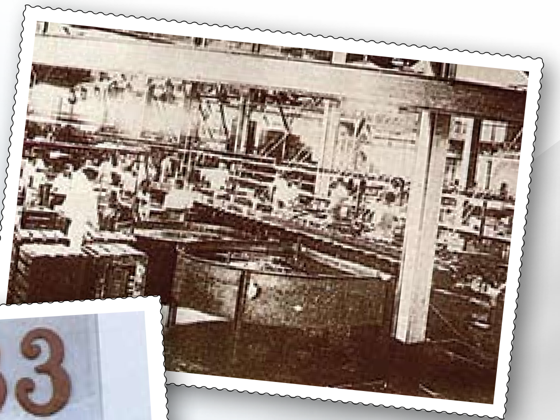
CHARTING the future

FRASER AND NEAVE, LIMITED

ANNUAL REPORT 2008

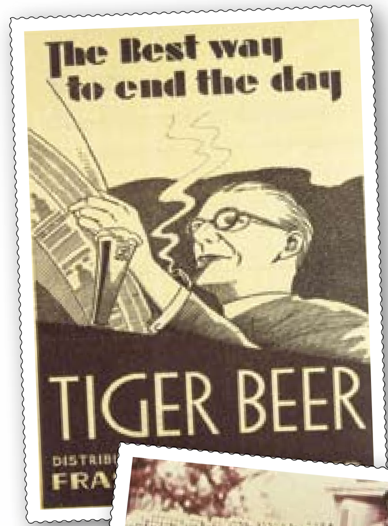
125 years ago, two visionaries set up a modest company to produce carbonated soft drinks. This company would eventually become one of the food and beverage giants in the region – Fraser and Neave. Today, F&N is a multi-sector conglomerate with a promising future, built on a legacy of trust, dynamism and quality.



1883
John Fraser and David Chalmers Neave established The Singapore and Straits Aerated Water Company to produce carbonated soft drinks.

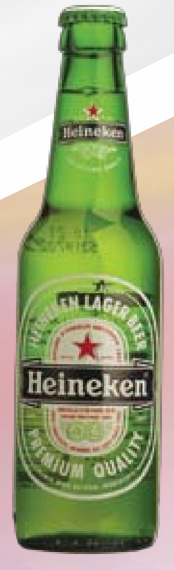
1898
The Singapore and Straits Aerated Water Company went public under Fraser and Neave, Limited, a household name in F&B today.

1931
Malayan Breweries Limited was formed in a joint venture with Dutch company, Heineken to produce beer.



1932
Tiger Beer, Singapore's best loved homegrown beer, was launched.

1936
The franchise for Coca-Cola was secured for Singapore and Malaysia.



1959
A sweetened condensed milk plant was built in Petaling Jaya, Malaysia, with Beatrice Foods of Chicago.

1968
Dairy production commenced in Singapore.

1972
An equity interest was taken in Malaya Glass Factory Bhd.

1984-85
Heineken Beer was launched in Singapore and Malaysia. Breweries and soft drinks plants were relocated in Singapore in line with the modernisation of facilities and the plan to free up sites for a new core business in properties.

1986
A 50-50 joint venture, Asia Pacific Investment Pte Ltd, was formed to manage Malayan Breweries and other brewery investments in the Asia Pacific region.

1990
The dairies and property interests (Centrepoint Properties) of Cold Storage Holdings Ltd were acquired.

1992
F&N Coca Cola Pte Ltd was formed as an anchor bottler for Coca-Cola in Singapore, Malaysia, Brunei, Vietnam, Cambodia, Sri Lanka, Nepal and Pakistan.

1994
F&N's inaugural residential projects in Singapore – The Anchorage and Valley Park – were launched.

1998
Fraser Suites and Fraser Place serviced residences opened for business in Singapore.

1999
Under new strategic direction, F&N Coca Cola Pte Ltd was divested.

A 20.1% stake in Times Publishing was acquired and subsequently a takeover offer was launched for the company.

2000
F&N entered the hospitality management business, consolidating its presence in the properties sector.

2004
A 29.5% stake was acquired in China Dairy Group, the holding company for the Silver Bridge Group, which is ranked amongst the top dairy companies in north western China.

2005
Frasers Centrepoint Ltd, formerly known as Centrepoint Properties Ltd, increased its stakes in Frasers Property (China) Limited, to about 55% of its issued share capital.

2006
F&N embarked on its asset-light strategy with the launch of its retail REIT, Frasers Centrepoint Trust.

F&N acquired Nestle's canned and liquid milk business in Malaysia and Thailand, providing the platform for growth in markets like Malaysia, Singapore, Thailand and Brunei.

2007
Tiger beer became the first foreign beer brand to be brewed in Mongolia.

A 27% stake was acquired in Hektar Real Estate Investment Trust, Malaysia's only pure retail REIT listed on Bursa Malaysia Securities Berhad.

2008
An 18.3% stake was acquired in Allco Commercial REIT and 100% of the REIT manager, Allco (Singapore) Limited. The REIT was renamed Frasers Commercial Trust with a portfolio worth S$2 billion.

APB expanded its regional footprint with increased capacity in Vietnam and new greenfield breweries in Laos and India.

Fraser and Neave, Limited (F&NL) had its origins more than a century ago, in the spirited decisions of two enterprising young men, John Fraser and David Neave, who diversified from their printing business to pioneer the aerated water business in Southeast Asia in 1883. From a soft drinks base, F&NL ventured into the business of brewing in 1931, dairies in 1959, glass bottle manufacturing in 1972, property development and management in 1990 and publishing & printing in 2000.

Having been around for 125 years, F&NL has not only stood the test of time but has grown from strength to strength to be a leading Pan-Asian Consumer Group with expertise and dominant standing in the Food & Beverage, Property, and Publishing & Printing industries. Leveraging on its strengths in marketing and distribution; research and development; brands and financial management; as well as acquisition experience, it provides key resources and sets strategic directions for its subsidiary companies across all three industries.

Listed on the Singapore Stock Exchange, F&NL ranks as one of the most established and successful companies in the region with an impressive array of renowned brands that enjoy strong market leadership. It has shareholders' funds of over S$5 billion and total assets employed of over S$13 billion. F&NL is present in over 20 countries spanning Asia Pacific, Europe and USA and employs over 18,000 people worldwide.

- Food & Beverage
- Properties
- Publishing & Printing

CHARTING the future

In an economy characterised by volatility, the success of an enterprise depends on its ability to prepare for the future while remaining rooted in its core values.

The secret to F&N's resilience is our steadfastness, as reflected in our resolute commitment towards grooming leadership, and our staunch belief in Asia's growth potential. Yet, steadfastness does not imply inflexibility. On the contrary, F&N places a premium on an enterprising spirit, on staying pliable and adaptable in an ever-changing marketplace.

It is this mindset that has propelled F&N to what we are today – an Asian multinational with substantial presence in the F&B, properties, and publishing and printing sectors.

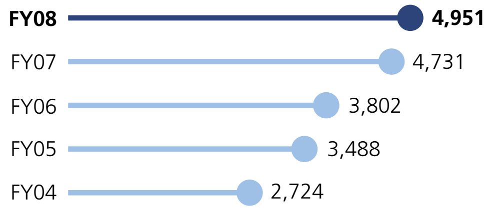
Even as the future looks challenging, F&N remains undaunted. The spirit of innovation, visionary foresight and dynamic leadership are qualities that will hold true both in good times and in bad. We will continue to capitalise on growth opportunities in untapped markets and mould our portfolio to maximise results, so that we may deliver sustainable returns to our shareholders – this is our pledge.

CONTENTS

EMBODYING our pioneering spirit
ANCHORING our strengths
DRIVEN by dynamic leadership

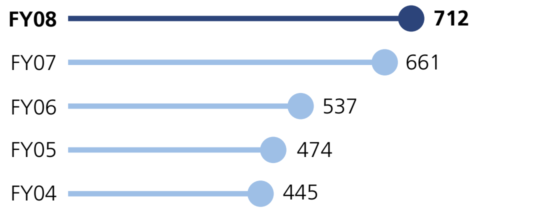
Group Financial Highlights

Revenue
(S$ million)



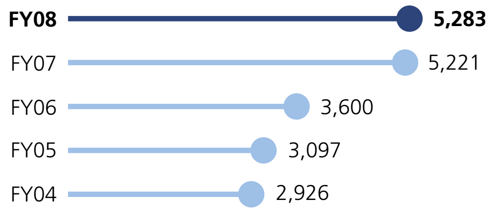
Attributable Profit before Fair Value Gain and Exceptional Items
(cents per share)*

Profit before Taxation, Impairment, Fair Value Gain and Exceptional Items
(S$ million)



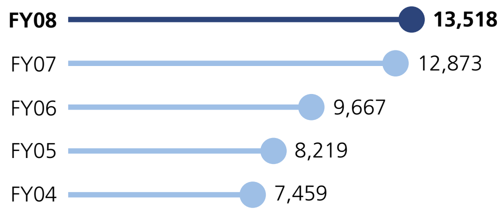
Profit before Taxation, Impairment, Fair Value Gain and Exceptional Items
(cents per share)*

Net Asset Value
(S$ million)



Net Asset Value
(S$ per share)

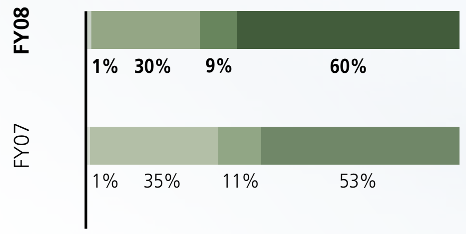
Total Assets Employed
(S$ million)



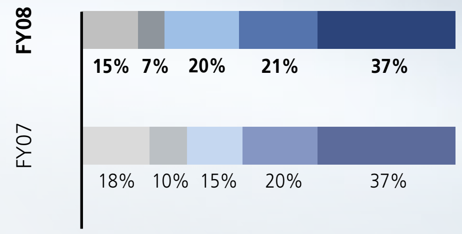
Dividend – Net
(cents per share)

Weighted average number of shares

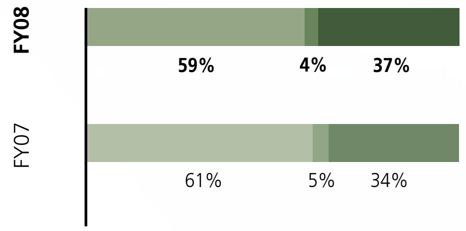
Revenue
FY08: S$4,951 million
FY07: S$4,731 million



Revenue
FY08: S$4,951 million
FY07: S$4,731 million



Profit Before Interest and Taxation
FY08: S$777 million
FY07: S$732 million



Profit Before Interest and Taxation
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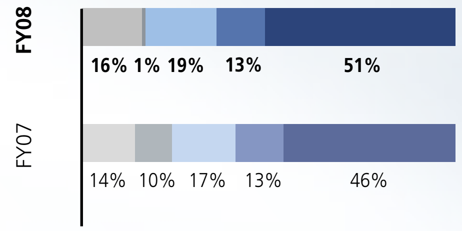
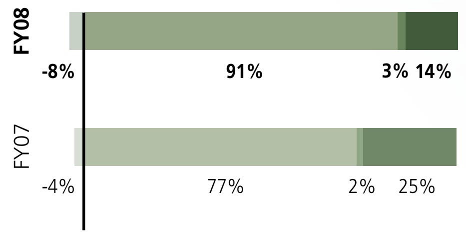
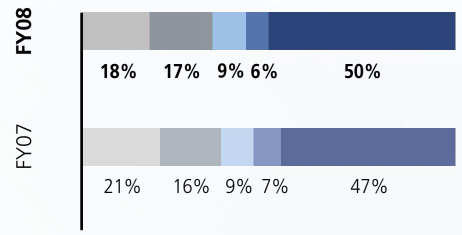


Attributable Profit
FY08: S$436 million
FY07: S$379 million



Asset Allocation
FY08: S$12,468 million
FY07: S$11,705 million



By Business Segment (%)
- Food & Beverage (Including Glass Containers)
- Publishing & Printing
- Properties
- Others

By Geographical Segment (%)
- Singapore
- Malaysia
- Rest of South-East Asia
- North-East Asia
- Others

EMBODYING
our pioneering spirit

Enterprise entails adventure. F&N navigates the challenging marketplace with a mindset of calculated risk-taking and financial prudence. This pioneering spirit and far-sighted approach enable us to keep pace with fast evolving market changes, ultimately delivering high value and returns to our shareholders.

ANCHORING
our strengths

F&N's strengths are rooted in our in-depth understanding of Asian markets and our Asian heritage. As Asia transforms, we are able to re-shape our investment focus and business portfolio to make the most of the region's growth and potential. Tapping on these capabilities, we are primed to grow our global footprint as well as our brand diversity, to venture into new and untapped markets.

For 125 years, F&N has grown from strength to strength, helmed by dynamic leadership and dedicated staff. Our visionary leaders provide astute direction and guidance, steering the company with wisdom and foresight. Coupled with the staunch partnerships we have forged and strategies passionately executed by staff, we are well placed to propel F&N further in Asia and beyond.

DRIVEN
by dynamic leadership

Message from CHAIRMAN

Mr Lee Hsien Yang
Chairman

Historical Milestones Achieved

Overview

I am pleased to be able to report that the F&N Group turned in good results in FY2008.

Group revenue grew 5% to reach an all-time high of close to S$5 billion. Group revenue was buoyed by strong volume growth and higher selling prices in our Food & Beverage (F&B) division and higher occupancy and rental rates from our commercial properties.

At the operating level, Group PBIT, before FRS40 fair value gain on investment properties and impairment of investments, rose 6% to a new peak of S$777 million. This was despite a S$26 million provision for our land bank. The improvement in profit came mainly from our enlarged Dairies business, stronger Soft Drinks and Beer sales, better contributions from Frasers Hospitality and our commercial properties, and higher progressive recognition of profit from our residential projects in Singapore.

Group Attributable Profit, after fair value gain and exceptional items, increased by 15% to S$436 million. With the adoption of FRS40, the Group recorded a net gain of S$37 million from fair value adjustments of our investment properties. As a prudent measure, the Group provided for a S$74 million impairment charge on our investments, fixed assets and properties held for sale.

Earnings per share after exceptional items (EPS) was 9% higher than last year, at 31.4 cents. Since the Asian crisis (FY1998), our EPS has rebounded strongly over the past 10 years to grow at a compounded annual growth rate of 22.3%.

We ended FY2008 with a strong balance sheet, which will stand us in good stead in the trying times ahead. The Group has good liquidity with S$1 billion in cash and S$1.6 billion of credit available under its revolving credit facilities. At the end of FY2008, our gearing increased to 69% (from 59%) as a result of borrowings to finance our expansion drive. Interest coverage ratio improved to 12.0 times, up from 10.3 times a year ago.

The Group's total debt of S$5.4 billion has an average debt maturity of 2.75 years. Of the S$2.1 billion due within 12 months, S$0.8 billion has been re-financed for maturity in 2011. The remaining S$1.3 billion will be funded by short-term bank loans and supported by cash flow from operations and projects under development.

Our return on average shareholders' equity dipped slightly to 8.3%, from 8.6% a year ago. This dip was due mainly to the S$900 million share placement to Temasek Holdings in mid-January 2007 and the revaluation surplus of S$312 million on investment properties credited to revaluation surplus at end FY2007. These had caused average shareholders' equity in FY2008 to rise.

The FY2008 performances of our F&B, Properties and Publishing & Printing businesses are reviewed by the respective CEOs in the Business Review section of this Annual Report.

A strategic review to consider options for our Publishing & Printing business has been conducted. We hope to reach a conclusion and announce our decision in the first calendar quarter of 2009.

Message from Chairman

Maintaining Our Dividend Payout

Dividends

The Directors recommend for shareholders' approval, a final dividend of 8.5 cents per share (tax exempt). Taken with the interim dividend of 5 cents (tax exempt) paid on 12 June 2008, this will make a total payout of 13.5 cents per share for FY2008. This dividend payment is unchanged from FY2007. The payout ratio of 49.5% is in line with the Board's stated policy of paying up to 50% of the Group's Attributable Profit before exceptional items and changes in fair value of investment properties. If approved by shareholders at the Annual General Meeting (AGM) on 22 January 2009, the final dividend will be paid on 12 February 2009.

Preparing for Difficult Times Ahead

Outlook

Since the close of our financial year, market conditions have continued to deteriorate. We expect FY2009 to be a difficult year given the global economic crisis. We will seek to position the Group to cope with the challenges that lie ahead. We will also remain alert to opportunities that may be presented by this financial and economic crisis.

Corporate Governance

We have a good composition of talent at the Board and Management levels to guide us through these extraordinary times. During the year, we were privileged to welcome Mr Tan Chong Meng to our Board. The varied expertise and experience of Board Members (as listed on pages 74 to 75) make for lively and fruitful discussion. I would like to thank Directors for their wise counsel and commitment of their precious time.

Mr Stephen Lee has decided not to seek re-election at the forthcoming AGM. Mr Lee, a board member since July 1997, chairs the Remuneration & Staff Establishment Committee. He is also a member of the Board Exco, Nominating and Audit & Risk Management Committees. We owe him a huge debt of gratitude for services rendered to the Company.

At the start of the year, we streamlined our corporate governance structure to expedite the decision-making process within the Group. The Boards of Frasers Centrepoint Limited and Times Publishing Limited were subsumed into the main board but their respective Executive Committees were retained. The Audit Committee was re-constituted to incorporate the Risk Management Committee to simplify corporate oversight.

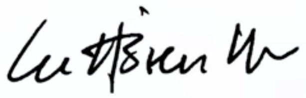
During the year, we also announced a new management and organisation structure, which takes into account the distinct characteristics of the Group's businesses, the presence of management talent within the Group, and the difficulty of recruiting one person with the necessary combined skill sets to realise the full potential of our businesses.

We were pleased to be able to appoint Mr Koh Poh Tiong as CEO of our F&B Division on 1 October 2008. Mr Koh, formerly the CEO of Asia Pacific Breweries Limited, successfully implemented its ambitious regional expansion strategy. We look forward to accelerated growth of our F&B business under his leadership. This will be crucial to the achievement of our objective of increasing F&B's contribution to Group profits.

Mr Lim Ee Seng (CEO – Frasers Centrepoint Limited) and Dato' Ng Jui Sia (CEO – Times Publishing Limited) continue to head our Properties and Publishing & Printing businesses respectively. The CEOs of our F&B, Properties and Publishing & Printing businesses report to the Board of F&NL through the Chairman's Office, which coordinate reporting lines together with corporate services support. The frequency of Management Committee meetings has been stepped up to ensure that issues are highlighted and dealt with more expeditiously.

Acknowledgements

The global credit crunch has underscored the importance of solid support from shareholders and the financial community. I would like to thank these stakeholders as well as management and staff, customers and strategic partners, whose contributions have enabled us to achieve another successful year.



Mr Lee Hsien Yang
Chairman
30 December 2008

Board of Directors

Mr Lee Hsien Yang

Mr Timothy Chia Chee Ming

Mr Ho Tian Yee

Mr Simon Israel

Mr Koh Beng Seng

Mr Stephen Lee

Mr Soon Tit Koon

Mr Tan Chong Meng

Mr Nicky Tan Ng Kuang

Board of Directors

Mr Lee Hsien Yang
Mr Lee was appointed a Director & Chairman-Designate on 6 September 2007 and assumed Chairmanship on 15 October 2007. Mr Lee joined Singapore Telecommunications Limited (SingTel) in April 1994 and served as its Chief Executive Officer from May 1995 till he relinquished his appointment as Group CEO in March 2007. Prior to his joining SingTel, Mr Lee served in command and staff positions in the Singapore Armed Forces (SAF) reaching the rank of Brigadier-General.

Mr Lee is also the Chairman of Republic Polytechnic, Chairman of the Audit Committee and Director of the Singapore Exchange Limited, and an independent director of the Islamic Bank of Asia Private Limited (a DBS Bank subsidiary). He also sits on the Governing Board of the Lee Kuan Yew School of Public Policy.

Mr Lee was a President's Scholar and SAF Scholar. He graduated with a double first in Engineering Science from Cambridge University, UK and has a Master of Science (Management) from Stanford University, USA.

Mr Timothy Chia Chee Ming
Mr Chia was appointed a Director in January 2006. He is currently the Deputy Chairman and Group Chief Executive Officer of Hup Soon Global Corporation Limited. Mr Chia was President of PAMA Group (previously known as Prudential Asset Management Asia Limited). He also serves on the boards of several private and public listed companies and government-linked companies. They include Banyan Tree Holdings Ltd, SP PowerGrid Limited, Singapore Post Limited. Mr Chia is a trustee of the Singapore Management University.

Mr Ho Tian Yee
Mr Ho was appointed a Director in December 1997. He is currently the Executive Director of Pacific Asset Management (S) Pte Ltd. He also serves on the board of Singapore Exchange Limited and Singapore Power Ltd. Mr Ho was previously the General Manager and Managing Director of Bankers Trust Company Singapore. He also serves on the Risk Committee of the Government of Singapore Investment Corporation (GIC) and Investment Committee of Mount Alvernia Hospital.

Mr Simon Israel
Mr Simon Israel was appointed a Director in January 2007. He has been an Executive Director of Temasek Holdings (Private) Limited, the Singapore-headquartered investment firm, since July 2006. Previously, Mr Israel spent 10 years as Chairman Asia Pacific of the Danone Group and as a member of that group's Executive Committee. Prior to this, he worked across the Asia Pacific region in a 22-year career with Sara Lee Corporation. Mr Israel chairs Singapore Tourism Board and Asia Pacific Breweries Limited, and is a director of Singapore Telecommunications Ltd and Neptune Orient Lines Ltd. He also sits on the Business Advisory Board of the Lee Kong Chian School of Business at Singapore Management University.

Mr Koh Beng Seng
Mr Koh was appointed a Director in January 2006. He is currently the Chief Executive Officer of Octagon-Advisors. He is also a non-executive director of Singapore Technologies Ltd, BOC Hong Kong (Holdings), Bank of China (Hong Kong) Limited and Sing-Han Financial Services. He held various positions in his 24 years, up to 1998, with Monetary Authority of Singapore and his last appointment was Deputy Managing Director, Banking and Financial Institution Group. Thereafter, he was an advisor to the International Monetary Fund to reform Thailand's financial sector until 2000. He was also the Deputy President of Singapore's United Overseas Bank Ltd, a leading banking group in the country, from 2000 to 2004.

Mr Stephen Lee
Mr Lee was appointed a Director in July 1997. He is currently the Managing Director of Great Malaysia Textile Investments Pte Ltd and Shanghai Commercial & Savings Bank (Taiwan). Mr Lee is also the Chairman of Singapore Airlines Limited, President of Singapore National Employers Federation and Director of Singapore Labour Foundation. He was the Chairman of Singapore Business Federation (April 2002 – June 2008) and PSA International Limited (September 2002 – October 2005).

Mr Soon Tit Koon
Mr Soon was appointed a Director in January 2008. Mr Soon was the CFO of OCBC Bank from September 2002 to June 2008. He is now the Head of Group Investments of OCBC Bank responsible for investments banking, securities brokerage, strategic investments and property services. Prior to OCBC Bank, Mr Soon was the CFO of Wilmar Holdings, and before that Managing Director of Citicorp Investment Bank. Mr Soon currently sits on the boards of Bank of Ningbo, Great Eastern Life Assurance Company Ltd and several subsidiaries of OCBC Bank.

Mr Tan Chong Meng
Mr Tan was appointed a Director in June 2008. He is currently serving as Executive Vice President of the Global B2B businesses in Shell. He has been with the Shell Group since 1989, holding various positions in its regional and global downstream businesses. Prior to this, he worked in the Ministry of National Development, Singapore. He has also been serving on the board of Showa Shell Sekiyu KK, Japan, as a non-Executive Director since March 2006.

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

Corporate Information

BOARD OF DIRECTORS

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

BOARD EXECUTIVE COMMITTEE

Mr Lee Hsien Yang *(Chairman)*
Mr Ho Tian Yee
Mr Stephen Lee
Mr Simon Israel
Mr Soon Tit Koon

AUDIT COMMITTEE

(including Risk Management Committee)
Mr Koh Beng Seng *(Chairman)*
Mr Timothy Chia Chee Ming
Mr Stephen Lee
Mr Tan Chong Meng
Mr Nicky Tan Ng Kuang

REMUNERATION & STAFF ESTABLISHMENT COMMITTEE

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

NOMINATING COMMITTEE

Mr Ho Tian Yee *(Chairman)*
Mr Timothy Chia Chee Ming
Mr Stephen Lee
Mr Nicky Tan Ng Kuang

GROUP MANAGEMENT

Mr Koh Poh Tiong
– Chief Executive Officer, Food and Beverage

Mr Lim Ee Seng
– Chief Executive Officer, Frasers Centrepoint Group

Dato' Ng Jui Sia
– Chief Executive Officer, Times Publishing Group

Mr Roland Pirmez
– Chief Executive Officer, Asia Pacific Breweries Limited

Mr Tan Ang Meng
– Chief Executive Officer, Fraser & Neave Holdings Bhd

Mr Christopher Tang
– Chief Executive Officer, Frasers Centrepoint Commercial

Mr Anthony Cheong
– Group Company Secretary

Mr Patrick Goh
– Group Financial Controller

REGISTERED OFFICE

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

SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Barbinder Share Registration Services
8 Cross Street
#11-00 PWC Building
Singapore 048424
Tel: (65) 6236 3333
Fax: (65) 6236 3405

AUDITOR

Ernst & Young
Partner-in-charge: Mr Kevin Kwok
(since financial year ended 30 Sep 2004)

PRINCIPAL BANKER

Oversea-Chinese Banking Corporation Limited

Corporate Structure

FRASER AND NEAVE, LIMITED

Food & Beverage

Asia Pacific Breweries Group
- *50 Subsidiary companies*
- *3 Joint venture companies*
- *2 Associated companies*

Fraser & Neave Holdings Bhd
- *28 Subsidiary companies*

Other Listed and Unlisted Companies
- *15 Subsidiary companies*

Asia Dairies (S) Pte Ltd
F&N Boncafe Beverages Pte Ltd
F&N Dairy Investments Pte Ltd
F&N DCH Holding Pte Ltd
F&N Foods Pte Ltd
F&N United Ltd
F&N Vietnam Foods Co Ltd
F&N Interflavine Pte Ltd
Magnolia – PDL Dairies (1993) Sdn Bhd
Myanmar Brewery Ltd
Paedia Nutrition Company Ltd
Premier Milk (S) Pte Ltd
Red Lion Holdings Pte Ltd
Tien Chun Pte Ltd
Tiger Taverns Sdn Bhd

- *1 Joint venture company*

Asia Pacific Investment Pte Ltd

- *1 Associated company*

China Dairy Group Ltd

Properties

Frasers Centrepoint Limited Group
- *152 Subsidiary companies*
- *10 Joint venture companies*
- *6 Associated companies*

Frasers Centrepoint Trust

Frasers Property China Group
- *14 Subsidiary companies*
- *1 Associated company*

Publishing & Printing

Times Publishing Group
- *66 Subsidiary companies*
- *2 Joint venture companies*
- *2 Associated companies*

Other Listed Companies
- *2 Associated companies*

Fung Choi Media Group Limited
PMP Limited

Others

Other Listed & Unlisted Companies
- *10 Subsidiary companies*

F&N Investment Pte Ltd
F&N Services (L) Bhd
F&N Treasury Pte Ltd
Fannet Online Pte Ltd
Fannet Online Sdn Bhd
Fraser & Neave (Singapore) Pte Ltd
Fraser & Neave Investment (HK) Ltd
International Theme Parks (Singapore) Pte Ltd
Phoenix (Singapore) Pte Ltd
Vision Century Limited

Group at a Glance

VISION

To be a world-class multinational enterprise with an Asian base, providing superior returns with a focus on the Food & Beverage, Properties and Publishing & Printing businesses.

MISSION

To be a world-class multinational enterprise providing superior returns to our shareholders, excellent value for our customers and a rewarding career for our employees.

STRATEGIES

F&N's role as the parent company and entrepreneurial shareholder of our core businesses will remain unchanged. We will play a proactive and pivotal role, on the respective boards and board committees, in charting the strategic directions of the individual businesses, identifying and creating new opportunities of growth for our subsidiaries, and leveraging on our foundations, strengths and networks to steer the Group to even greater heights.

Our 3 Core Businesses

FOOD & BEVERAGE

A household name to many, F&N has established itself as a leader in the Food & Beverage (F&B) arena in Singapore and Malaysia since 1930. Beyond soft drinks, it has successfully ventured into the business of beer brewing in 1931, dairies in 1959 and glass containers in 1972. The Group's Soft Drinks, Dairies and Glass Containers divisions, based in Singapore, Malaysia, Thailand, Vietnam and China, are operated primarily through Fraser and Neave Holdings Bhd; while our beer business, executed mainly through Asia Pacific Breweries Limited, operates 30 breweries in 12 countries in the Asia Pacific. Today, the Group owns a portfolio of reputable brands including *F&N, 100PLUS, SEASONS* for Soft Drinks; *Magnolia, Daisy, Fruit Tree Fresh, Nutrisoy* and *Nutritea* for Dairies; and *Tiger, Anchor, Baron's* and *ABC* for Beer. The Group's consistent dominance in market share across various products has led to F&N being conferred numerous brand awards. Through established distribution networks and joint partnerships, F&N aims to reinforce its foothold in the F&B industry geographically across Asia Pacific, further expand its portfolio of brands and strengthen its research and development capabilities.

PROPERTIES

Frasers Centrepoint Limited (FCL) is a wholly-owned subsidiary of F&NL. It is a leading Singapore-based property company with a strong foothold in property development, property investment, serviced residences and investment funds. Under F&NL's stewardship, FCL's business has evolved from a single shopping centre along Orchard Road to an integrated real estate group, focused on growing its business interests in residential (Frasers Centrepoint Homes), commercial real estate (Frasers Centrepoint Commercial), serviced apartments (Frasers Hospitality), and overseas projects (Frasers Property). Its global footprint covers projects in Australia, China, Japan, Korea, New Zealand, Philippines, Thailand, UAE, UK and Vietnam. With the objective to continue delivering sustainable earnings to our shareholders, the Group shall remain focused on building an integrated commercial real estate model and balancing its portfolio by diversifying overseas and across multiple sectors.

PUBLISHING & PRINTING

The rich intellectual capital of Times Publishing paved the Group's entry into the knowledge-based economy. Singapore's largest publishing and printing company, Times Publishing has a well-established track record in publishing, printing, direct sales, distribution and retailing of books, magazines and the provision of educational services. It operates a global network of 20 international offices, 40 subsidiaries and four associated companies in key cities in South-East Asia, East Asia, Australia, Europe, UK, and USA. Its concept of "Total Service" engages its diverse businesses in every stage of the printed word – from conceptualisation right through to marketing and distribution – for the benefit of its consumers and business partners.

Our Growth Drivers

F&N's strong performance for the year reflects our strong underlying fundamentals – delivering shareholder value and returns in a responsible and sustainable manner.

- Sharpening capital management and extracting operational efficiencies to enhance shareholder returns
- Harnessing R&D to enhance our innovative edge and deliver quality products in line with current lifestyle trends
- Grooming leaders and developing staff systematically to ensure a continuous pool of talent
- Leveraging on our strong global network to expand our market reach and tap on new business opportunities
- Forging strategic business partnerships and networks to gain entry and build our foundation in new markets

Group Financial Performance

5-Year Statistics

2008 marked another outstanding year for F&N. Despite the impact of higher raw material, packaging and construction costs, we achieved another year of strong earnings growth with profit before interest, taxation, impairment on investments, FRS40 fair value gain of investment properties and exceptional items ("PBIT") of S$777 million, up 6% over last year. Attributable profit (before exceptional items) grew 15% to reach S$436 million. Earnings per share grew 9% to 3 .4 cents.

Note	Year ended 30 September	2004	2005	2006	2007	**2008**
	Profit Statement (S$ million)					
	Revenue	2,724	3,488	3,802	4,731	**4,951**
	Profit before taxation					
	– before impairment, fair value gain and exceptional items	445	474	537	661	**712**
	– after exceptional items	468	504	571	673	**737**
	Attributable profit					
	– before fair value gain and exceptional items	264	271	295	378	**379**
	– after exceptional items	290	296	320	379	**436**
	Balance Sheet (S$ million)					
3	Net asset value	2,926	3,097	3,600	5,221	**5,283**
	Total assets employed	7,459	8,219	9,667	12,873	**13,518**
	Long-term borrowings	2,114	2,185	2,829	2,477	**3,355**
	Market Capitalisation (S$ million) at close of business on the first trading day after preliminary announcement of results	3,271	3,944	5,231	7,955	**4,308**
	Financial Ratio (%)					
	Return on average shareholders' equity					
	– profit before impairment, fair value gain, taxation and exceptional items	15.4	15.7	16.0	15.0	**13.6**
1	– attributable profit before fair value gain and exceptional items	9.2	9.0	8.8	8.6	**7.2**
2	Gearing ratio					
	– without minority interest	84.1	89.7	82.4	72.1	**83.3**
	– with minority interest	72.5	74.7	64.4	59.0	**68.6**
	Per Share					
	Profit before impairment, fair value gain, taxation and exceptional items (cents)	38.5	40.8	45.9	50.0	**51.3**
	Attributable profit (cents)					
	– before fair value gain and exceptional items	22.8	23.3	25.3	28.6	**27.3**
	– after exceptional items	25.1	25.4	27.3	28.7	**31.4**
3	Net asset value (S$)	2.52	2.65	3.07	3.77	**3.80**
	Dividend					
	– net (cents)	11.0	11.0	12.0	13.5	**13.5**
4	– cover (times)	2.1	2.1	2.1	2.1	**2.0**
	Stock Exchange Prices (S$) at close of business on the first trading day after preliminary announcement of results	2.82	3.38	4.46	5.75	**3.10**

Note:
1 Attributable profit before fair value gain and exceptional items: Profit after taxation and minority interest but before fair value gain and exceptional items.
2 Gearing ratio: Sum of bank borrowings and term loans, less fixed deposits and cash and bank balances, expressed as a percentage of shareholders' funds.
3 Net asset value: Share capital and reserves.
4 Dividend cover: Attributable profit before fair value gain and exceptional items per share divided by net dividend per share.
5 Pursuant to the approval given by the shareholders at an Extraordinary General Meeting of the Company held on 31 May 2006 each ordinary share was sub-divided into 5 ordinary shares on 4 July 2006. The above ratios for 2003 to 2005 have been adjusted from that previously reported to reflect this sub-division of ordinary shares.

Food & Beverage

Reinforcing leading market position to achieve healthy growth

Mr Koh Poh Tiong
CEO

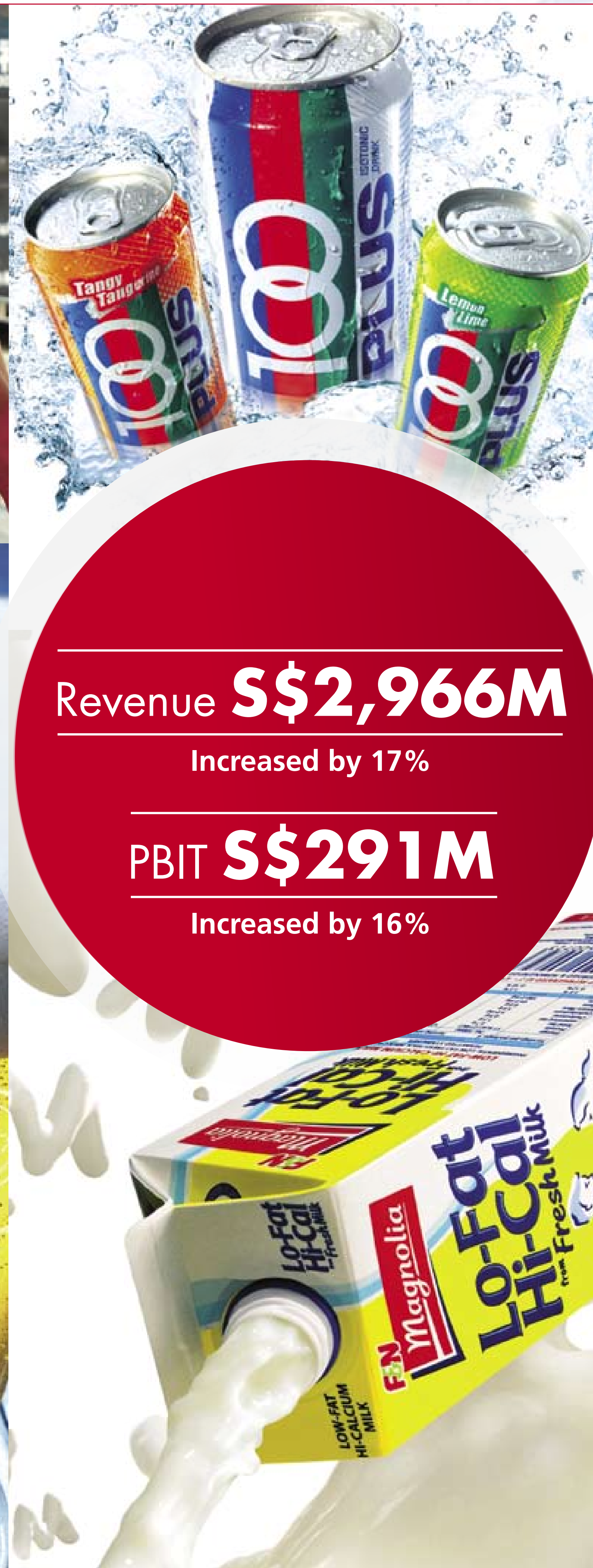
Business Overview

Against the backdrop of a challenging year, I am pleased to report significantly improved results by the Food & Beverage (F&B) business, with profit growth in almost all markets, across all divisions. Revenue leapt by 17% to S$3 billion and PBIT by 16% to S$291 million, marking our eighth consecutive year of record revenue and profits. This set of strong results was achieved despite gestation losses incurred by new start-up ventures and translation losses.

This performance was especially commendable in light of the numerous challenges facing the industry in the past year, including escalating fuel, commodity and raw material prices, a slowing global economy, rising inflation and dampened consumer confidence.

Our results affirm our long-term strategy of expanding into regional markets, investing in brands at all times, driving product innovations and cost management. Our Beer, backed by a solid base comprising a diversified network of 31 operating breweries in 13 countries, with over 40 beer brands catering to every drinking occasion, recorded S$186 million in PBIT; while our Soft Drinks, Dairies and Glass Containers, underpinned by higher festive sales and favourable product mix, recorded PBIT of S$53 million, S$36 million and S$17 million, respectively.

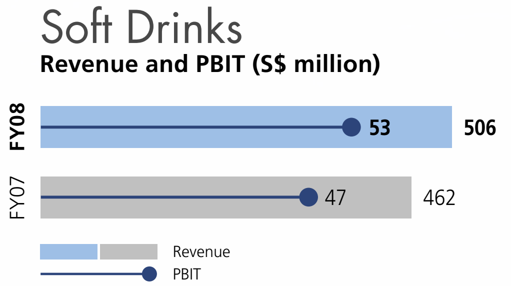
Aggressive and persistent marketing efforts enabled us to mitigate softening market conditions and weak consumer sentiment and strengthen our market position. Strong branding of soft drinks and dairies products under the "*Pure Enjoyment. Pure Goodness*" banner was the key to maximising success of new products and maintaining brand awareness of existing products. Following the successful launches of the new F&B corporate identity in Singapore, Thailand and Vietnam last year, we proceeded to roll out the new F&B identity, to unify Malaysia's soft drinks and dairies brands. All marketing activities and product portfolio in Singapore, Malaysia, Thailand, Vietnam are shaped around the core theme of this corporate F&B brand, enabling consumers in the region to identify with the Group's brands and range of products. In the beer business, we successfully launched a new through-the-line campaign, *"Enjoy Winning"*, for *Tiger* beer, to leverage on our heritage of winning.



Revenue **S$2,966M**
Increased by 17%

PBIT **S$291M**
Increased by 16%

F&N continued to be the Number 1 soft drinks company in Malaysia, with commanding category leadership in Malaysia's isotonic and carbonated soft drinks segments and a consolidated Number 2 position in the Asian drinks category.



Soft Drinks

Strengthening leadership position in a competitive marketplace

Soft Drinks continued to perform strongly. PBIT rose 13% to S$53 million on the back of a 10% growth in revenue. PBIT margin improved from 10.1% last year to 10.4% this year.

When the Malaysian government announced a hike in fuel prices and electricity tariffs, and in order to avoid dampening consumer sentiment, we made a deliberate decision to maintain the prices of our beverage products, despite higher raw material and packaging costs. To boost sales, we continued to focus on developing and providing first-class sales and efficient distribution network, and training employees to be effective brand ambassadors.

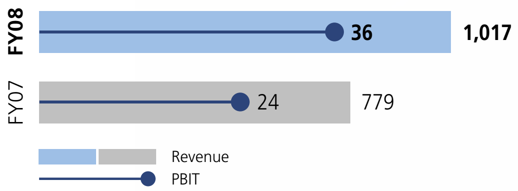
Consequently, F&N continued to be the Number 1 soft drinks company in Malaysia, with commanding category leadership in Malaysia's isotonic and carbonated soft drinks categories and a consolidated Number 2 position in the Asian drinks category.

100PLUS in Malaysia logged in a staggering market share of 90% in the isotonic segment, strengthened by extensive outreach programmes and the *100PLUS* "Live Active Campaign" to promote healthy lifestyle among Malaysians. In recognition of consumers' continued trust in the brand's consistent offerings, *100PLUS* was awarded the Reader's Digest *"Gold Trusted Brand Award"* for the fifth year running and the *"Gold Award"* in the Malaysia Brand Equity Awards 2008 in the FMCG category for turnover above RM500 million. *100PLUS* continues to be the single largest selling brand within the combined category of soft drinks and isotonic in Malaysia for three years running.

Our carbonated soft drinks in Malaysia enjoyed over 60% market share, largely dominated by the F&N and, our partner, *Coca-Cola* brands. F&N's brands continued to be the refreshment of choice, especially during major festive occasions. As an official sponsor of the Beijing 2008 Olympic Games, *Coca-Cola* enjoyed significant presence and visibility from this illustrious sporting event.

Likewise in our non-carbonated portfolio, the *Seasons* brand held strong as the Number 2 player in the Asian drinks category in Malaysia. It is also the fastest growing brand in the category. Its promotion of healthier alternatives strikes a chord with the global trend for a more wholesome lifestyle.

Dairies
Revenue and PBIT (S$ million)



Dairies

Wholesome goodness for the entire family

The Dairies division performed commendably, with the Malaysian operations achieving record growth as revenue surpassed RM1 billion for the first time. Overall, the Group Dairies volume grew strongly while revenue registered an impressive 31% growth. PBIT surged to S$36 million on the back of a robust volume growth due to the consolidation of our Malaysian tinned milk business and entry to Thailand's sizeable dairy market, following the acquisition of Nestle's tinned milk business less than two years ago. In addition, operational synergies, such as reduction of trade offers and logistics costs realised from this acquisition, helped to improve profits. The dairy business in Singapore continued to perform strongly, retaining its leading market positions particularly in the pasteurised milk, soy and juice segments. Consequently, PBIT margin improved by 14% to 3.5%.

Dairies division took a quantum leap last year with the acquisition of Nestle's Malaysia and Thailand tinned milk business, setting in motion our regionalisation plan. Besides solidifying our leadership position in the tinned milk business in Malaysia, this strategic investment provided us with immediate access to the Thai market and positioned us as one of the top 5 non-alcoholic food & beverage companies in the country and the largest tinned milk producer in South-East Asia. The acquisition also enabled us to gain entry into the largely untapped markets of Indochina which has a total consumer base of over 220 million people (including Thailand).

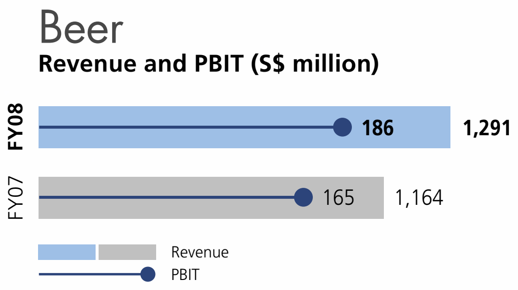
To further growth, we have invested in the construction of two new dairy plants in Pulau Indah, Malaysia and Rojana, Thailand. Ultimately, products sold in Malaysia, Indochina and Thailand will be manufactured and supplied from these world-class plants. Both production facilities are targeted to commence production within the next two years. Upon relocation, the prime Petaling Jaya site in Malaysia, where the existing dairy plant sits, will be redeveloped.

Through successful marketing strategies, we maintained our strong leadership positions in key dairy segments in Singapore and Malaysia.

Our growth and branding strategies were integral contributors to the sterling performance. Branding activities were focused on reinforcing F&N's close association with daily life and wholesome goodness for the entire family. Campaigns fostering a sense of familiarity and fondness for the brand were carried out throughout the year. Through successful marketing strategies, we maintained our strong leadership positions in key dairy segments in Singapore and Malaysia, namely, tinned milk, pasteurised milk, pasteurised juices, Asian drinks, among others. Our sweetened condensed milk further strengthened its strong leadership position in Malaysia with brands like *F&N, TEA POT* and *Gold Coin*, while in Singapore, our Asian drinks which include *F&N Nutritea* and *F&N Nutrisoy* enjoyed strong support from local consumers to maintain its leadership in this category.

Taste innovation and relevance to consumers are major factors when introducing new products. In line with the trend towards healthy living, *Fruit Tree Fresh* introduced four exotic flavours under the new *No Sugar Added* range; *Nutritea* and *Nutrisoy* added new variants, *Nutritea Barley* and *Nutrisoy Black Sesame Soya Milk; Magnolia* introduced a nutritious food drink, *Magnolia Go!*; and *Sunkist* launched a Not From Concentrate premium range, to cater to growing consumer demand for healthier food choices. In addition, a new food range, launched under *F&N aLIVE* brand was unveiled. *F&N aLIVE* Wholegrain Cereals, a full product portfolio of nutritional snack bars and whole grain cereals, was developed jointly with Sanitarium, the leading health food company and brand in Australia and New Zealand. Made mainly from wholegrain and 98% fat free, cholesterol and trans-fat free, these products are thoughtfully created to complement the busy and active lifestyles of young, health-conscious consumers.

Through APB, we manage a portfolio of over 40 beer brands and brand variants in the Asia Pacific region. During the year, we remained focused on growing our brands and market shares through market and product innovations.



Beer

Growing our regional footprint

Breweries delivered another set of strong results for the year, supported by volume and profit growth in almost all markets. Revenue jumped 11% to S$1.3 billion, while PBIT rose 12% to S$186 million, propelled by higher beer sales in almost all markets despite translation losses and gestation losses incurred by start-up ventures in India and Laos. Excluding these translation losses and gestation losses, PBIT grew 20% to S$203 million.

Through Asia Pacific Breweries (APB), we manage a portfolio of over 40 beer brands and brand variants in the Asia Pacific region. During the year, we remained focused on growing our brands and market shares through market and product innovations.

In Singapore, we continued to perform strongly during the year. Following a series of effective marketing strategies, including the broadcast sponsorship of the Barclays Premier League and support for the Barclay's Singapore Open, our beer volumes (including export) grew 6% on higher volumes of *Tiger*. Higher investments in marketing also led to the strengthening of *Tiger*'s brand equity. The new *"Enjoy Winning"* campaign was implemented, amplifying the contemporary and refreshed appeal of the *Tiger* brand in the minds of today's discerning drinkers.

Indochina, the largest contributor to APB's profit, continued to surge ahead at full throttle. Revenue jumped 17% on a 14% volume expansion and higher selling prices in Vietnam and Cambodia. PBIT grew 35% organically, excluding one-off item, gestation losses from Laos and translation losses. *Tiger* and *Heineken* continued to lead the pack of premium beer brands in Vietnam's growing beer market while *Anchor* continued to garner a good market share in the "bia hoi", or fresh beer segment, the fastest-growing category in the Vietnamese beer market. The year also saw our northern Vietnam brewery expand its production capacity by more than 50% to 460,000 hectolitres, to cater to the strong domestic and export demand for our beers. Completing our presence in Indochina, this year, we also commissioned a €23 million (S$49 million) greenfield brewery in Vientiane, Laos.

Papua New Guinea's PBIT leapt substantially by 35%, owing to a 10% rise in sales volume and improved margins from higher prices. During the year, a new mid-strength lager (3.5% alcohol by volume) called *SP Gold* and a range of locally produced and imported alcoholic beverages were introduced to widen the range of our product offerings. APB also saw improved volume in New Zealand, with *Tiger, Heineken, Monteith's* and *Tui* continuing to enjoy popularity despite intense competition and the flat beer market.

Our Malaysian brewery business registered a healthy 7% PBIT growth. Sales volume in Thailand grew 1% amid intense competition and continued regulatory restrictions on advertising and consumption. PBIT, however, dipped 5% due mainly to higher operating costs.

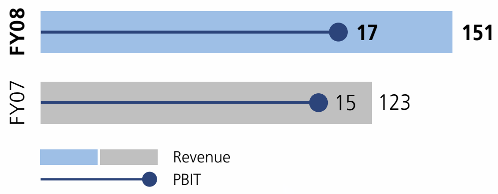
China, the largest beer market in the world in terms of volume, continued to be a challenging market with razor thin margins. Volume fell 16% due mainly to intense competition and unfavourable weather conditions. Exercising prudence, Heineken-APB (China) Pte Ltd, a joint venture company of APB, undertook a write-down on its investment in Kingway Brewery Holdings, in view of its recent performance and the uncertain economic outlook. As a result of all these factors, the China business incurred losses of S$11.3 million.

After just 15 months of operation, Mongolia registered a maiden PBIT of S$0.7 million, driven by a two-fold increase in volume. It now joins the ranks of Singapore, Malaysia, Thailand, Vietnam, Cambodia China, New Zealand, India and Laos to brew *Tiger*.

Volumes in India and Sri Lanka posted a 67% growth. However, investments in brand launches in Aurangabad, Maharashtra and gestation loss from the greenfield brewery in Hyderabad, Andhra Pradesh which started commercial operations in January 2008, have resulted in a loss of S$12 million for the year under review. During the year, locally brewed *Tiger* was launched in India; and it has since been making headway into its key cities.

The breadth and depth of our market positions, across different geographies and categories, provide added confidence to shareholders.

Glass Containers
Revenue and PBIT (S$ million)



Glass Containers

Operational efficiency for maximum results

The strong performance of the Glass Containers division can be partially attributed to higher volume from the new state-of-the-art US$43 million (S$64 million) plant in Thailand, and increased operational efficiency in China resulting from the closure of an old plant, the investment in a second furnace and the rationalisation of manufacturing facilities. In China, Sichuan Malaya Glass strengthened its position by forging strong supply relationships with multinational customers such as Heineken and Anheuser Busch. However, the Sichuan earthquake in May 2008, coupled with higher raw materials costs, has resulted in lower profits for the year.

In Malaysia, the rationalisation of Malaya Glass Products Sdn Bhd and Kuala Lumpur Glass Manufacturers Company Sdn Bhd's operations helped to streamline costs and improve the long-term profitability of the business in the face of higher operational costs. As part of a restructuring exercise, work on an additional furnace is currently underway at Malaya Glass, which will commence commercial run by the start of the next financial year. An existing furnace is also being upgraded to increase its capacity.

The volume and revenue of Malaya-Vietnam Glass Limited have been limited by capacity constraints. A market leader in Vietnam, the company maintained its premium position to sustain its profitability in a double digit inflation economy. A feasibility study is being conducted to consider further investments in the country.

Looking Ahead to FY2009

Going forward, we remain focused on our core businesses in Soft Drinks, Dairies and Beer, developing a strong portfolio of brands to suit local consumer demands within a diversified base of geographical markets. Although the economic climate in the coming year poses challenges for the F&B businesses, barring any unforeseen developments, I am optimistic that our strong financial position, strategies of maintaining operational efficiencies and bolstering market leadership through consistent branding efforts, which have proven to be a winning formula in the past years, should stand us in a good stead.

The breadth and depth of our market positions, across different geographies and categories, should also provide added confidence to shareholders in our ability to weather the current economic slowdown. Together, Soft Drinks and Dairies businesses, backed by strong brands like *F&N, 100PLUS, Magnolia, Farmhouse, Nutrisoy*, among others, in Singapore, Malaysia and Thailand; and beer, of which we have a wide footprint of 31 operating breweries in 13 countries in the Asia Pacific and supported by strong portfolio of brands, spearheaded by *Tiger* and *Heineken*, should enable us to capture growth opportunities and further strengthen our presence and performance in the region.

In addition, we will also proactively explore capacity expansion and continue to drive per capita consumption with greater product innovation and faster speed to market. Such initiatives will help us deepen our presence in markets where we are strong, particularly in soft drinks and dairies in Malaysia.

Geographically, F&N has been rapidly growing our non-beer revenue in Thailand and we hope to be able to make further in-roads into one of South-East Asia's largest markets for Soft Drinks and Dairies.

Properties

Maintaining financial prudence for sustainable results

Mr Lim Ee Seng
CEO

Business Overview

The financial crisis and credit crunch have crippled global economic health and undermined confidence. The property market was not spared the adverse effects, with prices of residential properties falling and rental easing globally.

Despite the tough operating environment, I am pleased to report that Properties division managed to achieve a modest growth in PBIT of 2% to S$457 million, excluding S$61 million fair value gain of investment properties.

Development Property remained the main contributor to Properties PBIT with S$282 million, largely from pre-sold projects in Singapore and Australia. Earnings from China and the UK, however, dipped as residential projects were completed and launches planned for the year deferred. Profit contribution of investment properties, REIT and hospitality, collectively known as Commercial Property, recorded a significant jump of 22% from S$144 million to S$175 million on strong rental growth and higher occupancy rates.

Following the adoption of FRS40 – Investment Property in this financial year, the Group posted a S$37 million in net gain from fair value adjustments of investment properties to the income statement. In addition, on prudency, we also provided a provision totaling S$26 million to the Development Property due to the general worldwide economic slowdown and declining property values.

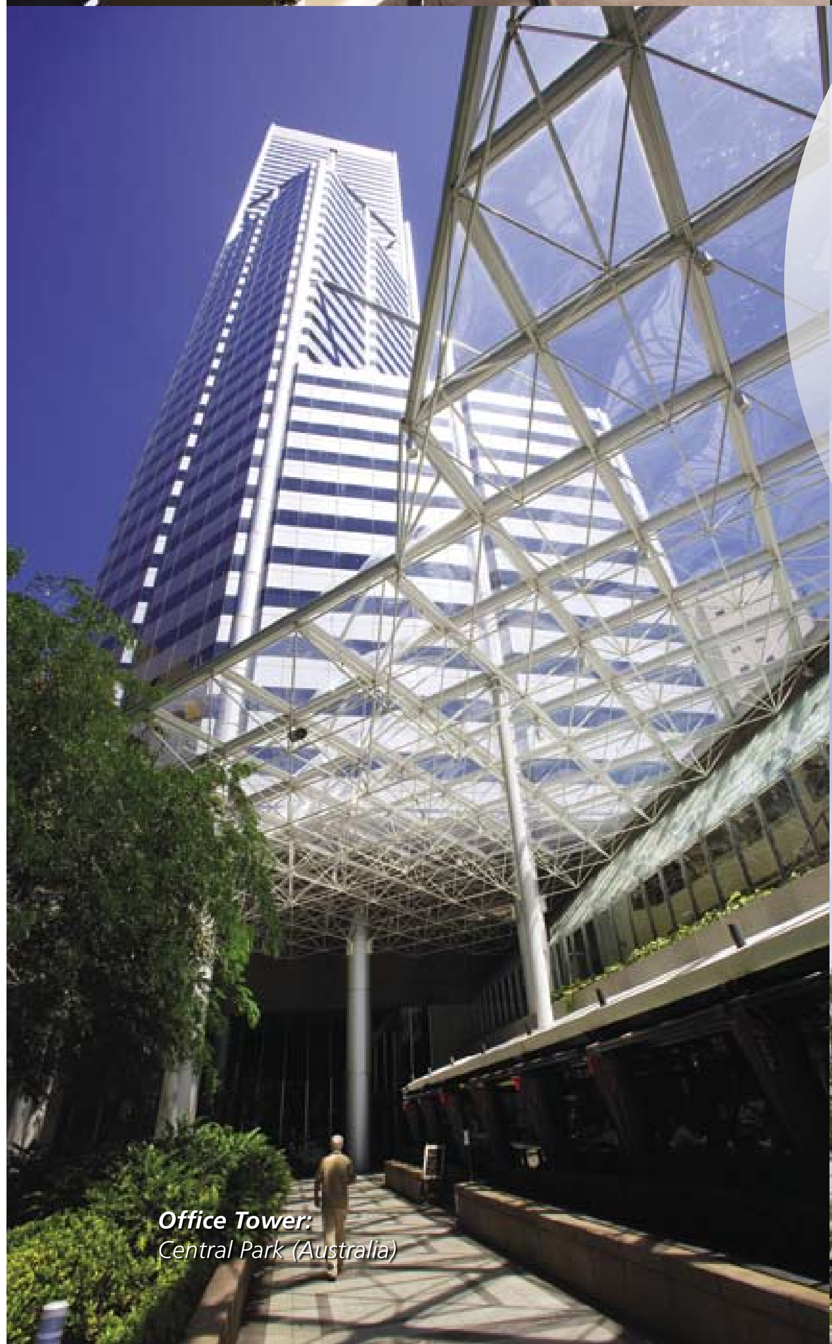
* *PBIT denotes profit before interest, taxation, impairment on investments, FRS40 fair value gain of investment properties, and exceptional items.*

Hospitality:
Fraser Suites, Sydney (Australia)

Residential:
One Leicester (Singapore)

Revenue S$1,474M
Decreased by 11%

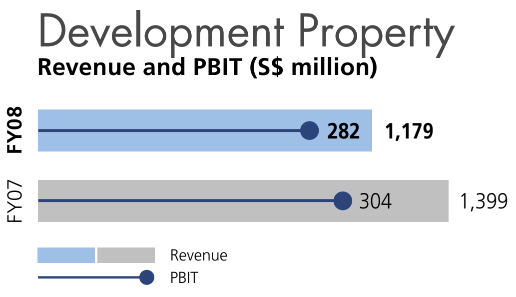
PBIT* S$457M
Increased by 2%



Office Tower:
Central Park (Australia)

Retail:
Northpoint (Singapore)

F&N now has a land bank to build approximately 1,900 homes over the next two to three years, with the bulk of the land bank catering to the mass market segment.



Development Property

Unmatched quality homes around the world

Frasers Centrepoint Homes – Singapore

This year, temporary occupation permits for The Azure, Quintet, One Leicester and The RainTree were obtained. We also proceeded with the launch of the 405-unit Waterfront Waves near Bedok Reservoir, the luxurious 302-unit Martin Place Residences located at River Valley, and the leasehold 110-unit Woodsville 28 located at Potong Pasir. Waterfront Waves, the Group's joint venture project with Far East Organization, was launched in February 2008 and achieved a laudable 35% sales by the end of the financial year. Woodsville 28 too, turned in a commendable performance despite the sluggish market, selling 19% of its 110 units since its launch in July 2008.

Together with previously launched developments such as Soleil @ Sinaran and Holland Vale, some 313 units were sold in Singapore.

Through selective replenishment of our land bank, this year the Group added 1.1 million square feet of developable area, or over 900 condominium units to our Singapore pipeline – the 99-year leasehold Boon Lay Way/Lakeside Drive site at S$205.6 million and 99-year leasehold Woodleigh Close at S$88 million. Both sites are conveniently located near MRT stations and have direct access to major arterial roads and expressways.


The Azure (Singapore)

In particular, the Boon Lay Way/Lakeside Drive site is expected to benefit from URA's 2008 masterplan to transform the Jurong Lake district into a unique lakeside destination for business and leisure. The new plans envision a vibrant commercial hub with a good mix of office, retail, residential, hotel, entertainment and food & beverage uses. It will boast the development of unique leisure attractions around Jurong Lake and become the largest commercial hub outside the city centre.

Following these acquisitions, F&N now has a land bank of approximately 2.5 million square feet of potential gross floor area to build approximately 1,900 homes over the next two to three years, with the bulk of the land bank catering to the mass market segment.

Singapore residential

Projects Currently Under Development

Projects	No. of units	Percentage sold	Percentage of completion	Est/Completion date
The Azure	116	100%	100%	Completed
One Leicester	194	100%	100%	Completed
The Raintree	317	100%	100%	Completed
The Infiniti	315	100%	92.0%	4Q 2008
One Jervois	275	100%	64.0%	Dec 2011
One St Michael's	131	100%	71.0%	2Q 2009
ClementiWoods	240	100%	44.0%	Dec 2010
St. Thomas Suites	176	100%	29.0%	Aug 2010
Soleil @ Sinaran	417	89%	21.0%	May 2011
Projects launched in FY2008	**No. of units**	**Percentage sold**	**Percentage of completion**	**Est/Completion date**
Martin Place Residences *	302	9%	10.0%	May 2011
Waterfront Waves	405	35%	5.0%	4Q 2011
Woodsville 28	110	19%	–	Nov 2011

** Soft preview*

Singapore Land Bank

Singapore land bank	Location	Est no. of units	Est saleable area (mil sqf)	Tenure	Est launch date
Bedok Waterfront * (remaining phases)	Bedok Reservoir	544	0.74	99 years	2010
Flamingo Valley	Siglap	320	0.49	Freehold	2010
Lakeside Drive	Boon Lay	712	0.86	99 years	1Q 2009
Sirat Road	Yio Chu Kang	68	0.08	Freehold	2Q 2009
Woodleigh Close	Serangoon	300	0.33	99 years	2Q 2009
TOTAL		**1,944**	**2.50**		

** 50:50 joint venture with Far East Organization; effective share*


CUB Site, Broadway (Australia) (artist's impression)

Frasers Property – Overseas

A key highlight for the financial year in Australia was Frasers Centrepoint Limited's (FCL) proposal to create the first-of-its-kind, six-green-star urban quarter with world-class architecture and sustainability initiatives at the 2.5 million square feet mixed development site situated in the former Calton United Breweries (CUB) site in Broadway, Sydney. The main sustainability features for this project include tri-generation, design efficiency, green rooftops, smart metering and solar powered public spaces as well as a comprehensive water recycling scheme. Helming the project is an international architectural team featuring world-renowned Foster + Partners and Ateliers Jean Nouvel.

Properties

Trio, City Quarter (Australia)

Lumiere Residences (Australia)

In line with the sustainability theme, we are making creative use of three warehouses on the property for an exciting community arts initiative – 'FrasersStudios', a temporary artists' studio space. One of the warehouses is now a three-level visual arts studio, with adjoining performance spaces. From street art to sculpture to poetry and performance, artists at FraserStudios offer an eclectic mix of art practice, with regular 'open studio' days. FraserStudios was launched by the Lord Mayor of Sydney in mid-October 2008.

Also in Australia, we launched the 403-unit Trio at City Quarter and the 40-unit Lorne Killara boutique development in New South Wales. Response for Trio was encouraging with 65 units sold while three units were sold at Lorne Killara.

The first Foster + Partners designed residential project, Lumiere Residences at Regent Place, Sydney, was completed in the financial year and won numerous accolades, including the High Density Housing category in the Urban Design Institute of Australia NSW Awards 2008. Lumiere Residences has also been shortlisted for the World Architecture Awards 2008. A total of 99 units were sold this year, bringing the total number of units sold cumulatively to 342 out of 456 units.

In China, all Jingan Four Seasons' residential units have already been handed over to the purchasers. Phase 1 of the scenic Songjiang Four Seasons development was successfully launched in late July 2008, comprising 136 units of terrace and semi-detached houses. With an average selling price of approximately RMB12,000 per square metre, the project was well received with 89 units sold as at 30 September 2008.

In the UK, the fully-sold 70-unit apartment Vincent Square development was completed in the financial year. Enhanced planning approval for Phase 3 of Wandsworth Riverside Quarter was obtained, increasing the number of residential apartment units to 395 units from 200 units. Phase 1 and 2 of Wandsworth Riverside Quarter have already been fully sold and completed.

In Thailand, works are progressing as planned at the luxurious The Pano high-rise condominium situated by the picturesque Chao Phraya River with completion slated in 2009. The project is a joint-venture with Krungthep Land and about 67% of the 397 apartment units have been sold at the end of the financial year.

Together with our overseas partners, we have a pipeline of an estimated 17,000 homes and 7.8 million square feet of commercial space for development over the next six years.

Lumiere Residences (Australia)

Wandsworth Riverside Quarter (UK)

Songjiang Four Seasons (China)

Properties

The Pano (Thailand)

Properties Currently Under Development

Projects	Effective interest	No. of units	Percentage sold	Saleable area (mil sqf)	Percentage completion	Est/ Completion date
Australia						
Lorne Killara (NSW)	75.0%	40	8%	0.07	100%	Completed
Lumiere Residences (NSW)	80.5%	456	76%	0.67	100%	Completed
Trio, City Quarter (NSW)	87.5%	415	16%	0.43	38.7%	Sep 2009
China						
Songjiang Four Seasons (Ph 1A)	72.2%	136	65%	0.97	–	Jun 2009
United Kingdom						
Lumiere Leeds	23.0%	608	60%	0.29	–	Jun 2012
Ferry Village, Renfrew	25.6%	190	13%	0.17	–	Nov 2011
Granton Harbour	25.6%	120	1%	0.11	–	Jun 2011
Water Street, Edinburgh	25.6%	44	23%	0.05	–	Dec 2008
Collins Theatre, Islington	51.2%	72	–	0.08	100%	Completed
Shoppenhangers Road, Maidenhead	51.2%	28	–	0.03	–	Dec 2008
Wandsworth Riverside Quarter (Ph 3)	51.2%	395	2%	0.46	–	Sep 2012
Thailand						
The Pano	69.6%	397	67%	0.67	52.2%	Oct 2009

Land Bank

Australia/New Zealand land bank	Effective interest	Type of development	Est no. of units	Est saleable area (mil sqf)
Broadview Rise (NZ)	75.0%	Residential	24	0.06
Coast at Papamoa (NZ)	67.5%	Residential	686	1.10
CUB site, Broadway (NSW)	75.0%	Mixed-use	1,300	2.53
Frasers Landing (WA)	56.3%	Mixed-use	1,350	1.61
Killara Pavilions (NSW)	75.0%	Residential	66	0.09
Parramatta River (NSW)	75.0%	Residential	550	0.50
Queens Riverside (WA)	87.5%	Mixed-use	288	0.53

China	Effective interest	Type of development	Est no. of units	Est saleable area (mil sqf)
Chengdu Logistics Park	80.0%	Commercial	NA	6.29
Haitang Bay, Hainan	100%	Residential	230	0.73
Shenyang site**	56.2%	Commercial	NA	2.02
Songjiang Four Seasons*	72.2%	Residential	7,500	8.87
Suzhou Baitang	100%	Residential	4,000	5.92

** First phase of Songjiang Four Seasons comprising 136 units*
*** Shenyang site is subject to the resettlement of its existing occupants and vacant possession is anticipated in Jan 2010*

FPUK* projects under planning	Effective interest	Type of development	Est no. of units	Est saleable area (mil sqf)
Shrubhill, Edinburgh	25.6%	Residential	356	0.28
Brown Street, Glasgow	51.2%	Residential	288	0.24
Berry Works, Baildon	51.2%	Residential	120	0.08
Camberwell Green, London	51.2%	Residential	130	0.13
143 – 161 Wandsworth Road, London	51.2%	Residential	94	0.09

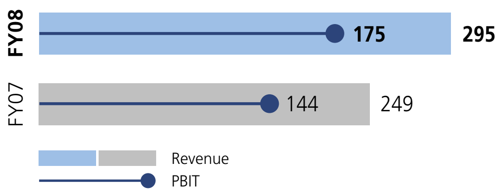
** F&N has an effective interest of 51% in Frasers Property (UK) (FPUK)*

Suzhou Baitang (China) (artist's impression)

Properties

This year, we embarked on several strategic asset enhancement initiatives to reinvigorate and maximise the potential of our existing assets.

Commercial Property
Revenue and PBIT (S$ million)



Commercial Property

Building an integrated real estate model

Fund & Asset Management

Frasers Centrepoint Trust (FCT), our retail real estate investment trust (REIT), continued to deliver strong results, buttressed by its solid portfolio, strong balance sheet and a committed management team. FCT's gross revenue rose by 9% to S$85 million while distributed income grew 12% to S$45 million. Distribution per unit to unitholders was up by 11% over the previous year, totaling 7.3 cents in FY2008. These impressive results were achieved on the back of strong rental renewals, rental uplift from a rejuvenated Anchorpoint, as well as higher distributions from its associate company, Hektar REIT.


Anchorpoint (Singapore)

This year, we embarked on several strategic asset enhancement initiatives to reinvigorate and maximise the potential of our existing assets. Following extensive enhancement works, Anchorpoint was successfully relaunched in May 2008 with rentals improving by 41% and shopper traffic increasing by 17%.

Enhancement works for Northpoint (NP) kicked off in January 2008 with expected completion by June 2009. To date, close to 90% of NP's post enhancement net lettable area has been committed with an average 20% increase in projected rentals. When completed, NP will be fully integrated with its new wing, Northpoint Extension (NPE) to create a seamless shopping mall with a net lettable area of approximately 232,000 square feet. NPE received its temporary occupancy permit in October 2008.

In August 2008, the Group acquired a 17.7% stake in Allco Commercial REIT (renamed Frasers Commercial Trust (FCOT)) and 100% of the REIT's manager. The acquisition served as a platform to realise the value of our office and industrial assets, as well as to create critical mass for our commercial property business ambitions. FCOT has a commercial property portfolio worth S$1.8 billion spanning Singapore, Australia and Japan. The portfolio includes prime Central Business District (CBD) offices in Singapore and quality assets such as Central Park, the tallest building in Perth. Our existing portfolio of commercial assets worth S$700 million will form the pipeline to fuel FCOT's future growth.

List of commercial properties

Properties	Effective interest	Location	Net lettable area (sqf)	Occupancy (%)	Total traffic count (million)	Book value (S$ million)
Singapore						
Anchorpoint	52.1%	Alexandra (suburban)	72,000	100%	2	S$67.00
Causeway Point	52.1%	Woodlands (suburban)	418,543	100%	29	S$710.00
Northpoint	52.1%	Yishun (suburban)	149,243	60%#	16	S$286.00
Robertson Walk	100%	Mohammed Sultan	97,605	89%	–	S$243.00
The Centrepoint *	100%	Orchard Road	331,722	99%	15	S$629.00
Valley Point (Retail)	100%	River Valley	39,817	100%	–	S$423.70
Compass Point +	–	Seng Kang	266,586	100%	16	NA
Overseas						
Bridgepoint Shopping Centre	100%	Australia	73,130	99%	3	S$50.29
Crosspoint	100%	China	309,720	70%	NM	NM
Inpoint	100%	China	105,345	94%	NM	NM
Malls under development						
Bedok Mall	100%	Bedok	83,000	NA	NA	NA
Northpoint Extension	100%	Yishun	83,000	NA	NA	NA
Total retail			**2,029,711**			
Singapore						
Alexandra Point	100%	Alexandra	198,142	100%	NA	S$161.70
Alexandra Technopark	100%	Alexandra	1,048,157	98%	NA	S$373.70
Valley Point (Office)	100%	River Valley	182,308	94%	NA	S$169.00
Oversea						
Me Linh Point	100%	Vietnam	190,995	100%	NA	S$64.59
Sohu.com Internet Plaza	56.2%	China	159,520	100%	NA	S$46.08
Vision (Shenzhen) Business Park	56.2%	China	1,696,500	99%	NA	S$148.55
Total office and hi-tech business parks			**3,475,622**			

+ Managed by Frasers Centrepoint Group
** Floor space excludes new wing, comprising of 59,000 square feet which is owned by MCST*
 # Not meaningful as Northpoint was under asset enhancement


Valley Point (Singapore)


Bedok Mall (Singapore) (artist's impression)

The Centrepoint (Singapore)

Investment Property

In addition to REITs, the Group's portfolio of investment properties covers over 1.2 million square feet of retail space, close to 3.5 million square feet of office and hi-tech business space and about 246,000 square feet of retail space under development in Singapore and overseas. The portfolio comprises six local and three overseas retail malls, four office towers and two hi-tech business parks in Singapore, China and Vietnam.

PBIT from Investment Property improved 13% to S$79 million due to increased revenue, driven by positive rental reversion and higher occupancy rates across the portfolio. The average occupancy rate as at 30 September remained healthy.

The local retail portfolio, comprising The Centrepoint, Compass Point, Robertson Walk, and Valley Point, enjoyed another strong year of almost 100% occupancy. Average rentals from shops, casual leasing and revenue from carparks continued to be on an upward trend.

Demand for our local offices and hi-tech business park remained strong with the properties achieving full or almost full occupancy. It was also another good year for our retail mall and office in Sydney and Ho Chi Minh City. Bridgepoint Shopping Centre registered very high occupancy levels, whilst Me Linh Point Tower was fully occupied.

Two retail malls in China, Inpoint in Shanghai and Crosspoint in Beijing, opened for business in May and June 2008 respectively. With their strategic locations, attractive tenant mix and strong centre management, the malls are enjoying healthy shopper traffic flow.

The construction of our 5.8 million square feet Chengdu logistics park remains on track despite the Chengdu earthquake.

Our overseas investment properties also include the Vision Shenzhen Business Park which is running close to full occupancy.

Crosspoint (China)

Inpoint (China)

Frasers Hospitality

Our hospitality arm, Frasers Hospitality Pte Ltd, has been a leading international Gold Standard serviced apartment owner and manager since its inception in Singapore in 1998. From a modest 412 apartments in two flagship properties locally, we have since expanded into major gateway cities of the world spanning Australia, North Asia, South-East Asia, Europe and the Middle East. It targets to have about 8,500 apartments in its fold by 2010.

This year, our hospitality operations continued to record healthy growth, with the number of properties managed increasing from 18 last year to 29. New sign-ups of management agreements in cities such as Vietnam, Indonesia, Japan, Hong Kong and India were added to our portfolio, bolstering the number of apartments managed and to be managed to over 8,000, a 48% increase over the previous year.

A slew of 11 properties was opened in quick succession – Fraser Residence Blackfriars London, Fraser Residence Monument London, Fraser Residence Beijing, Fraser Suites Hong Kong, Fraser Suites Nanjing, Fraser Place Tokyo – East Tower, Fraser Place Tokyo – West Tower, Frasers Suites Hanoi, Fraser Residence Shanghai, Fraser Suites Shanghai and Fraser Suites Beijing.

Frasers Hospitality's brand offerings of Fraser Suites, Fraser Place and Fraser Residence have consistently achieved occupancy of 80-90%. The Year-on-Year revenue increase was 20% with a Compounded Annual Growth Rate (CAGR) of 23.8% over the last five years. This was partly due to higher rates achieved for our two flagship operations, Fraser Suites and Fraser Place Singapore, increased occupancy at Fraser Suites Sydney, and better rentals from Fraser Place Manila, which we acquired in end June 2007.

Frasers Hospitality signed nine Memorandums of Understanding with owners in New Delhi, Hyderabad, Bangalore, Pattaya and Ho Chi Minh City to manage a total of 1,088 serviced apartments. Nine management contracts were also secured to manage apartments in Edinburgh, Jakarta, Osaka, Pattaya, Shanghai, Beijing, Tianjin, Guangzhou and Kuala Lumpur. This will add approximately 1,424 apartments to our exiting portfolio (in operations and sign-ups) of over 8,000 apartments.

Frasers Hospitality has been a leading international Gold Standard serviced apartment owner and manager since its inception.

Fraser Suites, Hanoi (Vietnam)

Fraser Suites, Sydney (Australia)

Fraser Suites, CBD Beijing (China) (artist's impression)

Fraser Place, Shinjuku (Japan)

Fraser Suites, Urbana Sathorn (Thailand)

Hospitality

Serviced Residences: Properties in Operations

Country	Property	Equity (%)	No. of units	Occupancy (%)
Australia	Fraser Suites, Sydney	81	202	71%
China	Fraser Suites, Beijing	100	357	NM
	Fraser Place, Shekou	0	232	92%
	Fraser Residence, Shanghai	0	278	NM
	Fraser Suites, Shanghai	0	317	NM
	Fraser Residence, CBD East, Beijing	0	228	NM
	Fraser Suites, Nanjing	0	210	NM
France	Fraser Suites, Paris	0	134	74%
	Fraser Suites, Le Claridge, Paris	0	110	68%
Hong Kong	Fraser Suites, Hong Kong	0	87	NM
Japan	Fraser Place, Shinjuku, East Tower, Tokyo	0	175	NM
	Fraser Place, Shinjuku, West Tower, Tokyo	0	209	NM
London, UK	Fraser Place, Canary Wharf	33	63	90%
	Fraser Place, Chelsea	26	30	86%
	Fraser Suites, Kensington	26	69	80%
	Prince of Wales	0	18	70%
	Fraser Place, Queens Gate	0	106	83%
Philippines	Fraser Place, Manila	0	77	96%
		100	69	96%
Scotland	Fraser Suites, Glasgow	33	99	65%
Singapore	Fraser Place, Singapore	100	161	90%
	Fraser Suites, Singapore	100	251	90%
South Korea	Fraser Suites, Seoul	0	213	88%
	Fraser Place, Central Seoul	0	233	83%
Thailand	Fraser Place, Langsuan, Bangkok	0	134	79%
	Fraser Suites, Urbana Sathorn, Bangkok	0	140	56%
	Fraser Suites, Sukhumvit, Bangkok	0	163	45%
Vietnam	Fraser Suites, Hanoi	0	170	NM
Total no. of rooms in operations			**4,535**	

Looking Ahead to FY2009

While Singapore's fundamentals remain strong and well structured, its economy is dependent on the economic health of the US and its key trading partners. Many businesses in Singapore, including the property sector, have been affected and will need to brace themselves for a challenging year ahead.

On a more positive note, governments around the world recognise the need to get credit flowing again and have made quick and direct massive infusions of new equity into beleaguered banks, as well as commitments to other emergency measures. This should work to improve the credit availability situation heading into 2009. Despite the current turmoil, long term economic fundamentals of Singapore and Asia remain robust, with rapid urbanisation and new migration patterns driving housing demand.

Going forward, the economic climate in the coming year will certainly pose challenges for the Property business. With the astute strategic focus of our management and proven records to weather economic downturns, I am confident that, together, we can work together to ride out this storm and emerge even stronger.

Residential Property

We will continue to focus on successful execution and timely completion of our fully-sold residential development projects, namely The Infiniti, One Jervois, One St Michael's and ClementiWoods in Singapore. Although sales of residential units have been slower in FY2008, we do not see significant earnings weakness in the coming year as revenue from pre-sold projects continue to be realised.

With a diversified portfolio of 25 million square feet of potential saleable area to build approximately 19,000 homes in Singapore, Australia, China and the UK over the next two to six years, we will continue to adopt a selective acquisition and investment strategy in key markets of Singapore, China, Vietnam and India.

Our land banks in Singapore are primarily in the mass-market segment, with land cost of less than S$270 per square feet. Overseas, the land costs are also reasonably low. Moving forward, we will actively monitor the market conditions and selectively launch projects. With lower construction cost projected in the coming months, we are confident that these projects, when launched, will continue to deliver healthy margins.

For future growth over the medium term, our business development efforts will be channelled towards key growth markets in emerging Asia such as China, India and Vietnam.

Trio, City Quarter (Australia)

Alexandra Point (Singapore)

Commercial Property

Given the current uncertain global business climate, we expect demand for office space outside the CBD to remain healthy, since businesses in Singapore, especially MNCs, have adopted a more cautious attitude and are exploring lower-cost solutions. Our commercial investment properties in Singapore have a stable mix of high quality tenants, with less than 10% of our gross rental income coming from tenants in the banking, insurance and financial sectors. Despite the economic uncertainties, we expect to see some positive rental reversion as our properties are located on the fringe of CBD while our current locked-in rates are significantly lower than prevailing market rates.

FCT's portfolio of suburban malls provide highly defensive cashflows as the assets are strategically located close to major transportation nodes, serve large catchment populations, and house tenants which cater mainly to non-discretionary spending in goods and services. Coupled with the stability of a lowly geared capital structure, FCT is well positioned to continue generating strong and sustainable income in the coming year.

FCOT's diversified portfolio of office properties located in Singapore, Australia and Japan features a long weighted average lease expiry with many leases contracted to strong MNCs and government tenants. The primary objective of FCOT management over the coming year is to consolidate operations; focusing on active asset management, capital management and stabilisation of the more recent property acquisitions.

Hospitality

Our Hospitality business has also demonstrated resilience in previous economic downturns. While we expect a global decline in business travel, we will benefit from companies who are looking to pull their expats from long-term leases to serviced apartments with extended-stay packages.

Moving forward, Frasers Hospitality will continue with its management fee-based approach, which is non-capital intensive. Economies of scale would be realised through increased footprint and from managing multiple properties within the same city. It targets to have about 8,500 apartments in its fold by 2010. Emerging economies like India, China and Vietnam will continue to provide support for demand for serviced residences and be our key growth markets. Key gateway cities in Europe and the Middle East are also target locations.

Publishing & Printing

Growing our global presence

Dato' Ng Jui Sia
CEO

Business Overview

I am pleased to announce that our education publishing recorded another stellar year, achieving 10% growth in revenue and 37% in PBIT respectively. Our mathematics textbooks have made headway in the US market as well as the Middle East, Latin America and South Africa.

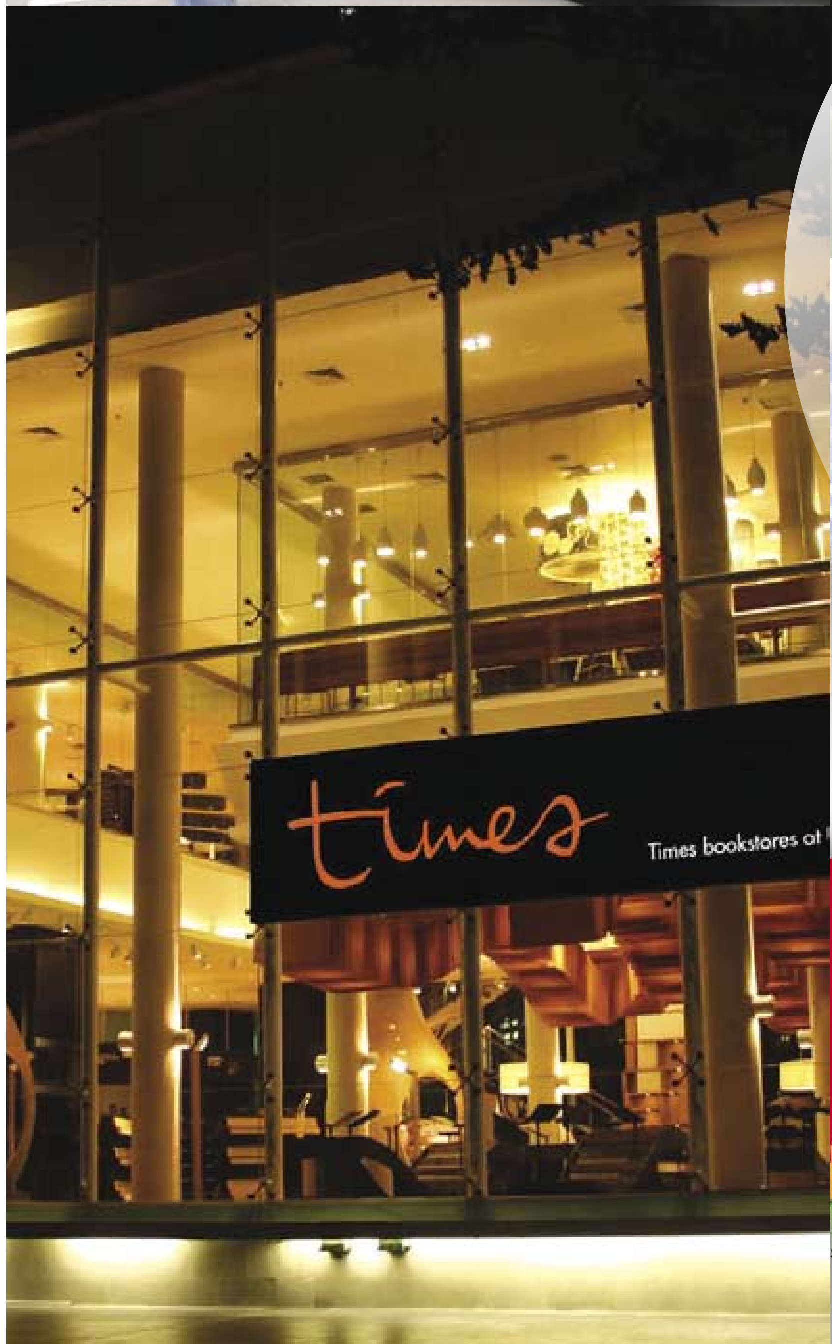
Our performance was laudable in light of the challenges faced during the year. Oil price hikes and surging raw material costs translated into margin reductions for our printing arm and high freight costs also made its impact on our distribution business.

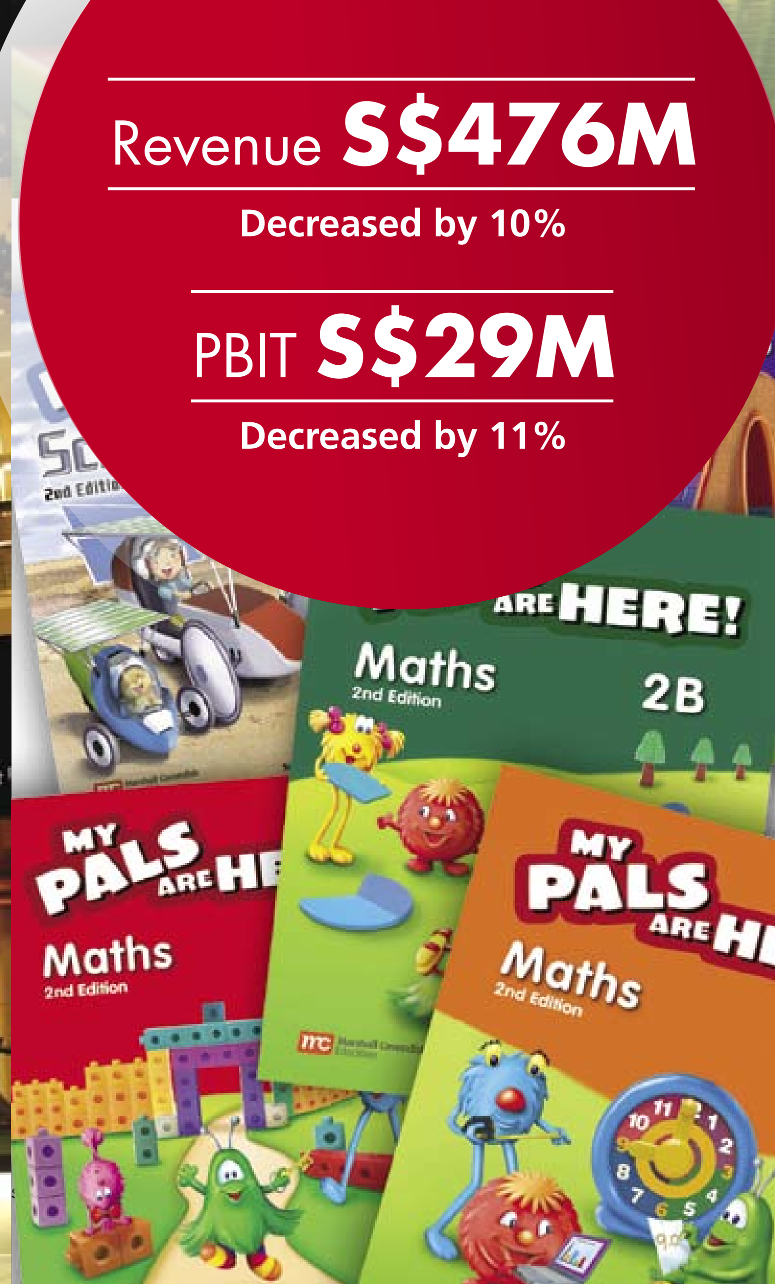
Nevertheless, Times Printers Group rose above these challenges to report revenue growth of 7%. Notably, Times Printers in Singapore for the first time, surpassed the S$100 million revenue mark.

In the year under review, we conducted a strategy review with the objective of identifying and creating new opportunities of growth to provide superior returns to our shareholders. Rationalisation exercises on non-core and under-performing units also yielded benefits.

For education publishing, we continued to implement our export strategy, by expanding our footprint in major growth markets such as Latin America, Europe, Africa, the US, Middle East and the emerging economies in Southeast Asia.

For the print, distribution and retail arms, we focused on improving operational efficiencies, such as optimising our utilisation of assets, enhancing procurement and inventory management, and better coordinating group purchasing of key input materials.





Revenue **S$476M**

Decreased by 10%

PBIT **S$29M**

Decreased by 11%

An enrichment programme, Marshall Cavendish Learning Curves, was developed with the objective of extending and broadening the school curriculum.

Publishing

Stamping our mark on the international publishing scene

Marshall Cavendish continued to bolster its leadership position, particularly in the educational arena, via its expansion efforts in the Middle East, Latin America and South Africa. Both in Malaysia and Thailand, the educational business performed beyond expectations, posting a 41% and 9% increase in revenue over the previous year, despite challenging market conditions.

In Hong Kong, Manhattan Press targets to launch textbooks for the New Senior Secondary (NSS) in the academic year beginning in September 2009. This move is aimed at sustaining our lead in the senior secondary school book market.

Locally, both Marshall Cavendish Education and Panpac Education continued to deliver outstanding results in FY2008, maintaining significant market share for the Primary Mathematics, Science and Mother Tongue, Secondary Mathematics, Upper Secondary Sciences, Aesthetic and Humanities segments.

An enrichment programme, Marshall Cavendish Learning Curves, was developed with the objective of extending and broadening the school curriculum. Incorporating two existing competitions – Budding Writers and Words + Art – the programme aims to bridge the gap between core curriculum in schools and enrichment programmes.

During the year, Marshall Cavendish acquired Summertown Publishing in the UK to enhance its English Language Teaching (ELT) programme and to build on its global distribution strength.

The business directories sector turned in equally successful results, continuing its growth momentum in Singapore supported by the buoyant construction, marine, chemicals, exhibition, and convention industries. Growing in tandem with the print directories, the online directories also saw a significant growth in advertisement support.

In FY2008, Marshall Cavendish published a number general books that are successful and high profile titles. Noteworthy were Snakes & Devils – a History of the Singapore Grand Prix. The CultureShock! series celebrated its 30th anniversary with a re-launch. The internationally successful series has sold four million copies worldwide and will have its own television series in 2009.

The library market in the US saw a decline in sales, but the silver lining was the winning of the ALA Notable citation, the Children's Choice Award and the Texas Bluebonnet Award by Marshall Cavendish Children's books.

Following its launch last year, A Child's First Library of Learning under the home & library reference recorded impressive growth. Sold in 24 markets, the product will be available in six languages: English, Mandarin, Cantonese, Thai, Indonesian and Arabic by mid-2009. At the recent Hong Kong Book Fair and Baby Fair, home and library reference materials turned in record numbers in retail sales.

Times Printers was once again conferred several medals at the Asian Print Awards 2008.

Printing

Maintaining a leadership position through quality

For its exemplary standards, Times Printers was once again conferred several medals at the Asian Print Awards 2008. Quality and environmental certifications were the key focus for its plants. The plants in Singapore, Malaysia and Guangzhou achieved certifications in the Forestry Stewardship Council Chain-of-Custody (FSC), Programme for the Endorsement of Forest Certification (PEFC) and International Council of Toy Industry (ICTI). These certifications were in addition to the ISO 9001-2000 Quality Systems certification held for many years.

New equipment and facilities, such as heat-set web offset and post-press equipment, were also installed to augment the quality and service capabilities of the plants. The two-year-old joint venture packaging printing plant in Shanxi managed to penetrate new segments of the packaging market and is on track to break even in the new financial year.

In FY2008, Times Printers entered into joint ventures with Starprint Production and JCS Digital Solutions, both of which

not only contributed positively to its financial results but also enabled the division to diversify into other print value-adding print services.

Associate company, Fung Choi Media Group achieved growth across all its business segments, with a total revenue increasing by 14% to HK$1.4 billion and net profit reaching HK$201 million.

Times Bookstores kicked off FY2008 with a bang – a brand new look and brand new stores across Singapore, Malaysia, Macau and Indonesia.

Distribution

Enhancing operational efficiency for premium results

Higher freight costs affected book and magazine sales imported from the US, UK and Australia. While the relative weakness of US and UK currencies helped offset costs, the Australian dollar was unfavourable to the import business.

Demand for books in Singapore surpassed last year's record levels but the numbers for Malaysia dipped significantly. Pansing's bestselling title for the year was the Pokemon Annual, with 10,000 copies sold. The magazines business in Singapore, Malaysia and Hong Kong turned in respectable results, contributed by the increase in distribution of titles and expansion into non-magazine products like trading cards.

The year also saw a major relocation of the company's warehouse operations to a new and more efficient facility and setup as part of an ongoing exercise to improve business process and assets utilisation. Provision for sales returns was adjusted to reflect undergoing market environment.

Musicway Corporation, a technology and lifestyle accessories distribution company of our Australian subsidiary Rainbow Products, enjoyed a profitable year. The high order fill rate of popular consumer electronics accessories by national retail chains led to the favourable results.

Retail

New approaches to keep pace with customer needs

Times Bookstores kicked off FY2008 with a bang – a brand new look and brand new stores across Singapore, Malaysia, Macau and Indonesia. The core proposition of the new Times Bookstores' brand focuses on the customer. Its contemporary identity embraces a customer-centric experience where comfort, convenience and good service are paramount.

Times Newslink, a joint venture between Times Bookstores and Lagardere Services Asia Pacific, operates bookstores and children's concept stores at Singapore Changi Airport. In October 2007, it unveiled Kaboom at Changi Airport Terminal 2. Targeted at children and the young at heart, Kaboom sets itself apart from other children's stores by focusing on creative learning products which fuse education with play.

Pacific Bookstores operates the largest chain of school bookshops with over 100 outlets in primary, secondary and junior colleges with new outlet acquisition during the year. Enhancements were made to its school on-line ordering system which improve fulfillments and logistic efficiency.

Looking Ahead to FY2009

Moving forward, the publishing business will persist with efforts to cement its leadership position and capture a larger market share across geographies, as well as optimise publishing investments.

Times Printers will continue to review and assess the newly emerging markets in Vietnam, India, the Middle East and Africa, with a view to tap into these growing print markets. It will also explore avenues to reduce print costs and has embarked on a rebranding exercise to become more relevant to its customers. The current economic downturn in our key export markets of the US, Europe, and Australasia will put pressure on our printing category, and currency volatility may affect contracts denominated in foreign currency.

In the coming year, Times Bookstores will open its largest Singapore outlet at Tampines One. In addition to its usual offerings, the store will feature a wide selection of educational books, as well as quality assessment books and study guides.

As the global economic slowdown intensifies in the coming year, we are ready to meet upcoming challenges by drawing on our competencies and reputation to build a strong network of customers and expand our reach.

Corporate Social Responsibility

At F&N, CSR is led strongly by the Board. At the operating levels, CSR risks and opportunities are also taken into account through our annual business review and planning processes.

The F&N Group is committed to fulfilling our social responsibilities with respect to the people, society and environment in which we operate. We recognise that Corporate Social Responsibility (CSR) calls for good business practices and meaningful contributions to the community, and is necessary for sustainable long-term value creation.

At F&N, CSR is led strongly by the Board. At the operating levels, CSR risks and opportunities are also taken into account through our annual business review and planning processes, to realise these commitments at local level and day-to-day operation of the business.

Community

Our employees continued to participate in numerous endeavours aimed at providing opportunities for civic, economic and educational growth for members of the community.

One example is the F&N Out-Do-Yourself Award where it recognises Malaysia's unsung heroes in the spheres of nation building, sports, academic and business performances. Another nation-building event F&N participated in was the Rukun Negara campaign, where the Rukun Negara label was printed on approximately 11 million cans of *F&N Vitaminised*, *F&N Sweetened Creamer* and *Gold Coin Creamer* combined.

As part of the 'Milk Loves You!' campaign, F&N made a Feed-A-Child Pledge to nourish 400 underprivileged children with a daily supply of milk for over six months, to ensure that they received a steady source of much-needed calcium, protein, vitamins and essential minerals. F&N also brought early Ramadan cheer to the orphans and single mothers with RM20,000 worth of Ovaltine products and a high tea. The orphans and disabled children also received RM19,000 worth of cash along with a day filled with fun and games.

Another ongoing project targeting needy children was the team building programme where a series of team building exercises were introduced to help boost self-confidence, develop a sense of camaraderie and foster racial unity among underprivileged children.

The aged too received attention from F&N in the form of Chinese New Year cheer. The residents of the Penang Home for the Infirm and Aged were treated to a sumptuous luncheon, a lion dance performance, mandarin oranges, ang pows, F&N products, cash donations and a brand new television set.

F&N Coca-Cola remains a prominent sponsor of some of Malaysia's most popular sporting events. This year, *100PLUS* contributed nearly RM1 million to the Minister of Education Football League football development programme – a joint project between the Ministry of Youth and Sports and the Football Association of Malaysia. Other high profile branded events included the 100PLUS Super Cup, 100PLUS Malaysian Junior Open which is the nation's premier junior golf tournament, and the 100PLUS Sportswriters Association of Malaysia Excellence Award 2007.

Education

F&N understands the value of education in grooming future generations of leaders. During the year, FCL entered into a partnership with the Building and Construction Authority (BCA) to offer the BCA-Frasers Centrepoint Built Environment Scholarship 2008. The scholarship targets Architecture and Civil Engineering undergraduates from the National University of Singapore and the Nanyang Technological University (NTU). A three-year scholarship worth S$33,000 was awarded to Ng San San, a second year NTU undergraduate currently pursuing a Bachelor of Engineering (Civil Engineering).

Anchorpoint was the venue sponsor for the inaugural Enterprising Retailing Team Challenge 2008. Organised by Yuying Secondary School, in collaboration with South One Cluster and the National Institute of Education, the event provided a platform for Secondary Three students from nine schools to put into practice what they had learnt in their Elements of Business Skills class.

The Group also takes seriously our social responsibility in public education, especially among youths. During the year, our brewery division spearheaded a youth-for-youth campaign to discourage binge drinking. Entitled "Get Your Sexy Back", the programme aims to increase awareness of the negative effects of binge drinking and to promote responsible drinking behaviour. Phase 2 of the programmes was also launched via various youth-centric communications touchpoints. In addition, we continued to support the Traffic Police Anti-Drink Drive Campaign, a programme we have taken on since 1995.

Corporate Social Responsibility

Environment

The F&N Group is committed to integrating environmental best practices into our three core businesses, so as to limit the impact that our businesses have on the environment and to manage environment risk as effectively as possible throughout all our operations.

Our Brewery division is a supporter of the Singapore Voluntary Packaging Agreement and a sponsor of Engage! Roadshow for ECO Singapore – a non-profit NGO that aims to establish a voluntary environmental movement.

F&N collaborated with the Shah Alam City Council (MBSA) on a three-month recycling campaign for the second year running to inculcate and revive the spirit of recycling in school children. A total of 37 schools took part in this year's campaign – 12 more than last year, and yielded over 113,873 kg of recycled materials.

Our glass division continued to carry out the recycling initiatives pursued in the previous years. To reduce wastage, the division has increased usage of cullet and broken glass in the glass manufacturing process.

Two of Frasers Centrepoint's malls – Northpoint and Compass Point joined hands with the community stakeholders to raise public awareness on recycling and the need for energy conservation. In November 2007, Northpoint sponsored 5,000 canned drinks as part of Yishun Junior College's school fund-raising initiative. The students sold the drinks, collected the empty cans and participated in a Christmas-themed drink cans design competition organised by the mall. Through the display of winning entries, the activity helped to promote awareness of recycling to the shoppers and residents.

Compass Point ran a 'Go Green' promotion to educate shoppers on the need for energy conservation. Together with North-East CDC, schools from the North-East region participated in this promotion by exhibiting their own energy conservation ideas and works at the main atrium.

Building and Harnessing Talent

At F&N, our leaders and staff are the driving force behind the strategic capabilities and continued growth of the Group.

Grooming Future Leaders

Dynamic leadership is critical and to ensure a continuous stream of talent, the flagship Management Development Programme (MDP) remains the key tool for grooming identified high-potential executives as part of the Group's long-term career development and succession strategy. The six-day residential programme provides a valuable immersive experience in the fundamentals of general management and has successfully honed many accomplished leaders from within the Group's various business units. The programme was enriched with the experience sharing by CEOs of the Group's various business units.

Two runs of the MDP were organised this year, fine-tuned to place more emphasis on indoor and outdoor experiential learning. The outdoor session for the second run of the MDP was conducted at Republic Polytechnic's state-of-the-art Adventure Learning Centre, with experiential learning activities incorporating a blend of individual confidence building and team building. F&N Group Chairman, Mr Lee Hsien Yang and Senior Management from the various business units took the time to grace the outdoor segment on one of the days, signifying the Group's commitment to the development of our future leaders.

F&N Group MDP Alumni was also set up in an effort to maintain the camaraderie and keep the group of high potential executives actively engaged. The alumni network aims to encourage the participants to continue their network of friendship, build unity, share learning experiences and further develop their leadership skills, via a platform of events and advanced management programmes. To date, the Alumni has over 200 members from all business units, both locally and overseas.

Building and Harnessing Talent

Apart from leaders, we recognise that all staff contribute to the success of the Group.

Ensuring Group Alignment

Ensuring policy, procedural and systems alignment and consistency across the various business units of the Group provides a common platform for identifying and establishing talent. This is fulfilled via the Total Performance Management System (TPMS) along with the Human Resource Policies and Training & Development Guidelines.

As part of our annual practice, a Management Review (MR) of the Group's Career Development and Succession Plans (CDSP) with the respective Business Unit CEOs/ group Functional Heads was undertaken. The CDSP ensures availability of qualified talent within the Group to take up senior level and key positions, as well as to establish a talent pool to fill new positions due to business growth and expansion. It also effectively serves to create a positive environment for career growth, management succession and continuity within the Group.

Developing Our Human Capital

Apart from leaders, we recognise that all staff contribute to the success of the Group. In-house corporate training programmes were conducted throughout the year to strengthen the competencies and capabilities of our people, so that they may be ready to meet the challenges of the competitive business environment.

The Group also sponsored selected executives for external advanced management programmes at Singapore-based and overseas tertiary institutions such as the National University of Singapore, Nanyang Technological University, INSEAD and Harvard University. The global exposure gained by our executives at such programmes, coupled with international assignments and the various development programmes, serve to support the Group's expansion needs and to maintain the entrepreneurial spirit of our founders.

Treasury Highlights

The Group aims to maintain a prudent financial structure to ensure that it will be able to access adequate capital at an attractive cost. The main sources of cash flow for the Group are from its three business divisions, investment income and management fee income. Management monitors the Group's cash flow position, debt maturity profile, cost of funds, interest rates exposures and overall liquidity position on a continuous basis. To ensure that the Group has adequate overall liquidity to finance its operations and investment requirements, the Group maintains a significant amount of available banking facilities with a large number of banks and has continuous access to the debt capital markets.

Net Group Borrowings (net of cash) rose from S$3.76 billion to S$4.40 billion during the financial year under review. The increase in debt resulted from the continuing expansion of the Group's Assets from S$12.9 billion to S$13.5 billion during the financial year. Net Gearing (borrowings less cash) increased from 0.59 to 0.69 times as a result of 17% increase in net borrowings vs a growth in total equity of 0.6% to S$6.42 billion during the financial year. Group cash decreased marginally from S$1,150 million to S$1,033 million, as cash was expended during the year to complete development projects that had been substantially sold.

Interest cost in 2008 was S$239.0 million (of which S$142.8 million was capitalised), 32.7% higher than the previous year's interest cost of S$180.1 million (of which S$82.1 million was capitalised) mainly due to higher borrowings and higher interest rates.

Source of Funding

The Group relies on the debt capital markets, equity market and bilateral banking facilities for its funding. As at 30 September 2008, the Group has S$5.6 billion in committed and uncommitted banking facilities, S$0.62 billion in Transferable Term Loan Facilities and S$3.4 billion in Medium Term Note Programmes to meet the funding requirements of the Group.

Available Bank Lines by Banks as at 30 Sep 2008

The Group maintains an active relationship with a network of more than 20 banks of various nationalities located in various countries where the Group operates. The Group continues to adopt the philosophy of engaging the banks as our core business partners and this approach has served the Group well in the current financial turbulence. The Group continues to receive very strong support from our relationship banks in all segments of the Group's business. The Group's four core banks provide 50% of the banking facilities to the Group. Two of these banks are headquartered in Singapore and the remaining two are international foreign banks with extensive global networks. The remaining 50% of the banking facilities are extended to the Group by a group of international banks and one Singapore Bank. All banking relationships for the entire Group are maintained by Corporate Treasury in Singapore.

Maturity Profile of Group Debt

Maturing within one year	S$2,079 million
Maturing between one to two years	S$1,219 million
Maturing between two to five years	S$1,789 million
Maturing after five years	S$ 348 million
	S$5,435 million

As at the date of this report, the Group has already refinanced S$0.8 billion in borrowings maturing within the next 12 months to the year 2011 and is expected to repay another S$0.5 billion from cash flows from operations. The Group is not expecting any refinancing issues for the remaining borrowings of S$0.766 billion maturing within the next 12 months as most of these borrowings are funded either by working capital, borrowings secured on assets or existing revolving bank facilities.

Interest Rate Profile and Derivatives

The Group manages its interest cost by maintaining a prudent mix of fixed and floating rate borrowings. On a portfolio basis, 64% of the Group's borrowings are in fixed rates with an average fixed rate tenor of 2 years and 9 months as at 30 September 2008. Another 2% of the Group's borrowings are on floating interest rates with interest rates caps. The remaining 34% of the Group's borrowings are on floating rates as at 30 September 2008. The floating rate loan portfolio allows the Group to maintain a flexible maturity profile to support divestments and expected cash inflows from sales of development property where debt can be reduced quickly.

In managing the interest rate profile, the Group takes into account the interest rate outlook, cash flow generated from its business operations, holding period of long term investments and any acquisition and divestments plans.

The Group makes use of interest rates derivatives for the purpose of hedging interest rates risks and managing its portfolio of fixed and floating rate borrowings. The Group does not engage in trading in interest rates derivatives. The Group's total interest rate derivatives and the mark to market values as at 30 September 2008 are disclosed in the financial statement in Note 38.

Gearing and Interest Cover

The Group aims to maintain a Net Debt to Total Equity ratio of below 1. As at 30 September 2008, this ratio was 0.69. Total interest cost during the year amounted to S$239.0 million, of which S$142.8 million was capitalised as part of Properties Under Development. The net interest charged to profit statement for the year was S$64.6 million and net interest cover was at 12.0 times. Net Borrowings over EBITDA was at 4.75 times.

Foreign Exchange Risks and Derivatives

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 and certain currency derivatives to manage these foreign exchange risks.

The Group does not engage in trading of foreign exchange and foreign exchange derivatives. The Group uses foreign exchange contracts and derivatives solely for hedging actual underlying foreign exchange requirements in accordance with hedging limits set by the Audit Committee and the Board under the Group Treasury Policy. These policies are reviewed regularly by the Audit and Executive Committees to ensure that the Group's policies and guidelines are in line with the Group's foreign exchange risk management objectives.

The Group's foreign exchange contracts and derivatives and the mark to market values as at 30 September 2008 is disclosed in the financial statement in Note 38.

The Group does not hedge its foreign exchange risks of its investments in overseas subsidiary, joint venture and associated companies. Such investments are long term in nature and therefore not feasible and economical to hedge. The Group only hedges the cash flows to and from its overseas subsidiary, joint venture and associated companies.

Enterprise-wide Risk Management

The market rewards companies who make strategic business decisions and take well-managed risks to maximise the long term value for the organisation and their shareholders.

Enterprise-wide Risk Management

The F&N Group recognises the value of Enterprise-wide Risk Management ("ERM") and places great emphasis on the management of both material and operational risks within the F&N Group, driving an integrated, consistent and coordinated ERM strategy across all locations, operating units and countries where the F&N Group does business.

The Board of Directors, through the Audit Committee of the Board, reviews and approves the ERM framework and policies, and oversees the adequacy of internal controls, including financial, operational and compliance controls, and risk management systems in the Company.

Risk parameters setting the risk appetite limits of each business unit are reviewed annually by the Group Financial Controller to guide risk assessment and undertaking. The Senior Management team of each business unit is accountable to the Board for ensuring effective risk management processes and practices are in place, communicated and embedded as part of key operational workflows and processes.

In this regard, each business unit maintains a Corporate Risk Scorecard on specific risk areas, including Reputational Risk, Strategic Risk, Country and Political Risk, Currency and Interest Rate Risk, Property Risk, Commodity Risk and Operational Risk.

During the financial year, the ERM implementation was given greater clarity, focus and consistency in the following areas:

Key Risk Indicators

Key Risk Indicators ("KRIs") are flags set to act as detective or predictive signs regarding the changes in the risk profile of a business unit. Effective KRIs enables Management to monitor the effectiveness of controls, mitigating key material risks and take timely action to deal with issues arising.

These KRIs are built into operational and business processes and controls, tracked and reviewed on an on-going basis. KRI parameters provide a systematic and consistent basis to determine "acceptable" risk levels, trigger points and alert thresholds of each KRI.

KRIs and risk mitigations are reviewed by Senior Management and the Audit Committee of the Board as part of the F&N Group ERM on-going review process.

Business Continuity Planning

Business Continuity Planning ("BCP") is part of the F&N Group ERM process to develop effective crisis response plans. BCP increases the resilience of the organisation to potential business disruption and minimises the impact of a crisis on the organisation, its people and assets.

An enterprise-wide consistent BCP programme based on industrial best practices is in place. Common goals are set for business continuity readiness across all business units to manage identified key disaster scenarios based on comprehensive risk assessment and business impact analysis. Each business unit develops a detailed and complete set of processes and procedures to facilitate optimum response, recovery and resumption of identified critical business functions within an acceptable time frame following any crisis.

Structured BCP tests and simulation exercises are regularly performed as an integral part of each business unit's BCP programme to ensure that these plans remain relevant and effective.

ERM Training and Communication

Continuous training and communication are integral in the F&N Group ERM framework to ensure that every employee within the F&N Group appreciates and embraces ERM. With expanding business activities in China in recent years, workshops conducted in Mandarin, complete with training materials in Chinese language, were rolled-out during the financial year to facilitate more effective ERM and BCP training and communication for operating units in China. In addition, ERM training materials were also translated to Thai language for the Company's operating unit in Thailand.

Total Shareholder Returns

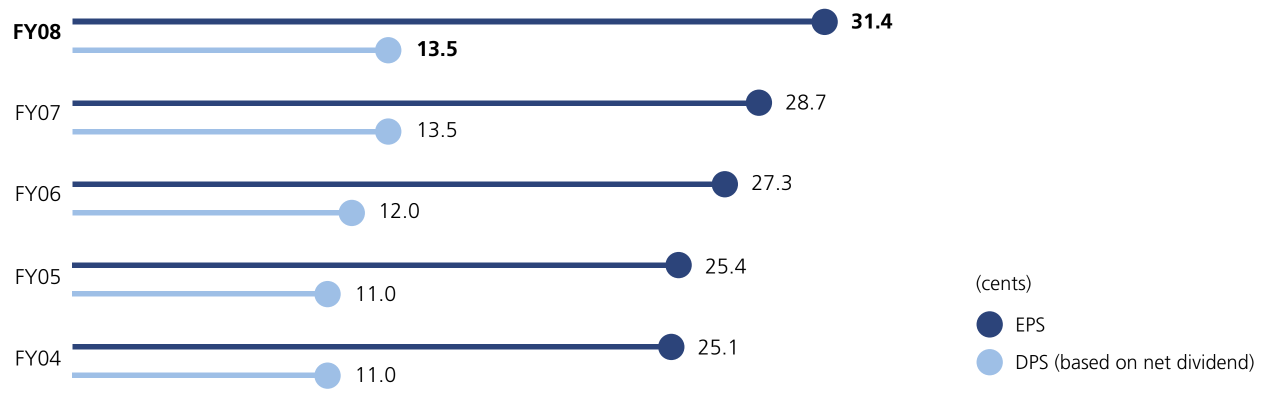
F&N remains committed to creating superior long-term value for shareholders.

This year, the Group's return on equity dropped marginally to 8.3% due to the enlarged average shareholders' equity from Temasek Holdings' injection in 2007.

Total shareholder returns for the year under review decrease 35%. Cumulatively over a three-year period, it is 13%, and close to 105% over a five-year period. The F&NL share price has also outperformed the STI Index over the recent five-year period by over 50%.

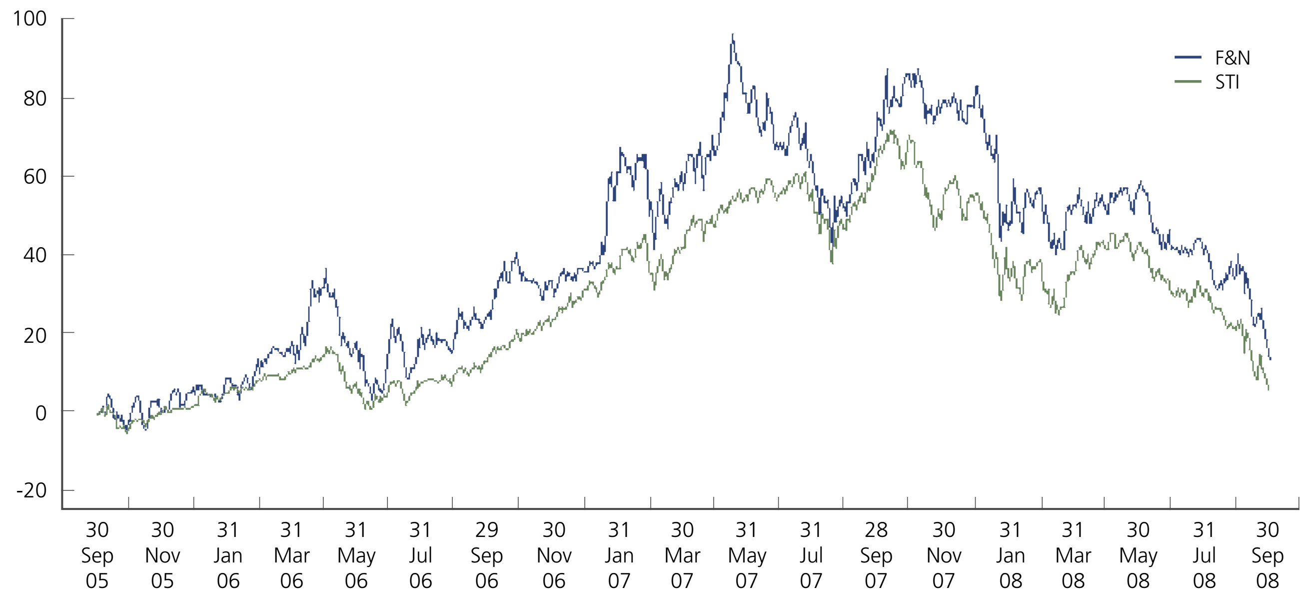
The Group maintained a healthy track record of generous shareholder distributions and remains committed to paying close to 50% of underlying profit. For the financial year ended 30 September 2008, the directors have recommended a final dividend of 8.5 cents per share, 1-tier tax exempt, which together with the interim dividend of 5 cents brings total dividend for the year to 13.5 cents per share.

Five-Year Earnings Per Share (EPS) and Dividend Per Share (DPS)



TOTAL RETURN (%) ON SHARE PRICE

F&N vs STI



Introduction

Charting the future, redefining our focus, and spearheading the next generation of growth for Fraser and Neave, Limited ("**F&N**" or the "**Company**"), F&N is committed to the highest standards of corporate governance to ensure the continued delivery of superior long-term shareholder value for the Company.

This Corporate Governance Report gives an account of the Company's corporate governance framework and practices in compliance with the Code of Corporate Governance 2005 ("**Code 2005**").

Board Matters

Principle 1: Board's Conduct of its Affairs

The Board of F&N actively and effectively leads the Company, working closely with and having oversight of Management, in providing the entrepreneurial leadership and strategic direction for the continued success of the Company and the Group. As at 30 September 2008, the Board of Directors comprises:

The F&N Board

Mr Lee Hsien Yang	Chairman, Non-Executive
Mr Timothy Chia Chee Ming	Non-Executive
Mr Ho Tian Yee	Non-Executive
Mr Simon Israel	Non-Executive
Mr Koh Beng Seng	Non-Executive
Mr Stephen Lee[1]	Non-Executive
Mr Soon Tit Koon[2]	Non-Executive
Mr Tan Chong Meng[3]	Non-Executive
Mr Nicky Tan Ng Kuang	Non-Executive

Note:
(1) Mr Stephen Lee will be retiring by rotation at the Company's Annual General Meeting on 22 January 2009. He will not be offering himself for re-election.

(2) Mr Soon Tit Koon was appointed to the Board as a Non-Independent Non-Executive Director on 31 January 2008.

(3) Mr Tan Chong Meng was appointed to the Board as an Independent Non-Executive Director on 18 June 2008.

During the financial year, the Board was streamlined to a total strength of nine comprising all Non-Executive Directors. When Dr Michael Fam stepped down as Non-Executive Chairman of the Board on 14 October 2007, Mr Lee Hsien Yang took the helm as Non-Executive Chairman with effect from 15 October 2007.

Delegation of Authority on certain Board Matters

Specialised Board Committees have been constituted, to assist the Board, and in compliance with the Code:

Board Executive Committee ("Board EXCO")
The Board EXCO comprises the following members:

Mr Lee Hsien Yang	Chairman
Mr Ho Tian Yee	Member
Mr Simon Israel	Member
Mr Stephen Lee	Member
Mr Soon Tit Koon[1]	Member

Note:
(1) Mr Soon Tit Koon was appointed a member of the Board EXCO with effect from 26 August 2008.

The Board EXCO generally exercises the full powers and authority of the Board when the Board does not meet. Except in respect of those matters that specifically require action or decision by the Board or any Committee of the Board, the Board EXCO formulates the Group's strategic development initiatives, provides overall direction, as well as oversees the general management of the Company and the Group.

Meetings of the Board and of Specialised Board Committees

There are regular meetings of the Board and the specialised Board Committees. In the event Directors are unable to attend Board meetings because of overseas commitments, they may still participate via telephonic, video conferencing or any other forms of electronic or instantaneous communication facilities.

Board Matters (cont'd)

The number of meetings and attendance by Board members are set out in the table below:

Directors' Attendance at Board Meetings

	Board	Board Exco	Audit Committee[2]	Remuneration & Staff Establishment Committee (REMCO)	Nominating Committee	Risk Management Committee[2]
Meetings held during financial year ended 30 September 2008	**10**	**7**	**5**	**3**	**2**	**1**
Mr Lee Hsien Yang	10/10	7/7			1/1[1]	
Mr Timothy Chia Chee Ming	9/10		3/3	0/0	3/3	1/1
Mr Ho Tian Yee	9/10	6/7		3/3	3/3	
Mr Simon Israel	9/10	6/7				
Mr Koh Beng Seng[2]	10/10		3/3			1/1
Mr Stephen Lee	9/10	6/7	5/5	3/3	3/3	
Mr Soon Tit Koon	7/7	0/1		1/1		
Mr Tan Chong Meng	3/3		0/0			
Mr Nicky Tan Ng Kuang	8/10		4/5		0/0	1/1

Key: Chairman Members Not applicable

Note:
(1) Mr Lee Hsien Yang was appointed to the Nominating Committee on 15 October 2007, and ceased on 13 November 2007.

(2) With effect from 31 January 2008, the Audit Committee was reconstituted to incorporate the Risk Management Committee, with Mr Koh Beng Seng as Chairman.

(3) Mr Lee Ek Tieng (Attendance-Board 2/3, Board EXCO 0/1, REMCO 2/2, Audit Committee 2/2), Dr Lee Tih Shih (Attendance-Board 1/3), and Mr Anthony Cheong (Attendance-Board 3/3) retired on 31 January 2008.

New Directors undergo orientation programmes to provide them with information on the F&N Group's strategic directions, policies and business activities, including major new projects. Annually, a Directors/Management retreat is held in operational locations to review the F&N Group's strategic direction, and at the same time, enable Directors to visit the Company's key operations, and gain a better understanding of their businesses, as well as facilitate interaction between the Board and Management.

The Board is regularly updated on new laws that may affect the Company's businesses, changes in regulatory requirements and financial reporting standards. Sessions on the Competition Act (Cap 50B), and its impact on the F&N Group were conducted for Directors and Management in the year.

A formal letter is given to each Director upon his appointment, setting out, among other matters, the Director's duties and obligations.

Directors and Senior Management are encouraged to be members of the Singapore Institute of Directors, and be kept updated on the business, legal and regulatory environment.

Chart of Authority

The Chart of Authority, setting out the levels of authorisation required for transactions, has been revised, in line with today's operating environment.

Board Matters (cont'd)

Principle 2: Board Composition and Guidance

The F&N Board comprises nine Non-Executive Directors of whom more than half are independent Directors. This strong and independent element on the Board facilitates the exercise of objective judgment independently, in particular, from Management, and in the best interests of the Company.

The size of the Board and core competencies of its members in various fields such as finance, business and management, industry and strategic planning knowledge, their stature, and wealth of international business expertise seen against the scope and nature of the F&N Group's world-wide operations, positively impact upon the effectiveness of the Company and the F&N Group. The Directors actively engage Management in meeting the challenges of today's competitive environment, and achieving goals and objectives for the Company and the Group.

The Nominating Committee assesses the independence of each Director on an annual basis, based on the guidelines set out in the Code 2005. In respect of the financial year ended 30 September 2008, the Nominating Committee has determined that the following Non-Executive Directors are non-independent:

- Mr Lee Hsien Yang: Non-Independent. Not withstanding that Mr Lee's consultancy agreement was dissolved on 31 January 2008, and the Group's new management and organisation structure[1] came into effect from 1 October 2008, with a Chief Executive Officer for each of the businesses of F&N, the Nominating Committee has determined that Mr Lee is non-independent by virtue of his chairmanship of the Company's Management Committee[2], and the Executive Committee[3] of Frasers Centrepoint Limited ("**FCL EXCO**"), a wholly owned subsidiary of the Company.

Note:
(1) On 30 June 2008, F&N announced that no Group CEO would be appointed. Instead, with effect from 1 October 2008, a new management and organisation structure was put in place, which would recognise, among other matters, the distinct characteristics of the F&N Group's two core contributors to profits, Food and Beverage and Properties, and a CEO focused on driving each of the distinct businesses of the F&N Group.

(2) The Management Committee was constituted in February 2006 to oversee performance of each of the F&N Group's divisions and in strategic and funding issues, and coordinating the support functions of corporate services. Mr Lee Hsien Yang took over the chairmanship on 5 October 2007.

(3) The terms of reference of the FCL EXCO are to assist the Board of Frasers Centrepoint Limited, in the review of the results and operations of the Properties Group.

- Mr Simon Israel: Non-Independent. Mr Israel is a nominee of Seletar Investment Pte Ltd ("**Seletar**") which is a substantial shareholder[1] of the Company. Seletar is a subsidiary of Temasek Holdings (Private) Limited ("**Temasek**"), which is deemed a substantial shareholder of the Company, and Mr Israel is an executive director on the Board of Temasek.

Note:
(1) A substantial shareholder is one which has, or is deemed to have, 5 percent or more interest in the voting shares of the Company.

- Mr Nicky Tan Ng Kuang: Non-Independent. Mr Tan is a director and major shareholder of nTan Corporate Advisory Pte Ltd ("**nTan Corporate**") which acted as advisor to the Company for the placement to Seletar on 11 January 2007, of an aggregate 205,500,000 new shares in the Company representing approximately 14.9 percent of the enlarged share capital of the Company.

- Mr Soon Tit Koon: Non-Independent. Mr Soon holds the position of Head, Group Investments at the Oversea-Chinese Banking Corporation ("**OCBC**") a substantial shareholder of the Company, is the Chairman of OCBC Securities Pte Ltd, and a Director of certain OCBC subsidiaries.

Principle 3: Chairman and Chief Executive Officer

With effect from 1 October 2008, the Group's new management and organisation structure was put in place to best serve the strategic interests of the Group.

Recognising the distinct characteristics of the Group's two core contributors to profits, Food & Beverage and Properties, the presence of management talent within the Group, and the difficulty of recruiting one person who possesses all the necessary combined skill-sets to realise the full potential of these businesses, the Board decided that there will be a CEO over each of the Company's business areas, to focus on driving and securing the future advancement of the Group, reporting to the Board of F&N through the Chairman's Office. There would be no Group CEO.

The Chairman and the CEOs of each of the business units are separate persons to ensure appropriate balance of power and authority, and clear divisions of responsibilities and accountability, both between the Chairman and each CEO, and among the CEOs of the different business units. Through the Chairman's Office and with corporate services' support, the Chairman coordinates reporting lines of each of the CEOs to the Board.

Board Matters (cont'd)

Principle 3: Chairman and Chief Executive Officer (cont'd)

The Chairman leads the Board, and among his other roles, ensures the effectiveness of the Board, encouraging constructive relations between and among the Board and Management, and facilitating the effective contribution of the Directors, as well as promoting high standards of corporate governance practices in the F&N Group.

Relationship between the Chairman and Chief Executive Officers

The Chairman is not related to the CEOs of each of the business units, nor is there any other business relationship between the Chairman and each of the CEOs, nor among them.

Principle 4: Board Membership

Composition of Nominating Committee

Nominating Committee

The Nominating Committee makes recommendations to the Board on all board appointments. Its responsibilities are described in its written terms of reference.

The Nominating Committee comprises Non-Executive Directors:

Mr Ho Tian Yee	Chairman
Mr Timothy Chia Chee Ming	Member
Mr Stephen Lee	Member
Mr Nicky Tan Ng Kuang[1]	Member

the majority of whom, including the Chairman, are independent. The Chairman is not directly associated[2] to a substantial shareholder.

Note:
(1) Mr Nicky Tan Ng Kuang was appointed a member on 26 August 2008.

(2) A Director will be considered "directly associated" to a substantial shareholder when the Director is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the substantial shareholder.

At the Company's annual general meeting, at least one-third of the Directors will retire from office. The Nominating Committee is responsible for recommending to the Board, the re-nomination of directors who retire by rotation and in making such recommendations, considers the contribution and performance of such Directors at Board meetings.

In its annual review of Directors' independence, the Nominating Committee has determined their status as follows:

Mr Lee Hsien Yang	Non-Independent
Mr Timothy Chia Chee Ming	Independent
Mr Ho Tian Yee	Independent
Mr Simon Israel	Non-Independent
Mr Koh Beng Seng	Independent
Mr Stephen Lee	Independent
Mr Soon Tit Koon	Non-Independent
Mr Tan Chong Meng	Independent
Mr Nicky Tan Ng Kuang	Non-Independent

The Directors have been effectively carrying out their duties as directors, giving sufficient time and attention to the affairs of the Company.

Description of Search and Nomination Process of New Directors

The Nominating Committee has identified the skill-sets and experience that will enhance the breadth and depth of Board expertise. A search company was engaged in the year to identify and shortlist candidates, which resulted in the appointment of Mr Tan Chong Meng.

Key Information regarding Directors

Key information on the Directors is set out on page 74.

Principle 5: Board Performance

Effectiveness of the Board and Each Director

The Nominating Committee uses objective performance criteria to assess the effectiveness of the Board as a whole, and the contribution of each Director, including Directors' attendance and contributions during Board meetings, as well as the factors set out in the Guidelines to Principle 5 of the Code 2005.

The Nominating Committee has, this year, engaged the services of an independent consultant to facilitate and administer the process. It is a two-stage process comprising assessment of the effectiveness of the Board as a whole, as well as the contribution by each individual Director. Each Director evaluated the performance of the Board and Board Committees, together with a peer assessment. The Board evaluation process focused on factors such as board composition, access to information, board processes, managing company performance and committee effectiveness.

Board Matters (cont'd)

Principle 5: Board Performance (cont'd)

Effectiveness of the Board and Each Director (cont'd)

The Board has also adopted the use of quantitative financial indicators which included the Company's TSR performance over a five-year period compared to the Singapore Straits Times Index.

The findings of the evaluation report, including the comments from members, will be used by the Nominating Committee, in consultation with the Chairman of the Board, to effect continuing improvements to the effectiveness of the Board. Individual assessments are discussed with the Chairman and the Chairman of the Nominating Committee.

Principle 6: Access to Information

Effectiveness of the Board and Each Director

On an on-going basis and prior to Board meetings, Management provides complete, adequate and timely information to Board members, who have separate and independent access to the Company's Senior Management. A procedure is in place for directors, either individually or as a group, to take independent professional advice, in the furtherance of their duties and at the Company's expense.

Directors also have separate and independent access to the Group Company Secretary, who is responsible for ensuring that board procedures are followed and that applicable rules and regulations are complied with. The Group Company Secretary, under the direction of the Chairman, facilitates good information flows within the Board and its Committees, and between Senior Management and Directors, organises orientation sessions for Directors and assists with their professional development.

A calendar of activities is set a year in advance for the Board, with Board papers and agenda items despatched in good time to Directors, to allow sufficient time for Directors to consider and discuss the items tabled at the relevant Board meetings.

Remuneration Matters

Principle 7: Remuneration Matters

Remuneration & Staff Establishment Committee

The Remuneration & Staff Establishment Committee comprises Non-Executive Directors, the majority of whom, including the Chairman, are independent Non-Executive Directors:

Mr Stephen Lee	Chairman
Mr Timothy Chia Chee Ming[1]	Member
Mr Ho Tian Yee	Member
Mr Soon Tit Koon[2]	Member

Note:
(1) Mr Timothy Chia was appointed a member on 26 August 2008.

(2) Mr Soon Tit Koon was appointed a member on 31 January 2008.

The responsibilities of the Remuneration & Staff Establishment Committee include the development of policies on executive remuneration as well as the review and recommendation for the endorsement of the Board, remuneration packages of each Director, and Senior Management.

The Remuneration & Staff Establishment Committee administers the F&N Executive Share Option Scheme (the "**F&N ESOS**"), which is in its last year of operation. The Committee has engaged the services of an external consultant to assist in the design of alternative long-term incentive plans which will facilitate retention of senior managers and alignment of their interests with shareholders. The Company will be obtaining shareholders' approval for such plans.

Principle 8: Level and Mix of Remuneration

The Company recognises the importance of attracting, retaining and motivating Directors, and key executives, for the long-term success of the Company and the Group, linking rewards to corporate and individual performance, while aligning itself to pay and employment conditions within the industry and in comparable companies to ensure competitiveness.

The remuneration of Non-Executive Directors takes into account their level of contribution and respective responsibilities, and includes attendance and time spent. In the case of service contracts for Executive Directors, there is a fixed appointment period.

The Company subscribes to the use of long-term incentive schemes to retain and motivate its employees and align their interests with those of shareholders. The F&N ESOS has a vesting period of about three years before employees are able to exercise their options under the Scheme. Employees are encouraged to hold their shares beyond the vesting period, subject to personal circumstances.

Principle 9: Disclosure on Remuneration

The Company's remuneration policy links rewards to corporate and individual performance, based on an annual appraisal of employees, using core values, competencies, key result areas, performance rating, and potential, of the employees.

Remuneration Matters (cont'd)

Principle 9: Disclosure on Remuneration (cont'd)

Remuneration of Directors and Top 5 Key Executives

Directors of the Company	Remuneration S$	Fee %	Salary %	Bonus %	Allowances & Benefits %	Long Term Incentive %	Total %
Mr Lee Hsien Yang	1,412,182	100	-	-	-	-	100
Mr Timothy Chia Chee Ming	115,444	100	-	-	-	-	100
Mr Ho Tian Yee	196,000	100	-	-	-	-	100
Mr Simon Israel	207,261	100	-	-	-	-	100
Mr Koh Beng Seng	101,720	100	-	-	-	-	100
Mr Stephen Lee	139,000	100	-	-	-	-	100
Mr Soon Tit Koon	61,549	100	-	-	-	-	100
Mr Tan Chong Meng	24,458	100	-	-	-	-	100
Mr Nicky Tan Ng Kuang	94,667	100	-	-	-	-	100

Key Executives of the F&N Group	Remuneration S$	Fee %	Salary %	Bonus %	Allowances & Benefits %	Long Term Incentive %	Total %
Mr Anthony Cheong	2,042,086	-	29	17	8	46	100
Mr Koh Poh Tiong	3,514,545	-	34	27	39	-	100
Mr Lim Ee Seng	3,112,429	-	34	34	2	30	100
Dato Ng Jui Sia	1,072,217	-	43	22	5	30	100
Mr Tan Ang Meng	946,782	-	58	32	6	4	100

Details of Employee Share Option Scheme

Information on the F&N ESOS is set out in the Directors' Report on page 79. Information on key executives is set out on page 75.

Shareholders' approval will be sought at the 110th Annual General Meeting of the Company on 22 January 2009, for the payment of Directors' fees amounting to S$2,555,000 comprising the following:

Directors' Fees	FY2008/09 Proposed S$	FY2007/08 Approved by Shareholders S$
• Non-Executive Chairman	1,250,000 [1]	1,250,000
• Non-Executive Directors' Fees @ S$75,000 each (last year: S$75,000 each)	725,000	750,000
• Attendance Allowances for Board meetings	110,000	110,000
• Transport allowance in lieu of company car	80,000	77,000
• Board Committee Fees	390,000	338,000
To be approved at the AGM of the Company	2,555,000	2,525,000 [2]

The Directors' fees to be proposed for the financial year 2008/2009 amounting to S$2,555,000 shows a marginal increase of S$30,000 compared to the Directors' fees approved by shareholders for financial year 2007/2008.

Note:
(1) The consultancy agreement with Mr Lee Hsien Yang was dissolved on 31 January 2008 and all fees payable to Mr Lee are incorporated into Directors' fees. Additionally, Mr Lee receives Directors' fees by the Company of S$150,000, in his capacity as Non-Executive Chairman of Frasers Centrepoint Limited.

(2) For financial year 2007/2008, the total amount of Directors' fees approved by shareholders was S$2,525,000. Of this amount, S$2,171,314 was actually spent.

Accountability and Audit

Principle 10: Accountability and Audit

The Board is responsible for providing a balanced and understandable assessment of F&N's performance, position and prospects, based on information provided by Management.

Principle 11: Audit Committee

The Audit Committee, is governed by written terms of reference, with explicit authority to investigate any matter within its terms of reference, having full access to, and co-operation of Management and full discretion to invite any Director or executive officer to attend its meetings.

The Audit Committee has been reconstituted to incorporate the Risk Management Committee with effect from 31 January 2008 with Mr Koh Beng Seng as Chairman. The objective is to streamline activities between the two Committees and to simplify corporate oversight with the Audit Committee overseeing risk management policies and systems established by Management.

An outline of the enterprise-wide risk management process is set out in page 64.

Disclosure of Names of Members of Audit Committee & their Activities

The majority of the Non-Executive Directors who constitute the Audit Committee, including the Chairman, are independent Directors:

Mr Koh Beng Seng[1]	Chairman
Mr Timothy Chia Chee Ming[2]	Member
Mr Stephen Lee	Member
Mr Tan Chong Meng[3]	Member
Mr Nicky Tan Ng Kuang	Member

Note:
(1) Mr Koh Beng Seng, was on 31 January 2008, appointed Chairman of the Audit Committee which now incorporates the Risk Management Committee.

(2) Mr Timothy Chia Chee Ming was appointed a member on 31 January 2008.

(3) Mr Tan Chong Meng was appointed a member on 26 August 2008.

The Board ensures that members of the Audit Committee are appropriately qualified to discharge their responsibilities, and possess the requisite accounting and related financial management expertise and experience.

In performing its functions, the Audit Committee has reviewed:

- the scope and results of the audit and its cost effectiveness;
- significant financial reporting issues and judgments in respect of the Company's financial performance;
- the adequacy of the Company's internal controls; and
- the effectiveness of the Company's internal audit function.

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

The Audit Committee believes that the Whistle-Blowing Policy provides a channel through which staff may, in confidence, raise concerns in financial and other matters, and that arrangements are in place for the independent investigation of such matters, with appropriate follow-up action.

Accountability and Audit (cont'd)

Principle 12: Internal Controls

There is a sound system of internal controls to safeguard shareholders' investments and the assets of the Company.

Internal Controls, including Financial, Operational and Compliance Controls, and Risk Management

As part of the organisational review performed by the Board during the financial year, the Board recognised that greater synergies would be achieved, through unifying the roles and responsibilities of the Risk Management Committee into the Audit Committee.

The Audit Committee reviews the risk profile of the F&N Group, and provides direction to Management to ensure that robust risk management and internal control practices are in place.

The key material and operational risks of the F&N Group are identified, mitigated, controlled and managed within the Enterprise-wide Risk Management framework that has been endorsed by the Board, and operationalised into divisional, operational and process levels within the F&N Group. Financial and operational key risk indicators are in place to track key risk exposures.

With the support of the internal and external auditors, the Audit Committee has reviewed, and the Board is reasonably satisfied with, the adequacy of F&N's internal controls.

Principle 13: Internal Audit

The Company has an Internal Audit Department that is independent of the activities it audits. The Head of Internal Audit has a primary reporting line to the Chairman of the Audit Committee.

The Head of Internal Audit is a certified public accountant and complies with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The Audit Committee is satisfied that the Internal Audit function is adequately resourced and has appropriate standing within the Company.

Communication with Shareholders

Principle 14: Communication with Shareholders

F&N engages in regular and effective communication with shareholders and the investment community, conveying material price sensitive and other pertinent information on a timely basis, through regular dialogues. Material information is simultaneously disseminated to SGX, the press and posted on the Company's website at *www.fraserandneave.com.*

Half-yearly analysts meetings are held to keep investors and the public updated of the F&N Group's performance.

Principle 15: Greater Shareholder Participation at the Company's Annual General Meeting

At the Company's annual general meeting, opportunities are given to shareholders to participate, engage, and openly communicate their views on matters relating to F&N, with members of the Board Committees and external auditors in attendance to address shareholders' queries.

Code of Business Ethics and Conduct

F&N has a Code of Business Ethics and Conduct that sets the standards and ethical conduct expected of employees of the Group. Directors, officers and employees are required to observe and maintain high standards of integrity, as are in compliance with the law and regulations, and company policies.

Whistle-Blowing Policy

The Whistle-Blowing Policy of the F&N Group serves to provide a channel to employees to report in good faith and in confidence, concerns about possible improprieties in financial reporting or other matters. A well-defined process ensures independent investigation of such matters, and the assurance that employees will be protected to the extent possible, from reprisals.

Listing Rule 1207 sub-Rule (18) on Dealings in Securities

In line with Listing Rule 1207 (18) on Dealings in Securities, F&N issues a quarterly circular to its Directors, officers and employees prohibiting dealings in listed securities of the F&N Group from one month or two weeks, as the case may be, before the announcement of F&N's quarterly, half-year and full-year financial results, and at any time they are in possession of unpublished material price sensitive information.

Name of Director	Age	Academic & Professional Qualifications	Board Committees as Chairman or Member	Directorship: Date first appointed Date last re-elected	Board appointment whether Executive or Non-Executive Whether considered by NC to be Independent	Due for re-election at next AGM
Mr Lee Hsien Yang	51	Bachelor of Arts, Cambridge University, UK (Double First) M Sc. In Management Science, Stanford University, California, USA	Chairman: Board Executive Committee	06.09.2007 31.01.2008	Non-Executive Non-Independent	-
Mr Timothy Chia	58	Bachelor of Science cum laude in Management, Fairleigh Dickinson University, USA	Member: Audit Committee Member: Nominating Committee Member: Remuneration & Staff Establishment Committee	26.01.2006 31.01.2008	Non-Executive Independent	-
Mr Ho Tian Yee	56	Bachelor of Arts (Honours) Economics (CNAA), Portsmouth University, UK Executive Program, Carnegie-Mellon University, USA	Chairman: Nominating Committee Member: Board Executive Committee Member: Remuneration & Staff Establishment Committee	01.12.1997 25.01.2007	Non-Executive Independent	Retirement by rotation
Mr Simon Israel	55	Diploma, Business Studies, The University of The South Pacific	Member: Board Executive Committee	11.01.2007 25.01.2007	Non-Executive Non-Independent	-
Mr Koh Beng Seng	58	Bachelor of Commerce (First Class Honours) Nanyang University, Singapore MBA, Columbia University, New York	Chairman: Audit Committee	26.01.2006	Non-Executive Independent	Retirement by rotation
Mr Stephen Lee	61	DSO, MBA, Northwestern University, Evanston, USA	Chairman: Remuneration & Staff Establishment Committee Member: Board Executive Committee Member: Audit Committee Member: Nominating Committee	01.07.1997 25.01.2007	Non-Executive Independent	Retirement by rotation (Not offering for re-election)
Mr Soon Tit Koon	57	Master of Business Administration, University of Chicago, USA Bachelor of Science, National University of Singapore (Honours) Advance Management Program, Harvard Business School	Member: Board Executive Committee Member: Remuneration & Staff Establishment Committee	31.01.2008	Non-Executive Non-Independent	-
Mr Tan Chong Meng	48	Master of Arts, Industrial Engineering, National University of Singapore Bachelor of Arts, Mechanical Engineering, National University of Singapore	Member: Audit Committee	18.06.2008	Non-Executive Independent	Appointed during the year
Mr Nicky Tan Ng Kuang	50	Member, The Institute of Chartered Accountants in England and Wales Certified Public Accountant, Institute of Certified Public Accountants in Singapore	Member: Audit Committee Member: Nominating Committee	21.10.2003 25.01.2007	Non-Executive Non-Independent	-

Note:
(1) Directors' shareholdings in the Company and its related Companies: please refer to page 78.

(2) Directorships or Chairmanships in other listed Companies and other major appointments, both present and over the preceding 3 years: please refer to pages 14 to 17.

Name	Age	Academic & Professional Qualifications	Working Experience	Area of Responsibility
Mr Anthony Cheong Fook Seng	54	Associate, The Institute of Chartered Accountants in England and Wales Member, Institute of Certified Public Accountants of Singapore	1982 – 1989 Manager, Corporate Recovery Services, Ernst & Young 1989 – 2001 Company Secretary, CarnaudMetalbox Asia Ltd 2001 Corporate General Manager, Finance, Times Publishing Limited	Group Company Secretary Fraser and Neave Limited Group
Mr Koh Poh Tiong	62	Bachelor of Science, University of Singapore	1985 – 1991 General Manager, Asia Pacific Breweries Limited 1991 – 1993 Deputy Group General Manager, Asia Pacific Breweries Limited	Director and Chief Executive Officer Asia Pacific Breweries Limited (Retired as CEO – APB to join F&N as CEO, Food and Beverage, with effect from 1 October 2008)
Mr Lim Ee Seng PBM	57	Bachelor of Engineering (Civil), National University of Singapore Master of Science (Project Management), National University of Singapore	1982 – 1989 Project Manager, Singapore Land Ltd 1989 – 1996 General Manager (Property Division), First Capital Corporation Ltd 1996 – 2004 Managing Director, MCL Land Ltd	Director and Chief Executive Officer Frasers Centrepoint Limited (Date appointed: 15 October 2004)
Dato' Ng Jui Sia	56	Bachelor of Business Administration, University of Singapore Associate, The Institute of Chartered Accountants in England and Wales	1978 Investment Officer, Board of Commissioner of Currency of Singapore 1978 – 1980 Audit Assistant, Michael Fenton and Co. 1982 – 1985 Audit Senior/Audit Manager, Price Waterhouse Singapore 1985 – 1989 Regional Financial Controller, MK Electric SEA Pte Ltd 1989 – 1995 General Manager (Hong Kong & South China), CarnaudMetalbox Asia Pacific Sept 1995 – June 1999 General Manager, Fraser and Neave Limited/ F&N Coca-Cola Singapore Pte Ltd June 1999 – July 2006 Managing Director, F&N Coca-Cola (Malaysia) Sdn Bhd	Director Times Publishing Limited (Date appointed: 31 August 2006) Director PMP Limited (ASX listed company in Australia) (Date appointed: 29 November 2007) Chief Executive Officer Times Publishing Limited (Date appointed: 15 July 2006)
Mr Tan Ang Meng	53	Certified Public Accountant Member, Malaysian Institute of Certified Public Accountants	1983 – 1991 Financial Controller, Guinness Anchor Berhad 1991 – 2001 Regional Director, Asia Pacific Breweries Limited	Director and Chief Executive Officer Fraser & Neave Holdings Bhd (Date appointed: 24 May 2001)

INDEX TO FINANCIAL 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 2008.

1. DIRECTORATE

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

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

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

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

– By rotation pursuant to Article 117 of the Company's Articles of Association:
  - Mr Ho Tian Yee
  - Mr Koh Beng Seng

– Pursuant to Article 122 of the Company's Articles of Association, having been appointed since the last Annual General Meeting:
  - Mr Tan Chong Meng

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of, nor at any time during the financial year did there subsist any arrangements to which the Company or the Group is a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

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

* As at date of appointment 18 June 2008

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

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

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

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

The 1999 Scheme succeeded the 1989 Scheme.

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

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

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

Year 9 Options of the 1999 Scheme

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

5. **SHARE OPTIONS** (cont'd)

Information pertaining to Outstanding Options

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

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

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

Statutory and other information regarding the Options

(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.

5. **SHARE OPTIONS** (cont'd)

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

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

Information pertaining to Outstanding Options

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

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

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

Statutory and other information regarding the APBL Options

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

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

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

Information pertaining to Outstanding Options

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

5. SHARE OPTIONS (cont'd)

Information pertaining to Outstanding Options (cont'd)
Details of the options granted to executives pursuant to the F&NHB Scheme to acquire ordinary shares of RM1 each in the capital of F&NHB from Fraser and Neave, Limited are as follows:

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

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

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

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

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

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

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

* Lapsed due to Resignations, Retirement and Non-Acceptance

5. SHARE OPTIONS (cont'd)

Statutory and other information regarding the F&NHB Options
The main features of the F&NHB 2007 Scheme are outlined below:

- The maximum number of new ordinary shares of RM1.00 each in the Company which may be issued on the exercise of the F&NHB 2007 Scheme shall not exceed 10% of the issued and paid-up share capital of F&NHB at any point of time throughout the duration of the F&NHB 2007 Scheme.
- Eligible full-time executives of the Group and Executive Directors of the Company with at least one year service shall be eligible to participate in the ESOS.
- The allotment of an Eligible Executive shall not exceed the maximum limits for any specific job grade in any one financial year and 1,000,000 new shares of the Company during the tenure of the F&NHB 2007 Scheme, subject to the limits below:

  (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.

2007 Options
During the financial year ended 30 September 2008, offers of options were granted pursuant to the Scheme in respect of 16,800,000 unissued ordinary shares of HK$0.10 each of FPCL at an exercise price of HK$0.3370 per share.

5. **SHARE OPTIONS** (cont'd)

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

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

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

Statutory and other information regarding the FPCL Options

(i) The Exercise Price will be determined by FPCL Board, but shall not be less than the highest of:

(1) the closing price as stated in the daily quotation sheet of the Stock Exchange of Hong Kong Limited ("HKEX") on the date of grant, which must be a trading day;

(2) the average closing prices as stated in the HKEX's daily quotation sheets for the five trading days immediately preceding the date of grant; and

(3) the nominal value of FPCL share.

(ii) The exercise period of the FPCL options granted is determinable by the FPCL Board, and commences on a specified date and ends on a date which is not later than 10 years from the date of grant of the FPCL options.

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

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

5. **SHARE OPTIONS** (cont'd)

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

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

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

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

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

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

8. **OTHER INFORMATION REQUIRED BY SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

(a) The interests of the directors of the Company in the share capital of the Company and of its related companies as at the 21st day after the end of the financial year remained unchanged from those at 30 September 2008 as set out at paragraph 3 hereof.

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

On behalf of the Board

LEE HSIEN YANG
Director

KOH BENG SENG
Director

Singapore,
14 November 2008

Statement by Directors

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

(i) the balance sheets, profit statements, statements of changes in equity and consolidated cash flow statement together with the notes thereto, set out on pages 88 to 191, are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 September 2008 and of the results of the businesses and changes in equity of the Company and of the Group and the cash flows of the Group for the year ended 30 September 2008; and

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

On behalf of the Board

LEE HSIEN YANG	**KOH BENG SENG**
Director	Director

Singapore,
14 November 2008

Independent Auditors' Report

To the members of Fraser and Neave, Limited

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

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

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Opinion
In our opinion,

(a) the consolidated financial statements of the Group and the balance sheet, profit statement and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 September 2008 and the results and changes in equity of the Group and the Company and cash flows of the Group for the year ended on that date; and

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

ERNST & YOUNG LLP
Public Accountants and
Certified Public Accountants

Singapore,
14 November 2008

Profit Statement

for the year ended 30 September 2008

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

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

Balance Sheet

as at 30 September 2008

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

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

THE GROUP

	Notes	Share Capital ($'000)	Capital Reserve ($'000)	Revenue Reserve ($'000)	Exchange Reserve ($'000)	Fair Value Adjustment Reserve ($'000)	Employee Share Option Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)	Minority Interests ($'000)	Total Equity ($'000)
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 95 to 191 form an integral part of the Financial Statements.

Statement of Changes in Equity

THE GROUP

	Notes	Share Capital ($'000)	Capital Reserve ($'000)	Revenue Reserve ($'000)	Exchange Reserve ($'000)	Fair Value Adjustment Reserve ($'000)	Employee Share Option Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)	Minority Interests ($'000)	Total Equity ($'000)
YEAR ENDED 30 SEPTEMBER 2007											
Balance at 1 October 2006		400,971	849,306	2,262,638	(72,824)	56,607	9,947	93,835	3,600,480	1,004,098	4,604,578
Revaluation surplus on investment properties		-	312,118	-	-	-	-	-	312,118	36,699	348,817
Deferred taxation on revaluation of assets		-	(23,105)	-	-	-	-	-	(23,105)	-	(23,105)
Share of associated companies' reserves		-	8,108	(1,602)	6,524	(102)	-	-	12,928	-	12,928
Transfer of distributable reserves by overseas subsidiary companies in compliance with statutory requirements		-	73	(73)	-	-	-	-	-	-	-
Transfer on disposal of subsidiary company		-	-	-	(3,169)	-	-	-	(3,169)	-	(3,169)
Change in minority interests' in reserves upon the issue of shares by subsidiary companies		-	-	(243)	-	-	-	-	(243)	243	-
Change of interest in subsidiary due to treasury share buy-back		-	-	(299)	-	-	-	-	(299)	(211)	(510)
Net fair value changes on available-for-sale financial assets		-	-	-	-	179,311	-	-	179,311	(874)	178,437
Fair value gain realised		-	-	-	-	(10,570)	-	-	(10,570)	-	(10,570)
Transfer of revenue reserve to exchange reserve		-	-	(4,373)	4,373	-	-	-	-	-	-
Currency translation difference		-	-	-	35,932	-	-	-	35,932	1,766	37,698
Net income/(expenses) recognised directly in equity		-	297,194	(6,590)	43,660	168,639	-	-	502,903	37,623	540,526
Profit after taxation		-	-	378,601	-	-	-	-	378,601	119,729	498,330
Total recognised income for the year		-	297,194	372,011	43,660	168,639	-	-	881,504	157,352	1,038,856
Employee share-based expense		-	-	-	-	-	6,729	-	6,729	322	7,051
Issue of new shares	12	900,090	-	-	-	-	-	-	900,090	-	900,090
Issue of shares in the Company upon exercise of share options	12	12,854	-	-	-	-	(1,760)	-	11,094	-	11,094
Contribution of capital by minority interests		-	-	-	-	-	-	-	-	85,321	85,321
Change of interests in subsidiary and joint venture companies		-	-	-	-	-	-	-	-	7,950	7,950
Minority interests' loan repaid		-	-	-	-	-	-	-	-	(4,489)	(4,489)
Equity's issue expenses		-	-	200	-	-	-	-	200	358	558
Dividends	10										
Dividend to minority interests		-	-	-	-	-	-	-	-	(89,465)	(89,465)
Dividend to shareholders, paid		-	-	(85,665)	-	-	-	(93,835)	(179,500)	-	(179,500)
Dividend to shareholders, proposed		-	-	(117,596)	-	-	-	117,596	-	-	-
Balance at 30 September 2007		1,313,915	1,146,500	2,431,588	(29,164)	225,246	14,916	117,596	5,220,597	1,161,447	6,382,044

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

Statement of Changes in Equity

		THE COMPANY						
	Notes	Share Capital ($'000)	Capital Reserve ($'000)	Revenue Reserve ($'000)	Fair Value Adjustment Reserve ($'000)	Employee Share Option Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)
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
YEAR ENDED 30 SEPTEMBER 2007								
Balance at 1 October 2006		400,971	1,039,274	1,179,656	71	8,484	93,835	2,722,291
Net fair value changes on available-for-sale financial assets		-	-	-	1,926	-	-	1,926
Net income recognised directly in equity		-	-	-	1,926	-	-	1,926
Profit after taxation		-	-	62,484	-	-	-	62,484
Total recognised income for the year		-	-	62,484	1,926	-	-	64,410
Employee share-based expense		-	-	-	-	6,779	-	6,779
Issue of shares in the Company upon exercise of share options	12	12,854	-	-	-	(1,760)	-	11,094
Issue of new shares	12	900,090	-	-	-	-	-	900,090
Dividends	10							
Dividend to shareholders, paid		-	-	(85,665)	-	-	(93,835)	(179,500)
Dividend to shareholders, proposed		-	-	(117,596)	-	-	117,596	-
Balance at 30 September 2007		1,313,915	1,039,274	1,038,879	1,997	13,503	117,596	3,525,164

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

Cash Flow Statement

for the year ended 30 September 2008

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

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

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

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

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

1. GENERAL

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

The principal activities of the Group consist of:

(a) production and sale of soft drinks, beer, stout, dairy products and glass containers;
(b) development of and investment in property;
(c) investment in and management of REIT; and
(d) printing and publishing.

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

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

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

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

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

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

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

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

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

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

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

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

2. ACCOUNTING POLICIES (cont'd)

2.1 Basis of Preparation (cont'd)

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

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

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

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

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

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

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

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

2. ACCOUNTING POLICIES (cont'd)

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

Subsidiary companies are those companies controlled by the Group. Subsidiary companies are consolidated from the effective date of acquisition and up to the effective date of disposal. The financial year of the Company and all its subsidiary companies ends on 30 September unless otherwise stated. The consolidated financial statements of the Group incorporate the financial statements of the Company and all its subsidiary companies made up to 30 September. The financial statements of subsidiary companies are prepared using consistent accounting policies. Adjustments are made to any dissimilar material accounting policies to conform to the Group's significant accounting policies.

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

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

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

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

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

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

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

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

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

2. ACCOUNTING POLICIES (cont'd)

2.4 Associated Companies

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

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

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

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

Where an investment in an associated company is acquired or sold during the year, its results are included from the date of acquisition or excluded from the date of sale.

A list of associated companies is shown in Note 44.

2.5 Revenue Recognition

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

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

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

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

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

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

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

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

2.6 Provisions

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

Notes to the Financial Statements
for the year ended 30 September 2008

2. ACCOUNTING POLICIES (cont'd)

2.7 Taxation

The tax charge is based on the profit for the year, as adjusted for tax purposes, together with a charge or credit for deferred taxation.

(a) Current Tax

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

(b) Deferred Tax

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

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

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

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

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

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

2.8 Fixed Assets

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

2. ACCOUNTING POLICIES (cont'd)

2.8 Fixed Assets (cont'd)

When assets are sold or retired, their cost or valuation and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit statement. Any amount in revaluation reserve relating to that asset is transferred to revenue reserves.

When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset. Any surplus on revaluation is credited to asset revaluation reserve unless it offsets previous revaluation losses of the same asset that were taken to the profit statement. A decrease in net carrying amount arising on revaluation of fixed assets is charged to the profit statement to the extent that it exceeds any surplus held in asset revaluation reserve relating to previous revaluations of the same class of assets.

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

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

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

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

2.9 Investment Properties

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

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

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

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

Notes to the Financial Statements
for the year ended 30 September 2008

2. ACCOUNTING POLICIES (cont'd)

2.10 Properties Held for Development

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

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

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

2.11 Borrowing Costs

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

2.12 Intangible Assets

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

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

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

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

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

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

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

2. ACCOUNTING POLICIES (cont'd)

2.12 Intangible Assets (cont'd)

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

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

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

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

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

Internally generated goodwill is not capitalised.

2.13 Brands

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

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

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

2.14 Properties Held For Sale

(a) Development Properties Held for Sale

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

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

Developments are considered complete upon the issue of Temporary Occupation Permit. When completed, development properties held for sale are transferred to completed properties held for sale.

2. ACCOUNTING POLICIES (cont'd)

2.14 Properties Held For Sale (cont'd)

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

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

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

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

(b) Completed Properties Held for Sale

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

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

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

2.15 Inventories

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

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

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

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

2. ACCOUNTING POLICIES (cont'd)

2.16 Trade and Other Receivables

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

2.17 Cash and Cash Equivalents

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

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

2.18 Financial Liabilities

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

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

2.19 Employee Benefits

(a) Retirement Benefits

Provision for retirement benefits is made in accordance with:

(i) the terms of agreements concluded by group companies with various categories of employees, or

(ii) pension and retirement benefit schemes, or

(iii) defined contribution plans under statutory regulations in the country, where applicable.

Retirement Benefits in Accordance with Agreements

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

Pension and Retirement Benefit Schemes

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

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.

2. ACCOUNTING POLICIES (cont'd)

2.20 Functional and Foreign Currencies

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

(b) Foreign Currency Transactions
Foreign currency transactions are recorded in the functional currencies of the Company and the respective subsidiary companies at rates of exchange approximating those ruling at transaction date. Foreign currency monetary assets and liabilities at the balance sheet date are translated at the rates ruling at that date. Exchange differences are dealt with in the profit statement except where exchange differences arise on foreign currency monetary items that in substance form part of the Group's net investment in the foreign entity. These exchange differences are taken to exchange reserve as a separate component of the shareholders' funds until the disposal of the net investment at which time they are recognised in the profit statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined.

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

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

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

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

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

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

2. ACCOUNTING POLICIES (cont'd)

2.23 Leases

(a) As Lessee
A finance lease which effectively transfers to the Group substantially all the risks and benefits incidental to ownership of the leased item is capitalised at the lower of the fair value of the leased item and the present value of the minimum lease payments at the inception of the lease term and disclosed as fixed asset. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit statement. Contingent rents, if any, are expensed in the periods in which they are incurred.

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

(b) As Lessor
A lease whereby the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, is classified as an operating lease. Properties leased out under operating leases are included in investment properties and are stated at revalued amounts and not depreciated. Rental income (net of any incentives given to lessees) is recognised on a straight line basis over the lease term. Contingents rents, if any, are recorded as income in the periods in which they are earned.

2.24 Impairment of Non-Financial Assets
The carrying amounts of the Group's assets are reviewed at each reporting date or when annual impairment testing is required, to determine whether there is any indication of impairment. For the purpose of impairment testing, the recoverable amount (ie the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss is charged to the profit statement unless it reverses a previous revaluation in which case it will be charged to equity.

Reversal of impairment losses previously recognised is recorded when the decrease in impairment loss can be objectively related to an event occurring after the write down. Such reversal is taken to the profit statement unless the asset is carried at revalued amount in which case, such reversal is treated as a revaluation increase. However, the increased carrying amount is only recognised to the extent it does not exceed the carrying amount (net of amortisation or depreciation) that would have been had the impairment loss not been recognised. Impairment loss on goodwill is not reversed in a subsequent period.

2.25 Financial Assets

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

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

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

2. ACCOUNTING POLICIES (cont'd)

2.25 Financial Assets (cont'd)

(a) Classification (cont'd)

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

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

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

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

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

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

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

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

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

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

2. ACCOUNTING POLICIES (cont'd)

2.25 Financial Assets (cont'd)

(f) Impairment

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

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

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

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

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

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

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

2. ACCOUNTING POLICIES (cont'd)

2.27 Significant Accounting Estimates and Judgements

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

(a) Key Sources of Estimation Uncertainty

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

(i) Impairment of non-financial and financial assets

Development/completed properties held for sale

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

Goodwill and brands

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

Investment in associated companies

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

Investment in available-for-sale financial assets

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

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

2. ACCOUNTING POLICIES (cont'd)

2.27 Significant Accounting Estimates and Judgements (cont'd)

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

(ii) Income taxes

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

(iii) Revenue recognition

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

(iv) Depreciation of fixed assets

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

(v) Valuation of Investment Properties

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

(b) Critical Judgements made in Applying Accounting Policies

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

2. ACCOUNTING POLICIES (cont'd)

2.28 Assets and Liabilities Held for Sale

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

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

3. REVENUE

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

4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS

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

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

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

5. SEGMENT INFORMATION

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

Geographical segment assets are based on geographical location of the Group's assets. Segment accounting policies are the same as the policies described in Note 2, inter-segment sales are based on terms determined on a commercial basis.

Notes to the Financial Statements
for the year ended 30 September 2008

5. SEGMENT INFORMATION (cont'd)

Year ended 30 September 2008

The following table presents financial information regarding business segments:

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

The following table presents financial information regarding geographical segments:

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

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

5. SEGMENT INFORMATION (cont'd)

Year ended 30 September 2007 (Restated)

The following table presents financial information regarding business segments:

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

The following table presents financial information regarding geographical segments:

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

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

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

9. TAXATION

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

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

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

9. TAXATION (cont'd)

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

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

10. DIVIDENDS

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

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

11. EARNINGS PER SHARE

(a) Basic Earnings Per Share

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

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

(b) Diluted Earnings Per Share

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

For diluted earnings per share, the Group attributable profit to shareholders of the Company is adjusted for changes in subsidiary companies attributable profit resulting from exercise of all dilutive share options. The reconciliation of the Group adjusted attributable profit to shareholders of the Company used to compute diluted earnings per share is as follows:

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

11. EARNINGS PER SHARE (cont'd)

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

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

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

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

12. SHARE CAPITAL AND RESERVES

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

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

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

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

12. SHARE CAPITAL AND RESERVES (cont'd)

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

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

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

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

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

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

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

13. GROUP FIXED ASSETS

	Note	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 *	29	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		29,843	85,913	411,222	1,317,379	93,447	378,049	2,315,853
At directors valuation 1983		-	-	559	-	-	-	559
At directors valuation 1988		-	-	2,611	6,612	-	-	9,223
At directors valuation 1996		23,854	16,710	-	-	-	-	40,564
		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 *	29	-	-	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

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

13. GROUP FIXED ASSETS (cont'd)

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

13. GROUP FIXED ASSETS (cont'd)

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

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

(c) If the fixed assets stated at revaluation had been included in the financial statements at cost less depreciation, the net book value would have been as follows:

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

(d) Additions in the consolidated financial statements include $710,000 (2007: $Nil) of Plant & Machinery acquired under finance leases. The carrying amount of assets held under finance leases at 30 September 2008 amounted to $2,025,000 (2007: $3,667,000).

(e) The net book value of fixed assets pledged to financial institutions as security for borrowings are as follows:

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

14. GROUP INVESTMENT PROPERTIES

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

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

The following amounts are recognised in the income statement:

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

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

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

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

Independent professional valuations were carried out by the following valuers:

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

Notes to the Financial Statements
for the year ended 30 September 2008

15. GROUP PROPERTIES HELD FOR DEVELOPMENT

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

Properties held for development include:

Singapore

(1) Leasehold land (99-year tenure commencing 1 April 1990) of Lots 2569C-PT and 2348W-PT MK 19 at Yishun Central for the development of a commercial building with five levels of retail space including a retail basement floor and a basement carpark.

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

Malaysia

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

16. SUBSIDIARY COMPANIES

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

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

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

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

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

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

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

* The share capital were injected during the financial year.

16. SUBSIDIARY COMPANIES (cont'd)

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

Properties

(i) On 16 November 2007, the Group, through its indirect subsidiary, Singapore Logistics Investments Pte Ltd ("SLI"), acquired the entire issued share capital of Superway Logistics Investments (Hong Kong) Limited ("SLIHK"), a company incorporated in the Hong Kong Special Administrative Region of the People's Republic of China ("PRC"), for a cash consideration of HK$95million, being the aggregrate of the paid-up capital of SLIHK and a shareholder's loan owing by SLIHK to the vendor which is assigned to SLI upon completion. SLIHK is the holding company of Chengdu Sino Singapore Southwest Logistics Co., Ltd, a PRC company which holds land for the development thereon of an industrial complex in Chengdu, PRC.

(ii) On 14 August 2008, the Group, through its subsidiary Frasers Centrepoint Limited ("FCL"), acquired 100% of Frasers Centrepoint Asset Management (Commercial) Ltd (formerly Allco (Singapore) Limited), the manager of Frasers Commercial Trust (formerly Allco Commercial REIT). FCL also acquired 100% of Frasers Centrepoint Asset Management (Commerical) Pte Ltd (formerly Allco Asset Management Pte Ltd), Frasers Centrepoint Property Management (Commercial) Pte Ltd (formerly Allco Asset Management Services Pte Ltd) and FCL REIT Management Ltd (formerly Allco REIT Management Limited).

(iii) Following the restructuring of the Frasers (UK) Pte. Ltd, ("Frasers (UK)") subgroup in January 2007 where Frasers (UK)'s shareholding interest in Frasers Property (UK) Limited ("FPUK") increased from 33.33% to approximately 68.23% with Scarborough Group and Uberior Group (collectively the "FP Shareholders" holding approximately 20.20% and 11.57%, respectively, the Group undertook a second restructuring exercise (the "Restructuring") on 1 April 2008.

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

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

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

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

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

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

16. SUBSIDIARY COMPANIES (cont'd)

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

Printing and Publishing

(i) On 29 August 2008, Pansing Distribution Private Limited ("PDPL"), a wholly-owned subsidiary of the Group, exercised the call option granted by Viadoc Investments Limited and acquired the remaining 49% shares in IMM Singapore Holdings Pte Ltd ("IMMS"). PDPL's shareholding interest in IMMS would increase from the existing 51% to 100%. The cash consideration paid was A$2.05 million funded by internal sources.

(ii) On 30 September 2008, Times The Bookshop Pte Ltd ("TTB"), a wholly-owned subsidiary of the Group, exercised the first of two call options and acquired a further 11% interest in Pacific Bookstores Pte Ltd ("PBPL") for a cash consideration of S$594,000. TTB's shareholding interest in PBPL, a subsidiary over which it has management control, increases from the existing 49% to 60%.

(iii) On 16 January 2008, Marshall Cavendish Limited ("MCL"), a wholly-owned subsidiary of the Group, acquired 100% of the issued share capital of Summertown Publishing Limited ("Summertown") for a cash consideration of £1,000,000. Summertown carries on the business as a publisher of English language teaching materials with a distribution network in the United Kingdom, and parts of Europe and Asia.

(iv) On 25 April 2008, Marshall Cavendish International (Singapore) Pte Ltd ("MCIS"), a wholly-owned subsidiary of the Group, acquired from Popular E-Learning Holdings Pte Ltd and Ednovation Pte Ltd, all their respective shareholding interests in Learning Edvantage Pte Ltd ("LEAD") representing in aggregate 69% of the issued share capital of LEAD, and thereby increasing MCIS's shareholding interest in LEAD from the existing 31% to 100%. The total consideration of $6,555,000 was fully paid in cash. LEAD carries on the business of providing web-based e-learning courseware, content and application to primary and secondary schools in Singapore.

(v) On 28 May 2008, Times Printers Private Limited ("TPPL"), a wholly-owned subsidiary of the Group, acquired 51% of the issued share capital of JCS Digital Solutions Pte Ltd ("JCS") for a cash consideration of $1,632,000. TPPL has been granted a call option to acquire the remaining 49% of the issued share capital of JCS. JCS carries on the business of servicing activities related to digital printing.

Dairies

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

16. SUBSIDIARY COMPANIES (cont'd)

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

Dairies (cont'd)

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

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

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

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

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

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

(d) Disposal of business assets

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

(e) Strategic review

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

Details of significant subsidiaries are included in Note 44.

17. JOINT VENTURE COMPANIES

		THE COMPANY 2008 ($'000)	THE COMPANY 2007 ($'000)
(a)	Unquoted investment, at cost	**276,126**	276,126
	Quoted investment, at cost	**132,795**	132,795
		408,921	408,921
	MARKET VALUE		
	Quoted shares	**202,542**	258,804

Details of joint venture companies are included in Note 44.

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

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

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

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

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

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

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

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

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

17. JOINT VENTURE COMPANIES (cont'd)

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

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

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

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

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

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

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

18. ASSOCIATED COMPANIES

	THE GROUP		THE COMPANY	
	2008 ($'000)	2007 ($'000)	**2008 ($'000)**	2007 ($'000)
Unquoted investments, at cost	**39,919**	31,814	**-**	-
Quoted investments, at cost	**265,127**	180,676	**-**	-
Acquisition of interests	**257,750**	93,916	**94,941**	-
Provision for impairment	**(47,955)**	-	**(11,400)**	-
Share of net post acquisition reserves	**94,051**	89,664	**-**	-
	608,892	396,070	**83,541**	-
Loans owing from associated companies (unsecured)	**29,342**	32,084	**-**	-
	638,234	428,154	**83,541**	-
MARKET VALUE				
Quoted shares	**234,862**	343,401	**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 Chinese Renminbi.

(c) The summarised financial statements of the associated companies are as follows:

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

(d) The results, assets and liabilities as stated in paragraph (c) above are based on the accounts of the associated companies to 30 September 2008.

(e) The Group's share of capital commitments of the associated companies as at 30 September 2008 is $12,633,000 (2007: $1,788,000).

(f) The Group's share of contingent liabilities of the associated companies as at 30 September 2008 is $Nil (2007: $Nil).

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

Details of associated companies are included in Note 44.

19. INTANGIBLE ASSETS

	THE GROUP				
	Goodwill ($'000)	Deferred Development Costs ($'000)	Management Contracts ($'000)	Other Intangible Assets ($'000)	Total ($'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)	109	(11)	(4,331)
Additional expenditure during the year	-	22,297	-	1,412	23,709
Acquisition of subsidiary companies and additional interests in subsidiary companies	5,512	794	62,600	2,918	71,824
Acquisition of additional interests in joint venture companies	7,100	-	-	-	7,100
Disposals	(12,322)	-	-	-	(12,322)
Reclassified from fixed assets	-	-	-	635	635
Write off for the year	(77)	(676)	-	(14)	(767)
Balance at end of year	238,873	109,730	66,557	25,940	441,100
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

19. INTANGIBLE ASSETS (cont'd)

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

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

20. IMPAIRMENT TESTS FOR GOODWILL

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

	As at 30 Sep 2008 ($'000)	Basis on which recoverable values are determined	Terminal growth rate	Pre-tax Discount rate
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%	11.5% – 24.0%
	238,873			

	As at 30 Sep 2007 (Restated) ($'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	22,496	Value-in-use	0%	7.0% – 7.8%
Dairies Group	2,787	Value-in-use	1%	7.1%
Soft Drinks Group	21,449	Fair value less cost to sell	-	-
	46,732			
Joint venture companies:				
Breweries Group	192,353	Value-in-use and Fair value less cost to sell	2%	8.1% – 15.4%
	239,085			

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

20. IMPAIRMENT TESTS FOR GOODWILL (cont'd)

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

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

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

21. OTHER INVESTMENTS

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

(a) The quoted non-equity investments carry interest rate of 6% (2007: 6%).

(b) The unquoted non-equity investments carry interest rates of 10.4% (2007: 10.75% to 13.75%).

(c) Certain unquoted investments do not have quoted market prices in an active market nor are other methods of reasonably estimating the fair values readily available. Hence it is not practicable to determine their fair value with sufficient reliability without incurring excessive costs.

(d) Market value of quoted investments are determined by reference to stock exchange quoted prices.

22. CASH AND BANK DEPOSITS

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

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

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

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

23. BRANDS

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

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

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

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

24. PROPERTIES HELD FOR SALE

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

24. PROPERTIES HELD FOR SALE (cont'd)

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

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

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

(ii) Development properties held for sale include:

Singapore

(1) One Jervois – freehold land of approximately 11,668.3 sqm at Lots 803V, 787V, 788P and on Town Subdivision 24 at Jervois Road/Close and Nos. 5, 5A, 6 and 6A at Jervois Road for the development of 275 condominium units of approximately 33,716.8 sqm of gross floor area for sale.

(2) Freehold land of approximately 23,819.7 sqm situated at Holland Park, off Holland Road, Singapore for the development of approximately 12 bungalow units of approximately 19,137.0 sqm of gross floor area for sale.

(3) One St Michael's – freehold land of approximately 5,227.0 sqm at MK17 Lot 3309 situated at St Michael's Road for the development of 131 condominium units of approximately 15,288.0 sqm of gross floor area for sale.

(4) The Infiniti – freehold land of approximately 23,018.6 sqm at Lot 3385K of Mukim 5 at 89 West Coast Park (Clementi Planning Area) for a residential development comprising 315 condominium units of approximately 36,973.0 sqm of gross floor area for sale.

(5) 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.

(6) ClementiWoods – leasehold land (99-year tenure commencing 7 February 2006) of approximately 20,062.0 sqm at Lot 1201K MK 3 situated at 50 West Coast Road for the development of 240 condominium units of approximately 31,560.5 sqm of gross floor area for sale.

(7) Martin Place Residences – freehold land of approximately 12,992.3 sqm at TS 21 on Lots 317K-PT, 318N-PT, 453A, 454K, 457L-PT, 752K-PT, 1090N-PT and 1111T-PT at Kim Yam Road for the development of approximately 302 units of 39,123.5 sqm of gross floor area for sale.

(8) 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.

(9) 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.

(10) Freehold land of approximately 5,590.0 sqm at MK 22 on Lot 9339C Yio Chu Kang Road/Sirat Road for a residential development of approximately 68 units of approximately 7,827.0 sqm of gross floor area for sale.

24. PROPERTIES HELD FOR SALE (cont'd)

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

Singapore (cont'd)

(11) 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.

(12) Leasehold land (99-year tenure commencing 1 March 2008) of approximately 22,000.0 sqm on Lots 4216T, 4217A, 4218K MK 06 at Boon Lay Way/Lakeside Drive for the development of approximately 712 condominium units of approximately 77,003.0 sqm of gross floor area for sale.

(13) Freehold land of approximately 2,801.1 sqm at Lots 3655K and 3654A Mukim 2 at Holland Park for the development of 2 good class bungalows for sale.

(14) Freehold land of approximately 31,161.0 sqm at Lot 06495W MK27 Siglap Road for the development of approximately 320 condominium units of approximately 45,237.0 sqm of gross floor area for sale.

(15) Leasehold land (99-year tenure commencing 22 September 2008) of approximately 10,774.0 sqm on Lot Q949W MK17 Woodleigh Close for the development of approximately 300 condominium units of approximately 30,167.0 sqm of gross floor area for sale.

Vietnam

(16) Leasehold land (35-year tenure commencing 3 April 1995) of approximately 2,160 sqm at No. 3 Nguyen Sieu Street, Ho Chi Minh City, Vietnam for the development of approximately 106 residential units of approximately 11,845.0 sqm of gross floor area for sale.

Australia

(17) Freehold land of approximately 193 hectares situated at Wanjeep Street, Mandurah, Western Australia for a proposed mixed development of approximately 1,350 residential and commerical units of a total of approximately 192,500.0 sqm of gross floor area for sale.

(18) Freehold land of approximately 1.19 hectares situated at East Perth, Australia for a proposed mixed development comprising approximately 288 private apartment units, 166 serviced suites and commercial space of a total of approximately 42,000.0 sqm of gross floor area for sale.

(19) Freehold land of approximately 4,022.0 sqm situated at 25-29 Lorne Avenue, Killara, Sydney, Australia for a proposed development comprising 40 apartments of approximately 6,671.0 sqm of gross floor area of sale.

(20) Freehold land of approximately 4.8 hectares situated at Morton Street, Parramatta, Sydney, Australia for a proposed development of approximately 550 apartment units for sale.

(21) Freehold land of approximately 0.74 hectares situated in Camperdown's City Quarter, Sydney, Australia for a proposed development of approximately 415 apartment units of a total of approximately 40,400.0 sqm of gross floor area for sale.

(22) Freehold land of approximately 5.8 hectares situated at Broadway Sydney, Australia for a proposed mixed development comprising about 105,000.0 sqm of commercial space and about 1,300 residential apartment units for sale.

(23) Freehold land of approximately 6,215.0 sqm situated at 3,5,7 Lorne Avenue, Killara, Sydney, Australia for a proposed development comprising 66 apartment units of approximately 7,997.0 sqm of gross floor area for sale.

24. PROPERTIES HELD FOR SALE (cont'd)

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

New Zealand

(24) Freehold land of approximately 6,831.0 sqm in the South Island, Queenstown, New Zealand for a proposed development of 24 luxury residential apartments of approximately 6,250.0 sqm of gross floor area for sale.

(25) Freehold land of approximately 27 hectares located in Tauranga in the Bay of Plenty, New Zealand for a proposed development of approximately 686 houses and apartments and a beach front condominium complex of approximately 102,900.0 sqm of gross floor area for sale.

United Kingdom

(26) Freehold land of approximately 40,015.0 sqm on the south bank of River Thames, London, United Kingdom for a proposed residential and commercial development of 395 residential units and ancillary office and retail space of a total of approximately 41,203.0 sqm of gross floor area for sale for Phase 3 of the Wandsworth Riverside Development.

(27) Freehold land of approximately 1,901.0 sqm situated at 143-161 Wandsworth Road, London, United Kingdom, for a proposed residential and commercial development of approximately 94 residential units and ancillary office and retail space of a total of approximately 8,219.0 sqm of gross floor area for sale.

(28) Freehold land of approximately 3,400.0 sqm situated at 1-6 Camberwell Green and 307-311 Camberwell New Road SE5, London, United Kingdom, for a proposed residential development of approximately 130 units and ancillary office and retail space of a total of approximately 11,614.0 sqm of gross floor area for sale.

(29) Freehold land of approximately 5,385.0 sqm situated at Shoppenhangers Lane, Maidenhead, United Kingdom, for a proposed residential development of approximately 28 units of approximately 2,397.0 sqm of gross floor area for sale.

(30) Freehold land of approximately 2,165.0 sqm situated at Collins Theatre, Islington, United Kingdom, for a proposed residential development of approximately 72 units and commercial space of a total of approximately 3,026.0 sqm of gross floor area for sale.

(31) 50% proportionate share of a freehold land of approximately 19,838.0 sqm situated at Leith Walk, Edinburgh, United Kingdom, for a proposed residential and commercial development of approximately 356 residential units and ancillary office and retail space of a total of approximately 25,951.0 sqm of gross floor area for sale.

(32) 50% proportionate share of a freehold land of approximately 8,299.0 sqm situated at Granton Harbour, Leith, United Kingdom, for a proposed residential development of approximately 120 apartments of approximately 10,648.0 sqm of gross floor area for sale.

(33) 50% proportionate share of a freehold land of approximately 1,619.0 sqm situated at Water Street, Edinburgh, United Kingdom, for a proposed residential and commercial development of 36 refurbished apartments and 8 new build apartments, together with office space of a total of approximately 4,514.0 sqm of gross floor area for sale.

(34) 50% proportionate share of a freehold land of approximately 26,315.0 sqm situated at Ferry Village, Renfrew, Glasgow, United Kingdom, for a proposed residential development of approximately 177 apartments and 13 townhouses of a total of approximately 16,116.0 sqm of gross floor area for sale.

24. PROPERTIES HELD FOR SALE (cont'd)

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

United Kingdom (cont'd)

(35) Freehold land of approximately 4,037.0 sqm situated at St Giles Street, Edinburgh, United Kingdom for a proposed development of approximately 73 residential apartments for sale.

(36) 45% proportionate share of a freehold land of approximately 3,644.0 sqm situated between Wellington Street and Whitehall Road, Leeds, United Kingdom for a proposed mixed development of 608 private residential units, 206 service apartments and ancillary office and retail space for sale.

(37) Freehold land of approximately 3,158.0 sqm situated at Brown Street, Glasgow, United Kingdom, for a proposed development of approximately 288 residential units and commercial space with 22,629.0 sqm of gross floor area for sale.

(38) Freehold land of approximately 5,870.0 sqm situated at Baildon, United Kingdom, for a proposed residential development of approximately 120 units with approximately 7,264.0 sqm of gross floor area for sale.

China

(39) Leasehold land (50-year tenure commencing 22 August 1999) of approximately 633,153.0 sqm situated at Teng Qiao River, Hai Tang Bay, Hainan, China for a low density resort and tourist development of a total of approximately 67,997.0 sqm of gross floor area for sale.

(40) Leasehold land (70-year tenure commencing 27 December 2004) of approximately 314,501.0 sqm situated in Gongye Yuan District, Nan Shi Jie Dong, Suzhou, China for a residential development of a total of approximately 555,000.0 sqm of gross floor area for sale.

(41) Leasehold land (70-year tenure commencing 6 December 2003) of approximately 711,101.0 sqm located near the future Light Rapid Transit station at Si Chen Road in Song Jiang district, Shanghai, China for a composite development with a total of approximately 837,291.0 sqm of gross floor area for sale.

(42) Leasehold land (50-year tenure commencing 19 September 2007) of approximately 195,846.0 sqm situated in Chengdu, China for a proposed industrial/commerical development with a total of approximately 652,277.0 sqm of gross floor area for sale.

Thailand

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

Malaysia

(44) Freehold land of approximately 25,659.0 sqm at Jalan Yew, Kuala Lumpur, Malaysia for the development of commercial buildings with retail space, city campus and hostel, hotels and carparks with a total of approximately 163,357.0 sqm of gross floor area for sale.

(45) Freehold land of approximately 6,313.0 sqm at Jalan Ampang, Kuala Lumpur, Malaysia for a proposed development of serviced apartments and office suites.

(46) Freehold land of approximately 245,283.0 sqm at Mukim Hulu Semenyih, District of Hulu Langat, Selangor, Malaysia for a proposed development of residential properties.

24. PROPERTIES HELD FOR SALE (cont'd)

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

Malaysia (cont'd)

(47) Freehold land of approximately 12,268.0 sqm at Johor Bahru, State of Johor, Malaysia for a proposed development of commercial properties.

(48) Freehold land of approximately 3,788.0 sqm at Jalan Yew, Kuala Lumpur, Malaysia.

25. INVENTORIES

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

(a) Write back of allowance for inventory obsolescence during the year amounted to $3,190,000 (2007: $2,906,000).

(b) Inventories of $1,495,000 (2007: $977,000) of the Group's joint venture company is secured against its bank overdrafts.

26. TRADE RECEIVABLES AND OTHER RECEIVABLES

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

(a) Included in trade receivables is an amount of $229,174,000 (2007: $393,328,000) which relates to the balance of sale proceeds from completed condominium projects which will be received upon issuance of certificate of statutory completion, notice of vacant possession, expiry of defect liability period and/or title subdivision.

(b) As at 30 September 2008, the trade receivables and other receivables held by the Group are in the following major currencies: Chinese Renminbi – 13.3% (2007: 18.1%), Malaysia Ringgit – 17.3% (2007: 12.7%) and United States Dollars – 7.0% (2007: 4.0%).

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

Trade receivables that are past due but not impaired

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

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

Trade receivables that are impaired

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

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

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

27. DERIVATIVE FINANCIAL INSTRUMENTS

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

28. SHORT TERM INVESTMENTS

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

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

29. ASSETS AND LIABILITIES HELD FOR SALE

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

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

30. TRADE AND OTHER PAYABLES

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

30. TRADE AND OTHER PAYABLES (cont'd)

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

(b) As at 30 September 2008, the trade and other payables held by the Group are in the following major currencies: Malaysia Ringgit – 14.4% (2007: 17.9%), Chinese Renminbi – 18.3% (2007: 15.1%) and United States Dollars – 5.7% (2007: 6.9%).

31. BORROWINGS

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

Notes

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

31. BORROWINGS (cont'd)

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

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

(c) Included in the term loans is a loan from the Group's associated company and bear interest rate of 8.7% (2007: 8.4%) per annum.

(d) The carrying amounts of bank borrowings and finance leases approximate fair value as they bear interest at rates which approximate the current incremental borrowing rate for similar types of lending and borrowing arrangements except for bank loans of $1,856,548,000 (2007: $1,478,661,000) which have a fair value of $1,847,321,000 (2007: $1,487,294,000).

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

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

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

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

(g) As at 30 September 2008, the Company and Group had interest rate swaps in place, which have the economic effect of converting borrowings from fixed rates to variable rates or vice versa. The fair value of these interest rate swaps is discussed in Note 38. The weighted average effective interest rates are as at 30 September 2008 and include the effect of related interest rate swaps.

32. PROVISION FOR EMPLOYEE BENEFITS

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

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(a) Defined Contribution Plan
The Group makes contributions to several post employment benefit plans. Most of these plans are defined contribution plans whereby contributions are made to approved provident and superannuation funds in Singapore, Malaysia, Hong Kong, Australia, Papua New Guinea, Vietnam, Cambodia, Sri Lanka, the USA and Europe.

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

The major assumptions used by the qualified independent actuaries were:

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

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

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

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

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

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

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

(d) Share Options
The equity-based equity-settled share option schemes of the Group are:

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

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

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

(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.

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Options (cont'd)

Information Regarding F&NHB 2007 Scheme

(i) The maximum number of new ordinary shares of RM1.00 each in the Company which may be issued on the exercise of the F&NHB 2007 Scheme shall not exceed 10% of the issued and paid-up share capital of F&NHB at any point of time throughout the duration of the F&NHB 2007 Scheme.

(ii) Eligible full-time executives of the Group and Executive Directors of the Company with at least one year service shall be eligible to participate in the ESOS.

(iii) The allotment of an Eligible Executive shall not exceed the maximum limits for any specific job grade in any one financial year and 1,000,000 new shares of the Company during the tenure of the F&NHB 2007 Scheme, subject to the limits below:

(1) not more than 50% of the new shares of F&NHB available under the F&NHB 2007 Scheme shall be allocated, in aggregate, to the Directors and senior management of the Group; and

(2) not more than 10% of the new shares of the Company available under the F&NHB 2007 Scheme shall be allocated to any individual Eligible Executive who, either singly or collectively through persons connected to that Eligible Executive, holds 20% or more of the issued and paid-up share capital of the Company.

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

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

Information Regarding FPCL Scheme

(i) The exercise price will be determined by FPCL Board, but shall not be less than the highest of:

(1) the closing price as stated in the daily quotation sheet of the Stock Exchange of Hong Kong Limited ("HKEX") on the date of grant, which must be a trading day;

(2) the average closing prices as stated in the HKEX's daily quotation sheets for the five trading days immediately preceding the date of grant; and

(3) the nominal value of FPCL share.

(ii) The exercise period of the FPCL options granted is determinable by the FPCL Board and commences on a specified date and ends on a date which is not later than 10 years from the date of grant of the FPCL options.

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Options (cont'd)

Information Regarding FPCL Scheme (cont'd)

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

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

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

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

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

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

The fair value of options granted during the year was $1.34 (2007: $0.94).
The weighted average share price for options exercised during the year was $4.93 (2007: $5.09).

Note:
1 Exercised (6,149,210); Lapsed due to Resignations and Non-acceptance (3,757,233).

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

(d) **Share Options** (cont'd)

Fraser & Neave Holdings Bhd Executives' Share Option Scheme

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

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

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

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

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

Frasers Property (China) Limited's Share Option Scheme

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

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

Notes:
2 Exercised (2,926,300); Lapsed due to Expiry, Resignations, Retirement and Non-acceptance (251,600).
3 Lapsed due to Resignations, Retirement and Non-acceptance.
4 Exercised (894,000); Lapsed due to Resignations (574,626).

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

(d) **Share Options** (cont'd)

Asia Pacific Breweries Limited Executives' Share Option Scheme

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

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

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

Fraser and Neave, Limited Executives' Share Option Schemes 1999

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

Fraser & Neave Holdings Bhd Executives' Share Option Scheme

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

Note:
5 Exercised (19,675); Lapsed due to Resignations (16,966).

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Options (cont'd)

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

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

Frasers Property (China) Limited's Share Option Scheme

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

Asia Pacific Breweries Limited Phantom Share Option Scheme

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

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

Notes to the Financial Statements
for the year ended 30 September 2008

32. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(e) Phantom Shares Option Plan

Asia Pacific Breweries Limited ("APBL"), has in place an equity-based cash-settled Phantom Share Option Plan ("APBL PSOP") which succeeds their Executives Share Option Scheme. No shares will be issued and participants of the plan are not entitled to, and have no right or interest in the shares of APBL.

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

(i) The exercise price is equal to the average closing market price for the thirty market days immediately before the grant.

(ii) The grantee may exercise an option during the exercise period which commences 33 months after the date of grant.

(iii) The options expire 57 months after the offer date.

(iv) Upon exercise of the options, an amount in cash equals to the excess (if any) of the average of the closing price for the thirty days immediately preceding the date the options are exercised over the exercise price, would be paid to the grantee. In the event the excess exceeds the exercise price, the amount payable to the grantee shall not exceed the exercise price.

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

The fair value of options granted during the year was $1.35 (2007: $2.97).
The weighted average share price for options exercised during the year was $12.84 (2007: $15.24).

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

33. DEFERRED TAX ASSETS AND LIABILITIES

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

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

	THE GROUP 2008 ($'000)	THE GROUP 2007 ($'000)	THE COMPANY 2008 ($'000)	THE COMPANY 2007 ($'000)
Employee benefits	**(1,158)**	(2,869)	**-**	-
Differences in depreciation	**6,883**	12,317	**-**	-
Unabsorbed losses and capital allowances	**(16,222)**	(14,257)	**-**	-
Provisions	**(5,515)**	(9,485)	**-**	-
Others	**(1,832)**	(2,574)	**-**	-
Net deferred tax assets	**(17,844)**	(16,868)	**-**	-

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

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

34. FUTURE COMMITMENTS

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

35. LEASE COMMITMENTS

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

	THE GROUP 2008 ($'000)	THE GROUP 2007 ($'000)
Payable within one year	**30,436**	16,485
Payable between one and five years	**38,241**	27,441
Payable after five years	**42,121**	43,796
	110,798	87,722
Operating lease expense for the year	**37,574**	35,455

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:

	THE GROUP 2008 ($'000)	THE GROUP 2007 ($'000)
Receivable within one year	**186,570**	159,807
Receivable between one and five years	**232,139**	193,263
Receivable after five years	**6,071**	10,203
	424,780	363,273

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

35. LEASE COMMITMENTS (cont'd)

Finance Leases

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

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

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

36. RELATED PARTY TRANSACTIONS

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

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

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

Notes to the Financial Statements
for the year ended 30 September 2008

37. CONTINGENT LIABILITIES

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

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

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

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

38. FINANCIAL RISK MANAGEMENT

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

The Group has established processes to monitor and control hedging transactions in a timely and accurate manner.

These policies are reviewed regularly by the Audit and Executive Committees to ensure that the Group's policies and guidelines are adhered to. The Group's accounting policies in relation to derivatives are set out in Note 2.

Foreign Currency Risk

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

At 30 September 2008, the Group had entered into foreign currency forward exchange buy contracts amounting to $59 million (2007: $51 million) and foreign currency forward exchange sell contracts amounting to $59 million (2007: $27 million). The fair value adjustments of the buy contracts and sell contracts (which is the difference between the notional principal amount and market value of the contracts) are loss of $808,000 (2007: $306,000) and gain of $854,000 (2007: $334,000) respectively.

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

38. FINANCIAL RISK MANAGEMENT (cont'd)

Foreign Currency Risk (cont'd)

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

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

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

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

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

Notes to the Financial Statements
for the year ended 30 September 2008

38. FINANCIAL RISK MANAGEMENT (cont'd)

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

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

38. FINANCIAL RISK MANAGEMENT (cont'd)

Liquidity Risk (cont'd)

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

Credit Risk

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

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

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

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

Notes to the Financial Statements
for the year ended 30 September 2008

38. FINANCIAL RISK MANAGEMENT (cont'd)

Credit Risk (cont'd)

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

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

Interest Rate Risk

The Company's and the Group's exposure to market risk for changes in interest rates relate primarily to debt obligation with financial institutions. The Company's and the Group's policy is to manage interest cost using a mix of fixed and variable rate debts, and interest rate economic effect of converting borrowings from fixed rates to variable rates or vice versa.

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

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

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

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

38. FINANCIAL RISK MANAGEMENT (cont'd)

Interest Rate Risk (cont'd)

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

	THE GROUP			
	Floating rates	Fixed rates		
		Less than 1 year	Between 1 to 5 years	After 5 years
	($'000)	($'000)	($'000)	($'000)
Year ended 30 September 2008				
Assets				
Cash and bank deposits	193,621	685,738	2,332	-
Other financial assets	-	3,220	19,998	25,450
Liabilities				
Borrowings	1,954,487	1,021,597	2,243,946	213,887
Year ended 30 September 2007				
Assets				
Cash and bank deposits	213,145	721,888	218	-
Other financial assets	-	3,850	22,176	25,450
Liabilities				
Borrowings	2,566,381	913,933	1,270,216	160,129

	THE COMPANY			
	Floating rates	Fixed rates		
		Less than 1 year	Between 1 to 5 years	After 5 years
	($'000)	($'000)	($'000)	($'000)
Year ended 30 September 2008				
Assets				
Cash and bank deposits	-	39,200	-	-
Liabilities				
Borrowings	299,960	-	199,814	150,000
Year ended 30 September 2007				
Assets				
Cash and bank deposits	-	29,977	-	-
Liabilities				
Borrowings	299,757	-	199,713	150,000

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

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

38. FINANCIAL RISK MANAGEMENT (cont'd)

Interest Rate Risk (cont'd)

Sensitivity Analysis for Interest Rate Risk

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

Market Risk

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

Sensitivity Analysis for Quoted Investment Risk

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

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

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

Fair Values

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

(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.

38. FINANCIAL RISK MANAGEMENT (cont'd)

Fair Values (cont'd)

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

	Loans and receivables ($'000)	Fair value through profit and loss ($'000)	Available-for-sale ($'000)	Liabilities at amortised cost ($'000)	Non-financial assets /liabilities ($'000)	Total ($'000)
The Group						
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	121,397	4,605	-	-	176,540	302,542
Deferred tax assets	-	-	-	-	17,844	17,844
Properties held for sale	-	-	-	-	4,576,737	4,576,737
Inventories	-	-	-	-	468,502	468,502
Trade receivables	714,058	-	-	-	-	714,058
Short term investments	3,220	-	137,891	-	-	141,111
Bank fixed deposits	629,882	-	-	-	-	629,882
Cash and bank balances	403,057	-	-	-	-	403,057
Assets held for sale	-	-	-	-	27,086	27,086
	1,937,556	4,605	281,205	-	11,294,953	13,518,319
Liabilities						
Trade payables	-	-	-	576,592	-	576,592
Other payables	-	8,371	-	631,431	30,628	670,430
Joint venture companies	-	-	-	4,066	-	4,066
Associated companies	-	-	-	17,545	-	17,545
Borrowings	-	-	-	5,434,835	-	5,434,835
Provision for taxation	-	-	-	-	247,417	247,417
Provision for employee benefits	-	-	-	-	18,764	18,764
Deferred tax liabilities	-	-	-	-	130,154	130,154
	-	8,371	-	6,664,469	426,963	7,099,803

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

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						
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
2007						
Assets						
Subsidiary companies	795,267	-	-	(721,772)	3,671,231	3,744,726
Joint venture companies	-	-	-	-	408,921	408,921
Other investments	-	-	9,027	-	-	9,027
Other receivables	265	4,831	-	-	4	5,100
Short term investments	-	-	19,997	-	-	19,997
Bank fixed deposits	29,977	-	-	-	-	29,977
Cash and bank balances	1,794	-	-	-	-	1,794
	827,303	4,831	29,024	(721,772)	4,080,156	4,219,542
Liabilities						
Other payables	-	3,069	-	10,682	1,060	14,811
Subsidiary companies	-	-	-	21,800	-	21,800
Borrowings	-	-	-	649,470	-	649,470
Provision for taxation	-	-	-	-	7,858	7,858
Deferred tax liabilities	-	-	-	-	439	439
	-	3,069	-	681,952	9,357	694,378

39. UNUSUAL ITEM

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

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

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

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

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

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

40. CAPITAL MANAGEMENT

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

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

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

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

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

41. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

42. SUBSEQUENT EVENTS

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

43. COMPARATIVE FIGURES

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

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

44. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES

		Effective Shareholding 2008	2007	Principal Activities
	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 *(Held by a subsidiary company)*	**60.0%**	60.0%	Marketing Ready-To-Drink Coffee Beverages
	F&N DCH Holding Pte Ltd *(Held by a subsidiary company)*	**51.0%**	51.0%	Dormant
	F&N Treasury Pte Ltd	**100.0%**	100.0%	Provide Treasury and Financial Services
	Tien Chun Pte Ltd	**100.0%**	100.0%	Investment Holding
	Country of Incorporation and Place of Business: **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	**57.9%**	58.7%	Investment Holding
(A)	Tiger Taverns Sdn Bhd	**100.0%**	100.0%	Dormant
(A)	Magnolia – PDL Dairies (1993) Sdn Bhd	**100.0%**	100.0%	Dormant
(A)	Fannet Online Sdn Bhd	**100.0%**	100.0%	Dormant
(A)	F&N Services (L) Bhd	**100.0%**	100.0%	Investment Holding
	Country of Incorporation and Place of Business: **Vietnam**			
(A)	F&N Vietnam Foods Co Ltd *(Held by a subsidiary company)*	**100.0%**	100.0%	Manufacture and Distribution of Dairy Products and Beverages
	Country of Incorporation and Place of Business: **Thailand**			
(A)	F&N United Ltd *(Held by a subsidiary company)*	**95.0%**	95.0%	Manufacture and Distribution of Dairy Products
	Country of Incorporation and Place of Business: **Myanmar**			
(C)	Myanmar Brewery Ltd *(Accounting year ends on 31 March)*	**55.0%**	55.0%	Brewing and Distribution of Beer

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

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

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

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

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

		Effective Shareholding 2008	Effective Shareholding 2007	Principal Activities
	SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP (cont'd)			
	Country of Incorporation and Place of Business: **Singapore**			
(A)	Arolys Singapore Pte Ltd	**57.9%**	58.7%	Manufacture and Distribution of Dairy Products
	Country of Incorporation and Place of Business: **Thailand**			
(A)	Thai Malaya Glass Company Limited	**40.5%**	41.1%	Manufacture and Sale of Glass Containers
(A)	F&N Dairies (Thailand) Limited	**57.9%**	58.7%	Manufacture and Distribution of Dairy Products
	Country of Incorporation and Place of Business: **Vietnam**			
(A)	Malaya – Vietnam Glass Ltd	**40.5%**	41.1%	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)*	**34.8%**	35.2%	Manufacture and Sale of Glass Containers
	Country of Incorporation and Place of Business: **British Virgin Islands**			
(A)	Lion Share Management Limited	**57.9%**	58.7%	Manufacture and Distribution of Dairy Products
	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%	Property Investment and Development
	Orrick Investments Pte Ltd	**100.0%**	100.0%	Property Investment
	Yishun Development Pte Ltd	**100.0%**	100.0%	Property Investment
	FCL Alexandra Point Pte Ltd	**100.0%**	100.0%	Property Investment
	Woodlands Complex Pte Ltd	**100.0%**	100.0%	Property Investment
	Riverside Walk Pte Ltd	**100.0%**	100.0%	Property Development
	FCL Ventures Pte Ltd	**100.0%**	100.0%	Property Development
	Nasidon Investments Pte Ltd	**100.0%**	100.0%	Property Development
	FCL Management Services Pte Ltd	**100.0%**	100.0%	Management Services
	Northspring Development Pte Ltd	**100.0%**	100.0%	Property Development
	Riverside Investments Pte Ltd	**100.0%**	100.0%	Property Development
	Yishun Land Pte Ltd	**100.0%**	100.0%	Property Development
	Yishun Property Pte Ltd	**100.0%**	100.0%	Property Development
	FCL Tampines Pte Ltd	**80.0%**	80.0%	Property Development
	FCL Homes Pte Ltd	**100.0%**	100.0%	Property Development
	FCL Land Pte Ltd	**100.0%**	100.0%	Property Development
	FCL Assets Pte Ltd	**100.0%**	100.0%	Investment Holding

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

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

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

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

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

Notes:
(A) Audited by Ernst & Young in the respective countries.
(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.

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

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

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

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

		Effective Shareholding 2008	2007	Principal Activities
	SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
	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**			
(C)	Frasers Hospitality Philippines, Inc	**100.0%**	100.0%	Provision of Management Services in the Lodging Industry
(C)	Frasers Hospitality Investment, Inc	**100.0%**	100.0%	Investment Holding
	Country of Incorporation: **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%**	-	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 *(Formerly Fairbriar Holdings Limited)*	**51.2%**	51.2%	Investment Holding
(C)	Frasers Investments (UK) Limited *(Formerly Frasers Europa 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 *(Formerly Fairbriar Homes Limited)*	**51.2%**	51.2%	Property Development
(C)	Buckwood Grange Limited	**51.2%**	51.2%	Property Development
(C)	Fairbriar Investments Limited	**51.2%**	51.2%	Dormant
(C)	Frasers Islington Limited *(Formerly Fairbriar 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

Notes:
(B) Not required to be audited under the laws of the country of incorporation.
(C) Audited by other firms of auditors.
(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.

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

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

Notes:
(A) Audited by Ernst & Young in the respective countries.
(C) Audited by other firms of auditors.
(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.

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

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

Notes:
(A) Audited by Ernst & Young in the respective countries.
(C) Audited by other firms of auditors.
(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.
* In voluntary liquidation.

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

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

Notes:
(A) Audited by Ernst & Young in the respective countries.
(C) Audited by other firms of auditors.
(1) Company is treated as a subsidiary of the Group by virtue of management control over financial and operating policies of the company.
* In voluntary liquidation.

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

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

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

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

		Effective Shareholding 2008	2007	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)			
	Country of Incorporation and Place of Business: **United States of America**			
(B)	Marshall Cavendish Corporation	**100.0%**	100.0%	Books
	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 *(Accounting year ends on 31 December)*	**69.6%**	69.6%	Property Development
	Country of Incorporation and Place of Business: **Singapore**			
	FCL Peak Pte Ltd	**50.0%**	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 Limited *(Formerly Sovereign House Developments Limited)*	**25.6%**	25.6%	Property Development
(C)	Fairmuir Limited	**25.6%**	25.6%	Property Development
(C)	Frasers Hamilton (Shrubhill) Ltd	**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 *(Accounting year ends on 31 December)*	**50.0%**	50.0%	Retail of Books and Magazines
	Country of Incorporation and Place of Business: **China**			
(C)	Shanghai Times SanYin Printers Co Ltd *(Accounting year ends on 31 December)*	**40.0%**	40.0%	Commercial Printing

Notes:
(A) Audited by Ernst & Young in the respective countries.
(B) Not required to be audited under the laws of the country of incorporation.
(C) Audited by other firms of auditors.
(2) This is accounted for as a joint venture as the Group exercises only joint control over the Company.
* Asia Pacific Investment Pte Ltd ("APIPL") which holds 64.8% of the issued capital of Asia Pacific Breweries Limited is owned equally by Fraser and Neave, Limited and the Heineken Group. Under the provisions of the Companies Act, Cap. 50, Fraser and Neave, Limited is the ultimate holding company by reason of its rights to appoint a majority of the directors of APIPL.

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

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

Notes:
(A) Audited by Ernst & Young in the respective countries.
(C) Audited by other firms of auditors.
(1) Company is treated as an associate of the Group by virtue of significant influence over the company.

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

		Effective Shareholding 2008	2007	Principal Activities
	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 and Management Services
	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)	Hatay Brewery Limited	**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 Beverages Limited	**39.7%**	39.7%	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	**31.7%**	31.7%	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business: **British Virgin Islands**			
(B)	Able Win Gain Limited	**50.0%**	-	Investment Holding
(B)	Kenton Assets Limited	**50.0%**	-	Investment Holding
	Country of Incorporation and Place of Business: **Hong Kong**			
(E)	Capital Shine Limited	**50.0%**	-	Investment Holding
	Country of Incorporation and Place of Business: **China**			
(A)	Hainan Asia Pacific Brewery Co Ltd	**44.8%**	44.8%	Brewing and Distribution of Beer
(A)	Shanghai Asia Pacific Brewery Co Ltd	**44.8%**	43.5%	Brewing and Distribution of Beer
(A)	Heineken Trading (Shanghai) Co Ltd	**44.8%**	44.8%	Distribution of Beer
(A)	Heineken-APB (China) Management Services Co Ltd	**44.8%**	44.8%	Provision of Investment, Management and Consulting Services
(A)	Guangzhou Asia Pacific Brewery Co Ltd *(All the above companies, incorporated in China, accounting year end on 31 December)*	**44.8%**	-	Brewing and Distribution of Beer

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

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

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

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

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

		Effective Shareholding 2008	2007	Principal Activities
	SUBSIDIARY COMPANIES OF ASIA PACIFIC BREWERIES GROUP (cont'd)			
	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
	Country of Incorporation and Place of Business: **Laos**			
(A)	Laos Asia Pacific Breweries Limited	**27.0%**	27.0%	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business: **Canada**			
(E)	Tiger Canada Inc	**39.7%**	-	Investment Holding
	JOINT VENTURE COMPANIES OF ASIA PACIFIC BREWERIES GROUP			
	Country of Incorporation and Place of Business: **Singapore**			
(C)	GAPL Pte Ltd *(Accounting year ends on 30 June)*	**19.8%**	19.8%	Investment Holding & Distribution of Stout
	Country of Incorporation and Place of Business: **Thailand**			
(C)	Thai Asia Pacific Brewery Co Ltd	**13.9%**	13.9%	Brewing and Distribution of Beer
(C)	Thai Asia Pacific Trading Co Ltd	**13.9%**	13.9%	Distribution of Beer
	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 *(Accounting year ends on 31 December)*	**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.
(E) To be appointed.

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

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

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

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

				Land ($'000)	Building ($'000)
FREEHOLD (cont'd)					
Sri Lanka					
APBL	–	0.4	hectares industrial property at Millawa Land	10	-
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	-	7
	–	27.5	hectares industrial property at Sangareddy Mandal, Badlapur Village, Medak District	1,074	3,286
Total Freehold				**52,733**	**109,191**
LEASEHOLD					
Singapore					
F&N	–	4.0	hectares industrial property at 214 Pandan Loop (Lease expires year 2010)	-	14,570
APBL	–	8.8	hectares industrial property at Jurong (Lease expires year 2046)	-	19,669
TPL	–		Commercial property at Unit #04-08 – #04-11, 176 Orchard Road Centrepoint (Lease expires year 2078)	-	386
	–	1.8	hectares industrial offices at 16 & 18 Tuas Avenue 5 (Lease expires year 2043)	-	14,839
Peninsular Malaysia					
F&N	–	3.6	hectares industrial property at 70 Jalan University, Petaling Jaya (Lease expires year 2058)	8,023	6,772
	–	1.6	hectares industrial property at 16 Jalan Bersatu 13/4, Petaling Jaya (Lease expires year 2058)	4,241	1,899
	–	1.9	hectares industrial property at Lot 5, Jalan Kilang, 46050 Petaling Jaya (Lease expires year 2058)	2,734	1,550
	–	1.4	hectares industrial property at Lot 56, Section 4, Phase 2B, Mukim Klang, Selangor (Lease expires year 2097)	12,182	-
	–		Other properties	680	677
East Malaysia					
F&N	–	1.8	hectares industrial property at Penrissen Road, Kuching (Lease expires year 2038)	681	2,866
	–	2.6	hectares industrial property at Tuaran Road, Kota Kinabalu (Lease expires year 2062)	1,025	780
	–	1.2	hectares industrial property at 218 KNLD, Kuching (Lease expires year 2038)	3,071	-
	–	2.8	hectares industrial property at Matang Land District, Sarawak/Kuching District (Lease expires year 2038/2784)	2,051	344

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

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

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

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

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

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

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

	Land ($'000)	Building ($'000)
Singapore		
FCL – A 24-storey office building at 438 Alexandra Road Freehold, lettable area – 18,423.0 sqm	67,250	94,450
– Retained interests (excluding apartments) in a 7-storey shopping cum residential complex with 2 basement floors at Centrepoint, 176 Orchard Road Leasehold (Lease expires year 2078), lettable area – 30,867.0 sqm	454,110	174,890
– Retained interests in a 4-storey shopping complex with 2 basement shopping levels and one basement carpark at 930, Yishun Avenue 2 Leasehold (Lease expires year 2089), lettable area – 12,357.8 sqm	214,500	71,500
– A 2-storey shopping complex at 368 & 370 Alexandra Road, situated on the 1st storey and 1st basement level of a 5-storey commercial cum residential block and a 2-storey free-standing restaurant building Freehold, lettable area – 6,652.7 sqm	36,000	31,000
– Two 8-storey high-tech industrial building with basement carpark at 438A and 438B Alexandra Road, Alexandra Technopark, Block A & Block B Freehold, lettable area – 97,542.0 sqm	101,670	272,030
– A 10-storey commercial cum serviced apartment complex at Robertson Walk Shopping Centre and Fraser Place Serviced Residences, 11 Unity Street, with 2 basement carparks comprising a 2-storey retail podium and 163 serviced apartment units Leasehold (999 years) Lettable area: Retail 9,068.8 sqm Serviced apartments 14,293.4 sqm Total 23,362.2 sqm	105,970	137,030

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

	Land ($'000)	Building ($'000)
Singapore (cont'd)		
– A 7-storey shopping/entertainment complex at 1, Woodlands Square with 3 basement floors (comprising 2 basement carparks and 1 basement shop) Leasehold (Lease expires year 2094), lettable area – 38,884 sqm	511,000	199,000
– A 20-storey commercial cum serviced apartment complex with a 3-storey covered carpark, a 5-storey podium block, a 2-storey retail podium and 251 serviced apartment units at River Valley Road Leasehold (999 years) Lettable area: Retail 3,699.0 sqm Serviced apartments 20,232.0 sqm Office 16,948.0 sqm Total 40,879.0 sqm	177,900	245,800
– Other properties	1,132	168
TPL – 0.7 hectares industrial property at 438 Ang Mo Kio Industrial Park Leasehold (Lease expires year 2038)	-	9,600
– 1.9 hectares warehouse at No. 24 Senoko Drive Leasehold (Lease expires year 2011)	-	800
Vietnam		
FCL – A 23-storey retail/office building plus 2 basements at 2 Ngo Duc Ke Street, District 1, Ho Chi Minh City Leasehold (Lease expires year 2045), lettable area – 17,744.0 sqm	33,826	30,760
China		
FCL – A 5-storey buildings for I.T research and development centres and offices, and for ancillary uses at Shenzhen Industrial Hi-Tech Industrial Park Gaoxing South Ring Road/Keji South Road, Shenzhen Leasehold (Lease expires year 2049), lettable area – 141,310.0 sqm	41,255	107,291
– A 13-storey office and/or research and development facilities with 2 levels of basement car parks and ancillary facilities at TsingHua Science Park No 1 Zhongguancun East Road, Haidian District, Beijing Leasehold (Lease expires year 2053), lettable area – 38,330.0 sqm	38,187	7,891
– A building comprising residential (3rd to 23rd level) and clubhouse (2nd level) at No. 7 Guanghua Road, Chaoyang District, Beijing Leasehold: Residental (lease expires year 2073) Clubhouse (lease expires year 2043) Lettable area – 28,419.0 sqm	-	210,402
Philippines		
FCL – 69 apartment units with car park lots at Frasers Place Forbes Tower, Valero Street, Salcedo Village, Makati City, Manila Freehold, lettable area – 17,046.0 sqm	-	26,502

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

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

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

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

Particulars of Group Properties

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

			Effective Group interest %
China/Hong Kong			
FCL	–	Scenic Place Leasehold land of approximately 26,052.0 sqm situated at No.305 Guang An Men Wai Avenue. The development has a gross floor area of 95,855.0 sqm and consists of 788 residential units and 154 carpark lots.	56
	–	Ninth ZhongShan Leasehold land of approximately 73,152.0 sqm situated at No.2 Xinglin Street Zhongshan District. The development has a gross floor area of 63,054.0 sqm and consists of 458 residential units and 132 carpark lots.	56
	–	Greenery Place Leasehold land of approximately 6,796.0 sqm situated at No. 1 Town Park Road South, Yuan Long, Hong Kong. The development has a gross floor area of 22,106.0 sqm and consists of 133 carpark lots.	56
	–	Jingan Four Seasons Leasehold land of approximately 13,843.0 sqm situated at Wu Jiang Lu, Shanghai. The development has a gross floor area of 70,717.0 sqm and consists of 452 residential units and 88 retail units.	100
	–	Crosspoint Leasehold land of approximately 7,111.0 sqm situated at Xi Cheng District, Xin Jie Kou, Beijing. The development has a gross floor area of 28,572.0 sqm and consists of 22 retail units.	95
United Kingdom			
FCL	–	Wandsworth Freehold land of approximately 40,014.9 sqm situated at South bank of River Thames, London. The development has a gross floor area of 27,000.0 sqm and consists of 203 residential units and 8 commercial units.	51
	–	Vincent Square Freehold land of approximately 2,346.0 sqm situated at Rochester Row, London. The development has a gross floor area of 6,197.0 sqm and consists of 70 residential units.	51
	–	Verwood & Horslynch 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 properties under development are included in Note 24 to the Financial Statements. Additional information as follows:

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

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

(E) CLASSIFIED AS GROUP PROPERTIES HELD FOR DEVELOPMENT
(Note 15 to the Financial Statements)

Details of the properties held for development are included in Note 15 to the Financial Statements. Additional information as follows:

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

Shareholding Statistics

as at 3 December 2008

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

Size of holding	Number of Shareholders	%	Number of Shares	%
1 – 999	348	2.05	124,195	0.01
1,000 – 10,000	12,994	76.72	47,048,552	3.39
10,001 – 1,000,000	3,563	21.04	201,992,201	14.53
1,000,001 and above	32	0.19	1,140,489,742	82.07
	16,937	100.00	1,389,654,690	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	283,064,612	20.37
2	Seletar Investments Pte Ltd	205,500,000	14.79
3	HSBC (Singapore) Nominees Pte Ltd	123,321,878	8.87
4	Citibank Nominees Singapore Pte Ltd	82,942,516	5.97
5	Great Eastern Life Assurance Co Ltd – Participating Fund	77,358,575	5.57
6	Great Eastern Life Assurance (Malaysia) Berhad	70,393,850	5.07
7	DBSN Services Pte Ltd	61,257,531	4.41
8	Oversea-Chinese Bank Nominees Pte Ltd	51,209,385	3.68
9	The Overseas Assurance Corporation Ltd	46,505,570	3.35
10	United Overseas Bank Nominees Pte Ltd	29,826,549	2.15
11	The Great Eastern Trust Private Limited	17,587,805	1.27
12	Raffles Nominees Pte Ltd	16,063,387	1.16
13	Lee Latex Pte Limited	10,656,115	0.77
14	DB Nominees (Singapore) Pte Ltd	9,413,115	0.68
15	Tropical Produce Company Pte Ltd	8,665,400	0.62
16	Fam Yue Onn Michael or Fam Shou Kwong Richard	5,685,025	0.41
17	TM Asia Life Singapore Ltd	5,556,950	0.40
18	Selat Pte Limited	5,265,000	0.38
19	Merrill Lynch (Singapore) Pte Ltd	4,497,250	0.32
20	Lee Pineapple Company Pte Ltd	3,867,515	0.28
		1,118,638,028	80.52

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	46,228,250	212,804,065
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	-	206,261,500
Aberdeen Asset Management PLC & its subsidiaries	-	82,383,750
Aberdeen Asset Management Asia Limited	-	82,383,750

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

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.

Fraser and Neave, Limited

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

NOTICE OF ANNUAL GENERAL MEETING
Date: Thursday 22 January 2009
Place: Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958

NOTICE IS HEREBY GIVEN that the 110th Annual General Meeting of FRASER AND NEAVE, LIMITED will be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on Thursday 22 January 2009 at 10.00am for the following purposes:

ROUTINE BUSINESS

1. To receive and adopt the report of the directors and audited financial statements for the year ended 30 September 2008.

2. To approve a final tax-exempt (one-tier) dividend of 8.5 cents per share in respect of the year ended 30 September 2008.

3. To pass the following resolutions on the recommendation of the Nominating Committee and endorsement of the Board of Directors in respect of appointment of Directors:

   (a) "That Mr Ho Tian Yee, who retires by rotation, be and is hereby re-appointed as a Director of the Company."

   Subject to his re-appointment, Mr Ho who is considered an independent director, will be re-appointed as Chairman of the Nominating Committee and a Member of the Board Executive and Remuneration & Staff Establishment Committees.

   (b) "That Mr Koh Beng Seng, who retires by rotation, be and is hereby re-appointed as a Director of the Company."

   Subject to his re-appointment, Mr Koh who is considered an independent director, will be re-appointed as Chairman of the Audit Committee.

   (c) "That Mr Tan Chong Meng, who was appointed during the year, be and is hereby re-appointed as a Director of the Company."

   Subject to his re-appointment, Mr Tan who is considered an independent director, will be re-appointed as a Member of the Audit Committee.

4. To approve directors' fees of $2,555,000 payable by the Company for the year ending 30 September 2009 (last year: $2,525,000).

5. To re-appoint auditors for the ensuing year and authorise the Directors to fix their remuneration.

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

SPECIAL BUSINESS
To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without any modifications:

6. "That authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares in the capital of the Company ("**shares**") whether by way of rights or bonus; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

on a pro rata basis to shareholders of the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the total number of issued shares in the capital of the Company, excluding treasury shares, (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares, excluding treasury shares, shall be based on the total number of issued shares in the capital of the Company, excluding treasury shares, at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. "

7. "That approval be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the Fraser and Neave, Limited Executives' Share Option Scheme 1999 ("**the 1999 Scheme**") and to allot and issue such shares as may be issued pursuant to the exercise of options under the 1999 Scheme, provided always that the aggregate number of shares to be issued pursuant to the 1999 Scheme shall not exceed 15 per cent of the total number of issued shares in the capital of the Company, excluding treasury shares, from time to time."

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

OTHER
8. To transact any other business which may properly be brought forward.

By Order of the Board
Anthony Cheong Fook Seng
Group Company Secretary

Singapore,
30 December 2008

A member of the Company entitled to attend the meeting and vote is entitled to appoint a proxy to attend and vote instead of him; a proxy need not be a member of the Company. The instrument appointing a proxy (a form is enclosed) must be deposited with the company secretary at the registered office not less than 48 hours before the time appointed for holding the meeting.

Fraser and Neave, Limited

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

STATEMENT PURSUANT TO ARTICLE 64 OF THE COMPANY'S ARTICLES OF ASSOCIATION
The effects of the resolutions under the heading "Special Business" in this Notice of the 110th Annual General Meeting are:

(a) Ordinary Resolution No. 6 is to allow the Directors of the Company from the date of that meeting until the next Annual General Meeting to issue, or agree to issue shares and/or grant instruments that might require shares to be issued on a pro rata basis to shareholders of the Company, up to an aggregate limit of 50 per cent of the total number of issued shares in the capital of the Company, excluding treasury shares, (calculated as described).

(b) Ordinary Resolution No. 7 is to authorise the Directors to offer and grant options in accordance with the provisions of the Fraser and Neave, Limited Executives' Share Option Scheme 1999 (the **"1999 Scheme"**) and to allot and issue shares as may be issued pursuant to the exercise of options under the 1999 Scheme up to an aggregate limit of 15 per cent of the total number of issued shares in the capital of the Company, excluding treasury shares, from time to time (the "**15 per cent Limit**"). The 15 per cent Limit is calculated by including the shares which have already been allotted and issued pursuant to the exercise of options under the 1999 Scheme since the implementation of the 1999 Scheme."

FRASER AND NEAVE, LIMITED

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

PROXY FORM – ANNUAL GENERAL MEETING

IMPORTANT:
1. For investors who have used their CPF monies to buy Fraser and Neave, Limited shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used, or purported to be used, by them.
3. CPF investors who wish to attend the Annual General Meeting as OBSERVERS have to submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format, with the Company Secretary, Fraser and Neave, Limited. (Agent Banks: please see note No. 9 on required format).

I/We ______________________________ being a member/members of Fraser and Neave, Limited hereby appoint Lee Hsien Yang, whom failing Timothy Chia Chee Ming, whom failing Ho Tian Yee, whom failing Simon Israel, whom failing Koh Beng Seng, whom failing Stephen Lee, whom failing Soon Tit Koon, whom failing Nicky Tan Ng Kuang, whom failing Tan Chong Meng all being Directors of the Company or (Note 2)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (Note 3)

and/or (delete as appropriate)

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday 22 January 2009 and at any adjournment thereof. The proxy is to vote on the business before the meeting as indicated below (if no indication is given, the proxy may vote or abstain from voting at his discretion, as he may on any other matter arising at the meeting).

(Please indicate with an "X" in the spaces provided, whether you wish your vote(s) to be cast for or against the Resolutions as set out in the Notice of Annual General Meeting.)

NO.	RESOLUTIONS RELATING TO:	FOR	AGAINST
	ROUTINE BUSINESS		
1.	To receive and adopt the report of the directors and audited financial statements for the year ended 30 September 2008.		
2.	To approve a final tax-exempt (one-tier) dividend of 8.5 cents per share in respect of the year ended 30 September 2008.		
3.	(a) To re-appoint Director: Mr Ho Tian Yee		
	(b) To re-appoint Director: Mr Koh Beng Seng		
	(c) To re-appoint Director: Mr Tan Chong Meng		
4.	To approve Directors' Fees of $2,555,000 payable by the Company for the year ending 30 September 2009.		
5.	To re-appoint auditors for the ensuing year and authorise Directors to fix their remuneration.		
	SPECIAL BUSINESS		
6.	To authorise Directors to issue shares, make or grant offers.		
7.	To authorise Directors to offer and grant options and to allot and issue shares in accordance with the provisions of the Fraser and Neave, Limited Executives'Share Option Scheme 1999.		
	OTHER		
8.	To transact any other business which may properly be brought forward.		

As witness my/our hand this ________ day of ___________________ 2009.

____
Signature/Common Seal of Member(s)

Total Number of Shares in:	No. of Shares (Note 5)
Depository Register	
Register of Members	

IMPORTANT: PLEASE READ NOTES OVERLEAF

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NOTES TO PROXY FORM:

1. A member of the Company entitled to attend the meeting and vote is entitled to appoint a proxy to attend and vote instead of him; a proxy need not be a member of the Company. The instrument appointing a proxy must be deposited with the Company Secretary at the registered office not less than 48 hours before the time appointed for holding the meeting.
2. If any other proxy is preferred, the member should strike out the names of the directors mentioned and add the name and address of the proxy desired in the spaces provided on the form.
3. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under this instrument of proxy, to the meeting.
5. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the number of shares entered against his name in the Depository Register and registered in his name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all shares held by the member.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.
9. Agent Banks acting on the request of CPF investors who wish to attend the meeting as Observers are required to submit in writing, a list with details of the investors' name, NRIC/Passport numbers, addresses and numbers of shares held. The list, signed by an authorised signatory of the agent bank, should reach the Company Secretary, at the registered office of the Company not later than 48 hours before the time appointed for holding the meeting.

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THE GROUP COMPANY SECRETARY
FRASER AND NEAVE, LIMITED
#21-00 Alexandra Point
438 Alexandra Road
Singapore 119958

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FINANCIAL CALENDAR

22 January 2009

Annual General Meeting

13 February 2009

(after close of trading) (tentative)
Announcement of 1st Quarter Results

08 May 2009

(after close of trading) (tentative)
Announcement of 2nd Quarter Results
Declaration of Interim Dividend

07 August 2009

(after close of trading) (tentative)
Announcement of 3rd Quarter Results

13 November 2009

(after close of trading) (tentative)
Announcement of Full Year Results
Declaration of Final Dividend

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

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