<b>SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)</b>			
Country of Incorporation and Place of Business: <b>United Kingdom (cont'd)</b>			
(C) NGH Properties Limited	51.2%	51.2%	Property Investment
(C) Sloane Avenue Limited	51.2%	51.2%	Property Development
(C) Frasers (Brown Street) Limited <i>(Formerly Fairbriar Ascot Ltd)</i>	51.2%	51.2%	Property Development
(C) (1) Fairdace Limited	33.1%	33.1%	Serviced Apartments
(C) Frasers Hospitality (UK) Limited	51.2%	51.2%	Management Consultancy Services & Serviced Apartments
(C) Fairpoint Vincent Square Ltd <i>(Formerly Fairpoint Properties (Vincent Square) Limited)</i>	51.2%	51.2%	Property Development
(C) Frasers Lumiere Leeds Ltd	51.2%	51.2%	Investment Holding
(C) Frasers Management (UK) Ltd <i>(Formerly Frasers Property Developments Limited)</i>	51.2%	51.2%	Property Development
(C) Frasers Riverside Quarter Ltd <i>(Formerly Wandsworth Riverside Quarter Limited)</i>	51.2%	51.2%	Property Development
(C) Frasers Highbury Limited	75.0%	75.0%	Property Development
(C) Frasers St Giles Edinburgh Ltd <i>(Formerly FRA (Jersey) Limited)</i>	75.0%	75.0%	Property Development
(C) Frasers Maidenhead Ltd <i>(Formerly SPF Maidenhead Limited)</i>	51.2%	25.6%	Property Development
Country of Incorporation and Place of Business: <b>Australia</b>			
(A) Frasers Greycliff Developments Pty Ltd	75.0%	75.0%	Management Services
(A) Frasers Chandos Pty Ltd	75.0%	75.0%	Property Development
(A) Frasers Town Hall Pty Ltd	80.5%	80.5%	Investment Holding and Property Development
(A) Frasers Lorne Pty Limited	75.0%	75.0%	Property Development
(A) Frasers Mandurah Pty Limited	56.3%	56.3%	Property Development
(A) Frasers City Quarter Pty Limited	87.5%	87.5%	Property Development
(A) Frasers Queens Pty Limited	87.5%	87.5%	Property Development
(A) Frasers Killara Pty Ltd	75.0%	75.0%	Property Development
(A) Frasers Town Hall Residences Pty Ltd	80.5%	80.5%	Property Investment
(A) Frasers Morton Pty Ltd	75.0%	75.0%	Property Development
(A) Frasers Broadway Pty Ltd	75.0%	75.0%	Property Development
(A) Frasers Property Australia Pty Ltd	75.0%	-	Investment Holding
(A) Frasers Town Hall Issuer Pty Ltd	80.5%	-	Financial Services
Country of Incorporation and Place of Business: <b>New Zealand</b>			
(A) Frasers Broadview Limited	75.0%	75.0%	Property Development
(A) Frasers Papamoa Limited	67.5%	67.5%	Property Development

Notes:

(A) Audited by Ernst & Young in the respective countries.

(C) Audited by other firms of auditors.

(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

	Effective Shareholding		Principal Activities
	2008	2007	
<b>SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)</b>			
Country of Incorporation and Place of Business: <b>Thailand</b>			
(A) Frasers Hospitality (Thailand) Ltd	100.0%	100.0%	Management Consultancy Services and Serviced Apartments
<b>SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP</b>			
Country of Incorporation and Place of Business: <b>Singapore</b>			
Marshall Cavendish International Private Limited	100.0%	100.0%	Investment Holding
Marshall Cavendish International (Asia) Private Limited	100.0%	100.0%	Electronic Publishing
Marshall Cavendish International (Singapore) Private Limited	100.0%	100.0%	Electronic Publishing
Marshall Cavendish Business Information Private Limited <i>(Formerly Times Business Information Pte Ltd)</i>	100.0%	100.0%	Directory Publishing and Conferences & Exhibitions
Times-Dharmala Pte Ltd	51.0%	51.0%	Dormant
Times Educational Services Private Limited	100.0%	100.0%	Education and Training
Times Graphics Private Limited	100.0%	100.0%	Commercial Printing
Times Conferences & Exhibitions Pte Ltd	100.0%	100.0%	Dormant
Times Editions Pte Ltd	100.0%	100.0%	Dormant
Panpac Education Pte Ltd	100.0%	100.0%	Books
* TransQuest Asia Publishers Pte Ltd	100.0%	100.0%	Dormant
IMM Singapore Holdings Pte Ltd	100.0%	51.0%	Magazines Distribution
(C) Pansing Distribution Pte Ltd	100.0%	100.0%	Books and Magazines
(C) Pansing International Library Services Pte Ltd	100.0%	100.0%	Dormant
(C) Pacific Bookstores Pte Ltd	60.0%	49.0%	Retail
<i>(Accounting year ends on 28 February)</i>			
(C) Learning Edvantage Pte Ltd	100.0%	31.0%	Multi Media Publishing
(C) Starprint Production Pte Ltd	51.0%	51.0%	Packaging
(C) Goodwill Binding Pte Ltd	51.0%	-	Packaging
(C) JCS Digital Solutions Pte Ltd	51.0%	-	Digital Printing
(A) Educational Technologies Pte Ltd	100.0%	100.0%	Books and Magazines
Country of Incorporation: <b>Singapore</b> Place of Business: <b>Singapore and Malaysia</b>			
Times The Bookshop Pte Ltd	100.0%	100.0%	Retail
Country of Incorporation: <b>Singapore</b> Place of Business: <b>Singapore, Australia, United Kingdom and United States of America</b>			
Times Printers Private Limited	100.0%	100.0%	Commercial Printing
Country of Incorporation and Place of Business: <b>Malaysia</b>			
(A) Marshall Cavendish (Malaysia) Sdn Bhd	100.0%	100.0%	Books
(A) Pansing Marketing Sdn Bhd	100.0%	100.0%	Distribution of Books & Magazines
(A) (1) STP Distributors (M) Sdn Bhd	30.0%	30.0%	Books and Magazines

Notes:

(A) Audited by Ernst & Young in the respective countries.

(C) Audited by other firms of auditors.

(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.

\* In voluntary liquidation.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

	Effective Shareholding		Principal Activities
	2008	2007	
<b>SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)</b>			
Country of Incorporation and Place of Business: <b>Malaysia (cont'd)</b>			
(A) Times Distri-Services Sdn Bhd	100.0%	100.0%	Distribution of Books & Magazines
(A) Times Offset (Malaysia) Sdn Bhd	100.0%	100.0%	Commercial Printing
Country of Incorporation: <b>Hong Kong</b> Place of Business: <b>Thailand</b>			
(A) Far East Publications Ltd	100.0%	100.0%	Books
Country of Incorporation and Place of Business: <b>Thailand</b>			
(A) Marshall Cavendish International (Thailand) Co. Ltd	49.0%	49.0%	Publishing
Country of Incorporation and Place of Business: <b>Hong Kong</b>			
(A) * Educational Associates Ltd	100.0%	100.0%	Investment Holding
(C) Everbest Printing Holdings Limited	100.0%	100.0%	Investment Holding
(C) Everbest Printing Investment Ltd	100.0%	100.0%	Investment Holding
(C) Everbest Printing Company Ltd	100.0%	100.0%	Printing
(A) Marshall Cavendish Business Information (Hong Kong) Limited	100.0%	100.0%	Publishing
(A) Times Education (Hong Kong) Ltd	100.0%	100.0%	Dormant
(A) Times Printers (Hong Kong) Ltd	100.0%	100.0%	Investment Holding
(A) Times Publishing (Hong Kong) Limited	100.0%	100.0%	Books and Magazines
Country of Incorporation: <b>Hong Kong</b> Place of Business: <b>Hong Kong/Taiwan</b>			
(A) Educational Technologies Limited	100.0%	100.0%	Publishing and Distribution of Home Library Reference Books
Country of Incorporation and Place of Business: <b>China</b>			
(C) Everbest Printing (Guangzhou) Co. Ltd <i>(Formerly Everbest Printing (Panyu Nansha) Co. Ltd)</i>	100.0%	100.0%	Property Investment
(A) Liaoning Times Xinhua Printers Ltd	51.0%	51.0%	Commercial Printing
(A) Shenyang Times Packaging Printing Co Ltd	60.0%	60.0%	Commercial Printing & Packaging
(C) Guangzhou Times Advertising Company Limited	100.0%	100.0%	Publication and Distribution of Directories
(A) Shanxi Xinhua Times Packaging Printing Co Ltd	51.0%	51.0%	Commercial Printing & Packaging
<i>(All the above companies, incorporated in China, accounting year end on 31 December)</i>			
(C) Marshall Cavendish (Beijing) Co. Limited <i>(Formerly Times Publications Design and Production (Beijing) Co., Ltd)</i>	100.0%	100.0%	Publishing Design & Production Services
(C) (1) Beijing 21st Century Times Education Centre	96.4%	96.4%	Education and Training
(C) Everbest Printing (Shanghai) Co. Ltd	100.0%	100.0%	Printing

Notes:

(A) Audited by Ernst & Young in the respective countries.

(C) Audited by other firms of auditors.

(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.

\* In voluntary liquidation.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

	Effective Shareholding		Principal Activities
	2008	2007	
<b>SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)</b>			
(A) Country of Incorporation and Place of Business: <b>Japan</b> Kabushiki Kaisha Educational Technologies Limited	<b>100.0%</b>	100.0%	Educational Training and Distribution of Home Library Reference Books
(A) Country of Incorporation and Place of Business: <b>India</b> Direct Educational Technologies India Pte Ltd	<b>100.0%</b>	100.0%	Distribution of Home Library Reference Books
(A) Country of Incorporation and Place of Business: <b>Australia</b> Musicway Corporation Limited	<b>100.0%</b>	100.0%	Distribution of Cassettes & Hi-Fi Accessories
(A) Rainbow Products Limited	<b>100.0%</b>	100.0%	Distribution of Records, Cassettes & Videos
(A) Times Properties Pty Limited	<b>100.0%</b>	100.0%	Investment Holding
(A) Pansing IMM Pty Limited	<b>100.0%</b>	51.0%	Magazines Distribution
(A) Marshall Cavendish (Australia) Pty Ltd	<b>100.0%</b>	100.0%	Investment Holding
(A) Country of Incorporation: <b>United Kingdom</b> Place of Business: <b>Russia</b> MC East Limited	<b>100.0%</b>	100.0%	Partworks
(A) Country of Incorporation and Place of Business: <b>United Kingdom</b> ALP Ltd	<b>100.0%</b>	100.0%	Investment Holding
(A) Marshall Cavendish Ltd	<b>100.0%</b>	100.0%	Investment Holding
(A) Marshall Cavendish International Ltd	<b>100.0%</b>	100.0%	Partworks
(A) Marshall Cavendish Partworks Ltd	<b>100.0%</b>	100.0%	Partworks
(A) TPL Printers (UK) Ltd	<b>100.0%</b>	100.0%	Dormant
(A) Summertown Publishing Ltd	<b>100.0%</b>	-	Electronic Publishing
(A) Country of Incorporation and Place of Business: <b>Czech Republic</b> Marshall Cavendish CR, s.r.o.	<b>100.0%</b>	100.0%	Partworks
(A) Country of Incorporation and Place of Business: <b>France</b> Marshall Cavendish Editions S.A.	<b>100.0%</b>	100.0%	Partworks
(A) Country of Incorporation and Place of Business: <b>Poland</b> Marshall Cavendish Polska Sp. zo.o	<b>100.0%</b>	100.0%	Partworks
(A) Country of Incorporation and Place of Business: <b>Romania</b> Marshall Cavendish Romania S.R.L	<b>100.0%</b>	100.0%	Partworks
(A) Country of Incorporation and Place of Business: <b>Ukraine</b> A Wholly Owned Subsidiary Marshall Cavendish Ukraine	<b>100.0%</b>	100.0%	Partworks

Notes:  
(A) Audited by Ernst & Young in the respective countries.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

	Effective Shareholding		Principal Activities
	2008	2007	
<b>SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)</b>			
(B) Country of Incorporation and Place of Business: <b>United States of America</b> Marshall Cavendish Corporation	<b>100.0%</b>	100.0%	Books
<b>JOINT VENTURE COMPANIES OF THE COMPANY</b>			
* Country of Incorporation and Place of Business: <b>Singapore</b> Asia Pacific Investment Pte Ltd	<b>50.0%</b>	50.0%	Investment Holding
<b>JOINT VENTURE COMPANIES OF FRASERS CENTREPOINT GROUP</b>			
(A) (2) Country of Incorporation and Place of Business: <b>Thailand</b> Riverside Homes Development Co., Ltd <i>(Accounting year ends on 31 December)</i>	<b>69.6%</b>	69.6%	Property Development
(A) Country of Incorporation and Place of Business: <b>Singapore</b> FCL Peak Pte Ltd	<b>50.0%</b>	50.0%	Property Development
(C) Country of Incorporation and Place of Business: <b>United Kingdom</b> GSF Homes Limited	<b>25.6%</b>	25.6%	Property Development
(C) Macleod & Fairbriar Limited	<b>25.6%</b>	25.6%	Property Development
(C) Redbriar Developments Limited	<b>25.6%</b>	25.6%	Property Development
(C) Sovereign House Fairbriar Homes Limited <i>(Formerly Sovereign House Developments Limited)</i>	<b>25.6%</b>	25.6%	Property Development
(C) Fairmuir Limited	<b>25.6%</b>	25.6%	Property Development
(C) Frasers Hamilton (Shrubhill) Ltd	<b>25.6%</b>	-	Property Development
(C) Lumiere Leeds General Partner Ltd	<b>25.6%</b>	25.6%	Management Services
(C) Lumiere Leeds Limited Partnership	<b>23.0%</b>	23.0%	Property Development
<b>JOINT VENTURE COMPANIES OF TIMES PUBLISHING GROUP</b>			
(C) Country of Incorporation and Place of Business: <b>Singapore</b> Times-Newslink <i>(Accounting year ends on 31 December)</i>	<b>50.0%</b>	50.0%	Retail of Books and Magazines
(C) Country of Incorporation and Place of Business: <b>China</b> Shanghai Times SanYin Printers Co Ltd <i>(Accounting year ends on 31 December)</i>	<b>40.0%</b>	40.0%	Commercial Printing

Notes:  
(A) Audited by Ernst & Young in the respective countries.  
(B) Not required to be audited under the laws of the country of incorporation.  
(C) Audited by other firms of auditors.  
(2) This is accounted for as a joint venture as the Group exercises only joint control over the Company.  
\* Asia Pacific Investment Pte Ltd ("APIPL") which holds 64.8% of the issued capital of Asia Pacific Breweries Limited 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 2008

## 44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

	Effective Shareholding		Principal Activities
	2008	2007	
<b>ASSOCIATED COMPANIES OF THE COMPANY</b>			
Country of Incorporation: <b>Singapore</b> Place of Business: <b>China</b>			
(C) China Dairy Group Ltd <i>(Accounting year ends on 31 December)</i>	<b>29.5%</b>	29.5%	Manufacturing & Distribution of Dairy Products
Country of Incorporation: <b>Bermuda</b> Place of Business: <b>China</b>			
(C) Fung Choi Media Group Limited <i>(Accounting year ends on 30 June)</i>	<b>29.5%</b>	29.5%	Printing & Packaging
Country of Incorporation and Place of Business: <b>Australia</b>			
(C) (1) PMP Limited	<b>11.5%</b>	-	Printing & Packaging
<b>ASSOCIATED COMPANIES OF FRASERS CENTREPOINT GROUP</b>			
Country of Incorporation and Place of Business: <b>United Kingdom</b>			
(C) Fairbrair Residential Investment Partnership <i>(Accounting year ends on 31 December)</i>	<b>26.1%</b>	26.1%	Investment in Residential Property Fund
Country of Incorporation and Place of Business: <b>Singapore</b>			
Hua Li Holdings Pte Ltd	<b>45.7%</b>	45.7%	Investment Holding
(1) Frasers Commercial Trust <i>(Formerly Allco Commercial REIT)</i>	<b>18.3%</b>	-	Real Estate Investment Trust
Country of Incorporation and Place of Business: <b>Thailand</b>			
(A) Krungthep Land Public Company Limited <i>(Accounting year ends on 31 December)</i>	<b>40.5%</b>	40.5%	Investment Holding and Property Development
Country of Incorporation and Place of Business: <b>Malaysia</b>			
(A) (1) Hektar Real Estate Investment Trust <i>(Accounting year ends on 31 December)</i>	<b>31.1%</b>	27.0%	Real Estate Investment Trust
(A) Hektar Asset Management Sdn Bhd <i>(Accounting year ends on 31 December)</i>	<b>40.0%</b>	-	Management Services
Country of Incorporation and Place of Business: <b>Hong Kong</b>			
(A) Poly-strong Development Limited	<b>28.1%</b>	28.1%	Dormant
<b>ASSOCIATED COMPANIES OF TIMES PUBLISHING GROUP</b>			
Country of Incorporation and Place of Business: <b>China</b>			
(C) Beijing Universal Times Culture Development Co Ltd <i>(Accounting year ends on 31 December)</i>	<b>40.0%</b>	40.0%	Publishing
Country of Incorporation and Place of Business: <b>Nigeria</b>			
(C) Transworld Times Press (Africa) Ltd	<b>40.0%</b>	-	Printing

Notes:

(A) Audited by Ernst & Young in the respective countries.

(C) Audited by other firms of auditors.

(1) Company is treated as an associate of the Group by virtue of significant influence over the company.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

	Effective Shareholding		Principal Activities
	2008	2007	
<b>SUBSIDIARY COMPANIES OF ASIA PACIFIC BREWERIES GROUP</b>			
Country of Incorporation and Place of Business: <b>Singapore</b>			
Asia Pacific Breweries Ltd	<b>39.7%</b>	39.7%	Investment Holding and Management Services
Asia Pacific Breweries (Singapore) Pte Ltd	<b>39.7%</b>	39.7%	Brewing and Distribution of Beer and Stout
Tiger Export Pte Ltd	<b>39.7%</b>	39.7%	Export of Beer and Stout
Archipelago Brewery Co (1941) Pte Ltd	<b>39.7%</b>	39.7%	Dormant
Tiger Marketing Pte Ltd	<b>39.7%</b>	39.7%	Investment Holding
Heineken-APB (China) Pte Ltd	<b>44.8%</b>	44.8%	Investment Holding
Country of Incorporation and Place of Business: <b>Cambodia</b>			
(C) Cambodia Brewery Limited	<b>31.7%</b>	31.7%	Brewing and Distribution of Beer
Country of Incorporation and Place of Business: <b>Vietnam</b>			
(A) Vietnam Brewery Limited	<b>23.8%</b>	23.8%	Brewing and Distribution of Beer
(A) Hatay Brewery Limited	<b>39.7%</b>	39.7%	Brewing and Distribution of Beer
(A) Beers and Beverages International Ltd	<b>39.7%</b>	39.7%	Distribution of Beer
(A) Vietnam Beer and Beverages Limited	<b>39.7%</b>	39.7%	Distribution of Beer
(A) VBL Da Nang Limited	<b>23.8%</b>	23.8%	Brewing of Beer
(A) VBL Tien Giang Limited	<b>23.8%</b>	23.8%	Brewing of Beer
(A) VBL (Quang Nam) Limited	<b>31.7%</b>	31.7%	Brewing and Distribution of Beer
Country of Incorporation and Place of Business: <b>British Virgin Islands</b>			
(B) Able Win Gain Limited	<b>50.0%</b>	-	Investment Holding
(B) Kenton Assets Limited	<b>50.0%</b>	-	Investment Holding
Country of Incorporation and Place of Business: <b>Hong Kong</b>			
(E) Capital Shine Limited	<b>50.0%</b>	-	Investment Holding
Country of Incorporation and Place of Business: <b>China</b>			
(A) Hainan Asia Pacific Brewery Co Ltd	<b>44.8%</b>	44.8%	Brewing and Distribution of Beer
(A) Shanghai Asia Pacific Brewery Co Ltd	<b>44.8%</b>	43.5%	Brewing and Distribution of Beer
(A) Heineken Trading (Shanghai) Co Ltd	<b>44.8%</b>	44.8%	Distribution of Beer
(A) Heineken-APB (China) Management Services Co Ltd	<b>44.8%</b>	44.8%	Provision of Investment, Management and Consulting Services
(A) Guangzhou Asia Pacific Brewery Co Ltd <i>(All the above companies, incorporated in China, accounting year end on 31 December)</i>	<b>44.8%</b>	-	Brewing and Distribution of Beer

Notes:

(A) Audited by Ernst & Young in the respective countries.

(B) Not required to be audited under the laws of the country of incorporation.

(C) Audited by other firms of auditors.

(E) To be appointed.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

	Effective Shareholding		Principal Activities
	2008	2007	
<b>SUBSIDIARY COMPANIES OF ASIA PACIFIC BREWERIES GROUP (cont'd)</b>			
Country of Incorporation and Place of Business: <b>India</b>			
(C) Asia Pacific Breweries (India) Private Ltd	39.7%	39.7%	Dormant
(A) Asia Pacific Breweries (Aurangabad) Limited	39.7%	30.1%	Brewing and Distribution of Beer
(A) Asia Pacific Breweries-Pearl Private Limited	26.6%	26.6%	Brewing and Distribution of Beer
Country of Incorporation and Place of Business: <b>Sri Lanka</b>			
(A) Asia Pacific Breweries (Lanka) Limited	23.8%	23.8%	Brewing and Distribution of Beer
Country of Incorporation and Place of Business: <b>New Zealand</b>			
(A) DB Breweries Limited	39.7%	39.7%	Investment Holding and Brewing and Distribution of Beer
(A) DB Nominees Ltd	39.7%	39.7%	Trustee Company
(A) DB South Island Brewery Ltd	21.8%	21.8%	Brewing and Distribution of Beer
(A) DBG Insurances Ltd	39.7%	39.7%	Insurance Company
(A) Liquorland Ltd	39.7%	39.7%	Franchise Company
(A) Monteith's Brewing Company Ltd	39.7%	39.7%	Dormant
(A) Robbie Burns Ltd	39.7%	39.7%	Dormant
(A) Tui Brewery Ltd	39.7%	39.7%	Dormant
(A) Black Dog Brewery Ltd	39.7%	39.7%	Dormant
(A) O Pure Water Ltd	39.7%	39.7%	Dormant
(A) Mainland Brewery Ltd	39.7%	39.7%	Dormant
(A) Waitemata Brewery Ltd	39.7%	39.7%	Dormant
(A) Brandcore PLC Limited	39.7%	39.7%	Liquor Wholesaler
(A) Drinksworks Limited	39.7%	39.7%	Dormant
(A) Amstel Brouwerij Importers Ltd	39.7%	39.7%	Dormant
(E) Barworks Group Limited	23.8%	-	On-premise Management
Country of Incorporation and Place of Business: <b>Papua New Guinea</b>			
(C) South Pacific Brewery Limited	30.1%	30.1%	Brewing and Distribution of Beer
Country of Incorporation and Place of Business: <b>United Kingdom</b>			
(C) Tiger Beer UK Ltd	39.7%	39.7%	Distribution of Beer and Stout
Country of Incorporation and Place of Business: <b>United States of America</b>			
(D) Tiger Beer USA Inc	39.7%	39.7%	Distribution of Beer

Notes:

- (A) Audited by Ernst & Young in the respective countries.
- (C) Audited by other firms of auditors.
- (D) Not required to be audited in the country of incorporation.
- (E) To be appointed.

# Notes to the Financial Statements

for the year ended 30 September 2008

## 44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES (cont'd)

	Effective Shareholding		Principal Activities
	2008	2007	
<b>SUBSIDIARY COMPANIES OF ASIA PACIFIC BREWERIES GROUP (cont'd)</b>			
Country of Incorporation and Place of Business: <b>Mongolia</b>			
(A) MCS-Asia Pacific Brewery LLC	21.8%	21.8%	Brewing and Distribution of Beer
Country of Incorporation and Place of Business: <b>Australia</b>			
(A) Asia Pacific Breweries (Australia) Pty Ltd	39.7%	39.7%	Investment Holding
(A) FBG Vietnam Holdings Pty Ltd	39.7%	39.7%	Investment Holding
Country of Incorporation and Place of Business: <b>Laos</b>			
(A) Laos Asia Pacific Breweries Limited	27.0%	27.0%	Brewing and Distribution of Beer
Country of Incorporation and Place of Business: <b>Canada</b>			
(E) Tiger Canada Inc	39.7%	-	Investment Holding
<b>JOINT VENTURE COMPANIES OF ASIA PACIFIC BREWERIES GROUP</b>			
Country of Incorporation and Place of Business: <b>Singapore</b>			
(C) GAPL Pte Ltd	19.8%	19.8%	Investment Holding & Distribution of Stout
<i>(Accounting year ends on 30 June)</i>			
Country of Incorporation and Place of Business: <b>Thailand</b>			
(C) Thai Asia Pacific Brewery Co Ltd	13.9%	13.9%	Brewing and Distribution of Beer
(C) Thai Asia Pacific Trading Co Ltd	13.9%	13.9%	Distribution of Beer
<b>ASSOCIATED COMPANIES OF ASIA PACIFIC BREWERIES GROUP</b>			
Country of Incorporation and Place of Business: <b>New Zealand</b>			
(A) The Associated Bottlers Company Ltd	19.8%	19.8%	Hire of Returnable Beer Bottles
Country of Incorporation: <b>Bermuda</b>			
Place of Business: <b>Hong Kong</b>			
(A) Kingway Brewery Holdings Limited	9.6%	9.6%	Brewing and Distribution of Beer
<i>(Accounting year ends on 31 December)</i>			

Notes:

- (A) Audited by Ernst & Young in the respective countries.
- (C) Audited by other firms of auditors.
- (E) To be appointed.

## Particulars of Group Properties

The main properties as at 30 September 2008 and their net book values are indicated below: ("F&N" refers to Fraser and Neave Group, "APBL" refers to Asia Pacific Breweries Group, "FCL" refers to Frasers Centrepoint Limited Group and "TPL" refers to Times Publishing Group)

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

		Land (\$'000)	Building (\$'000)
<b>FREEHOLD</b>			
<b>Singapore</b>			
TPL	– 1.1 hectares industrial property at Times Centre, 1 New Industrial Road	6,100	6,412
	– 0.1 hectares industrial property at 35 Kallang Pudding Road #07-14 Tong Lee Building Blk A	-	646
<b>Peninsular Malaysia</b>			
F&N	– 18.0 hectares industrial property at Lion Industrial Park, Shah Alam	20,106	27,493
	– 2.1 hectares industrial property at 3724 to 3726 Sungei Nyior, Butterworth	1,953	943
	– 2.7 hectares industrial property at 217, Jalan Lahat, Ipoh	1,165	1,393
	– 5.8 hectares industrial property at Jalan Tampoi, Johor Bahru	2,179	3,105
	– 2.2 hectares industrial property at 701, Jalan Tampoi, Johor Bahru	3,187	77
	– 0.6 hectares industrial property at 598, Jalan Tampoi, Johor Bahru	435	1,602
	– 0.1 hectares property at No. 3, Jalan Metro Pudu, Fraser Business Park	-	6,066
	– 0.4 hectares property at Jalan Yew, Kuala Lumpur	-	649
	– Other properties	386	-
TPL	– 1.2 hectares industrial property at Lot 46 Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam	1,594	2,990
<b>East Malaysia</b>			
F&N	– 1.1 hectares industrial property at Matang Land District, Pahang	1,812	282
	– 2.0 hectares industrial property at Jalan Mempaga, Mukim Sabai, Karak	1,531	706
	– 0.4 hectares industrial property at Jalan Tatau Bintulu, Sarawak	-	11
<b>Thailand</b>			
F&N	– 9.1 hectares industrial property at Amphur Nong Khae, Saraburi Province	4,287	9,532
	– 1.2 hectares industrial property at Amphur Pakchong, Nakhonratchasima Province 30320	-	2,380
<b>New Zealand</b>			
APBL	– 17.4 hectares industrial property for Waitemata Brewery site at Auckland	3,466	18,243
	– 9.1 hectares industrial property for Mainland Brewery at Timaru	160	1,581
	– 10.8 hectares industrial property for Tui Brewery at Pahiatua	301	437
<b>Australia</b>			
TPL	– 0.2 hectares commercial property at Units 7 & 8 Monash Business Park, 29 Business Park Drive, Nottinghill, Melbourne – Victoria	877	423
	– 1.7 hectares industrial property at 1 Diamond Drive, Sunshine – Victoria	1,395	12,831
<b>United States of America</b>			
TPL	– 3.4 hectares commercial property at 99 White Plains Road, Tarrytown, New York	715	3,576
<b>Mongolia</b>			
APBL	– 5.0 hectares industrial property at 10th Khoroo, Bayanzurkh District, Ulaanbaatar City, Mongolia	-	4,520

## Particulars of Group Properties

### (A) CLASSIFIED AS GROUP FIXED ASSETS (cont'd) (Note 13 to the Financial Statements)

		Land (\$'000)	Building (\$'000)
<b>FREEHOLD (cont'd)</b>			
<b>Sri Lanka</b>			
APBL	– 0.4 hectares industrial property at Millawa Land	10	-
<b>Laos</b>			
APBL	– 0.1 hectares industrial property at Mini Tavern, Unit 03, House No. 056, 5/44 Phonthan Road, Ban Saphanthong Nue, Sisathanak District, Vientiane Lao PDR	-	7
	– 27.5 hectares industrial property at Sangareddy Mandal, Badlapur Village, Medak District	1,074	3,286
<b>Total Freehold</b>		<b>52,733</b>	<b>109,191</b>
<b>LEASEHOLD</b>			
<b>Singapore</b>			
F&N	– 4.0 hectares industrial property at 214 Pandan Loop (Lease expires year 2010)	-	14,570
APBL	– 8.8 hectares industrial property at Jurong (Lease expires year 2046)	-	19,669
TPL	– Commercial property at Unit #04-08 – #04-11, 176 Orchard Road Centrepoint (Lease expires year 2078)	-	386
	– 1.8 hectares industrial offices at 16 & 18 Tuas Avenue 5 (Lease expires year 2043)	-	14,839
<b>Peninsular Malaysia</b>			
F&N	– 3.6 hectares industrial property at 70 Jalan University, Petaling Jaya (Lease expires year 2058)	8,023	6,772
	– 1.6 hectares industrial property at 16 Jalan Bersatu 13/4, Petaling Jaya (Lease expires year 2058)	4,241	1,899
	– 1.9 hectares industrial property at Lot 5, Jalan Kilang, 46050 Petaling Jaya (Lease expires year 2058)	2,734	1,550
	– 1.4 hectares industrial property at Lot 56, Section 4, Phase 2B, Mukim Klang, Selangor (Lease expires year 2097)	12,182	-
	– Other properties	680	677
<b>East Malaysia</b>			
F&N	– 1.8 hectares industrial property at Penrissen Road, Kuching (Lease expires year 2038)	681	2,866
	– 2.6 hectares industrial property at Tuaran Road, Kota Kinabalu (Lease expires year 2062)	1,025	780
	– 1.2 hectares industrial property at 218 KNLD, Kuching (Lease expires year 2038)	3,071	-
	– 2.8 hectares industrial property at Matang Land District, Sarawak/Kuching District (Lease expires year 2038/2784)	2,051	344

## Particulars of Group Properties

### (A) CLASSIFIED AS GROUP FIXED ASSETS (cont'd) (Note 13 to the Financial Statements)

		Land (\$'000)	Building (\$'000)
<b>LEASEHOLD (cont'd)</b>			
<b>Cambodia</b>			
APBL	– 11.3 hectares industrial property at Kandal Province (Land rights expires year 2065)	-	7,165
<b>Vietnam</b>			
F&N	– 3.4 hectares industrial property at Ton That Thuyet, Vietnam (Lease expires year 2023)	-	2,887
	– 6.0 hectares industrial property at VSIP, Thuan An District, Binh Duong Province (Lease expires year 2045)	3,180	5,088
APBL	– 13.0 hectares industrial property at Ho Chi Minh City (Lease expires year 2021)	1,684	6,335
	– 30.0 hectares industrial property at Van Tao Village – Hatay Province (Lease expires year 2046)	-	9,501
	– 20.0 hectares industrial property at Quang Nam Province (Lease expires year 2057)	169	369
	– 5.1 hectares industrial property at Tien Giang Province (Lease expires year 2022)	-	1,247
	– 4.8 hectares industrial property at Danang City (Lease expires year 2024)	-	1,192
<b>Thailand</b>			
F&N	– 0.9 hectares industrial property at No. 19/111 Moo 7 Thakarm Road, Samaedam, Bangkhuntien, Bangkok 10150 (Lease expires year 2029)	499	2,306
TPL	– Warehouse at Soi Wat Kok #20/526-527, Rama II Road, Bangkok (Lease expires year 2021)	-	41
<b>Myanmar</b>			
F&N	– 5.0 hectares industrial property at Mingaladon Township, Yangon (Lease expires year 2023)	1,536	9,019
<b>China/Hong Kong</b>			
F&N	– Residential property at Liu Shu Town, SheHong Country, Sichuan Providence, China (Lease expires year 2058)	-	43
	– 6.8 hectares industrial property at Xian, China (Lease expires year 2055)	7,271	7,448
APBL	– 20.0 hectares industrial property at Haikou, Hainan, China (Lease expires year 2065)	5,047	17,434
	– 11.0 hectares industrial property at Shanghai, China (Lease expires year 2038)	5,994	8,773
	– 0.02 hectares industrial property at Shanghai, China (Lease expires year 2042)	-	305

## Particulars of Group Properties

### (A) CLASSIFIED AS GROUP FIXED ASSETS (cont'd) (Note 13 to the Financial Statements)

		Land (\$'000)	Building (\$'000)
<b>LEASEHOLD (cont'd)</b>			
<b>China/Hong Kong (cont'd)</b>			
TPL	– Residential property at Unit 1AF Riverside Garden, Shenyang, China	-	197
	– Residential property at Vanke Garden, Shenyang, China	-	99
	– 0.4 hectares industrial property at 13A Xingshun Street, Tiexi District, Shenyang, China (Lease expires year 2009)	6	640
	– Warehouse at Unit D, 2nd Floor, Freder Centre 68 Sung Wong Toi Road, Tokwawan, Kowloon, Hong Kong (Lease expires year 2022)	16	33
	– Industrial property at Dachong Western Industrial District Nansha Panyu, Guangdong, China (Lease expires year 2044)	2,926	6,864
	– Industrial property at Unit A1,C5, Ko Fai Industrial Building 7 Ko Fai Road, Yau Tong, Kowloon, Hong Kong (Lease expires year 2048)	-	521
	– 1.9 hectares commercial property at 18 Jianshe Zhong Road, Tiexi District Shenyang, China	3,475	3,008
	– Factory at 665 Kong Jiang Road, Yang Pu District, Shanghai 200093 (Lease expires year 2030)	541	2,302
	– Factory at 1 Zhao Yu Street, Yuci Economic Development Zone Jin Zhong City, Shanxi Province (Lease expires year 2026)	1,191	3,330
	– Offices at Seaview Estate – 10th Floor Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	4,969	128
FCL	– Office at Suite 2806-2810, 28/F Shell Tower, Time Square, Causeway Bay, Hong Kong	-	24
<b>Papua New Guinea</b>			
APBL	– 2.2 hectares industrial property at Port Moresby (Lease expires year 2067)	668	4,444
	– 7.7 hectares industrial property at Lae and Goroka (Lease expires year 2057 and year 2067)	322	206
	– 1.0 hectares residential properties (Lease expires year 2057 and year 2071)	130	125
<b>Sri Lanka</b>			
APBL	– 2.3 hectares industrial property at Mawathagama (Lease expires year 2027)	44	330
<b>India</b>			
APBL	– 7.0 hectares industrial property at Waluj, Aurangabad, Maharashtra (Lease expires year 2083)	101	1,562

## Particulars of Group Properties

### (A) CLASSIFIED AS GROUP FIXED ASSETS (cont'd) (Note 13 to the Financial Statements)

	Land (\$'000)	Building (\$'000)
<b>LEASEHOLD (cont'd)</b>		
<b>Laos</b>		
APBL – 13.0 hectares industrial property at Veunkham Road, B.Nongno, Xaythany District, Vientianne, Laos (Lease expires year 2056)	1,646	9,188
<b>Total Leasehold</b>	<b>76,103</b>	<b>176,506</b>
<b>TOTAL PROPERTIES (CLASSIFIED AS GROUP FIXED ASSETS)</b>	<b>128,836</b>	<b>285,697</b>

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

<b>Singapore</b>		
FCL – A 24-storey office building at 438 Alexandra Road Freehold, lettable area – 18,423.0 sqm	67,250	94,450
– Retained interests (excluding apartments) in a 7-storey shopping cum residential complex with 2 basement floors at Centrepoint, 176 Orchard Road Leasehold (Lease expires year 2078), lettable area – 30,867.0 sqm	454,110	174,890
– 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 – 12,357.8 sqm	214,500	71,500
– 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 – 6,652.7 sqm	36,000	31,000
– Two 8-storey high-tech industrial building with basement carpark at 438A and 438B Alexandra Road, Alexandra Technopark, Block A & Block B Freehold, lettable area – 97,542.0 sqm	101,670	272,030
– 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 163 serviced apartment units Leasehold (999 years) Lettable area: Retail 9,068.8 sqm Serviced apartments 14,293.4 sqm Total 23,362.2 sqm	105,970	137,030

## Particulars of Group Properties

### (B) CLASSIFIED AS GROUP INVESTMENT PROPERTIES (cont'd) (Note 14 to the Financial Statements)

	Land (\$'000)	Building (\$'000)
<b>Singapore (cont'd)</b>		
– 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 – 38,884 sqm	511,000	199,000
– 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 251 serviced apartment units at River Valley Road Leasehold (999 years) Lettable area: Retail 3,699.0 sqm Serviced apartments 20,232.0 sqm Office 16,948.0 sqm Total 40,879.0 sqm	177,900	245,800
– Other properties	1,132	168
TPL – 0.7 hectares industrial property at 438 Ang Mo Kio Industrial Park Leasehold (Lease expires year 2038)	-	9,600
– 1.9 hectares warehouse at No. 24 Senoko Drive Leasehold (Lease expires year 2011)	-	800
<b>Vietnam</b>		
FCL – A 23-storey retail/office building plus 2 basements at 2 Ngo Duc Ke Street, District 1, Ho Chi Minh City Leasehold (Lease expires year 2045), lettable area – 17,744.0 sqm	33,826	30,760
<b>China</b>		
FCL – A 5-storey buildings for I.T research and development centres and offices, and for ancillary uses at Shenzhen Industrial Hi-Tech Industrial Park Gaoxing South Ring Road/Keji South Road, Shenzhen Leasehold (Lease expires year 2049), lettable area – 141,310.0 sqm	41,255	107,291
– A 13-storey office and/or research and development facilities with 2 levels of basement car parks and ancillary facilities at TsingHua Science Park No 1 Zhongguancun East Road, Haidian District, Beijing Leasehold (Lease expires year 2053), lettable area – 38,330.0 sqm	38,187	7,891
– A building comprising residential (3rd to 23rd level) and clubhouse (2nd level) at No. 7 Guanghua Road, Chaoyang District, Beijing Leasehold: Residential (lease expires year 2073) Clubhouse (lease expires year 2043) Lettable area – 28,419.0 sqm	-	210,402
<b>Philippines</b>		
FCL – 69 apartment units with car park lots at Frasers Place Forbes Tower, Valero Street, Salcedo Village, Makati City, Manila Freehold, lettable area – 17,046.0 sqm	-	26,502

## Particulars of Group Properties

### (B) CLASSIFIED AS GROUP INVESTMENT PROPERTIES (cont'd) (Note 14 to the Financial Statements)

	Land (\$'000)	Building (\$'000)
<b>Australia</b>		
FCL – A 2-storey Bridgepoint Shopping Centre, MosMan, Sydney Freehold, lettable area – 6,784.1 sqm	25,971	24,315
<b>United Kingdom</b>		
FCL – 2 buildings of 63 residential apartments at The Boardwalk, Trafalgar Way, London Leasehold (999 years), lettable area – 4,765.0 sqm	-	73,069
– A 4-storey building of serviced apartments at 1-19 Albion Street, Glasgow Freehold, lettable area – 4,694.0 sqm	-	26,096
– Retained freehold interest in a building for residential use at Nell Gwynn House, Sloane Avenue, London	1,957	-
<b>Hong Kong</b>		
TPL – Shop unit at Houston Centre, Tsimshatsui East, Kowloon Leasehold (Lease expires year 2053), lettable area – 68 sqm	424	111
– Offices at Seaview Estate – 9th Floor Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2056), lettable area 1,052 sqm	4,937	129
<b>TOTAL PROPERTIES (CLASSIFIED AS INVESTMENT PROPERTIES)</b>	<b>1,816,089</b>	<b>1,742,834</b>

### (C) CLASSIFIED AS COMPLETED PROPERTIES HELD FOR SALES (Note 24 to the Financial Statements)

	Effective Group interest %
<b>Singapore</b>	
FCL – Bungalow Plot 3 (Holland Park) Freehold site of approximately 2,064.0 sqm situated at Holland Park off Holland Road The development is for one bungalow unit.	100
<b>Australia</b>	
FCL – The Habitat Freehold land of approximately 862.0 sqm situated at Chandos Streets, North Sydney. The development has a gross floor area of 7,855.0 sqm and consists of 60 residential units, 2 retail and 9 offices.	75
– Townhall Serviced Residences Freehold land of approximately 3,966.0 sqm situated at Junction of George Street, Bathurst Street and Kent Street, Sydney. The development has a gross floor area of 62,000.0 sqm and consists of 145 units.	81
– Lumiere Freehold land of approximately 3,966.0 sqm situated at former Regent Theatre, 101 Bathurst St Sydney 2000. The development has a gross floor area of 86,277.0 sqm and consists of 456 residential units, 4 retail and 1 commercial unit.	81

## Particulars of Group Properties

### (C) CLASSIFIED AS COMPLETED PROPERTIES HELD FOR SALES (cont'd) (Note 24 to the Financial Statements)

	Effective Group interest %
<b>China/Hong Kong</b>	
FCL – Scenic Place Leasehold land of approximately 26,052.0 sqm situated at No.305 Guang An Men Wai Avenue. The development has a gross floor area of 95,855.0 sqm and consists of 788 residential units and 154 carpark lots.	56
– Ninth ZhongShan Leasehold land of approximately 73,152.0 sqm situated at No.2 Xinglin Street Zhongshan District. The development has a gross floor area of 63,054.0 sqm and consists of 458 residential units and 132 carpark lots.	56
– Greenery Place Leasehold land of approximately 6,796.0 sqm situated at No. 1 Town Park Road South, Yuan Long, Hong Kong. The development has a gross floor area of 22,106.0 sqm and consists of 133 carpark lots.	56
– Jingan Four Seasons Leasehold land of approximately 13,843.0 sqm situated at Wu Jiang Lu, Shanghai. The development has a gross floor area of 70,717.0 sqm and consists of 452 residential units and 88 retail units.	100
– Crosspoint Leasehold land of approximately 7,111.0 sqm situated at Xi Cheng District, Xin Jie Kou, Beijing. The development has a gross floor area of 28,572.0 sqm and consists of 22 retail units.	95
<b>United Kingdom</b>	
FCL – Wandsworth Freehold land of approximately 40,014.9 sqm situated at South bank of River Thames, London. The development has a gross floor area of 27,000.0 sqm and consists of 203 residential units and 8 commercial units.	51
– Vincent Square Freehold land of approximately 2,346.0 sqm situated at Rochester Row, London. The development has a gross floor area of 6,197.0 sqm and consists of 70 residential units.	51
– Verwood & Horslychn Farm Freehold land of approximately 20 acres situated at West Country, Somerset.	51
– Buckswood Grange Freehold land of approximately 800.4 sqm situated at Uckfield, Sussex. The development has a gross floor area of 2,433.8 sqm and consists of 22 apartments and townhouses.	51

## Particulars of Group Properties

### (D) CLASSIFIED AS DEVELOPMENT PROPERTIES HELD FOR SALE

(Note 24 to the Financial Statements)

Details of the properties under development are included in Note 24 to the Financial Statements.

Additional information as follows:

	Stage of Completion	Estimated Date of Completion	Effective Group Interest %
<b>Singapore</b>			
FCL – Holland Park	26% – 58.3%	1st Quarter FY2009 – 4th Quarter FY2010	100
– The Infiniti	92%	4th Quarter FY2008	100
– One St Michael's	71%	2nd Quarter FY2009	100
– St Thomas Suites	29%	4th Quarter FY2010	100
– Clementi Woods	44%	1st Quarter FY2011	100
– Soleil @ Sinaran	21%	3rd Quarter FY2011	100
– Martin Place Residences	10%	3rd Quarter FY2011	100
– Sirat Road Development	-	1st Quarter FY2011	100
– Waterfront Waves	5%	1st Quarter FY2012	50
– One Jervois	32%	1st Quarter FY2012	100
– Lot 3655K and Lot 3654A of Mukim 2 at Holland Park	-	3rd Quarter FY2010	100
– Woodsville Close	-	1st Quarter FY2012	100
– Boon Lay Way/Lakeside Drive	-	2nd Quarter FY2012	100
– Flamingo Valley	-	2nd Quarter FY2013	100
– Woodleigh Close	-	2nd Quarter FY2012	100
<b>Malaysia</b>			
F&N – Jalan Yew, Kuala Lumpur site	-	-	58
– Jalan Ampang, Kuala Lumpur site	-	-	58
– Hulu Langat, Selangor site	-	-	58
– Johor Baru, State of Johor site	-	-	58
<b>Vietnam</b>			
FCL – Nguyen Sieu Street Site	-	1st Quarter FY2010	70
<b>Thailand</b>			
FCL – The Pano	52%	1st Quarter FY2010	70
<b>Australia</b>			
FCL – Wanjeep Street Site	-	4th Quarter FY2014	56
– Lorne Avenue Site	100%	1st Quarter FY2009	75
– Queen's Precinct Site	-	4th Quarter FY2012	88
– Morton Site	-	4th Quarter FY2014	75
– Pavilions Killara	-	4th Quarter FY2010	75
– Camperdown City Quarter	39%	4th Quarter FY2009	88
– Broadway Sydney	-	4th Quarter FY2013	75

## Particulars of Group Properties

### (D) CLASSIFIED AS DEVELOPMENT PROPERTIES HELD FOR SALE (cont'd)

(Note 24 to the Financial Statements)

	Stage of Completion	Estimated Date of Completion	Effective Group Interest %
<b>China</b>			
FCL – Cheng Du Logistics Park	-	2nd Quarter FY2010 – 4th Quarter FY2014	80
– Haitang Bay Resort Development	-	4th Quarter FY2011	100
– Sheshan Four Seasons	-	3rd Quarter FY2009 – 4th Quarter FY2012	72
– Suzhou Baitang	-	3rd Quarter FY2011 – 4th Quarter FY2013	100
<b>New Zealand</b>			
FCL – Broadview Queenstown Site	-	4th Quarter FY2013	75
– Tauranga in the Bay of Plenty	-	4th Quarter FY2014	68
<b>United Kingdom</b>			
FCL – Wandsworth Riverside Quarters Site	-	4th Quarter FY2012	51
– Wandsworth Road Site	-	3rd Quarter FY2012	51
– Camberwell Green	-	3rd Quarter FY2011	51
– Shoppenhangers Lane	-	1st Quarter FY2009	51
– Collins Theatre	-	Completed	51
– Granton Harbour	-	3rd Quarter FY2011	26
– Water Street	-	1st Quarter FY2009	26
– Ferry Village	-	1st Quarter FY2012	26
– Shrubhill	-	4th Quarter FY2012	26
– St Giles Street	-	2nd Quarter FY2009	75
– Lumiere Leeds	-	3rd Quarter FY2012	23
– Brown Street	-	4th Quarter FY2011	51
– Baildon	-	2nd Quarter FY2012	51

### (E) CLASSIFIED AS GROUP PROPERTIES HELD FOR DEVELOPMENT

(Note 15 to the Financial Statements)

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

Additional information as follows:

	Stage of Completion	Estimated Date of Completion	Effective Group Interest %
<b>Singapore</b>			
FCL – Yishun Central Site	-	4th Quarter FY2008	100
– New Upper Changi Development	-	4th Quarter FY2009	100
F&N – Jalan Yew Site, Kuala Lumpur, Malaysia	-	-	58

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