

MAKING TOMORROW TODAY

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Directors' Report

Your directors have pleasure in submitting their report and the audited financial statements of the Company and of the Group for the financial year ended 30 September 2009.

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 Soon Tit Koon
Mr Tan Chong Meng
Mr Nicky Tan Ng Kuang

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 Timothy Chia Chee Ming
 - Mr Simon Israel
 - Mr Nicky Tan Ng Kuang

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 SHARE OF THE COMPANY/ OTHER SECURITIES OF GROUP COMPANIES | |
|---|---|-------------------|
| | As at 1 Oct 2008 | As at 30 Sep 2009 |
| Lee Hsien Yang | | |
| - Fraser and Neave, Limited Ordinary Shares | 180,000 | 588,240 |
| - Frasers Commercial Trust Units | - | 3,000,000 |
| Timothy Chia Chee Ming | Nil | Nil |
| Ho Tian Yee | Nil | Nil |
| Simon Israel | | |
| - Frasers Centrepoint Trust Units | Nil | 700,000 |
| Koh Beng Seng | Nil | Nil |
| Soon Tit Koon | Nil | Nil |
| Tan Chong Meng | Nil | Nil |
| Nicky Tan Ng Kuang | | |
| - Frasers Centrepoint Trust Units | 300,000 | 300,000 |

Directors' Report

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 AND SHARE PLANS

(a) 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 expired on 30 September 2009 but Options already granted under this Scheme remain exercisable until the end of the relevant Option Period.

The Scheme is administered by the Remuneration & Staff Establishment Committee which comprises the following three non-executive directors who do not participate in the Schemes:

Mr Timothy Chia Chee Ming (Chairman)
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 10 Options of the 1999 Scheme

During the financial year ended 30 September 2009, in consideration of the payment of \$1 for each offer accepted, offers of options were granted pursuant to the 1999 Scheme in respect of 14,051,865 unissued ordinary shares of the Company at an exercise price of \$2.86 per share.

Information pertaining to Outstanding Options

At the end of the financial year, there were 47,724,935 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 1.10.2008 or Offer Date if later | Options Exercised/ Lapsed | Balance as at 30.9.2009 | Exercise Price | Exercise Period |
|--------------------|------------|--|---------------------------|-------------------------|----------------|--------------------------|
| 1999 Scheme | | | | | | |
| 2002 (Year 3) | 08.10.2001 | 128,960 | (111,455) | 17,505 | \$1.40 | 09.07.2004 to 08.09.2011 |
| 2003 (Year 4) | 01.10.2002 | 561,125 | (186,285) | 374,840 | \$1.51 | 01.07.2005 to 31.08.2012 |
| 2004 (Year 5) | 08.10.2003 | 3,197,485 | (1,531,835) | 1,665,650 | \$2.12 | 08.07.2006 to 07.09.2013 |
| 2005 (Year 6) | 08.10.2004 | 5,499,105 | (1,713,505) | 3,785,600 | \$2.82 | 08.07.2007 to 07.09.2014 |
| 2006 (Year 7) | 10.10.2005 | 8,666,190 | (435,590) | 8,230,600 | \$3.46 | 10.07.2008 to 09.09.2015 |
| 2007 (Year 8) | 10.10.2006 | 9,208,703 | (208,573) | 9,000,130 | \$4.22 | 10.07.2009 to 09.09.2016 |
| 2008 (Year 9) | 10.10.2007 | 10,965,601 | (237,985) | 10,727,616 | \$5.80 | 10.07.2010 to 09.09.2017 |
| 2009 (Year 10) | 25.11.2008 | 14,051,865 | (128,871) | 13,922,994 | \$2.86 | 25.08.2011 to 24.10.2018 |
| | | 52,279,034 | (4,554,099)* | 47,724,935 | | |

* Exercised (3,887,340)
Lapsed due to Resignations and Non-acceptance (666,759)

Directors' Report

5. SHARE OPTIONS AND SHARE PLANS (cont'd)

Statutory and other information regarding the Options

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

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

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

Information pertaining to Outstanding Options

At the end of the financial year, 65,210 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 1.10.2008 | Options Exercised/ Lapsed | Balance as at 30.9.2009 | Exercise Price | Exercise Period |
|---------|------------|-------------------------|---------------------------|-------------------------|----------------|--------------------------|
| 1999 | 23.12.1998 | 3,898 | (3,898) | - | \$3.61 | 22.09.2001 to 21.11.2008 |
| 2000 | 22.12.1999 | 10 | - | 10 | \$4.28 | 21.09.2002 to 20.11.2009 |
| 2001 | 20.12.2000 | 2,750 | - | 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 | 18,000 | - | 18,000 | \$4.79 | 15.07.2005 to 14.09.2012 |
| 2004 | 08.10.2003 | 40,800 | (2,000) | 38,800 | \$6.29 | 08.07.2006 to 07.09.2013 |
| | | 71,108 | (5,898) * | 65,210 | | |

* Exercised (2,000)
Lapsed due to Expiry (3,898)

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, apply also to the APBL options.

Directors' Report

5. SHARE OPTIONS AND SHARE PLANS (cont'd)

(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, 905,400 F&NHB ordinary shares held by Fraser and Neave, Limited were under Options granted pursuant to the F&NHB Scheme.

Details of the options granted to executives pursuant to the F&NHB Scheme to acquire ordinary shares of RM1 each in the capital of F&NHB from Fraser and Neave, Limited are as follows:

| Options | Offer Date | Balance as at 1.10.2008 | Options Exercised/ Lapsed | Balance as at 30.9.2009 | Exercise Price | Exercise Period |
|-------------------|------------|-------------------------|---------------------------|-------------------------|----------------|--------------------------|
| Old Scheme | | | | | | |
| 2004 | 24.11.2003 | 27,500 | (27,500) | - | RM3.83 | 24.08.2006 to 23.10.2008 |
| 2005 | 24.11.2004 | 223,700 | (216,700) | 7,000 | RM4.89 | 24.08.2007 to 23.10.2009 |
| 2006 | 26.08.2005 | 747,000 | (618,700) | 128,300 | RM5.54 | 27.05.2008 to 26.07.2010 |
| 2007 | 26.09.2006 | 1,988,000 | (1,217,900) | 770,100 | RM6.12 | 27.06.2009 to 26.08.2011 |
| | | <u>2,986,200</u> | <u>(2,080,800)*</u> | <u>905,400</u> | | |

* Exercised (1,963,200)
Lapsed due to Expiry and Resignations (117,600)

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, apply 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, 5,188,600 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 1.10.2008 or Offer Date if later | Options Exercised/ Lapsed | Balance as at 30.9.2009 | Exercise Price | Exercise Period |
|-------------------|------------|--|---------------------------|-------------------------|----------------|--------------------------|
| New Scheme | | | | | | |
| 2008 | 20.11.2007 | 2,504,300 | (127,000) | 2,377,300 | RM7.77 | 20.08.2010 to 19.10.2012 |
| 2009 | 19.11.2008 | 2,916,100 | (104,800) | 2,811,300 | RM8.46 | 19.08.2011 to 18.10.2013 |
| | | <u>5,420,400</u> | <u>(231,800)*</u> | <u>5,188,600</u> | | |

* Lapsed due to Resignations, Terminations and Non-Acceptance

Directors' Report

5. SHARE OPTIONS AND SHARE PLANS (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 F&NHB 2007 Scheme.
- 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:
 - (i) 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
 - (ii) 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.

2008 Options

During the financial year ended 30 September 2009, offers of options were granted pursuant to the Scheme in respect of 17,050,000 unissued ordinary shares of HK\$0.10 each of FPCL at an exercise price of HK\$0.10 per share.

Information pertaining to Outstanding Options

At the end of the financial year, there were 84,026,154 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 1.10.2008 or Offer Date if later | Options Exercised/ Lapsed | Balance as at 30.9.2009 | Exercise Price | Exercise Period |
|---------|------------|--|---------------------------|-------------------------|----------------|--------------------------|
| 2003 | 31.12.2003 | 9,965,658 | (88,327) | 9,877,331 | HK\$0.1580 | 31.12.2004 to 30.12.2013 |
| 2004 | 31.12.2004 | 11,474,439 | - | 11,474,439 | HK\$0.1547 | 31.12.2005 to 30.12.2014 |
| 2005 | 30.12.2005 | 13,773,647 | - | 13,773,647 | HK\$0.1343 | 30.12.2006 to 29.12.2015 |
| 2006 | 13.11.2006 | 15,300,737 | - | 15,300,737 | HK\$0.1670 | 13.11.2007 to 12.11.2016 |
| 2007 | 09.11.2007 | 16,550,000 | - | 16,550,000 | HK\$0.3370 | 09.11.2008 to 08.11.2017 |
| 2008 | 14.11.2008 | 17,050,000 | - | 17,050,000 | HK\$0.1000 | 14.11.2009 to 13.11.2018 |
| | | 84,114,481 | (88,327)* | 84,026,154 | | |

* Lapsed due to resignations (88,327)

Directors' Report

5. SHARE OPTIONS AND SHARE PLANS (cont'd)

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 |

In relation to the FPCL options, if the grantee, during any of the periods specified above, exercised 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.

Directors' Report

5. SHARE OPTIONS AND SHARE PLANS (cont'd)

(e) Share Plans

At an Extraordinary General Meeting held on 22 January 2009, the shareholders of the Company approved the adoption of the F&N Restricted Share Plan and the F&N Performance Share Plan. These plans succeeded the 1999 Scheme and no awards have been granted in this financial year.

(f) 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.

(g) 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 2009 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,
12 November 2009

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 83 to 181, 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 2009 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 2009; 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,
12 November 2009

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 83 to 181, which comprise the balance sheets of the Group and the Company as at 30 September 2009, 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 2009 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,
12 November 2009

Profit Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2009

| | Notes | THE GROUP | | THE COMPANY | |
|--|-------|--------------------|------------------|------------------|------------------|
| | | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| | | | (Restated) | | |
| REVENUE | 3 | 5,332,567 | 4,990,067 | 4,458 | 4,439 |
| Cost of sales | | (3,557,525) | (3,316,321) | - | - |
| Gross profit | | 1,775,042 | 1,673,746 | 4,458 | 4,439 |
| Other income/(expenses) (net) | 4(a) | 17,414 | 24,533 | 27 | (214) |
| Operating expenses | | | | | |
| - Distribution | | (221,103) | (211,451) | - | - |
| - Marketing | | (465,897) | (427,829) | - | - |
| - Administration | | (320,247) | (329,073) | (5,536) | (9,728) |
| | | (1,007,247) | (968,353) | (5,536) | (9,728) |
| TRADING PROFIT/(LOSS) | | 785,209 | 729,926 | (1,051) | (5,503) |
| Gross dividends from subsidiary and joint venture companies | 6 | - | - | 293,133 | 355,639 |
| Share of joint venture companies' profits | | 12,731 | 11,708 | - | - |
| Share of associated companies' (losses)/profits | | (858) | 14,907 | - | - |
| Gross income from investments | 7 | 13,539 | 9,241 | 425 | 728 |
| PROFIT BEFORE INTEREST AND TAXATION ("PBIT") | | 810,621 | 765,782 | 292,507 | 350,864 |
| Interest income | | 22,367 | 31,551 | 5,777 | 9,716 |
| Interest expense | | (88,711) | (96,140) | (13,708) | (21,353) |
| Net interest expense | 4(b) | (66,344) | (64,589) | (7,931) | (11,637) |
| PROFIT BEFORE IMPAIRMENT, FAIR VALUE ADJUSTMENT, TAXATION AND EXCEPTIONAL ITEMS | | 744,277 | 701,193 | 284,576 | 339,227 |
| Impairment on investments | | (7,292) | (47,955) | - | (11,413) |
| Fair value adjustment of investment properties (net) | 4(c) | (122,597) | 71,846 | - | - |
| PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS | 4(d) | 614,388 | 725,084 | 284,576 | 327,814 |
| Exceptional items | 8 | 1,440 | 12,057 | - | - |
| PROFIT BEFORE TAXATION | | 615,828 | 737,141 | 284,576 | 327,814 |
| Taxation | 9 | (173,451) | (169,429) | (9,940) | (9,936) |
| PROFIT AFTER TAXATION | | 442,377 | 567,712 | 274,636 | 317,878 |
| ATTRIBUTABLE PROFIT TO: | | | | | |
| Shareholders of the Company | | | | | |
| - Before fair value adjustment and exceptional items | | 466,457 | 371,844 | 274,636 | 317,878 |
| - Fair value adjustment of investment properties (net) | | (113,488) | 44,245 | - | - |
| - Exceptional items | | 6,565 | 19,738 | - | - |
| | | 359,534 | 435,827 | 274,636 | 317,878 |
| Minority interests | | 82,843 | 131,885 | - | - |
| | | 442,377 | 567,712 | 274,636 | 317,878 |
| Earnings per share attributable to the shareholders of the Company | 11 | | | | |
| Basic | | | | | |
| - before fair value adjustment and exceptional items | | 33.5 cts | 26.8 cts | | |
| - after fair value adjustment and exceptional items | | 25.9 cts | 31.4 cts | | |
| Fully diluted | | | | | |
| - before fair value adjustment and exceptional items | | 33.5 cts | 26.6 cts | | |
| - after fair value adjustment and exceptional items | | 25.8 cts | 31.2 cts | | |

The Notes on pages 90 to 181 form an integral part of the Financial Statements.

Balance Sheet

AS AT 30 SEPTEMBER 2009

| | Notes | THE GROUP | | THE COMPANY | |
|---|-------|------------------|------------------|------------------|------------------|
| | | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| SHARE CAPITAL AND RESERVES | | | | | |
| Share capital | 12 | 1,341,707 | 1,330,297 | 1,341,707 | 1,330,297 |
| Reserves | 12 | 4,243,017 | 3,952,977 | 2,470,937 | 2,348,272 |
| | | 5,584,724 | 5,283,274 | 3,812,644 | 3,678,569 |
| MINORITY INTERESTS | | | | | |
| | | 1,098,731 | 1,135,242 | - | - |
| | | 6,683,455 | 6,418,516 | 3,812,644 | 3,678,569 |
| Represented by: | | | | | |
| NON-CURRENT ASSETS | | | | | |
| Fixed assets | 13 | 1,239,721 | 1,231,828 | - | - |
| Investment properties | 14 | 3,444,233 | 3,558,922 | - | - |
| Properties held for development | 15 | 169,801 | 162,297 | - | - |
| Subsidiary companies | 16 | - | - | 3,544,830 | 3,752,960 |
| Joint venture companies | 17 | 89,487 | 60,639 | 434,421 | 408,921 |
| Associated companies | 18 | 635,869 | 638,234 | 82,383 | 83,541 |
| Intangible assets | 19 | 376,680 | 357,530 | - | - |
| Brands | 23 | 43,127 | 48,139 | - | - |
| Other investments | 21 | 465,213 | 152,442 | 8,309 | 8,085 |
| Other receivables | 26 | 54,106 | 19,204 | - | - |
| Deferred tax assets | 33 | 22,951 | 17,844 | - | - |
| | | 6,541,188 | 6,247,079 | 4,069,943 | 4,253,507 |
| CURRENT ASSETS | | | | | |
| Properties held for sale | 24 | 4,007,448 | 4,576,737 | - | - |
| Inventories | 25 | 423,507 | 468,502 | - | - |
| Trade receivables | 26 | 734,167 | 714,058 | - | - |
| Other receivables | 26 | 237,096 | 291,420 | 2,594 | 3,204 |
| Subsidiary companies | 16 | - | - | 85,010 | 72,509 |
| Joint venture companies | 17 | 11,666 | 26,559 | - | - |
| Associated companies | 18 | 5,105 | 910 | - | - |
| Short term investments | 28 | 254,696 | 141,111 | - | - |
| Bank fixed deposits | 22 | 1,269,499 | 629,882 | 52,092 | 39,200 |
| Cash and bank balances | 22 | 373,809 | 403,057 | 470 | 356 |
| | | 7,316,993 | 7,252,236 | 140,166 | 115,269 |
| Assets held for sale | 29 | 9,387 | 27,086 | - | - |
| | | 7,326,380 | 7,279,322 | 140,166 | 115,269 |
| Deduct: CURRENT LIABILITIES | | | | | |
| Trade payables | 30 | 681,508 | 576,592 | - | - |
| Other payables | 30 | 760,470 | 668,475 | 5,971 | 11,303 |
| Subsidiary companies | 16 | - | - | 26,680 | 18,938 |
| Joint venture companies | 17 | 3,055 | 4,066 | - | - |
| Associated companies | 18 | 1,035 | 17,545 | - | - |
| Borrowings | 31 | 1,692,726 | 2,079,576 | 199,914 | 299,960 |
| Provision for taxation | | 298,142 | 247,417 | 14,609 | 9,925 |
| | | 3,436,936 | 3,593,671 | 247,174 | 340,126 |
| NET CURRENT ASSETS/(LIABILITIES) | | 3,889,444 | 3,685,651 | (107,008) | (224,857) |
| Deduct: NON-CURRENT LIABILITIES | | | | | |
| Other payables | 30 | 9,334 | 10,037 | - | - |
| Borrowings | 31 | 3,608,299 | 3,355,259 | 150,000 | 349,814 |
| Provision for employee benefits | 32 | 19,303 | 18,764 | - | - |
| Deferred tax liabilities | 33 | 110,241 | 130,154 | 291 | 267 |
| | | 3,747,177 | 3,514,214 | 150,291 | 350,081 |
| | | 6,683,455 | 6,418,516 | 3,812,644 | 3,678,569 |

The Notes on pages 90 to 181 form an integral part of the Financial Statements.

Statement of Changes in Equity

| THE GROUP | | | | | | | | | | | |
|---|-----------------------|-----------------|------------------|--------------------|-----------------|----------------------|----------|------------------|-----------|--------------------|--------------|
| Notes | Fair Value | | | | | Employee | | Dividend Reserve | Total | Minority Interests | Total Equity |
| | Share Capital Reserve | Revenue Reserve | Exchange Reserve | Adjustment Reserve | Hedging Reserve | Share Option Reserve | Reserve | | | | |
| | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) |
| YEAR ENDED 30 SEPTEMBER 2009 | | | | | | | | | | | |
| Balance at 1 October 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 |
| Share of associated companies' reserves | - | (1,799) | - | 4,071 | 251 | (530) | - | - | 1,993 | - | 1,993 |
| Transfer of distributable reserves by overseas subsidiary companies in compliance with statutory requirements | - | 440 | (440) | - | - | - | - | - | - | - | - |
| Realisation of reserves on disposal of subsidiary companies | - | (183) | 183 | 3,308 | - | - | - | - | 3,308 | - | 3,308 |
| Change in minority interests' in reserves upon the issue of shares by subsidiary companies | - | - | (645) | - | - | - | - | - | (645) | 645 | - |
| Net fair value changes on derivative financial instruments | - | - | - | - | - | (18,696) | - | - | (18,696) | (1,916) | (20,612) |
| Net fair value changes on available-for-sale financial assets | - | - | - | - | 113,579 | - | - | - | 113,579 | - | 113,579 |
| Currency translation difference | - | - | - | (17,436) | - | - | - | - | (17,436) | (10,900) | (28,336) |
| Net (expenses)/income recognised directly in equity | - | (1,542) | (902) | (10,057) | 113,830 | (19,226) | - | - | 82,103 | (12,171) | 69,932 |
| Profit after taxation | - | - | 359,534 | - | - | - | - | - | 359,534 | 82,843 | 442,377 |
| Total recognised (expenses)/income for the year | - | (1,542) | 358,632 | (10,057) | 113,830 | (19,226) | - | - | 441,637 | 70,672 | 512,309 |
| Employee share-based expense | - | - | - | - | - | - | 9,895 | - | 9,895 | 37 | 9,932 |
| Issue of shares in the Company upon exercise of share options | 12 | 11,410 | - | - | - | - | (1,679) | - | 9,731 | - | 9,731 |
| Contribution of capital by minority interests | - | - | - | - | - | - | - | - | - | 1,135 | 1,135 |
| Change of interests in subsidiary and joint venture companies | - | - | - | - | - | - | - | - | - | (20,865) | (20,865) |
| Dividends | 10 | | | | | | | | | | |
| Dividend to minority interests | - | - | - | - | - | - | - | - | - | (87,490) | (87,490) |
| Dividend to shareholders, paid | - | - | (41,694) | - | - | - | - | (118,119) | (159,813) | - | (159,813) |
| Dividend to shareholders, proposed | - | - | (146,320) | - | - | - | - | 146,320 | - | - | - |
| Balance at 30 September 2009 | 1,341,707 | 270,114 | 3,759,391 | (122,624) | 178,052 | (19,226) | 30,990 | 146,320 | 5,584,724 | 1,098,731 | 6,683,455 |

The Notes on pages 90 to 181 form an integral part of the Financial Statements.

Statement of Changes in Equity

| | THE GROUP | | | | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|------------|--------------|-----------|-----------|-----------|-----------|
| | Notes | Share | Capital | Revenue | Exchange | Fair Value | Employee | Dividend | Minority | Total | |
| | | Capital | Reserve | Reserve | Reserve | Adjustment | Share Option | Reserve | | | Reserve |
| | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) | |
| YEAR ENDED 30 SEPTEMBER 2008 | | | | | | | | | | | |
| Balance at 1 October 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 |
| 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) |
| Dividends | 10 | | | | | | | | | | |
| 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 90 to 181 form an integral part of the Financial Statements.

Statement of Changes in Equity

THE COMPANY

| | | Share Capital | Capital Reserve | Revenue Reserve | Fair Value Adjustment Reserve | Employee Share Option Reserve | Dividend Reserve | Total |
|---|----------|------------------|--------------------|--------------------|-------------------------------------|--|---------------------|-----------|
| Notes | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) |
| YEAR ENDED 30 SEPTEMBER 2009 | | | | | | | | |
| Balance at 1 October 2008 | | 1,330,297 | 1,039,274 | 1,168,822 | 1,218 | 20,839 | 118,119 | 3,678,569 |
| Net fair value changes on available-for-sale financial assets | | - | - | - | 201 | - | - | 201 |
| Net income recognised directly in equity | | - | - | - | 201 | - | - | 201 |
| Profit after taxation | | - | - | 274,636 | - | - | - | 274,636 |
| Total recognised income for the year | | - | - | 274,636 | 201 | - | - | 274,837 |
| Employee share-based expense | | - | - | - | - | 9,320 | - | 9,320 |
| Issue of shares in the Company upon exercise of share options | 12 | 11,410 | - | - | - | (1,679) | - | 9,731 |
| Dividends | 10 | | | | | | | |
| Dividend to shareholders, paid | | - | - | (41,694) | - | - | (118,119) | (159,813) |
| Dividend to shareholders, proposed | | - | - | (146,320) | - | - | 146,320 | - |
| Balance at 30 September 2009 | | 1,341,707 | 1,039,274 | 1,255,444 | 1,419 | 28,480 | 146,320 | 3,812,644 |
| YEAR ENDED 30 SEPTEMBER 2008 | | | | | | | | |
| 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 |
| Dividends | 10 | | | | | | | |
| 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 |

The Notes on pages 90 to 181 form an integral part of the Financial Statements.

Cash Flow Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2009

| | THE GROUP | |
|---|------------------|-------------|
| | 2009 | 2008 |
| | (\$'000) | (\$'000) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation and exceptional items | 614,388 | 725,084 |
| Adjustments for: | | |
| Depreciation of fixed assets | 138,167 | 124,969 |
| Impairment of fixed assets, intangible assets, other investments and associated companies | 23,967 | 51,366 |
| Impairment reversal of fixed assets and intangible assets | (1,534) | (1,582) |
| Provision for employee benefits | 4,776 | 5,072 |
| Write back of employee benefits | (961) | (1,031) |
| Allowance for foreseeable losses in properties held for sale | 55,362 | 25,936 |
| Loss/(Profit) on disposal of fixed assets (net) | 3,083 | (317) |
| Amortisation of brands and intangible assets | 28,459 | 24,431 |
| Interest expenses (net) | 66,344 | 64,589 |
| Share of joint venture companies' profits | (12,731) | (11,708) |
| Share of associated companies' losses/(profits) | 858 | (14,907) |
| Investment income | (13,539) | (9,241) |
| Profit on properties held for sale | (347,845) | (307,088) |
| Employee share-based expense | 10,187 | 9,781 |
| Fair value adjustment of financial instruments | 11,692 | 2,015 |
| Fair value adjustment of investment properties | 122,597 | (71,846) |
| Loss on disposal of financial instruments | 1,971 | 309 |
| Operating cash before working capital changes | 705,241 | 615,832 |
| Change in inventories | 29,745 | 13,346 |
| Change in receivables | (14,078) | 356,392 |
| Change in joint venture and associated companies' balances | (6,713) | (16,968) |
| Change in payables | 26,946 | 24,293 |
| Currency realignment | (8,661) | (10,804) |
| Cash generated from operations | 732,480 | 982,091 |
| Interest expenses paid | (76,933) | (61,349) |
| Income taxes paid | (142,176) | (151,335) |
| Payment of employee benefits | (2,606) | (2,858) |
| Payment of cash-settled options | (559) | (854) |
| Progress payment received/receivable on properties held for sale | 1,625,303 | 1,109,298 |
| Development expenditure on properties held for sale | (959,526) | (1,578,355) |
| Net cash from operating activities | 1,175,983 | 296,638 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Dividends from joint venture and associated companies | 41,870 | 19,134 |
| Investment income | 13,539 | 9,241 |
| Proceeds from sale of fixed assets and properties | 15,018 | 15,466 |
| Proceeds from sale of other and short term investments | 6,137 | 25,215 |
| Proceeds/(Outflow) from disposal of subsidiary and joint venture companies | 155,299 | (2,335) |
| Purchase of fixed assets and properties | (368,103) | (453,404) |
| Purchase of other investments | (84) | (105,759) |
| Acquisition of minority interests in subsidiary companies | (35,940) | (65,057) |
| Acquisition of subsidiary companies and businesses | - | (84,558) |
| Payment for intangible assets | (25,232) | (23,709) |
| Development expenditure on properties held for development | (105,817) | (29,532) |
| Investments in joint venture and associated companies | (58,604) | (120,792) |
| Repayment/(Additional) of trade advances | 1,663 | (60) |
| Net cash used in investing activities | (360,254) | (816,150) |

The Notes on pages 90 to 181 form an integral part of the Financial Statements.

Cash Flow Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2009

| | THE GROUP | |
|--|------------------|-----------|
| | 2009 | 2008 |
| | (\$'000) | (\$'000) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from term loans and bank borrowings | 39,824 | 676,463 |
| Repayment of loan from minority interests | (1,403) | - |
| Share buy-back by a subsidiary company | - | (225) |
| Proceeds from issue of shares: | | |
| - by subsidiary companies to minority interests | 1,135 | 5,623 |
| - by the Company to shareholders | 9,731 | 14,375 |
| Payment of dividends: | | |
| - by subsidiary companies to minority interests | (87,490) | (85,149) |
| - by the Company to shareholders | (159,813) | (187,412) |
| Net cash (used in)/from financing activities | (198,016) | 423,675 |
| Net increase/(decrease) in cash and cash equivalents | 617,713 | (95,837) |
| Cash and cash equivalents at beginning of year | 1,020,068 | 1,138,186 |
| Effects of exchange rate changes on cash and cash equivalents | (13,871) | (22,281) |
| Cash and cash equivalents at end of year | 1,623,910 | 1,020,068 |
| Cash and cash equivalents at end of year comprise: | | |
| Cash and bank deposits (Note 22) | 1,643,308 | 1,032,939 |
| Bank overdrafts (Note 31) | (19,398) | (12,871) |
| | 1,623,910 | 1,020,068 |
| Analysis of acquisition, restructuring and disposal of subsidiary and joint venture companies | | |
| Net assets acquired: | | |
| Fixed assets | 2,478 | 4,511 |
| Other non-current assets | 1,958 | 68,626 |
| Properties held for sale | - | 25,137 |
| Current assets | 283 | 12,421 |
| Current liabilities | (3,613) | (31,946) |
| Non-current liabilities | - | (7,130) |
| Minority interests | (455) | (1,416) |
| Cash | - | 8,051 |
| | 651 | 78,254 |
| Cost of investment as an associated company | - | (945) |
| Goodwill on acquisition (net) | 2,523 | 15,300 |
| Consideration | 3,174 | 92,609 |
| Funded by minority interests | (242) | - |
| Cash injection by joint venture company | (2,932) | - |
| Less: Cash of subsidiary companies and businesses | - | (8,051) |
| Cash outflow on acquisition net of cash and cash equivalents acquired | - | 84,558 |
| Net assets disposed: | | |
| Fixed assets | (17,796) | (79,587) |
| Current assets | (131,917) | (25,624) |
| Non-current liabilities | - | 2,657 |
| Current liabilities | 32,109 | 12,732 |
| Minority interests | 3,273 | - |
| Cash | (13,083) | - |
| | (127,414) | (89,822) |
| Translation difference | (2,491) | (1,148) |
| Cost of investment in associated company | - | 90,356 |
| Provision for cost of disposal | (16,273) | 6,217 |
| Gain on disposal | (22,204) | (3,268) |
| Consideration (received)/paid | (168,382) | 2,335 |
| Less: Cash of subsidiary companies and business | 13,083 | - |
| Cash (inflow)/outflow on disposal net of cash and cash equivalents disposed | (155,299) | 2,335 |

The Notes on pages 90 to 181 form an integral part of the Financial Statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

The following Notes form an integral part of the Financial Statements on pages 83 to 89.

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:

- (a) production and sale of soft drinks, beer, stout, dairy products and glass containers;
- (b) development of and investment in property; and
- (c) 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 12 November 2009.

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.

During the year, the Group and the Company adopted the following INT FRS that are applicable in the current financial year.

| | |
|-------------|---|
| INT FRS 104 | Determining whether an Arrangement contains a Lease |
| INT FRS 113 | Customer Loyalty Programmes |
| INT FRS 114 | FRS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction |

The adoption of the above INT 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 2009

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 but are considered an impairment indicator 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 43.

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 Company's joint venture companies is shown in Note 43.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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 operating results, exceptional items and fair value adjustment of investment properties of associated companies are shown separately in the profit statement. 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 the Company's associated companies is shown in Note 43.

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.

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 2009

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.

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 replacements 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 will flow to the Group and the cost can be reliably measured. The carrying amount of the replaced parts is derecognised.

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

2. ACCOUNTING POLICIES (cont'd)

2.8 Fixed Assets (cont'd)

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 work-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 includes fixed assets under construction and advance payments and progress payments made for fixed assets and 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 recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers. Changes in fair values are recognised in the profit statement.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised 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 recognised in the profit statement.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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 2009

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 the 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.

- (c) Management contracts with finite useful lives are amortised on a straight line basis over an estimated useful life of 8 years. Management contracts with indefinite useful lives are not amortised.
- (d) Other intangible assets comprise licenses, web-content, customer relationships, and publishers and distributor relationships. The licenses are amortised based on the remaining lives of the licensing arrangements with the respective licensors. Customers, publishers and distributors relationships are amortised over the remaining useful lives.

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 allowance 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 2009

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 costs of the project. 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 realisable value, if lower. Abnormally large purchases of bottles are accounted for by writing off, based on the estimated lifespan, a portion of the costs in excess of repurchase prices.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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 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. 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 2009

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 2009

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 installments.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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 (i.e. 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. The carrying amount is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortised or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss is recognised in the income statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised in the profit statement, a reversal of that impairment is also recognised in the profit statement

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

2. ACCOUNTING POLICIES (cont'd)

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.

(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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

2. ACCOUNTING POLICIES (cont'd)

2.25 Financial Assets (cont'd)

(e) Determinaton of Fair Value

The fair values 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.

(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 value 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.

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 directly 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.

Derivative instruments that qualify for hedge accounting are classified either as cash flow hedge or fair value hedge.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

2. ACCOUNTING POLICIES (cont'd)

2.26 Derivative Financial Instruments (cont'd)

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedge item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the criteria for hedge accounting are accounted for as follows:

(a) Cash Flow Hedges

Cash flow hedges are hedges of the exposure to the variability of cash flow that is attributable to a particular risk associated with a recognised asset or liability that could affect the profit statement.

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in hedging reserves within equity, while the ineffective portion is recognised in the profit statement.

Amounts taken to hedging reserves are transferred to the profit statement when the hedged transaction affects the profit statement, such as when the hedged financial income or financial expense is recognised or when a forecast sale or purchase occurs. When the hedged item is the cost of a non-financial asset or liability, the amounts taken to hedging reserves are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in hedging reserves are transferred to the profit statement. If the hedging instrument expires or is sold, terminated, or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in hedging reserves remain in hedging reserves until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the profit statement.

(b) Fair Value Hedges

Fair value hedges are hedges of the exposure to the variability of fair value that is attributable to a particular risk associated with a recognised asset or liability that could affect the profit statement.

For fair value hedges, the gain or loss on the hedging instrument is recognised directly in the profit statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised to profit statement.

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

2. ACCOUNTING POLICIES (cont'd)

2.27 Significant Accounting Estimates and Judgements (cont'd)

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

(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 realisable value has fallen below cost. In arriving at estimates of net realisable 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, brands and management contracts

Goodwill, brands and management contracts 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, brands and management contracts 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 has 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 asset 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.

Loans and receivables

The Group assesses at each balance sheet date whether there is any objective evidence that a loan or receivable is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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 revenue and cost of sales from partly completed development properties held for sale based on the percentage of completion method. The stage of completion is measured in accordance with the accounting policy stated in Note 2.14. Estimates are required in determining the total estimated development costs which will affect the stage of completion. 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 realisation 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 2009

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 | |
|---------------------|------------------|------------------|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| | | (Restated) | | |
| Sale of properties | 1,486,954 | 1,172,107 | - | - |
| Sale of goods | 3,277,648 | 3,271,846 | - | - |
| Sale of services | 176,521 | 212,943 | - | - |
| Gross rental income | 326,024 | 284,978 | - | - |
| Others | 65,420 | 48,193 | 4,458 | 4,439 |
| Total revenue | 5,332,567 | 4,990,067 | 4,458 | 4,439 |

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS

| | THE GROUP | | THE COMPANY | |
|---|------------------|------------------|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| (a) Included in Other Income/(Expenses) (net): | | | | |
| Loss on disposal of derivatives | (1,971) | (309) | - | - |
| Fair value (loss)/gain on derivatives | (10,049) | 1,225 | - | - |
| Exchange gain/(loss) | 10,212 | 6,514 | 226 | (218) |
| Rental income | 4,666 | 6,379 | - | - |
| Sale of non-stock/scrap items | 1,820 | 1,843 | - | - |
| (Loss)/Profit on disposal of fixed assets | (3,083) | 317 | - | - |
| Job Credit allowance | 6,046 | - | - | - |
| (b) Net Interest Expense: | | | | |
| Interest income | | | | |
| Subsidiary companies | - | - | 2,889 | 8,664 |
| Bank and other deposits | 16,132 | 27,675 | 131 | 479 |
| Interest rate swap contracts | 2,757 | 1,576 | 2,757 | 573 |
| Others | 3,478 | 2,300 | - | - |
| | 22,367 | 31,551 | 5,777 | 9,716 |
| Interest expense | | | | |
| Bank and other borrowings | (83,857) | (90,745) | (13,708) | (21,353) |
| Interest rate swap contracts | (4,400) | (4,816) | - | - |
| Others | (454) | (579) | - | - |
| | (88,711) | (96,140) | (13,708) | (21,353) |
| | (66,344) | (64,589) | (7,931) | (11,637) |

(c) Fair value adjustment of investment properties (net):

The fair value adjustment of investment properties is analysed as follows:

| | THE GROUP | | | |
|----------------------|-------------------|--|-------------------|--|
| | 2009 | | 2008 | |
| | Gross (\$'000) | Attributable to shareholders of the Company (\$'000) | Gross (\$'000) | Attributable to shareholders of the Company (\$'000) |
| Subsidiary companies | (77,159) | (66,505) | 61,037 | 37,063 |
| Associated companies | (45,438) | (46,983) | 10,809 | 7,182 |
| | (122,597) | (113,488) | 71,846 | 44,245 |

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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

| | THE GROUP | | THE COMPANY | |
|--|------------------|------------------|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| (d) Profit before taxation and exceptional items have been arrived at after charging: | | | | |
| Depreciation of fixed assets | 138,167 | 124,969 | - | - |
| Impairment of fixed assets | 3,571 | 2,977 | - | - |
| Impairment of investment in associated companies | 7,292 | 47,955 | - | 11,400 |
| Impairment of investment in subsidiary companies | - | - | - | 13 |
| Impairment of brands | 2,560 | - | - | - |
| Impairment of intangibles | 8,804 | 412 | - | - |
| Allowance for foreseeable losses on properties held for sale | 55,362 | 25,936 | - | - |
| Amortisation of brands | 591 | 729 | - | - |
| Amortisation of intangibles | 27,868 | 23,702 | - | - |
| Intangible assets written off | 1,740 | 156 | - | - |
| Allowance for doubtful trade debts and bad debts | 6,587 | 6,457 | - | - |
| Allowance for doubtful other receivables | 15,849 | - | - | - |
| Allowance for inventory obsolescence | 16,166 | 10,790 | - | - |
| Provision for employee benefits | 4,776 | 5,072 | - | - |
| Directors of the Company: | | | | |
| Fee | 2,188 | 2,157 | 1,912 | 1,890 |
| Remuneration of members of Board committees | 275 | 211 | 275 | 211 |
| Retired Directors of the Company: | | | | |
| Fee | 24 | 107 | 24 | 62 |
| Remuneration of members of Board committees | 24 | 8 | 24 | 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 | 6,678 | 8,085 | - | - |
| Provident Fund contribution | 23 | 162 | - | - |
| Share option expense | 1,826 | 1,417 | - | - |
| Staff costs (exclude directors and key executives) | 381,569 | 382,974 | - | - |
| Defined contribution plans | | | | |
| (exclude directors and key executives) | 24,654 | 25,729 | - | - |
| Share option expense (exclude directors and key executives) | 8,361 | 8,116 | 704 | 1,607 |
| Auditors' remuneration: | | | | |
| Auditor of the Company | 769 | 1,245 | 213 | 208 |
| Other auditors | 2,123 | 2,695 | - | - |
| Professional fees paid to: | | | | |
| Auditor of the Company | 126 | 58 | 2 | - |
| Other auditors | 421 | 413 | - | - |
| and crediting: | | | | |
| Write back of provision for employee benefits | 961 | 1,031 | - | - |
| Write back of allowance for doubtful trade debts and bad debts | 3,593 | 3,844 | - | - |
| Reversal of impairment of fixed assets | 1,346 | 1,582 | - | - |
| Reversal of impairment of intangibles | 188 | - | - | - |

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 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 2009

5. SEGMENT INFORMATION (cont'd)

Year ended 30 September 2009

The following table presents financial information regarding business segments:

| Business Segment | Soft Drinks (\$'000) | Dairies (\$'000) | Breweries (\$'000) | Printing & Publishing (\$'000) | Glass Containers (\$'000) | Investment Property (\$'000) | Development Property (\$'000) | Others (\$'000) | Elimination (\$'000) | Group (\$'000) |
|--|-------------------------|---------------------|-----------------------|--------------------------------------|---------------------------------|------------------------------------|-------------------------------------|--------------------|-------------------------|-------------------|
| Revenue - external | 542,154 | 977,857 | 1,352,391 | 417,123 | 164,152 | 334,836 | 1,503,735 | 40,319 | - | 5,332,567 |
| Revenue - inter-segment | - | 62 | - | 306 | 28,809 | 4,874 | - | 202,764 | (236,815) | - |
| Total revenue | 542,154 | 977,919 | 1,352,391 | 417,429 | 192,961 | 339,710 | 1,503,735 | 243,083 | (236,815) | 5,332,567 |
| Subsidiary companies | 60,467 | 63,315 | 196,066 | (3,490) | 16,805 | 190,460 | 264,390 | 10,735 | - | 798,748 |
| Joint venture and associated companies | - | (2,192) | 10,840 | 2,647 | - | (4,796) | 5,374 | - | - | 11,873 |
| PBIT | 60,467 | 61,123 | 206,906 | (843) | 16,805 | 185,664 | 269,764 | 10,735 | - | 810,621 |
| Interest income | | | | | | | | | | 22,367 |
| Interest expense | | | | | | | | | | (88,711) |
| Profit before taxation and exceptional items | | | | | | | | | | 744,277 |
| Impairment on investments | | | | | | | | | | (7,292) |
| Fair value adjustment of investment properties | | | | | | | | | | (122,597) |
| Exceptional items | | | | | | | | | | 1,440 |
| Profit before taxation | | | | | | | | | | 615,828 |
| Taxation | | | | | | | | | | (173,451) |
| Profit after taxation | | | | | | | | | | 442,377 |
| Minority interest, net of taxes | | | | | | | | | | (82,843) |
| Attributable profit | | | | | | | | | | 359,534 |
| Assets | 255,606 | 507,980 | 1,098,832 | 734,692 | 275,029 | 4,038,961 | 4,365,240 | 924,969 | - | 12,201,309 |
| Tax assets | | | | | | | | | | 22,951 |
| Bank deposits & cash balances | | | | | | | | | | 1,643,308 |
| Total assets | | | | | | | | | | 13,867,568 |
| Liabilities | 123,625 | 154,100 | 287,345 | 106,058 | 25,126 | 252,631 | 144,839 | 380,981 | - | 1,474,705 |
| Tax liabilities | | | | | | | | | | 408,383 |
| Borrowings | | | | | | | | | | 5,301,025 |
| Total liabilities | | | | | | | | | | 7,184,113 |
| Other segment information: | | | | | | | | | | |
| Capital expenditure | 16,207 | 84,994 | 61,749 | 37,163 | 22,926 | 161,470 | 4,813 | 3,900 | - | 393,222 |
| Depreciation & amortisation | 14,647 | 19,278 | 50,232 | 49,356 | 23,591 | 3,046 | 99 | 6,377 | - | 166,626 |
| Impairment and foreseeable losses | 1,137 | 914 | 4,055 | 9,337 | - | 6,759 | 55,362 | 25 | - | 77,589 |
| Negative goodwill | - | - | - | (620) | - | (27,542) | - | - | - | (28,162) |
| Reversal of impairment losses | (279) | (174) | (632) | (290) | (59) | - | - | (100) | - | (1,534) |
| Attributable profit before fair value adjustment and exceptional items | 23,842 | 23,520 | 77,227 | (729) | 9,258 | 94,493 | 230,627 | 8,219 | - | 466,457 |
| Fair value adjustment of investment properties (net) | - | - | - | (1,294) | - | (112,194) | - | - | - | (113,488) |
| Exceptional items | (1,691) | (8,085) | 5,713 | (9,961) | (2,430) | 21,974 | 18,187 | (17,142) | - | 6,565 |
| Attributable profit | 22,151 | 15,435 | 82,940 | (11,984) | 6,828 | 4,273 | 248,814 | (8,923) | - | 359,534 |

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 | 1,940,845 | 1,088,862 | 997,975 | 647,137 | 31,730 | 556,545 | 69,473 | 5,332,567 |
| PBIT | 497,427 | 114,906 | 180,223 | 68,133 | (4,627) | 64,202 | (109,643) | 810,621 |
| Other geographical information: | | | | | | | | |
| Assets | 6,027,935 | 773,760 | 1,257,847 | 1,924,392 | 52,202 | 1,581,747 | 583,426 | 12,201,309 |
| Capital expenditure | 173,064 | 38,804 | 109,675 | 27,976 | 1,231 | 27,897 | 14,575 | 393,222 |

Rest of South East Asia: Myanmar, Thailand, Cambodia, Vietnam, Philippines 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 2009

5. SEGMENT INFORMATION (cont'd)

Year ended 30 September 2008

The following table presents financial information regarding business segments:

| Business Segment | Soft Drinks | Dairies | Breweries | Printing & Publishing | Glass Containers | Investment Property | Development Property | Others | Elimination | Group |
|--|----------------|------------------|------------------|-----------------------|------------------|---------------------|----------------------|----------------|------------------|-------------------|
| | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) |
| Revenue - external | 506,403 | 1,040,148 | 1,291,442 | 475,997 | 166,842 | 294,600 | 1,179,438 | 35,197 | - | 4,990,067 |
| Revenue - inter-segment | 95 | - | - | 283 | 30,260 | 4,884 | - | 152,624 | (188,146) | - |
| Total revenue | 506,498 | 1,040,148 | 1,291,442 | 476,280 | 197,102 | 299,484 | 1,179,438 | 187,821 | (188,146) | 4,990,067 |
| Subsidiary companies | 52,538 | 35,578 | 175,330 | 17,776 | 17,007 | 161,348 | 280,078 | (488) | - | 739,167 |
| Joint venture and associated companies | - | 58 | 10,341 | 11,632 | - | 2,997 | 1,683 | (96) | - | 26,615 |
| PBIT | 52,538 | 35,636 | 185,671 | 29,408 | 17,007 | 164,345 | 281,761 | (584) | - | 765,782 |
| Interest income | | | | | | | | | | 31,551 |
| Interest expense | | | | | | | | | | (96,140) |
| Profit before taxation and exceptional items | | | | | | | | | | 701,193 |
| Impairment on investments | | | | | | | | | | (47,955) |
| Fair value adjustment of investment properties | | | | | | | | | | 71,846 |
| Exceptional items | | | | | | | | | | 12,057 |
| Profit before taxation | | | | | | | | | | 737,141 |
| Taxation | | | | | | | | | | (169,429) |
| Profit after taxation | | | | | | | | | | 567,712 |
| Minority interest, net of taxes | | | | | | | | | | (131,885) |
| Attributable profit | | | | | | | | | | 435,827 |
| Assets | 226,463 | 468,379 | 1,116,313 | 819,366 | 267,652 | 4,135,418 | 4,899,330 | 542,697 | - | 12,475,618 |
| Tax assets | | | | | | | | | | 17,844 |
| Bank deposits & cash balances | | | | | | | | | | 1,032,939 |
| Total assets | | | | | | | | | | 13,526,401 |
| Liabilities | 126,016 | 160,144 | 255,835 | 129,381 | 34,591 | 331,784 | 224,768 | 32,960 | - | 1,295,479 |
| Tax liabilities | | | | | | | | | | 377,571 |
| Borrowings | | | | | | | | | | 5,434,835 |
| Total liabilities | | | | | | | | | | 7,107,885 |
| Other segment information: | | | | | | | | | | |
| Capital expenditure | 12,699 | 37,749 | 74,895 | 54,687 | 56,187 | 229,031 | 3,742 | 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 adjustment and exceptional items | 20,814 | (9,258) | 50,834 | 18,022 | 6,081 | 84,385 | 214,371 | (13,405) | - | 371,844 |
| Fair value adjustment of investment properties (net) | - | - | - | 3,626 | - | 40,619 | - | - | - | 44,245 |
| Exceptional items | 45 | - | (5,523) | (9,599) | (730) | 54,998 | (38) | (19,415) | - | 19,738 |
| Attributable profit | 20,859 | (9,258) | 45,311 | 12,049 | 5,351 | 180,002 | 214,333 | (32,820) | - | 435,827 |

The following table presents financial information regarding geographical segments:

| Geographical Segment | Singapore | Rest of South East Asia | North East Asia | South Asia | South Pacific | Europe & USA | Group |
|---------------------------------|-----------|-------------------------|-----------------|------------|---------------|--------------|------------|
| | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) |
| Total revenue | 1,827,955 | 1,087,516 | 972,219 | 372,252 | 26,791 | 609,763 | 4,990,067 |
| PBIT | 395,912 | 98,684 | 145,416 | 7,839 | (5,529) | 110,139 | 765,782 |
| Other geographical information: | | | | | | | |
| Assets | 6,240,457 | 751,158 | 1,074,675 | 2,162,628 | 44,299 | 1,392,708 | 12,475,618 |
| Capital expenditure | 62,553 | 60,024 | 49,506 | 263,676 | 9,557 | 18,615 | 477,113 |

Rest of South East Asia: Myanmar, Thailand, Cambodia, Vietnam, Philippines 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 2009

| | THE GROUP | | THE COMPANY | |
|---|------------------|------------------|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| 6. GROSS DIVIDENDS FROM SUBSIDIARY AND JOINT VENTURE COMPANIES | | | | |
| Quoted subsidiary companies | | | 39,997 | 46,235 |
| Quoted joint venture company | | | 6,001 | 6,001 |
| Unquoted subsidiary companies | | | 230,793 | 303,403 |
| Unquoted joint venture companies | | | 16,342 | - |
| | | | 293,133 | 355,639 |
| 7. GROSS INCOME FROM INVESTMENTS | | | | |
| Interest income | 3,996 | 3,678 | 255 | 530 |
| Dividend income | 9,543 | 5,563 | 170 | 198 |
| | 13,539 | 9,241 | 425 | 728 |
| 8. EXCEPTIONAL ITEMS | | | | |
| Provision for impairment of assets held for sale | (4,109) | (4,577) | - | - |
| Provision for impairment in value of investments | (27,387) | (27,780) | - | - |
| Gain on disposal of subsidiary and joint venture companies | 30,529 | 3,268 | - | - |
| Loss on change in interest in subsidiary and associated companies | (6,029) | (820) | - | - |
| Negative goodwill on change in interest in associated companies | 28,162 | 54,998 | - | - |
| Write off of goodwill on acquisition of a subsidiary company | - | (9,862) | - | - |
| (Loss)/Profit on disposal of properties | (3,336) | 4,389 | - | - |
| Provision for restructuring and re-organisation costs of operations | (23,453) | (5,187) | - | - |
| Provision for professional fee | (206) | (2,372) | - | - |
| Share of exceptional items of an associated company | 1,054 | - | - | - |
| Profit on disposal of other investment | 270 | - | - | - |
| Compensation fee | 5,945 | - | - | - |
| | 1,440 | 12,057 | - | - |
| 9. TAXATION | | | | |
| Based on profit for the year: | | | | |
| Singapore tax | 83,042 | 71,732 | 1,484 | 2,972 |
| Overseas tax | | | | |
| - current year | 113,434 | 91,494 | 9,999 | 10,951 |
| - withholding tax | 10,327 | 12,405 | 198 | 185 |
| Deferred tax | | | | |
| - current year | (16,259) | 18,674 | - | - |
| - adjustment of tax rate | (2,849) | - | - | - |
| | 187,695 | 194,305 | 11,681 | 14,108 |
| Overprovision in preceding years | | | | |
| - current income tax | (5,609) | (20,269) | (1,741) | (4,172) |
| - deferred tax | (8,635) | (4,607) | - | - |
| | 173,451 | 169,429 | 9,940 | 9,936 |

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

9. TAXATION (cont'd)

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 | |
|--|--------------|-------|---------------|--------|
| | 2009 | 2008 | 2009 | 2008 |
| | % | % | % | % |
| Singapore statutory rate | 17.0 | 18.0 | 17.0 | 18.0 |
| Effect of different tax rates of other countries | 4.3 | 4.6 | 1.1 | 1.0 |
| Effect of tax losses of subsidiary and joint venture companies not available for set-off against profits of other companies within the group | 4.6 | 2.4 | - | - |
| Income not subject to tax (tax incentive/exemption) | (3.0) | (6.2) | (15.2) | (17.3) |
| Expenses not deductible for tax purposes | 6.2 | 6.7 | 1.2 | 2.5 |
| Utilisation of previously unrecognised tax losses in determining taxable profit | (1.2) | (2.7) | - | - |
| Over provision in prior years | (2.3) | (3.4) | (0.6) | (1.3) |
| Adjustment due to change in tax rate | (0.5) | - | - | - |
| Tax effect of fair value adjustments | 2.3 | 2.0 | - | - |
| Other reconciliation items | 0.8 | 1.6 | - | 0.1 |
| | 28.2 | 23.0 | 3.5 | 3.0 |

As at 30 September 2009, certain Singapore subsidiary companies have unutilised tax losses carried forward of approximately \$36,296,000 (2008: \$38,699,000), unutilised investment allowances of approximately \$4,579,000 (2008: \$7,433,000) and unabsorbed capital allowances of \$314,000 (2008: \$224,000) available for set off against future profits. In addition, certain overseas subsidiary companies have unutilised tax losses carried forward of approximately \$346,052,000 (2008: \$312,219,000), unutilised investment allowances of approximately \$46,343,000 (2008: \$22,646,000) and unabsorbed capital allowances of \$38,409,000 (2008: \$32,751,000). 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") 2009 certain subsidiaries have transferred loss items of \$7,061,000 (YA 2008: \$18,468,000) to offset against the taxable income of other companies in the Group. Tax benefits of \$3,406,000 (YA 2008: \$14,497,000) were recognised on the tax losses utilised under the group relief systems. Tax benefits of \$2,406,000 (YA 2008: \$6,115,000) 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.

On 22 January 2009, the Government announced a 1% point reduction in statutory corporate tax rate from Year of Assessment 2010. This financial effect of the reduction in tax rate was reflected in the current financial year. The aggregate adjustments of the prior year's deferred tax assets and liabilities was \$2,849,000 (2008: \$Nil) for the Group.

10. DIVIDENDS

| | THE GROUP & THE COMPANY | |
|---|----------------------------|----------|
| | 2009 | 2008 |
| | (\$'000) | (\$'000) |
| Interim paid of 3 cents per share (2008: 5 cents per share) | 41,694 | 69,816 |
| Final proposed of 10.5 cents per share (2008: 8.5 cents per share) | 146,320 | 118,119 |
| | 188,014 | 187,935 |

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 2009

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 | |
|--|----------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) |
| Group attributable profit to shareholders of the Company | | |
| - before fair value adjustment and exceptional items | 466,457 | 371,844 |
| - after fair value adjustment and exceptional items | 359,534 | 435,827 |
| | — No. of shares — | |
| Weighted average number of ordinary shares in issue | 1,390,571,720 | 1,388,365,973 |
| Earnings Per Share (Basic) | | |
| - before fair value adjustment and exceptional items | 33.5 cts | 26.8 cts |
| - after fair value adjustment and exceptional items | 25.9 cts | 31.4 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 | |
|---|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) |
| Group attributable profit to shareholders of the Company | | |
| before fair value adjustment and exceptional items | 466,457 | 371,844 |
| Change in attributable profit due to dilutive share options | (300) | (550) |
| Group adjusted attributable profit to shareholders of the Company | | |
| before fair value adjustment and exceptional items | 466,157 | 371,294 |
| Group attributable profit to shareholders of the Company | | |
| after fair value adjustment and exceptional items | 359,534 | 435,827 |
| Change in attributable profit due to dilutive share options | (274) | (558) |
| Group adjusted attributable profit to shareholders of the company | | |
| after fair value adjustment and exceptional items | 359,260 | 435,269 |

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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 | |
|---|----------------------|---------------|
| | 2009 | 2008 |
| | — No. of shares — | |
| Weighted average number of ordinary shares used to compute the basic earnings per share | 1,390,571,720 | 1,388,365,973 |
| Effect of dilutive share options | 1,259,808 | 8,017,728 |
| Weighted average number of ordinary shares used to compute diluted earnings per share | 1,391,831,528 | 1,396,383,701 |
| Earnings Per Share (Fully diluted) | | |
| - before fair value adjustment and exceptional items | 33.5 cts | 26.6 cts |
| - after fair value adjustment and exceptional items | 25.8 cts | 31.2 cts |

41,881,340 (2008:10,965,601) 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 | | | |
|---|-------------------------|------------------|---------------|-----------|
| | 2009 | | 2008 | |
| | No. of shares | (\$'000) | No. of shares | (\$'000) |
| SHARE CAPITAL | | | | |
| Ordinary shares issued and fully paid up | | | | |
| Balance at beginning of year | 1,389,632,895 | 1,330,297 | 1,383,483,685 | 1,313,915 |
| Issued during the year | | | | |
| - Pursuant to the exercise of Executives' Share Options | 3,887,340 | 11,410 | 6,149,210 | 16,382 |
| Balance at end of year | 1,393,520,235 | 1,341,707 | 1,389,632,895 | 1,330,297 |

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 ordinary shares have no par value.

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 \$11,410,000 (2008: \$16,382,000).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

12. SHARE CAPITAL AND RESERVES (cont'd)

| | THE GROUP | | THE COMPANY | |
|--------------------------------------|------------------|------------------|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| RESERVES | | | | |
| The reserves comprise the following: | | | | |
| Capital Reserve | 270,114 | 271,656 | 1,039,274 | 1,039,274 |
| Fair Value Adjustment Reserve | 178,052 | 64,222 | 1,419 | 1,218 |
| Hedging Reserves | (19,226) | - | - | - |
| Employee Share Option Reserve | 30,990 | 22,774 | 28,480 | 20,839 |
| Revenue Reserve | 3,759,391 | 3,588,773 | 1,255,444 | 1,168,822 |
| Dividend Reserve | 146,320 | 118,119 | 146,320 | 118,119 |
| Exchange Reserve | (122,624) | (112,567) | - | - |
| Total reserves | 4,243,017 | 3,952,977 | 2,470,937 | 2,348,272 |

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.

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

Hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments related to hedged transactions that have not yet occurred.

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 10.5 cents (2008: 8.5 cents) per share.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

13. GROUP FIXED ASSETS

| | | Freehold | | Leasehold | Plant & | Capital | Other | Total |
|--|------|---------------|---------------|----------------|----------------|----------------|----------------|------------------|
| | Note | Land | Land | Building | Machinery | Work-in- | Assets | |
| | | (\$'000) | (\$'000) | (\$'000) | (\$'000) | Progress | (\$'000) | (\$'000) |
| | | | | | | (\$'000) | | |
| For the year ended 30 September 2009 | | | | | | | | |
| At cost/valuation | | | | | | | | |
| Balance at beginning of year | | 53,697 | 102,623 | 414,392 | 1,323,991 | 93,447 | 378,049 | 2,366,199 |
| Currency realignment | | (98) | (2,003) | (4,713) | (11,462) | (1,627) | (3,061) | (22,964) |
| Additions | | 3,942 | 88 | 5,755 | 31,762 | 127,010 | 39,781 | 208,338 |
| Acquisition of joint venture companies | | - | - | - | 2,478 | - | - | 2,478 |
| Disposals of subsidiary company | | - | (7,533) | (8,130) | (2,834) | - | (549) | (19,046) |
| Disposals | | (1,395) | (175) | (14,774) | (63,106) | (261) | (32,597) | (112,308) |
| Reclassification | | 3,164 | 130 | 13,176 | 60,323 | (73,550) | (3,243) | - |
| Reclassified to assets held for sale | 29 | - | (8,570) | (8,174) | - | - | - | (16,744) |
| Transfer from/(to) investment properties | | - | 5,301 | (544) | - | - | - | 4,757 |
| Transfer to intangibles | | - | - | - | - | - | (307) | (307) |
| Transfer from current assets | | - | - | - | 729 | - | - | 729 |
| Balance at end of year | | 59,310 | 89,861 | 396,988 | 1,341,881 | 145,019 | 378,073 | 2,411,132 |
| Analysis of cost/valuation | | | | | | | | |
| At cost | | 36,150 | 80,291 | 376,046 | 1,335,658 | 145,019 | 378,073 | 2,351,237 |
| At directors valuation 1983 | | 1,038 | - | 550 | - | - | - | 1,588 |
| At directors valuation 1988 | | - | - | 2,457 | 6,223 | - | - | 8,680 |
| At directors valuation 1996 | | 22,122 | 9,570 | 17,935 | - | - | - | 49,627 |
| | | 59,310 | 89,861 | 396,988 | 1,341,881 | 145,019 | 378,073 | 2,411,132 |
| Accumulated depreciation and impairment | | | | | | | | |
| Balance at beginning of year | | 964 | 26,520 | 128,695 | 739,194 | - | 238,998 | 1,134,371 |
| Currency realignment | | (14) | (690) | (1,208) | (5,905) | - | (1,863) | (9,680) |
| Depreciation charge for the year | | - | 2,136 | 11,950 | 85,791 | - | 38,290 | 138,167 |
| Impairment charge for the year | | - | 404 | 2,146 | 4,428 | - | 702 | 7,680 |
| Impairment reversal for the year | | - | (5) | (136) | (791) | - | (414) | (1,346) |
| Disposals of subsidiary company | | - | (287) | (468) | (365) | - | (142) | (1,262) |
| Disposals | | - | (20) | (1,993) | (57,595) | - | (29,463) | (89,071) |
| Reclassification | | - | - | 125 | (379) | - | 254 | - |
| Reclassified to assets held for sale | 29 | - | (3,472) | (3,885) | - | - | - | (7,357) |
| Transfer to investment properties | | - | - | (26) | - | - | - | (26) |
| Transfer to intangibles | | - | - | - | - | - | (65) | (65) |
| Balance at end of year | | 950 | 24,586 | 135,200 | 764,378 | - | 246,297 | 1,171,411 |
| Net book value at end of year | | 58,360 | 65,275 | 261,788 | 577,503 | 145,019 | 131,776 | 1,239,721 |

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

13. GROUP FIXED ASSETS (cont'd)

| | Freehold Land (\$'000) | Leasehold Land (\$'000) | Building (\$'000) | Plant & Machinery (\$'000) | Capital Work-in- Progress (\$'000) | Other Assets (\$'000) | Total (\$'000) |
|---|------------------------------|-------------------------------|----------------------|----------------------------------|---|-----------------------------|-------------------|
| For the year ended 30 September 2008 | | | | | | | |
| At cost/valuation | | | | | | | |
| 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 | 1,395 | - | 14,543 | - | - | - | 15,938 |
| Balance at end of year | 53,697 | 102,623 | 414,392 | 1,323,991 | 93,447 | 378,049 | 2,366,199 |
| Analysis of cost/valuation | | | | | | | |
| At cost | 30,167 | 92,742 | 391,774 | 1,317,379 | 93,447 | 378,049 | 2,303,558 |
| At directors valuation 1983 | 1,055 | - | 559 | - | - | - | 1,614 |
| At directors valuation 1988 | - | - | 2,611 | 6,612 | - | - | 9,223 |
| At directors valuation 1996 | 22,475 | 9,881 | 19,448 | - | - | - | 51,804 |
| | 53,697 | 102,623 | 414,392 | 1,323,991 | 93,447 | 378,049 | 2,366,199 |
| Accumulated depreciation and impairment | | | | | | | |
| 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 | - | - | 1,468 | - | - | - | 1,468 |
| Balance at end of year | 964 | 26,520 | 128,695 | 739,194 | - | 238,998 | 1,134,371 |
| Net book value at end of year | 52,733 | 76,103 | 285,697 | 584,797 | 93,447 | 139,051 | 1,231,828 |

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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. The valuations were done based on permitted accounting standards at the relevant time.
- (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 2009 | 22,343 | 7,211 | 13,235 | - | - | - | 42,789 |
| At 30 September 2008 | 22,699 | 7,572 | 14,758 | - | - | - | 45,029 |

- (d) Additions in the consolidated financial statements include \$216,000 (2008: \$710,000 of Plant & Machinery) of Other Assets acquired under finance leases. The carrying amount of assets held under finance leases at 30 September 2009 amounted to \$2,805,000 (2008: \$3,674,000).
- (e) The net book value of fixed assets pledged to financial institutions as security for borrowings are as follows:

| | 2009 (\$'000) | 2008 (\$'000) |
|-----------------------------|------------------|------------------|
| Plant and machinery | 76,393 | 69,750 |
| Building | 10,759 | 10,241 |
| Freehold and leasehold land | 4,384 | 4,331 |
| Capital work-in-progress | 7 | 313 |
| Other fixed assets | 99 | 895 |

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

14. GROUP INVESTMENT PROPERTIES

| | 2009 (\$'000) | 2008 (\$'000) |
|---|------------------|------------------|
| Balance at beginning of year, as previously reported | 3,558,922 | 3,224,389 |
| Effects of adopting FRS 40 | - | 68,239 |
| Balance at beginning of year, as restated | 3,558,922 | 3,292,628 |
| Currency realignment | (13,065) | (15,396) |
| Subsequent expenditure | 159,765 | 217,451 |
| Disposals | (334,226) | (950) |
| Net fair value (loss)/gain recognised in the income statement | (72,659) | 62,643 |
| Transfer from properties held for development | 105,383 | 991 |
| Transfer from properties held for sale | 44,896 | - |
| Transfer (to)/from fixed assets | (4,783) | 1,555 |
| Balance at end of year | 3,444,233 | 3,558,922 |
| At valuation: | | |
| Freehold properties | 915,287 | 2,274,908 |
| Leasehold properties | 2,528,946 | 1,284,014 |
| | 3,444,233 | 3,558,922 |

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:

| | 2009 (\$'000) | 2008 (\$'000) |
|---|------------------|------------------|
| Rental income | 326,024 | 284,978 |
| Direct operating expenses arising from: | | |
| - Rental generating properties | 49,652 | 42,713 |

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

14. GROUP INVESTMENT PROPERTIES (cont'd)

Independent professional valuations were carried out by the following valuers:

| Valuers | Valuation Date |
|---|----------------|
| DTZ Debenham Tie Leung (SEA) Pte Ltd | September 2009 |
| DTZ Debenham Tie Leung Limited | September 2009 |
| Jones Lang LaSalle Property Consultants Pte Ltd | September 2009 |
| Knight Frank LLP | September 2009 |
| BEM Property Consultants Pty Limited | September 2009 |
| CB Richard Ellis Limited | September 2009 |
| Asian Appraisal Company, Inc. | September 2009 |
| Cushman & Wakefield (VN) Ltd | September 2009 |
| CB Richard Ellis Hotels Limited | September 2009 |
| CB Richard Ellis (Pte) Ltd | September 2009 |
| Associated Property Consultants Pte. Ltd. | September 2009 |

Investment properties amounting to \$114,167,000 (2008: \$101,122,000) are secured for credit facilities with a bank for which certain covenants were breached as at 30 September 2009 (Note 16(f)).

15. GROUP PROPERTIES HELD FOR DEVELOPMENT

| | 2009 (\$'000) | 2008 (\$'000) |
|---|------------------|------------------|
| Properties held for development comprise: | | |
| Freehold land, at cost | 3,599 | 1,530 |
| Leasehold land, at cost | 116,141 | 99,446 |
| Building | 8,453 | 4,051 |
| Development expenditure | 40,459 | 55,376 |
| Interest cost | 300 | 620 |
| Property tax | 849 | 1,274 |
| | 169,801 | 162,297 |

Properties held for development include:

Singapore

- (1) 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.
- (2) 50% proportionate share of a leasehold land (60-year tenure commencing 30 April 2008) in Changi Business Park comprising Lots 10603X and 10610W of Mukim 27 for the proposed development of a mixed use business park with retail and hotel components.

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 2009

16. SUBSIDIARY COMPANIES

| | THE COMPANY | |
|---|--------------------|-----------|
| | 2009 | 2008 |
| | (\$'000) | (\$'000) |
| Quoted shares at cost | 257,848 | 260,300 |
| Unquoted shares at cost | 2,924,143 | 2,759,141 |
| | 3,181,991 | 3,019,441 |
| Amounts owing by subsidiary companies (unsecured) | 387,057 | 753,359 |
| Amounts owing to subsidiary companies (unsecured) | (24,218) | (19,840) |
| | 3,544,830 | 3,752,960 |
| MARKET VALUE | | |
| Quoted shares | 859,319 | 772,879 |

The Company's investments in subsidiary companies include an interest in 57.37% (2008: 57.92%) of the issued ordinary shares of Fraser & Neave Holdings Bhd ("F&NHB").

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 \$386,050,000 (2008: \$726,863,000) which bear interest at an average rate of 0.91% (2008: 1.38%) 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 |
|-------------------------------|---|---------------------------------------|----------------------------------|
| Fraser's Homes WA Pty Limited | Australia | 56.3 | 7 November 2008 |
| Coast Homes Limited | New Zealand | 67.5 | 16 March 2009 |

(b) During the financial year, the Group acquired additional interest in the following subsidiary companies:

Soft Drinks

- (i) On 7 September 2009, the Group's subsidiary company, F&NHB acquired the remaining 10% of the equity interest in F&NCC Beverages Sdn Bhd ("F&NCCB") and F&N Coca-Cola (Malaysia) Sdn Bhd ("F&NCC(M)") from The Coca Cola Company at purchase price of RM78.8 million. As a result, F&NCCB and F&NCC(M) became wholly owned subsidiaries of F&NHB.

(c) During the financial year, the Group disposed the following companies:

Properties

- (i) On 18 September 2009, the Group, through Fraser's Centrepoint Limited ("FCL")'s subsidiary company, FCL China Development Pte Ltd, disposed of its entire shareholding interest in Metro Charm Holdings Limited at a gain of \$28,123,000.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

16. SUBSIDIARY COMPANIES (cont'd)

(c) During the financial year, the Group disposed the following companies (cont'd)

Dairies

- (i) On 21 August 2009, the Group's subsidiary company, F&N Dairy Investments Pte Ltd ("F&NDI") sold its entire shareholding interest in Tien Chun Pte Ltd ("TC") to China Dairy Group Ltd, together with an assignment of all shareholder's loans owing by TC to F&NDI at a gain of \$420,000.

Printing and Publishing

- (i) During the year, the Group's subsidiary company, Times Publishing Limited ("TPL") disposed of its subsidiaries Educational Associates Limited and TPL Printers (UK) Limited via liquidation. The disposals resulted in a net loss of \$2,513,000.

The effect of the above disposals are disclosed in the Consolidated Cash Flow Statement.

(d) During the financial year, the Group disposed the following business assets:

Printing and Publishing

- (i) During the year, TPL disposed of the distribution business in Rainbow Products Pty Limited and the English Language Training business in Marshall Cavendish Limited at a loss of \$5,812,000.

The effect of the disposal is disclosed in the Consolidated Cash Flow Statement.

(e) 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, received 5,596,027 Units (total value of \$4,074,592) in FCT in payment for 65% of its management fees.

(f) Breach of bank covenants by Frasers Property (UK) Limited ("FPUK")

As at 30 September 2009, FPUK, a 51% subsidiary, located in the United Kingdom, has not complied with certain covenants of its credit facilities agreements with a bank and the bank has the right to recall and demand repayment of the outstanding amounts. FPUK and the bank are currently in the process of a consensual restructuring of these facilities. FPUK and its subsidiaries ("FPUK group") and Frasers St. Giles Street (Edinburgh) Limited ("Frasers St. Giles"), a 51% subsidiary (collectively referred to as "UK sub-group") are reliant on these credit facilities for their continuing operations.

These factors indicate the existence of a material uncertainty which may cast significant doubt on the UK sub-group's ability to continue as a going concern. The financial statements of the UK sub-group for the financial year ended 30 September 2009 are prepared on a going concern basis on the assumption that the working capital and banking facilities currently available would continue to be available for the next 12 months and would be sufficient for its requirements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

16. SUBSIDIARY COMPANIES (cont'd)

(f) Breach of bank covenants by Frasers Property (UK) Limited ("FPUK") (cont'd)

The aggregate amounts of the UK sub-group's current assets, non-current assets, current liabilities and non-current liabilities included in the Group's balance sheets are as follows:

| | 2009 (\$'000) | 2008 (\$'000) |
|--------------------------------------|------------------|------------------|
| Non-current assets | | |
| Investment properties | 114,167 | 101,122 |
| Other non-current assets | 25,230 | 24,848 |
| Current assets | | |
| Development properties held for sale | 357,804 | 524,639 |
| Trade receivables | 6,643 | 4,819 |
| Cash and cash equivalents | 74,058 | 72,894 |
| Other current assets | 15,319 | 22,344 |
| Total Assets | 593,221 | 750,666 |
| Bank borrowings - current | 523,280 | 108,709 |
| Other current liabilities | 36,602 | 41,652 |
| Non-current liabilities | 17,526 | 446,301 |
| Total Liabilities | 577,408 | 596,662 |
| Net Asset Value | 15,813 | 154,004 |
| Group's effective share | 8,634 | 90,352 |

If the UK sub-group is unable to continue as a going concern, adjustments may have to be made to reflect the situation that assets may need to be realised at amounts which could differ significantly from the amounts at which they are currently recorded. No such adjustments have been made to these financial statements.

If the current renegotiation of these banking facilities do not lead to a satisfactory resolution for all interested parties and the Group loses control of the UK sub-group, the UK sub-group may need to be deconsolidated. In that event, the Group's share of net assets of the UK sub-group calculated based on the financial position as at 30 September 2009 would be \$8,634,000.

Details of significant subsidiaries are included in Note 43.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

17. JOINT VENTURE COMPANIES

| | | THE COMPANY | |
|-----|------------------------------|----------------|----------|
| | | 2009 | 2008 |
| | | (\$'000) | (\$'000) |
| (a) | Unquoted investment, at cost | 301,626 | 276,126 |
| | Quoted investment, at cost | 132,795 | 132,795 |
| | | 434,421 | 408,921 |

MARKET VALUE

| | | |
|---------------|----------------|---------|
| Quoted shares | 225,047 | 202,542 |
|---------------|----------------|---------|

Details of joint venture companies are included in Note 43.

- (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 | |
|--|--|------------------|-----------|
| | | 2009 | 2008 |
| | | (\$'000) | (\$'000) |
| | Revenue | 1,343,985 | 1,278,253 |
| | Profit before taxation and exceptional items | 131,624 | 143,040 |
| | Exceptional items | (8,898) | (14,532) |
| | Taxation | (54,262) | (56,872) |
| | Minority interests | (55,485) | (44,210) |

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

| | | | |
|--|-----------------------|------------------|-----------|
| | Non-current assets | 807,019 | 818,314 |
| | Current assets | 920,737 | 832,449 |
| | Current liabilities | (803,836) | (731,641) |
| | Long term liabilities | (129,332) | (159,751) |
| | | 794,588 | 759,371 |

- (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 2009.

- (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 mostly in Singapore Dollars, United States Dollars and Thai Bahts.

- (v) The Group's and the Company's share of capital commitments of the joint venture companies as at 30 September 2009 is \$39,299,000 (2008: \$30,824,000).

- (vi) The Group's and the Company's share of contingent liabilities of the joint venture companies as at 30 September 2009 is \$327,000 (2008: \$258,000).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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. In the previous financial year, the Group's joint venture company entered into a conditional agreement to sell its entire shareholding interest in its joint venture company and the investment was reclassified from investment in joint venture company to assets held for sale. Subsequently in March 2009, the sale and purchase agreement relating to the intended sale has expired and the asset held for sale was reinstated as a joint venture company of the Group.

Investments in and share of the results, assets and liabilities of the joint venture companies, are as follows:

| | THE GROUP | |
|--|------------------|----------|
| | 2009 | 2008 |
| | (\$'000) | (\$'000) |
| Investment in joint venture companies, at cost | 72,275 | 29,172 |
| Acquisition of interests | 1,126 | 9,959 |
| Provision for impairment | (4,539) | - |
| Share of net post acquisition reserves | 20,622 | 21,505 |
| | 89,484 | 60,636 |
| Loans owing from joint venture companies (unsecured) | 3 | 3 |
| | 89,487 | 60,639 |

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

| | | |
|---------------------------------|----------------|---------|
| Revenue | 248,401 | 234,082 |
| Profit before exceptional items | 12,731 | 11,708 |
| Exceptional items | - | (165) |

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

| | | |
|-----------------------|-----------------|----------|
| Non-current assets | 77,864 | 51,408 |
| Current assets | 85,651 | 66,210 |
| Current liabilities | (45,493) | (29,046) |
| Long term liabilities | (28,535) | (27,933) |
| | 89,487 | 60,639 |

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

18. ASSOCIATED COMPANIES

| | THE GROUP | | THE COMPANY | |
|---|------------------|------------------|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| Unquoted investments, at cost | 40,678 | 39,919 | - | - |
| Quoted investments, at cost | 523,841 | 265,127 | 93,783 | - |
| Acquisition of interests | 80,183 | 257,750 | - | 94,941 |
| Provision for impairment | (55,247) | (47,955) | (11,400) | (11,400) |
| Share of net post acquisition reserves | 25,416 | 94,051 | - | - |
| | 614,871 | 608,892 | 82,383 | 83,541 |
| Loans owing from associated companies (unsecured) | 20,998 | 29,342 | - | - |
| | 635,869 | 638,234 | 82,383 | 83,541 |

MARKET VALUE

| | | | | |
|---------------|---------|---------|--------|--------|
| Quoted shares | 294,743 | 234,862 | 32,262 | 55,103 |
|---------------|---------|---------|--------|--------|

- (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 Singapore Dollars and Chinese Renminbi.
- (c) The summarised financial statements of the associated companies are as follows:

| | THE GROUP | |
|--|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) |
| Revenue | 2,836,706 | 2,327,804 |
| (Loss)/Profit before exceptional items | (263,811) | 93,872 |
| Exceptional items | 3,576 | - |
| Non-current assets | 3,956,610 | 3,592,390 |
| Current assets | 1,151,612 | 1,426,849 |
| Current liabilities | (708,550) | (1,077,503) |
| Long term liabilities | (1,886,241) | (1,241,980) |
| | 2,513,431 | 2,699,756 |

- (d) The results, assets and liabilities as stated in paragraph (c) above are based on the accounts of the associated companies to 30 September 2009.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

18. ASSOCIATED COMPANIES (cont'd)

- (e) The Group's share of capital commitments of the associated companies as at 30 September 2009 is \$15,308,000 (2008: \$12,633,000).
- (f) The Group's share of contingent liabilities of the associated companies as at 30 September 2009 is \$3,110,000 (2008: \$Nil).

Impairment loss of \$7,292,000 (2008: \$47,955,000) and \$Nil (2008: \$11,400,000) 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 is 7% (2008: 9% to 9.9%).

Details of associated companies are included in Note 43.

19. INTANGIBLE ASSETS

| | THE GROUP | | | | Total (\$'000) |
|--|----------------------|--|-------------------------------------|---|-------------------|
| | Goodwill (\$'000) | Deferred Development Costs (\$'000) | Management Contracts (\$'000) | Other Intangible Assets (\$'000) | |
| For the year ended 30 September 2009 | | | | | |
| At cost | | | | | |
| Balance at beginning of year | 238,873 | 109,730 | 66,557 | 25,940 | 441,100 |
| Currency realignment | (2,922) | 345 | 84 | (1,934) | (4,427) |
| Additional expenditure during the year | - | 24,258 | - | 861 | 25,119 |
| Acquisition of subsidiary companies and additional interests in subsidiary companies | 16,221 | - | - | - | 16,221 |
| Acquisition of additional interests in joint venture companies | 5,570 | - | - | 616 | 6,186 |
| Reclassification | (1,334) | - | - | 1,334 | - |
| Reclassified from fixed assets | - | - | - | 307 | 307 |
| Reclassified from inventories | - | 13,801 | - | - | 13,801 |
| Write off for the year | (83) | (1,750) | - | (993) | (2,826) |
| Balance at end of year | 256,325 | 146,384 | 66,641 | 26,131 | 495,481 |
| Accumulated amortisation and impairment | | | | | |
| Balance at beginning of year | - | 74,023 | 490 | 9,057 | 83,570 |
| Currency realignment | - | (197) | - | (35) | (232) |
| Amortisation charge for the year | - | 24,066 | 490 | 3,312 | 27,868 |
| Impairment charge for the year | - | 8,804 | - | - | 8,804 |
| Impairment charge written back for the year | - | (188) | - | - | (188) |
| Reclassified from fixed assets | - | - | - | 65 | 65 |
| Write off for the year | - | (182) | - | (904) | (1,086) |
| Balance at end of year | - | 106,326 | 980 | 11,495 | 118,801 |
| Net book value | 256,325 | 40,058 | 65,661 | 14,636 | 376,680 |

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

19. INTANGIBLE ASSETS (cont'd)

| | THE GROUP | | | | Total (\$'000) |
|--|----------------------|--|-------------------------------------|---|-------------------|
| | Goodwill (\$'000) | Deferred Development Costs (\$'000) | Management Contracts (\$'000) | Other Intangible Assets (\$'000) | |
| For the year ended 30 September 2008 | | | | | |
| At cost | | | | | |
| Balance at beginning of year | 239,085 | 91,319 | 3,848 | 21,000 | 355,252 |
| Currency realignment | (425) | (4,004) | 108 | (10) | (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 | 62,601 | 2,917 | 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 |
| Accumulated amortisation and impairment | | | | | |
| 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 |
| Net book value | 238,873 | 35,707 | 66,067 | 16,883 | 357,530 |

All intangible assets have finite useful lives of not more than 20 years, except management contracts with a cost of \$62,601,000 (2008: \$62,601,000) are assessed to have an indefinite useful life and not amortised. This is the value ascribed to management contracts entered into between a subsidiary and an associate. Management is of the view that these intangible assets have an indefinite useful life as the contracts are contracts which go into perpetuity, and will only be terminated upon the removal of the subsidiary as the manager.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

20. IMPAIRMENT TESTS FOR INTANGIBLE ASSETS

(a) 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 2009 (\$'000) | Basis on which recoverable values are determined | Terminal growth rate | Pre-tax Discount rate |
|--|----------------------------------|--|----------------------------|-----------------------------|
| Carrying value of capitalised goodwill based on cash generating units | | | | |
| Subsidiary companies: | | | | |
| Printing and Publishing Group | 25,997 | Value-in-use | 0% | 5.4% - 15.6% |
| Dairies Group | 2,604 | Value-in-use | 0% | 8.3% |
| Soft Drinks Group | 37,555 | Value-in-use and Fair value less cost to sell | 0% | 8.3% |
| | 66,156 | | | |
| Joint venture companies: | | | | |
| Breweries Group | 190,169 | Value-in-use and Fair value less cost to sell | 2% | 10.7% - 24.9% |
| | 256,325 | | | |

| | As at 30 Sep 2008 (\$'000) | Basis on which recoverable values are determined | Terminal growth rate | Pre-tax Discount rate |
|--|----------------------------------|--|----------------------------|-----------------------------|
| Carrying value of capitalised goodwill based on cash generating units | | | | |
| 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% | 12.8% - 32.3% |
| | 238,873 | | | |

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

20. IMPAIRMENT TESTS FOR INTANGIBLE ASSETS (cont'd)

(a) Goodwill (cont'd)

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.

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 reflect managements' estimates of the risks specific to the respective cash generating units at the date of assessment.

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.

(b) Management contracts

The carrying value of the management contracts was assessed for impairment during the financial year.

The recoverable amount of the management contract has been determined based on value in use calculations using a projection of the management fee income covering a 5 year period. The pre-tax discount applied to the projections is 10% and the forecast growth rate used beyond the 5 year period is 2%.

No impairment loss was required for the management contracts assessed as their recoverable values were in excess of their carrying values.

(c) Deferred development costs

The carrying value of deferred development costs was assessed for impairment during the financial year.

An impairment loss of \$8,804,000 (2008: \$412,000) was recognised in the profit statement as the carrying value was assessed to be in excess of its recoverable value.

The recoverable amount of the deferred development costs has been determined based on value-in-use calculations using 5 year cash flow projection approved by management. The pre-tax discount rate applied to the cash flow projections was 5.7% (2008: 5.7%) and the terminal growth rate was 0% (2008: 0%).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

21. OTHER INVESTMENTS

| | THE GROUP | | THE COMPANY | |
|---|------------------|------------------|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| Quoted | | | | |
| Quoted available-for-sale financial assets | | | | |
| Non-equity investments | | | | |
| At fair value | 25,723 | 25,708 | - | - |
| Equity investments | | | | |
| At fair value | 6,979 | 8,353 | 5,766 | 5,463 |
| Quoted total | 32,702 | 34,061 | 5,766 | 5,463 |
| Unquoted | | | | |
| Unquoted available-for-sale financial assets | | | | |
| Non-equity investments | | | | |
| At cost (less impairment loss) | 343,169 | 1,106 | - | - |
| At fair value | 301 | 265 | - | - |
| Equity investments | | | | |
| At cost (less impairment loss) | 81,265 | 105,274 | 14 | 14 |
| At fair value | 2,529 | 2,608 | 2,529 | 2,608 |
| Loan and receivables | | | | |
| Non-equity investments in company | 5,247 | 9,128 | - | - |
| Unquoted total | 432,511 | 118,381 | 2,543 | 2,622 |
| Total | 465,213 | 152,442 | 8,309 | 8,085 |

- (a) The quoted non-equity investments carry interest rate of 6% (2008: 6%).
- (b) The unquoted non-equity investments carry interest rates of 0% to 10.4% (2008: 0% to 10.4%).
- (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 2009

22. CASH AND BANK DEPOSITS

| | THE GROUP | | THE COMPANY | |
|------------------------|------------------|------------------|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| Cash and bank balances | 373,809 | 403,057 | 470 | 356 |
| Bank fixed deposits | 1,269,499 | 629,882 | 52,092 | 39,200 |
| | 1,643,308 | 1,032,939 | 52,562 | 39,556 |

The weighted average effective interest rate for bank fixed deposits is 1.94% (2008: 5.37%).

Included in the Group's cash and bank balances, and bank fixed deposits are amounts of \$3,435,000 (2008: \$968,000) and \$511,242,000 (2008: \$309,156,000) 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 2009, the cash and bank deposits held by the Group are in the following major currencies: Chinese Renminbi - 22.1% (2008: 21.7%), United States Dollars - 14.9% (2008: 11.8%) and Sterling Pound - 4.9% (2008: 7.4%).

23. BRANDS

| | THE GROUP | | THE COMPANY | |
|--|------------------|------------------|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| At cost | | | | |
| Balance at beginning of year | 61,546 | 65,196 | 8,435 | 8,435 |
| Currency realignment | (1,954) | (3,650) | - | - |
| Balance at end of year | 59,592 | 61,546 | 8,435 | 8,435 |
| Accumulated amortisation and impairment | | | | |
| Balance at beginning of year | 13,407 | 12,933 | 8,435 | 8,435 |
| Currency realignment | (93) | (255) | - | - |
| Amortisation for the year | 591 | 729 | - | - |
| Impairment for the year | 2,560 | - | - | - |
| Balance at end of year | 16,465 | 13,407 | 8,435 | 8,435 |
| Net book value | 43,127 | 48,139 | - | - |

Included in the Group's brands are brands with indefinite useful life of carrying amount of \$42,675,000 (2008: \$44,230,000).

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 ranges from 8.3% to 20.0%.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

24. PROPERTIES HELD FOR SALE

| | THE GROUP | |
|---|--------------------|-----------|
| | 2009 | 2008 |
| | (\$'000) | (\$'000) |
| (a) Development Properties Held for Sale | | |
| Properties in the course of development | 4,656,584 | 4,595,376 |
| Allowance for foreseeable losses | (107,777) | (40,938) |
| Allowance for amortisation | (1,000) | (1,010) |
| | 4,547,807 | 4,553,428 |
| Development profit | 422,535 | 346,702 |
| | 4,970,342 | 4,900,130 |
| Progress payments received | (1,300,156) | (746,605) |
| Balance at end of year | 3,670,186 | 4,153,525 |
| (b) Completed Properties Held for Sale | | |
| Completed units, at cost | 342,181 | 430,321 |
| Allowance for foreseeable losses | (4,919) | (7,109) |
| Net book value | 337,262 | 423,212 |
| Total Properties Held for Sale | 4,007,448 | 4,576,737 |

- (i) Interest capitalised during the year was \$145,760,000 (2008: \$142,813,000). A capitalisation rate of between 0.80% and 15.00% (2008: 1.62% and 14.00%) per annum was used, representing the borrowing cost of the loans used to finance the projects.
- (ii) As at 30 September 2009, the bank loans drawn down amounted to \$1,054,097,000 (2008: \$1,045,227,000).
- (iii) Development properties held for sale amounting to \$363,768,000 (2008: \$524,639,000) as described in (22) to (33) are secured for credit facilities with a bank for which certain covenants were breached as at 30 September 2009 (Note 16(f)).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

24. PROPERTIES HELD FOR SALE (cont'd)

(iv) Development properties held for sale include:

Singapore

- (1) 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.
- (2) 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 31,560.0 sqm of gross floor area for sale.
- (3) 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 302 units of approximately 37,684.0 sqm of gross floor area for sale.
- (4) 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.
- (5) 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. Waterfront Waves (Plot B1) comprises 405 residential units of approximately 51,233.0 sqm of gross floor area for sale whilst Waterfront Key (Plot B2) comprises 437 residential units of approximately 37,834.0 sqm of gross floor area for sale.
- (6) 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 81 units of approximately 7,827.0 sqm of gross floor area for sale.
- (7) Woodsville 28 – leasehold land (99-year tenure commencing 15 October 2007) of approximately 3,870.0 sqm on Lot 9684M Mukim 17 at Woodsville Close for the development of 110 condominium units of approximately 11,015.0 sqm of gross floor area for sale.
- (8) Caspian - 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 712 condominium units of approximately 79,762.0 sqm of gross floor area for sale.
- (9) 8 @ Woodleigh – Leasehold land (99-year tenure commencing 22 September 2008) of approximately 10,774.0 sqm at Lot Q949W MK17 Woodleigh Close for the development of 330 condominium units of approximately 30,164.0 sqm of gross floor area for sale.
- (10) Freehold land of approximately 1,559.0 sqm situated at Holland Park, off Holland Road, Singapore for the development of bungalow units for sale.
- (11) 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.
- (12) Freehold land of approximately 31,161.0 sqm at Lot 06495W MK27 Siglap Road for the development of approximately 393 condominium units of approximately 43,625.0 sqm of gross floor area for sale.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

24. PROPERTIES HELD FOR SALE (cont'd)

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

Vietnam

- (13) Leasehold land (35-year tenure commencing 3 April 1995) of approximately 2,160.0 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

- (14) Freehold land of approximately 52.2 hectares situated at Wanjeep Street, Mandurah, Western Australia for a proposed mixed development of approximately 1,200 residential and commercial units of a total of approximately 159,000.0 sqm of gross floor area for sale.
- (15) Freehold land of approximately 1.19 hectares situated at East Perth, Australia for a proposed mixed development comprising approximately 337 private apartment units, 129 serviced suites and commercial space of a total of approximately 54,000.0 sqm of strata area for sale.
- (16) 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.
- (17) Freehold land of approximately 0.93 hectares situated in Camperdown's City Quarter, Sydney, Australia for a proposed development of approximately 409 apartment units of a total of approximately 38,847.0 sqm of gross floor area for sale.
- (18) Freehold land of approximately 5.8 hectares situated at Broadway Sydney, Australia for a proposed mixed development comprising about 110,300.0 sqm of commercial space and about 1,300 residential apartment units of about 145,200.0 sqm gross floor area for sale.
- (19) 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 9,373.0 sqm of gross floor area for sale.

New Zealand

- (20) 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 6,500.0 sqm of gross floor area for sale.
- (21) 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 136,500.0 sqm of gross floor area for sale.

United Kingdom

- (22) 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 30,800.0 sqm of gross floor area for sale for Phase 3 of the Wandsworth Riverside Development.
- (23) 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 178 residential units and ancillary office and retail space of a total of 22,576.0 sqm of gross floor area for sale.
- (24) 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 135 units and ancillary office and retail space of a total of approximately 13,785.0 sqm of gross floor area for sale.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

24. PROPERTIES HELD FOR SALE (cont'd)

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

United Kingdom (cont'd)

- (25) 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.
- (26) Freehold land of approximately 2,165.0 sqm situated at Collins Theatre, Islington, United Kingdom, for a proposed residential development of approximately 70 units and commercial space of a total of approximately 3,026.0 sqm of gross floor area for sale.
- (27) 50% proportionate share of a freehold land of approximately 26,315.0 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.
- (28) 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.
- (29) 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.
- (30) 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.
- (31) 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.
- (32) Freehold land of approximately 3,158.0 sqm situated at Brown Street, Glasgow, United Kingdom, for a proposed development of approximately 341 residential units and commercial space with a total gross floor area of 22,629.0 sqm for sale.
- (33) 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

- (34) 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.
- (35) 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 791,450.0 sqm of gross floor area for sale.
- (36) 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 637,445.0 sqm of gross floor area for sale.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

24. PROPERTIES HELD FOR SALE (cont'd)

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

Thailand

- (37) 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

- (38) 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 129,931.0 sqm of gross floor area for sale.
- (39) Freehold land of approximately 5,830.0 sqm at Jalan Ampang, Kuala Lumpur, Malaysia for a proposed development of serviced apartments and office suites.
- (40) 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.
- (41) Freehold land of approximately 12,268.0 sqm at Johor Bahru, State of Johor, Malaysia for a proposed development of commercial properties.

25. INVENTORIES

| | THE GROUP | |
|--|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) |
| Containers | 43,553 | 37,193 |
| Raw materials | 89,586 | 127,945 |
| Manufactured inventories | 157,167 | 146,054 |
| Engineering spares, work-in-progress and other inventories | 56,554 | 74,541 |
| Packaging materials | 31,322 | 28,251 |
| Goods purchased for resale | 45,325 | 54,518 |
| | 423,507 | 468,502 |

- (a) Write back of allowance for inventory obsolescence during the year amounting to \$3,011,000 (2008: \$3,190,000) was made when the inventories were sold above their carrying amounts.
- (b) Inventories of \$1,272,000 (2008: \$1,495,000) of the Group's joint venture company is secured against its bank overdrafts.
- (c) The cost of inventories recognised as expense and included in Cost of Sales amounted to \$192,501,000 (2008: \$217,342,000).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

26. TRADE RECEIVABLES AND OTHER RECEIVABLES

| | THE GROUP | | THE COMPANY | |
|---|------------------|------------------|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| Trade receivables | 734,167 | 714,058 | - | - |
| Other receivables: | | | | |
| Current | | | | |
| Accrued income | 6,222 | 8,307 | 186 | 6 |
| Prepayments | 107,837 | 148,605 | 3 | 7 |
| Deposits paid | 9,388 | 11,145 | - | - |
| Tax recoverable | 22,523 | 23,718 | - | - |
| Staff loans | 5,237 | 6,171 | - | - |
| Loans to related parties | - | 7,555 | - | - |
| Amount receivable from joint venture partners | 13,172 | 15,347 | - | - |
| Derivative financial instruments (Note 27) | 4,036 | 4,605 | 2,405 | 3,188 |
| Advanced project cost paid | 2,149 | 5,881 | - | - |
| Sundry debtors | 28,700 | 28,956 | - | - |
| Other receivables | 37,832 | 31,130 | - | 3 |
| | 237,096 | 291,420 | 2,594 | 3,204 |
| | 971,263 | 1,005,478 | 2,594 | 3,204 |
| Non current | | | | |
| Prepayments | 6,197 | 10,910 | - | - |
| Staff loans | 1,519 | 1,511 | - | - |
| Loans to a minority shareholder | 40,208 | - | - | - |
| Other receivables | 6,182 | 6,783 | - | - |
| | 54,106 | 19,204 | - | - |
| | 1,025,369 | 1,024,682 | 2,594 | 3,204 |

- (a) Included in trade receivables is an amount of \$293,976,000 (2008: \$229,174,000) 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 2009, the trade receivables and other receivables held by the Group are in the following major currencies: Malaysia Ringgit - 15.0% (2008: 17.3%), Chinese Renminbi - 12.8% (2008: 13.3%) and United States Dollars - 5.5% (2008: 7.0%).
- (c) Trade and other receivables of \$1,157,000 (2008: \$1,133,000) of the Group's joint venture company are pledged as security for bank overdraft.
- (d) At balance sheet date, trade receivables amounting to \$9,613,000 (2008: \$9,898,000) of the Group's joint venture company have been secured by collaterals provided by customers.
- (e) As at balance sheet date, the Group has provided an allowance of \$15,849,000 (2008: \$Nil) for impairment on other receivables.
- (f) Loans to a minority shareholders are non-trade related, unsecured, bears interest at 12% per annum and have no fixed repayment terms.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to \$142,584,000 (2008: \$195,740,000) 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 | |
|-----------------------------|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) |
| Trade receivables past due: | | |
| 1 to 30 days | 64,680 | 141,423 |
| 31 to 60 days | 30,438 | 21,800 |
| 61 to 90 days | 12,238 | 11,402 |
| 91 to 120 days | 5,454 | 6,234 |
| more than 120 days | 29,774 | 14,881 |
| | 142,584 | 195,740 |

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 | | Individually impaired | |
| | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| Trade receivables - nominal amounts | 17,346 | 11,907 | 13,912 | 14,213 |
| Less: Allowance for impairment | (632) | (2,129) | (12,219) | (10,240) |
| | 16,714 | 9,778 | 1,693 | 3,973 |
| Movement in allowance accounts: | | | | |
| At 1 October | 2,129 | 329 | 10,240 | 13,792 |
| Charge for the year | 281 | 1,673 | 6,306 | 4,784 |
| Written back | (401) | (41) | (3,192) | (3,803) |
| Written off | (31) | (5) | (2,327) | (3,571) |
| Reclassification | (1,185) | - | 1,185 | - |
| Exchange difference | (161) | 173 | 7 | (962) |
| At 30 September | 632 | 2,129 | 12,219 | 10,240 |

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.

The reclassification relates to the transfer from collectively impaired allowance to individually impaired allowance.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

27. DERIVATIVE FINANCIAL INSTRUMENTS

| | THE GROUP | | THE COMPANY | |
|----------------------------|------------------|------------------|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| Assets | | | | |
| Interest rate swap | 3,100 | 3,188 | 2,405 | 3,188 |
| Forward currency contracts | 936 | 1,417 | - | - |
| | 4,036 | 4,605 | 2,405 | 3,188 |
| Liabilities | | | | |
| Interest rate swap | 29,982 | 7,000 | - | 2,218 |
| Forward currency contracts | 12,956 | 1,371 | - | - |
| | 42,938 | 8,371 | - | 2,218 |
| Net position | (38,902) | (3,766) | 2,405 | 970 |

The Group has applied cash flow hedge accounting for interest rate swap arrangements for which the associated floating rate loans have the same critical terms, and which have been assessed to be effective hedges. The interest on these interest rate swaps and loans are settled on a quarterly basis.

28. SHORT TERM INVESTMENTS

| | THE GROUP | | THE COMPANY | |
|--|------------------|------------------|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| Quoted | | | | |
| Available-for-sale financial assets | | | | |
| Equity investments at fair value | 251,378 | 137,891 | - | - |
| Unquoted | | | | |
| Loans and receivables | | | | |
| Non-equity investments at cost | 3,318 | 3,220 | - | - |
| Total | 254,696 | 141,111 | - | - |

Included in non-equity investments are notes with interest rates of 8.9% to 11.9% (2008: 8.9% to 11.9%) per annum and maturing within the next 12 months.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

29. ASSETS AND LIABILITIES HELD FOR SALE

The assets held for sale relate to land and machineries which are available for sale following the closure of the glass packaging plant in Jalan Kilang, Petaling Jaya and land and building which are available for sale following the closure of the foods business in Vietnam.

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). Subsequently in March 2009, the sales and purchase agreement relating to the intended sale expired and the asset held for sale was reinstated as a joint venture company of the Group.

| | THE GROUP | |
|--------------------|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) |
| Assets | | |
| Non-current assets | 9,387 | - |
| Current assets | - | 27,086 |
| | 9,387 | 27,086 |

30. TRADE AND OTHER PAYABLES

| | THE GROUP | | THE COMPANY | |
|--|------------------|------------------|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| Trade payables | 681,508 | 576,592 | - | - |
| Other payables: | | | | |
| Current | | | | |
| Advances from joint venture partners | 11,447 | 22,432 | - | - |
| Interest payable | 27,488 | 38,077 | 3,478 | 5,543 |
| Accrued operating expenses | 196,465 | 179,065 | 300 | 1,086 |
| Sundry accruals | 153,027 | 119,847 | 118 | 259 |
| Sundry deposits | 67,226 | 64,095 | - | - |
| Staff costs payable | 78,713 | 77,200 | - | - |
| Accrual for unconsumed leave | 9,328 | 11,083 | - | - |
| Amounts due to minority shareholders of subsidiary companies | 96,299 | 58,468 | - | - |
| Deferred income | 5,642 | 9,524 | - | - |
| Provisions | 1,584 | 9,211 | - | - |
| Derivative financial instruments (Note 27) | 42,938 | 8,371 | - | 2,218 |
| Other payables | 70,313 | 71,102 | 2,075 | 2,197 |
| | 760,470 | 668,475 | 5,971 | 11,303 |
| | 1,441,978 | 1,245,067 | 5,971 | 11,303 |
| Non-current | | | | |
| Amounts due to minority shareholders of subsidiary companies | 864 | 1,404 | - | - |
| Sundry payables | 8,470 | 8,633 | - | - |
| | 9,334 | 10,037 | - | - |
| | 1,451,312 | 1,255,104 | 5,971 | 11,303 |

- (a) Advances from joint venture partners are non-trade in nature, unsecured, interest-free and have no fixed terms of repayment.
- (b) Amounts due to minority shareholders of subsidiary companies are non-trade in nature, unsecured, repayable in cash on demand and interest free, except for loans of \$8,835,000 (2008: \$18,241,000) which bear interest at 7.5% (2008: 6.0% to 7.0%) per annum.
- (c) As at 30 September 2009, the trade and other payables held by the Group are in the following major currencies: Malaysia Ringgit - 14.7% (2008: 14.4%), Chinese Renminbi - 15.4% (2008: 18.3%) and United States Dollars - 5.4% (2008: 5.7%).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

31. BORROWINGS

| | Weighted average effective interest rate % | Notes | THE GROUP | | THE COMPANY | |
|-----------------------------------|---|-------|------------------|------------------|------------------|------------------|
| | | | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| Repayable within one year: | | | | | | |
| Unsecured | | | | | | |
| Bank loans | 4.10 | | 393,700 | 1,153,313 | - | 299,960 |
| Bank overdrafts | 10.71 | | 19,366 | 12,871 | - | - |
| | | | 413,066 | 1,166,184 | - | 299,960 |
| Term loans | 4.02 | (c) | 365,324 | 345,679 | 199,914 | - |
| Secured | | | | | | |
| Bank loans | 4.55 | (b) | 913,152 | 566,628 | - | - |
| Bank overdrafts | 13.90 | (b) | 32 | - | - | - |
| | | | 913,184 | 566,628 | - | - |
| Finance leases | | | 1,152 | 1,085 | - | - |
| | | | 1,692,726 | 2,079,576 | 199,914 | 299,960 |
| Repayable after one year: | | | | | | |
| Unsecured | | | | | | |
| Bank loans | 2.63 | | 1,097,269 | 531,025 | - | - |
| Term loans | 3.82 | | 1,959,192 | 1,741,260 | 150,000 | 349,814 |
| Secured | | | | | | |
| Bank loans | 4.89 | (b) | 291,063 | 808,858 | - | - |
| Term loans | 3.98 | (b) | 260,000 | 272,902 | - | - |
| Finance leases | | | 775 | 1,214 | - | - |
| | | (e) | 3,608,299 | 3,355,259 | 150,000 | 349,814 |
| Total | | | 5,301,025 | 5,434,835 | 349,914 | 649,774 |
| Fair value | | (d) | 5,308,999 | 5,425,608 | 340,748 | 645,502 |

Notes

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

(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 165,000 (2008: 330,000) redeemable non-voting Class A Preference Shares of an aggregate value of \$165,000,000 (2008: \$330,000,000) are classified as bank borrowings in the consolidated financial statements of the Group.

As disclosed in Note 16(f), as at 30 September 2009, FPUK has not complied with certain covenants of its credit facilities agreement with a bank and the bank have the right to recall and demand repayment of the outstanding amounts. FPUK and the bank are currently in the process of a consensual restructuring of these facilities. Included in Secured Bank Loans, Repayable within One Year, is an amount of \$523,280,000 relating to all outstanding bank borrowings under the breached facility. This amount is secured on fixed and floating charge over assets of FPUK group (Note 14 and 24).

(c) Included in the term loans is a loan from the Group's associated company bearing interest at 2.8% (2008: 8.7%) per annum.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

31. BORROWINGS (cont'd)

- (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 \$2,276,439,000 (2008: \$1,856,548,000) which have a fair value of \$2,284,413,000 (2008: \$1,847,321,000).

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 | |
|-----------------------|------------------|------------------|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| Between 1 and 2 years | 1,432,330 | 1,218,535 | - | 199,814 |
| Between 2 and 5 years | 1,570,856 | 1,788,741 | - | - |
| After 5 years | 605,113 | 347,983 | 150,000 | 150,000 |
| | 3,608,299 | 3,355,259 | 150,000 | 349,814 |

- (f) As at 30 September 2009, the borrowings held by the Group are in the following major currencies: United States Dollars - 11.9% (2008: 11.5%), Sterling Pounds - 10.2% (2008: 10.2%) and Australia Dollars - 8.9% (2008: 10.2%).
- (g) As at 30 September 2009, 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 2009 and include the effect of related interest rate swaps.

32. PROVISION FOR EMPLOYEE BENEFITS

| | THE GROUP | |
|-------------------------------------|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) |
| Balance at beginning of year | 18,764 | 18,811 |
| Currency realignment | (670) | (1,237) |
| Acquisition of subsidiary companies | - | 7 |
| Write back during the year | (961) | (1,031) |
| Provision for the year | 4,776 | 5,072 |
| Payment for the year | (2,606) | (2,858) |
| Balance at end of year | 19,303 | 18,764 |

(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 defined benefit plan in New Zealand was subsequently wound up on 31 March 2009.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(b) Defined Benefit Plan (cont'd)

The major assumptions used by the qualified independent actuaries were:

| | THE GROUP | |
|-----------------------------------|---------------------|--------------|
| | 2009 | 2008 |
| Rate of increase in salaries | 3.5% to 5.0% | 3.5% to 5.0% |
| Expected rate of return on assets | 5.0% to 7.2% | 5.0% |
| Discount rate | 4.4% to 6.5% | 4.5% to 6.5% |

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

| | 2009 (\$'000) | 2008 (\$'000) |
|--|------------------|------------------|
| Net benefit expense | | |
| Benefits earned during the year | 1,051 | 654 |
| Interest income on benefit obligation | (843) | (651) |
| Amortisation of unrecognised gain | (36) | - |
| Net actuarial gain | 1,976 | 1,828 |
| Curtailment gain/(loss) | 377 | (31) |
| Transition obligation recognised | (55) | (250) |
| Settlement gain | 24 | - |
| Net benefit expense | 2,494 | 1,550 |
| Benefit liability | | |
| Present value of benefit obligation | 39,079 | 39,165 |
| Fair value of plan assets | (20,542) | (21,211) |
| Unfunded benefit obligation | 18,537 | 17,954 |
| Unrecognised net actuarial gain | (3,163) | (2,867) |
| Unrecognised transition benefit | (306) | (498) |
| Provision | 887 | 679 |
| Benefit liability | 15,955 | 15,268 |
| Present value of unfunded benefit obligation | 14,928 | 15,180 |
| Present value of funded benefit obligation | 24,151 | 23,985 |
| | 39,079 | 39,165 |

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

| Benefit liabilities | | |
|-------------------------------------|---|----------|
| Present value of benefit obligation | - | 10,207 |
| Fair value of plan assets | - | (10,325) |
| Unfunded benefit obligation | - | (118) |
| Unrecognised net actuarial loss | - | 158 |
| Benefit liabilities | - | 40 |

(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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(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, 1999. | ("1999 Scheme") | 30 September 1999 |
| (ii) | Asia Pacific Breweries Limited Executives' Share Option Scheme. | ("APBL Scheme") | 21 February 1995 |
| (iii) | Fraser & Neave Holdings Bhd Executives' Share Option Scheme. | ("F&NHB Scheme") | - |
| (iv) | Frasers Property (China) Limited's Share Option Scheme. | ("FPCL Scheme") | 20 May 2003 |
| (v) | 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 1999 Scheme, APBL Scheme and F&NHB Scheme

- (i) 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.
- (ii) The grantee may exercise an option during the exercise period which commences 33 months after the offer date.
- (iii) Options expire 119 months after the offer date, except for F&NHB Scheme options which expire 59 months after the option offer date.

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 F&NHB 2007 Scheme.
- (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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Options (cont'd)

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.
- (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 specified above, exercise 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.

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 (1999)

| Options | Offer Date | Balance as at 1.10.2008 or Offer Date if later | Options Exercised/ Lapsed | Balance as at 30.9.2009 | Exercise Price | Exercise Period |
|--------------------|------------|--|---------------------------|-------------------------|----------------|-------------------------|
| 1999 Scheme | | | | | | |
| Year 3 | 08.10.2001 | 128,960 | (111,455) | 17,505 | \$1.40 | 09.07.2004 - 08.09.2011 |
| Year 4 | 01.10.2002 | 561,125 | (186,285) | 374,840 | \$1.51 | 01.07.2005 - 31.08.2012 |
| Year 5 | 08.10.2003 | 3,197,485 | (1,531,835) | 1,665,650 | \$2.12 | 08.07.2006 - 07.09.2013 |
| Year 6 | 08.10.2004 | 5,499,105 | (1,713,505) | 3,785,600 | \$2.82 | 08.07.2007 - 07.09.2014 |
| Year 7 | 10.10.2005 | 8,666,190 | (435,590) | 8,230,600 | \$3.46 | 10.07.2008 - 09.09.2015 |
| Year 8 | 10.10.2006 | 9,208,703 | (208,573) | 9,000,130 | \$4.22 | 10.07.2009 - 09.09.2016 |
| Year 9 | 10.10.2007 | 10,965,601 | (237,985) | 10,727,616 | \$5.80 | 10.07.2010 - 09.09.2017 |
| Year 10 | 25.11.2008 | 14,051,865 | (128,871) | 13,922,994 | \$2.86 | 25.08.2011 - 24.10.2018 |
| | | 52,279,034 | (4,554,099) ¹ | 47,724,935 | | |

The fair value of options granted during the year was \$0.75 (2008: \$1.34).

The weighted average share price for options exercised during the year was \$3.22 (2008: \$4.93).

Note:

1 Exercised (3,887,340); Lapsed due to Resignations and Non-acceptance (666,759).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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 1.10.2008 | Options Exercised/ Lapsed | Balance as at 30.9.2009 | Exercise Price | Exercise Period |
|---------|------------|-------------------------|---------------------------|-------------------------|----------------|-------------------------|
| 2004 | 24.11.2003 | 27,500 | (27,500) | - | RM3.83 | 24.08.2006 - 23.10.2008 |
| 2005 | 24.11.2004 | 223,700 | (216,700) | 7,000 | RM4.89 | 24.08.2007 - 23.10.2009 |
| 2006 | 26.08.2005 | 747,000 | (618,700) | 128,300 | RM5.54 | 27.05.2008 - 26.07.2010 |
| 2007 | 26.09.2006 | 1,988,000 | (1,217,900) | 770,100 | RM6.12 | 27.06.2009 - 26.08.2011 |
| | | 2,986,200 | (2,080,800) ² | 905,400 | | |

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 RM8.88 (2008: RM8.31).

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

| Options | Offer Date | Balance as at 1.10.2008 or Offer Date if later | Options Exercised/ Lapsed | Balance as at 30.9.2009 | Exercise Price | Exercise Period |
|---------|------------|--|---------------------------|-------------------------|----------------|-------------------------|
| 2008 | 20.11.2007 | 2,504,300 | (127,000) | 2,377,300 | RM7.77 | 20.08.2010 - 19.10.2012 |
| 2009 | 19.11.2008 | 2,916,100 | (104,800) | 2,811,300 | RM8.46 | 19.08.2011 - 18.10.2013 |
| | | 5,420,400 | (231,800) ³ | 5,188,600 | | |

The fair value of options granted during the year was RM1.03 (2008: RM0.79).

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

| Options | Offer Date | Balance as at 1.10.2008 or Offer Date if later | Options Exercised/ Lapsed | Balance as at 30.9.2009 | Exercise Price | Exercise Period |
|---------|------------|--|---------------------------|-------------------------|----------------|-------------------------|
| 2003 | 31.12.2003 | 9,965,658 | (88,327) | 9,877,331 | HK\$0.1580 | 31.12.2004 - 30.12.2013 |
| 2004 | 31.12.2004 | 11,474,439 | - | 11,474,439 | HK\$0.1547 | 31.12.2005 - 30.12.2014 |
| 2005 | 30.12.2005 | 13,773,647 | - | 13,773,647 | HK\$0.1343 | 30.12.2006 - 29.12.2015 |
| 2006 | 13.11.2006 | 15,300,737 | - | 15,300,737 | HK\$0.1670 | 13.11.2007 - 12.11.2016 |
| 2007 | 09.11.2007 | 16,550,000 | - | 16,550,000 | HK\$0.3370 | 09.11.2008 - 08.11.2017 |
| 2008 | 14.11.2008 | 17,050,000 | - | 17,050,000 | HK\$0.1000 | 14.11.2009 - 13.11.2018 |
| | | 84,114,481 | (88,327) ⁴ | 84,026,154 | | |

The fair value of options granted during the year was HK\$0.10 (2008: HK\$0.23).

The weighted average share price for options exercised during the year was HK\$Nil (2008: HK\$0.24).

Notes:

² Exercised (1,963,200); Lapsed due to Expiry and Resignations (117,600).

³ Lapsed due to Resignations, Termination and Non-acceptance (231,800).

⁴ Lapsed due to Resignations.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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 1.10.2008 | Options Exercised/ Lapsed | Balance as at 30.9.2009 | Exercise Price | Exercise Period |
|---------|------------|----------------------------|---------------------------------|-------------------------------|-------------------|-------------------------|
| 1999 | 23.12.1998 | 3,898 | (3,898) | - | \$3.61 | 22.09.2001 - 21.11.2008 |
| 2000 | 22.12.1999 | 10 | - | 10 | \$4.28 | 21.09.2002 - 20.11.2009 |
| 2001 | 20.12.2000 | 2,750 | - | 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 | 18,000 | - | 18,000 | \$4.79 | 15.07.2005 - 14.09.2012 |
| 2004 | 08.10.2003 | 40,800 | (2,000) | 38,800 | \$6.29 | 08.07.2006 - 07.09.2013 |
| | | 71,108 | (5,898) ⁵ | 65,210 | | |

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 \$10.30 (2008: \$12.69).

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 8 | Year 9 | Year 10 |
|------------------------------------|--------|--------|---------|
| Dividend yield (%) | 2.7% | 2.4% | 4.7% |
| Expected volatility (%) | 24.4% | 29.6% | 40.6% |
| Risk-free interest rate (%) | 3.0% | 2.6% | 1.6% |
| Expected life of option (years) | 4.0 | 5.0 | 5.0 |
| Share price at date of grant (S\$) | 4.42 | 5.75 | 2.86 |
| Exercise share price (S\$) | 4.22 | 5.80 | 2.86 |

Fraser & Neave Holdings Bhd Executives' Share Option Scheme

| | 2005 | 2006 | 2007 |
|------------------------------------|-------|-------|-------|
| Dividend yield (%) | 5.1% | 5.7% | 5.1% |
| Expected volatility (%) | 17.2% | 12.9% | 15.6% |
| Risk-free interest rate (%) | 4.8% | 3.6% | 3.7% |
| Expected life of option (years) | 4.5 | 4.5 | 4.5 |
| Share price at date of grant (MYR) | 4.86 | 5.35 | 6.15 |
| Exercise share price (MYR) | 4.89 | 5.54 | 6.12 |

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

| | 2008 | 2009 |
|------------------------------------|-------|-------|
| Dividend yield (%) | 4.4% | 4.1% |
| Expected volatility (%) | 14.3% | 17.2% |
| Risk-free interest rate (%) | 3.8% | 3.7% |
| Expected life of option (years) | 4.9 | 4.5 |
| Share price at date of grant (MYR) | 7.80 | 8.50 |
| Exercise share price (MYR) | 7.77 | 8.46 |

Note:

5 Exercised (2,000); Lapsed due to Expiry (3,898).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Options (cont'd)

Frasers Property (China) Limited's Share Option Scheme

| | 2007 | 2008 | 2009 |
|------------------------------------|-------|-------|-------|
| Dividend yield (%) | - | - | - |
| Expected volatility (%) | 72.0% | 80.0% | 75.0% |
| Risk-free interest rate (%) | 3.8% | 3.2% | 2.0% |
| Expected life of option (years) | 10.0 | 10.0 | 10.0 |
| Share price at date of grant (HKD) | 0.167 | 0.337 | 0.064 |
| Exercise share price (HKD) | 0.167 | 0.337 | 0.100 |

Asia Pacific Breweries Limited Phantom Share Option Scheme

| | Phantom share option 2007 | Phantom share option 2008 | Phantom share option 2009 |
|-----------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Dividend yield (%) | 1.9% | 2.1% | 3.3% |
| Expected volatility (%) | 24.8% | 16.7% | 20.8% |
| Risk-free interest rate (%) | 3.1% | 2.3% | 1.7% |
| Expected life of option (years) | 3.6 | 3.9 | 4.7 |
| Share price at date of grant (\$) | 15.50 | 13.40 | 10.32 |
| Exercise share price (\$) | 15.34 | 13.59 | 10.95 |

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 2009

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 1.10.2008 or Offer Date if later | Options Exercised/ Lapsed | Balance at end of year | Exercise Price | Exercise Period |
|---------|------------|---|---------------------------------|------------------------------|-------------------|-------------------------|
| 2005 | 8.10.2004 | 45,150 | (45,150) | - | \$7.48 | 08.07.2007 - 07.07.2009 |
| 2006 | 9.11.2005 | 522,325 | (323,600) | 198,725 | \$8.96 | 09.08.2008 - 08.08.2010 |
| 2007 | 7.11.2006 | 1,336,100 | (28,450) | 1,307,650 | \$15.34 | 07.08.2009 - 06.08.2011 |
| 2008 | 8.11.2007 | 1,605,700 | (57,850) | 1,547,850 | \$13.59 | 09.08.2010 - 06.08.2012 |
| 2009 | 8.11.2008 | 1,468,750 | (58,450) | 1,410,300 | \$10.95 | 08.08.2011 - 07.08.2013 |
| | | 4,978,025 | (513,500) ⁶ | 4,464,525 | | |

The fair value of options granted during the year was \$1.22 (2008: \$1.35).

The weighted average share price for options exercised during the year was \$12.20 (2008: \$12.84).

The carrying amount of the liability recognised in the Group's balance sheet relating to cash settled option granted under the PSOP as at 30 September 2009 is \$995,000 (2008: \$1,722,000).

Note:

6 Exercised (346,750); Lapsed due to Expiry and Resignation (166,750).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

33. DEFERRED TAX ASSETS AND LIABILITIES

| | THE GROUP | | | | THE COMPANY | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| | Balance Sheet | | Profit Statement | | Balance Sheet | |
| | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| Deferred tax liabilities | | | | | | |
| Differences in depreciation | 59,649 | 66,899 | (11,305) | (548) | - | - |
| Tax effect on revaluation surplus | 63,093 | 62,439 | (10,157) | 11,269 | - | - |
| Provisions, expenses and income taken in a different period | 10,610 | 11,050 | (1,782) | 4,654 | - | - |
| Fair value adjustments | 468 | 331 | - | - | 291 | 267 |
| Other deferred tax liabilities | 8,064 | 16,493 | 574 | 2,632 | - | - |
| Gross deferred tax liabilities | 141,884 | 157,212 | (22,670) | 18,007 | 291 | 267 |
| Less: Deferred tax assets | | | | | | |
| Employee benefits | (4,283) | (5,528) | 1,211 | (1,924) | - | - |
| Unabsorbed losses and capital allowances | (9,455) | (6,973) | 1,339 | (3,327) | - | - |
| Provisions, expenses and income taken in a different period | (8,415) | (4,734) | (3,689) | 4,129 | - | - |
| Other deferred tax assets | (9,490) | (9,823) | (220) | (236) | - | - |
| Gross deferred tax assets | (31,643) | (27,058) | (1,359) | (1,358) | - | - |
| Net deferred tax liabilities | 110,241 | 130,154 | (24,029) | 16,649 | 291 | 267 |

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

| | | | | | | |
|---|----------|----------|---------|---------|---|---|
| Employee benefits | (2,184) | (1,158) | (440) | 1,257 | - | - |
| Differences in depreciation | 3,813 | 6,883 | 442 | (3,258) | - | - |
| Unabsorbed losses and capital allowances | (14,227) | (16,222) | 479 | (482) | - | - |
| Provisions | (8,348) | (5,515) | (3,376) | (861) | - | - |
| Tax effect on revaluation surplus | (967) | - | (967) | - | - | - |
| Others | (1,038) | (1,832) | 148 | 762 | - | - |
| Net deferred tax assets | (22,951) | (17,844) | (3,714) | (2,582) | - | - |

The deferred tax taken to equity during the year relating to fair value adjustment is \$137,000 (2008: write back of \$258,000).

Deferred tax liabilities of \$5,655,000 (2008: \$7,849,000) 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 \$33,265,000 at 30 September 2009 (2008: \$43,605,000).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

34. FUTURE COMMITMENTS

| | THE GROUP | |
|---|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) |
| Commitments not provided for in the financial statements: | | |
| (a) Commitments in respect of contract placed | | |
| - Fixed assets | 45,784 | 40,313 |
| - Raw materials | 106 | 224 |
| - Investment properties | 26,513 | 67,305 |
| - Properties held for sale | 1,863,527 | 844,673 |
| - Share of joint venture companies' commitments | 74,149 | 30,228 |
| | 2,010,079 | 982,743 |
| (b) Other amounts approved by directors but not contracted for: | | |
| - Fixed assets | 211,342 | 309,571 |
| - Properties held for sale | 4,655,974 | 6,950,461 |
| - Share of joint venture companies' commitments | 290,000 | 12,398 |
| - Investment properties | 15,538 | 30,678 |
| | 5,172,854 | 7,303,108 |
| Total | 7,182,933 | 8,285,851 |

35. LEASE COMMITMENTS

Operating Leases

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

| | | |
|--------------------------------------|----------------|---------|
| Payable within one year | 49,816 | 30,436 |
| Payable between one and five years | 114,954 | 38,241 |
| Payable after five years | 44,604 | 42,121 |
| | 209,374 | 110,798 |
| Operating lease expense for the year | 41,114 | 37,574 |

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 | 223,259 | 186,570 |
| Receivable between one and five years | 238,007 | 232,139 |
| Receivable after five years | 4,602 | 6,071 |
| | 465,868 | 424,780 |

Contingent rents, generally determined based on a percentage of tenants' revenue of \$7,852,000 (2008: \$6,794,000) 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 2009

35. LEASE COMMITMENTS (cont'd)

Finance Leases

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

| | THE GROUP | | | |
|------------------------------------|---------------------------|------------------------------|---------------------------|------------------------------|
| | 2009 (\$'000) | | 2008 (\$'000) | |
| | Minimum lease payments | Present value of payments | Minimum lease payments | Present value of payments |
| Minimum lease payments due: | | | | |
| Payable within one year | 1,225 | 1,152 | 1,183 | 1,085 |
| Payable between one and five years | 816 | 775 | 1,281 | 1,214 |
| Total minimum lease payments | 2,041 | 1,927 | 2,464 | 2,299 |
| Less: Future finance charges | | | | |
| Payable within one year | (73) | - | (98) | - |
| Payable between one and five years | (41) | - | (67) | - |
| | (114) | - | (165) | - |
| | 1,927 | 1,927 | 2,299 | 2,299 |

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 | | THE COMPANY | |
|---------------------------|------------------|------------------|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| Directors | | | | |
| Sale of condominium units | - | 2,659 | - | - |
| Joint venture companies | | | | |
| Rental received | 1,279 | 1,095 | - | - |
| Management fees received | 2,218 | 2,418 | - | - |
| Sales of bottles | 28,020 | 30,007 | - | - |
| Sale of services | 40 | 29 | - | - |
| Management fees paid | (473) | (387) | (473) | (387) |
| Purchase of cullets | (76) | (6) | - | - |

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 2009

37. CONTINGENT LIABILITIES

The Company issued corporate guarantees to the extent of \$3,753,222,000 (2008: \$3,231,771,000) for the purpose of assisting its subsidiary companies to obtain external borrowings. Of the \$3,753,222,000 (2008: \$3,231,771,000) corporate guarantees given by the Company \$1,561,440,000 (2008: \$874,590,000) has been utilised by its subsidiaries 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 provided 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 guarantee on the Group and the Company are as follows:

| | THE GROUP | | THE COMPANY | |
|------------------------|------------------|------------------|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| Contingent liabilities | 65,400 | 65,400 | 3,753,222 | 3,231,771 |

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 2009, the Group had entered into foreign currency forward exchange buy contracts amounting to \$23 million (2008: \$59 million) and foreign currency forward exchange sell contracts amounting to \$66 million (2008: \$59 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 \$12,649,000 (2008: \$808,000) and gain of \$629,000 (2008: \$854,000) 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 2009

38. FINANCIAL RISK MANAGEMENT (cont'd)

Foreign Currency Risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's total equity and the Group's profit net of tax to a reasonably possible 10% strengthening change in the Australian Dollar, Sterling Pound, United States Dollar, Vietnamese Dong, Hong Kong Dollar, Euro and Singapore Dollar exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

| | THE GROUP | | THE COMPANY | |
|--------------------------|--------------------|--------------------|--------------------|--------------------|
| | Equity (\$'000) | Profit (\$'000) | Equity (\$'000) | Profit (\$'000) |
| 30 September 2009 | | | | |
| Australian Dollar | (237) | 4,559 | - | - |
| Sterling Pound | - | 119 | - | - |
| United States Dollar | - | (18,122) | - | (856) |
| Vietnamese Dong | (11,437) | 186 | - | - |
| Hong Kong Dollar | - | 2,457 | - | - |
| Euro | - | 1,296 | - | - |
| Singapore Dollar | - | (1,463) | - | (292) |
| 30 September 2008 | | | | |
| Australian Dollar | (234) | (541) | - | - |
| Sterling Pound | - | (64) | - | - |
| United States Dollar | - | 14,086 | - | (1,136) |
| Vietnamese Dong | (11,299) | 414 | - | - |
| Hong Kong Dollar | - | 5,471 | - | - |
| Euro | - | 456 | - | - |
| Singapore Dollar | - | 297 | - | 476 |

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

38. FINANCIAL RISK MANAGEMENT (cont'd)

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.

The table below analyses the maturity profile of the Group's and Company's financial liabilities (including net 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) |
| Group | | | | |
| At 30 September 2009 | | | | |
| Net derivative financial instruments | | | | |
| Interest rate swaps | 26,882 | 3,776 | 14,945 | 8,161 |
| Forward currency contracts | 12,020 | 12,020 | - | - |
| Non-derivative financial instruments | | | | |
| Trade payables | 681,508 | 681,508 | - | - |
| Other payables | 707,304 | 697,970 | 8,470 | 864 |
| Borrowings | 5,301,025 | 1,853,788 | 3,230,552 | 665,059 |
| Amount due to joint venture companies | 3,055 | 3,055 | - | - |
| Amount due to associated companies | 1,035 | 1,035 | - | - |
| | 6,732,829 | 3,253,152 | 3,253,967 | 674,084 |
| At 30 September 2008 | | | | |
| Net derivative financial instruments | | | | |
| Interest rate swaps | 3,812 | 3,812 | - | - |
| Forward currency contracts | (46) | (46) | - | - |
| Non-derivative financial instruments | | | | |
| Trade payables | 576,592 | 576,592 | - | - |
| Other payables | 636,522 | 626,485 | 8,633 | 2,078 |
| Borrowings | 5,434,835 | 2,267,503 | 3,280,967 | 381,959 |
| Amount due to joint venture companies | 4,066 | 4,066 | - | - |
| Amount due to associated companies | 17,545 | 17,545 | - | - |
| | 6,673,326 | 3,495,957 | 3,289,600 | 384,037 |

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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) |
| Company | | | | |
| At 30 September 2009 | | | | |
| Net derivative financial instruments | | | | |
| Interest rate swaps | (2,405) | (2,405) | - | - |
| Non-derivative financial instruments | | | | |
| Other payables | 5,630 | 5,630 | - | - |
| Amount due to subsidiary companies | 26,680 | 26,680 | - | - |
| Borrowings | 349,914 | 205,886 | - | 182,773 |
| | 379,819 | 235,791 | - | 182,773 |
| At 30 September 2008 | | | | |
| Net derivative financial instruments | | | | |
| Interest rate swaps | (970) | (970) | - | - |
| Non-derivative financial instruments | | | | |
| Other payables | 8,747 | 8,747 | - | - |
| Amount due to subsidiary companies | 18,938 | 18,938 | - | - |
| Borrowings | 649,774 | 301,309 | 212,706 | 188,203 |
| | 676,489 | 328,024 | 212,706 | 188,203 |

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

38. FINANCIAL RISK MANAGEMENT (cont'd)

Credit Risk

At the balance sheet date, the Company's and the Group's maximum exposure to credit risk in the event that the counterparties 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.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and business segment profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's gross trade receivable at the balance sheet date is as follows:

| | THE GROUP | | | |
|---------------------------------|----------------|-------------|----------|------------|
| | 2009 | | 2008 | |
| | (\$'000) | % of total | (\$'000) | % of total |
| By Geographical Segment: | | | | |
| Singapore | 396,427 | 54% | 338,634 | 47% |
| Malaysia | 156,340 | 21% | 172,402 | 24% |
| Rest of South East Asia | 53,529 | 7% | 64,414 | 9% |
| North East Asia | 45,048 | 6% | 52,334 | 7% |
| South Asia | 21,678 | 3% | 24,377 | 3% |
| South Pacific | 62,837 | 8% | 61,705 | 8% |
| Europe & USA | 11,159 | 1% | 12,561 | 2% |
| | 747,018 | 100% | 726,427 | 100% |
| By Business Segment: | | | | |
| Soft Drinks | 67,056 | 9% | 73,735 | 10% |
| Dairies | 111,469 | 15% | 141,261 | 19% |
| Breweries | 92,151 | 12% | 92,482 | 13% |
| Printing & Publishing | 105,533 | 14% | 122,768 | 17% |
| Glass Containers | 32,387 | 4% | 31,524 | 4% |
| Investment Property | 13,548 | 2% | 7,096 | 1% |
| Development Property | 309,111 | 41% | 241,569 | 33% |
| Others | 15,763 | 3% | 15,992 | 3% |
| | 747,018 | 100% | 726,427 | 100% |

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.

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

38. FINANCIAL RISK MANAGEMENT (cont'd)

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 | |
|---|------------------|------------------|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| Notional Amount | 1,168,576 | 1,063,566 | 350,000 | 550,000 |
| Net Fair Value | | | | |
| Fair value gain on interest rate swap contracts | 3,100 | 3,188 | 2,405 | 3,188 |
| Fair value loss on interest rate swap contracts | (29,982) | (7,000) | - | (2,218) |

At 30 September 2009, the fixed interest rate of the outstanding interest rate swap contract is between 2% to 8% (2008: 4% to 8%), while the floating interest rates are mainly linked to Singapore Interbank Offered Rates.

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 Fixed rates | | |
|-------------------------------------|----------------------------|---------------------------------|-------------------------------------|---------------------------|
| | | Less than 1 year (\$'000) | Between 1 to 5 years (\$'000) | After 5 years (\$'000) |
| | | | | |
| Year ended 30 September 2009 | | | | |
| Assets | | | | |
| Cash and bank deposits | 124,685 | 1,321,533 | - | - |
| Other financial assets | - | 3,318 | 11,301 | 408,158 |
| Liabilities | | | | |
| Borrowings | 1,200,426 | 957,422 | 2,543,600 | 599,577 |
| Year ended 30 September 2008 | | | | |
| Assets | | | | |
| Cash and bank deposits | 192,860 | 688,070 | - | - |
| Other financial assets | - | 3,220 | 19,998 | 25,450 |
| Liabilities | | | | |
| Borrowings | 1,954,922 | 1,021,922 | 2,244,104 | 213,887 |

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

38. FINANCIAL RISK MANAGEMENT (cont'd)

Interest Rate Risk (cont'd)

| | Floating rates (\$'000) | THE COMPANY | | |
|-------------------------------------|----------------------------|---------------------------------|-------------------------------------|------------------------------|
| | | Fixed rates | | |
| | | Less than 1 year (\$'000) | Between 1 to 5 years (\$'000) | After 5 years (\$'000) |
| Year ended 30 September 2009 | | | | |
| Assets | | | | |
| Cash and bank deposits | - | 52,092 | - | - |
| Liabilities | | | | |
| Borrowings | - | 199,914 | - | 150,000 |
| Year ended 30 September 2008 | | | | |
| Assets | | | | |
| Cash and bank deposits | - | 39,200 | - | - |
| Liabilities | | | | |
| Borrowings | 299,960 | - | 199,814 | 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 or for which interest rate swaps have been entered into. The other financial instruments of the Group and the Company 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 2009 and 2008.

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 after tax and net loss in hedging reserve by approximately \$8,929,000 (2008: \$14,449,000) and \$8,346,000 (2008: \$Nil) respectively, arising mainly as a result of higher/lower interest expense on net floating borrowing position and increase/decrease in the fair value of derivatives held for hedging respectively. The analysis is performed on the same basis for 2008.

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 will be:

| | THE GROUP | | THE COMPANY | |
|--------|------------------|------------------|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| Equity | 27,585 | 16,427 | 479 | 448 |

There will be no impact to profit after tax.

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 2008 and assumes that all other variables remain constant.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

38. FINANCIAL RISK MANAGEMENT (cont'd)

Fair Values

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

- (a) **Cash and bank balances, other receivables and other payables**
The carrying amounts of these items approximate fair value due to their short term nature.
- (b) **Trade receivables and trade payables**
The carrying amounts of receivables and payables approximate fair value because these are subject to normal trade credit terms.
- (c) **Amounts due from/to related companies**
The carrying amounts of amounts due from/to related companies in current assets and current liabilities approximate fair value due to their short term nature. For amounts due from related companies included in long term assets, no disclosure of the fair value has been made, as it is not practicable to determine the fair value with sufficient reliability since these balances have no fixed terms of repayment.
- (d) **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.
- (e) **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.
- (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) | Derivatives used for hedging (\$'000) | Available- for-sale (\$'000) | Liabilities at amortised cost (\$'000) | Non-financial assets/ liabilities (\$'000) | Total (\$'000) |
|---------------------------------|--------------------------------------|--|--|------------------------------------|---|---|-------------------|
| The Group | | | | | | | |
| 2009 | | | | | | | |
| Assets | | | | | | | |
| Fixed assets | - | - | - | - | - | 1,239,721 | 1,239,721 |
| Investment properties | - | - | - | - | - | 3,444,233 | 3,444,233 |
| Properties held for development | - | - | - | - | - | 169,801 | 169,801 |
| Joint venture companies | 11,669 | - | - | - | - | 89,484 | 101,153 |
| Associated companies | 26,103 | - | - | - | - | 614,871 | 640,974 |
| Intangible assets | - | - | - | - | - | 376,680 | 376,680 |
| Brands | - | - | - | - | - | 43,127 | 43,127 |
| Other investments | 5,247 | - | - | 459,966 | - | - | 465,213 |
| Other receivables | 139,072 | 3,341 | 695 | - | - | 148,094 | 291,202 |
| Deferred tax assets | - | - | - | - | - | 22,951 | 22,951 |
| Properties held for sale | - | - | - | - | - | 4,007,448 | 4,007,448 |
| Inventories | - | - | - | - | - | 423,507 | 423,507 |
| Trade receivables | 734,167 | - | - | - | - | - | 734,167 |
| Short term investments | 3,318 | - | - | 251,378 | - | - | 254,696 |
| Bank fixed deposits | 1,269,499 | - | - | - | - | - | 1,269,499 |
| Cash and bank balances | 373,809 | - | - | - | - | - | 373,809 |
| Assets held for sale | - | - | - | - | - | 9,387 | 9,387 |
| | 2,562,884 | 3,341 | 695 | 711,344 | - | 10,589,304 | 13,867,568 |

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

38. FINANCIAL RISK MANAGEMENT (cont'd)

Fair Values (cont'd)

| | Loans and receivables (\$'000) | Fair value through profit and loss (\$'000) | Derivatives used for hedging (\$'000) | Available- for-sale (\$'000) | Liabilities at amortised cost (\$'000) | Non- financial assets/ liabilities (\$'000) | Total (\$'000) |
|---------------------------------|--------------------------------------|---|--|------------------------------------|---|---|-------------------|
| The Group | | | | | | | |
| 2009 | | | | | | | |
| Liabilities | | | | | | | |
| Trade payables | - | - | - | - | 681,508 | - | 681,508 |
| Other payables | - | 17,859 | 25,079 | - | 707,304 | 19,562 | 769,804 |
| Joint venture companies | - | - | - | - | 3,055 | - | 3,055 |
| Associated companies | - | - | - | - | 1,035 | - | 1,035 |
| Borrowings | - | - | - | - | 5,301,025 | - | 5,301,025 |
| Provision for taxation | - | - | - | - | - | 298,142 | 298,142 |
| Provision for employee benefits | - | - | - | - | - | 19,303 | 19,303 |
| Deferred tax liabilities | - | - | - | - | - | 110,241 | 110,241 |
| | - | 17,859 | 25,079 | - | 6,693,927 | 447,248 | 7,184,113 |
| 2008 | | | | | | | |
| Assets | | | | | | | |
| 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 | 105,762 | 4,605 | - | - | - | 200,257 | 310,624 |
| 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 |
| | 1,921,921 | 4,605 | - | 281,205 | - | 11,318,670 | 13,526,401 |
| Liabilities | | | | | | | |
| Trade payables | - | - | - | - | 576,592 | - | 576,592 |
| Other payables | - | 8,371 | - | - | 636,522 | 33,619 | 678,512 |
| 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 | - | - | 6,669,560 | 429,954 | 7,107,885 |

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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) |
|--------------------------|--------------------------------------|--|------------------------------------|---|---|-------------------|
| The Company | | | | | | |
| 2009 | | | | | | |
| Assets | | | | | | |
| Subsidiary companies | 472,067 | - | - | (24,218) | 3,181,991 | 3,629,840 |
| Joint venture companies | - | - | - | - | 434,421 | 434,421 |
| Associated companies | - | - | - | - | 82,383 | 82,383 |
| Other investments | - | - | 8,309 | - | - | 8,309 |
| Other receivables | 186 | 2,405 | - | - | 3 | 2,594 |
| Bank fixed deposits | 52,092 | - | - | - | - | 52,092 |
| Cash and bank balances | 470 | - | - | - | - | 470 |
| | 524,815 | 2,405 | 8,309 | (24,218) | 3,698,798 | 4,210,109 |
| Liabilities | | | | | | |
| Other payables | - | - | - | 5,630 | 341 | 5,971 |
| Subsidiary companies | - | - | - | 26,680 | - | 26,680 |
| Borrowings | - | - | - | 349,914 | - | 349,914 |
| Provision for taxation | - | - | - | - | 14,609 | 14,609 |
| Deferred tax liabilities | - | - | - | - | 291 | 291 |
| | - | - | - | 382,224 | 15,241 | 397,465 |
| 2008 | | | | | | |
| Assets | | | | | | |
| 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 |
| Liabilities | | | | | | |
| 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 |

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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 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 ("HVB"), Skandinaviska Enskilda Banken ("SEB"), Mizuho Corporate Bank Ltd ("Mizuho") and Sumitomo Mitsui Banking Corporation ("Sumitomo"), commenced separate actions against APBS. The breakdown of the respective claims by the four banks is as follows:

HVB: USD32,002,333, alternatively in tort, USD30,000,000
 SEB: USD26,559,372, alternatively in restitution, SGD29,468,723
 Mizuno: USD8,024,046
 Sumitomo: SGD10,323,208

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. In the judgment released on 31 August 2009, the High Court dismissed SEB's and HVB's claims in full. However, the High Court also held that APBS did not have a valid change of position defence in respect of the sum of \$347,671 and held that SEB was entitled to judgment in the sum of \$347,671 ("SEB Judgement Sum") together with interest thereon.

SEB and HVB subsequently filed their notices of appeals against the entire decision.

Drew & Napier LLC has been instructed to defend APBS in each of these appeals.

APBS's lawyers have advised that APBS has a good case and will continue to vigorously defend the appeals. Consequently, other than the SEB Judgement Sum, 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. No changes were made in the objectives, policies or processes during the years ended 30 September 2009 and 2008.

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 total equity.

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 | |
|---|--------------------|------------------|------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) | 2009 (\$'000) | 2008 (\$'000) |
| Cash & bank deposits | 1,643,308 | 1,032,939 | 52,562 | 39,556 |
| Borrowings | (5,301,025) | (5,434,835) | (349,914) | (649,774) |
| Net borrowings | (3,657,717) | (4,401,896) | (297,352) | (610,218) |
| Shareholders' fund | 5,584,724 | 5,283,274 | 3,812,644 | 3,678,569 |
| Total equity (including Minority Interests) | 6,683,455 | 6,418,516 | 3,812,644 | 3,678,569 |
| Net borrowings/Shareholders' fund | 0.65 | 0.83 | 0.08 | 0.17 |
| Net borrowings/Total equity | 0.55 | 0.69 | 0.08 | 0.17 |

Certain entities in the Group are required to comply with certain externally imposed capital requirements in respect of certain external borrowings. Except for the breach of covenants of borrowings as disclosed in Note 16(f), the Group and the Company are in compliance with all externally imposed capital requirements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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 funds presented as a single line. In addition, the standard introduces the statement of comprehensive income. It presents all items 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.

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) Revised FRS 103 Business Combinations and Amendments to FRS 27 Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009)

The revised standards are effective for annual periods beginning on or after 1 July 2009. The revised FRS 103 introduces a number of changes in the accounting for business combinations occurring after 1 July 2009. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 27 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to FRS 7 Statement of Cash Flows, FRS 12 Income Taxes, FRS 21 The Effects of Changes in Foreign Exchange Rates, FRS 28 Investments in Associates and FRS 31 Interests in Joint Ventures. The changes from revised FRS 103 and Amendments to FRS 27 will affect future acquisitions or loss of control and transactions with minority interests.

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

(e) Amendments to FRS 107 Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 January 2009)

The amendments to FRS 107 require additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. In addition, reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well as significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures.

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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

(f) 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 Institute of Certified Public Accountants of Singapore.

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

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

| | THE GROUP | |
|--|--------------------------------|------------------|
| | 2009 (\$'000) | 2008 (\$'000) |
| Profit statement | | |
| (Decrease)/increase in revenue recognised for the year | (495,485) | 17,183 |
| Decrease in profit for the year | (71,691) | (51,953) |
| Balance sheet | | |
| Decrease in opening accumulated profits | (248,604) | (190,048) |
| Decrease in properties under development | | |
| At beginning of the year | (306,386) | (241,582) |
| At end of the financial year | (401,496) | (299,323) |
| (Decrease)/increase in minority interests | | |
| At beginning of the year | (735) | (6,578) |
| Share of profit for the year | (2,543) | 6,045 |

42. COMPARATIVE FIGURES

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

| | THE GROUP | |
|--|--|---|
| | 2008 As reclassified (\$'000) | 2008 As previously reported (\$'000) |
| Profit statement | | |
| Revenue | 4,990,067 | 4,951,391 |
| Cost of sales | (3,316,321) | (3,294,917) |
| Other income/(expenses) (net) | 24,533 | 13,057 |
| Operating expenses - Distribution | (211,451) | (196,712) |
| Operating expenses - Marketing | (427,829) | (410,854) |
| Operating expenses - Administration | (329,073) | (332,039) |
| Share of associated companies' profits | 14,907 | 25,716 |
| Fair value adjustment of investment properties (net) | 71,846 | 61,037 |

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

43. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES

| | Effective Shareholding | | Principal Activities |
|--|------------------------|--------|--|
| | 2009 | 2008 | |
| SUBSIDIARY COMPANIES OF THE COMPANY | | | |
| Country of Incorporation and Place of Business: Singapore | | | |
| 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 |
| Country of Incorporation and Place of Business: Hong Kong | | | |
| (A) Fraser & Neave Investments (HK) Ltd | 100.0% | 100.0% | Investment Holding |
| Country of Incorporation and Place of Business: Malaysia | | | |
| (A) Fraser & Neave Holdings Bhd | 57.4% | 57.9% | 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: Vietnam | | | |
| (A) F&N Vietnam Foods Co Ltd <i>(Held by a subsidiary company)</i> | 100.0% | 100.0% | Dormant |
| Country of Incorporation and Place of Business: Thailand | | | |
| (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: Myanmar | | | |
| (C) Myanmar Brewery Ltd <i>(Accounting year ends on 31 March)</i> | 55.0% | 55.0% | Brewing and Distribution of Beer |
| Country of Incorporation and Place of Business: Australia | | | |
| (A) Red Lion Holdings Pty Ltd <i>(Held by a subsidiary company)</i> | 100.0% | 100.0% | Dormant |
| Country of Incorporation: British Virgin Islands Place of Business: Hong Kong | | | |
| (B) Vision Century Limited <i>(Held by a subsidiary company)</i> | 100.0% | 100.0% | Investment Holding |

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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

| | Effective Shareholding | | Principal Activities | |
|---|--|-------|----------------------|--|
| | 2009 | 2008 | | |
| SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP | | | | |
| Country of Incorporation and Place of Business: Malaysia | | | | |
| (A) | Fraser & Neave (Malaya) Sdn Bhd | 57.4% | 57.9% | Management Services and Property Investment Holdings |
| (A) | F&N Coca-Cola (Malaysia) Sdn Bhd | 57.4% | 52.1% | Distribution of Soft Drinks |
| (A) | F&NCC Beverages Sdn Bhd | 57.4% | 52.1% | Manufacture of Soft Drinks |
| (A) | F&N Dairies (Malaysia) Sdn Bhd | 57.4% | 57.9% | Distribution of Dairy Products |
| (A) | Premier Milk (Malaya) Sdn Bhd | 57.4% | 57.9% | Manufacture of Dairy Products |
| (A) | Four Eights Sdn Bhd | 57.4% | 57.9% | Dormant |
| (A) | F&N Foods Sdn Bhd | 57.4% | 57.9% | Manufacture of Dairy Products |
| (A) | Malaya Glass Products Sdn Bhd | 57.4% | 57.9% | Manufacture and Sale of Glass Containers |
| (A) | Kuala Lumpur Glass Manufacturers Company Sdn Bhd | 57.4% | 57.9% | Manufacture and Sale of Glass Containers |
| (A) | Wimanis Sdn Bhd | 57.4% | 57.9% | Property Development |
| (A) | Brampton Holdings Sdn Bhd | 57.4% | 57.9% | Property Development |
| (A) | Lettricia Corporation Sdn Bhd | 40.2% | 40.5% | Property Development |
| (A) | Elsinburg Holdings Sdn Bhd | 57.4% | 57.9% | Property Development |
| (A) | Vacaron Company Sdn Bhd | 57.4% | 57.9% | Dormant |
| (A) | Nuvak Company Sdn Bhd | 57.4% | 57.9% | Dormant |
| (A) | Greenclipper Corporation Sdn Bhd | 57.4% | 57.9% | Dormant |
| (A) | Utas Mutiara Sdn Bhd | 57.4% | 57.9% | Property Investment Holding |
| (A) | Borneo Springs Sdn Bhd | 57.4% | 57.9% | Manufacture and Sale of Mineral Water, Carbonated Drinks and Bottles |
| (A) | PML Dairies Sdn Bhd | 57.4% | 57.9% | Manufacture and Distribution of Dairy Products |
| (A) | F&N Properties Sdn Bhd | 57.4% | 57.9% | Dormant |
| (A) | (Formerly Radiant Worth Sdn Bhd) | | | |
| (A) | F&N Capital Sdn Bhd | 57.4% | 57.9% | Provide Financial and Treasury Services |
| (A) | Tropical League Sdn Bhd | 57.4% | 57.9% | Dormant |
| Country of Incorporation and Place of Business: Singapore | | | | |
| (A) | Arolys Singapore Pte Ltd | 57.4% | 57.9% | Distribution of Dairy Products |
| Country of Incorporation and Place of Business: Thailand | | | | |
| (A) | Thai Malaya Glass Company Limited | 40.2% | 40.5% | Manufacture and Sale of Glass Containers |
| (A) | F&N Dairies (Thailand) Limited | 57.4% | 57.9% | Manufacture and Distribution of Dairy Products |
| Country of Incorporation and Place of Business: Vietnam | | | | |
| (A) | Malaya - Vietnam Glass Ltd | 40.2% | 40.5% | Manufacture and Sale of Glass Containers |
| Country of Incorporation and Place of Business: China | | | | |
| (C) | Sichuan Malaya Glass Co Ltd (Accounting year ends on 31 December) | 34.4% | 34.8% | Manufacture and Sale of Glass Containers |
| Country of Incorporation and Place of Business: British Virgin Islands | | | | |
| (A) | Lion Share Management Limited | 57.4% | 57.9% | Brand Owner |

Notes:

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

(C) Audited by other firms of auditors.

Notes to the Financial Statements

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

| | Effective Shareholding | | Principal Activities |
|--|------------------------|--------|--|
| | 2009 | 2008 | |
| SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP | | | |
| Country of Incorporation and Place of Business: Singapore | | | |
| 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% | Dormant |
| Orrick Investments Pte Ltd | 100.0% | 100.0% | Property Investment |
| Yishun Development Pte Ltd | 100.0% | 100.0% | Property Development |
| FCL Alexandra Point Pte Ltd | 100.0% | 100.0% | Property Investment |
| Woodlands Complex Pte Ltd | 100.0% | 100.0% | Property Development |
| 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% | Dormant |
| 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 |
| 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 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 |
| 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 |

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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

| | Effective Shareholding | | Principal Activities |
|---|------------------------|--------|--|
| | 2009 | 2008 | |
| SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd) | | | |
| Country of Incorporation and Place of Business: Singapore (cont'd) | | | |
| 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 |
| Frasers Centrepoint Asset Management (Malaysia) Pte Ltd | 100.0% | 100.0% | Investment Holding |
| FCL Trust Holdings (Commercial) Pte Ltd | 100.0% | 100.0% | Investment Holding |
| FCL Asset Management Ltd | 100.0% | 100.0% | Asset Management, Fund and Property Management and Related Advisory Services |
| Frasers Centrepoint Asset Management (Commercial) Ltd | 100.0% | 100.0% | Asset Management, Fund and Property Management and Related Advisory Services |
| Frasers Centrepoint Property Management (Commercial) Pte Ltd | 100.0% | 100.0% | Asset Management, Fund and Property Management and Related Advisory Services |
| FCL Management Services (Commercial) Pte Ltd | 100.0% | 100.0% | Management Services |
| FCL REIT Management Ltd | 100.0% | 100.0% | Management Services |
| FCL Clover Pte Ltd | 100.0% | 100.0% | Financial 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% | 100.0% | Management Consultancy Services |
| Frasers Hospitality Property Services Pte Ltd (Formerly FCL Emerald (3) Pte Ltd) | 100.0% | 100.0% | Management Consultancy Services |
| Country of Incorporation and Place of Business: Vietnam | | | |
| (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: China | | | |
| (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) Beijing Fraser Suites Real Estate Management Co., Ltd | 100.0% | 100.0% | Property Investment |
| (A) Singlong Property Development (Suzhou) Co., Ltd | 100.0% | 100.0% | 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 |

Note:

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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

| | Effective Shareholding | | Principal Activities | |
|---|---|--------|----------------------|--|
| | 2009 | 2008 | | |
| SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd) | | | | |
| Country of Incorporation and Place of Business: China (cont'd) | | | | |
| (A) | Vision (Shenzhen) Business Park Co., Ltd | 56.2% | 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% | 56.2% | Property Development |
| (A) | Frasers Hospitality Management Co., Ltd, Shanghai | 100.0% | 100.0% | Management Consultancy Services |
| (A) | Fraser Place (Beijing) Property Management Co., Ltd. | 100.0% | 100.0% | Management Consultancy Services |
| (A) | Modena Hospitality Management Co., Ltd. (Shanghai) | 51.0% | 51.0% | Management Consultancy Services |
| (A) | Frasers Property Management (Shanghai) Co., Ltd | 100.0% | 100.0% | Management Services |
| (A) | Chengdu Sino Singapore Southwest Logistics Co., Ltd <i>(All the above companies, incorporated in China, accounting year ends on 31 December)</i> | 80.0% | 80.0% | Property Development |
| Country of Incorporation: Bermuda | | | | |
| Place of Business: Hong Kong | | | | |
| (A) | Frasers Property (China) Limited | 56.2% | 56.2% | Investment Holding |
| Country of Incorporation and Place of Business: Hong Kong | | | | |
| (A) | Vision Century Secretaries Limited | 56.2% | 56.2% | Secretarial and Nominee Services |
| (A) | Excellent Esteem Limited | 100.0% | 100.0% | Investment Holding |
| (A) | Frasers Hospitality (Hong Kong) Limited | 100.0% | 100.0% | Management Consultancy Services |
| (A) | Vision Century Administration Limited | 56.2% | 56.2% | Management Consultancy Services |
| (A) | Vision Century Property Management Limited | 56.2% | 56.2% | Property Management |
| (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 <i>(Accounting year ends on 31 December)</i> | 80.0% | 80.0% | Investment Holding |
| Country of Incorporation: British Virgin Islands | | | | |
| Place of Business: Hong Kong | | | | |
| (B) | Limbo Enterprises Limited | 56.2% | 56.2% | Property Holding |
| Country of Incorporation and Place of Business: British Virgin Islands | | | | |
| (B) | Supreme Asia Investments Limited | 76.0% | 76.0% | Investment Holding |
| Country of Incorporation and Place of Business: Philippines | | | | |
| (A) | Frasers Hospitality Philippines, Inc | 100.0% | 100.0% | Provision of Management Services in the Lodging Industry |
| (A) | Frasers Hospitality Investment, Inc | 100.0% | 100.0% | Property Investment |

Notes:

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

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

(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 2009

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

| | Effective Shareholding | | Principal Activities |
|---|------------------------|--------|---|
| | 2009 | 2008 | |
| SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd) | | | |
| Country of Incorporation: Singapore | | | |
| Place of Business: Australia | | | |
| FCL Bridgepoint Pte Ltd | 100.0% | 100.0% | Property Investment |
| Country of Incorporation: Singapore | | | |
| Place of Business: United Kingdom | | | |
| FCL Resort Pte Ltd | 75.0% | 75.0% | Dormant |
| Frasers Property (Europe) Holdings Pte Ltd | 51.2% | 51.2% | Investment Holding |
| Country of Incorporation and Place of Business: United Kingdom | | | |
| (C) Frasers Property (UK) Limited | 51.2% | 51.2% | Investment Holding |
| (C) Frasers Property Developments Ltd | 51.2% | 51.2% | Investment Holding |
| (C) Frasers Investments (UK) Limited | 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 | 51.2% | 51.2% | Property Development |
| (Formerly Fairbriar Homes Limited) | | | |
| (C) Frasers (Buckwood Grange) Limited | 51.2% | 51.2% | Property Development |
| (C) Fairbriar Investments Limited | 51.2% | 51.2% | Dormant |
| (C) Frasers Islington Limited | 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 |
| (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 | 51.2% | 51.2% | Property Development |
| (Formerly Fairbriar Ascot Ltd) | | | |
| (C) (1) Fairdace Limited | 34.1% | 34.1% | Serviced Apartments |
| (C) Frasers Hospitality (UK) Limited | 51.2% | 51.2% | Management Consultancy Services & Serviced Apartments |
| (C) Fairpoint (Vincent Square) Ltd | 51.2% | 51.2% | Property Development |
| (C) Frasers Lumiere Leeds Ltd | 51.2% | 51.2% | Investment Holding |
| (C) Frasers Management (UK) Ltd | 51.2% | 51.2% | Management Services |
| (C) Frasers (Riverside Quarter) Ltd | 51.2% | 51.2% | Property Development |
| (C) Frasers Highbury Limited | 75.0% | 75.0% | Property Development |
| (C) Frasers (St Giles Street, Edinburgh) Ltd | 51.2% | 75.0% | Property Investment |
| (C) Frasers St Giles Street Management Ltd | 51.2% | - | Property Management |
| (C) Frasers (Maidenhead) Ltd | 51.2% | 51.2% | Property Development |
| (C) Frasers Imperial Place Ltd | 51.2% | - | Property Development |

Notes:

(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 2009

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

| | Effective Shareholding | | Principal Activities | |
|--|---|---------------|----------------------|--|
| | 2009 | 2008 | | |
| SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd) | | | | |
| Country of Incorporation and Place of Business: Australia | | | | |
| (A) | Frasers Property Management Australia Pty Limited <i>(Formerly Frasers Greycliff Developments Pty Ltd)</i> | 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% | 75.0% | Investment Holding |
| (A) | Frasers Town Hall Issuer Pty Ltd | 80.5% | 80.5% | Financial Services |
| (A) | Frasers Homes WA Pty Limited | 56.3% | - | Property Development |
| Country of Incorporation and Place of Business: New Zealand | | | | |
| (A) | Frasers Broadview Limited | 75.0% | 75.0% | Property Development |
| (A) | Frasers Papamoa Limited | 67.5% | 67.5% | Property Development |
| (A) | Coast Homes Limited | 67.5% | - | Property Development |
| Country of Incorporation and Place of Business: Thailand | | | | |
| (A) | Frasers Hospitality (Thailand) Ltd <i>(Accounting year ends on 31 December)</i> | 100.0% | 100.0% | Management Consultancy Services |
| SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP | | | | |
| Country of Incorporation and Place of Business: Singapore | | | | |
| | Marshall Cavendish International Private Limited | 100.0% | 100.0% | Investment Holding |
| | Marshall Cavendish International (Asia) Private Limited | 100.0% | 100.0% | Publishing of Trade Books |
| | Marshall Cavendish International (Singapore) Private Limited | 100.0% | 100.0% | Publishing - Education |
| | Marshall Cavendish Business Information Private Limited | 100.0% | 100.0% | Publishing of Trade Directory and Business Information |
| | Times-Dharmala Private Limited | 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 Private Limited | 100.0% | 100.0% | Dormant |
| | Times Editions Pte Ltd | 100.0% | 100.0% | Dormant |
| | Panpac Education Pte Ltd | 100.0% | 100.0% | Publishing - Education |
| | * TransQuest Asia Publishers Pte Ltd | 100.0% | 100.0% | Distribution of Books |
| | IMM Singapore Holdings Pte Ltd | 100.0% | 100.0% | Magazines Distribution |
| (C) | Pansing Distribution Pte Ltd | 100.0% | 100.0% | Distribution of Books and Magazines |
| (C) | Pansing International Library Services Pte Ltd | 100.0% | 100.0% | Dormant |
| (C) | Pacific Bookstores Pte Ltd | 60.0% | 60.0% | Retail of School Textbooks and Supplies |
| | Learning Edvantage Pte Ltd | 100.0% | 100.0% | E-Learning Provider |

Notes:

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

(C) Audited by other firms of auditors.

* In voluntary liquidation.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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

| | Effective Shareholding | | Principal Activities |
|---|------------------------|--------|--|
| | 2009 | 2008 | |
| SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd) | | | |
| Country of Incorporation and Place of Business: Singapore (cont'd) | | | |
| (C) Starprint Production Pte Ltd | 51.0% | 51.0% | Printing and Binding |
| (C) Goodwill Binding Pte Ltd | 51.0% | 51.0% | Printing and Binding |
| (C) JCS Digital Solutions Pte Ltd | 51.0% | 51.0% | Digital Printing |
| Educational Technologies Pte Ltd | 100.0% | 100.0% | Distribution of Home Library Reference Books |
| Country of Incorporation: Singapore | | | |
| Place of Business: Singapore and Malaysia | | | |
| Times The Bookshop Pte Ltd | 100.0% | 100.0% | Retail of Books, Stationery, Magazines and Periodicals |
| Country of Incorporation: Singapore | | | |
| Place of Business: Singapore, Australia, United Kingdom and United States of America | | | |
| Times Printers Private Limited | 100.0% | 100.0% | Commercial Printing |
| Country of Incorporation and Place of Business: Malaysia | | | |
| (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% | Distribution of Home Library Reference Books |
| (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: Hong Kong | | | |
| Place of Business: Thailand | | | |
| (A) Far East Publications Ltd | 100.0% | 100.0% | Distribution of Home Library References Books |
| Country of Incorporation and Place of Business: Thailand | | | |
| (A) Marshall Cavendish International (Thailand) Co. Ltd | 49.0% | 49.0% | Publishing - Education |
| Country of Incorporation and Place of Business: Hong Kong | | | |
| (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% | Commercial Printing |
| (A) Marshall Cavendish Business Information (Hong Kong) Limited | 100.0% | 100.0% | Publishing of Trade Directory and Business Information |
| (A) * Times Education (Hong Kong) Ltd | 100.0% | 100.0% | Education Services |
| (A) Times Printers (Hong Kong) Ltd | 100.0% | 100.0% | Investment Holding |
| (A) Times Publishing (Hong Kong) Limited | 100.0% | 100.0% | Education Publishing and Distribution of Magazines |
| Country of Incorporation: Hong Kong | | | |
| Place of Business: Hong Kong/Taiwan | | | |
| (A) Educational Technologies Limited | 100.0% | 100.0% | Publishing and Selling of Home Library Reference Books |

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 2009

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

| | Effective Shareholding | | Principal Activities |
|--|------------------------|--------|--|
| | 2009 | 2008 | |
| SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd) | | | |
| Country of Incorporation and Place of Business: China | | | |
| (C) Everbest Printing (Guangzhou) Co. Ltd | 100.0% | 100.0% | Commercial Printing |
| (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% | Dormant |
| (A) Shanxi Xinhua Times Packaging Printing Co Ltd | 51.0% | 51.0% | Commercial Printing & Packaging |
| (C) Marshall Cavendish (Beijing) Co. Limited | 100.0% | 100.0% | Book Production Services |
| (C) Beijing 21st Century Times Education Centre | 96.4% | 96.4% | Education and Training |
| (C) Everbest Printing (Shanghai) Co. Ltd | 100.0% | 100.0% | Commercial Printing |
| <i>(All the above companies, incorporated in China, accounting year ends on 31 December)</i> | | | |
| Country of Incorporation and Place of Business: Japan | | | |
| (A) Kabushiki Kaisha Educational Technologies Limited | 100.0% | 100.0% | Dormant |
| Country of Incorporation and Place of Business: India | | | |
| (A) Direct Educational Technologies India Pte Ltd | 100.0% | 100.0% | Distribution of Home Library Reference Books |
| Country of Incorporation and Place of Business: Australia | | | |
| (A) Musicway Corporation Limited | 100.0% | 100.0% | Distribution of Lifestyle Accessories and Storage Products |
| (A) Rainbow Products Limited | 100.0% | 100.0% | Distribution of CDs, DVDs and Media Products |
| (A) Times Properties Pty Limited | 100.0% | 100.0% | Investment Holding |
| (A) Pansing IMM Pty Limited | 100.0% | 100.0% | Magazines Distribution |
| (A) Marshall Cavendish (Australia) Pty Ltd | 100.0% | 100.0% | Investment Holding |
| Country of Incorporation: United Kingdom | | | |
| Place of Business: Russia | | | |
| (A) MC East Limited | 100.0% | 100.0% | Dormant |
| Country of Incorporation and Place of Business: United Kingdom | | | |
| (A) ALP Ltd | 100.0% | 100.0% | Investment Holding |
| (A) Marshall Cavendish Ltd | 100.0% | 100.0% | Investment Holding |
| (A) Marshall Cavendish International Ltd | 100.0% | 100.0% | Dormant |
| (A) Marshall Cavendish Partworks Ltd | 100.0% | 100.0% | Dormant |
| (A) Summertown Publishing Ltd | 100.0% | 100.0% | English Language Teaching (ELT) Publishing |
| Country of Incorporation and Place of Business: France | | | |
| (A) Marshall Cavendish Editions S.A. | 100.0% | 100.0% | Dormant |
| Country of Incorporation and Place of Business: Poland | | | |
| (A) Marshall Cavendish Polska Sp. zo.o | 100.0% | 100.0% | Dormant |
| Country of Incorporation and Place of Business: Ukraine | | | |
| (A) A Wholly Owned Subsidiary Marshall Cavendish Ukraine | 100.0% | 100.0% | Dormant |
| Country of Incorporation and Place of Business: United States of America | | | |
| (B) Marshall Cavendish Corporation | 100.0% | 100.0% | Publishing of Library Reference Books |

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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

| | | Effective Shareholding | | Principal Activities |
|---|---|------------------------|-------|--|
| | | 2009 | 2008 | |
| JOINT VENTURE COMPANIES OF THE COMPANY | | | | |
| Country of Incorporation and Place of Business: Singapore | | | | |
| | * Asia Pacific Investment Pte Ltd | 50.0% | 50.0% | Investment Holding |
| JOINT VENTURE COMPANIES OF FRASERS CENTREPOINT GROUP | | | | |
| Country of Incorporation and Place of Business: Thailand | | | | |
| (A) (2) | Riverside Homes Development Co., Ltd <i>(Accounting year ends on 31 December)</i> | 69.6% | 69.6% | Property Development |
| Country of Incorporation and Place of Business: Singapore | | | | |
| | FCL Peak Pte Ltd | 50.0% | 50.0% | Property Development |
| (C) | Ascendas Frasers Pte Ltd | 50.0% | - | Property Development |
| Country of Incorporation and Place of Business: United Kingdom | | | | |
| (C) | GSF Homes Limited | 25.6% | 25.6% | Property Development |
| (C) | Macleod & Fairbriar Limited | 25.6% | 25.6% | Property Development |
| (C) | Redbriar Developments Limited | 25.6% | 25.6% | Property Development |
| (C) | Sovereign House Fairbriar Homes Ltd | 25.6% | 25.6% | Property Development |
| (C) | Fairmuir Limited | 25.6% | 25.6% | Property Development |
| (C) | Frasers Hamilton (Shrubhill) Ltd | 25.6% | 25.6% | Property Development |
| (C) | Lumiere Leeds General Partner Ltd | 25.6% | 25.6% | Management Services |
| (C) | Lumiere Leeds Limited Partnership | 23.0% | 23.0% | Property Development |
| JOINT VENTURE COMPANIES OF TIMES PUBLISHING GROUP | | | | |
| Country of Incorporation and Place of Business: Singapore | | | | |
| | Times-Newslink <i>(Accounting year ends on 31 December)</i> | 50.0% | 50.0% | Retail of Books and Magazines |
| Country of Incorporation and Place of Business: China | | | | |
| (C) | Shanghai Times SanYin Printers Co Ltd <i>(Accounting year ends on 31 December)</i> | 40.0% | 40.0% | Commercial Printing |
| ASSOCIATED COMPANIES OF THE COMPANY | | | | |
| Country of Incorporation: Singapore | | | | |
| Place of Business: China | | | | |
| (C) | China Dairy Group Ltd <i>(Accounting year ends on 31 December)</i> | 29.5% | 29.5% | Manufacturing & Distribution of Dairy Products |
| Country of Incorporation: Bermuda | | | | |
| Place of Business: China | | | | |
| (C) | Fung Choi Media Group Limited <i>(Accounting year ends on 30 June)</i> | 29.5% | 29.5% | Printing & Packaging |
| Country of Incorporation and Place of Business: Australia | | | | |
| (C) (1) | PMP Limited <i>(Accounting year ends on 30 June)</i> | 11.6% | 11.5% | Printing & Packaging |

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.

(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 2009

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

| | | Effective Shareholding | | |
|---|--|-----------------------------------|----------------|--|
| | | 2009 | 2008 | Principal Activities |
| ASSOCIATED COMPANIES OF FRASERS CENTREPOINT GROUP | | | | |
| | Country of Incorporation and Place of Business: United Kingdom | | | |
| (C) | Fairbrair Residential Investment Partnership <i>(Accounting year ends on 31 December)</i> | 26.1% | 26.1% | Investment in Residential Property Fund |
| | Country of Incorporation and Place of Business: Singapore | | | |
| (C) (1) | Hua Li Holdings Pte Ltd Frasers Commercial Trust | 45.7% 22.5% | 45.7% 18.3% | Investment Holding Real Estate Investment Trust |
| | Country of Incorporation and Place of Business: Thailand | | | |
| (A) | Krungthep Land Public Company Limited <i>(Accounting year ends on 31 December)</i> | 40.5% | 40.5% | Investment Holding and Property Development |
| | Country of Incorporation and Place of Business: Malaysia | | | |
| (C) | Hektar Real Estate Investment Trust <i>(Accounting year ends on 31 December)</i> | 31.1% | 31.1% | Real Estate Investment Trust |
| (C) | Hektar Asset Management Sdn Bhd <i>(Accounting year ends on 31 December)</i> | 40.0% | 40.0% | Management Services |
| | Country of Incorporation and Place of Business: Hong Kong | | | |
| (A) | Poly-strong Development Limited | 28.1% | 28.1% | Dormant |
| ASSOCIATED COMPANIES OF TIMES PUBLISHING GROUP | | | | |
| | Country of Incorporation and Place of Business: China | | | |
| (C) | Beijing Universal Times Culture Development Co Ltd <i>(Accounting year ends on 31 December)</i> | 40.0% | 40.0% | Publishing |
| | Country of Incorporation and Place of Business: Nigeria | | | |
| (C) | Transworld Times Press (Africa) Ltd | 40.0% | 40.0% | Printing |
| SUBSIDIARY COMPANIES OF ASIA PACIFIC BREWERIES GROUP | | | | |
| | Country of Incorporation and Place of Business: Singapore | | | |
| | Asia Pacific Breweries Ltd | 39.7% | 39.7% | Investment Holding |
| | Asia Pacific Breweries (Singapore) Pte Ltd | 39.7% | 39.7% | Brewing and Distribution of Beer and Stout |
| | Tiger Export Pte Ltd | 39.7% | 39.7% | Export of Beer and Stout |
| | Archipelago Brewery Co (1941) Pte Ltd | 39.7% | 39.7% | Dormant |
| | Tiger Marketing Pte Ltd | 39.7% | 39.7% | Investment Holding |
| | Heineken-APB (China) Pte Ltd | 44.8% | 44.8% | Investment Holding |
| | Country of Incorporation and Place of Business: Cambodia | | | |
| (C) | Cambodia Brewery Limited | 31.7% | 31.7% | Brewing and Distribution of Beer |
| | Country of Incorporation and Place of Business: Vietnam | | | |
| (A) | Vietnam Brewery Limited | 23.8% | 23.8% | Brewing and Distribution of Beer |
| (A) | Asia Pacific Brewery (Hanoi) Limited <i>(Formerly known as Hatay Brewery Limited)</i> | 39.7% | 39.7% | Brewing and Distribution of Beer |
| (A) | Beers and Beverages International Ltd | 39.7% | 39.7% | Distribution of Beer |
| (A) | Vietnam Beer and Beverage Limited | 23.8% | 23.8% | Distribution of Beer |
| (A) | VBL Da Nang Limited | 23.8% | 23.8% | Brewing of Beer |
| (A) | VBL Tien Giang Limited | 23.8% | 23.8% | Brewing of Beer |
| (A) | VBL (Quang Nam) Limited | 19.0% | 19.0% | Brewing and Distribution of Beer |

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 2009

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

| | Effective Shareholding | | Principal Activities | |
|---|--|-------|----------------------|---|
| | 2009 | 2008 | | |
| SUBSIDIARY COMPANIES OF ASIA BREWERIES GROUP (cont'd) | | | | |
| Country of Incorporation and Place of Business: British Virgin Islands | | | | |
| (B) | Able Win Gain Limited | 50.0% | 50.0% | Investment Holding |
| (B) | Kenton Assets Limited | 50.0% | 50.0% | Investment Holding |
| Country of Incorporation and Place of Business: Hong Kong | | | | |
| (C) | Capital Shine Limited | 50.0% | 50.0% | Investment Holding |
| Country of Incorporation and Place of Business: China | | | | |
| (C) | Hainan Asia Pacific Brewery Co Ltd | 44.8% | 44.8% | Brewing and Distribution of Beer |
| (C) | Shanghai Asia Pacific Brewery Co Ltd | 44.8% | 44.8% | Brewing and Distribution of Beer |
| (C) | Heineken Trading (Shanghai) Co Ltd | 44.8% | 44.8% | Distribution of Beer |
| (C) | Heineken-APB (China) Management Services Co Ltd | 44.8% | 44.8% | Provision of Investment, Management and Consulting Services |
| (E) | Guangzhou Asia Pacific Brewery Co Ltd | 44.8% | 44.8% | Brewing and Distribution of Beer |
| | <i>(All the above companies, incorporated in China, accounting year ends on 31 December)</i> | | | |
| Country of Incorporation and Place of Business: India | | | | |
| (C) | Asia Pacific Breweries (India) Private Limited | 39.7% | 39.7% | Dormant |
| (A) | Asia Pacific Breweries (Aurangabad) Private Limited | 39.7% | 39.7% | Brewing and Distribution of Beer |
| (A) | Asia Pacific Breweries-Pearl Private Limited | 39.7% | 26.6% | Brewing and Distribution of Beer |
| Country of Incorporation and Place of Business: Sri Lanka | | | | |
| (A) | Asia Pacific Brewery (Lanka) Limited | 23.8% | 23.8% | Brewing and Distribution of Beer |
| Country of Incorporation and Place of Business: New Zealand | | | | |
| (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) | Trinity Hospitality Company Limited | 23.8% | - | Investment Holding Company |
| (F) | Sale Street Brewery Co Limited | 23.8% | 23.8% | Dormant |
| (A) | DB South Island Brewery Ltd | 21.8% | 21.8% | Brewing and Distribution of Beer |
| (F) | Monteith's Brewery Company Limited | 39.7% | 39.7% | Dormant |
| (F) | Robbie Burns Limited | 39.7% | 39.7% | Dormant |
| (F) | Tui Brewery Limited | 39.7% | 39.7% | Dormant |
| (F) | Black Dog Brewery Limited | 39.7% | 39.7% | Dormant |
| (F) | Mainland Brewery Limited | 39.7% | 39.7% | Dormant |
| (F) | Waitemata Brewery Limited | 39.7% | 39.7% | Dormant |
| (F) | Drinkworks Limited | 39.7% | 39.7% | Dormant |
| (F) | Amstel Brouwerij Importers Ltd | 39.7% | 39.7% | Dormant |
| (F) | Kustenbrau Breweries Limited | 39.7% | 39.7% | Dormant |
| (A) | Barworks Group Limited | 23.8% | 23.8% | On-premise Management |
| (A) | Barworks Holdings Limited | 23.8% | 23.8% | Investment Holding Company |
| (A) | BOF Limited | 17.8% | 17.9% | Distribution of Beer |
| (A) | Portumna Limited | 23.8% | 23.8% | Distribution of Beer |
| (A) | Barneydale Limited | 23.8% | 23.8% | Distribution of Beer |
| (A) | Studio 25 Limited | 17.8% | 17.9% | Distribution of Beer |
| (A) | Clifford Pubs Limited | 17.8% | 17.9% | Distribution of Beer |
| (A) | George Corporation Limited | 17.8% | 17.9% | Distribution of Beer |
| (A) | Tarmon Limited | 17.8% | 17.9% | 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.

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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

| | Effective Shareholding | | Principal Activities | |
|---|--|--------------|----------------------|----------------------------------|
| | 2009 | 2008 | | |
| SUBSIDIARY COMPANIES OF ASIA BREWERIES GROUP (cont'd) | | | | |
| Country of Incorporation and Place of Business: New Zealand (cont'd) | | | | |
| (A) | Riccarton Hospitality 2007 Limited | 23.8% | - | Distribution of Beer |
| (A) | Hurstmere Pubs Limited | 23.8% | - | Distribution of Beer |
| (A) | Gaults On Quay (2009) Limited | 23.8% | - | Investment Holding Company |
| (A) | Gaults On Quay Limited | 23.8% | - | Distribution of Beer |
| (A) | Market St Holdings Limited | 17.8% | - | Distribution of Beer |
| (A) | Temperance Hospitality Company Limited | 23.8% | - | Distribution of Beer |
| Country of Incorporation and Place of Business: Papua New Guinea | | | | |
| (C) | South Pacific Brewery Limited | 30.1% | 30.1% | Brewing and Distribution of Beer |
| Country of Incorporation and Place of Business: United Kingdom | | | | |
| (C) | Tiger Beer UK Ltd | 39.7% | 39.7% | Distribution of Beer and Stout |
| Country of Incorporation and Place of Business: United States of America | | | | |
| (B) | Tiger Beer USA Inc | 39.7% | 39.7% | Distribution of Beer |
| Country of Incorporation and Place of Business: Mongolia | | | | |
| (A) | MCS - Asia Pacific Brewery LLC | 21.8% | 21.8% | Brewing and Distribution of Beer |
| Country of Incorporation and Place of Business: Australia | | | | |
| (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 |
| (A) | DBG (Australia) Pty Limited | 39.7% | 39.7% | Distribution of Beer |
| Country of Incorporation and Place of Business: Laos | | | | |
| (A) | Lao Asia Pacific Breweries Limited | 27.0% | 27.0% | 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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

| | | Effective Shareholding | | Principal Activities |
|--|---|------------------------|-------|---|
| | | 2009 | 2008 | |
| JOINT VENTURE COMPANIES OF ASIA PACIFIC BREWERIES GROUP | | | | |
| | Country of Incorporation and Place of Business: Singapore | | | |
| (C) | GAPL Pte Ltd <i>(Accounting year ends on 30 June)</i> | 19.8% | 19.8% | Investment Holding & Distribution of Beer |
| | Country of Incorporation and Place of Business: China | | | |
| (C) | Jiangsu DaFuHao Breweries Co. Ltd <i>(Accounting year ends on 31 December)</i> | 22.0% | - | Brewing and Distribution of Beer |
| | Country of Incorporation and Place of Business: Thailand | | | |
| (C) | Thai Asia Pacific Brewery Co Ltd | 14.6% | 13.9% | Brewing and Distribution of Beer |
| (C) | Thai Asia Pacific Trading Co Ltd | 14.6% | 13.9% | Distribution of Beer |
| ASSOCIATED COMPANIES OF ASIA PACIFIC BREWERIES GROUP | | | | |
| | Country of Incorporation and Place of Business: New Zealand | | | |
| (A) | The Associated Bottlers Company Ltd | 19.8% | 19.8% | Hire of Returnable Beer Bottles |
| | Country of Incorporation: Bermuda Place of Business: Hong Kong | | | |
| (A) | Kingway Brewery Holdings Limited <i>(Accounting year ends on 31 December)</i> | 9.6% | 9.6% | Brewing and Distribution of Beer |

Notes:

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

(C) Audited by other firms of auditors.

Particulars of Group Properties

The main properties as at 30 September 2009 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) |
|--------------------------------|--|------------------|----------------------|
| FREEHOLD | | | |
| Singapore | | | |
| TPL | - 1.1 hectares industrial property at Times Centre, 1 New Industrial Road | 6,100 | 6,136 |
| Peninsular Malaysia | | | |
| F&N | - 18.0 hectares industrial property at Lot 3-1 & Lot 3-2 Lion Industrial Park, Shah Alam | 19,788 | 25,997 |
| | - 2.1 hectares industrial property at 3724 to 3726 Sungei Nyior, Butterworth | 1,923 | 903 |
| | - 2.7 hectares industrial property at 217, Jalan Lahat, Ipoh | 1,147 | 1,613 |
| | - 5.8 hectares industrial property at Jalan Tampoi, Johor Bahru | 2,145 | 2,912 |
| | - 2.2 hectares industrial property at 701, Jalan Tampoi, Johor Bahru | 3,137 | 74 |
| | - 0.6 hectares industrial property at 598, Jalan Tampoi, Johor Bahru | 428 | 1,535 |
| | - 0.1 hectares property at No. 3, Jalan Metro Pudu, Fraser Business Park | - | 6,628 |
| | - Other properties | 380 | - |
| TPL | - 1.2 hectares industrial property at Lot 46 Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam | 1,569 | 2,855 |
| East Malaysia | | | |
| F&N | - 1.1 hectares industrial property at Matang Land District, Sarawak | 1,784 | 1,031 |
| | - 2.0 hectares industrial property at Jalan Mempaga, Mukim Sabai, Karak | 1,507 | 2,068 |
| | - 0.1 hectares industrial property at Jalan Tatau Bintulu, Sarawak | - | 9 |
| Thailand | | | |
| F&N | - 9.1 hectares industrial property at Amphur Nong Khae, Saraburi Province | 4,346 | 9,985 |
| | - 1.2 hectares industrial property at Amphur Pakchong, Nakhonratchasima Province 30320 | - | 2,221 |
| | - 9.2 hectares industrial property at U-thai, Phra Nakhon Si Avutthava 13210 Thailand | 7,224 | - |
| New Zealand | | | |
| APBL | - 17.4 hectares industrial property for Waitemata Brewery site at Auckland | 3,668 | 19,533 |
| | - 9.1 hectares industrial property for Mainland Brewery at Timaru | 175 | 1,601 |
| | - 10.8 hectares industrial property for Tui Brewery at Pahiatua | 319 | 991 |
| Australia | | | |
| TPL | - 0.2 hectares commercial property at Unit 7 & 8 Monash Business Park, 29 Business Park Drive, Nottinghill, Melbourne - Victoria | 948 | 443 |
| United State of America | | | |
| TPL | - 3.4 hectares commercial property at 99 White Plains Road, Tarrytown, New York | 705 | 3,426 |
| Mongolia | | | |
| APBL | - 5.0 hectares industrial property at 10th Khoroo, Bayanzurkh District, Ulaanbaatar City, Mongolia | - | 3,505 |
| Sri Lanka | | | |
| APBL | - 0.4 hectares industrial property at Millawa Land | 11 | - |
| Laos | | | |
| 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 | - | 6 |
| India | | | |
| APBL | - 27.5 hectares industrial property at Sangareddy Mandal, Badlapur Village, Medak District | 1,056 | 3,072 |
| Total Freehold | | 58,360 | 96,544 |

Particulars of Group Properties

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

| | | Land (\$'000) | Building (\$'000) |
|----------------------------|---|------------------|----------------------|
| LEASEHOLD | | | |
| Singapore | | | |
| F&N | - 4.0 hectares industrial property at 214 Pandan Loop (Lease expires year 2010) | - | 14,060 |
| APBL | - 8.8 hectares industrial property at Jurong (Lease expires year 2046) | - | 18,686 |
| TPL | - Commercial property at Unit #04-08 - #04-11, 176 Orchard Road Centrepoint (Lease expires year 2078) | - | 298 |
| | - 1.8 hectares offices at 16 & 18 Tuas Avenue 5 (Lease expires year 2043) | - | 14,403 |
| Peninsular Malaysia | | | |
| F&N | - 3.6 hectares industrial property at 70 Jalan University, Petaling Jaya (Lease expires year 2058) | 7,740 | 6,486 |
| | - 1.6 hectares industrial property at 16 Jalan Bersatu 13/4, Petaling Jaya (Lease expires year 2058) | 4,094 | 1,819 |
| | - 1.4 hectares industrial property at Lot 56, Section 4, Phase 2B, Mukim Klang, Selangor (Lease expires year 2097) | 11,953 | - |
| | - Other properties | 642 | 621 |
| East Malaysia | | | |
| F&N | - 1.8 hectares industrial property at 3.5 miles Penrissen Road, Kuching (Lease expires year 2038) | 655 | 2,753 |
| | - 2.6 hectares industrial property at 5.5 miles Tuaran Road, Kota Kinabalu (Lease expires year 2062) | 938 | 747 |
| | - 1.2 hectares industrial property at Lot 1557, Block 218 KNLD, Kuching (Lease expires year 2038) | 2,921 | - |
| | - 2.8 hectares industrial property at Matang Land District, Sarawak/Kuching District (Lease expires year 2038/2784) | 1,952 | 330 |
| Cambodia | | | |
| APBL | - 11.3 hectares industrial property at Kandal Province (Land rights expires year 2065) | - | 6,795 |
| Vietnam | | | |
| F&N | - 3.4 hectares industrial property at 76 Ton That Thuyet, Ho Chi Minh City (Lease expires year 2023) | - | 2,553 |
| APBL | - 13.0 hectares industrial property at Ho Chi Minh City (Lease expires year 2021) | 1,464 | 7,590 |
| | - 30.0 hectares industrial property at Van Tao Village - Hatay Province (Lease expires year 2046) | - | 8,487 |
| | - 30.0 hectares industrial property at Quang Nam Province (Lease expires year 2046) | - | 324 |
| | - 51.4 hectares industrial property at Tien Giang Province (Lease expires year 2022) | - | 891 |
| | - 7.7 hectares industrial property at Danang City (Lease expires year 2044) | - | 1,203 |

Particulars of Group Properties

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

| | Land (\$'000) | Building (\$'000) |
|--|--------------------------|------------------------------|
| LEASEHOLD (cont'd) | | |
| Thailand | | |
| F&N - 0.9 hectares industrial property at No. 19/111 Moo 7 Thakarm Road, Samaedam, Bangkhuntien, Bangkok 10150 (Lease expires year 2029) | 476 | 2,712 |
| TPL - Warehouse at Soi Wat Kok #20/526-527, Rama II Road, Bangkok (Lease expires year 2021) | - | 38 |
| Myanmar | | |
| F&N - 5.0 hectares industrial property at Mingaladon Township, Yangon (Lease expires year 2023) | 1,362 | 8,370 |
| China/Hong Kong | | |
| F&N - Residential property at Liu Shu Town, SheHong Country, Sichuan Providence, China (Lease expires year 2058) | - | 43 |
| APBL - 20.0 hectares industrial property at Haikou, Hainan, China (Lease expires year 2065) | 4,842 | 16,794 |
| - 11.0 hectares industrial property at Shanghai, China (Lease expires year 2038) | 5,736 | 8,045 |
| - 0.02 hectares industrial property at Shanghai, China (Lease expires year 2042) | - | 289 |
| TPL - Residential property at Unit 1AF Riverside Garden, Shenyang, China | - | 193 |
| - Residential property at Vanke Garden, Shenyang, China | - | 96 |
| - 0.4 hectares industrial property at 13A Xingshun Street, Tiexi District, Shenyang, China (Lease expires year 2009) | 6 | 587 |
| - Warehouse at Unit D, 2nd Floor, Freder Centre 68 Sung Wong Toi Road, Tokwawan, Kowloon, Hong Kong (Lease expires year 2022) | 16 | 26 |
| - Industrial property at Dachong Western Industrial District Nansha Panyu, Guangdong, China (Lease expires year 2044) | 2,783 | 15,496 |
| - Industrial property at Unit A1,C5, Ko Fai Industrial Building 7 Ko Fai Road, Yau Tong, Kowloon, Hong Kong (Lease expires year 2048) | - | 477 |
| - 1.9 hectares commercial property at 18 Jianshe Zhong Road, Tiexi District Shenyang, China | 3,355 | 2,843 |
| - Factory at 665 Kong Jiang Road, Yang Pu District, Shanghai 200093 (Lease expires year 2030) | 510 | 2,178 |
| - Factory at 1 Zhao Yu Street, Yuci Economic Development Zone Jin Zhong City, Shanxi Province (Lease expires year 2026) | 1,171 | 3,206 |
| - Offices at Seaview Estate - 10th Floor Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057) | 5,162 | 123 |
| - Offices at Seaview Estate - 9th Floor Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057) | 4,880 | 109 |
| FCL - Office at Suite 2806-2810, 28/F Shell Tower, Time Square, Causeway Bay, Hong Kong | - | 7 |

Particulars of Group Properties

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

| | Land (\$'000) | Building (\$'000) |
|--|------------------|----------------------|
| LEASEHOLD (cont'd) | | |
| Papua New Guinea | | |
| APBL - 2.2 hectares industrial property at Port Moresby (Lease expires year 2067) | 612 | 4,204 |
| - 7.7 hectares industrial property at Lae and Goroka (Lease expires year 2057 and year 2067) | 299 | 560 |
| - 1.0 hectares residential properties (Lease expires year 2057 and year 2071) | 121 | 100 |
| Sri Lanka | | |
| APBL - 2.3 hectares industrial property at Mawathagama (Lease expires year 2027) | 39 | 388 |
| India | | |
| APBL - 7.0 hectares industrial property at Waluj, Aurangabad, Maharashtra (Lease expires year 2083) | 137 | 1,815 |
| Laos | | |
| APBL - 13.0 hectares industrial property at Veunkham Road, B.Nongno, Xaythany District, Vientianne, Laos (Lease expires year 2056) | 1,409 | 8,499 |
| Total Leasehold | 65,275 | 165,244 |
| TOTAL PROPERTIES (CLASSIFIED AS GROUP FIXED ASSETS) | 123,635 | 261,788 |

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

| | | |
|---|---------|---------|
| Singapore | | |
| FCL - A 24-storey office building at 438 Alexandra Road Freehold, lettable area - 18,423.0 sqm | 56,070 | 89,080 |
| - Retained interests (excluding apartments) in a 7-storey shopping cum residential complex with 2 basement floors at The Centrepoint, 176 Orchard Road Leasehold (lease expires year 2078), lettable area - 30,867.0 sqm | 428,930 | 164,870 |
| - Retained interests in a 3-storey shopping complex with 2 basement shopping levels and one basement carpark at Northpoint, 930, Yishun Avenue 2 Leasehold (Lease expires year 2089), lettable area - 13,876.0 sqm | 253,000 | 65,000 |
| - A 2-storey shopping complex at Anchorpoint, 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 - 6,714.0 sqm | 39,200 | 28,800 |
| - 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 | 40,000 | - |

Particulars of Group Properties

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

| | | Land (\$'000) | Building (\$'000) |
|---------------------------|---|------------------|----------------------|
| Singapore (cont'd) | | | |
| - | A 10-storey commercial-cum-serviced apartment complex at Robertson Walk Shopping Centre and Fraser Place Robertson Walk, 11 Unity Street, with 2 basement carparks comprising a 2-storey retail podium and 161 serviced apartment units Leasehold (999 years from July 1841) Lettable area: Retail 9,067.8 sqm Serviced apartments 14,293.4 sqm Total 23,361.2 sqm | 111,210 | 127,790 |
| - | A 7-storey shopping/entertainment complex at Causeway Point, 1, Woodlands Square with 3 basement floors (comprising 2 basement carparks and 1 basement shop) Leasehold (Lease expires year 2094), lettable area - 38,884.0 sqm | 532,000 | 182,000 |
| - | 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 Valley Point Shopping Centre/ Office Tower and Fraser Suites River Valley, River Valley Road Leasehold (999 years from June 1877) Lettable area: Retail 3,699.0 sqm Serviced apartments 20,232.0 sqm Office 16,948.0 sqm Total 40,879.0 sqm | 171,820 | 233,080 |
| - | A 4-storey retail space at Northpoint 2, Yishun Central with a retail basement floor and a basement car park Leasehold (Lease expires year 2089), lettable area - 7,946.0 sqm | 96,460 | 48,540 |
| - | A 2-storey retail podium at Yew Tee Point, 21, 23 and 25 Choa Chu Kang North 6 situated on 1st storey and 1st basement level of a 10 storey commercial-cum-residential block Leasehold (Lease expires year 2105), lettable area - 6,724.0 sqm | 81,700 | 42,000 |
| - | Other properties (Leasehold, lease expires year 2078) | 1,140 | 160 |
| TPL | - 0.7 hectares industrial property at 438 Ang Mo Kio Industrial Park Leasehold (Lease expires year 2038) | - | 7,797 |
| - | 1.9 hectares warehouse at No. 24 Senoko Drive Leasehold (Lease expires year 2011) | - | 500 |
| Vietnam | | | |
| FCL | - A 23-storey retail/office building plus 2 basements at Me Linh Point Tower, 2 Ngo Duc Ke Street, District 1, Ho Chi Minh City Leasehold (Lease expires year 2045), lettable area - 17,744.0 sqm | 35,789 | 29,967 |
| China | | | |
| FCL | - A 2 cross-shaped, 5-storey buildings, 2 blocks of office space, an amenity centre, 3 hi-tech multi-purpose buildings and a multi-storey carpark building at Vision (Shenzhen) Business Park, Shenzhen Industrial Hi-Tech Industrial Park Gaoxing South Ring Keji South Road, Shenzhen Lettable area - 127,999.0 sqm | 40,079 | 105,151 |

Particulars of Group Properties

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

| | Land (\$'000) | Building (\$'000) |
|---|------------------|----------------------|
| China (cont'd) | | |
| - A 13-storey building with 2 levels of basement car parks and ancillary facilities at Vision International Centre (Soho.com Internet Plaza), TsingHua Science Park, No. 1 Zhongguancun East Road, Haidian District, Beijing Lettable area - 14,820.0 sqm | 39,253 | 8,112 |
| - A building comprising residential (3rd to 23rd level) and clubhouse (2nd level) at Fraser Suites CBD Beijing (EEL), Block D, No. 7 Guanghua Road, Chaoyang District, Beijing Leasehold: Residential (lease expires year 2073) Clubhouse (lease expires year 2043) Lettable area - 28,419.0 sqm | - | 193,004 |
| Philippines | | |
| FCL - 69 apartment units with 116 car park slots in the East Tower of Frasers Place Forbes Tower, Valero Street, Salcedo Village, Makati City, Manila Freehold, lettable area - 17,046.0 sqm | - | 25,506 |
| Australia | | |
| FCL - A 2-storey Shopping Centre and 1 unit Viewpoint Apartment at Bridgepoint, Mosman, Sydney Freehold, lettable area - 6,784.1 sqm | 27,115 | 23,656 |
| United Kingdom | | |
| FCL - 2 buildings of 63 serviced residences at C2 and C3 The Boardwalk, Trafalgar Way, London E14 Leasehold (999 years from 25 December 1999), lettable area - 4,765.0 sqm | - | 55,937 |
| - A 4-storey building of serviced residences at Fraser Suites 1-19 Albion Street, Glasgow G1 1 NY Freehold, lettable area - 4,694.0 sqm | - | 19,716 |
| - A 8-storey building of serviced residences with 75 apartments at Fraser Suites Edinburgh, St Giles Street Freehold, lettable area - 2,038.0 sqm | 14,587 | 22,207 |
| - Retained freehold interest in a building for residential use at Nell Gwynn House, Sloane Avenue, London | 1,719 | - |
| Hong Kong | | |
| TPL - Shop unit at Houston Centre, Tsimshatsui East, Kowloon Leasehold (Lease expires year 2053), lettable area - 68.0 sqm | 475 | 113 |
| - 0.1 hectares industrial property at 35 Kallang Pudding Road #07-14 Tong Lee Building Blk A | - | 700 |
| TOTAL PROPERTIES (CLASSIFIED AS INVESTMENT PROPERTIES) | 1,970,547 | 1,473,686 |

Particulars of Group Properties

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

| | Effective Group interest % |
|--|---|
| Australia | |
| FCL - The Habitat Freehold land of approximately 862.0 sqm situated at 11-17 Chandos Streets, 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 32,281.0 sqm and consists of 145 units of serviced apartments. | 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 70,922.0 sqm and consists of 460 residential units, 4 retail and 1 commercial unit. | 81 |
| - Lorne Freehold land of approximately 4,022.0 sqm situated at 29, Lorne Ave, Killara NSW 2071. The development has a gross floor area of 6,671.0 sqm and consist of 40 residential apartments. | 75 |
| China/Hong Kong | |
| FCL - Scenic Place Leasehold land of approximately 26,052.0 sqm situated at No.305 Guang An Men Wai Avenue, Xuan Wu District, Beijing. 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 Da Lian. The development has a gross floor area of 63,054.0 sqm and consists of 439 residential units and 132 carpark lots. Twin Towered development comprising of 32 storey east tower and 30 storey west tower. | 56 |
| - Greenery Place Leasehold land of approximately 6,796.0 sqm situated at No.1 Town Park Road South, Yuen Long, Hong Kong. The development has a gross floor area of 22,106.0 sqm and consists of four 11 storey residential towers with a total of 330 residential units, a clubhouse and 133 carpark lots. | 56 |
| - Jingan Four Seasons Leasehold land of approximately 13,843.0 sqm situated at No. 169 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. | 100 |

Particulars of Group Properties

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

| | Effective Group interest % |
|--|---|
| United Kingdom | |
| FCL - Wandsworth Freehold land of approximately 40,014.9 sqm situated at 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 63-69 Rochester Row, 68 Vincent Square, 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 |

(D) CLASSIFIED AS DEVELOPMENT PROPERTIES HELD FOR SALE (Note 24 to the Financial Statements)

Details of the development properties held for sale are included in Note 24 to the Financial Statements. Additional information as follows:

| | Stage of Completion | Estimated Date of Completion | Effective Group interest % |
|--|--------------------------------|--|---|
| Singapore | | | |
| FCL - Holland Park, off Holland Road | 85% | 4th Quarter FY 2010 | 100 |
| - St Thomas Suites | 58% | 4th Quarter FY 2010 | 100 |
| - Clementi Woods | 82% | 2nd Quarter FY 2010 | 100 |
| - Soleil @ Sinaran | 53% | 3rd Quarter FY 2011 | 100 |
| - Martin Place Residences | 33% | 3rd Quarter FY 2011 | 100 |
| - Waterfront Waves/Key | 29% | 4th Quarter FY 2011 - 2nd Quarter FY 2013 | 50 |
| - Lot 3655K and Lot 3654A of Mukim 2 at Holland Park | - | 4th Quarter FY 2012 | 100 |
| - Woodsville 28 | 11% | 3rd Quarter FY 2011 | 100 |
| - Caspian | 9% | 3rd Quarter FY 2012 | 100 |
| - Flamingo Valley | - | 1st Quarter FY 2014 | 100 |
| - 8 @ Woodleigh | - | 3rd Quarter FY 2012 | 100 |
| - Residence Botanique | - | 2nd Quarter FY 2012 | 100 |
| Malaysia | | | |
| F&N - Jalan Yew, Kuala Lumpur site | - | - | 57 |
| - Jalan Ampang, Kuala Lumpur site | - | - | 57 |
| - Hulu Langat, Selangor site | - | - | 57 |
| - Johor Baru, State of Johor site | - | - | 57 |
| Vietnam | | | |
| FCL - 3 Nguyen Sieu Street | - | 1st Quarter FY 2010 | 70 |
| Thailand | | | |
| FCL - The Pano | 85% | 1st Quarter FY 2010 | 70 |

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 % |
|-----------------------|--|------------------------|--|----------------------------------|
| Australia | | | | |
| FCL | - Wanjeep Street Mandurah | - | 4th Quarter FY 2013 | 56 |
| | - Queen's Precinct, Riverside | - | 4th Quarter FY 2012 | 88 |
| | - Morton Street, Paramatta | - | 4th Quarter FY 2014 | 75 |
| | - Pavilions Killara | - | 4th Quarter FY 2013 | 75 |
| | - Camperdown City Quarter | 94% | 1st Quarter FY 2010 | 88 |
| | - Broadway Sydney | - | 4th Quarter FY 2013 | 75 |
| China | | | | |
| FCL | - Cheng Du Logistics Park | 63% | 2nd Quarter FY 2010 - 2nd Quarter FY 2015 | 80 |
| | - Songjiang Four Seasons | 97% | 1st Quarter FY 2010 - 1st Quarter FY 2018 | 56 |
| | - Suzhou Baitang | 32% | 3rd Quarter FY 2011 - 4th Quarter FY 2017 | 100 |
| New Zealand | | | | |
| FCL | - Broadview Rise, Queenstown | - | Project on Hold | 75 |
| | - Papamoa Beach, Tauranga in the Bay of Plenty | - | 4th Quarter FY 2014 | 68 |
| United Kingdom | | | | |
| FCL | - Wandsworth Riverside Quarters | - | 4th Quarter FY 2016 | 51 |
| | - Wandsworth Road | - | 4th Quarter FY 2013 | 51 |
| | - Camberwell Green | - | 1st Quarter FY 2014 | 51 |
| | - Shoppenhangers Lane | - | 4th Quarter FY 2010 | 51 |
| | - Collins Theatre | - | 4th Quarter FY 2010 | 51 |
| | - Granton Harbour | - | Suspended | 26 |
| | - Water Street | - | 4th Quarter FY 2010 | 26 |
| | - Ferry Village | - | 1st Quarter FY 2015 | 26 |
| | - Shrubhill | - | 4th Quarter FY 2012 | 26 |
| | - Lumiere Leeds | - | Suspended | 23 |
| | - Brown Street | - | 4th Quarter FY 2013 | 51 |
| | - Baildon | - | Project on Hold | 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 % |
|------------------|--|------------------------|--|----------------------------------|
| Singapore | | | | |
| FCL | - Bedok/Changi Theatre | - | 4th Quarter FY 2010 | 100 |
| | - Changi Business Park | - | 3rd Quarter FY 2011 - 1st Quarter FY 2013 | 50 |
| F&N | - Jalan Yew Site, Kuala Lumpur, Malaysia | - | - | 57 |

Fraser and Neave, Limited

SHAREHOLDING STATISTICS AS AT 09 DECEMBER 2009

| | |
|------------------------|----------------------|
| Class of shares | – Ordinary share |
| Voting rights | – One vote per share |

| Size of holding | Number of Shareholders | % | Number of Shares | % |
|---------------------|------------------------|--------|------------------|--------|
| 1 – 999 | 354 | 1.90 | 123,306 | 0.01 |
| 1,000 – 10,000 | 14,458 | 77.63 | 53,380,304 | 3.83 |
| 10,001 – 1,000,000 | 3,778 | 20.28 | 206,029,927 | 14.78 |
| 1,000,001 and above | 35 | 0.19 | 1,134,271,648 | 81.38 |
| | 18,625 | 100.00 | 1,393,805,185 | 100.00 |

TWENTY LARGEST SHAREHOLDERS (as shown in the Register of Members)

| No. | Shareholder's Name | Number of Shares Held | % |
|-----|--|-----------------------|-------|
| 1 | DBS Nominees Pte Ltd | 207,112,346 | 14.86 |
| 2 | Seletar Investments Pte Ltd | 205,500,000 | 14.74 |
| 3 | Citibank Nominees Singapore Pte Ltd | 163,240,043 | 11.71 |
| 4 | Great Eastern Life Assurance Co Ltd – Participating Fund | 77,358,575 | 5.55 |
| 5 | Great Eastern Life Assurance (Malaysia) Berhad | 70,393,850 | 5.05 |
| 6 | HSBC (Singapore) Nominees Pte Ltd | 68,554,704 | 4.92 |
| 7 | DBSN Services Pte Ltd | 62,141,922 | 4.46 |
| 8 | Oversea Chinese Bank Nominees Pte Ltd | 50,558,095 | 3.63 |
| 9 | The Overseas Assurance Corporation Ltd | 46,505,570 | 3.34 |
| 10 | BNP Paribas Securities Services Singapore | 33,681,552 | 2.42 |
| 11 | United Overseas Bank Nominees Pte Ltd | 30,728,492 | 2.20 |
| 12 | The Great Eastern Trust Private Limited | 17,587,805 | 1.26 |
| 13 | Raffles Nominees (Pte) Ltd | 16,348,498 | 1.17 |
| 14 | Lee Pineapple Company Pte Ltd | 14,000,000 | 1.00 |
| 15 | Lee Latex Pte Limited | 10,656,115 | 0.76 |
| 16 | Tropical Produce Company Pte Ltd | 8,665,400 | 0.62 |
| 17 | DB Nominees (Singapore) Pte Ltd | 6,643,367 | 0.48 |
| 18 | Fam Yue Onn Michael or Fam Shou Kwong Richard | 6,027,025 | 0.43 |
| 19 | Merrill Lynch (Singapore) Pte Ltd | 5,750,204 | 0.41 |
| 20 | Selat Pte Limited | 5,265,000 | 0.38 |
| | | 1,106,718,563 | 79.39 |

SUBSTANTIAL SHAREHOLDERS (as shown in the Register of Substantial Shareholders)

| | DIRECT INTEREST (Number of Shares) | DEEMED INTEREST (Number of Shares) |
|---|---------------------------------------|---------------------------------------|
| Oversea-Chinese Banking Corporation Limited | 46,280,250 | 212,769,065 |
| Great Eastern Life Assurance Company Limited | 77,409,075 | 70,393,850 |
| Great Eastern Holdings Limited | - | 212,293,685 |
| Great Eastern Life Assurance (Malaysia) Berhad | 70,393,850 | - |
| Great Eastern Capital (Malaysia) Sdn Bhd | - | 70,393,850 |
| Seletar Investments Pte Ltd | 205,500,000 | - |
| Temasek Capital (Private) Limited | - | 205,500,000 |
| Temasek Holdings (Private) Limited | - | 206,219,752 |
| Prudential Asset Management (Singapore) Ltd (reporting on behalf of Prudential Asset Management (Singapore) Ltd, Jackson National Life and M&G Investments) | - | 83,698,259 |

Based on the Register of Substantial Shareholders, the percentage of shareholding of the Company held in the hands of the public is more than 10% and this complies with Rule 723 of the Listing Manual.

Note:

- * 'Substantial Shareholders' are those shareholders who own at least 5% of the equity of the Company.
- * 'Deemed Interests' in shares arise, for example, when a person (including a company) owns at least 20% of another company which in turn owns shares in Fraser and Neave, Limited. The person is "deemed" to have an interest in the Fraser and Neave, Limited shares owned by that other company. It is, therefore, possible for several persons to be deemed interested in the same shares.

This note is merely illustrative. For a full understanding of the scope of the regulations, it is necessary to refer to the Companies Act.