FRASER AND NEAVE, LIMITED

annual report 2011

STR3NGTH

CONTENTS

OUR STR3NGTH INSPIRES CONFIDENCE

Our enviable $14 billion business portfolio, consisting of Food & Beverage, Properties and Publishing & Printing, is the foundation of our STR3NGTH.

VISION

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

OUR DIVERSITY HAS GLOBAL APPEAL

Strategically located across 15 countries in Asia Pacific, we have more than 50 appealing brands to soothe the diverse taste buds of millions

FOOD & BEVERAGE

A household name to many, F&N has established itself as a leader in the Food & Beverage arena in Singapore and Malaysia since the 1930s. Beyond our Soft Drinks business, we have successfully ventured into Beer in 1931 and Dairies in 1959. The Group's Soft Drinks and Dairies businesses, with operations and investments in Singapore, Malaysia, Thailand and Vietnam, are operated primarily through Fraser & Neave Holdings Bhd; while our Beer business, executed mainly through Asia Pacific Breweries Limited, operates 31 breweries in 15 countries in the Asia Pacific. Today, the Group owns a portfolio of reputable brands including *F&N*, *100PLUS* and *F&N SEASONS* for Soft Drinks; *F&N MAGNOLIA*, *F&N NUTRISOY* and *F&N FRUIT TREE FRESH* for Dairies; and *Tiger*, *Anchor*, *Baron's* and *ABC* for Beer. The Group's consistent leading market shares across various products have 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 the Asia Pacific, further expand its portfolio of brands and strengthen its research and development capabilities.


Tiger TRANSLATE
GROWTH
Tiger
TRANSLATE

OUR STRATEGY ENSURES STABILITY

Sharpening our focus on core businesses, seeking geographical balance and committing to capital management ensure stable and sustainable return

PROPERTIES

Frasers Centrepoint Limited ("FCL") is a wholly-owned subsidiary of F&N. From a single shopping mall along Orchard Road, FCL is now a leading integrated Singapore-based property company with a strong foothold in property development, property investment, serviced residences and investment funds. Its global footprint includes Australia, Bahrain, China, France, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Philippines, Qatar, Singapore, Thailand, Turkey, UAE, the UK, Vietnam, etc. With our commitment to deliver sustainable earnings to shareholders, the Group remains focused on building the integrated commercial real estate model and balancing its portfolio by diversifying overseas, as well as across multiple sectors.

OUR EXPERTISE MAKES THE DIFFERENCE

Significant experience and expertise of our people make the difference in the markets we serve

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, distribution and retailing of books. It operates a global network spanning Australia, China, Hong Kong, South-east Asia, the US, etc.


GO!
MOVE

10-YEAR PERFORMANCE AT A GLANCE

3 core businesses

at the heart of our performance

Revenue

$6,274M

- Broad-based growth; supported by strong growth in Properties and F&B

+157%

Increased 157% from FY2001's $2,439m

Profit before Interest and Tax[1]

$1,152M

- Record profit in FY2011; F&B earnings surged five-fold; Properties earnings grew 145%

+185%

Increased 185% from FY2001's $404m

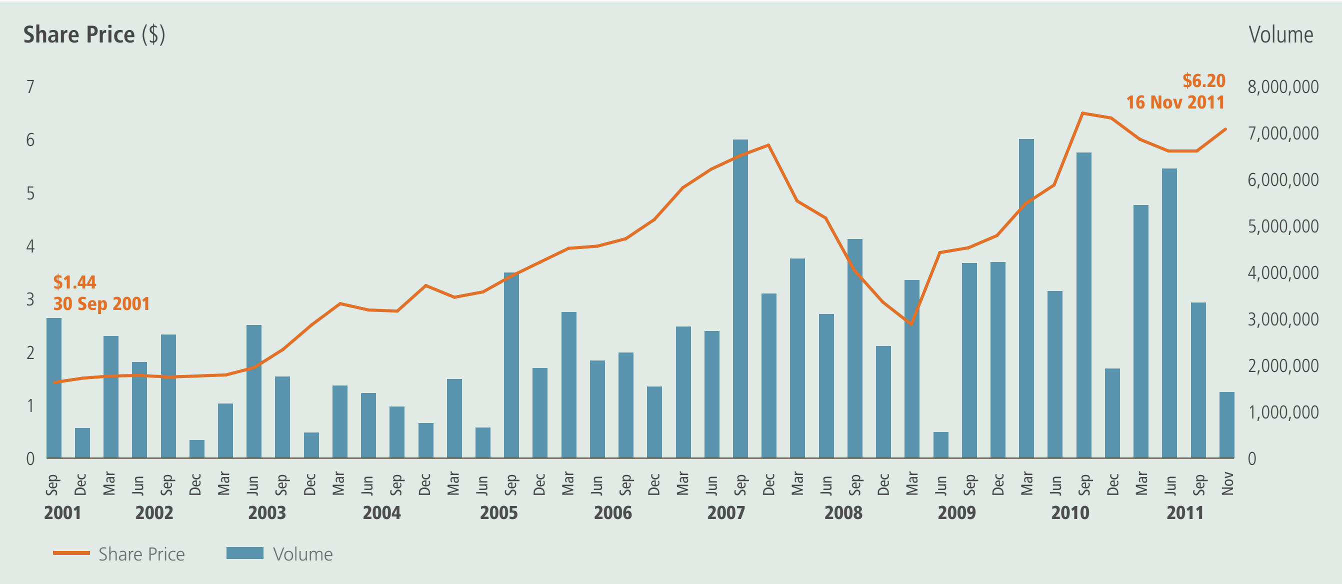
Attributable Profit[1]

$621M

- 10-year compounded annual growth rate of 13%

+209%

Increased 209% from FY2001's $201m



Earnings per Share[1]

44.1 cents

- EPS growth outpaced Attributable Profit[1] due to a series of capital reduction and capital distribution exercises in 2000-2003 to reduce share capital by about 24%

+227%

Increased 227% from FY2001's 13.48 cents

Distribution[1]

18.0 cents

- Comprising a proposed final dividend of 12.0 cents and interim dividend of 6.0 cents paid earlier
- Dividend payout ratio remains in line with the Group's policy of paying up to 50% of Attributable Profit[1]

+200%

Increased 200% from FY2001's 6.0 cents

Market Capitalisation[2]

$8,745M

+299%

Increased 299% from FY2001's $2,189m

1 *Before fair value adjustment and exceptional items*
2 *Based on issued shares as at 16 Nov 2011 at close of business on the first trading day after preliminary announcement of results*

STR3NGTH
of our businesses

FOOD & BEVERAGE

BEER

Cambodia
China
Indonesia
Laos
Malaysia
Mongolia
Myanmar
New Caledonia
New Zealand
Papua New Guinea
Singapore
Solomon Islands
Sri Lanka
Thailand
Vietnam

NON-BEER

Indonesia (Soft Drinks[1])
Malaysia (Soft Drinks & Dairies)
Singapore (Soft Drinks & Dairies)
Thailand
Vietnam (Dairies[2])

1 Licensing to third-party
2 9.7% stake in Vinamilk

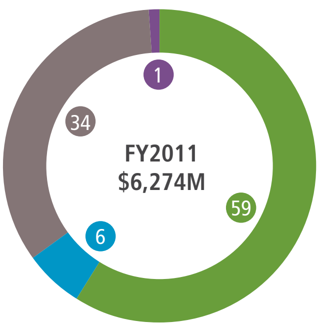
PROPERTIES

Australia
Bahrain
China
France
Hong Kong
Hungary
India
Indonesia
Japan
Korea
Malaysia
New Zealand
Oman
Philippines
Qatar
Saudi Arabia
Singapore
Thailand
Turkey
United Arab Emirates
United Kingdom
Vietnam

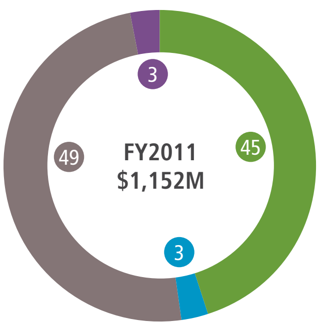
PUBLISHING & PRINTING

Australia
China
Hong Kong
India
Malaysia
Singapore
Thailand
United Kingdom
United States of America

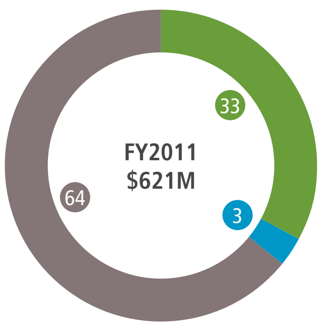
Revenue (%)



Profit before Interest and Taxation (%)



Attributable Profit before Fair Value Adjustment and Exceptional Items (%)

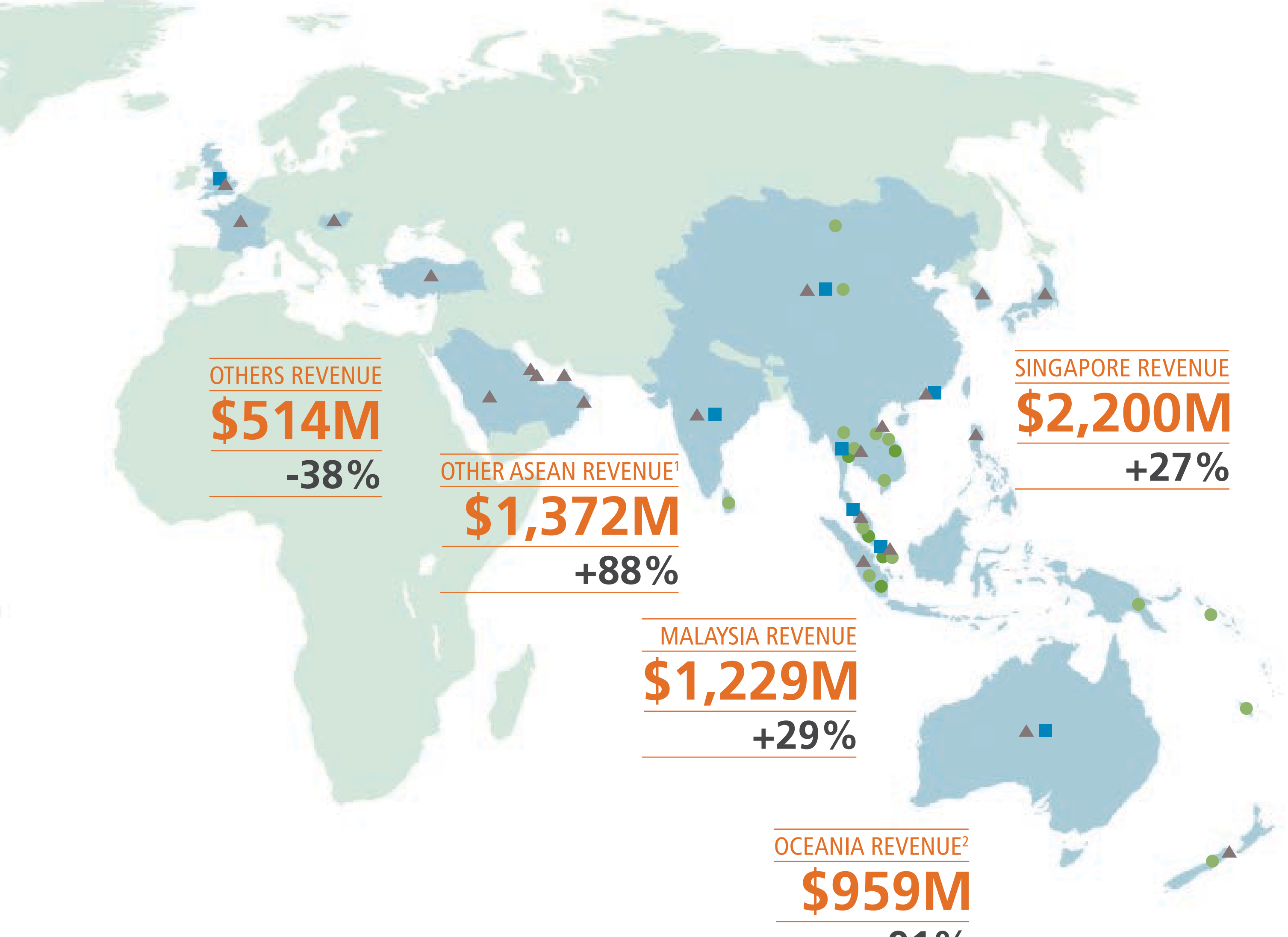


By Business Segment (%)

Food & Beverage
Publishing & Printing
Properties
Others

Presence in over 30 countries

Leadership positions in our key markets



Note:
1 *Other ASEAN: Cambodia, Laos, Myanmar, Thailand and Vietnam*
2 *Oceania: Australia, New Zealand and Papua New Guinea*
3 *Percentage (%) denotes growth from FY2007 to FY2011*

	Non-Beer ($'000)	Beer ($'000)	Publishing & Printing ($'000)	Development Property ($'000)	Commercial Property ($'000)	Others ($'000)	Group ($'000)
Profit before Interest and Taxation[4]							
FY2011	150,298	371,791	27,187	407,770	160,969	33,536	1,151,551
Growth from FY2001 (%)	288%	477%	35%	250%	39%	4%	214%
Profit before Interest and Taxation Contribution (%)[4]							
FY2011	13%	32%	3%	35%	14%	3%	-
In FY2001	11%	18%	6%	33%	33%	9%	-

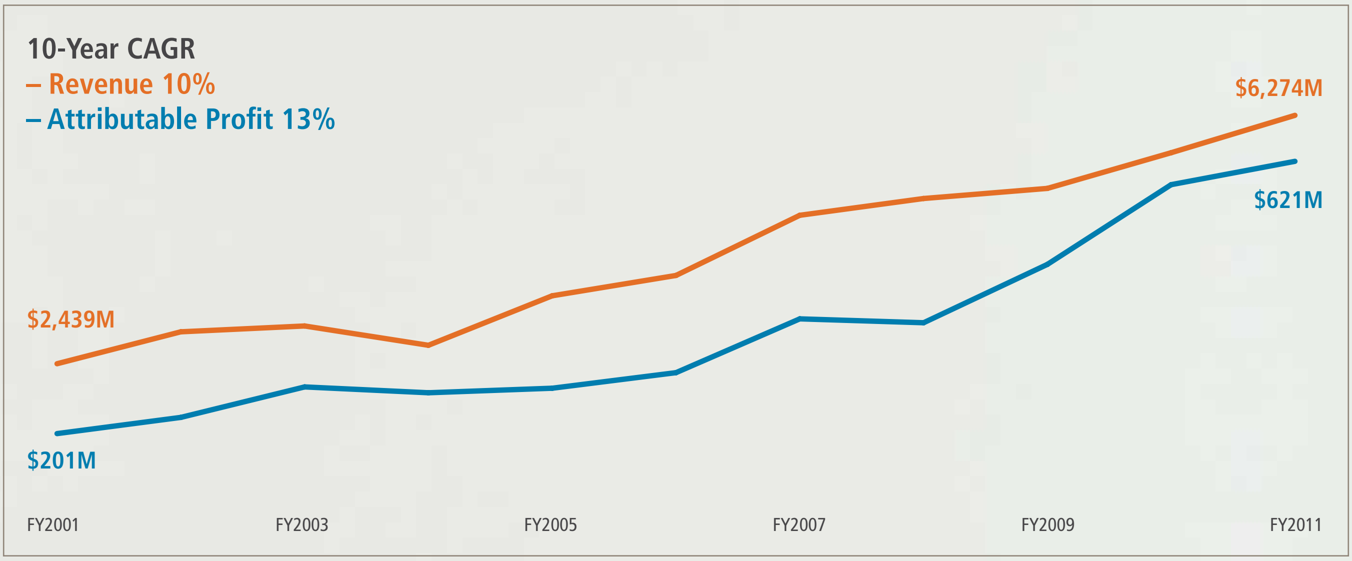
4 *Excludes Discontinued Operations*

MESSAGE FROM THE CHAIRMAN

"The strength of our organisational resources – our people, brands and balance sheet – has enabled the Group to register steady profit growth despite the turbulence over the past decade."

Mr Lee Hsien Yang
Chairman

STR3NGTH in leadership



Overview

The remarkably strong economic recovery that Singapore and the region experienced in 2010 has slowed down markedly. There are now considerable risks to the global economy emanating from the unfolding financial crisis in the Euro zone. The Board of Fraser and Neave, Limited ("F&NL") will continue to closely monitor the Group's strategies to seek to strike a balance of risks and rewards in our efforts to build sustainable long-term growth in profits.

Over the past decade, the events that have caused a sudden deterioration in consumer confidence include the 9-11 tragedy (September 2001), the SARS outbreak (March 2003), the US sub-prime crisis (August 2007) and the collapse of Lehman (September 2008). Sharp volatility in trading conditions is now the norm. Risk awareness has become an important part of our organisational culture. The recent severe flooding that took place in Thailand has heightened our awareness of the importance of risk management. Page 76 of this Annual Report explains our risk management process that is embedded within the Group.

The F&N Group has learnt to operate successfully in the face of challenges. The strength of our organisational resources - our people, brands and balance sheet - has enabled the Group to register steady profit growth despite the turbulence over the past decade.

From FY2001 to FY2011, the Group's revenue and attributable profit before exceptional items grew at compound annual growth rates of 10% and 12% respectively, reflecting the strong fundamentals and resilience of our core businesses and key markets.

Achievements in FY2011

In the year under review, I am pleased to report that the Group achieved improvements in all key financial measures even though FY2010 was itself a record year and hard to beat.

- Group Revenue in FY2011 rose by 10% to $6,274 million. Revenue growth was spurred on by our Soft Drinks, Beer and Development Property businesses, which registered gains of between 13% and 15%.

MESSAGE FROM THE CHAIRMAN

GROUP REVENUE ROSE BY 10% TO

$6,274M

GROUP PBIT INCREASED 8% TO

$1,152M

- Group Profit before Interest and Taxation, fair value adjustment of investment properties and exceptional items ("PBIT") was 8% higher, at $1,152 million in FY2011. This figure represents seven consecutive years of improvement at the operating level. Our Soft Drinks and Beer businesses were the primary contributors to the growth of Group PBIT in FY2011.
- Group Attributable Profit before fair value adjustment of investment properties, exceptional items and discontinued operations was 6% higher, at $621 million.
- Net asset value rose 11% to $4.88 per share by the end of FY2011.
- Group gearing improved to 0.31x from 0.41x in FY2010. Interest coverage ratio was also better at 21.4x versus 17.2x in the prior year. Average debt maturity period was extended to 3.4 years (from 3.3 years). The average cost of Group debt was 3.23% (versus 3.34% in FY2010). During the year the Group expanded its source of external funding by issuing $300 million of fixed rate bonds to retail and institutional investors. These fixed rate bonds are listed on the SGX.

Our CEO's review of the performance and growth strategies of our core businesses are contained in Pages 30 to 64.

- In general, our Food & Beverage ("F&B") business achieved sterling results, with robust PBIT improvements from Soft Drinks (up 38%) and Beer (up 23%) more than offsetting the weakness from Dairies (down 48%), which was hit by higher raw material prices.
- Our Properties business delivered creditable results against a backdrop of economic uncertainties and measures to dampen property speculation in Singapore and China. PBIT was 3% lower due to lower contribution from Investment Properties – following the sale of *Northpoint Extension* and *YewTee Point* to Frasers Centrepoint Trust ("FCT") in February 2010 – and a decline in development profit from China and an absence of a one-off gain recorded in FY2010.
- Within our Printing & Publishing business ("P&P"), PBIT from the underlying operations (excluding results of associated companies) rebounded by 19%. Printing staged a recovery in volume and margin whilst Education Publishing benefited from its export momentum, which is gaining traction.

Dividends

The Board recommends a final ordinary dividend of 12.0 cents per share. If approved by shareholders, the total distribution for the year will be 18.0 cents per share, representing an increase of 6% over FY2010 and the highest dividend paid by the Company to date.

Our policy is to pay up to 50% of Group Attributable Profit before fair value adjustment of investment properties and exceptional items. The total dividend of 18.0 cents is 41% of this figure.

Shareholders will be happy to note that an investment in the shares of F&NL made 5 years ago would have yielded a return (including dividends) of about 55%.

Strategic Developments

In FY2011, we continued to prune operations in our relentless drive to sharpen our strategic focus, manage our risks and reallocate resources to markets and businesses with better prospects. Although acquisitions and divestments were not as significant as the transformational changes I described in my FY2010 Statement, they were nonetheless important strides in the right direction.

Within our F&B business, we worked with our partner, Heineken NV, and our joint-controlled listed entity, Asia Pacific Breweries Limited ("APBL"), to review our China strategy. The outcome was a decision to exit the unprofitable mainstream beer market, focus on building sustainable positions for *Heineken* and *Tiger*, retain our purpose-built breweries in Hainan and Guangzhou, and expand the capacity of the latter to brew our premium brands. To this end, the Group sold its stake in Kingway Brewery in May 2011 and an agreement (subject to regulatory approval) was signed in July 2011 to also divest the Group's brewery in Shanghai and its interests in Jiangsu Dafuhao Breweries Co., Ltd.

The companies in Indonesia and New Caledonia that APBL acquired from Heineken NV in February 2010 have been seamlessly integrated. Contributions from these two companies and Solomon Breweries (purchased in June 2011) combined with favourable across-the-board performance (particularly in Vietnam and Papua New Guinea) boosted APBL's profit to an all-time high in FY2011.

Our Soft Drinks business ended FY2011 on a celebratory note following the expiry of our transition agreements with The Coca-Cola Company on 30 September 2011. We have regained full control of our Soft Drinks business in Singapore and are now free to realise the full potential of our in-house brands.

Over the past year, the Group mustered its resources and successfully propelled the sales of *F&N*, *100PLUS* and *F&N SEASONS* in our traditional and new markets. Several new products were launched but there are more consumer-focused innovations in our pipeline for the Singapore and Malaysian markets. In FY2011, we also launched *100PLUS* in Thailand and Indonesia.

We decided to exit the Dairies market in China after taking into account the risk in that market and our inability to establish a competitive foothold. We completed our exit in November 2011 with the divestment of our 29.5% stake in China Dairy Group. Our immediate focus will be on our canned milk business in Thailand and Malaysia, which were to have been supported by our new dairy plants in Rojana and Pulau Indah respectively.

However, massive flooding in Thailand caused the stoppage of work at our Rojana plant on 11 October 2011. The plant was underwater for several weeks. It is currently estimated that production can commence approximately 3 to 5 months after flood waters subside. The Group will ship products from its existing Petaling Jaya plant (in Malaysia) and its outsourced manufacturing locations, and will also fast track the start-up of the Pulau Indah plant to meet the demands of the Thai market. Meanwhile, work is underway with the insurer and loss adjusters to file claims under the Group's Property All Risk and Business Interruption Insurance policies.

We formed F&N Creameries in February 2011 in a move to scale up our ice cream business and achieve integration synergies from a merger of the Group's operations in King's Creameries (S) Pte Ltd (acquired in December 2010) and our long established ice cream businesses in Malaysia, Thailand and Singapore.

In our Development Property business, our strategy to bid cautiously for State-owned sites for mass-market housing in Singapore has given us a comparatively low-cost land bank in a segment where demand remains resilient despite four rounds of anti-speculation measures imposed by the Government in September 2009, February 2010, August 2010 and January 2011. Our property arm, Frasers Centrepoint Limited ("FCL"), won five residential land tenders in FY2011 (some via joint ventures). Our move to step up the pace of joint ventures in our Development Property business has enabled us to phase our participation over a range of major projects, tap on our partners' expertise and resources and limit our exposure to any single project.

At the end of FY2011, FCL had a land bank in Singapore that can yield about 1,530 apartment units (our share) for sale over the next one to two years. FCL launched five mass-market projects for sale in FY2011 (some via joint ventures), and together with previously launched projects, sold 1,436 units (our share) during the course of the year.

MESSAGE FROM THE CHAIRMAN

FCL has a joint venture with Ascendas Land to develop an integrated business park with retail and hotel elements (total GFA of 1.26 million sqf) on a 4.7 hectare site at Changi Business Park. *Changi City Point* was opened for trading in November 2011. This is the tenth mall to be managed by FCL in Singapore and is conveniently located next to the Expo MRT Station. When the hotel and business park components are completed in late 2012, they will be managed by FCL's Hospitality division and Ascendas, respectively.

FCL is currently also developing a retail and residential development (total GFA of 1.36 million sqf) in Punggol Central in partnership with Far East Organisation and Sekisui House. *Watertown*, a waterfront development (about 930 apartments) will be launched in FY2012. *Waterway Point* mall is expected to be open for trading by 2016 and will be managed by FCL.

In November 2011, the Group announced the formation of a joint venture between FCL and Fraser & Neave Holdings Bhd ("F&NHB") to develop two land parcels in Petaling Jaya currently occupied by our dairies operations, which will be relocated to the Pulau Indah plant. Completion of this transaction is conditional upon, amongst other things, the approval of F&NHB shareholders being obtained. The Group proposes to build a mixed development, comprising hotels, offices, a shopping mall, as well as retail and residential properties.

We benefited from an early decision to scale back on Property Development activities in UK as well as a completion of a corporate and debt restructuring exercise in that market in December 2010. In China, we had opted to hold back on further acquisitions of sites after 2007 having built up sizeable and well-located land banks. Our focus on a staggered development of these land banks in China will continue to underpin earnings over the next few years. At the end of FY2011, our remaining land bank in China can yield about 8,200 residential units. In Australia, we sold a 50% stake in our $2 billion *Central Park* mixed development project to Sekisui House in July 2011. This prudent move enabled us to lock-in attributable net profit of about $80 million, of which $40 million was recognised in FY2011, with the remaining to be recognised towards the end of the project.

Our Hospitality division opened ten new properties and won management contracts for another ten new properties. We invested $78 million to acquire serviced apartment developments in Indonesia (*Fraser Residence Jakarta*) and Australia (*Fraser Place Melbourne*) and the remaining 35% stake in Fairdace Limited (which owns *Fraser Place Canary Wharf* and *Fraser Suites Glasgow*). At the end of FY2011, our Hospitality division had about 7,100 apartments under management, with signed management contracts for another 5,400 apartments currently under construction.

Our two SGX-listed REIT vehicles enhanced the quality of their portfolios during the year under review. Frasers Commercial Trust ("FCOT") successfully divested its under-performing legacy assets, *Cosmos Plaza* (in January 2011) and a 39% stake in Australian Wholesale Property Fund (in May 2011). In September 2011, FCT completed the acquisition of *Bedok Point* mall from FCL. FCT's acquisition was partly financed by a placement of new units. This improved the free float of FCT units and reduced FCL's interest in FCT to about 41%. In November 2011, FCOT successfully completed an early refinancing of its AUD loan to extend its debt maturity profile and also take advantage of the lower interest rate environment.

In our P&P business, operations at three unprofitable printing plants in China were halted. Our wholly-owned subsidiary, Times Publishing Limited ("TPL"), successfully divested its stake in Shenyang Times Packaging Printing Co Ltd in September 2011. TPL is working towards a divestment and liquidation of its remaining printing joint ventures in Liaoning and Shanghai. TPL's Education Publishing division continues to make promising inroads into international markets, creating growing awareness for our *Marshall Cavendish* brand.

Looking Ahead

In view of the precarious state of the global economy, the Group continues to make preparations in case of a severe economic downturn and a tightening of credit in our markets. With undrawn facilities of $3.2 billion at end FY2011, we are also positioning ourselves to seize opportunities that might arise in the year ahead. Based on our past experience, the Group's diversified operations and strong market positions, particularly its robust cashflows from its resilient F&B and Commercial Property businesses, will provide some cushion in difficult times.

Board and Management Changes

Mr Seek Ngee Huat joined our Board on 26 September 2011. We are fortunate to have secured his service as he brings a wealth of experience in the Properties business, both locally and internationally.

Mr Koh Poh Tiong, our former CEO-F&B, left the Company on 30 September 2011 with our best wishes and appreciation for his contributions. During his 26 years of service with the Group, Poh Tiong was instrumental in growing our regional beer operations (under APBL) and, more recently, planting the seeds of our soft drinks expansion.

After a rigorous region-wide search and as part of a planned succession, we appointed Mr Pascal De Petrini to take over as CEO-F&B with effect from 1 October 2011. He joins us from the Danone Group and we are pleased that he has accepted the challenge of taking our F&B business to greater heights.

Acknowledgements

I want to thank Management and Staff for the important part they have played in enabling the Group to achieve its best set of financial results.

I also thank all my colleagues on the Board for their spirited participation in our discussions on the strategic direction of the Group. The Board's collective wisdom and expertise, as well as its active engagement with management have paved the way for swift and decisive responses to key issues at a time when agility is of utmost importance.

I place on record our gratitude to Heineken NV for their invaluable contributions to our partnership in APBL since 1931.

The Boards of our listed entities, F&NHB, APBL, FCT, FCOT and Frasers Property (China) Limited have been fine stewards. I want to thank them for their continued support in the creation of solid foundations for sustainable profit growth for all stakeholders.

Last but not least, I would like to thank all shareholders for your support.

Mr Lee Hsien Yang
Chairman

BOARD OF DIRECTORS

Mr Lee Hsien Yang

Mr Timothy Chia Chee Ming

Mr Lee Hsien Yang, 54
Chairman
Non-executive and non-independent Director

Date of first appointment as a director : 06 Sep 2007
Date of last re-election as a director : 27 Jan 2011
Length of service as a director (as at 30 Sep 2011) : 4 years 01 month

Board committee(s) served on:
- Board Executive Committee (Chairman)
- Food & Beverage Board Committee (Chairman)

Academic & Professional Qualification(s):
- Bachelor of Arts (Double First), Cambridge University, UK
- Master of Science Management, Stanford University, USA

Present Directorships (as at 30 Sep 2011)
Listed companies
- Australia and New Zealand Banking Group Ltd
- Singapore Exchange Limited

Others
- Asia Pacific Investment Pte Ltd (Chairman)
- Civil Aviation Authority of Singapore (Chairman)
- Governing Board of Lee Kuan Yew School of Public Policy
- Kwa Geok Choo Pte Ltd
- The Islamic Bank of Asia Limited

Major Appointments (other than Directorships)
Nil

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2008 to 30 Sep 2011)
Nil

Others
- Previously Chief Executive Officer of Singapore Telecommunications Limited
- President's Scholar
- SAF Scholar

Mr Timothy Chia Chee Ming, 61
Non-executive and independent Director

Date of first appointment as a director : 26 Jan 2006
Date of last re-election as a director : 28 Jan 2010
Length of service as a director (as at 30 Sep 2011) : 5 years 08 months

Board committee(s) served on:
- Audit Committee
- Nominating Committee
- Remuneration & Staff Establishment Committee (Chairman)

Academic & Professional Qualification(s):
- Bachelor of Science cum laude in Management, Fairleigh Dickinson University, USA

Present Directorships (as at 30 Sep 2011)
Listed companies
- Banyan Tree Holdings Limited
- Hup Soon Global Corporation Limited (Chairman)

Others
- SP PowerGrid Limited
- SPI (Australia) Assets Pty Ltd
- Guan-Leng Holdings Pte Ltd
- Parkesville Pte Ltd
- Gracefield Holdings Limited
- United Motor Works (Siam) Public Co., Ltd
- United Motor Works (Mauritius) Limited

Major Appointments (other than Directorships)
- Trustee of the Singapore Management University
- EQT Funds Management Ltd (Senior adviser)

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2008 to 30 Sep 2011)
- FJ Benjamin Holdings Ltd
- Singapore Post Limited

BOARD OF DIRECTORS

Ms Maria Mercedes Corrales

Mr Ho Tian Yee

Mr Hirotake Kobayashi

Ms Maria Mercedes Corrales, 62
Non-executive and independent Director

Date of first appointment as a director	: 08 Sep 2010
Date of last re-election as a director	: 27 Jan 2011
Length of service as a director (as at 30 Sep 2011)	: 1 year 01 month

Board committee(s) served on:
Nil

Academic & Professional Qualification(s):
- Master of Business Administration, Duke University, USA
- Bachelor of Science in Business Management, Mapua Institute of Technology, Philippines
- General Management Program – Stanford/NUS

Present Directorships (as at 30 Sep 2011)
Listed companies
Nil

Others
Nil

Major Appointments (other than Directorships)
Nil

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2008 to 30 Sep 2011)
- Representative Director, Starbucks Coffee Japan

Others
- Was President Starbucks Coffee-Asia Pacific; Corporate Senior Vice President Starbucks Corporation
- Previously Representative Director, CEO/COO of Starbucks Coffee Japan KK
- Previously Representative Director and President – Levi Strauss Japan KK and Regional Vice President for North Asia (Japan, Greater China and South Korea)
- Held various senior leadership positions in Asia and Latin America for Levi Strauss and Co.

Mr Ho Tian Yee, 59
Non-executive and independent Director

Date of first appointment as a director	: 01 Dec 1997
Date of last re-election as a director	: 27 Jan 2011
Length of service as a director (as at 30 Sep 2011)	: 13 years 10 months

Board committee(s) served on:
- Board Executive Committee
- Nominating Committee (Chairman)
- Remuneration & Staff Establishment Committee

Academic & Professional Qualification(s):
- Bachelor of Arts (Honours) Economics (CNAA), Portsmouth University, UK
- Executive Program, Carnegie-Mellon University, USA

Present Directorships (as at 30 Sep 2011)
Listed companies
- DBS Group Holdings Ltd
- DBS Bank Ltd
- SP AusNet*

Others
- Fullerton Fund Management Co. Ltd
- Hexa-Team Planners Pte Ltd
- Pacific Asset Management (S) Pte Ltd
- Singapore Power Limited
- Times Publishing Ltd

Major Appointments (other than Directorships)
Nil

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2008 to 30 Sep 2011)
- Singapore Exchange Limited

Others
- Served on the Risk Committee of the Government of Singapore Investment Corporation

* *SP AusNet, a stapled security, comprises SP Australia Networks (Distribution) Ltd, SP Australia Networks (RE) Ltd and SP Australia Networks (Transmission) Ltd*

Mr Hirotake Kobayashi, 56
Non-executive and non-independent Director

Date of first appointment as a director	: 13 Dec 2010
Date of last re-election as a director	: 27 Jan 2011
Length of service as a director (as at 30 Sep 2011)	: 09 months

Board committee(s) served on:
Nil

Academic & Professional Qualification(s):
- Bachelor's Degree in Economics, Keio University, Japan
- Program for Management Development, Harvard Business School

Present Directorships (as at 30 Sep 2011)
Listed companies
- Kirin Holdings Company, Limited

Others
Nil

Major Appointments (other than Directorships)
- Kirin Holdings Company, Limited (Managing Director)

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2008 to 30 Sep 2011)
- Lion Nathan Limited
- San Miguel Corporation
- National Foods Limited

Others
- Previously President and Chief Executive Officer of Kirin Business Expert Company, Limited
- Previously Managing Executive Officer and General Manager of Strategic Planning Department, Kirin Holdings Company Limited
- Previously General Manager of the Finance & Accounting Department, Kirin Business Expert Company, Limited

BOARD OF DIRECTORS

Mr Koh Beng Seng

Dr Seek Ngee Huat

Mr Soon Tit Koon

Mr Koh Beng Seng, 61
Non-executive and independent Director

Date of first appointment as a director : 26 Jan 2006
Date of last re-election as a director : 22 Jan 2009
Length of service as a director (as at 30 Sep 2011) : 5 years 08 months

Board committee(s) served on:
- Audit Committee (Chairman)

Academic & Professional Qualification(s):
- Bachelor of Commerce (First Class Honours), Nanyang University, Singapore
- Master of Business Administration, Columbia University, USA

Present Directorships (as at 30 Sep 2011)
Listed companies
- Singapore Technologies Engineering Ltd
- BOC Hong Kong (Holdings) Limited
- Bank of China (Hong Kong) Limited
- Great Eastern Holdings Limited

Others
- Japan Wealth Management Securities Inc
- Sing-Han International Financial Services Limited

Major Appointments (other than Directorships)
- Octagon Advisors Pte Ltd (Chief Executive Officer)

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2008 to 30 Sep 2011)
Nil

Others
- Previously Deputy Managing Director, Banking and Financial Institution Group of Monetary Authority of Singapore
- Previously an advisor to International Monetary Fund to reform Thailand's financial sector
- Previously Deputy President of Singapore's United Overseas Bank Limited

Dr Seek Ngee Huat, 61
Non-executive and independent Director

Date of first appointment as a director : 26 Sep 2011
Date of last re-election as a director : -
Length of service as a director (as at 30 Sep 2011) : 0 month

Board committee(s) served on:
Nil

Academic & Professional Qualification(s):
- PhD in Urban Research, Australian National University
- Master of Science (Business Administration), University of British Columbia
- Bachelor of Science (Estate Management), National University of Singapore

Present Directorships (as at 30 Sep 2011)
Listed companies
- Global Logistic Properties Limited

Others
- GIC Real Estate Pte Ltd

Major Appointments (other than Directorships)
- Advisor, Group Executive Committee, Government of Singapore Investment Corporation
- Chairman, Latin America Business Group, Government of Singapore Investment Corporation
- Chairman, Management Board, NUS Institute of Real Estate Studies
- Member, International Advisory Council, Guanghua School of Management, Peking University
- Member, Real Estate Advisory Board, Cambridge University
- Member, International Advisory Council, Fundacao Dom Cabral, Brazil

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2008 to 30 Sep 2011)
Nil

Others
- Previously Director of:
  - Government of Singapore Investment Corporation Pte Ltd
  - Government of Singapore Investment Corporation (Realty) Pte Ltd
  - Recosia Pte Ltd
  - Europe Realty Holdings Pte Ltd
  - Canadian Realty Holdings Pte Ltd
- Previously President of GIC Real Estate Pte Ltd
- Previously Senior Partner of Jones Lang Wootton (currently Jones Lang Lasalle) and Managing Director of JLW Advisory Pty Ltd

Mr Soon Tit Koon, 60
Non-executive and non-independent Director

Date of first appointment as a director : 31 Jan 2008
Date of last re-election as a director : 27 Jan 2011
Length of service as a director (as at 30 Sep 2011) : 3 years 08 months

Board committee(s) served on:
- Board Executive Committee
- Food & Beverage Board Committee
- Remuneration & Staff Establishment Committee

Academic & Professional Qualification(s):
- Master of Business Administration, University of Chicago, USA
- Bachelor of Science (Honours), University of Singapore
- Advance Management Program, Harvard Business School

Present Directorships (as at 30 Sep 2011)
Listed companies
- Bank of Ningbo Co., Ltd

Others
Nil

Major Appointments (other than Directorships)
- Oversea-Chinese Banking Corporation Limited (Chief Financial Officer) (Up to 05 Dec 2011)

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2008 to 30 Sep 2011)
Nil

Others
- Previously Chief Financial Officer of Wilmar Holdings
- Previously Managing Director of Citicorp Investment Bank

BOARD OF DIRECTORS

Mr Tan Chong Meng

Mr Nicky Tan Ng Kuang

Mr Tan Chong Meng, 51
Non-executive and independent Director

Date of first appointment as a director	: 18 Jun 2008
Date of last re-election as a director	: 22 Jan 2009
Length of service as a director (as at 30 Sep 2011)	: 3 years 03 months

Board committee(s) served on:
- Audit Committee

Academic & Professional Qualification(s):
- Master of Arts, Industrial Engineering, National University of Singapore
- Bachelor of Arts, Mechanical Engineering, National University of Singapore

Present Directorships (as at 30 Sep 2011)
Listed companies
Nil

Others
- National University Health System Pte Ltd
- PSA International Pte Ltd

Major Appointments (other than Directorships)
- PSA International Pte Ltd (Group Chief Executive Officer)

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2008 to 30 Sep 2011)
- Showa Shell Sekiyu, Japan

Others
Nil

Mr Nicky Tan Ng Kuang, 53
Non-executive and independent Director

Date of first appointment as a director	: 21 Oct 2003
Date of last re-election as a director	: 28 Jan 2010
Length of service as a director (as at 30 Sep 2011)	: 7 years 11 months

Board committee(s) served on:
- Audit Committee
- Board Executive Committee
- Food & Beverage Board Committee
- Nominating Committee

Academic & Professional Qualification(s):
- Member, The Institute of Chartered Accountants in England and Wales
- Certified Public Accountant, Institute of Certified Public Accountants in Singapore

Present Directorships (as at 30 Sep 2011)
Listed companies
Nil

Others
- nTan Corporate Advisory Pte Ltd
- Singtel Innov8 Pte Ltd
- Singtel Innov8 Holdings Pte Ltd
- National University Health System Pte Ltd

Major Appointments (other than Directorships)
- nTan Corporate Advisory Pte Ltd (Chief Executive Officer)

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2008 to 30 Sep 2011)
- Singapore Telecommunications Limited

Others
- Previously Partner, Head of Global Corporate Finance of Arthur Andersen Singapore and ASEAN region
- Previously Partner, Head of Financial Advisory Services of Price Waterhouse Singapore
- Previously 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
Ms Maria Mercedes Corrales
Mr Ho Tian Yee
Mr Hirotake Kobayashi
Mr Koh Beng Seng
Dr Seek Ngee Huat
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 Soon Tit Koon
Mr Nicky Tan Ng Kuang

FOOD & BEVERAGE BOARD COMMITTEE

Mr Lee Hsien Yang *(Chairman)*
Mr Soon Tit Koon
Mr Nicky Tan Ng Kuang

AUDIT COMMITTEE
(including Risk Management Committee)

Mr Koh Beng Seng *(Chairman)*
Mr Timothy Chia Chee Ming
Mr Tan Chong Meng
Mr Nicky Tan Ng Kuang

NOMINATING COMMITTEE

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

REMUNERATION & STAFF ESTABLISHMENT COMMITTEE

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

GROUP MANAGEMENT

Mr Pascal De Petrini
Chief Executive Officer, Food & Beverage

Mr Goh Sik Ngee
Chief Executive Officer, Times Publishing Group

Mr Lim Ee Seng
Chief Executive Officer, Frasers Centrepoint Group

Mr Roland Pirmez
Chief Executive Officer, Asia Pacific Breweries Limited

Dato' Ng Jui Sia
Chief Executive Officer, Fraser & Neave Holdings Bhd

Mr Anthony Cheong Fook Seng
Group Company Secretary

Mr Hui Choon Kit
Group Financial Controller

REGISTERED OFFICE

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

SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Barbinder Share Registration Services
80 Robinson Road
#02-00
Singapore 068898
Tel: (65) 6236 3333 I Fax: (65) 6236 3405

AUDITOR

Ernst & Young LLC
Partner-in-charge: Mr Nagaraj Sivaram
(since financial year 2009)

PRINCIPAL BANKERS

Bank of Tokyo-Mitsubishi UFJ, Ltd
DBS Bank Ltd
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
United Overseas Bank Limited

CORPORATE STRUCTURE

FRASER AND NEAVE, LIMITED

FOOD & BEVERAGE

FRASER & NEAVE HOLDINGS BHD

- 24 Subsidiary companies
- 1 Associated company
  Cocoaland Holdings Berhad

OTHER LISTED & UNLISTED COMPANIES

- 11 Subsidiary companies
  Asia Dairies (S) Pte Ltd
  F&NBev Manufacturing Pte. Ltd.
  F&N Dairy Investments Pte Ltd
  F&N Foods Pte Ltd
  F&N United Ltd
  F&N Interflavine Pte Ltd
  Magnolia – PDL Dairies (1993) Sdn Bhd
  Myanmar Brewery Ltd
  Red Lion Holdings Pty Ltd
  Tiger Taverns Sdn Bhd
  F&N Creameries Group
  - 6 Subsidiary companies

- 1 Joint venture company
  Asia Pacific Investment Pte Ltd
  - Asia Pacific Breweries Group
    56 Subsidiary companies
    3 Joint venture companies
    2 Associated companies
  - Heineken-Asia Pacific Breweries Limited
    7 Subsidiary companies
    1 Joint venture company
  - 3 Subsidiary companies

- 1 Associated company
  China Dairy Group Ltd

PROPERTIES

FRASERS CENTREPOINT GROUP

- 166 Subsidiary companies
- 13 Joint venture companies
- 5 Associated companies
  Listed companies
  Frasers Centrepoint Trust
  Frasers Commercial Trust
- Frasers Property China Group
  11 Subsidiary companies

PUBLISHING & PRINTING

TIMES PUBLISHING GROUP

- 43 Subsidiary companies
- 2 Joint venture companies
- 4 Associated companies
  Listed companies
  Fung Choi Media Group Limited
  PMP Limited

OTHERS

OTHER UNLISTED COMPANIES

- 7 Subsidiary companies
  F&N Investments Pte Ltd
  F&N Services (L) Bhd
  F&N Treasury Pte Ltd
  Fannet Online Sdn Bhd
  Fraser & Neave (Singapore) Pte Ltd
  Fraser & Neave Investments (HK) Ltd
  International Theme Parks (Singapore) Pte Ltd

our gRowth drivers

F&N's stellar performance for the year reflects the strong underlying fundamentals of our businesses. The strategic path for the future growth of our 3 businesses is clear. We will continue to drive shareholder value in a responsible and sustainable manner.

1 Forging strategic business partnerships and networks to gain entry and build our foundation in new markets

3 Leveraging our strong global network to expand our market reach and tap on new business opportunities

5 Harnessing R&D to enhance our innovative edge and deliver quality products in line with current lifestyle trends

2 Grooming leaders and developing staff systematically to ensure a continuous pool of talent

4 Sharpening capital management and extracting operational efficiencies to enhance shareholder return

GROUP FINANCIAL PERFORMANCE

5-YEAR STATISTICS

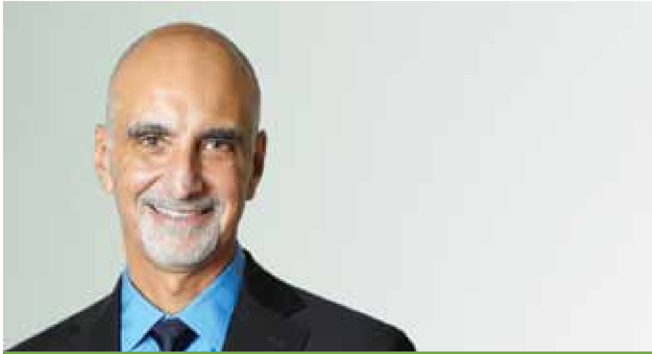
Note	Year ended 30 September	FY2007	FY2008	FY2009	FY2010	**FY2011**
	Profit Statement ($ million)					
	Revenue	4,731	4,990	5,146	5,697	**6,274**
	Profit before taxation					
	- before interest	732	766	799	1,071	**1,152**
	- before impairment, fair value adjustment and exceptional items	661	701	737	1,009	**1,098**
	- after exceptional items	673	737	614	1,172	**1,413**
	Attributable profit					
1	- before fair value adjustment and exceptional items	378	372	462	584	**621**
	- after exceptional items	379	436	357	728	**875**
	Balance Sheet ($ million)					
2	Net asset value	5,221	5,283	5,585	6,143	**6,882**
	Total assets employed	12,873	13,526	13,868	13,523	**13,772**
	Long-term borrowings	2,477	3,355	3,608	2,666	**3,216**
	Market Capitalisation ($ million)					
	at close of business on the first trading day after preliminary announcement of results	7,955	4,308	5,408	9,127	**8,745**
	Financial Ratio (%)					
	Return on average shareholders' equity					
	- profit before impairment, fair value adjustment and exceptional items	15.0	13.4	13.6	17.2	**16.9**
1	- attributable profit before fair value adjustment and exceptional items	8.6	7.1	8.5	10.0	**9.5**
3	Gearing ratio					
	- without non-controlling interests	72.1	83.3	65.5	46.8	**34.3**
	- with non-controlling interests	59.0	68.6	54.7	41.4	**30.6**
	Per Share					
	Profit before impairment, fair value adjustment, taxation and exceptional items (cents)	50.0	50.5	53.0	72.2	**78.0**
	Attributable profits (cents) (basic)					
	- before fair value adjustment and exceptional items	28.6	26.8	33.2	41.8	**44.1**
	- after exceptional items	28.7	31.4	25.7	52.1	**62.2**
2	Net asset value ($)	3.77	3.80	4.01	4.38	**4.88**
	Dividend					
	- net (cents)	13.5	13.5	13.5	17.0	**18.0**
4	- cover (times)	2.1	2.0	2.5	2.5	**2.5**
	Stock Exchange Prices ($)					
	at close of business on the first trading day after preliminary announcement of results	5.75	3.10	3.88	6.51	**6.20**

Note:

1 *Attributable profit before fair value adjustment and exceptional items: Profit after taxation and non-controlling interests before fair value adjustment and exceptional items.*
2 *Net asset value: Share capital and reserves.*
3 *Gearing ratio: Sum of bank borrowings and term loans, less fixed deposits and cash & bank balances, expressed as a percentage of equity.*
4 *Dividend cover: Attributable profit before fair value adjustment and exceptional items per share, divided by net dividend per share.*
5 *FY2007 and FY2008 figures are as previously reported. FY2009 and FY2010 figures are based on Continuing Operations.*

CEO BUSINESS REVIEW

FOOD & BEVERAGE



PASCAL DE PETRINI – CHIEF EXECUTIVE OFFICER

Revenue increased 12% to

$3,689M

Business Overview

The Food & Beverage ("F&B") division continued to deliver solid performance, backed by strong double-digit revenue and profit growth in Soft Drinks and Beer. This year, F&B revenue recorded a growth of 12%, to $3,689 million. Coupled with better margins from favourable product mix and improved operating efficiencies, our earnings grew 14% to $522 million, despite high input cost. This marked our third consecutive year of profit growth.

Lifted by 15% growth in beer sales across most markets and improved margins, Beer's FY2011 earnings leapt 23% to $372 million. At Non-Beer, which comprises Soft Drinks and Dairies, despite an 8% improvement in revenue, PBIT was down 2% due to lower earnings from Dairies Malaysia. Soft Drinks earnings surged 38% to $113 million, buoyed by strong 13% top-line growth, favourable sales mix and improvements in operational efficiency. Profitability of Dairies was weighed down by high input costs, particularly in Malaysia. Consequently, Dairies saw a 48% decline in earnings, to $37 million. Notwithstanding the weaker performance from Dairies, F&B continued to make good progress in its contribution to Group's earnings. This year, we accounted for 45% of Group PBIT, up from 43% in FY2010, an affirmation our growth strategies, strength of our brands and capabilities of our people.

PBIT increased 14% to

$522M

FY2011 key developments:

- Profit contribution increased to 45%
- Accretive acquisition and added leading brands
- Increased capacity to support growing demand
- Restructured Beer's operations in China; focus on premium brands
- Maintained leadership positions in key markets
- Strong innovation and commercial capabilities
- Strategic expansion into Indochina and Indonesia


NON CARBONATED
WITH VITAMIN B3, B6, B12
100 PLUS
EDGE
NON-CARBONATED ISOTONIC DRINK

CEO BUSINESS REVIEW
FOOD & BEVERAGE

NON-BEER: Gearing up for growth

Setting our sights firmly on the long-term success of the business, we continued to lay the foundations for future growth of our Non-Beer business with several strategic activities.

This year, we had been gearing up towards a new milestone for Soft Drinks – the expiry of the licensing agreement with The Coca-Cola Company ("TCCC") in September 2011. With the end of the partnership with TCCC in Singapore, all our soft drinks brands returned home to our growing stable of brands. From 1 October 2011, we regained control of all aspects of our Soft Drinks business in Singapore, ranging from manufacturing and marketing to sales and distribution. In Malaysia, we ceased to be the bottler for TCCC. In Singapore, we have appointed our wholly-owned subsidiary, F&N Foods Pte Ltd, to be the sole distributor for all F&N beverages locally. With this, we would receive 100% of the income from the sales and distribution of our beverages in Singapore. Our Bursa-listed Malaysian subsidiary, Fraser & Neave Holdings Bhd, would continue to cover Malaysia as well as Brunei.

To further prepare ourselves for this milestone development, we had taken steps to widen and deepen distribution to ensure widest availability of our products. Marketing and sales activities were also ramped up while upholding a high level of service quality to all our partners and consumers.

With the Soft Drinks homecoming, we accelerated the introduction of new products that embrace F&N's philosophy of '*Pure Enjoyment. Pure Goodness*'. For the year in review, we rolled out *ZESTA*, a refreshing sparkling drink with the unique taste of the guarana berry, as well as a reduced sugar range of *F&N Sparkling Drinks* in 500ml PET bottles. More recently, we rolled out *100PLUS EDG*E, a non-carbonated version of our flagship brand *100PLUS*, and a refreshing lemon-lime flavoured sparkling drink, *F&N CLEARLY CITRUS*. Plans are in place to introduce more new beverages to our consumers, and to drive differentiated products across our Soft Drinks portfolio.

To gain greater efficiencies, we invested in and installed two new Tetra Pak lines at the existing Soft Drinks plants in Malaysia. A new PET production line was also commissioned this year in Malaysia. This high-tech line will boost our carbonated soft drinks ("CSD") PET bottle output by 30% per day, to 672,000 bottles. One of the fastest production lines in the region, this line will also improve operational efficiencies and enhance green capacity by undertaking the entire production of CSD PET bottled products while minimising wastages.

Another investment that underscores our commitment towards future growth is the new state-of-the-art dairy plant in Pulau Indah, Malaysia. Featuring cutting-edge green technology that will minimise carbon footprint through the incorporation of water, energy and environmental conservation technology, this new canned milk plant, which will commence commercial production in early-2012, is replicated from the blueprint of our first greenfield plant in Rojana Industrial Park, Thailand. The plant's strategic location within the Selangor Halal Hub would enable us to fortify our presence in the region's fast-growing Halal markets.

Following the acquisition of King's Creameries (S) Pte Ltd, the new ice cream division, F&N Creameries, was formed in February 2011 to consolidate and integrate the management and operations of our ice cream business in Singapore, Malaysia and Thailand. The exercise was successfully completed in June 2011. This new division will spearhead our strategy to scale up and strengthen our ice cream business, with an ambition to become a leading ice cream player in the growth markets of ASEAN. We aim to achieve this by leveraging our well-established brands such as *F&N MAGNOLIA* and introducing new products which tap into unmet consumer needs. Consumers in Singapore, Malaysia and Thailand can look forward to more exciting new product launches and activities as exemplified by the launch of *F&N MAGNOLIA* Sherbet in Singapore in August. Moving forward, we would be able to extract synergies and offer a complementary portfolio of brands and products to satisfy a diversity of consumer segments.

As part of our efforts to streamline the Non-Beer portfolio, we divested our entire 29.5% stake in China Dairy Group Ltd for around $38 million in November 2011, to realise an exceptional gain of $18 million.

CEO BUSINESS REVIEW
FOOD & BEVERAGE

Soft Drinks

Sparkling success

Soft Drinks continued to achieve good growth with market share gains. Revenue jumped 13% to $759 million and PBIT grew 38%, to $113 million, on higher volume, favourable product mix and improvements in operational efficiency. The robust performance was driven by volume growth from our core brands, *100PLUS* and *F&N SEASONS*, supported by the launch of new flavours and effective marketing activities.

Outdo Yourself

Dedicated to promoting an active lifestyle and healthy living, *100PLUS* is the isotonic drink of choice at major sporting events. Since its launch in 1983, *100PLUS* has established itself as the essential hydrating source for millions of people daily, consistently encouraging consumers and athletes alike to '*Outdo Yourself*'.

As the leading ready-to-drink beverage in Malaysia, *100PLUS* was present at top sporting events such as the popular football tournament, Piala Malaysia Finals 2011, the prestigious hockey competition, *100PLUS* Tun Abdul Razak Cup and the KL Marathon 2011. In Singapore, *100PLUS* made its presence felt in school tournaments, major runs and international sporting events spanning marathons, triathlons and golf.

In January 2011, *100PLUS* became the proud sponsor of Singapore's outstanding national table tennis teams. The *100PLUS* official isotonic drink sponsorship of $750,000 over three years to the National Table Tennis men and women's teams was the largest sponsorship received by the Singapore Table Tennis Association then.

100PLUS also continued to present the The Straits Times Star of the Month and The Straits Times Athlete of the Year awards, which gave due recognition to Singapore athletes who have inspired with their determination to excel and brought honour to their sport.

Refreshingly popular

The *F&N SEASONS* portfolio continued to be a popular choice with consumers for healthier and great tasting beverages.

Following the successful launch of the *F&N SEASONS* green tea and fruit tea range last year, four tea variants - Jasmine Green Tea, Ice Lemon Green Tea, Ice Peach Tea and Ice Apple Tea - are now available in convenient PET bottles in Malaysia for consumers who are frequently on-the-go. Supported by integrated marketing campaigns and sampling activities that successfully drove brand awareness and sales, *F&N SEASONS* saw substantial market share gains to become the Number 1 ready-to-drink tea beverage in Malaysia.

Spreading delights

Trusted and loved by generations of Singaporeans and Malaysians, *F&N Sparkling Drinks* is well-known for its bold, vibrant and fun-tasting range of drinks that has built connections with its young consumers.

A highlight in the fun-packed activity calendar for *F&N Sparkling Drinks* was the second edition of Singapore Dance Delight, the local leg of the international street dance competition held in Osaka, Japan. This is the second year that *F&N Sparkling Drinks* has supported youth culture, showcasing the talents of street dancers from Singapore and the region.

In Malaysia, *F&N Sparkling Drinks* entertained its young consumers with The F&N Big Fun Fest, a youth extravaganza aimed at spreading cheer to young consumers. 20,000 youths gathered at the heart of Kuala Lumpur's vibrant shopping district and enjoyed street art demonstrations, dances, customised t-shirt designing and performances by popular artistes.

CEO BUSINESS REVIEW
FOOD & BEVERAGE

Dairies

Maintained leadership positions

Dairies revenue improved 5% to $1,067 million, due mainly to volume growth in Thailand and the rest of the Indochina region. However, rising input costs adversely affected Dairies profits and margins. Despite price increases, Dairies PBIT fell 48% to $37 million.

Notwithstanding the drop in profits, our canned milk portfolio continued to command more than 60% of the combined sweetened condensed and evaporated milk market share in Malaysia.

In Thailand, volume jumped 9% and we maintained leadership positions in our canned milk and liquid milk portfolio. The various brand campaigns were well-received by consumers and upped visibility as well as awareness of our brands.

While the year under review was challenging for Dairies, we remained focused on driving organic growth in key markets of Singapore, Malaysia and Thailand, while cultivating new markets in ASEAN to grow our Dairies business. This year, we made significant inroads into the rest of the Indochina market to strengthen our position as the leading dairy player in this region.


BUILD YOUR IMAGINATION
A richer imagination starts with the richness of F&N MAGNOLIA fresh milk.
Add wonder to your child's wonder years with the creamy goodness of F&N MAGNOLIA fresh milk. It's packed with nutritious proteins and calcium to nourish growing bodies and minds. So fill her glass full with F&N MAGNOLIA milk - and nurture her creativity, her curiosity, and her dreams to the fullest. F&N MAGNOLIA milk. Pure. Natural. Trusted for life.
Fresh Milk
Lo-Fat Hi-Cal

CEO BUSINESS REVIEW
FOOD & BEVERAGE

BEER: Growing from strength to strength

As testament to the Group's achievements in regionalisation and portfolio management, Beer's growth momentum continued unabated. Supported by 31 brewery operations in 15 countries[1], in FY2011, it remained a top revenue contributor to the F&B business.

Boosted by contributions from the newly acquired breweries in Indonesia, New Caledonia and Solomon Islands, and strong organic growth in most markets, revenue rose 15% to $1,864 million. PBIT grew to $372 million, up 23% from the previous year, due to better margins from price increases, improved sales mix and lower overheads.

The Group, mainly through its stake in Asia Pacific Breweries Limited ("APB"), remains as Asia Pacific's leading brewer with an unparalleled footprint of 31 breweries spanning 15 countries[1] and offers a winning portfolio of over 40 beer brands targeted at a wide spectrum of consumers. The Group aims to further expand its network and strengthen its presence through continued investment in brands, strategic investments and deeper market penetration throughout the region.

SOUTH & SOUTH EAST ASIA (Singapore, Malaysia, Indonesia, Sri Lanka and export markets)

Volume and PBIT for South and South East Asia rose 20% and 30% respectively, supported mainly by the acquired breweries in Indonesia in February 2010. On a comparable basis, excluding the results from Indonesia from October 2010 to January 2011, PBIT improved 6%, driven by higher volumes in all markets and improved margins in Indonesia.

Singapore continued to report stable earnings with marginally higher volume. Our local brand portfolio was enhanced with the addition of *Tiger Crystal*. The Group further strengthened *Tiger*'s brand equity and association with football by launching the regional Tiger Street Football tournament and continuing to support the Barclays Premier League 2010/2011 season as the official broadcast sponsor.

OTHER ASEAN (Cambodia, Laos, Myanmar, Thailand and Vietnam)

This region remained the largest contributor to Beer's earnings, accounting for 53% of its PBIT. Strong consumer demand, particularly in Vietnam, led to an overall volume gain of 17% for the region. PBIT increased 18% to $198 million, negated by an 18% devaluation in the Vietnamese Dong. Excluding this translation losses, PBIT grew 35%.

Profitability in Vietnam improved on the back of higher volume and improved margins from price increases. Premium brands *Tiger* and *Heineken*, as well as *Larue* all enjoyed significant increase in demand.

1 On 13th July 2011, Asia Pacific Breweries, together with Asia Pacific Investment Pte Ltd, announced that it would be divesting its stakes in Jiangsu Dafuhao Breweries Co. Ltd and Shanghai Brewery Co. Ltd for RMB870 million. Upon completion, the Group will have approximately 25 breweries in 15 countries.


Tiger
TRADE MARK
EST 1932
CRYSTAL
World Acclaimed
CRYSTAL COLD FILTERED
LAGER BEER

CEO BUSINESS REVIEW

FOOD & BEVERAGE

OCEANIA (Papua New Guinea, New Caledonia, New Zealand and Solomon Islands)

Higher volume, favourable sales mix and improved margins in Papua New Guinea ("PNG") and New Zealand, further lifted by strong contributions from the newly acquired breweries in New Caledonia in February 2010 and Solomon Islands in June 2011, helped boost beer sales for the Oceania region to $493 million, an increase of over 20% from the previous year. Volume and earnings grew 11% and 41% respectively. Excluding the contributions from Solomon Islands and New Caledonia from October 2010 to January 2011, PBIT gained 34%.

Favourable economic conditions boosted *SP Lager* and *South Pacific Export Lager* sales volume. Through successful brand building efforts, *SP Lager* is associated with the Rugby League and the national team, while *South Pacific Export Lager* is a sponsor of the Export PNG Open golf tournament.

NORTH ASIA (China and Mongolia)

The Group remains committed to our participation in the Chinese beer market. Forging ahead with our premium brand strategy through our quality offerings, *Tiger* and *Heineken,* stakes in Kingway Brewery were divested this financial year, realising an exceptional income of $33 million. We have also entered into agreements to divest our stakes in Jiangsu Dafuhao Breweries and Shanghai Asia Pacific Brewery.

BEER: Investing for the future

Vietnam

The Group has expanded total brewing capacity in Vietnam by a further 25% through investments in our breweries in Ho Chi Minh City, Hanoi and Danang to meet the anticipated growth in demand for key brands, *Tiger*, *Heineken* and *Larue*.

Already the largest brewery in Vietnam and the Group, the Ho Chi Minh City brewery increased production capacity from 2.8 million hectolitres to 4.2 million hectolitres. The multi-phase enhancement programme included a second canning line that produces up to 90,000 cans per hour, fermentation facilities, malt silos, waste water treatment plant, a brew house upgrade and warehouse extension.

Also to complete by end-2011 are the production capacity enhancements in the Hanoi and Danang breweries to 875,000 hectolitres and 1 million hectolitres respectively.

China

The $80-million greenfield brewery in Guangzhou which officially opened in May 2011 further consolidates the Group's presence in South China, where we also have a brewery operation in Hainan. To fulfill growing demand for *Tiger* and *Heineken* and to ensure the supply of premium beers nationwide, production capacities of the Hainan and Guangzhou breweries will be expanded to 2 million hectolitres and 1.5 million hectolitres, marking a 33% and 50% increase in respective capacities.

Mongolia

The annual production capacity of our brewery in Mongolia has been increased to 300,000 hectolitres to cater to volume increase and growth potential.

Solomon Islands

The Group's presence in the Oceania region has been strengthened with the addition of Solomon Breweries, the only brewery in Solomon Islands. Through APB's 98% stake, the Group assumes leadership position in the country through Solomon Breweries, which has a robust distribution network, goodwill and is synonymous with leading brands, *SB* and *Solbrew Lager* that enjoy extensive penetration in the market.

Looking Ahead to FY2012

Despite current global economic headwinds, we will remain focused on our vision to become a leading F&B player in the Asia Pacific. We will drive the regionalisation of Beer, Dairies, Ice Cream and Soft Drinks, and will continuously strengthen our portfolio of brands as well as enhance our operating efficiency.

Our initiatives translate into lasting competitive advantage that will weather ever-changing economic conditions. Consumer-focused innovation will continue to be pursued. We seek to retain our leadership across key market segments and build interest in new ones. It is also important for us to improve route-to-market, widening and deepening our distribution capability and upgrading service levels. We want to ensure that on-ground execution will be at its most effective for us to enjoy maximum results from our marketing efforts.

I am confident that by keeping firmly aligned to these strategic priorities, we will be able to ride through the challenges. Ultimately, we want to be well-positioned to seize growth opportunities and to strengthen our presence in the region. We aim to stay ahead of the curve in the year ahead and continue delivering strong performance and results.

CEO BUSINESS REVIEW

PROPERTIES

LIM EE SENG – CHIEF EXECUTIVE OFFICER

Revenue increased 11% to

$2,128M

Business Overview

We are pleased to report yet another strong performance for the Properties division. This year, our revenue grew by a considerable 11% to $2,128 million, as compared with $1,915 million last year. This strong growth was underpinned by pre-sold and newly launched residential properties, asset sales and newly-opened serviced residences in Singapore and overseas. Earnings, however, slipped 3% to $569 million due to lower contribution from Commercial Property and decline in profit from China development property as a result of the completion of residential projects and an absence of one-off gain recorded last year.

Development Property, despite lower progressive income recognition from China, maintained its solid performance from last year. This year, we launched eight residential projects and sold more than 3,200 units in our key markets. We also picked up five sites to add to our Singapore land bank. In addition, we divested another Singapore retail mall, *Bedok Point,* to Frasers Centrepoint Trust, following the divestment of two retail malls last year. To accelerate the development and realisation of the value of our key Australian asset, we partnered Sekisui House to jointly develop the majority of Central Park, a six-hectare site in central Sydney, Australia. In Commercial Property, strong occupancies and higher rentals from most of the properties were sustained. At Hospitality, our global expansion efforts continued with the opening of 10 new properties and securing 10 new management contracts.

Boathouse Residences

Achieved PBIT of

$569M

FY2011 key developments:

- Launched eight residential projects
  - Launched 2,760 residential units in Singapore
  - Launched 1,273 residential units in Australia[1]
- Robust sales of 3,233 units[2]
- Unrecognised revenue of $2 billion
- Obtained TOP for four residential projects in Singapore and one in China
- Grew Singapore pipeline with acquisition of five sites (3.5 million sqf GFA; about 3,050 units)
- Divested *Bedok Point*
- Divested 50%-interest in Central Park mixed-use site
- Commercial Property's occupancies and rentals remained healthy
- Grew Commercial Property pipeline
- Hospitality opened 10 properties and secured another 10 management contracts

Note:

1 *Includes Park Lane and QIII which were soft launched in Jun and Sep 2011, respectively*

2 *Includes sales from previously launched projects*

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Market Review

Amidst a mounting European credit crisis, growth has moderated in Asia, whilst recovery in the US and Europe has remained uncertain and sluggish.

Despite uncertainty in the market, the number of new private residential units sold in Singapore hit 14,000 in the first 10 months of 2011. In December 2011, the government introduced further cooling measures for the residential market, to moderate investment demand amidst a low interest rate environment and abundant external liquidity. While the Group believes that these new measures would affect primarily the high-end segment, it would also have an impact on the other segments in the near term.

In Commercial, the office market cooled further in 3Q2011 as global economic uncertainty impacted on occupiers' expansion plans. Office rents in the central business district ("CBD") and average rentals for private industrial space remained largely unchanged as leasing demand slowed. The overall vacancy rate in 3Q2011 increased to 6.5%, up from 6.0% in 2Q2011.

On the retail front, the outlook is slightly more upbeat. Retail rents in Orchard Road increased 0.5% quarter-on-quarter in 3Q2011 due to limited supply. Demand for space in suburban malls, particularly in HDB town centres that serve large catchment areas, remains strong.

Demand for serviced apartments in Singapore has gone up as more multi-nationals choose to base their operations here. Most serviced apartment operators have seen their monthly occupancy rates increase to 95%, as compared to average rates of between 70% and 80% last year.

Eight Courtyards

Development Property

Singapore, our key market

Singapore continued to be a key market for the Group. This year, we remained focused on efficient capital recycling through successful and timely residential launches, and selective land bank replenishment.

Timely launches and completion of projects

This year, the Group rolled out five new projects with 2,760 units[1] in Singapore. We were the first developer in Singapore to launch an executive condominium[2] ("EC") five years after the last EC launch in 2005. The well-timed launch of 573-unit *Esparina Residences* in October 2010 attracted strong interest. As at the end of this financial year, 99% of this project was sold. Other successful launches included the 563-unit *Waterfront Isle* (the final phase of The Waterfront Collection) in January, the 656-unit *Eight Courtyards* in April, the 474-unit *Seastrand* in June and the 494-unit *Boathouse Residences* in August 2011. *Eight Courtyards* and *Seastrand* registered strong sales of 79% and 58% respectively. *Boathouse Residences* also did well with 46% of the development sold within weeks of the launch. Including units from previously launched projects, we sold 2,435 units[3] in Singapore this year.

This year, the Group also saw the completion of a number of residential projects in Singapore - the 417-unit *Soleil@Sinaran*, the 302-unit *Martin Place Residences*, the 110-unit *Woodsville 28* and the 405-unit *Waterfront Waves*.

Land bank replenishment and cost management

The Group continued to tap the Government Land Sales programme and remained disciplined in pricing land bids. This year, we successfully tendered for four residential sites – Pasir Ris Drive at $335psf[4] , the Upper Serangoon View site[5] near Hougang Central at $320psf, Punggol Field EC site at $270psf and the Flora Drive site at $325psf – and one mixed-use development site in the up-and coming new town, Punggol Central. These acquisitions have added about 3,050 units[6] to our land bank.

1 1,800 attributable units
2 Executive condominium is a hybrid of public and private housing restricted by Housing Development Board's rules and regulations
3 1,436 attributable units
4 Launched as Seastrand in June 2011
5 Launched as Boathouse Residences in August 2011
6 1,790 attributable units

SINGAPORE – Projects currently under development

Projects	No. of units	% Sold @ 30 Sep 11	% Completion @ 30 Sep 11	Ave. selling price ($ psf)	Land cost ($ psf)	Est. completion date
Martin Place Residences	302	100%	100%	1,500	666	Completed
Soleil @ Sinaran	417	98%	100%	1,430	510	Completed
Woodsville 28	110	100%	100%	775	434	Completed
Waterfront Waves[1]	405	100%	100%	730	240	Completed
Residences Botanique	81	99%	77%	1,020	260	1Q2012
Caspian	712	100%	80%	610	248	1Q2012
8@Woodleigh	330	100%	61%	790	267	2Q2012
Waterfront Key[1]	437	99%	72%	840	240	1Q2013
Flamingo Valley	393	45%	22%	1,230	415	4Q2013
Waterfront Gold[1]	361	99%	13%	965	240	1Q2014
Esparina Residences[2]	573	99%	12%	740	315	2Q2013
Waterfront Isle[1]	563	85%	6%	980	240	4Q2014
Eight Courtyards[1]	656	79%	4%	800	320	3Q2014
Seastrand[1]	474	58%	2%	900	335	4Q2014
Boathouse Residences[1]	494	46%	0%	900	320	4Q2014

Note:
1 *Effective interest is 50.0%*
2 *Effective interest is 80.0%*

SINGAPORE – Land bank

Land bank	Location	Effective interest	Est. no. of units	Est. saleable area (mil sqf)	Land cost ($ psf ppr)	Tenure	Est. launch ready date
Punggol EC	Punggol Field	80.0%	728	0.82	270	Leasehold	1Q2012
Flora Drive	Flora Drive	100.0%	432	0.41	325	Leasehold	1Q2012
Watertown (residential)/ Waterway Point (retail)	Punggol Central/ Walk	33.3%	930	0.79	753 (includes retail)	Leasehold	1Q2012
Starhub Centre	Orchard Road	100.0%	240	0.33	1,194	Leasehold	TBD

Note:
TBD denotes To Be Determined

Eight Courtyards

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As part of the Group's capital management efforts, we entered into joint ventures for several key acquisitions this year, including the $1-billion Punggol Central mixed-use development site, the Pasir Ris Drive site and the Upper Serangoon View site.

Acquired in March 2011, the 1.4 million-sqf Punggol Central site, located at the newly opened Punggol Waterway, will be developed into an iconic waterfront development comprising about 930 residential units, *Watertown*, and a 370,000-sqf retail mall, *Waterway Point*. *Watertown* will be ready for launch in 1Q2012.

Another discipline that the Group adopts is the fast turnaround of Singapore land bank. This quick turnaround strategy allows us to maximise asset turnover and unlock land bank value. Launched within nine months after acquisitions, *Eight Courtyards* at Yishun was launched for sale at an average selling price of $800psf, while *Seastrand* at Pasir Ris Drive and *Boathouse Residences* at Upper Serangoon View were launched at an average selling price of $900psf. The remaining two sites at Punggol Field and Flora Drive, which were acquired in mid-2011, are expected to launch by 1Q2012.

Overseas - Delivering our overseas pipeline

Our focus on quick asset turnaround remains the same for our overseas markets. Riding on sustained demand for quality homes, we sold about 800 units in our key markets of Australia and China this year. Led by good sales from three new launches and previously launched projects, the Group recorded sales of 469 units in Australia. In China, although we did not release any new projects for sale this year, we benefited from sales of previously launched projects such as phase 1 of *Baitang One* and *Shanshui Four Seasons*. In total, 329 units were sold in China.

Stable sales in Australia

Residential sales in Australia were healthy with a total of 469 units sold. The Group successfully launched the first two residential phases of the Central Park project, *One Central Park ("OCP")* and *Park Lane*. Since its official launch in October 2010, another 245 units of *OCP* have been sold, bringing total sales to 495 units (79%), at an average price of A$1,180psf as at the end of September 2011. Hot on the heels of *OCP's* successful launch, 385 units of *Park Lane*, which comprises 777 units, was soft launched for sale in June. With units priced between A$505,000 and A$1.2 million, as at end September 2011, a total of 97 units (26%) have been sold at an average of A$1,260psf.

From left to right: *Seastrand, Boathouse, Central Park*

The year also saw the soft launch of 265-unit *QIII*, the first residential phase of the Queens Riverside project in East Perth. Strategically located along the Swan River and within the East Perth Riverside redevelopment precinct, Queens Riverside is a 15,300-sqm mixed-use development comprising 337 residences (combined total of *QI*, *QII* and *QIII)* and a 184-key, all-suite serviced apartment, *Fraser Suites Perth*. With units priced between A$340,000 and A$3.9 million, a total of 55 residential units (26%) were sold at an average price of A$725psf, before the public launch in October 2011.

Intensifying capital recycling efforts

During the year, the Group welcomed Sekisui Holdings, Ltd ("Sekisui") as a partner to jointly develop the majority of the mixed-use Central Park project in central Sydney, Australia, with the Group being retained as project manager for the development. The Group divested the 50% stake for A$230 million and realised a gain of about $40 million. The combined resources and unique strengths of F&N and Sekisui will enable us to accelerate the development and realisation of the value of this six-hectare site. Besides early recycling of the Group's capital ahead of project completion, this move also provides us the added financial flexibility to intensify the recycling of our remaining Australian inventory and to seek other opportunities.

Upcoming launch of Putney Hill

The Group acquired a 13.7 hectare site in the Sydney suburb of Ryde in June 2010, to be marketed as Putney Hill. This will be our first offering of low density housing in Sydney. The mix of low-density, semi-detached houses, bungalows and medium-density apartments totals 791 units. Sales launch is scheduled in November 2011.

Stable demand in China

In China, the Group benefited from the sale of previously launched phases of *Shanshui Four Seasons* and *Baitang One*. Phase 1 of *Shanshui*, which features 418 units of 3-storey landed terrace and semi-detached villas, was completed in 2009 with 415 units (99%) sold at an average selling price of RMB13,660 per square metre ("psm"). Phase 2 is targeted to launch in 2Q2012.

The Group's other residential development project in China, *Baitang One* is located on the east of the largest lake (Jinji Hu) in Suzhou Industrial Park, also known as Suzhou's new CBD. Located in close proximity to the Nanjie and Xing Tang Jie light rail stations, this development yields a gross floor area of more than 550,000 square metres, and comprises 3,900 high-rise condominium units, multi-storey houses and townhouses for launch over six years. Phase 1 with 968 units of low-rise apartments and terrace houses was launched for sale last year. A total of 821 units (85%) have been sold to date at an average selling price of about RMB13,500psm. The Group is preparing to launch phase 2 with 898 units of high-rise condominium and terrace houses in FY2012.

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AUSTRALIA – Projects currently under development

Projects	Location	Effective interest	No. of units	% Sold @ 30 Sep 11	% Completion @ 30 Sep 2011	Ave. selling price (A$ psf)	Land cost (A$ psf)	Est. completion date
Lorne Killara	Sydney	75.0%	40	53%	100%	820	123	Completed
Lumiere Residences	Sydney	81.0%	456	98%	100%	1,030	90	Completed
Trio/Alexandra, City Quarter	Sydney	88.0%	409	96%	100%	880	98	Completed
One Central Park	Sydney	37.5%	623	79%	15%	1,180	228	2013
Park Lane	Sydney	37.5%	385	26%	3%	1,260	228	2013

AUSTRALASIA – Land bank

Land bank	Location	Effective interest	Est. no. of units	Est. saleable area ('m sqf)	Land cost (A$ psf)
Central Park					
-Fraser/Sekisui JV	Sydney	37.5%	662	1.3	124
-Non-JV land bank	Sydney	75.0%	553	0.4	83
Frasers Landing	Mandurah	56.3%	1,180	1.7	10
Killara Pavillions	Sydney	75.0%	99	0.1	149
Parramatta River	Sydney	75.0%	637	0.6	39
Putney Hill	Sydney	75.0%	791	1.1	83
Queens Riverside	Perth	87.5%	573	0.6	37
Broadview	New Zealand	75.0%	29	0.1	NZ$61
Coast @ Papamoa	New Zealand	67.5%	684	1.5	NZ$15
TOTAL			**5,208**	**7.4**	

CHINA – Projects currently under development

Projects	Location	Effective interest	No. of units	% Sold @ 30 Sep 11	% Completion @ 30 Sep 11	Ave. selling price (RMB psm)	Land cost (RMB psm)	Est. completion date
Baitang One (Phase 1a)	Suzhou	100.0%	426	99%	100%	13,300	2,700	Completed
Baitang One (Phase 1b)	Suzhou	100.0%	542	74%	70%	13,800	2,700	3Q2012
Chengdu Logistic Park Office Units (Phase 1)	Chengdu	80.0%	137	100%	100%	5,370	200	Completed
Shanshui Four Seasons (Phase 1)	Shanghai	76.0%	418	99%	100%	13,400	1,610	Completed

CHINA – Land bank

Land bank	Location	Effective interest	Est. no. of units	Est. saleable area ('m sqf)	Land cost (RMB psm)
Baitang One (Phase 2 – 4)	Suzhou	100.0%	2,852	4.6	2,700
Shanshui Four Seasons (Phase 2 – 5)	Shanghai	76.0%	5,360	7.3	1,610
Residential			**8,212**	**11.9**	
Chengdu Logistic Park (Phase 2 – 4)	Chengdu	80.0%	-	4.4	-
Vision Shenzhen Business Park (Phase 3)	Shenzhen	56.2%	-	2.6	-
Commercial			**-**	**7.0**	
TOTAL			**8,212**	**18.9**	

From left to right: *Park Lane, Putney Hill, QIII, Shanshui Four Seasons, Baitang One*

CEO BUSINESS REVIEW
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Commercial Property

The Group has a global portfolio of 27 investment properties diversified across retail malls, office towers, business parks and two real estate investment trusts ("REIT") namely Frasers Centrepoint Trust ("FCT"), our 41%-held retail REIT, and Frasers Commercial Trust ("FCOT"), our 26%-held office and business park REIT.

Delivering growth through active portfolio management

Attributable profit from Commercial Property grew 14% to $112 million. This strong performance was achieved due to our proactive management of the portfolio to improve revenue and operational efficiency. This double-digit earnings improvement was achieved despite further dilution of the Group's stake in FCT this year. Subsequent to the sale of two retail assets to FCT in February 2010 and another retail mall in September 2011, the Group's interest in FCT is about 41%, down from 51%. Consequently, the Group no longer consolidates FCT's results.

Following the successful divestment of *Northpoint* extension and *YewTee Point* in February 2010 to FCT, the Group sold its newly completed mall, *Bedok Point,* to FCT for $127 million in September 2011. *Bedok Point* was completed in November 2010. This divestment allowed the Group to use the resources released from the asset sale to add properties while maximising total returns from development gains, property yield and management fees. To part-finance the acquisition of *Bedok Point*, FCT placed out 48 million new units at $1.39 per share (which was at the top-end of the price range for the placement). The Group chose not to subscribe to the new units, thus allowing our unitholding to be reduced to 41%, from 43%.

FCT delivered strong growth on all fronts in FY2011, on the back of a strong 4QFY2011 performance from *Causeway Point*, healthy occupancy and higher rental reversions for FCT's overall portfolio. Consequently, FCT delivered a record distribution per unit ("DPU") of 8.32 cents, its fifth consecutive year of DPU growth since listing.

Bedok Point

From left to right: *Alexandra Technopark, China Square Central*

Unlocking value through asset enhancements

We continued our efforts on asset enhancement works so as to optimise return to Unitholders. This year, our seven-storey shopping complex, *Causeway Point*, ended FY2011 with good rental reversions and occupancy surged to 92%, from a trough of 69% in 2QFY2011, after having gone through the most intensive period of enhancement works. Once enhancement works are fully completed in December 2012, *Causeway Point* is expected to improve FCT's net property income ("NPI") by 22%, to $52 million which translates to a return on investment of about 13%.

Non-REITed malls enjoyed high occupancy

The Group's non-REITed malls achieved almost full occupancy. In Singapore, both *The Centrepoint* and *Robertson Walk* maintained an average occupancy rate of 98% and 96% respectively. *Crosspoint* in Beijing saw its occupancy increase to 83% after a successful revamp and repositioning.

Office & Business Park Space

Substantial increase in occupancy

Driven by higher portfolio occupancy and NPI, FCOT achieved its second consecutive year of growth since completion of the recapitalisation exercise in 2009. This year, distributable income to Unitholders grew 5% to $36 million, despite negative rental reversion in some of our leases. DPU improved 3% to 5.75 cents. As part of our continuous efforts to strengthen the portfolio mix, we successfully divested two non-core assets namely *Cosmo Plaza* and the Australian Wholesale Property Fund this year. The divestments helped FCOT lower its borrowings and consequently its interest expenses.

Stable performance by non-REITed office and business space

During the year, the Group's non-REITed office and business parks in Singapore, China and Vietnam also achieved high occupancy. In Singapore, the office and industrial properties enjoyed healthy occupancies of 95% and 96% respectively, while *Me Linh Point* in Vietnam was fully-let.

In China, *Vision Shenzhen Business Park* continued to enjoy full occupancy. Demand for office space at A-Space in Chengdu was excellent with all 136 office units now fully sold at an average selling price of RMB5,370psm. Construction of phase 2 comprising a 63,000-sqm office block will be completed in 2013.

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Commercial Portfolio

Properties	Effective interest	Book value ($ million)	Net lettable area (sqf)	Occupancy FY2011	Occupancy FY2010
SINGAPORE – REIT (Frasers Centrepoint Trust)					
Anchorpoint	40.7%	$78	71,610	99%	99%
Bedok Point (Injected in Sep 2011)	40.7%	$128	80,985	98%	-
Causeway Point[1]	40.7%	$820	418,543	92%	97%
Northpoint	40.7%	$533	235,536	98%	99%
YewTee Point (Injected in Feb 2010)	40.7%	$138	73,120	96%	98%
SINGAPORE – Non-REIT retail asset					
Compass Point[2]	-	na	269,546	100%	100%
Robertson Walk	100.0%	$57	96,568	96%	73%
The Centrepoint	100.0%	$585	332,261	98%	98%
Valley Point (Retail)	100.0%	$25	39,817	100%	100%
Changi City Point[3]	50.0%	na	208,000	73%	na
Waterway Point (Punggol mixed-use site)	33.3%	na	365,000	na	na
OVERSEAS – Non-REIT retail asset					
China, Beijing: Crosspoint	100.0%	$53	159,977	83%	68%
TOTAL RETAIL			**2,350,963**		
SINGAPORE – REIT (Frasers Commercial Trust)					
55 Market Street	26.0%	$126	72,109	96%	83%
Alexandra Technopark	26.0%	$359	1,048,950	100%	100%
China Square Central	26.0%	$555	368,238	100%	100%
KeyPoint	26.0%	$285	309,963	88%	81%
SINGAPORE – Non-REIT office/business park asset					
Alexandra Point	100.0%	$162	198,436	98%	98%
Valley Point (Office)	100.0%	$170	182,429	97%	94%
Changi Business Park (Office)	50.0%	na	640,407	na	na
OVERSEAS – REIT (Frasers Commercial Trust)					
Australia, Canberra - Caroline Chisholm Centre	26.0%	$121	216,591	100%	100%
Australia, Perth - Central Park	26.0%	$373	356,770	100%	98%
Japan, Osaka - Galleria Otemae Building	26.0%	$63	108,509	89%	89%
Japan, Tokyo - Azabu Aco Building	26.0%	$22	15,944	100%	100%
Japan, Tokyo - Ebara Techno-Serve Headquarters Building	26.0%	$38	53,805	100%	100%
OVERSEAS – Non-REIT office/business park asset					
China, Beijing - Sohu.com Internet Plaza	34.0%	$59	159,520	100%	98%
China, Shenzhen - Vision Shenzhen Business Park	56.2%	$184	1,378,300	100%	100%
Vietnam, Ho Chi Minh City - Me Linh Point	75.0%	$56	190,263	96%	95%
TOTAL OFFICE/BUSINESS PARK			**5,300,235**		
TOTAL COMMERCIAL PROPERTIES			**7,651,198**		

Note:
1 Lower occupancy due to planned enhancement work
2 Managed by Frasers Centrepoint Group
3 Achieved temporary occupation permit in September 2011; as at November 2011, >90% leased

Hospitality

A global leader in serviced residences

The Group's serviced residences arm, Frasers Hospitality, continues to expand and strengthen its presence in key gateway cities around the world. The gold-standard serviced residences operator has set its sights on further expansion into the high growth region of Asia and key cities in Australia and Europe, and plans are on track to manage a total of 72 properties worldwide over the next three years.

In the year under review, Frasers Hospitality signed three Memorandums of Understanding and secured seven agreements with owners to manage properties in China, Indonesia, Malaysia and Saudi Arabia.

A total of 10 properties commenced operations this financial year. They comprised *Fraser Residence Nankai Osaka, Fraser Suites Chengdu, Fraser Suites Suzhou, Modena Shanghai Putuo, Modena Jinjihu Suzhou, Fraser Residence Budapest, Fraser Place Anthill Istanbul, Fraser Residence Orchard, Fraser Residence Sudirman Jakarta* and *Fraser Place Melbourne*.

As at 30 September 2011, Frasers Hospitality has a total of 7,062 apartments in operation. The number of operational and signed up apartments exceeds 12,400 units.

In addition to its rapid expansion, Frasers Hospitality also embarked on an asset enhancement on the 13-year-old *Fraser Suites Singapore* to further enhance customer experience. By end-2012, the 251-unit *Fraser Suites Singapore* will be fully renovated and better equipped to meet the evolving needs of corporate residents.

From top, clockwise: *Fraser Residence Orchard, Fraser Residence Sudirman Jakarta, Fraser Place Anthill Istanbul*

Serviced Residences: Properties in Operations

Country	Property	Equity (%)	No. of units	Occupancy FY2011	Occupancy FY2010	Ave. daily rate FY2011	Ave. daily rate FY2010
OWNED PROPERTIES							
Australia	Fraser Suites Sydney	80.5	201	88%	89%	A$236	A$223
	Fraser Place Melbourne	100.0	115	72%	na	A$114	na
China	Fraser Suites Beijing	100.0	357	85%	85%	RMB637	RMB586
Indonesia	Fraser Residence Sudirman Jakarta	100.0	108	65%	na	US$122	na
London	Fraser Place Canary Wharf	100.0	63	89%	90%	£153	£143
	Fraser Place Chelsea	32.1	30	81%	89%	£107	£101
	Fraser Suites Kensington	32.1	69	83%	69%	£211	£197
Philippines	Fraser Place Manila	100.0	89	88%	87%	PHP6,664	PHP6,184
Scotland	Fraser Suites Glasgow	100.0	99	70%	72%	£68	£73
	Fraser Suites Edinburgh	100.0	75	72%	68%	£106	£98
Singapore	Fraser Place Singapore	100.0	163	92%	94%	$297	$271
	Fraser Suites Singapore[1]	100.0	251	84%	85%	$275	$238
TOTAL NO. OF ROOMS (OWNED)			**1,620**				

Note:
1 *Planned enhancement work affected occupancy*

Country	Property	No. of units
Bahrain	Fraser Suites Bahrain	91
China	Fraser Place Shekou	232
	Fraser Residence Shanghai	272
	Fraser Suites Shanghai	187
	Fraser Residence CBD East Beijing	228
	Fraser Suites Nanjing	210
	Modena Shanghai Putuo	407
	Modena Heping Tianjin	104
	Fraser Suites Chengdu	360
	Fraser Suites Suzhou	276
	Modena Jinjihu Suzhou	237
France	Fraser Suites Harmonie, Paris La Defense	134
	Le Claridge Champs - Elysees, Fraser Suites, Paris	110
Hong Kong	Fraser Suites Hong Kong	87
Hungary	Fraser Residence Budapest	54
Japan	Fraser Residence Nankai Osaka	114
London	Fraser Residence Prince of Wales	18
	Fraser Place Queens Gate	106
	Fraser Residence Blackfriars	12
	Fraser Residence Monument	14
	Fraser Residence City	22
Malaysia	Fraser Place Kuala Lumpur	216
Philippines	Fraser Place Manila	35
Qatar	Fraser Suites Doha	138
Singapore	Fraser Place Fusionopolis	50
	Fraser Residence Orchard	72
South Korea	Fraser Suites Insadong, Seoul	213
	Fraser Place Central, Seoul	237
Thailand	Fraser Place Urbana Langsuan, Bangkok	143
	Fraser Suites Urbana Sathorn, Bangkok	156
	Fraser Suites Sukhumvit, Bangkok	163
	Fraser Resort Pattaya	84
	Others	194
Turkey	Fraser Place Anthill Istanbul	116
UAE	Fraser Suites Dubai	180
Vietnam	Fraser Suites Hanoi	170
TOTAL NO. OF ROOMS (UNDER MANAGEMENT)		**5,442**

CEO BUSINESS REVIEW
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Watertown

Market Outlook: Looking ahead

Development - Singapore

External conditions continue to weigh on Singapore. As the Euro area financial turbulence intensifies and the risk of a renewed slump in advanced economies rises, we expect property demand to moderate with prices flattening out. However, in the longer term, demand will continue to be supported by steady GDP growth and the low interest rate environment.

Going forward, as we maintain Singapore as our development base, we will continue to replenish our land bank by participating in the Government Land Sales programme while exercising strong discipline in pricing land bids. Our main focus will be the mass market segment and we will continue to leverage on joint venture partnerships to develop projects in strategic locations.

In the new year, we look forward to the launch of the 432-unit site in Flora Drive and two projects in Punggol - the 930-unit *Watertown* located in Punggol Central and the 728-unit executive condominium at Punggol Field. With steady GDP growth, low interest rates, good locational traits and correct pricing, we expect good demand for these launches. The successful launch of these sites will underpin the Group's earnings in the future, supported by the $2-billion unrecognised revenue from pre-sold projects in Singapore and overseas.

Development - Overseas

China

After several rounds of cooling measures and restrictive policies by the Chinese government to curb spiraling property prices and speculative buying, sales volume has begun to fall, with prices remaining flat, or easing slightly.

The Group is expecting challenging times ahead, with liquidity pressures set to increase over the next six months to one year due to weakening property sales and tight credit conditions.

In view of this, we will adopt a moderately cautious outlook on China's real estate development sector. The Group will continue to monitor and assess the market and implement appropriate sales strategies to market subsequent launches of *Baitang One* and S*hanshui Four Seasons* in Suzhou and Shanghai respectively.

In keeping with our target to sell an average of 1,000 units in China, for FY2012, we plan to launch about 900 units from phase 2 of *Baitang One* in Suzhou. Comprising 11 high-rise condominium towers and 68 terrace houses with 150,200-sqm gross floor area, and given its close proximity to Suzhou's largest lake (Jinji Hu) and Light Rail Transit stations, we expect this launch to be well-received by buyers.

CEO BUSINESS REVIEW
PROPERTIES

From left to right: *QIII, Changi City Point*

Australia

House prices have fallen over 2011. The removal of the first home owner incentive, a re-tightening of foreign investment rules and higher interest rates earlier this year have been the main triggers for a softer Australian property market. In Sydney, where most of our assets are based, the drop in house prices was not significant. Looking ahead, the recent interest rate cuts should help housing affordability. The chronic housing shortage situation in New South Wales will remain, if not intensify, in the years ahead.

Since our partnership with Sekisui, the Group has accelerated the launch and development of the six-hectare Central Park site in Sydney. The financial resources released from our sale of the 50% interest in this project has also provided us with added financial flexibility to intensify the recycling of our remaining Australian land bank. In FY2012, we will proceed with the launch of the remaining 400 units of Park Lane. Leasing of the retail centre at Central Park (scheduled to open in early-2013) is currently in progress.

We have begun marketing Queens Riverside mixed-use precinct in Perth. The 184-unit Frasers Suites serviced apartment building is scheduled for completion in 2012 and construction is scheduled to commence on the adjacent 265-unit *QIII* residential block.

In addition, the Group has also advanced the development of Putney Hill, a 13.7-hectare site in the Sydney suburb of Ryde, with sales commencing in November 2011 to favourable demand. Master-planning is also underway on the 4.9 hectare Morton Street residential development site, located on the banks of Sydney's Parramatta River. On completion, the site will have approximately 700 dwellings.

Commercial

As a developer-sponsor for both REITs, the Group will continue to provide support to FCT and FCOT in their acquisition growth strategy and active portfolio enhancement initiatives. Quality pipeline assets will be nurtured and made available for injection into the respective portfolios when market conditions

infrastructure, will offer a mix of alfresco dining, waterfront shopping options and entertainment outlets. Targeted to open in 2016, *Waterway Point* is slated to be the first ever late-night waterfront suburban mall in Singapore.

Going forward, FCT will continue to position itself as a leading suburban retail mall REIT in Singapore, leveraging on its strengths and asset enhancement expertise to drive growth on multiple fronts.

FCOT will stay nimble in the current environment and continue to implement a proactive leasing strategy to improve the portfolio occupancy level and rental rates. At the same time, it will manage the property expenses in view of continuing pressure on rising operating cost and continue to work towards early re-financing of the Trust's existing debts which are due in the early part of FY2013.

Hospitality

We expect demand for serviced residences to remain strong, especially in Asia.

The Asian economies continue to attract high levels of foreign direct investment. There is strong demand for serviced residences in key gateway cities like Singapore, Kuala Lumpur, Shanghai and Beijing where many multi-national companies have set up their operations. In this volatile economic environment, business and leisure travellers have also recognized that serviced residences offer superior value and flexibility in lease arrangements.

We will continue to expand by management contracts to tap on this demand and pursue investment opportunities in key gateway cities to leverage on our strong global network.

are favourable. Through asset enhancement initiatives, the REITs will also reap the benefits of higher rentals and capital appreciation.

In Singapore, the Group's pipeline projects include the 208,000-sqf retail space, *Changi City Point*, located within Changi City – a high quality, integrated development comprising *Changi City Point*, a 640,000-sqf business park, *One @ Changi City*, and a 313-room hotel. Jointly developed with Ascendas Land, *Changi City Point* spans three levels of retail space comprising a mix of factory outlet stores, F&B outlets, and a 350-seat roof-top amphitheatre for performance and arts events. More than 90% leased, the mall opened to the public in November 2011.

Another noteworthy project will be the mixed residential-cum-retail development at Punggol, Singapore's first eco-town located in the northeastern part of Singapore. To be jointly developed with Far East Organization and Sekisui, *Waterway Point*, a four-level shopping complex (including 2 basements) with a transportation hub linked to primary transport

CEO BUSINESS REVIEW

PUBLISHING & PRINTING

GOH SIK NGEE – CHIEF EXECUTIVE OFFICER

Achieved Revenue of

$397M

Business Overview

Times Publishing Group had a strong profit recovery from its continuing businesses due to the improved performance of both Education Publishing and Print segments. After including our share of profits from associates, our overall earnings declined 5% to $27 million, due largely to a $6 million restructuring charge by PMP Limited, an associated company in Australia.

The revenue of the continuing businesses increased by 1%. However including the discontinued businesses, overall full year revenue declined 3% to $397 million due largely to the cessation of printing operations in China, divestment of the school retail business and unfavourable translation effect.

The Publishing division continued to gain momentum with its education export strategy especially in its Singapore Mathematics. We continued to perform well in school adoptions of education textbooks in overseas markets. The results affirm our strategy of focusing on growing our international footprint as we see export overtaking local sales this year. Our education online business also delivered a stellar performance in the local school adoption. Our Learning Management System achieved 70% market share for the primary schools in Singapore. Our new online math programme, *Math Buddies*, is currently being piloted in schools in the USA, paving way for new revenue potential for Education Publishing.

Achieved PBIT of

$27M

FY2011 key developments:

- Education Publishing maintained growth momentum in its export markets
  - Continued success with *Maths in Focus* in the US
  - Made inroads into Latin America
  - *Discover Maths* approved for national adoption in South Africa
- Organised the 2nd Marshall Cavendish Singapore Mathematics Global Forum
- 70% of Singapore primary schools used MC Online's Learning Management System
- Printing division enjoyed higher printing volumes across all plants in Singapore, Malaysia and China
- Launched Times Learning+ which focuses on education related products
- Launched NoQ store, an online retail book store

CEO BUSINESS REVIEW
PUBLISHING & PRINTING

During the year, the Group continued to innovate our products and services. Riding on the digital opportunities created in the online space, the group launched NoQ store, an online book portal targeted at Asia consumers. The Retail division also launched Times Learning+ which is an enhancement of Times bookstores to offer education related products for parents with schooling children.

The Printing division performed well due to an increase in printing volume and improved gross margins. Underpinned by a number of significant wins of new contracts and positive productivity gains from the implementation of Enterprise Resource Planning ("ERP") system, we achieved a significant increase in revenue and profit.

Publishing

Marshall Cavendish Education

Marshall Cavendish Education maintained its strong push into the international markets, with the US as our largest export market. The success of *Maths in Focus* continued its growth momentum with revenue for this export market doubling during the year.

Latin America is the next fastest growing market for Marshall Cavendish Education. Pilot programmes with Chile are in the pipeline. More than 22,000 students are using *Pensar sin Límites Matemática Método Singapur* (Spanish edition of the successful *My Pals are Here! Mathematics*) as their core Mathematics curriculum. Marshall Cavendish Education has also launched the *Pensar sin Límites Ciencias Método Singapur* (Spanish edition of the *My Pals are Here! Science International Edition*) to further expand our reach in Latin America.

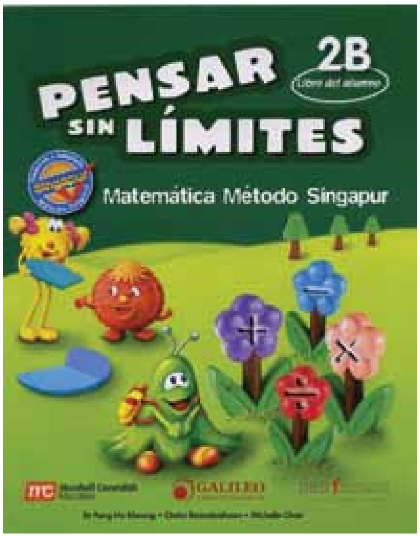
Marshall Cavendish also continued to be in the limelight in the export markets with Singapore Mathematics. *Discover Maths* was approved by the Department of Education in South Africa as one of the Mathematics packages for national adoption. Almost 12,000 potential students will be using this series of Mathematics materials across key provinces in South Africa.

The outstanding success of the 2nd Marshall Cavendish Singapore Mathematics Global Forum sealed our position as the publisher of world-acclaimed Singapore Mathematics materials. The forum provided a platform for educational policymakers, curriculum specialists, teachers and education ministry representatives from countries such as the US, Chile, Panama, South Africa, Saudi Arabia and Brunei to share experiences and exchange ideas on implementing Singapore Maths in their countries.

Visiting dignitaries who attended the in-depth discussions and learnt the success stories shared by the various countries included Lucy Molinar, Minister of Education for Panama and Tim Gopeesingh, Minister of Education for Trinidad and Tobago.

Marshall Cavendish E-Learning Success

Marshall Cavendish Online ("MC Online") was appointed by the Ministry of Education in Singapore as one of the vendors for the provision of Learning Management System services for schools under the Ministry of Education. In 2011, MC Online commanded a commendable market share of more than 140 schools (more than 200,000 subscribers) in Singapore alone. 70% of the primary schools use the system. The continual investment in technology and partnership opportunities led to the development of innovative new products including the LuV (Learn Using Videos) series courseware in a joint collaboration with MediaCorp.



From left to right: *Spanish edition of the successful My Pals are Here! Mathematics, Launch of Singapore Mathematics Global Forum*

The success of Singapore Mathematics textbooks in the US has led to MC Online's introduction of *Math Buddies* in the country. *Math Buddies* is a Singapore Mathematics digital curriculum that is able to complement mathematics textbooks in the US, and is aligned to the Common Core State Standards. *Math Buddies* was launched at the National Council of Teachers of Mathematics conference in Atlanta in October 2011, and is being piloted in several schools in the US.

In Hong Kong, our education division has been actively participating in a three-year pilot scheme on "Promoting e-Learning" conducted by the Education Bureau of Hong Kong. Four projects were awarded government funding among a total of 21 short-listed projects in Hong Kong.

One of the e-learning partners, Fung Kai Innovative School, is well known as one of the 12 Microsoft Innovative Schools worldwide. The Fung Kai project has been awarded the largest allotment of funding by the government. The project involves the production of e-Books for two core primary subjects – Mathematics and General Studies. The e-Books will replace traditional printed textbooks with pupils using the e-Books for class learning and home study.

In Vietnam, the MC Online learning portal has been approved by the Department of Education and Training of Ho Chi Minh City to provide e-learning solutions to government schools in the country. Philippines remains one of the largest markets outside Singapore for MC Online, with more than 80 schools and 50,000 subscribers adopting our e-learning solutions.

MC Online e-learning solutions have also been adopted in countries like South Africa, Hong Kong, Australia and Jordan. The number of subscribers in these countries is increasing.

Marshall Cavendish Home & Library Market

Educational Technologies Limited ("ETL"), our unit that specialises in publishing home reference books continued to provide distributors with comprehensive sales support, including both online and offline marketing support, together with brand reinforcement to increase their market presence and strengthen brand awareness. ETL also participated in corporate social responsibility projects initiated by their partner distributors in the Philippines, Sri Lanka and Pakistan to provide products or sponsorship to underprivileged children in the local communities.

ETL kept its focus on digital strategy with the launch of the ETL Pal (a children's tablet) and the ETL Kids Club (an online learning portal for children). In response to a rapidly changing market, our library unit in the US also expanded its digital programmes. Over 300 titles from the Marshall Cavendish Benchmark, Children's and Reference imprints were made available for sale through Marshall Cavendish Digital, the company's online research resource.

Titles published by Marshall Cavendish in the US continued to garner numerous awards. Marshall Cavendish Benchmark series were selected by the American Library Association's *Booklist* as top series in sports and in non-fiction series.

Marshall Cavendish Business Information

Despite the global economic uncertainties, the directories business managed to achieve modest growth in sales and profit, underpinned by the strong take-up rate for our online advertisement sales. Our online websites gained much popularity during the year with visitorship doubling to 10 million, attracting a total of 50 million page views. One new title, Singapore MedTech Guide, and a phone app for Halal Eating Establishments were successfully launched. We also managed to secure a new publishing contract from the Singapore Maritime Foundation to publish the Singapore Maritime Services Guide.

Going forward however, the business is likely to suffer a slowdown due to the poor economic outlook arising from the Euro zone crisis and the endemic US economy.

From left to right: *Math Buddies launched in the US, Singapore MedTech Guide and phone app for Halal Eating Establishments*

CEO BUSINESS REVIEW
PUBLISHING & PRINTING

Printing

The Printing division enjoyed higher printing volumes in all its plants in Singapore, Malaysia and China. Revenue, however, increased at a lower rate due to strong competitive price pressure and unfavourable translation effect from a strong Singapore dollar. PBIT growth outpaced revenue growth significantly, which has benefited from higher gross profit margins due to lower material prices and improvement in manufacturing efficiencies.

Revenue increase came mainly from the domestic markets in which the Print companies operate. Export work was mainly to the US, Europe and Australia.

The focus on an aggressive sales strategy continued to bear fruit with new work awarded to Times Printers from DSTA to print all their publications for national servicemen in Singapore. The drive to seek work from the commercial sector to expand the client base from the traditional book and magazine customers has also been successful. Everbest continues to pursue work from overseas publishers, securing new orders from the UK and Australia. For Everbest – China, they have also extended a few annual printing contracts with major supermarkets.

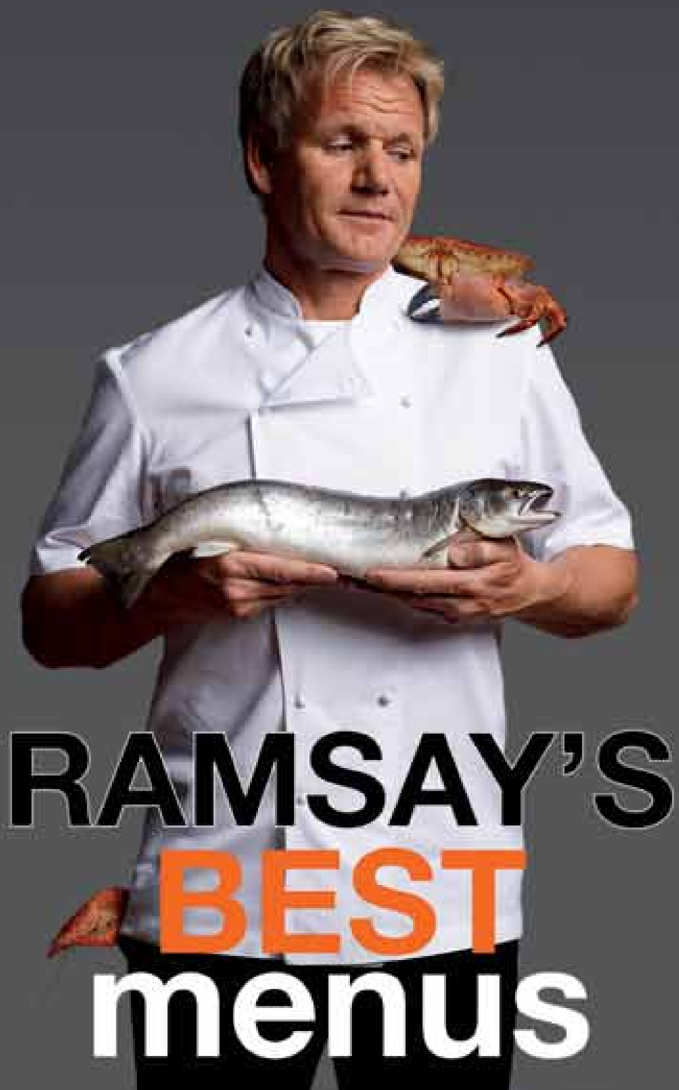
From top to bottom: *2010 CIP4 International Print Production Innovation Awards, DSTA contracted Times Printers to print all their publications*

The Print companies continued to excel in printing quality work with awards won in global and regional print industry awards. In the Asian Print Awards held in November 2010. Times Printers won the platinum sponsor award for the 'Best in Web Offset Printing' and the gold award for the 'Web-Offset, Coated Stock'. Everbest Printing in Hong Kong won the platinum award for the 'Best Application of Creative Colours' and gold awards for 'Book Printing more than 4 colours' and 'Calendars' categories. In digital printing, JCS Digital Solutions won the HP Digital Print Awards in the 'Speciality Printing' category.

Times Printers also won 'Best Process Automation Implementation in the Asia Pacific' awarded in the 2010 CIP4 International Print Production Innovation Awards. This award is given in recognition of demonstrating leadership in pursuit of the best automation technology. This follows the implementation of its ERP system which automated the entire printing process by connecting management to prepress, press and postpress. Times Printers was also certified by Fogra on PSO standard for Sheetfed and Web printing. Times Printers also developed an anti-scanning system to deter counterfeit of its printed books. Everbest Printing was accredited with the OHSAS18001 certification for occupational health and safety.

To improve productivity and efficiency, detailed monitoring systems were set up. Additional measures to aggressively manage waste were introduced.

Going forward, the Printing division expects electronic reading devices to have an effect on the reading habits of consumers. However we will continue to seek new markets and expand our customer base and drive improvements in efficiency.



Ramsay's Best Menus printed by Everbest China

Distribution

Revenue of the Distribution division was marginally lower as compared to last year. The main drop came from poor domestic sales of lifestyle accessories in Australia and the loss of books sales attributable to closure of Borders Singapore. Our book distribution unit did well in managing its inventory and gaining some new lists during the year which has helped in the profit contribution.

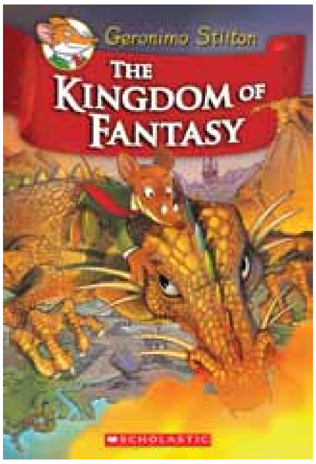
Sales volume of imported magazines was down by about 12% against last year's volume due to the loss of titles representation. However, our magazines unit was helped by the distribution of non-magazines products such as collectible products, novelty items, and opening of new channels and library supplies. Wholesales export of Australian titles remains difficult due to the strong Australian dollar ("AUD") and the weak economic climate in the US and Europe.

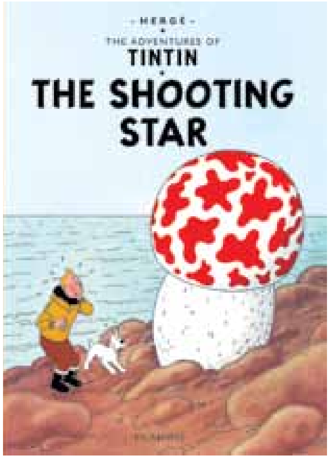
Australia's domestic retail has been weak ever since the flooding disaster and bush fire breakouts at the populated eastern areas of the country at the beginning of the financial year. Sales were drastically curtailed with the fear of an economic downturn. The strong AUD and attraction of online price have prompted consumers to shop from overseas internet retailers. This has affected consumer spending at high street stores and the value chain in distribution sales.

Books

Pansing books division is one of Asia's leading book distributors, marketing a wide range of titles from fiction by leading authors, Asian interest books to children's titles, amongst others. Meanwhile, operating profit for the business increased 28%, helped by lower stock obsolescence costs. This was despite pressure on the gross margin, which declined slightly as the benefit from the fall in the value of the company's principal purchasing currencies slowed.

Demonstrating the range of titles distributed by Pansing, the top 25 for the year included textbooks, self-help titles and the Guinness Book of World Records, which has been sold by Pansing and its predecessors for over 50 years.





Books distributed by Pansing

Magazines

Pansing magazines division runs the wholesale and distribution of local and imported magazines in Australia, Singapore, Malaysia and Hong Kong.

The strong AUD has continued to pose some challenges for export sales for the Australian wholesale operation, but sales in the division's other domestic markets have delivered better than expected overall performance in the year. Although volume of imported titles sold was down about 12% for Hong Kong and Singapore, the loss of sales was partially mitigated by the distribution of other new products. Net gross margins have also improved despite higher freight cost and fuel surcharges coming from improved sales mix of other product categories. Stationery and gift have also enabled the division to reach beyond traditional bookstores.

Hong Kong has consistently delivered good performance for the past few years. The strong sales performance of 22% over the previous year was attributed to successful tenders for public library and school supplies contracts, and the distribution of four different collections of Partworks from DeAgostini.

In the year, Australia's magazine wholesale operation acquired 40 new independent publishers representing over 100 new titles to add to its stable. Sales went up 31% against last year's level but profit was down due to lower sales efficiencies from different export markets. It would continue to drive gross units into the market and wider territory coverage for incremental margin contribution.

E-magazines have yet to create a visible impact on the magazine distribution units in the markets we operate. Nevertheless the division has commenced work with an e-platform provider of magazines to develop and expand digital sales and distribution of magazines in our territories.

The outlook for the next year would be a cautious one given the worsening global economic overhang and inflationary pressure. Expansion into distribution of non-print products will allow for business continuity and position the company to take advantage of the economic recovery.

Lifestyle Accessories

Sales of Musicway in Australia was down by 26% for the year on the back of a reduction in consumer spending at high street stores. The introduction of flood levy and the impending carbon tax has affected consumer sentiment. In addition, the strong AUD and attractive online prices have posed further challenges to the business.

Going forward, Musicway would focus on sourcing for an exclusive and unique range of products and expanding the indent business with major retailers in the midterm, to reduce inventory holding and cost management to ride out the poor retail sentiment.

CEO BUSINESS REVIEW

PUBLISHING & PRINTING

Retail

The general high street book retailing market remains challenging especially in Singapore with its higher costs of operation. The proliferation of tablets and smart devices would add more pressure to the bookselling business. While there are still some opportunities in Malaysia to grow the number of stores, the growth in Singapore's competitive market is rather limited for a general bookstore.

The chain has developed a new brand, Times Learning+, to offer education related products, leveraging the strength of Marshall Cavendish Education as a leading education publisher. In addition, the chain has also expanded its product offering to include lifestyle related merchandise, confectioneries and branded stationeries.

Sales of the Retail division was down by 4% against last year's level due to the loss of a major airport shop tender. The impact was partially mitigated by improved sales performance from new high street shops in Singapore and Malaysia. The performance of our airport chain, Times Travel, has since improved over last year in tandem with the increase in air travel.

The chain operating in Singapore and Malaysia will continue to focus on the creation of a new and expanded range of merchandise. Direct sourcing of products to create a differentiated product offering would help in improving margins and sales. Increased targeted marketing activities will be carried out by working with various social media networks and trade partnerships to drive traffic to stores.

With the changing landscape of bookselling and the increasing trend in online purchases, the group has launched NoQ store.asia, an online retail store targeting the Asian markets. The store would initially leverage and harness the competencies of the Retail and Distribution divisions in selling books online. The intention is to extend the product offering beyond books to be a leading online retailer in the region.

INVESTOR RELATIONS

F&N Group is committed to providing the investment community with accurate and complete information in a timely and consistent way. It has consistently communicated its business strategies, growth drivers and operational direction to investors and analysts on an on-going basis via multiple communication platforms, including analyst and media briefings, press releases, annual reports and website. Such commitment is to ensure investors have easy access to information on the Group so that they can effectively evaluate the company and make informed investment decisions.

Senior management meets analysts and fund managers frequently through one-on-one or group meetings, conference calls, F&N Corporate Day and post-results luncheons. It also interacts with existing and potential investors at investment conferences hosted by various major financial institutions. Some of the conferences the Group participated in this year included the Bank of America Merrill Lynch Asian Stars 2011, BNP Paribas ASEAN Conference, HSBC Inaugural ASEAN Conference, Deutsche Bank Access Malaysia and Singapore Corporate Day, Nomura Asia Equity Forum and DBS Vickers Pulse of Asia Conference in Singapore, and Credit Suisse Asian Investment Conference and the 18th CLSA Investors' Forum in Hong Kong. Through these conferences and non-deal roadshows in Singapore, Hong Kong, Frankfurt, Paris, London and the US, senior management met or spoke with over 400 investors this year. Such communication platforms provided for increased awareness and enhanced understanding of the Group among the investment community.

Awards and Recognition

F&N has been placed 7th for this year's Governance and Transparency Index (GTI). The GTI, which ranks all companies listed on the Singapore Exchange on their governance standards, financial transparency and investor relations, was launched by Singapore's Corporate Governance and Financial Reporting Centre and The Business Times.

Finance Asia recently revealed poll results for their 11th annual poll of Asia's top companies. F&N was listed amongst the top 10 Singapore companies for Best Managed Company, Best Investor Relations and Best Corporate Social Responsibility awards.

Recently, in recognition of its outstanding efforts in improving Corporate Governance standards, the Group emerged the winner of the Singapore Corporate Governance Award 2011, a SIAS Investors' Choice Award. In the same event, the Group was also named runner-up for the Most Transparent Company Award 2011 in the Multi-Industry Conglomerates category.

Analyst coverage:

11 brokerage houses provide research coverage on F&N as at 30th September 2011

Bank of America Merrill Lynch International
CIMB Research
CLSA Limited
DBS Vickers Securities Pte Ltd
Deutsche Bank Securities
Goldman Sachs & Co.
HSBC Global Research
IIFL Capital
Kim Eng Research
Nomura
OSK Research

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80 Robinson Road
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Singapore 068898
Tel: (65) 6236 3333
Fax: (65) 6236 3405

TREASURY HIGHLIGHTS

The Group aims to maintain a prudent financial structure to ensure that it will be able to access adequate capital at favourable terms. Its three businesses, namely Food & Beverage, Properties and Publishing & Printing, remain the main sources of cash flows generated for the Group. 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, it maintains a significant amount of available banking facilities with a large number of banks, allowing its continued access to the debt markets.

In FY2011, the Group's balance sheet strengthened further. Net Group Borrowings (net of cash) dropped from $2.9 billion to $2.4 billion during the year. Coupled with a 11.1% increase in total equity, to $7.7 billion, Group Net Gearing (borrowings less cash) fell to 30.6%, a significant improvement from 41.4% recorded in the previous year. The reduced net borrowings was attributed to cash collection from the strong pipeline of pre-sold development projects in Singapore and overseas, stable cashflow generated from investment properties, sale of assets, as well as from the cash generative Food & Beverage business. The Group expects to receive more than $650 million in cash from its existing pre-sold projects for the new financial year ending 30 September 2012.

Finance cost in FY2011 was $142.8 million (of which $71.2 million was capitalised), 23.9% lower than the previous year's finance cost of $187.6 million (of which $97.1 million was capitalised) mainly due to lower borrowings and lower interest rates.

Source of Funding

Besides cash flow from its businesses, the Group also relies on debt capital markets, equity market and bilateral banking facilities for its funding. As at 30 Sep 2011, the Group has $4.7 billion in banking facilities, $1.0 billion in Transferable Term Loan Facilities and $2.8 billion (Group consolidated share) in Medium Term Note ("MTN") Programmes to meet its funding requirements.

Available Bank Lines by Banks as at 30 Sep 2011

The Group maintains an active relationship with a network of more than 25 banks of various nationalities, located in various countries where the Group operates. Its five principal bankers are Bank of Tokyo-Mitsubishi UFJ, Ltd, DBS Bank Ltd, Overseas-Chinese Banking Corporation, Standard Chartered Bank and United Overseas Bank Limited.

The Group continues to adopt the philosophy of engaging the banks as its core business partners, which has served it well in the recent financial turbulence. It continues to receive very strong support from its relationship banks across all segments of its businesses. Total banking facilities (utilised and unutilised) extended to the Group as at 30 Sep 2011 amounted to $4.7 billion. The principal bankers of the Group provided 65% of these banking facilities. All banking relationships for the entire Group are maintained by Corporate Treasury in Singapore.

Debt Capital Markets

The Group has various MTN Programmes in place to tap the debt capital market. F&N Treasury Pte Ltd has a $2.0 billion MTN Program, Asia Pacific Breweries Limited has a $1.0 billion Program, Frasers Centrepoint Trust has a $500 million MTN Program and Fraser and Neave Holdings Bhd has a RM1 billion MTN Program.

During the year, the Group further diversified its sources of funding by issuing $300 million fixed rate bonds to retail investors under F&N Treasury Pte Ltd. A $220 million, 2.48%, 5-year fixed rate bonds maturing on 28 Mar 2016, and a $80 million, 3.15%, 7-year fixed rate bonds maturing 28 Mar 2018 were placed out to and subscribed by retail and institutional investors on 28 Mar 2011. These bonds are listed on the Singapore Exchange Securities Trading Limited. The net proceeds raised from the bond offerings were used to fund Singapore property development projects namely Palm Isles at Flora Drive and Water Town at Punggol Central.

Maturity Profile of Group Debt (includes Finance Leases)

Maturing within one year	$ 747m
Maturing within 1 to 2 years	$ 592m
Maturing within 2 to 5 years	$2,070m
Maturing after 5 years	$ 554m
	$3,963m

As at the date of this report, the Group has already refinanced or repaid $212 million of debts maturing within the next 12 months, to 30 Sep 2012. For the remaining $535 million due by 30 Sep 2012, the Group currently has more than sufficient resources to repay these loans as and when they fall due without having to refinance these loans.

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, 56% of the Group's borrowings are in fixed rates (including floating rate borrowings that have been fixed with interest rate swaps) with an average fixed rate tenor of 3.4 years as at 30 Sep 2011. The remaining 44% of the Group's borrowings are in floating rates as at 30 Sep 2011. The floating rate loan portfolio allows the Group to maintain a flexible maturity profile to support divestments and 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, expected 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 Sep 2011 are disclosed in the financial statement in Note 37.

Gearing and Interest Cover

The Group aims to keep the Group Net Gearing below 80%. As at 30 Sep 2011, this ratio was 30.6%. Total interest paid during the year amounted to $142.8 million, of which $71.2 million was capitalised as part of Properties Under Development. The net interest charged to profit statement for the year was $53.9 million and net interest cover was at 21.4 times. Net Borrowings over PBITDA was at 1.8 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 Sep 2011 are disclosed in the financial statement in Note 37.

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 dividends cash flows payable from its overseas subsidiary, joint venture and associated companies.

Use of Proceeds from Issue of Shares

Pursuant to the subscription in Jan 2007 by Seletar Investments Pte Ltd (a subsidiary of Temasek Holdings (Private) Limited) of an aggregate 205.5 million new shares in the Company (the "Subscription Shares") representing approximately 14.9% of the enlarged share capital of the Company, the Company received aggregate issue proceeds of approximately $900 million (the "Net Proceeds") for the Subscription Shares. The Net Proceeds is to be used for working capital, making new investments in food and beverage businesses, and for growing the Company's existing and new food and beverage businesses.

Pursuant to Rule 1207(20) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the following is a status report on the usage of the Net Proceeds.

For the year ended 30 Sept 2011, the Company's Food and Beverage Division[(1)] had deployed a total of $71.1 million from the Net Proceeds (including $26.4 million in acquiring the King's Creameries group of companies), for purposes of making new investments in, and to grow, the Company's Food and Beverage business. A brief breakdown of such usage is set out below.

Acquisitions	$26.4m
Capital expenditure	$17.9m
Brand-building investment (advertising and promotions)	$20.6m
Corporate development and new markets	$ 6.2m
	$71.1m

Note:
(1) Excludes Asia Pacific Breweries Limited and Fraser & Neave Holdings Bhd.

CORPORATE SOCIAL RESPONSIBILITY

Our vision is to be a world-class multi-national enterprise based on our ability to create and build long term sustainable value to our shareholders, ***responsibly.***

The F&N Group understands that we have a responsibility as a corporate citizen to conduct our business activities in a responsible and sustainable manner in today's global business environment. Beyond achieving operational and financial excellence, the Group remains committed to building stakeholder value in the environment and communities in which we operate.

Safeguarding Our Environment

Environmental conservation remains one of the Group's main focus areas of corporate social responsibility. At F&N, we strive to ensure that operational excellence is not achieved at the expense of environmental degradation. Through continuous innovation and adoption of environmental best practices, we have been successful in taking steps towards safeguarding our environment.

For its ongoing efforts in contributing to a sustainable built environment, our Properties division, Frasers Centrepoint Limited ("FCL"), received five Green Mark Awards from the Building and Construction Authority ("BCA") – a Platinum award for *Causeway Point* and four Gold awards for *Alexandra Point*, *Alexandra Technopark*, *Bedok Point* and *8@Woodleigh* residential development. The BCA Green Mark differentiates buildings in Singapore which adopt internationally recognised best practices in environmental design and performance. Energy and water-efficient features have been incorporated into these five developments and have substantially reduced the company's consumption of energy and water.

At our F&B division, Asia Pacific Breweries ("APB") stays committed to becoming a greener brewer and has been enhancing its resource efficiency. Over the past five years, water, electricity and thermal energy consumption at the Singapore plant has decreased by 10.5%, 8% and 18.7% respectively. It plans to further reduce its consumption of water by another 7.7%, electricity by 12.4%, and thermal energy by 16.4% over the next three years.

In Singapore, 12 out of 14 commercial properties[1] managed by the Properties division achieved energy savings of 9.8% or 9.2 million kWh over the previous year due to initiatives such as installing motion detectors for lights and the lowering of lighting levels after business hours. The upgrading of the air-conditioning system, completed in September 2011 at *Alexandra Technopark*, is expected to further reduce energy consumption by 6.8 million kWh in the coming year.

Water consumption reduced by 8% as compared to the previous year due to the retrofitting of water-saving air-conditioning and lavatory systems. In particular, *Alexandra Technopark* achieved a significant improvement in water consumption by 39.5% as a result of these installations. *Alexandra Point* and *Alexandra Technopark* have both been recognised as Water-Efficient Buildings by the Public Utilities Board.

To mitigate the environmental impact of our commercial buildings, green regulations and technology have been adopted; NEWater is used wherever possible for landscape irrigation, air-conditioning, sprinkler protection and hose reel systems. *Causeway Point* has also started a rainwater harvesting system for landscape irrigation. Noise pollution is cut down with the use of low-noise cooling towers and silencers for exhaust fans. F&B tenants are required to install proper kitchen hood cleaning systems to reduce the levels of grease and smoke emitted during cooking, and are encouraged to participate in food waste recycling.

For the maintenance of our properties, appointed vendors are advised to use cleaning products certified by the Singapore Green Building Council or the United States-based Green Seal. Stepping up on our efforts towards conserving our resources, our Properties division continues to assess the suitability of new technology and green practices for implementation across all our property developments.

Alexandra Technopark

1 *There are no comparative figures for Starhub Centre, which was acquired in July 2010, and Bedok Point, which was operationally ready only in December 2010*

CORPORATE SOCIAL RESPONSIBILITY

Giving Back to Our Community

Charity Events

In Singapore, our Properties division remained active in supporting and organising community events, raising funds through its hospitality and retail business units. Frasers Hospitality raised more than $11,000 from its annual Fraser Fiesta, a food and games carnival and Christmas charity auction, for its adopted charity the Marymount Centre, a voluntary welfare organisation that reaches out to marginalised women and children.

Frasers Centrepoint Malls ("FCM") organised a community outreach event titled 'The Smurfs - Lost in the Mall' for children from low-income families. To encourage staff volunteerism, employees from the different business units of F&N Group teamed up with 48 children in a treasure hunt held at *The Centrepoint*. The children received shopping vouchers and goodie bags filled with snacks and movie memorabilia after a fun-filled day of activities. On a separate occasion, FCM conducted a donation drive to raise funds for the Movement for the Intellectually Disabled of Singapore (MINDS).

Over in Perth, *Central Park* garnered the MS Society 2011 Commitment Award for its consistent support for the Multiple Sclerosis Society's annual staircase running competition, held for the fifth consecutive year at its premises. Other fundraising events supported by *Central Park* include the Juvenile Diabetes Research Foundation's Spin To Cure Diabetes, Rio Tinto Earthquake Sausage Sizzle, CBA Prostrate Cancer Awareness Sausage Sizzle and Daffodil Day by Cancer Council of Australia.

Perth's *Central Park* is also an ardent supporter of the arts and was venue sponsor for two key art exhibitions. The Colours Of Our Country Aboriginal art exhibition showcased the works of Western Australia's indigenous artists and the highly successful event saw the artworks completely sold within hours and all proceeds directly benefitting the artists and their community. The second exhibition, The Refugee Exhibition, was anchored on the theme 'Free from Fear' and presented artworks by refugee children to create awareness of their plight and to promote a multi-cultural society.

Back at home, in recognition of its contributions to fostering a vibrant arts and heritage culture, FCM received the Patron of Heritage Awards 2010 - Friend of Heritage from the National Heritage Board, while *Robertson Walk* won the Arts Supporter Award 2011 from the National Arts Council.

For its annual Chinese New Year community event, APB held a reunion dinner for 130 needy elderly. It also launched the Cookies for Charity campaign and matched dollar-to-dollar for donations collected, raising a total of $25,000 towards its Meals and Grocery programme to ensure that the needy elderly received nutritious meals throughout the year.

For many generations, *F&N MAGNOLIA* has been a champion of nutrition, nurturing both body and mind. This year, *F&N MAGNOLIA* was a proud supporter of READ! Singapore 2011, a national initiative by the National Library Board to promote the culture of reading among Singaporeans and to offer them opportunities to rediscover the joys of reading.

F&N MAGNOLIA also supported the young in building the foundations of their literary future by presenting The Straits Times Little Red Dot Reading Programme for the second year. Aimed at introducing the virtues of reading to children in schools, the programme hopes to provide the nutrition fundamentals to fuel the minds of young Singaporeans and build the foundation of their future dreams through the knowledge gleaned from the books they read.

Sports and Youth

As the leading isotonic beverage of the sporting community, *100PLUS* continued to lend its support to international and local sporting events. In Malaysia, it was the title sponsor of the *100PLUS* Malaysian Junior Open and the *100PLUS* National Junior Circuit, amongst other tournaments.

At home, *100PLUS* outdid its counterparts by sponsoring $750,000 to the national table tennis men and women's teams in January 2011, the largest sponsorship received by the Singapore Table Tennis Association at the time. It also continued to honour Singaporean athletes who have excelled in their field by presenting The Straits Times Star of the Month and The Straits Times Athlete of the Year Award. *100PLUS'* longstanding support for a wide variety of sporting events ranging from marathons to cycling, golf and water sports in the region, coupled with its partnership with the Singapore Sports Council have helped to drive home the importance of healthy living and adequate hydration.

In support of youth culture, *F&N Sparkling Drinks* presented the second edition of Singapore Dance Delight, the local leg of the international street dance competition held in Osaka, Japan.

Into its ninth year, F&N Holdings Berhad ("F&NHB") rewarded 174 children of its employees with a total of RM174,800 for academic excellence in the 2010 public examinations under its F&N Chairman's Award scheme. To date, F&NHB has given out a total of RM1.5 million to 1,441 recipients.

F&NHB also collaborated with the Ministry of Rural and Regional Development (KKLW) in pioneering 'Program Niaga Makan Minum F&N', a rural entrepreneur development programme to help young aspiring entrepreneurs realise their dreams. The programme was designed to empower youths with a keen interest in starting an eatery with knowledge from financial planning and business concepts to food preparation and customer service. Besides imparting the business know-how, the programme also offered financial assistance to those who completed the programme to kick-start their businesses.

CORPORATE SOCIAL RESPONSIBILITY

Caring for our Consumers

F&N has been a strong supporter and partner of the Singapore Health Promotion Board ("HPB") since 2007. Together, we jointly educate the public on the importance of staying healthy through the knowledge of good nutrition, healthy eating habits and adopting an active lifestyle. The close collaboration has enabled the Group to roll out meaningful programmes to reinforce what the F&B division stands for - healthy enjoyment. We have also pledged our support to HPB's Healthier Food Choices Commitment programme by introducing healthier products that are lower in calories and carry the Healthier Choice Symbol. We commit to stay true to our promise to deliver *Pure Enjoyment. Pure Goodness* to our consumers.

Likewise, *F&N NUTRISOY*, the most popular soya milk in Singapore in 2011, was awarded the Healthier Choice Symbol by HPB and is recognised by the Singapore Heart Foundation as a heart-friendly drink. To support the World Heart Day 2011 and National Heart Week, F&B division donated all proceeds from the sale of *F&N NUTRISOY* at Heart Fair 2011 to the Singapore Heart Foundation and launched a special pack to thank its consumers. World Heart Day is celebrated annually by global member organisations of the World Heart Federation in 100 countries. The activities aim to increase public awareness and promote preventive measures to reduce the global incidence of cardiovascular disease.

A leading advocate against binge and drink drinking, APB continued to promote a culture of responsible drinking in markets such as Singapore, Vietnam, Cambodia, Thailand, Laos, Papua New Guinea and New Zealand. At home, the country's first youth-for-youth anti-binge drinking initiative Get Your Sexy Back which APB started in 2007, highlighted the ill effects of alcohol abuse to those aged 18 to 24. Staying committed to its stance against drink driving, it continued to sponsor the Traffic Police Anti-Drink Drive Campaign for the 16th year running. In addition, APB was the main sponsor for the Safe Roads Singapore campaign and encouraged staff to pledge their support online for safety and vigilance on roads.

Properties added numerous accolades to its growing list of awards this year, an affirmation of its commitment to providing customers with product excellence and top-notch service quality. Some of these awards include the Excellent Service Award 2010 by Singapore Retailers Association (FCL), Excellent Service Award 2010 by SPRING Singapore (Fraser Suites Singapore & Fraser Place Singapore) and Service Excellence Award at the 12th Annual Global Excellence 2010 (Fraser Place Manila). For demonstrating high standards of family-friendly business practices to meet the needs of different generations of family customers, *Causeway Point* and *Northpoint* received the 'We Welcome Families' Achiever Award from the Businesses for Families Council.

Human Capital Management

SUSTAINABILITY THROUGH CONTINUOUS IMPROVEMENT AND INNOVATION

"Innovation is KEY to corporate survival. Companies that don't reinvent themselves and innovate, very quickly get left behind."

Chairman, Mr Lee Hsien Yang

Chairman with management, MDP participants and MDP Alumni

The spirit of enterprise and innovation has always been the hallmark of F&N Group. As the Group moves on to its next phase of strategic growth, it continues to develop its people to meet new challenges ahead. The flagship F&N Group Management Development Programme ("MDP") has been the key talent development tool to ensure a continuous stream of talent throughout the Group to support its strategic initiatives and growth. To date, the F&N Group MDP has successfully developed eight cohorts of potential leaders. Through the years, this programme has been continuously refined to incorporate a more holistic development of our talent as well as to align with the Group's overall growth ambitions.

Up Close and Personal: Dialogue with Chairman

One of the special features of the MDP is the dialogue and sharing session by the Group's top honchos. At this year's "Up Close and Personal" dialogue segment, the F&N Group MDP was privileged to have Chairman as the dialogue guest. Besides the MDP participants, business unit CEOs, senior management and MDP Alumni members were present at this milestone session, where Chairman engaged the MDP participants in a lively sharing and group dialogue session on the theme "Innovation and Entrepreneurship".

Chairman kick-started the session with candid sharing of his past experiences and thoughts on the theme. During his sharing, Chairman stressed the importance of innovation and gave specific examples of innovative companies that survived the test of time by changing and adapting to the challenges of global markets. He also emphasised that we need to reinvent ourselves or be left behind, citing several once iconic brand names that have gone out of existence. This was followed by interactive questions and answers between the MDP participants and Chairman.

Chairman shares his insights and thoughts during the MDP dialogue segment

CORPORATE SOCIAL RESPONSIBILITY

Chairman engaging the MDP participants during the "Up Close and Personal" dialogue session


Chairman joins the employees in scaling the 100PLUS Challenger rock wall

The "Up Close and Personal: Dialogue with Chairman" segment was very well-received by both current participants and the MDP Alumni (previous cohorts of MDP participants). Participants found Chairman's sharing very motivating, encouraging, insightful and honest. It was clear that they considered it a privilege to learn from and interact with him. They were very encouraged to be able to hear gems of wisdom from Chairman in such an informal setting.

The day of the "Up Close and Personal" dialogue session coincided with the launch of the *100PLUS* Challenger at SCAPE and the MDP was privileged to be part of this launch. Chairman even tried his hand at scaling the rock wall of the *100PLUS* Challenger. It was the first time that MDP participants got to be part of a launch event in the midst of the programme. This also provided an opportunity for participants from different business units to be involved in another business unit's branding activity, hence building a stronger sense of affinity with the various F&N brands and businesses within the Group.

Milestone Year for Management Development Programme

2011 marked a milestone year for the MDP as we achieved several firsts.

With the expansion of the Group, the MDP received overwhelming nominations from its businesses. This was the first time the MDP accepted twice the number of usual nominations, the largest cohort we have ever had for the programme. Participants came from the various business units both locally and overseas (China, Hong Kong, Thailand, Myanmar, Malaysia and the Philippines).

The diversity of this cohort enriched the interactions and learning experiences of the participants. Additional trainers and facilitators were specially arranged to handle the larger number of participants and to ensure effective learning.

At the outdoor experiential learning segment of the MDP this year, we were the first to use the new activity adopted from the popular mobile game "Angry Birds" developed by experiential trainers. Another activity of the outdoor segment was the high ropes course where participants had to overcome the fear of traversing a series of ropes, planks and obstacles suspended four storeys high in the air. It was truly a "challenge of their life time" as they developed their mind, body and heart during this programme.

MDP participants engaging in experiential learning through "Angry Birds" and the high ropes challenge

ENTERPRISE-WIDE RISK MANAGEMENT

The objectives of risk management are to safeguard the shareholders' investments and the company's assets so as to steer the company to the next level of growth whilst operating within the company's risk parameters. Fraser and Neave, Limited, ("F&N" or the "Group") achieves these objectives through having a risk management framework that encompasses all areas of our operations.

Enterprise-wide risk reporting is facilitated through a web-based Corporate Risk Scorecard system which enables entities within the Group to report risks and risk status using a common platform in a consistent and cohesive manner.

Risk Management Process

Risks are reported and monitored at the operational level using a Risk Scorecard which captures risks, mitigating measures, timeline for action items and risk ratings.

Where applicable, Key Risk Indicators ("KRIs") are established to monitor risks.

For risks that are material, the mitigating measures and KRIs are presented in the form of a Key Risk Dashboard and reviewed by Management on a regular basis.

There are 3 levels of risk reporting: Operating Units reporting into the Subsidiaries which in turn report to the Business Units and finally to the Group.

Risks are reviewed and managed at each level of reporting and consolidated for review at the next higher level, before they are escalated for review at Group level.

A risk coordinator appointed within each entity (ie. operating unit, subsidiary, business unit, etc.) coordinates the risk review and reporting process.

In response to the fast changing global landscape and increasing scale of operations, formal risk reviews and reporting take place quarterly for FY2011, as part of F&N's efforts to raise risk awareness as well as to better align the responses of the Group to new developments.

Risk Update

Risks are reported and monitored at the scorecard level and grouped under the following risk categories for the purpose of management reporting.

- Reputational risks
- Strategic risks
- Country and political risks
- Currency and interest rates risks
- Commodity risks
- Property risks

At the end of each financial year, an annual ERM validation session is held where Management of the business units provides assurance to the Group Management Committee, that key risks at the business unit level have been identified and the control measures are adequate.

This is followed by an ERM validation before the Group Audit Committee, where the respective business units provide assurance to the Committee that key risks at Group level have been identified and the controls are adequate.

F&N also seeks to benchmark its ERM programme against industry best practices and standards. In assessing areas for improvement and how the ERM processes and practices can be strengthened, reference was made to the best practices in risk management set out in the Guidebook for Audit Committees in Singapore issued by the Audit Committee Guidance Committee in October 2008 and the ISO 31000 standards on risk management.

As every staff has a role to play in risk management, ERM and business continuity plan awareness workshops were facilitated jointly by the business unit and Group Risk Manager/Risk Coordinator for new staff and entities of the Group and refresher programmes organised where required.

Key Risks in FY2011

During the last financial year, the key categories of risks faced by the Group are summarised as follows.

Reputation Risks

Food safety concerns as reported in some Asian countries served to reinforce the importance of managing the risks related to food safety management. While F&N has in place a robust process to mitigate the risk of food contamination through upholding the strict requirements stipulated under the various food safety management standards, the status of food safety risk is reported by the Food and Beverage division of the Group at quarterly intervals.

Strategic Risks

Asia Pacific being the key region of growth, has attracted more new players to the food and beverage industry. This, coupled with the heightened pace in digital transformation, and evolving European debt crisis, posed new challenges to the various businesses within the Group. The Group closely tracks these developments and reviews the effectiveness of its strategies so as to sustain its competitiveness.

Country and Property Risks

The recent natural disasters particularly in Japan and Thailand as well as political unrests in Asia and Middle East, have led to the more critical review of the effectiveness of our emergency response plans and insurance programmes. We continue to fine-tune our emergency responses, business continuity plans and insurance programmes from key learnings gained both internally and from other organisations.

The Group recognises the importance of maintaining a consistent and cohesive ERM programme across over 30 countries where we have a presence, and continues its efforts to roll out such ERM programme including business continuity plans to newly acquired business units.

The Group also maintains close working relationships with local business partners and authorities to keep abreast of political developments, and changes in the regulatory framework and business environment in which entities of the Group operate.

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2011

Setting and maintaining high standards of corporate governance and constantly striving to surpass such standards is core to the culture of Fraser and Neave, Limited ("**F&N**" or the "**Company**"). Putting this into practice, the F&N Group has in place sound corporate policies and business practices, as well as a rigorous system of internal controls, all of which individually and collectively, serve to strengthen corporate transparency. It is the F&N Group's firm belief that its overall business integrity and performance has to be grounded on a foundation of good governance, so that we can maintain sustainable growth and deliver value to Shareholders.

To attain this aim, our highly-qualified Board works hand in hand with our experienced Management team, drawing upon and ensuring close adherence to the principles and guidelines of the Code of Corporate Governance 2005 ("**Code 2005**") and other applicable laws, rules and regulations. For its efforts, the Company has garnered some accolades from the investment community, brief particulars of which are set out in the section entitled "Communication with Shareholders".

This report sets out F&N's key corporate governance policies and practices against the principles and guidelines of Code 2005.

Board Matters

Board's Conduct of its Affairs
Principle 1:

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.

The Board sets the benchmark and is responsible for F&N's corporate governance standards and policies. Its primary responsibilities entail overseeing the Group's business performance and affairs, providing F&N with entrepreneurial leadership, and setting its strategic direction and performance objectives. The Board also reviews annual budgets, financial plans, major acquisitions and divestments, funding and investment proposals, and monitors the performance of the Group (including financial performance as well as Management's performance), and ensures compliance by the Group with relevant laws and regulations. The Board meets regularly. During Board meetings, our Directors actively participate, discuss, deliberate and appraise the matters requiring its attention and decision.

As at 30 September 2011, the Board comprises ten directors, all of whom are non-executive directors. They are:

Mr Lee Hsien Yang (Chairman)
Mr Timothy Chia Chee Ming
Ms Maria Mercedes Corrales
Mr Ho Tian Yee
Mr Hirotake Kobayashi(1)
Mr Koh Beng Seng
Dr Seek Ngee Huat(2)
Mr Soon Tit Koon
Mr Tan Chong Meng
Mr Nicky Tan Ng Kuang

Note:
(1) Mr Hirotake Kobayashi was appointed as a non-executive Director on 13 December 2010.
(2) Dr Seek Ngee Huat was appointed as an independent non-executive Director on 26 September 2011.

The addition of Dr Seek to the Board, following the appointment of Ms Maria Mercedes Corrales in September 2010, is part of the Company's continual drive to inject fresh perspectives into Board discussions. It also enlarges the collective pool of expertise, adding on to an already impressive array of transnational, multi-disciplinary skill set and industry knowledge of our Directors. There has been a growing global trend for greater female representation in the board room. Ms Corrales' appointment attests to the Company's recognition of the importance of gender diversity for its Board. It is also consistent with the inclusion of gender representation as a criterion for board composition in the recently promulgated proposed changes to Code 2005.

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2011

Board Matters (cont'd)

Delegation of Authority on certain Board Matters

In order for the Board to more efficaciously discharge its oversight functions, its delegates specific areas of responsibilities to five Board Committees namely, the Board Executive Committee, the Audit Committee, the Nominating Committee, the Remuneration & Staff Establishment Committee, and the Food & Beverage Board Committee. Each Board Committee is governed by clear terms of reference which have been approved by the Board. Minutes of all Board Committee meetings are circulated to Board members so that they are kept abreast of proceedings and matters discussed at such meetings.

The Company adopts a framework of delegated authorisations in its Manual of Authority ("**MOA**"). The MOA defines the procedures and levels of authorisation required for specified transactions. It also sets out approval limits for operating and capital expenditure as well as acquisitions and disposals of investments. Furthermore, there is a schedule of matters reserved specifically for the Board's decision. These include approval of financial statements, business strategy and major investments or divestments. Below the Board level, there are appropriate delegation of authority and approval sub-limits at Management level, to facilitate operational efficiency. To address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, the Company has put in place appropriate procedures including requiring such Directors to refrain from participating in meetings or discussions (or relevant segments thereof), in addition to abstaining from voting, on any matter in which they are so interested or conflicted.

Board Executive Committee ("Board EXCO")

The Board EXCO comprises the following members:

Mr Lee Hsien Yang	Chairman
Mr Ho Tian Yee	Member
Mr Soon Tit Koon	Member
Mr Nicky Tan Ng Kuang	Member

The Board EXCO has oversight of the business affairs of F&N, and is empowered to exercise the full powers and authority of the Board when the Board does not meet except in respect of matters that specifically require the decision of the Board or any Board Committee.

Food & Beverage ("F&B") Board Committee

This Committee oversees the F&N Group's F&B strategy and strategic plans for the Group's non-beer F&B business. The Group's F&B Management devises and develops strategic plans and proposals which are then presented to the Committee. This serves as a forum for discussion and/or debate before such plans and proposals are tabled to the Board. The members of the F&B Board Committee are:

Mr Lee Hsien Yang	Chairman
Mr Soon Tit Koon	Member
Mr Nicky Tan Ng Kuang	Member

The activities and responsibilities of other Board Committees are described in the following sections of this report.

Meetings of the Board and Board Committees

The Board and its various Board Committees meet regularly, and as necessitated by business requirements or if the members of the Board deem it appropriate to do so. For the financial year ended 30 September 2011, the Board met eight times, including an annual offsite strategic review meeting in conjunction with one of the Board meetings.

This annual off-site Board strategic review meeting is usually held at one of the Group's key business operations for Directors and Management to discuss and review the Group's strategies and plans. This presents an invaluable platform for the Board to familiarise itself and interact with key members of the Management team. Site visits and meetings with business partners, where appropriate, are also included as part of the ongoing process for Directors to have a intimate understanding of the F&N Group's key business operations. This year's off-site retreat was held in March 2011 in Kuala Lumpur, where our Bursa-listed Malaysia F&B subsidiary Fraser & Neave Holdings Bhd, is headquartered.

Board Matters (cont'd)

The Directors are also given direct access to the Management team of the Group's three business divisions through presentations at Board and Board Committee meetings. The Company's Articles of Association provide for Board members who are unable to attend physical meetings to participate through telephone conference, video conference or any other forms of electronic or instantaneous communication facilities.

The number of Board meetings and Board Committee meetings held in the financial year ended 30 September 2011 and the attendance of Directors at these meetings are as follows:

	Board	Board EXCO	Audit Committee	Remuneration & Staff Establishment Committee	Nominating Committee	F&B Board Committee
Meetings held for the financial year ended 30 September 2011	8	5	5	2	1[3]	Nil
Mr Lee Hsien Yang	8/8	5/5	–	–	–	Nil
Mr Timothy Chia Chee Ming	8/8	–	5/5	2/2	1/1	–
Ms Maria Mercedes Corrales	8/8	–	–	–	–	–
Mr Ho Tian Yee	8/8	5/5	–	2/2	1/1	–
Mr Hirotake Kobayashi[1]	7/7	–	–	–	–	–
Mr Koh Beng Seng	8/8	–	5/5	–	–	–
Dr Seek Ngee Huat[2]	1/1	–	–	–	–	–
Mr Soon Tit Koon	8/8	5/5	–	2/2	–	Nil
Mr Tan Chong Meng	8/8	–	4/5	–	–	–
Mr Nicky Tan Ng Kuang	8/8	5/5	5/5	–	1/1	Nil

Note:
(1) Mr Hirotake Kobayashi was appointed as a non-executive Director on 13 December 2010.
(2) Dr Seek Ngee Huat was appointed as an independent non-executive Director on 26 September 2011.
(3) Besides this meeting, all other matters during the year requiring the Nominating Committee's approval were either dealt with via circular resolutions or discussions at Board meetings.

Upon appointment, each new Director is issued with a formal letter of appointment setting out his or her duties and obligations. A comprehensive orientation programme is also conducted to familiarise new appointees with the business activities, strategic directions, policies and corporate governance practices of the F&N Group. This programme allows new Directors to get acquainted with senior Management, so as to foster better rapport thereby facilitating communication with Management.

Directors are continually and regularly updated on the Group's businesses and the regulatory and industry-specific environments in which the entities of the Group operate. Updates on relevant legal, regulatory and technical developments may be in writing or disseminated by way of briefings or presentations. During the year, briefings on directors' disclosure obligations, recent developments in the laws relating to insider trading, and the proposed changes to Code 2005, were conducted for the Board. Our Directors are also encouraged to be members of the Singapore Institute of Directors ("**SID**") and for them to receive journal updates and training from SID to stay abreast of relevant developments in financial, legal and regulatory requirements, and the business environment and outlook.

CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2011

Board Composition and Guidance

Principle 2:

There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The F&N Board comprises ten non-executive Directors, with a clear majority of seven being independent directors. F&N conducts an annual review of the size and composition of the Board to ensure that both aspects continue to meet the needs of the Group. The Nominating Committee is of the view that its current size and composition is appropriate for the scope and nature of the F&N Group's operations, and for facilitating effective discussion and decision-making. In line with the proposed changes to Code 2005, the Nominating Committee is also of the view that its current size is not so large as to be unwieldy, or as would interfere with efficient decision-making. No individual or group dominates the Board's decision-making process. The Board proactively seeks to maintain an appropriate balance of expertise, skills and attributes among the Directors, and this is also reflected in the diversity of backgrounds and competencies of our Directors. Such competencies include banking, finance, accounting and other relevant industry knowledge, entrepreneurial and management experience, and familiarity with regulatory requirements and risk management. This benefits Management as it allows them to tap on the broad range of views and perspectives and the breadth of experience of our Directors.

There is a strong and independent element on the Board. This is fundamental to good corporate governance as it facilitates the exercise of independent and objective judgment on corporate affairs. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, and takes into account the long-term interests of F&N and its Shareholders.

The Directors are provided with accurate, complete and timely information and have direct and unrestricted access to Management. This is to give them sufficient time to critically consider issues pertinent to the Company and its business and operations, so that our Directors can effectively carry out their duties and discharge their oversight function.

The Nominating Committee is of the view that there is an appropriate balance of expertise and skills amongst the Directors. Together, the Directors bring with them a broad range of industry knowledge, expertise and experience. The recent addition of Dr Seek is a boon to the Board, and further fortifies its collective ability to spur the F&N Group onwards and forward towards its goals.

The Nominating Committee determines the independence of each Director annually based on the definitions and guidelines of independence set out in the Code 2005. In respect of the financial year ended 30 September 2011, the Nominating Committee performed a review of the independence of the directors. The Nominating Committee has determined that the following non-executive Directors are non-independent:

- *Mr Lee Hsien Yang:* Non-independent. Mr Lee is non-independent by virtue of his chairmanship of the Company's Management Committee and the Executive Committee of Frasers Centrepoint Limited ("**FCL**"), a wholly owned subsidiary of the Company.
- *Mr Soon Tit Koon:* Non-independent. Mr Soon is a nominee of Oversea-Chinese Banking Corporation ("**OCBC**"), a substantial shareholder(1) of the Company.
- *Mr Hirotake Kobayashi:* Non-independent. Mr Kobayashi is a nominee of, and holds the position of Managing Director at Kirin Holdings Company, Limited ("**Kirin**"), a substantial shareholder(1) of the Company. He is also a director of certain Kirin subsidiaries.

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

Chairman and Chief Executive Officer

Principle 3:

There should be a clear division of responsibilities at the top of the company, the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

The Chairman and the CEOs of each of the Group's three business divisions are separate persons to ensure an appropriate balance and separation of power and authority, and clear division of responsibilities and accountability. The Chairman's Office, with the support of F&N's corporate services, co-ordinates the reporting lines of each of the CEOs to the Board. The Chairman is also not related to any of the CEOs of the three business divisions. Neither is there any other business relationship between him and any of these CEOs. Likewise, the CEOs are not related to each other, and there is also no other business relationship between or among them.

The Chairman, who is non-executive, provides leadership to the Board, steering effective, productive and comprehensive discussions amongst members of the Board and Management on strategic, business and other issues pertinent to the Group. He ensures that Directors are provided with clear, complete and timely information in order to make sound decisions.

The Chairman also encourages active and effective engagement, participation by and contribution from all Board members, and facilitates constructive relations among and between the Board and Management. With the full support of the Board, Company Secretary and Management, the Chairman leads the charge in the Company's drive to promote, attain and maintain high standards of corporate governance and transparency. He also ensures overall effective communications to and with Shareholders on the performance of the Group. In turn, each of the CEOs of the Group's three business divisions is responsible for the execution of the Group's strategies and policies, and accountable to the Board for the conduct and performance of the respective business operations under his charge.

Board Membership

Principle 4:

There should be a formal and transparent process for the appointment of new directors to the Board.

The Nominating Committee comprises the following Directors:

Mr Ho Tian Yee	Chairman
Mr Timothy Chia Chee Ming	Member
Mr Nicky Tan Ng Kuang	Member

All members of this Committee are independent non-executive Directors. The Chairman is neither a substantial shareholder nor directly associated[(1)] to any substantial shareholder.

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

The Nominating Committee is guided by written Terms of Reference approved by the Board and which set out the duties and responsibilities of this Committee. It reviews the structure, size and composition of the Board, identifies the balance of skills, knowledge and experience required for the Board to discharge its responsibilities effectively and nominates candidates to meet the needs and requirements of the Group.

The Nominating Committee evaluates, on an annual basis, the independence of each Director. It also evaluates annually, the performance of the Board as a whole, and the contribution of each Director to the effectiveness of the Board.

The Nominating Committee reviews and makes recommendations to the Board on all nominations for appointments and re-appointments to the Board and the Board Committees. This ensures an appropriate mix of core competencies to fulfill the Board's roles and responsibilities.

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Board Membership (cont'd)

The Nominating Committee also leads the process for the search, identification, evaluation and selection of suitable candidates for new directorship. In its search and selection process, the Nominating Committee considers factors such as the ability of the prospective candidate to contribute to discussions, deliberations and activities of the Board. The Nominating Committee also reviews the composition of the Board – including the mix of expertise, skills and attributes of existing Directors – so as to identify needed and/or desired competencies to supplement the Board's existing attributes. In doing so, where necessary or appropriate, the Nominating Committee may tap its networking contacts and/or engage external professional headhunters to assist with identifying and shortlisting candidates.

The Company's Articles of Association provides that at least one-third of its Directors shall retire from office and are subject to re-election at every Annual General Meeting ("**AGM**"). All Directors are required to retire from office at least once every three years. The Nominating Committee is satisfied that the Directors who are retiring in accordance with the Articles of Association at the forthcoming AGM are properly qualified for re-appointment by virtue of their skills, experience and contribution. Newly-appointed Directors must also submit themselves for retirement and re-election at the next AGM immediately following their appointment. The Shareholders approve the appointment or re-appointment of Board members at the AGM.

In its annual review, the Nominating Committee assesses and affirms the independence of each Director. The Nominating Committee has determined the status of each Director as follows:

Mr Lee Hsien Yang	Non-Independent
Mr Timothy Chia Chee Ming	Independent
Ms Maria Mercedes Corrales	Independent
Mr Ho Tian Yee	Independent
Mr Hirotake Kobayashi	Non-Independent
Mr Koh Beng Seng	Independent
Dr Seek Ngee Huat	Independent
Mr Soon Tit Koon	Non-Independent
Mr Tan Chong Meng	Independent
Mr Nicky Tan Ng Kuang	Independent

Key Information regarding Directors

Key information on the Directors is set out on pages 18 to 25.

Board Performance

Principle 5:

There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

The Board has established and implemented a formal process for assessing the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board.

An independent consultant is engaged to facilitate the implementation of a process for evaluating the effectiveness of the Board as a whole and the Board Committees. Engaging an independent third party ensures objectivity and independence in the process. All Directors are required to assess the performance of the Board and the Board Committees. Their assessment covers areas such as Board composition, Board processes, managing the Company's performance, Board Committee effectiveness, and any specific areas where improvements may be made.

Through interviews conducted on the Directors, feedback and comments received are then collated and analysed by the consultant. Its findings of the performance evaluation (including such feedback and comments received from the Directors) are then reviewed by the Nominating Committee, in consultation with the Chairman of the Board.

Following the review, the Board is of the view that the Board and its Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

Access to Information

Principle 6:

In order to fulfill their responsibilities, Board members should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis.

Management provides the Board with detailed Board papers, specifying relevant information and justifications for each proposal for which Board approval is sought. Such information include relevant financial forecasts, new opportunities, risks analyses, mitigation strategies, feasibility studies and key commercial issues for the Board's attention and consideration. Reports on major operational matters, business development activities, financial performance, potential investment opportunities and budgets are also circulated to the Board.

A calendar of activities is scheduled for the Board a year in advance, with Board papers and agenda items dispatched to the Directors a week before scheduled meetings. This is to give Directors sufficient time to review and consider the matters being tabled and/or discussed so that discussions can be more meaningful and productive. Senior Management is requested to attend Board meetings to provide additional insights into matters being discussed, and to respond to any queries that the Directors may have. In addition to the forum of Board meetings, the Board also has separate and independent access to the Company's senior Management and the Company Secretary.

The Company Secretary attends all Board meetings, ensures that Board procedures are complied with, and provides advice and guidance on corporate governance, and on legal and regulatory compliance. Under the direction of the Chairman, the Company Secretary facilitates and acts as a channel of communications for the smooth flow of information to and within the Board and its various Committees, as well as between and with senior Management. The Company Secretary also solicits and consolidates Directors' feedback and evaluation from time to time, and arranges for and facilitates orientation programmes for new Directors and assists with their professional development as required. The Company Secretary is the Company's primary channel of communication with the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The Directors – whether collectively or individually – may, at the Company's expense, seek and obtain independent professional advice where necessary to discharge its or their duties effectively.

Remuneration Matters

Principle 7:

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Remuneration & Staff Establishment Committee ("RSEC")

The RSEC is made up of non-executive Directors, the majority of whom, including the Chairman, are independent Directors. It comprises the following members:

Mr Timothy Chia Chee Ming	Chairman
Mr Ho Tian Yee	Member
Mr Soon Tit Koon	Member

The key responsibility of the RSEC is to assist the Board in establishing a formal and transparent process for developing policies on executive remuneration and development. Such policies are submitted to the Board for approval. The RSEC also determines remuneration packages and service terms of individual Directors and the CEOs of the Company's three business divisions. In discharging its duties, the RSEC reviews and makes recommendations on the remuneration framework for the Board and senior Management.

On an annual basis, the RSEC also reviews the level and mix of remuneration and benefits policies and practices of the Company, including the long-term incentive schemes. In undertaking such reviews, the RSEC takes into consideration the performance of the Company and that of individual employees. It also reviews and approves the framework for salary reviews, performance bonus and incentives for senior Management of the F&N Group.

The RSEC conducts an annual review of the development and succession plans for senior Management and the leadership pipeline for the Company, and aligns – through appropriate remuneration and benefits policies and long-term incentive schemes – the CEOs' leadership with the Company's strategic objectives and key challenges. It also sets performance targets for the CEOs and evaluates their performances annually.

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Remuneration Matters (cont'd)

The RSEC may from time to time, and where necessary or required, seek advice from external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and Management, so that the Company remains competitive in this regard.

Level and Mix of Remuneration
Principle 8:

The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.

In recommending the level and mix of remuneration, the RSEC seeks to build, motivate and retain Directors and key Management. It ensures that competitive remuneration policies and practices are in place to draw and motivate high-performing executives so as to drive the Group's businesses to greater growth, efficiency and profitability. In its deliberation, the RSEC takes into consideration industry practices and benchmarks against relevant industry players to ensure that its remuneration and employment conditions are competitive.

The Company's compensation framework comprises fixed pay and short-term and long-term incentives. The Company subscribes to linking executive remuneration to corporate and individual performance, based on an annual appraisal of employees and using indicators such as core values, competencies, key result areas, performance rating, and potential of the employees. Long-term incentive schemes are put in place to motivate and reward employees and align their interests to maximise long–term Shareholder value.

Long Term Incentive Plans

The RSEC also administers the Company's share-based remuneration incentive plans, namely, the F&N Executive Share Option Scheme ("**F&N ESOS**"), Restricted Share Plan and Performance Share Plan.

At an Extraordinary General Meeting of the Company held on 22 January 2009, the Company adopted the Restricted Share Plan ("**RSP**") and Performance Share Plan ("**PSP**") in lieu of the F&N ESOS. The last grant under the F&N ESOS was made on 25 November 2008. Options granted prior to the expiry of the F&N ESOS will continue to be valid and be subject to the terms and conditions of the F&N ESOS.

Through the RSP and PSP, the Company seeks to foster a greater ownership culture within the F&N Group by aligning more directly the interests of key senior Management and senior executives with the interest of Shareholders, and for such employees to participate and share in the Group's growth and success.

The RSP is available to a broader base of senior executives compared to the PSP. Its objectives are to increase the Company's flexibility and effectiveness in its continuing efforts to attract, motivate and retain talented senior executives and to reward these executives for the performance of the Company and that of the individual. The PSP targets senior Management in key positions who shoulder the responsibility of the Company's performance and who are able to drive the growth of the Company through superior performance. It serves as further motivation to key senior Management in striving for excellence and delivering long-term Shareholder value.

Under the RSP and PSP, the Company grants share-based awards ("**Base Awards**") conditional upon pre-determined targets being met. Pre-determined targets for RSP and PSP are set over a two-year and a three-year performance period respectively. The Awards represent the right to receive fully paid shares, their equivalent cash value or a combination thereof, free of charge, provided certain prescribed performance conditions are met. The final number of shares to be released will depend on the achievement of the pre-determined targets at the end of the performance period. If such targets are met and/or exceeded, more shares than the Base Awards can be delivered, subject to a maximum percentage of the Base Awards. The first grant of Base Awards was made in December 2009.

The maximum number of Company shares which can be released, when aggregated with the number of new shares issued pursuant to the vesting of awards under the RSP and PSP (excluding shares exercised under the F&N ESOS) will not exceed ten percent (10%) of the issued share capital of the Company.

Remuneration Matters (cont'd)

Disclosure on Remuneration
Principle 9:

Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.

Remuneration of Directors and Top Five Key Executives

Information on the remuneration of Directors of the Company and key executives of the Group is set out below.

Directors of the Company	Remuneration $	Fee %	Salary %	Bonus %	Allowances & Benefits %	Long Term Incentive %	Total %
Mr Lee Hsien Yang	1,550,200[3]	100	0	0	0	0	100
Mr Timothy Chia Chee Ming	127,500	100	0	0	0	0	100
Ms Maria Mercedes Corrales	82,000	100	0	0	0	0	100
Mr Ho Tian Yee	198,500[4]	100	0	0	0	0	100
Mr Hirotake Kobayashi[1]	66,081	100	0	0	0	0	100
Mr Koh Beng Seng	123,000	100	0	0	0	0	100
Dr Seek Ngee Huat[2]	2,041	100	0	0	0	0	100
Mr Soon Tit Koon	119,000	100	0	0	0	0	100
Mr Tan Chong Meng	113,500[5]	100	0	0	0	0	100
Mr Nicky Tan Ng Kuang	137,000	100	0	0	0	0	100

Note:
(1) Mr Hirotake was appointed as a non-executive Director on 13 December 2010.
(2) Dr Seek Ngee Huat was appointed as an independent non-executive Director on 26 September 2011.
(3) Includes payments of (i) $79,200 in lieu of company car entitlement and (ii) $150,000 being director's fees from FCL.
(4) Includes payments of $71,000 being director's fees from Times Publishing Limited ("**TPL**").
(5) Includes payments of $12,500 being director's fees from TPL.

Key Executives of the F&N Group	Remuneration $	Fee %	Salary %	Bonus %	Allowances & Benefits %	Long Term Incentive %	Total %
Koh Poh Tiong[1]	6,043,543	0	20	12	12	56	100
Lim Ee Seng	3,334,752	0	35	34	3	28	100
Roland Pirmez	2,639,009	0	41	36	4	19	100
Dato' Ng Jui Sia	1,315,715	0	42	24	6	28	100
Anthony Cheong Fook Seng	1,258,422	0	49	26	5	20	100

Note:
(1) Mr Koh Poh Tiong retired as Chief Executive Officer, Food and Beverage on 30 September 2011. He was succeeded by Mr Pascal De Petrini, who was appointed on 1 October 2011.

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Remuneration Matters (cont'd)

Directors' Fees

The remuneration of non-executive Directors takes into account their level and quality of contribution and their respective responsibilities, including attendance and time spent at Board meetings and Board Committee meetings. Directors are paid basic and attendance fees for attending Board meetings. Non-executive Directors who perform services through Board Committees are paid additional basic and attendance fees for such services. No Director decides his own fees. The Company's current Board fee structure is set out below.

	Basic Fee $	Attendance Fee $
Board		
- Chairman	1,250,000	2,000
- Member	75,000	1,000
Audit Committee and Board EXCO		
- Chairman	30,000	2,000
- Member	15,000	1,000
RSEC, F&B Board and Nominating Committees		
- Chairman	15,000	2,000
- Member	7,500	1,000

Directors' fees are reviewed periodically to benchmark such fees against the amounts paid by other major listed companies. Following a review undertaken this year, it is proposed that adjustments be made to Board Committee (except F&B Board Committee) basic fees with effect from the next financial year as set out below. There will be no change to the current Board and F&B Board Committee basic fees, and attendance fees for Board and Board Committee meetings remain unchanged.

	Current Basic Fee $	Proposed Basic Fee $
Audit Committee and Board EXCO		
- Chairman	30,000	50,000
- Member	15,000	25,000
RSEC and Nominating Committees		
- Chairman	15,000	30,000
- Member	7,500	15,000

In view of above proposed changes, Shareholders' approval will be sought at the 113th AGM of the Company on 27 January 2012, for the payment of Directors' fees proposed for the financial year ending 30 September 2012 amounting to $2.9 million (last year: $2.7 million).

For better alignment with Shareholders' interests, Directors are encouraged to purchase the Company's shares from the open market and to hold the equivalent of one year's fees in such shares while they remain on the Board, subject to their compliance with applicable laws and regulations.

Accountability and Audit

Principle 10:

The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

F&N prepares its financial statements in accordance with the Singapore Financial Reporting Standards ("**SFRS**") prescribed by the Accounting Standards Council. The Board provides Shareholders with quarterly and annual reports, and releases its quarterly and full year financial results through announcements to the SGX-ST and, where appropriate, press releases and media and analysts' briefings. In communicating and disseminating its results, F&N aims to present a balanced and clear assessment of the Group's performance, position and prospects.

Audit Committee
Principle 11:

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The Audit Committee, on behalf of the Board, undertakes the monitoring and review of the system of internal controls. Its main responsibilities are to assist the Board in the discharge of its oversight responsibilities in the areas of internal controls, financial and accounting practices, operational and compliance controls, and corporate and financial risk management. Significant findings are reported to the Board.

The Audit Committee is guided by written Terms of Reference endorsed by the Board and which set out its duties and responsibilities. It is duly authorised to investigate any matter within such Terms of Reference, and has full access to and the co-operation of Management, as well as the full discretion to invite any Director or executive officer to attend its meetings.

The Audit Committee comprises the following four members:

Mr Koh Beng Seng	Chairman
Mr Timothy Chia Chee Ming	Member
Mr Tan Chong Meng	Member
Mr Nicky Tan Ng Kuang	Member

All the members, including the Chairman, are independent non-executive Directors. The members of the Audit Committee are appropriately qualified. Their collective wealth of experience and expertise on accounting and financial management enables them to discharge their responsibilities competently. The Audit Committee has reasonable resources to enable it to discharge its functions effectively.

During the year, the key activities of the Audit Committee included the following:

- Reviewing the quarterly and full-year financial results and related SGX announcements, including significant financial reporting issues and assessments, to safeguard the integrity in financial reporting, and to ensure compliance with the requirements of the SFRS
- Approving, on behalf of the Board, the 1st and 3rd Quarter financial results and corresponding SGX-ST announcements
- Recommending, for the approval of the Board, the half-year and annual financial results and related SGX-ST announcements
- Reviewing and evaluating with internal and external auditors, the adequacy and effectiveness of the internal control systems, including financial, operational and compliance controls, and risk management policies and framework
- Reviewing and approving the internal and external audit plans to ensure the adequacy of the audit scope
- Reviewing with internal and external auditors, the audit report and their recommendations, and monitoring the timely and proper implementation of any required corrective or improvement measures
- Reviewing the adequacy and effectiveness of the Group's internal audit function, including the adequacy of internal audit resources and its appropriate standing within the Group
- Reviewing whistle-blowing investigations within the Group and ensuring appropriate follow-up actions, if required

CORPORATE GOVERNANCE REPORT
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Accountability and Audit (cont'd)

The Audit Committee also meets with internal and external auditors without the presence of Management at least once a year to obtain feedback on the competency and adequacy of the finance function and to ascertain if there are any material weaknesses or control deficiencies in the Group's financial reporting and operational systems.

The Audit Committee makes recommendations to the Board for approval by Shareholders, the appointment, re-appointment and removal of the Company's external auditors. It also reviews and approves the remuneration and terms of engagement of the external auditors.

During the year, the Audit Committee conducted a review of the scope and results of audit by the incumbent auditors and its cost effectiveness, as well as the independence and objectivity of the auditors. It also reviewed all non-audit services provided by the incumbent auditors, and the aggregate amount of audit fees paid to them. For details of fees payable to the auditors in respect of audit and non-audit services, please refer to Note 4 of the Notes to the Financial Statements on page 130. The Audit Committee is satisfied that neither their independence nor their objectivity is put at risk, and that they are still able to meet the audit requirements and statutory obligations of the Company. It is also satisfied with the aggregate amount of audit fees paid to the auditors. Accordingly, the Audit Committee has recommended the re-appointment of the external auditors at the AGM of the Company. In recommending the re-appointment of the auditors, the Audit Committee considered and reviewed a variety of factors including adequacy of resources, experience of supervisory and professional staff to be assigned to the audit, and size and complexity of the Group, its businesses and operations.

The Board – through the Audit Committee – reviews the adequacy of the Group's risk management framework to ensure that robust risk management and internal controls are in place. The Company has adopted an enterprise-wide risk management ("**ERM**") framework to enhance its risk management capabilities. Key risks, control measures and management actions are continually identified, reviewed and monitored as part of the ERM process. Financial and operational key risk indicators are in place to track key risk exposures. Apart from the ERM process, key business risks are thoroughly assessed by Management and each significant transaction is comprehensively analysed so that Management understands the risks involved before it is embarked upon.

Periodic updates are provided to the Audit Committee on the Group's risk profile. These updates include the assessment of the Group's key risks by major business units, risk categories, and the status and changes in plans undertaken by Management to manage key risks.

An outline of the ERM framework and progress report is set out on page 76.

Internal Controls
Principle 12:

The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

The Company maintains a sound internal control system with a view to safeguard its assets and Shareholders' investments.

The Audit Committee, through the assistance of internal and external auditors, reviews and reports to the Board on the adequacy of the Company's system of controls, including financial, operational and compliance controls, and risk management policies and systems established by Management. In assessing the effectiveness of internal controls, the Audit Committee ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

The importance and emphasis placed by the F&N Group on internal controls is underpinned by the fact that the key performance indicators for Management's performance takes into account the findings of both internal and external auditors and the number of unresolved or outstanding issues raised in the process.

The Board is satisfied that the Company's framework of internal controls is adequate to provide reasonable assurance of the integrity, effectiveness and efficiency of the Company in safeguarding its assets and Shareholders' investments. Such framework serves to provide reasonable assurance against material misstatement or loss.

Accountability and Audit (cont'd)

Whistle-Blowing Policy

The Group has in place a Whistle-Blowing Policy. This Policy provides an independent feedback channel through which matters of concern about possible improprieties in matters of financial reporting or other matters may be raised in confidence and in good faith, without fear of reprisal. Details of this policy have been disseminated and made available to all employees of the Company. All matters which are raised are then independently investigated and appropriate actions taken. The Audit Committee ensures that independent investigations and any appropriate follow-up actions are carried out.

Internal Audit
Principle 13:

The company should establish an internal audit function that is independent of the activities it audits.

The Internal Audit Department is an independent function within the Company. It conducts objective and independent assessments on the adequacy and quality of the Group's system of internal controls. The Head of Internal Audit, who is a Certified Public Accountant, reports directly to the Chairman of the Audit Committee and administratively, to the Group Company Secretary.

The Head of Internal Audit and most of the internal audit staff are members of the Institute of Internal Auditors, Singapore and the department has adopted and complied with the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. To ensure that the internal audits are effectively performed, it recruits and employs suitably qualified staff with the requisite skills and experience. Such staff are also given relevant training and development opportunities to update their technical knowledge and auditing skills. Key staff members of the Internal Audit Department also receive relevant technical training and seminars organised by the Institute of Internal Auditors, Singapore and other professional bodies.

The Internal Audit Department operates within the framework stated in its Terms of Reference, which is approved by the Audit Committee. It adopts a risk-based audit methodology to develop its audit plans, and its activities are aligned to key risks of the F&N Group. Based on risk assessments performed, greater focus and appropriate review intervals are set for higher risk activities, and material internal controls, including compliance with the Company's policies, procedures and regulatory responsibilities.

During the year, the Internal Audit Department conducted its audit reviews based on the approved internal audit plans. All audit reports detailing audit findings and recommendations are provided to Management who would respond on the actions to be taken. Each quarter, the Internal Audit Department would submit to the Audit Committee a report on the status of the audit plan and on audit findings and actions taken by Management on such findings. Key findings are highlighted at the Audit Committee meetings for discussion and follow-up action. The Audit Committee monitors the timely and proper implementation of required corrective, preventive or improvement measures undertaken by Management.

The Audit Committee is satisfied that that the Internal Audit Department has adequate resources and appropriate standing within the Company to perform its function effectively.

Communication with Shareholders

Principle 14:

Companies should engage in regular, effective and fair communication with shareholders.

The Company prides itself on its high standards of disclosure and corporate transparency. It aims to provide fair, relevant, comprehensive and timely information regarding the Group's performance and progress to Shareholders and the investment community to enable them to make informed investment decisions. The Group's dedicated Investor Relations ("**IR**") team is tasked with and focuses on facilitating communications between the Company and its Shareholders, as well as with the investment community.

The IR team communicates regularly with Shareholders and the investment community, with timely disclosures of material and other pertinent information, through regular dialogues and announcements to SGX-ST. The team conducts roadshows (together with key senior Management), and participates in investor seminars and conferences to keep the market and investors apprised of the F&N Group's corporate developments and financial performance. During the year, the IR team, together with senior Management, engaged with more than 400 Singapore and foreign investors at conferences, non-deal roadshows as well as one-on-one and group meetings. The aim of such engagements is to provide Shareholders and investors prompt disclosure of relevant information,

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Communication with Shareholders (cont'd)

to enable them to have a better understanding of the Company's businesses and performance. Briefings for the half-yearly and full year results are also conducted for analysts and the media following the release of such results. The Company makes available all its briefing materials to analysts and the media, its financial information, its annual reports and all announcements to the SGX-ST on its website at www.fraserandneave.com, with contact details for investors to channel their comments and queries.

At the Investors' Choice Awards 2011 organised by the Securities Investors Association (Singapore), the Company's continuing efforts and aspirations in attaining and surpassing high standards of corporate governance was affirmed with the winning of two awards. It won the Singapore Corporate Governance Award 2011 (Mainboard) and was runner-up for the Most Transparent Company Award in the Multi-Industry/Conglomerate category.

Further details on IR's activities and responsibilities during the year can be found in the Investor Relations section of the Annual Report on page 65.

Greater Shareholder Participation
Principle 15:

Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Board supports and encourages active Shareholder participation at AGMs. It believes that general meetings serve as an opportune forum for Shareholders to meet the Board and senior Management, and to interact with them.

The Company's Articles of Association allows all Shareholders the right to appoint a proxy to attend and vote on their behalf in Shareholders' meetings. A copy of the Annual Report and notice of AGM are sent to all Shareholders. Separate resolutions are proposed on each substantially separate issue at the meeting. Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed.

Board members and senior Management are present at each Shareholders' meeting to respond to any questions from Shareholders. The Company's external auditors are also present to address queries about the conduct of audit and the preparation and content of the auditors' report.

For greater transparency, F&N has implemented electronic poll voting since its 2010 AGM. This entails Shareholders being invited to vote on each of the resolutions by poll, using an electronic voting system (instead of voting by hands), thereby allowing all Shareholders present or represented at the meeting to vote on a one share, one vote basis. The voting results of all votes cast for, or against, each resolution is then screened at the meeting and announced to the SGX-ST after the meeting. The Company will continue to use the electronic poll voting system at the forthcoming AGM.

Code of Business Conduct

F&N has in place a Code of Business Conduct which sets out the business practices, standards and ethical conduct expected of all employees in the course of their employment with the F&N Group. The Code is disseminated and distributed to all employees for compliance, and covers such aspects of the business operations of the Group as conflicts of interest and dealings with government officials, government employees, and suppliers and customers of the Company. In addition, Directors, officers and employees are required to observe and maintain high standards of integrity in carrying out their roles and responsibilities, and to comply with relevant and applicable laws and regulations, as well as with Company policies.

Listing Rule 1207 sub-Rule (19) on Dealings in Securities

In compliance with Listing Rule 1207 sub-Rule (19) of the SGX-ST Listing Manual, the Group issues quarterly reminders to its Directors, officers and employees on the restrictions in dealings in listed securities of the Group during the period commencing (i) two weeks prior to the announcement of financial results of each of the first three quarters of the financial year, and (ii) one month before the announcement of full year results, and ending on the date of such announcements. Directors, officers and employees are also reminded not to trade in listed securities of the Group at any time while in possession of unpublished price sensitive information and to refrain from dealing in the Group's securities on short-term considerations.

Particulars of Key Management Staff as at 30 September 2011

Name of Key Executive	Age	Academic & Professional Qualifications	Working Experience	Area of Responsibility
Mr Anthony Cheong Fook Seng	57	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 – 2002 Corporate General Manager, Finance, Times Publishing Limited	Group Company Secretary, Fraser and Neave Group *(Date appointed: 1 April 2002)*
Mr Koh Poh Tiong[(1)]	65	Bachelor of Science, University of Singapore	1985 – 1991 General Manager, Asia Pacific Breweries Limited 1991 – 1993 Deputy Group General Manager, Asia Pacific Breweries Limited 1993 – 2008 Chief Executive Officer, Asia Pacific Breweries Limited	Chief Executive Officer, Food and Beverage[(1)], Fraser and Neave, Limited *(Date appointed: 1 October 2008)*
Mr Lim Ee Seng, PBM	60	Bachelor of Engineering (Civil), University of Singapore Master of Science (Project Management), National University of Singapore Member, The Institution of Engineers, 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 Group Chief Executive Officer, Frasers Centrepoint Limited *(Date appointed: 15 October 2004)*
Dato' Ng Jui Sia	59	Bachelor of Business Administration, University of Singapore Associate, The Institute of Chartered Accountants in England and Wales	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 1995 – 1999 General Manager, Fraser and Neave, Limited/F&N Coca-Cola (Singapore) Pte Ltd 1999 – 2006 Managing Director, F&N Coca-Cola (Malaysia) Sdn Bhd 2006 – 2010 Chief Executive Officer, Times Publishing Limited	Chief Executive Officer, Fraser & Neave Holdings Bhd *(Date appointed: 1 August 2010)*
Mr Roland Pirmez	51	Master's Degree in Brewing, University of Louvain-la-Neuve, Belgium Engineering degree in Agriculture, University of Louvain-la-Neuve, Belgium	1995 – 1998 Managing Director – Angola, Heineken Group 1998 – 2002 Managing Director, Thai Asia Pacific Brewery Co Ltd 2002 – 2008 Chief Executive Officer, Heineken Russia	Director and Chief Executive Officer, Asia Pacific Breweries Limited *(Date appointed: 1 October 2008)*
Note: (1) Mr Koh Poh Tiong retired as Chief Executive Officer, Food and Beverage, on 30 September 2011. He was succeeded by Mr Pascal De Petrini, whose particulars are as follows.				
Mr Pascal De Petrini	51	Master of Science in Management, École Supérieure des Sciences Économiques et Commerciales (ESSEC Business School), France Master's degree from Mines De Nancy Engineering School, France	1998 - 2002 General Manager, Danone Biscuits, China 2002 – 2004 General Manager, Themis ERP Project 2004 – 2007 General Manager, Aqua Indonesia 2007 – 2008 Vice-President Asia Pacific, Danone Waters 2008 – 2011 Vice-President Asia Pacific, Danone Baby Nutrition	Chief Executive Officer, Food and Beverage, Fraser and Neave, Limited *(Date appointed: 1 October 2011)*

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DIRECTORS' REPORT

Your directors have pleasure in submitting their report and the audited financial statements of the Company and of the Group for the financial year ended 30 September 2011.

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	
Ms Maria Mercedes Corrales	
Mr Ho Tian Yee	
Mr Hirotake Kobayashi	(Appointed on 13 December 2010)
Mr Koh Beng Seng	
Dr Seek Ngee Huat	(Appointed on 26 September 2011)
Mr Soon Tit Koon	
Mr Tan Chong Meng	
Mr Nicky Tan Ng Kuang	

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

- By rotation pursuant to Article 117 of the Company's Articles of Association:
  - Mr Timothy Chia Chee Ming
  - Mr Koh Beng Seng
  - Mr Tan Chong Meng

- Pursuant to Article 122 of the Company's Articles of Association, having been appointed since the last Annual General Meeting:
  - Dr Seek Ngee Huat

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.

DIRECTORS' REPORT

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 2010	As at 30 Sep 2011
Lee Hsien Yang		
- *Fraser and Neave, Limited*		
• Ordinary Shares	588,240	588,240
- *Frasers Centrepoint Asset Management (Commercial) Ltd*		
• Ordinary Units in Frasers Commercial Trust	3,633,178	955,078[1]
• Series A Convertible Perpetual Preferred Units in Frasers Commercial Trust	160,000	160,000
Timothy Chia Chee Ming	NIL	NIL
Maria Mercedes Corrales	NIL	NIL
Ho Tian Yee	NIL	NIL
Hirotake Kobayashi	NIL[2]	NIL
Koh Beng Seng	NIL	NIL
Dr Seek Ngee Huat	NIL[3]	NIL
Soon Tit Koon	NIL	NIL
Tan Chong Meng		
- *Fraser and Neave, Limited*		
• Ordinary Shares	10,000	30,000
- *Frasers Centrepoint Asset Management (Commercial) Ltd*		
• Ordinary Units in Frasers Commercial Trust	300,000	60,000[4]
Nicky Tan Ng Kuang		
- *Fraser and Neave, Limited*		
• Ordinary Shares	NIL	50,000
- *Frasers Centrepoint Asset Management Ltd*		
• Ordinary Units in Frasers Centrepoint Trust	300,000	300,000
- *Frasers Centrepoint Asset Management (Commercial) Ltd*		
• Ordinary Units in Frasers Commercial Trust	2,250,000	450,000[4]

1 Consolidation of every five existing units into one unit in Frasers Commercial Trust and includes deemed interest in 135,078 ordinary units arising from the holding of 160,000 Series A Convertible Perpetual Preferred Units ("Series A CPPUs") convertible at a conversion ratio of 1/1.1845 x No. of Series A CPPUs being converted, disregarding fractional units.

2 As at date of appointment, i.e. 13 December 2010.

3 As at date of appointment, i.e. 26 September 2011.

4 Consolidation of every five existing units into one unit in Frasers Commercial Trust.

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.

DIRECTORS' REPORT

5. SHARE OPTIONS AND SHARE PLANS

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

The 1999 Scheme expired on 30 September 2009 but options already granted under that Scheme remain exercisable until the end of the relevant option period.

The 1999 Scheme is administered by the Remuneration & Staff Establishment Committee which comprises the following three non-executive directors who do not participate in the 1999 Scheme:

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

No options have been granted to controlling shareholders or their associates and no employee has received 5% or more of the total options available under the 1999 Scheme.

Information pertaining to Outstanding Options

At the end of the financial year, there were 27,673,171 unissued ordinary shares of the Company under options granted pursuant to the 1999 Scheme. Details of the options to subscribe for ordinary shares in the capital of the Company granted to executives pursuant to the 1999 Scheme are as follows:

Options	Offer Date	Balance as at 1.10.2010	Options Exercised/ Lapsed	Balance as at 30.9.2011	Exercise Price	Exercise Period
1999 Scheme						
2002 (Year 3)	08.10.2001	13,930	(13,930)	-	$1.40	09.07.2004 to 08.09.2011
2003 (Year 4)	01.10.2002	78,600#	(53,220)	25,380	$1.51	01.07.2005 to 31.08.2012
2004 (Year 5)	08.10.2003	802,655	(624,045)	178,610	$2.12	08.07.2006 to 07.09.2013
2005 (Year 6)	08.10.2004	2,213,305	(695,970)	1,517,335	$2.82	08.07.2007 to 07.09.2014
2006 (Year 7)	10.10.2005	4,451,405	(1,712,855)	2,738,550	$3.46	10.07.2008 to 09.09.2015
2007 (Year 8)	10.10.2006	7,236,248	(2,544,208)	4,692,040	$4.22	10.07.2009 to 09.09.2016
2008 (Year 9)	10.10.2007	10,127,766	(1,568,268)	8,559,498	$5.80	10.07.2010 to 09.09.2017
2009 (Year 10)	25.11.2008	13,136,223	(3,174,465)	9,961,758	$2.86	25.08.2011 to 24.10.2018
		38,060,132	(10,386,961)*	27,673,171		

* Exercised (9,875,733) and Lapsed due to Resignations (511,228)
# Included an adjustment of 41,795

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.

DIRECTORS' REPORT

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

(b) Restricted Share Plan ("RSP") and Performance Share Plan ("PSP")

The Company introduced Restricted Share Plan (RSP) and Performance Share Plan (PSP) to replace the 1999 Scheme. The RSP and PSP were approved by shareholders at the Extraordinary General Meeting of the Company held on 22 January 2009.

The RSP and PSP are administered by the Remuneration & Staff Establishment Committee which comprises the following three non-executive directors who do not participate in the Share Plans:

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

Share Grants Under RSP and PSP

Under the RSP and PSP, the Company grants shares to eligible participants annually, referred to herein as "RSP Shares" and "PSP Shares", respectively. The grant ("Base Award") represents the right to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met. The Remuneration & Staff Establishment Committee that administers this scheme has absolute discretion in the granting of shares under the RSP and PSP. The RSP Base Award is conditional on the achievement of pre-determined targets set for a two-year performance period and the PSP Base Award is conditional on the achievement of pre-determined targets set for a three-year performance period. The final number of RSP Shares and PSP Shares to be awarded will be determined at the end of the relevant performance period ("Final Award").

The Final Award varies depending on the level of achievement of the pre-determined targets. An achievement factor will be applied to the relevant Base Award to determine the final number of RSP Shares and PSP Shares (as the case may be) to be awarded. The achievement factor ranges from 0% to 150% for RSP and from 0% to 200% for PSP.

At the end of the performance period, 50% of the RSP Shares will be released upon vesting and the balance will be released equally over the subsequent two years with fulfillment of service requirements.

All PSP Shares will be released to the participants at the end of the three-year performance period upon vesting.

Pre-determined targets are set by the Remuneration & Staff Establishment Committee at their absolute discretion for the performance conditions to be met over the performance period. For the RSP, the targets set are the achievement of Attributable Profit Before Exceptional items (APBE) and Return On Capital Employed (ROCE). For the PSP, the pre-set targets are based on Return on Invested Capital (ROIC), Total Shareholders' Return Relative to Straits Times Index and Absolute Shareholders' Return as a multiple of Cost of Equity.

Senior management participants are required to hold a minimum number of the shares released to them under the RSP and PSP to maintain a beneficial ownership stake in the Company for the duration of their employment or tenure with the Company.

No awards have been granted to controlling shareholders or their associates under the RSP and PSP.

No awards have been granted to directors of the Company.

No employee has received 5% or more of the total number of shares available/delivered pursuant to grants under the RSP and PSP.

DIRECTORS' REPORT

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

(b) Restricted Share Plan ("RSP") and Performance Share Plan ("PSP") (cont'd)

Share Grants Under RSP and PSP (cont'd)

The first grant of RSP and PSP was made in December 2009. The details of the shares awarded under the RSP and PSP in aggregate are as follows:-

(i) RSP

Shares	Grant Date	Grant Price	Balance as at 1.10.2010 or Grant Date if later	Cancelled*	Adjusted#	Balance as at 30.9.2011
Year 1	14.12.2009	$3.58	3,131,728	(128,000)	-	3,003,728
Year 2	14.12.2010	$5.93	2,040,530	(71,000)	32,000	2,001,530
			5,172,258	(199,000)	32,000	5,005,258

* Cancelled due to resignations
\# Adjusted due to new grants

(ii) PSP

Shares	Grant Date	Grant Price	Balance as at 1.10.2010 or Grant Date if later	Cancelled	Balance as at 30.9.2011
Year 1	14.12.2009	$3.11	283,972	-	283,972
Year 2	14.12.2010	$4.72	225,158	-	225,158
			509,130	-	509,130

(c) 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 replaced the APBL Scheme.

Information pertaining to Outstanding Options

At the end of the financial year, 30,000 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 1.10.2010	Options Exercised/ Lapsed	Balance as at 30.9.2011	Exercise Price	Exercise Period
2001	20.12.2000	2,750	(2,750)	-	$3.91	19.09.2003 to 18.11.2010
2002	08.10.2001	5,650	(5,650)	-	$3.79	08.07.2004 to 07.09.2011
2003	15.10.2002	18,000	(7,250)	10,750	$4.79	15.07.2005 to 14.09.2012
2004	08.10.2003	38,800	(19,550)	19,250	$6.29	08.07.2006 to 07.09.2013
		65,200	(35,200)*	30,000		

* Exercised (33,000)
Lapsed due to Expiry (2,200)

Statutory and other information regarding the APBL Options

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

DIRECTORS' REPORT

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

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

Information pertaining to Outstanding Options

At the end of the financial year, 6,899,900 F&NHB unissued ordinary shares of F&NHB were under Options 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 RM1.00 each in the capital of F&NHB are as follows:

Options	Offer Date	Balance as at 1.10.2010 or Offer Date if later	Options Exercised/ Lapsed	Balance as at 30.9.2011	Exercise Price/ Adjusted Exercise Price #	Exercise Period
2008	20.11.2007	1,458,500	(1,428,800)	29,700	RM7.77/7.17	20.08.2010 to 19.10.2012
2009	19.11.2008	2,685,300	(1,715,300)	970,000	RM8.46/7.81	19.08.2011 to 18.10.2013
2010	20.11.2009	3,033,600	(92,100)	2,941,500	RM11.34/10.47	20.08.2012 to 19.10.2014
2011	22.11.2010	3,067,300	(108,600)	2,958,700	RM14.52	22.08.2013 to 21.10.2015
		10,244,700	(3,344,800)*	6,899,900		

* Exercised (3,070,600)
Lapsed due to Resignations (274,200)

F&NHB's special interim single tier dividend in respect of financial year 2010 of RM1.10 per share which represent the entire gain from the divestment of the glass container business, amounted to a capital distribution and required adjustments to be made to the Exercise Price of the F&NHB 2007 Scheme. Accordingly, the Exercise Prices were adjusted effective 13 December 2010.

Statutory and other information regarding the F&NHB Options

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

- The maximum number of new ordinary shares of RM1.00 each in the company which may be issued on the exercise of the F&NHB 2007 Scheme shall not exceed 10% of the issued and paid-up share capital of F&NHB at any point of time throughout the duration of the F&NHB 2007 Scheme.

- Eligible full-time executives of the group and executive directors of the company with at least one year service shall be eligible to participate in the F&NHB 2007 Scheme.

- The allotment of an eligible executive shall not exceed the maximum limits for any specific job grade in any one financial year and 1,000,000 new shares of the company during the tenure of the F&NHB 2007 Scheme, subject to the limits below:

  (i) not more than 50% of the new shares of F&NHB available under the F&NHB 2007 Scheme shall be allocated, in aggregate, to the directors and senior management of the group; and

  (ii) not more than 10% of the new shares of the company available under the F&NHB 2007 Scheme shall be allocated to any individual eligible executive who, either singly or collectively through persons connected to that eligible executive, holds 20% or more of the issued and paid-up share capital of the company.

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

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

DIRECTORS' REPORT

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

(e) 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 since 20 May 2003 and, unless otherwise cancelled or amended will remain in force for 10 years from that date.

2010 Options

During the financial year ended 30 September 2011, offers of options were granted pursuant to the FPCL Scheme in respect of 14,250,000 unissued ordinary shares of HK$0.10 each of FPCL at an exercise price of HK$0.2050 per share.

Information pertaining to Outstanding Options

At the end of the financial year, there were 108,194,182 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 1.10.2010 or Offer Date if later	Options Exercised/ Lapsed	Balance as at 30.9.2011	Exercise Price	Exercise Period
2003	31.12.2003	9,875,359	(86,000)	9,789,359	HK$0.1580	31.12.2004 to 30.12.2013
2004	31.12.2004	10,828,103	-	10,828,103	HK$0.1547	31.12.2005 to 30.12.2014
2005	30.12.2005	13,125,983	-	13,125,983	HK$0.1343	30.12.2006 to 29.12.2015
2006	13.11.2006	14,250,737	(250,000)	14,000,737	HK$0.1670	13.11.2007 to 12.11.2016
2007	09.11.2007	16,550,000	(500,000)	16,050,000	HK$0.3370	09.11.2008 to 08.11.2017
2008	14.11.2008	15,750,000	(1,300,000)	14,450,000	HK$0.1000	14.11.2009 to 13.11.2018
2009	13.11.2009	17,800,000	(1,350,000)	16,450,000	HK$0.1550	13.11.2010 to 12.11.2019
2010	12.11.2010	14,250,000	(750,000)	13,500,000	HK$0.2050	12.11.2011 to 11.11.2020
		112,430,182	(4,236,000)*	108,194,182		

* Exercised (2,386,000)
Lapsed due to Resignations (1,850,000)

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 a 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.

DIRECTORS' REPORT

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

(e) Share Options pursuant to Frasers Property (China) Limited Share Option Scheme ("FPCL Scheme") (cont'd)

Statutory and other information regarding the FPCL Options (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 FPCL options, if the grantee, during any of the periods specified above, exercised share options for such number of shares which, in aggregate, represents less than the number of shares for which the grantee 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.

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

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

6. AUDIT COMMITTEE

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

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

7. AUDITORS

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

DIRECTORS' REPORT

8. OTHER INFORMATION REQUIRED BY SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

(a) The interests of the directors of the Company in the share capital of the Company and of its related companies as at the 21st day after the end of the financial year remained unchanged from those at 30 September 2011 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	**KOH BENG SENG**
Director	Director

Singapore
15 November 2011

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 statement, statement of comprehensive income, statements of changes in equity and consolidated cash flow statement together with the notes thereto, set out on pages 104 to 206, 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 2011 and of the results of the businesses and cash flows of the Group and changes in equity of the Company and of the Group for the year ended 30 September 2011; and

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

On behalf of the Board

LEE HSIEN YANG
Director

KOH BENG SENG
Director

Singapore
15 November 2011

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FRASER AND NEAVE, LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Fraser and Neave, Limited ("the Company") and its subsidiaries (collectively, "the Group") set out on pages 104 to 206, which comprise the balance sheets of the Group and the Company as at 30 September 2011, the statements of changes in equity of the Group and the Company and the profit statement, statement of comprehensive income and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards, and for 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 accounts and balance sheets and to maintain accountability of assets.

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 of the financial statements that give a true and fair view 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, the consolidated financial statements of the Group and the balance sheet 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 2011 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, 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
15 November 2011

PROFIT STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2011

	Notes	THE GROUP 2011 ($'000)	THE GROUP 2010 ($'000)
Continuing operations			
REVENUE	3	**6,274,289**	5,696,777
Cost of sales		**(4,162,147)**	(3,708,922)
Gross profit		**2,112,142**	1,987,855
Other income (net)	4(a)	**39,689**	13,772
Operating expenses			
- Distribution		**(230,078)**	(226,438)
- Marketing		**(499,761)**	(478,292)
- Administration		**(351,269)**	(307,566)
		(1,081,108)	(1,012,296)
TRADING PROFIT		**1,070,723**	989,331
Share of joint venture companies' profits	4(b)	**17,342**	15,279
Share of associated companies' profits	4(b)	**51,937**	47,600
Gross income from investments	6	**11,549**	18,782
PROFIT BEFORE INTEREST AND TAXATION ("PBIT")		**1,151,551**	1,070,992
Finance income		**17,704**	28,165
Finance cost		**(71,562)**	(90,498)
Net finance cost	4(c)	**(53,858)**	(62,333)
PROFIT BEFORE IMPAIRMENT, FAIR VALUE ADJUSTMENT, TAXATION AND EXCEPTIONAL ITEMS		**1,097,693**	1,008,659
Impairment on investments		**-**	(9,000)
Fair value adjustment of investment properties		**140,057**	129,411
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS	4(d)	**1,237,750**	1,129,070
Exceptional items	7	**175,129**	43,041
PROFIT BEFORE TAXATION		**1,412,879**	1,172,111
Taxation	8	**(298,527)**	(270,398)
PROFIT FROM CONTINUING OPERATIONS AFTER TAXATION		**1,114,352**	901,713
Discontinued operations			
PROFIT FROM DISCONTINUED OPERATIONS AFTER TAXATION		**-**	159,802
PROFIT AFTER TAXATION		**1,114,352**	1,061,515
ATTRIBUTABLE PROFIT TO:			
Shareholders of the Company			
- Before fair value adjustment and exceptional items			
Continuing operations		**620,552**	584,471
Discontinued operations		**-**	(1,855)
		620,552	582,616
- Fair value adjustment of investment properties		**112,925**	99,940
- Exceptional items			
Continuing operations		**141,955**	43,962
Discontinued operations		**-**	93,295
		141,955	137,257
		875,432	819,813
Non-controlling interests		**238,920**	241,702
		1,114,352	1,061,515
Earnings per share attributable to the shareholders of the Company	10		
Basic - before fair value adjustment and exceptional items		**44.1 cts**	41.7 cts
Basic - after fair value adjustment and exceptional items		**62.2 cts**	58.6 cts
Fully diluted - before fair value adjustment and exceptional items		**43.6 cts**	41.5 cts
Fully diluted - after fair value adjustment and exceptional items		**61.5 cts**	58.3 cts
Earnings per share from continuing operations attributable to the shareholders of the Company	10		
Basic - before exceptional items		**44.1 cts**	41.8 cts
Basic - after exceptional items		**62.2 cts**	52.1 cts
Fully diluted - before exceptional items		**43.6 cts**	41.6 cts
Fully diluted - after exceptional items		**61.5 cts**	51.8 cts

The Notes on pages 112 to 206 form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2011

	THE GROUP	
	2011 ($'000)	2010 ($'000)
Profit after taxation	**1,114,352**	1,061,515
Other comprehensive income:		
Share of other comprehensive income of associated companies	**1,347**	(67)
Realisation of reserves on disposal of subsidiary and associated companies	**(5,751)**	(1,771)
Net fair value changes on derivative financial instruments	**(7,461)**	4,311
Net fair value changes on available-for-sale financial assets	**63,783**	(39,401)
Currency translation difference	**12,845**	(88,854)
Other comprehensive income for the year, net of tax	**64,763**	(125,782)
Total comprehensive income for the year	**1,179,115**	935,733
Total comprehensive income attributable to:		
Shareholders of the Company	**949,666**	734,566
Non-controlling interests	**229,449**	201,167
	1,179,115	935,733

BALANCE SHEET
AS AT 30 SEPTEMBER 2011

	Notes	THE GROUP 2011 ($'000)	THE GROUP 2010 ($'000)	THE COMPANY 2011 ($'000)	THE COMPANY 2010 ($'000)
SHARE CAPITAL AND RESERVES					
Share capital	11	**1,417,404**	1,374,502	**1,417,404**	1,374,502
Reserves	11	**5,464,806**	4,768,296	**2,755,660**	2,576,275
		6,882,210	6,142,798	**4,173,064**	3,950,777
NON-CONTROLLING INTERESTS		**838,814**	805,661	**-**	-
		7,721,024	6,948,459	**4,173,064**	3,950,777
Represented by:					
NON-CURRENT ASSETS					
Fixed assets	12	**1,187,048**	1,104,216	**-**	-
Investment properties	13	**2,476,740**	2,139,026	**-**	-
Subsidiary companies	14	**-**	-	**3,676,408**	3,508,670
Joint venture companies	15	**60,101**	89,839	**434,421**	434,421
Associated companies	16	**1,382,200**	1,355,249	**82,383**	82,383
Intangible assets	17	**570,565**	576,219	**-**	-
Brands	22	**72,452**	74,275	**-**	-
Other investments	19	**404,583**	323,531	**8,672**	9,053
Other receivables	25	**65,212**	61,556	**-**	-
Other assets	20	**41,000**	41,000	**-**	-
Deferred tax assets	32	**14,649**	25,251	**-**	-
		6,274,550	5,790,162	**4,201,884**	4,034,527
CURRENT ASSETS					
Properties held for sale	23	**4,103,882**	4,309,185	**-**	-
Inventories	24	**373,405**	391,916	**-**	-
Trade receivables	25	**961,457**	1,021,283	**-**	-
Other receivables	25	**317,142**	252,327	**316**	809
Subsidiary companies	14	**-**	-	**50,898**	51,057
Joint venture companies	15	**6,117**	6,540	**-**	-
Associated companies	16	**13,181**	10,798	**-**	-
Short term investments	27	**3,604**	3,429	**-**	-
Bank fixed deposits	21	**1,180,935**	1,274,626	**98,566**	47,624
Cash and bank balances	21	**418,672**	424,290	**1,002**	910
		7,378,395	7,694,394	**150,782**	100,400
Assets held for sale	28	**119,542**	38,262	**-**	-
		7,497,937	7,732,656	**150,782**	100,400
Deduct: CURRENT LIABILITIES					
Trade payables	29	**673,442**	724,740	**-**	-
Other payables	29	**748,468**	764,205	**5,125**	5,256
Subsidiary companies	14	**-**	-	**5,164**	12,986
Joint venture companies	15	**14,263**	6,350	**-**	-
Associated companies	16	**3,043**	954	**-**	-
Borrowings	30	**747,546**	1,908,709	**-**	-
Provision for taxation		**317,648**	313,775	**18,961**	15,491
		2,504,410	3,718,733	**29,250**	33,733
Liabilities held for sale	28	**38,292**	2,297	**-**	-
		2,542,702	3,721,030	**29,250**	33,733
NET CURRENT ASSETS		**4,955,235**	4,011,626	**121,532**	66,667
Deduct: NON-CURRENT LIABILITIES					
Other payables	29	**96,214**	3,869	**-**	-
Borrowings	30	**3,215,900**	2,666,032	**150,000**	150,000
Provision for employee benefits	31	**20,405**	25,044	**-**	-
Deferred tax liabilities	32	**176,242**	158,384	**352**	417
		3,508,761	2,853,329	**150,352**	150,417
		7,721,024	6,948,459	**4,173,064**	3,950,777

The Notes on pages 112 to 206 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 ($'000)	Hedging Reserve ($'000)	Share-based Payment Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)	Non-controlling Interests ($'000)	Total Equity ($'000)
YEAR ENDED 30 SEPTEMBER 2011												
Balance at 1 October 2010		1,374,502	269,709	4,341,213	(171,716)	138,609	(16,169)	38,414	168,236	6,142,798	805,661	6,948,459
Comprehensive income												
Share of other comprehensive income of associated companies		-	(643)	(365)	2,557	(89)	(124)	11	-	1,347	-	1,347
Realisation of reserves on disposal of subsidiary and associated companies		-	(1,696)	552	(5,125)	-	-	-	-	(6,269)	518	(5,751)
Net fair value changes on derivative financial instruments		-	-	-	-	-	(6,780)	-	-	(6,780)	(681)	(7,461)
Net fair value changes on available-for-sale financial assets		-	-	-	-	63,783	-	-	-	63,783	-	63,783
Currency translation difference		-	-	-	22,153	-	-	-	-	22,153	(9,308)	12,845
Other comprehensive income for the year		-	(2,339)	187	19,585	63,694	(6,904)	11	-	74,234	(9,471)	64,763
Profit for the year		-	-	875,432	-	-	-	-	-	875,432	238,920	1,114,352
Total comprehensive income for the year		-	(2,339)	875,619	19,585	63,694	(6,904)	11	-	949,666	229,449	1,179,115
Contributions by and distributions to owners												
Employee share-based expense		-	-	-	-	-	-	12,573	-	12,573	348	12,921
Expiry of share options		-	-	1,202	-	-	-	(1,202)	-	-	-	-
Issue of shares in the Company upon exercise of share options	11	42,902	-	-	-	-	-	(7,830)	-	35,072	-	35,072
Contribution of capital by non-controlling interests		-	-	-	-	-	-	-	-	-	20,682	20,682
Transfer of reserves by overseas subsidiary companies in compliance with statutory requirements		-	65	(65)	-	-	-	-	-	-	-	-
Dividends	9											
Dividend paid		-	-	(85,145)	-	-	-	-	(168,236)	(253,381)	(206,826)	(460,207)
Dividend proposed		-	-	(169,382)	-	-	-	-	169,382	-	-	-
Total contributions by and distributions to owners		42,902	65	(253,390)	-	-	-	3,541	1,146	(205,736)	(185,796)	(391,532)
Changes in ownership interests												
Change of interests in subsidiary and joint venture companies		-	21	2,577	(6,916)	-	(200)	-	-	(4,518)	(2,260)	(6,778)
Dilution of interest in an associated company		-	450	(561)	111	-	-	-	-	-	-	-
Disposal of subsidiary companies		-	-	-	-	-	-	-	-	-	(8,240)	(8,240)
Total changes in ownership interests		-	471	2,016	(6,805)	-	(200)	-	-	(4,518)	(10,500)	(15,018)
Total transactions with owners in their capacity as owners		42,902	536	(251,374)	(6,805)	-	(200)	3,541	1,146	(210,254)	(196,296)	(406,550)
Balance at 30 September 2011		1,417,404	267,906	4,965,458	(158,936)	202,303	(23,273)	41,966	169,382	6,882,210	838,814	7,721,024

The Notes on pages 112 to 206 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 ($'000)	Hedging Reserve ($'000)	Share-based Payment Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)	Non-controlling Interests ($'000)	Total Equity ($'000)
YEAR ENDED 30 SEPTEMBER 2010												
Balance at 1 October 2009		1,341,707	270,114	3,759,391	(122,624)	178,052	(19,226)	30,990	146,320	5,584,724	1,098,731	6,683,455
Comprehensive income												
Share of other comprehensive income of associated companies		-	85	(21)	(528)	(42)	272	167	-	(67)	-	(67)
Realisation of reserves on disposal of subsidiary companies		-	(490)	490	(1,771)	-	-	-	-	(1,771)	-	(1,771)
Net fair value changes on derivative financial instruments		-	-	-	-	-	2,785	-	-	2,785	1,526	4,311
Net fair value changes on available-for-sale financial assets		-	-	-	-	(39,401)	-	-	-	(39,401)	-	(39,401)
Currency translation difference		-	-	-	(46,793)	-	-	-	-	(46,793)	(42,061)	(88,854)
Other comprehensive income for the year		-	(405)	469	(49,092)	(39,443)	3,057	167	-	(85,247)	(40,535)	(125,782)
Profit for the year		-	-	819,813	-	-	-	-	-	819,813	241,702	1,061,515
Total comprehensive income for the year		-	(405)	820,282	(49,092)	(39,443)	3,057	167	-	734,566	201,167	935,733
Contributions by and distributions to owners												
Employee share-based expense		-	-	-	-	-	-	12,441	-	12,441	700	13,141
Issue of shares in the Company upon exercise of share options	11	32,795	-	-	-	-	-	(5,184)	-	27,611	-	27,611
Contribution of capital by non-controlling interests		-	-	-	-	-	-	-	-	-	2,146	2,146
Dividends	9											
Dividend paid		-	-	(70,307)	-	-	-	-	(146,320)	(216,627)	(99,799)	(316,426)
Dividend proposed		-	-	(168,236)	-	-	-	-	168,236	-	-	-
Total contributions by and distributions to owners		32,795	-	(238,543)	-	-	-	7,257	21,916	(176,575)	(96,953)	(273,528)
Changes in ownership interests												
Change of interests in subsidiary and joint venture companies		-	-	83	-	-	-	-	-	83	9,833	9,916
Disposal of subsidiary companies		-	-	-	-	-	-	-	-	-	(407,117)	(407,117)
Total changes in ownership interests		-	-	83	-	-	-	-	-	83	(397,284)	(397,201)
Total transactions with owners in their capacity as owners		32,795	-	(238,460)	-	-	-	7,257	21,916	(176,492)	(494,237)	(670,729)
Balance at 30 September 2010		1,374,502	269,709	4,341,213	(171,716)	138,609	(16,169)	38,414	168,236	6,142,798	805,661	6,948,459

STATEMENT OF CHANGES IN EQUITY

THE COMPANY

	Notes	Share Capital ($'000)	Capital Reserve ($'000)	Revenue Reserve ($'000)	Fair Value Adjustment Reserve ($'000)	Share-based Payment Reserve ($'000)	Dividend Reserve ($'000)	Total ($'000)
YEAR ENDED 30 SEPTEMBER 2011								
Balance at 1 October 2010		1,374,502	1,039,274	1,331,928	2,034	34,803	168,236	3,950,777
Comprehensive income								
Net fair value changes on available-for-sale financial assets		-	-	-	(317)	-	-	(317)
Other comprehensive income for the year		-	-	-	(317)	-	-	(317)
Profit for the year		-	-	428,795	-	-	-	428,795
Total comprehensive income for the year		-	-	428,795	(317)	-	-	428,478
Contributions by and distributions to owners								
Employee share-based expense		-	-	-	-	12,118	-	12,118
Issue of shares in the Company upon exercise of share options	11	42,902	-	-	-	(7,830)	-	35,072
Dividends	9							
Dividend paid		-	-	(85,145)	-	-	(168,236)	(253,381)
Dividend proposed		-	-	(169,382)	-	-	169,382	-
Total contributions by and distributions to owners		42,902	-	(254,527)	-	4,288	1,146	(206,191)
Total transactions with owners in their capacity as owners		42,902	-	(254,527)	-	4,288	1,146	(206,191)
Balance at 30 September 2011		1,417,404	1,039,274	1,506,196	1,717	39,091	169,382	4,173,064
YEAR ENDED 30 SEPTEMBER 2010								
Balance at 1 October 2009		1,341,707	1,039,274	1,255,444	1,419	28,480	146,320	3,812,644
Comprehensive income								
Net fair value changes on available-for-sale financial assets		-	-	-	615	-	-	615
Other comprehensive income for the year		-	-	-	615	-	-	615
Profit for the year		-	-	315,027	-	-	-	315,027
Total comprehensive income for the year		-	-	315,027	615	-	-	315,642
Contributions by and distributions to owners								
Employee share-based expense		-	-	-	-	11,507	-	11,507
Issue of shares in the Company upon exercise of share options	11	32,795	-	-	-	(5,184)	-	27,611
Dividends	9							
Dividend paid		-	-	(70,307)	-	-	(146,320)	(216,627)
Dividend proposed		-	-	(168,236)	-	-	168,236	-
Total contributions by and distributions to owners		32,795	-	(238,543)	-	6,323	21,916	(177,509)
Total transactions with owners in their capacity as owners		32,795	-	(238,543)	-	6,323	21,916	(177,509)
Balance at 30 September 2010		1,374,502	1,039,274	1,331,928	2,034	34,803	168,236	3,950,777

The Notes on pages 112 to 206 form an integral part of the Financial Statements.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2011

	THE GROUP	
	2011 ($'000)	2010 ($'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and exceptional items from continuing operations	**1,237,750**	1,129,070
Loss before taxation and exceptional items from discontinued operations	**-**	(1,665)
Profit before taxation and exceptional items	**1,237,750**	1,127,405
Adjustments for:		
Depreciation of fixed assets	**119,615**	129,851
Impairment of fixed assets, intangible assets and associated company	**4,921**	14,560
Impairment reversal of fixed assets	**(2,213)**	(1,351)
Fixed assets and intangible assets written off	**983**	1,048
Provision for employee benefits	**2,237**	7,702
Write back of provision for employee benefits	**(2,907)**	(2)
Allowance for foreseeable losses on properties held for sale	**12,034**	15,480
Loss on disposal of fixed assets	**3,100**	3,438
Amortisation of brands and intangible assets	**21,223**	22,155
Amortisation of deferred income	**(8,005)**	(4,440)
Interest expenses (net)	**35,260**	60,269
Share of joint venture companies' profits	**(17,342)**	(15,279)
Share of associated companies' profits	**(51,937)**	(47,600)
Investment income	**(11,549)**	(18,782)
Profit on properties held for sale	**(419,723)**	(391,469)
Employee share-based expense	**41,696**	17,132
Fair value adjustment of financial instruments	**(2,471)**	8,934
Fair value adjustment of investment properties	**(140,057)**	(129,411)
Loss on disposal of financial instruments	**16,647**	3,840
Operating cash before working capital changes	**839,262**	803,480
Change in inventories	**7,362**	(2,463)
Change in receivables	**(115,537)**	(355,377)
Change in joint venture and associated companies' balances	**8,664**	614
Change in payables	**141,015**	95,574
Currency realignment	**(3,925)**	29,732
Cash generated from operations	**876,841**	571,560
Interest expenses paid	**(37,133)**	(59,772)
Income taxes paid	**(267,182)**	(219,606)
Payment of employee benefits	**(3,313)**	(1,984)
Payment of cash-settled options	**(25,690)**	(129)
Progress payment received/receivable on properties held for sale	**2,400,451**	1,632,867
Development expenditure on properties held for sale	**(1,793,978)**	(1,508,002)
Net cash from operating activities	**1,149,996**	414,934
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends from joint venture and associated companies	**71,773**	43,982
Investment income	**11,549**	18,782
Proceeds from sale of fixed assets and assets held for sale	**15,660**	4,397
Proceeds from sale of associated companies	**97,957**	36,342
Proceeds from sale of other and short term investments	**294**	1,869
Proceeds from disposal of subsidiary and joint venture companies	**28,748**	329,637
Proceeds from sale of investment properties	**54,654**	297,798
Purchase of fixed assets and investment properties	**(348,773)**	(186,610)
Purchase of other investments	**(17,401)**	-
Acquisition of non-controlling interests in subsidiary companies	**(7,584)**	(1,691)
Payment for intangible assets and brands	**(15,799)**	(33,794)
Development expenditure on investment properties under construction and properties held for sale	**(233,481)**	(36,697)
Investments in associated and joint venture companies	**(37,413)**	(15,457)
Acquisition of subsidiary companies, business and joint venture companies	**(27,086)**	(273,552)
Repayment of/(additional) trade advances	**663**	(3,892)
Net cash (used in)/from investing activities	**(406,239)**	181,114

The Notes on pages 112 to 206 form an integral part of the Financial Statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2011

	THE GROUP 2011 ($'000)	THE GROUP 2010 ($'000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans and bank borrowings	**(709,944)**	(211,624)
Proceeds from issue of bonds	**300,000**	-
Proceeds from issue of shares:		
- by subsidiary companies to non-controlling interests	**20,682**	2,146
- by the Company to shareholders	**35,072**	27,611
Payment of dividends:		
- by subsidiary companies to non-controlling interests	**(206,826)**	(99,799)
- by the Company to shareholders	**(253,381)**	(216,627)
Net cash used in financing activities	**(814,397)**	(498,293)
Net (decrease)/increase in cash and cash equivalents	**(70,640)**	97,755
Cash and cash equivalents at beginning of year	**1,695,123**	1,623,910
Reclassified to assets held for sale	**(1,383)**	-
Effects of exchange rate changes on cash and cash equivalents	**(25,465)**	(26,542)
Cash and cash equivalents at end of year	**1,597,635**	1,695,123
Cash and cash equivalents at end of year comprise:		
Cash and bank deposits (Note 21)	**1,599,607**	1,698,916
Bank overdrafts (Note 30)	**(1,972)**	(3,793)
	1,597,635	1,695,123
Analysis of acquisition and disposal of subsidiary companies, business and joint venture companies		
Net assets acquired:		
Fixed assets	**11,085**	53,462
Other non-current assets	**3,144**	19,627
Current assets	**16,406**	54,099
Current liabilities	**(9,352)**	(64,448)
Non-current liabilities	**(1,085)**	(6,818)
Non-controlling interests	**(808)**	(8,942)
Cash	**7,036**	7,775
	26,426	54,755
Goodwill on acquisition (net)	**7,696**	226,572
Consideration	**34,122**	281,327
Cash and cash equivalents of subsidiary and joint venture companies	**(7,036)**	(7,775)
Cash outflow on acquisition net of cash and cash equivalents acquired	**27,086**	273,552
Net assets disposed:		
Fixed assets	**(228)**	(185,323)
Investment properties	**-**	(1,100,000)
Other non-current assets	**(2,079)**	(67,293)
Current assets	**(169,693)**	(114,279)
Non-current liabilities	**1,510**	337,075
Current liabilities	**62,591**	168,423
Non-controlling interests	**7,933**	406,569
Cash	**(4,002)**	(20,811)
	(103,968)	(575,639)
Realisation of translation difference	**5,498**	659
Provision for cost of disposal	**-**	(69)
Consideration satisfied by other receivables	**84,352**	-
Gain on disposal	**(18,632)**	(209,070)
Reclassification to investment in associated company	**-**	433,671
Consideration received	**(32,750)**	(350,448)
Less: Cash of subsidiary and joint venture companies disposed off	**4,002**	20,811
Cash inflow on disposal net of cash and cash equivalents disposed	**(28,748)**	(329,637)

The Notes on pages 112 to 206 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

The following Notes form an integral part of the Financial Statements on pages 104 to 111.

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 are:
(a) production and sale of soft drinks, dairy products, beer and stout;
(b) development of and investment in property; and
(c) printing and publishing.

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

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

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

The financial statements of the Company and the consolidated financial statements of the Group were authorised for issue in accordance with a resolution of the Directors on 15 November 2011.

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 2010, the Group and the Company adopted all new and revised standards and interpretations of FRS (INT FRS) that are mandatory for application from that date.

The adoption of these standards and interpretations had no material effect on the financial performance or position of the Group and the Company.

2.2 Basis of Consolidation and Business Combinations

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 date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

2. ACCOUNTING POLICIES (cont'd)

2.2 Basis of Consolidation and Business Combinations (cont'd)

Acquisitions of subsidiary companies are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary company comprises the fair value of the assets transferred, liabilities incurred, equity interest issued by the Group and any contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any change in the contingent consideration to be paid will be recognised in the profit statement. Acquisition-related costs are expensed as incurred.

All intra group transactions, balances and unrealised gains are eliminated on consolidation. Unrealised gains resulting from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in associates. Unrealised losses are also eliminated but only to the extent that there is no evidence of impairment.

Non-controlling interests in the acquiree is recognised on the acquisition date at the non-controlling interests' proportionate share of the acquiree net identifiable assets.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in the profit statement.

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest and its fair value is recognised in the profit statement.

The accounting policy on goodwill on acquisition of subsidiary companies is included in Note 2.11(b).

Business combinations prior to 1 October 2010

Business combinations were accounted for using the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs.

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests were treated as a revaluation and recognised in equity. Any additional acquired interest did not affect previously recognised goodwill.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent measurements to the contingent consideration affected goodwill.

Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income, statement of changes in equity and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

A change in ownership interest in subsidiary companies that do not result in a change of control is accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests will be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognised directly in equity and attributed to owners of the parent.

A list of the Company's subsidiary companies is shown in Note 42.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

2. ACCOUNTING POLICIES (cont'd)

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 15.

In the Company's separate financial statements, investments in joint venture companies are carried at cost less impairment losses.

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

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

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

The Group's share of the operating results, exceptional items and fair value adjustment of investment properties of associated companies are shown separately in the profit statement. The Group's share of other comprehensive income is recognised in other comprehensive income. 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.

An associated company is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associated company.

In the Company's separate financial statements, investments in associated companies are carried at cost less impairment losses.

A list of the Company's associated companies is shown in Note 42.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

2. ACCOUNTING POLICIES (cont'd)

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.

Revenue from sale of goods represents the invoiced value of net sales (including excise duties and net of trade discounts).

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.

Rental income is recognised on a straight line basis over the lease term commencing on the date from which the lessee is entitled to exercise its right to use the leased asset.

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 economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably. 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.

2.7 Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit statement except to the extent it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income.

(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 tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill, the initial recognition of assets or liabilities that affects neither accounting nor taxable profit, and differences relating to investments in subsidiary, joint venture and associated companies to the extent that 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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

2. ACCOUNTING POLICIES (cont'd)

2.7 Taxation (cont'd)

(b) Deferred tax (cont'd)

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 substantively enacted at the balance sheet date.

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

An asset is derecognised upon sale or retirement and any gain or loss on derecognition of the asset is included in the profit statement. Any amount in revaluation reserve relating to that asset is transferred to revenue reserves.

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

Leasehold land	-	Lease term (ranging from 10 to 99 years)
Building	-	Lease term (ranging from 10 to 60 years)
Plant, machinery and equipment	-	2.5% to 33%
Motor vehicle and forklift	-	10% to 20%
Postmix and vending machine	-	10% to 20%
Furniture and fitting, computer equipment and beer cooler	-	5% to 100%

Capital Work-in-Progress includes fixed assets under construction and advance payments and progress payments made for fixed assets and are 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

2. ACCOUNTING POLICIES (cont'd)

2.9 Investment Properties

(a) Completed Investment Properties

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

Completed investment properties are initially recognised at cost, including transaction cost and subsequently carried at fair value, determined annually by independent professional valuers. Changes in fair values are recognised in the profit statement.

Transfers are made to or from completed investment properties only when there is a change in use. For a transfer from completed investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to completed investment property, the property is accounted for in accordance with the accounting policy for fixed assets up to the date of change in use.

On disposal of a completed investment property, the difference between the disposal proceeds and the carrying amount is recognised in the profit statement.

(b) Investment Property Under Construction

Investment properties under construction are initially stated at cost.

They are subsequently measured at fair value with the changes in fair values being recognised in the profit statement when fair value can be measured reliably. Investment properties under construction for which fair value cannot be determined reliably is measured at cost less impairment. Cost includes land and construction, related overhead expenditure and financing charges incurred during the period of construction and up to the completion of construction.

Investment properties under construction are considered completed and are transferred to completed investment properties when they are ready for their intended use.

2.10 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 determined after netting off interest income earned from progress billings received and placed on fixed deposits.

2.11 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. Intangible assets with indefinite useful lives are subjected to impairment test annually or more frequently if events or changes in circumstances indicate that the carrying value might be impaired.

Internally generated goodwill and internally generated intangible assets 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 are 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

2. ACCOUNTING POLICIES (cont'd)

2.11 Intangible Assets (cont'd)

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.

b) Goodwill on acquisition is identified as being the excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree, over the net fair value of the acquiree's identifiable assets and liabilities. In instances where the latter amount exceeds the former, the excess is recognised as a gain in the profit statement on the acquisition date.

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.

Internally generated goodwill is not capitalised.

c) Management contracts with finite useful lives are amortised on a straight line basis over an estimated useful life of 8 years. Management contracts with indefinite useful lives are not amortised.

d) Other intangible assets comprise licenses, web-content, software, customer relationships, and publishers and distributor relationships. The licenses are amortised based on the remaining lives of the licensing arrangements with the respective licensors. Customers, publishers and distributors relationships are amortised over the remaining useful lives.

2.12 Brands

Brands with finite lives are stated at cost less accumulated amortisation and accumulated impairment losses. They are assessed for impairment annually or whenever there is an indication of impairment. The useful life is also examined on an annual basis and an adjustment, where applicable, is made on a prospective basis. Amortisation is calculated to write off their cost over their estimated useful lives of up to 15 years on a straight-line method to the profit statement.

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 indefinite useful life is reviewed annually to determine whether it continues to be supportable. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

2. ACCOUNTING POLICIES (cont'd)

2.13 Properties Held For Sale

(a) Development Properties Held for Sale

Development properties held for sale are stated at cost less allowance for foreseeable losses. The cost includes cost of land and construction, related overhead expenditure and financing charges incurred during the period of construction and up to the completion of construction.

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.

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

Revenue on development properties held for sale 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 when risks and rewards of the title have passed to the purchaser and there is no uncertainty over the collection of the sales proceeds.

2.14 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

2. ACCOUNTING POLICIES (cont'd)

2.14 Inventories (cont'd)

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

2.15 Trade and Other Receivables

Trade and other receivables 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.

2.16 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in bank, deposits with financial institutions and bank overdrafts that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included in bank borrowings on the balance sheet.

2.17 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.

2.18 Employee Benefits

(a) Retirement Benefits

Provision for retirement benefits is made in accordance with:

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

(ii) pension and retirement benefit schemes, or

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

Retirement Benefits in accordance with agreements

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

Pension and Retirement Benefit Schemes

The cost of providing benefits under the defined benefits plans are determined by using accrued or projected benefit valuation methods as appropriate. Actuarial gains and losses are recognised as income or expenses when the cumulative unrecognised actuarial gains or losses for each plan exceeds the greater of 10% of present value of the obligation and 10% of the fair value of plan assets. These gains or losses are recognised over the average remaining working lives of the employees participating in the plans.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

2. ACCOUNTING POLICIES (cont'd)

2.18 Employee Benefits (cont'd)

(a) Retirement Benefits (cont'd)

Defined contribution plans under statutory regulations

Obligations for contributions to defined contribution plans are recognised as an expense in the profit statement as incurred.

(b) Equity Compensation Plans

Employees of the Group receive remuneration in the form of share options and share awards as consideration for services rendered.

(i) Equity-settled transactions

The fair value of the employee services received in exchange for the grant of the options or awards is recognised as an expense in the profit statement with a corresponding increase in the employee share-based payment 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 or awards 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-based payment 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.

2.19 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

2. ACCOUNTING POLICIES (cont'd)

2.19 Functional and Foreign Currencies (cont'd)

(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 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 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 recognised in other comprehensive income under 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.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit statement.

2.20 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 for the year.

2.21 Government Grants

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

2. ACCOUNTING POLICIES (cont'd)

2.22 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. Contingent rents, if any, are recorded as income in the periods in which they are earned.

(c) Other long term asset

Other long term asset relates to the unguaranteed residual value which is the portion of the residual value of the leased asset, the realisation of which by the lessor is not assured or is guaranteed solely by a party related to the lessor. Estimated unguaranteed residual values used in computing the lessor's gross investment in a lease are reviewed regularly. If there has been a reduction in the estimated unguaranteed residual value, the income allocation over the lease term is revised and any reduction in respect of amounts accrued is recognised immediately.

2.23 Impairment of Non-Financial Assets

The carrying amounts of the Group's assets are reviewed at each reporting date or when annual impairment testing is required, to determine whether there is any indication of impairment. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised whenever the carrying amount of an asset or CGU exceeds its recoverable amount.

Reversal of impairment losses previously recognised is recorded when the decrease in impairment loss can be objectively related to an event occurring after the write down. The carrying amount is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss is recognised in the profit statement. Impairment loss on goodwill is not reversed in a subsequent period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

2. ACCOUNTING POLICIES (cont'd)

2.24 Financial Assets

(a) Classification

The classification of financial assets is determined at initial recognition. 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 designation of financial assets at fair value through profit or loss is irrevocable. The accounting policy for derivative financial instruments is included in Note 2.25.

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

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

(b) Recognition and derecognition

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

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

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

(c) Initial measurement

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

(d) Subsequent measurement

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

2. ACCOUNTING POLICIES (cont'd)

2.24 Financial Assets (cont'd)

(e) Determination of Fair Value

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

(f) Impairment

(i) Assets carried at amortised cost

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

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

(ii) Assets carried at cost

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

(iii) Available-for-sale financial assets

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

2.25 Derivative Financial Instruments

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

2. ACCOUNTING POLICIES (cont'd)

2.25 Derivative Financial Instruments (cont'd)

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

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

(a) Cash flow hedges

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

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

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

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

(b) Fair value hedges

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

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

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the profit statement.

2.26 Significant Accounting Estimates and Judgements

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

(a) Key sources of estimation uncertainty

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

2. ACCOUNTING POLICIES (cont'd)

2.26 Significant Accounting Estimates and Judgements (cont'd)

(a) Key sources of estimation uncertainty (cont'd)

(i) Impairment of non-financial and financial assets

Development/completed properties held for sale

The Group assesses whether there are any indicators of impairment for non-financial assets at each reporting date. In particular, allowance for foreseeable losses/impairment is made for development/completed properties held for sale when the net realisable value has fallen below cost. In arriving at estimates of net realisable values, management considered factors such as current market conditions, recent selling prices of the development properties and comparable development properties. The allowance for foreseeable losses has been disclosed in Note 23. The carrying amounts of the properties held for sale at balance sheet date is disclosed in the balance sheet.

Goodwill, brands and management contracts

Goodwill, brands and management contracts are tested for impairment at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill, brands and management contracts are allocated. Estimating the value in cash requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the goodwill, brands and management contracts at balance sheet date is disclosed in Note 17 and Note 22.

Investment in joint venture and associated companies

The Group assesses at each reporting date whether there is any objective evidence that investment in joint venture and associated companies are impaired. Where there is objective evidence of impairment, the recoverable amount is estimated based on 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 which reflects the risk profile of the investee and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect recoverable amount of investee. The carrying amount of the investment in joint venture and associated companies at balance sheet date have been disclosed in the balance sheet.

Investment in available-for-sale financial assets

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

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

Loans and receivables

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

2. ACCOUNTING POLICIES (cont'd)

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

(iii) Revenue recognition

The Group recognises revenue and cost of sales from partly completed development properties held for sale based on the percentage of completion method. The stage of completion is measured in accordance with the accounting policy stated in Note 2.13. Estimates are required in determining the total estimated development costs which will affect the stage of completion. In making the assumption, the Group relies on past experience and the work of specialists. Revenue from development properties held for sale is $1,831,418,000 (2010: $1,619,675,000) as disclosed in Note 3.

(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. The carrying amount of the fixed assets at balance sheet date is disclosed in the balance sheet.

(v) Valuation of Completed Investment Properties

The Group's completed 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 completed investment properties could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates require an assessment of factors not within the directors' control, such as overall market conditions. As a result, actual results of operations and realisation of these completed investment properties could differ from the estimates set forth in these financial statements, and the differences could be significant. The carrying amount of the investment properties at balance sheet date is disclosed in the balance sheet.

(vi) Valuation of Investment Properties Under Construction

The Group's investment properties under construction are stated at fair value if it can be reliably determined. If fair value cannot be reliably determined, then investment properties under construction is determined using either the Discounted Cash Flow Method or the Residual Method. However, using either method to value investment properties under construction also requires considering the significant risks which are relevant to the development process, including but not limited to construction and letting risks.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

2. ACCOUNTING POLICIES (cont'd)

2.26 Significant Accounting Estimates and Judgements (cont'd)

(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.

2.27 Discontinued Operations and 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. 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. This condition is regarded as met only when the sale is highly probable and the asset or component is available for immediate sale in its present condition.

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 not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in the profit statement.

Any impairment loss on initial classification and subsequent measurement is recognised as expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in the profit statement.

In the profit statement of the current reporting period, and of the comparative period, all income and expenses from discontinued operations are reported separate from income and expenses from continuing activities.

3. REVENUE

	THE GROUP	
	2011 ($'000)	2010 ($'000)
Sale of properties	**1,831,418**	1,619,675
Sale of goods	**3,909,033**	3,562,593
Sale of services	**243,795**	229,407
Gross rental income	**266,954**	252,428
Others	**23,089**	32,674
Total revenue	**6,274,289**	5,696,777

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS

		THE GROUP	
		2011 ($'000)	2010 ($'000)
(a)	**Included in Other Income (net):**		
	Gain on disposal of property	**14,777**	-
	Gain/(Loss) on disposal of derivatives	**1,891**	(3,840)
	Fair value gain/(loss) on derivatives	**2,727**	(6,988)
	Exchange gain	**16,613**	4,595
	Sale of non-stock/scrap items	**1,885**	1,503
	Loss on disposal of fixed assets	**(3,100)**	(1,936)
	Provision for litigation claims	**(4,760)**	-
	Job credit allowance	**-**	2,473
	Provision written back on receipt of land premium rebate	**-**	12,410
(b)	**Share of joint venture companies' profits comprise of:**		
	Share of joint venture companies' profits	**17,342**	15,279
	Share of fair value adjustment of investment properties of a joint venture company	**719**	3,875
		18,061	19,154
	Share of associated companies' profits comprise of:		
	Share of associated companies' profits	**51,937**	47,600
	Share of exceptional items of an associated company	**4,066**	-
	Share of fair value adjustment of investment properties of associated companies	**54,491**	12,228
		110,494	59,828
(c)	**Net Finance Cost:**		
	Finance income		
	Interest income from bank and other deposits	**15,457**	20,531
	Interest rate swap contracts	**81**	1,330
	Others	**2,166**	6,304
		17,704	28,165
	Finance cost		
	Interest expense from bank and other borrowings	**(52,501)**	(87,045)
	Interest rate swap contracts	**(337)**	(3,276)
	Foreign exchange contracts	**(18,303)**	-
	Others	**(421)**	(177)
		(71,562)	(90,498)
		(53,858)	(62,333)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

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

	THE GROUP 2011 ($'000)	THE GROUP 2010 ($'000)
(d) Profit before taxation and exceptional items have been arrived at after charging:		
Depreciation of fixed assets	**119,615**	115,245
Impairment of fixed assets	**3,614**	5,196
Impairment of investment in an associated company	**-**	9,000
Impairment of intangible assets	**1,307**	300
Allowance for foreseeable losses on properties held for sale	**12,034**	15,480
Amortisation of brands	**6**	49
Amortisation of intangible assets	**21,217**	22,017
Intangible assets written off	**952**	1,048
Fixed assets written off	**31**	-
Allowance for doubtful trade debts and bad debts	**4,101**	3,932
Allowance for inventory obsolescence	**12,980**	10,141
Provision for employee benefits	**2,237**	7,584
Directors of the Company:		
Fee	**2,144**	1,996
Remuneration of members of Board committees	**375**	348
Resigned/Retired Directors of the Company:		
Fee	**-**	134
Remuneration of members of Board committees	**-**	18
Key executive officers:		
Remuneration	**9,526**	8,647
Provident Fund contribution	**41**	186
Employee share-based expense	**3,824**	2,797
Staff costs (exclude directors and key executives)	**411,156**	376,085
Defined contribution plans (exclude directors and key executives)	**23,550**	20,612
Employee share-based expense (exclude directors and key executives)	**37,872**	14,335
Auditors' remuneration:		
Auditor of the Company	**966**	1,000
Member firms of the Auditor of the Company	**1,315**	1,232
Other auditors	**1,290**	861
Professional fees paid to:		
Auditor of the Company	**481**	204
Member firms of the Auditor of the Company	**1,008**	711
Other auditors	**495**	664
and crediting:		
Write back of provision for employee benefits	**2,907**	2
Write back of allowance for doubtful trade debts and bad debts	**1,610**	2,091
Write back of allowance for inventory obsolescence	**2,369**	9,407
Amortisation of deferred income	**8,005**	4,440
Reversal of impairment of fixed assets	**2,213**	1,351

5. SEGMENT INFORMATION

The Group's operating businesses are organised and managed separately according to the nature of activities. The Group's operating segments are namely soft drinks, dairies, breweries, printing and publishing, commercial property, development property and others. The Group operates in six main geographical areas, namely Singapore, Malaysia, Other Asean, North/ South Asia, Oceania and Europe and USA.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

5. SEGMENT INFORMATION (cont'd)

Year ended 30 September 2011

The following table presents financial information regarding operating segments:

Operating Segment	Soft Drinks ($'000)	Dairies ($'000)	Breweries ($'000)	Printing & Publishing ($'000)	Commercial Property ($'000)	Development Property ($'000)	Others ($'000)	Elimination ($'000)	Group ($'000)
Revenue - external	758,621	1,066,832	1,863,611	397,058	261,488	1,866,938	59,741	-	6,274,289
Revenue - inter-segment	-	1,602	-	346	4,809	-	251,122	(257,879)	-
Total revenue	**758,621**	**1,068,434**	**1,863,611**	**397,404**	**266,297**	**1,866,938**	**310,863**	**(257,879)**	**6,274,289**
Subsidiary companies	112,876	39,773	354,987	21,317	115,262	405,282	32,775	-	1,082,272
Joint venture and associated companies	-	(2,351)	16,804	5,870	45,707	2,488	761	-	69,279
PBIT	**112,876**	**37,422**	**371,791**	**27,187**	**160,969**	**407,770**	**33,536**	**-**	**1,151,551**
Finance income									17,704
Finance cost									(71,562)
Profit before taxation and exceptional items									**1,097,693**
Fair value adjustment of investment properties									140,057
Exceptional items									175,129
Profit before taxation									**1,412,879**
Taxation									(298,527)
Profit after taxation									**1,114,352**
Non-controlling interests									(238,920)
Attributable profit									**875,432**
Assets	324,009	548,313	1,351,176	452,729	2,668,059	4,748,801	622,843	-	10,715,930
Investments in associated and joint venture companies	-	19,222	60,101	232,414	1,063,734	41,010	25,820	-	1,442,301
Tax assets									14,649
Bank deposits & cash balances									1,599,607
Total assets									**13,772,487**
Liabilities	148,040	168,401	381,012	98,791	83,290	472,725	241,868	-	1,594,127
Tax liabilities									493,890
Borrowings									3,963,446
Total liabilities									**6,051,463**
Other segment information:									
Capital expenditure	44,474	92,884	109,220	19,490	93,060	2,880	2,564	-	364,572
Depreciation and amortisation	15,544	24,047	51,213	38,755	5,542	101	5,636	-	140,838
Impairment and foreseeable losses	62	100	3,452	1,307	-	12,034	-	-	16,955
Negative goodwill	-	-	-	-	(6,915)	-	-	-	(6,915)
Reversal of impairment losses	(636)	(1,207)	(370)	-	-	-	-	-	(2,213)
Attributable profit before fair value adjustment and exceptional items	50,341	13,575	138,470	20,738	112,295	283,555	1,578	-	620,552
Fair value adjustment of investment properties	-	-	-	2,864	110,061	-	-	-	112,925
Exceptional items	-	416	33,538	4,191	11,925	6,187	85,698	-	141,955
Attributable profit	50,341	13,991	172,008	27,793	234,281	289,742	87,276	-	875,432

The following information are based on the geographical location of the Group's customers, which are essentially in the same location as the business operation and are as follow:

Geographical Information	Singapore ($'000)	Malaysia ($'000)	Other ASEAN ($'000)	North/South Asia ($'000)	Oceania ($'000)	Europe & USA ($'000)	Group ($'000)
Total revenue	2,200,069	1,229,408	1,371,917	466,856	959,157	46,882	6,274,289
PBIT	470,422	167,402	284,651	69,252	168,789	(8,965)	1,151,551
Non current assets	2,270,521	384,082	1,070,221	597,953	361,743	133,080	4,817,600
Investments in associated and joint venture companies	1,021,035	53,164	63,616	180,588	78,350	45,548	1,442,301
Current assets	2,685,910	320,937	298,110	973,442	1,340,142	279,789	5,898,330
Capital expenditure	35,929	126,466	102,413	34,957	61,313	3,494	364,572

Other ASEAN: Myanmar, Thailand, Cambodia, Vietnam, Philippines, Laos and Indonesia
North/South Asia: China, Taiwan, Japan, Korea, Mongolia, Sri Lanka and India
Oceania: Australia, New Zealand, Papua New Guinea, New Caledonia and Solomon Islands

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

5. SEGMENT INFORMATION (cont'd)

Year ended 30 September 2010

The following table presents financial information regarding operating segments:

Operating Segment	Soft Drinks ($'000)	Dairies ($'000)	Breweries ($'000)	Printing & Publishing ($'000)	Commercial Property ($'000)	Development Property ($'000)	Others ($'000)	Elimination ($'000)	Total for Continuing Operations ($'000)
Revenue - external	669,494	1,018,788	1,621,085	410,466	285,920	1,629,089	61,935	-	5,696,777
Revenue - inter-segment	-	136	-	299	4,905	-	225,166	(230,506)	-
Total revenue	**669,494**	**1,018,924**	**1,621,085**	**410,765**	**290,825**	**1,629,089**	**287,101**	**(230,506)**	**5,696,777**
Subsidiary companies	81,820	75,187	287,699	17,910	140,965	404,815	(283)	-	1,008,113
Joint venture and associated companies	-	(3,891)	15,749	10,643	37,738	2,640	-	-	62,879
PBIT	**81,820**	**71,296**	**303,448**	**28,553**	**178,703**	**407,455**	**(283)**	**-**	**1,070,992**
Finance income									28,165
Finance cost									(90,498)
Profit before taxation and exceptional items									**1,008,659**
Impairment on investments									(9,000)
Fair value adjustment of investment properties									129,411
Exceptional items									43,041
Profit before taxation									**1,172,111**
Taxation									(270,398)
Profit from continuing operations after taxation									**901,713**
Profit from discontinued operations after taxation									**159,802**
Profit after taxation									**1,061,515**
Non-controlling interests									(241,702)
Attributable profit									**819,813**
Assets	304,650	519,484	1,232,145	511,383	2,412,125	4,829,029	544,747	-	10,353,563
Investments in associated and joint venture companies	-	22,048	152,690	224,813	998,460	42,981	4,096	-	1,445,088
Tax assets									25,251
Bank deposits & cash balances									1,698,916
Total assets									**13,522,818**
Liabilities	166,136	168,301	331,595	123,982	52,829	431,151	253,465	-	1,527,459
Tax liabilities									472,159
Borrowings									4,574,741
Total liabilities									**6,574,359**
Other segment information:									
Capital expenditure	34,859	41,554	90,653	24,864	12,064	9,943	2,648	-	216,585
Depreciation and amortisation	14,285	22,786	48,953	41,232	3,483	104	6,468	-	137,311
Impairment and foreseeable losses	980	10,133	3,085	299	-	15,478	-	-	29,975
Negative goodwill	-	-	-	-	(6,980)	-	-	-	(6,980)
Reversal of impairment losses	(862)	(399)	(90)	-	-	-	-	-	(1,351)
Attributable profit from continuing operations before fair value adjustment and exceptional items	35,949	22,449	121,441	19,084	98,715	305,699	(18,866)	-	584,471
Fair value adjustment of investment properties	-	-	-	340	99,600	-	-	-	99,940
Exceptional items	-	1,337	(102)	(8,895)	47,119	7,480	(2,977)	-	43,962
Attributable profit from continuing operations	35,949	23,786	121,339	10,529	245,434	313,179	(21,843)	-	728,373
Attributable profit from discontinued operations									91,440
Total Attributable profit									819,813

The following information are based on the geographical location of the Group's customers, which are essentially in the same location as the business operation and are as follow:

Geographical Information	Singapore ($'000)	Malaysia ($'000)	Other ASEAN ($'000)	North/South Asia ($'000)	Oceania ($'000)	Europe & USA ($'000)	Total for Continuing Operations ($'000)
Total revenue	2,051,131	1,183,166	1,172,716	589,617	630,458	69,689	5,696,777
PBIT	491,422	146,582	242,250	108,990	95,466	(13,718)	1,070,992
Non current assets	1,925,187	320,722	955,782	628,567	351,873	137,692	4,319,823
Investments in associated and joint venture companies	956,279	30,946	64,347	265,658	81,626	46,232	1,445,088
Current assets	3,078,848	361,636	298,546	790,947	1,202,301	301,462	6,033,740
Capital expenditure	28,809	57,488	63,389	30,237	32,282	4,380	216,585

Other ASEAN: Myanmar, Thailand, Cambodia, Vietnam, Philippines, Laos and Indonesia
North/South Asia: China, Taiwan, Japan, Korea, Mongolia, Sri Lanka and India
Oceania: Australia, New Zealand, Papua New Guinea and New Caledonia

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

	THE GROUP 2011 ($'000)	THE GROUP 2010 ($'000)
6. GROSS INCOME FROM INVESTMENTS		
Interest income	**2,627**	2,767
Dividend income	**8,922**	16,015
	11,549	18,782
7. EXCEPTIONAL ITEMS		
Gain on corporate and debt restructuring of subsidiary companies	**102,875**	-
Gain on disposal of subsidiary and associated companies	**44,290**	3,350
Write back of impairment in value of investments	**7,819**	301
Negative goodwill on change in interest in an associated company	**6,915**	6,980
Write back of provisions for termination of contract upon disposal of business	**6,722**	-
Share of exceptional items of an associated company	**4,066**	-
Profit on disposal of properties	**3,987**	696
Gain on dilution of interest in an associated company and dilution of a subsidiary company to an associated company	**1,006**	40,139
Write back of impairment of assets held for sale	**495**	-
Provision for restructuring and re-organisation costs of operations	**(2,987)**	(8,286)
Provision for professional fee	**(59)**	(139)
	175,129	43,041
8. TAXATION		
Based on profit for the year:		
Singapore tax	**74,980**	98,691
Overseas tax		
- current year	**180,004**	137,068
- withholding tax	**19,015**	11,288
Deferred tax		
- current year	**49,885**	31,589
- adjustment of tax rate	**(621)**	-
	323,263	278,636
(Over)/Under provision in preceding years		
- current income tax	**(12,474)**	(14,444)
- deferred tax	**(12,262)**	6,206
	298,527	270,398

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

8. TAXATION (cont'd)

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

	THE GROUP	
	2011	2010
	%	%
Singapore statutory rate	**17.0**	17.0
Effect of different tax rates of other countries	**5.2**	4.1
Effect of tax losses of subsidiary and joint venture companies not available for set-off against profits of other companies within the group	**1.0**	0.8
Income not subject to tax (tax incentive/exemption)	**(6.0)**	(3.0)
Expenses not deductible for tax purposes	**4.5**	3.7
Utilisation of previously unrecognised tax losses in determining taxable profit	**(0.2)**	(0.3)
Over provision in prior years	**(1.8)**	(0.7)
Tax effect of fair value adjustments	**(0.9)**	(0.3)
Withholding tax	**1.3**	1.2
Other reconciliation items	**1.0**	0.6
	21.1	23.1

As at 30 September 2011, certain Singapore subsidiary companies have unutilised tax losses carried forward of approximately $35,025,000 (2010: $34,597,000), unutilised investment allowances of $NIL (2010: $672,000) and unabsorbed capital allowances of $578,000 (2010: $342,000) available for set off against future profits. In addition, certain overseas subsidiary companies have unutilised tax losses carried forward of approximately $320,739,000 (2010: $312,504,000), unutilised investment allowances of approximately $38,397,000 (2010: $28,128,000) and unabsorbed capital allowances of $20,822,000 (2010: $20,066,000). 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 32.

For the year of assessment ("YA") 2011 certain subsidiary companies have transferred loss items of $6,925,000 (YA 2010: $16,071,000) to offset against the taxable income of other companies in the Group. Tax benefits of $160,000 (YA 2010: $NIL) were recognised on the tax losses utilised under the group relief systems. Tax benefits of $2,980,000 (YA 2010: $4,668,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

9. DIVIDENDS

	THE GROUP & THE COMPANY	
	2011 ($'000)	2010 ($'000)
Interim paid of 6.0 cents per share (2010: 5.0 cents per share)	**85,145**	70,307
Final proposed of 12.0 cents per share (2010: 12.0 cents per share)	**169,382**	168,236
	254,527	238,543

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.

10. 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					
	Continuing Operations		Discontinued Operations		Total	
	2011 ($'000)	2010 ($'000)	**2011 ($'000)**	2010 ($'000)	**2011 ($'000)**	2010 ($'000)
Group attributable profit to shareholders of the Company						
- before fair value adjustment and exceptional items	**620,552**	584,471	**-**	(1,855)	**620,552**	582,616
- after fair value adjustment and exceptional items	**875,432**	728,373	**-**	91,440	**875,432**	819,813
	— No. of shares —					
Weighted average number of ordinary shares in issue	**1,407,551,828**	1,397,645,606	**-**	1,397,645,606	**1,407,551,828**	1,397,645,606
Earnings Per Share (Basic)						
- before fair value adjustment and exceptional items	**44.1 cts**	41.8 cts	**- cts**	(0.1) cts	**44.1 cts**	41.7 cts
- after fair value adjustment and exceptional items	**62.2 cts**	52.1 cts	**- cts**	6.5 cts	**62.2 cts**	58.6 cts

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

10. EARNINGS PER SHARE (cont'd)

(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					
	Continuing Operations		Discontinued Operations		Total	
	2011 ($'000)	2010 ($'000)	**2011 ($'000)**	2010 ($'000)	**2011 ($'000)**	2010 ($'000)
Group attributable profit to shareholders of the Company before fair value adjustment and exceptional items	**620,552**	584,471	**-**	(1,855)	**620,552**	582,616
Change in attributable profit due to dilutive share options	**(424)**	(372)	**-**	(5)	**(424)**	(377)
Group adjusted attributable profit to shareholders of the Company before fair value adjustment and exceptional items	**620,128**	584,099	**-**	(1,860)	**620,128**	582,239
Group attributable profit to shareholders of the Company after fair value adjustment and exceptional items	**875,432**	728,373	**-**	91,440	**875,432**	819,813
Change in attributable profit due to dilutive share options	**(465)**	(372)	**-**	(360)	**(465)**	(732)
Group adjusted attributable profit to shareholders of the Company after fair value adjustment and exceptional items	**874,967**	728,001	**-**	91,080	**874,967**	819,081

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

10. 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					
	Continuing Operations		Discontinued Operations		Total	
	2011	2010	**2011**	2010	**2011**	2010
	— No. of shares —					
Weighted average number of ordinary shares used to compute basic earnings per share	**1,407,551,828**	1,397,645,606	**-**	1,397,645,606	**1,407,551,828**	1,397,645,606
Effect of dilutive share options	**14,612,630**	7,814,066	**-**	7,814,066	**14,612,630**	7,814,066
Weighted average number of ordinary shares used to compute diluted earnings per share	**1,422,164,458**	1,405,459,672	**-**	1,405,459,672	**1,422,164,458**	1,405,459,672
Earnings Per Share (Fully diluted)						
- before fair value adjustment and exceptional items	**43.6 cts**	41.6 cts	**- cts**	(0.1) cts	**43.6 cts**	41.5 cts
- after fair value adjustment and exceptional items	**61.5 cts**	51.8 cts	**- cts**	6.5 cts	**61.5 cts**	58.3 cts

No share options (2010: 10,127,766) granted to employees under share option plans have been excluded in the computation of diluted earnings per share because no options were anti-dilutive for the current financial year.

11. SHARE CAPITAL AND RESERVES

	THE GROUP & THE COMPANY			
	2011		2010	
	No. of shares	**($'000)**	No. of shares	($'000)
SHARE CAPITAL				
Ordinary shares issued and fully paid up				
Balance at beginning of year	**1,401,963,196**	**1,374,502**	1,393,520,235	1,341,707
Issued during the year				
- pursuant to the exercise of Executives' Share Options	**9,551,381**	**42,902**	8,442,961	32,795
Balance at end of year	**1,411,514,577**	**1,417,404**	1,401,963,196	1,374,502

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

11. SHARE CAPITAL AND RESERVES (cont'd)

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

The Company has the following employee share option plan and share plans under which options to subscribe for the Company's ordinary shares and share awards conditional on the achievement of pre-determined targets has been granted respectively.

(i) Fraser & Neave Limited Executives' Share Option Scheme (1999)
(ii) Fraser & Neave Limited Restricted Share Plan
(iii) Fraser & Neave Limited Performance Share Plan

During the year, the consideration received following the exercise of Executives' Share Options was $42,902,000 (2010: $32,795,000).

	THE GROUP		THE COMPANY	
	2011 ($'000)	2010 ($'000)	**2011 ($'000)**	2010 ($'000)
RESERVES				
The reserves comprise the following:				
Capital Reserve	**267,906**	269,709	**1,039,274**	1,039,274
Fair Value Adjustment Reserve	**202,303**	138,609	**1,717**	2,034
Hedging Reserve	**(23,273)**	(16,169)	**-**	-
Share-based Payment Reserve	**41,966**	38,414	**39,091**	34,803
Revenue Reserve	**4,965,458**	4,341,213	**1,506,196**	1,331,928
Dividend Reserve (Note 9)	**169,382**	168,236	**169,382**	168,236
Exchange Reserve	**(158,936)**	(171,716)	**-**	-
Total reserves	**5,464,806**	4,768,296	**2,755,660**	2,576,275

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

Fair value adjustment reserve comprises the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed off or impaired.

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

Employee share-based payment reserve represents the equity-settled options and share plans 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 and share plans, and is reduced by the expiry or exercise of the 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 12.0 cents (2010: 12.0 cents) per share.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

12. FIXED ASSETS

THE GROUP

	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 2011							
At cost							
Balance at beginning of year	54,529	80,209	436,026	1,098,173	102,451	395,116	2,166,504
Currency realignment	(1,656)	(1,610)	(4,226)	(7,805)	(220)	(8,071)	(23,588)
Additions	13	5,054	16,299	42,962	155,580	51,543	271,451
Acquisition of subsidiary companies	572	171	308	3,167	-	349	4,567
Acquisition of joint venture companies	-	689	1,075	4,263	146	345	6,518
Disposal of subsidiary companies	-	-	-	-	-	(1,176)	(1,176)
Disposals	-	(17)	(2,026)	(14,612)	-	(30,332)	(46,987)
Write off for the year	-	-	-	-	-	(461)	(461)
Reclassification	-	-	8,062	61,142	(83,600)	14,396	-
Reclassified to assets held for sale	-	(8,037)	(15,258)	(58,523)	(6)	(4,105)	(85,929)
Reclassification to investment properties and properties held for sale	-	(15,140)	-	-	-	(14,629)	(29,769)
Balance at end of year	53,458	61,319	440,260	1,128,767	174,351	402,975	2,261,130
Accumulated depreciation and impairment							
Balance at beginning of year	991	21,275	134,161	655,279	-	250,582	1,062,288
Currency realignment	(43)	(327)	(441)	(4,972)	-	(4,528)	(10,311)
Depreciation charge for the year	-	1,455	12,640	61,934	-	43,586	119,615
Impairment charge for the year	-	-	2	3,429	-	183	3,614
Impairment reversal for the year	-	-	(598)	(1,515)	-	(100)	(2,213)
Disposal of subsidiary companies	-	-	-	-	-	(948)	(948)
Disposals	-	(17)	(980)	(12,110)	-	(27,839)	(40,946)
Write off for the year	-	-	-	-	-	(430)	(430)
Reclassification	-	-	-	(6,035)	-	6,035	-
Reclassified to assets held for sale	-	(2,766)	(8,713)	(35,277)	-	(3,323)	(50,079)
Reclassification to investment properties and properties held for sale	-	(3,752)	-	-	-	(2,756)	(6,508)
Balance at end of year	948	15,868	136,071	660,733	-	260,462	1,074,082
Net book value at end of year	52,510	45,451	304,189	468,034	174,351	142,513	1,187,048

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

12. FIXED ASSETS (cont'd)

THE GROUP

	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 2010							
At cost							
Balance at beginning of year	59,310	89,861	396,988	1,341,881	145,019	378,073	2,411,132
Currency realignment	1,424	(1,291)	(8,833)	(23,884)	(2,404)	(417)	(35,405)
Acquisition of business assets	-	-	-	-	-	82	82
Additions	18	-	902	14,310	114,364	48,424	178,018
Acquisition of joint venture companies	1,468	728	20,311	24,872	2,716	3,285	53,380
Disposal of subsidiary companies	(6,620)	(2,859)	(24,338)	(261,740)	(10,010)	(6,127)	(311,694)
Disposal of joint venture companies	(1,055)	(137)	(5,633)	(16,826)	(481)	(435)	(24,567)
Disposals	(16)	-	(267)	(28,430)	-	(35,362)	(64,075)
Reclassification	-	7,758	56,896	73,038	(146,753)	9,061	-
Reclassified to assets held for sale	-	(12,570)	-	(25,048)	-	(1,468)	(39,086)
Reclassification to debtors	-	(1,281)	-	-	-	-	(1,281)
Balance at end of year	54,529	80,209	436,026	1,098,173	102,451	395,116	2,166,504
Accumulated depreciation and impairment							
Balance at beginning of year	950	24,586	135,200	764,378	-	246,297	1,171,411
Currency realignment	41	(724)	(3,153)	(11,057)	-	346	(14,547)
Depreciation charge for the year							
- Continuing operations	-	1,648	12,442	59,674	-	41,481	115,245
- Discontinued operations	-	-	451	13,885	-	270	14,606
Impairment charge for the year							
- Continuing operations	-	-	468	3,805	-	923	5,196
- Discontinued operations	-	-	-	64	-	-	64
Impairment reversal for the year	-	-	-	(1,059)	-	(292)	(1,351)
Disposal of subsidiary companies	-	(2,860)	(9,007)	(129,338)	-	(5,349)	(146,554)
Disposal of joint venture companies	-	-	(698)	(3,477)	-	(209)	(4,384)
Disposals	-	-	(237)	(24,517)	-	(31,486)	(56,240)
Reclassification	-	-	1,500	(1,304)	-	(196)	-
Reclassified to assets held for sale	-	(1,375)	(2,805)	(15,775)	-	(1,203)	(21,158)
Balance at end of year	991	21,275	134,161	655,279	-	250,582	1,062,288
Net book value at end of year	53,538	58,934	301,865	442,894	102,451	144,534	1,104,216

(a) Other assets comprise motor vehicles, postmix and vending machines, beer coolers, fixture and fittings and computer equipment.

(b) The carrying amount of assets held under finance leases at 30 September 2011 amounted to $878,000 (2010: $1,099,000).

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

	2011 ($'000)	2010 ($'000)
Plant and machinery	**12,927**	14,593
Building	**1,033**	783
Freehold and leasehold land	**33**	35
Other fixed assets	**500**	159

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

13. INVESTMENT PROPERTIES

		THE GROUP	
		2011 ($'000)	2010 ($'000)
(a)	Completed Investment Properties		
	Balance at beginning of year	**2,090,869**	3,403,233
	Currency realignment	**7,148**	(36,368)
	Additions	**77,322**	8,592
	Disposals	**(54,081)**	(297,101)
	Net fair value gain recognised in the profit statement	**84,700**	112,513
	Transfer from fixed assets	**8,677**	-
	Dilution of interest in a subsidiary company to an associated company	**-**	(1,100,000)
	Balance at end of year	**2,214,635**	2,090,869
(b)	Investment Properties under Construction		
	Balance at beginning of year	**48,157**	-
	Currency realignment	**(794)**	-
	Additions	**228,813**	-
	Transfer (to)/from properties held for development	**(14,937)**	43,488
	Fair value gain recognised in the profit statement	**866**	4,669
	Balance at end of year	**262,105**	48,157
	Total Investment Properties	**2,476,740**	2,139,026

(c) Completed investment properties comprise serviced residences and commercial properties that are leased mainly to third parties under operating leases (Note 34).

The following amounts are recognised in the income statement:

	2011	2010
Rental income from investment properties:		
- Minimum lease payments	**264,560**	249,750
- Contingent rent based on tenants' turnover	**2,394**	2,678
Direct operating expenses arising from rental generating properties	**73,560**	66,087

Investment properties are carried at fair values at the balance sheet date as determined annually by accredited 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

13. INVESTMENT PROPERTIES (cont'd)

(c) Independent professional valuations were carried out by the following valuers:

Valuers	Country	Valuation Date
DTZ Debenham Tie Leung (SEA) Pte Ltd	Singapore	September 2011
DTZ Debenham Tie Leung Limited	Hong Kong	September 2011
Knight Frank Pty Limited	United Kingdom	September 2011
CB Richard Ellis Pty Limited	Australia	September 2011
DTZ Debenham Tie Leung Limited	China	September 2011
Asian Appraisal Company, Inc.	Philippines	September 2011
DTZ Debenham Tie Leung (Vietnam) Co. Limited	Vietnam	September 2011
CB Richard Ellis Hotels Limited	United Kingdom	September 2011
Savills Commercial Limited	United Kingdom	September 2011
KJPP Rengganis, Hamid & Rekan	Indonesia	September 2011
CB Richard Ellis Limited	Hong Kong	September 2011
Associated Property Consultants	Singapore	September 2011
CB Richard Ellis (Pte) Ltd	Singapore	September 2011

Completed investment properties amounting to $107,771,000 (2010: $113,610,000) are secured for credit facilities with banks.

(d) Investment properties under construction are stated at fair value which has been determined based on valuation performed as at 30 September 2011. The fair value of the investment properties under construction has been determined on a market value basis in accordance with International Valuation Standards, as set out by the International Valuation Standards Council. The valuation is prepared on an ungeared basis. The fair value of investment properties under construction is determined primarily using the Residual Method. In arriving at their estimates of market value, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

The valuations were performed by the following independent valuers with recognised and relevant professional qualification and with recent experience in the location and category of investment properties being valued.

Valuers	Country	Valuation Date
CKS Property Consultants Pte Ltd	Singapore	September 2011
Knight Frank Pte Ltd	Singapore	September 2011

Investment properties under construction amounting to $218,165,000 (2010: $NIL) has been mortgaged to the bank as securites for bank facilities.

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FOR THE YEAR ENDED 30 SEPTEMBER 2011

14. SUBSIDIARY COMPANIES

	THE COMPANY	
	2011 ($'000)	2010 ($'000)
Quoted shares at cost	**256,353**	256,844
Unquoted shares at cost	**3,085,943**	2,920,943
Impairment loss	**(26,643)**	-
	3,315,653	3,177,787
Amounts owing by subsidiary companies (unsecured)	**465,453**	435,377
Amounts owing to subsidiary companies (unsecured)	**(104,698)**	(104,494)
	3,676,408	3,508,670
MARKET VALUE		
Quoted shares	**1,366,409**	1,253,496

During the financial year, an impairment loss of $26,643,000 (2010: $NIL) was recognised on the cost of investment of a subsidiary company to bring its carrying value to its recoverable value.

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 $464,433,000 (2010: $434,365,000) which bear interest at an average rate of 0.31% (2010: 0.43%) 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.

Details of subsidiary companies are included in Note 42.

(a) **During the financial year, the Group acquired interest in the following subsidiary companies:**

Dairies

The Group's wholly-owned subsidiary company, F&N Foods Pte Ltd acquired 100% of the issued capital of King's Creameries (S) Pte Ltd from National Foods (S) Pte Ltd. The consideration for the acquisition of $20.8 million was arrived at on a willing buyer and willing seller basis.

The fair value of the identifiable assets and liabilities were finalised during the year based on a purchase price allocation as follows:

	Fair Value at Date of Acquisition ($'000)
Fixed assets	4,567
Intangibles	3,144
Current assets	14,136
Cash and cash equivalents	5,143
Current liabilities	(7,961)
Deferred tax liabilities	(1,085)
Non-controlling interests	(607)
Net assets	17,337
Goodwill arising from acquisition	3,298
Consideration paid	20,635
Less: Cash and cash equivalents in subsidiary acquired	(5,143)
Net cash outflow on acquisition of subsidiary	15,492

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

14. SUBSIDIARY COMPANIES (cont'd)

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

Properties

On 8 September 2011, the Group through Frasers Centrepoint Limited's subsidiary company, Frasers Property (China) Limited ("FPCL"), disposed off the entire shareholdings of Shenyang Frasers Real Estate Development Co. Ltd, a wholly-owned subsidiary of FPCL. The net sales proceeds was deposited into a bank's entrusted account which is included in amount held in trust under "Other Receivables" (Note 25). The funds will be remitted to FPCL after the relevant clearances by local authorities are completed.

On 10 March 2011, the Group's subsidiary company, Fraser and Neave Holdings Berhad disposed of the entire shareholdings of Brampton Holdings Sdn Bhd, a wholly owned subsidiary of F&NHB, which carried out the development of Fraser Business Park Phase II project.

Printing and Publishing

During the year, the Group's subsidiary company, Times Publishing Limited, disposed the following subsidiary companies:

(i) Pacific Bookstores Pte Ltd
(ii) Shenyang Times Packaging Printing Co Ltd

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

(c) During the financial year, the Group acquired additional equity interest in the following subsidiary companies from various non-controlling interests:

Subsidiary Companies	Date of Acquisition	Additional Interest Acquired from Non-controlling Interests	Consideration Paid ($'000)	Group's Effective Interest after Acquisition
Frasers Property (Europe) Holdings Pte. Ltd.	23 December 2010	28.8%	776	80.0%
Frasers (St Giles Street, Edinburgh) Limited	23 December 2010	48.8%	- [1]	100.0%
Frasers Hospitality (UK) Limited	23 December 2010	48.8%	- [1]	100.0%
Fairdace Limited	23 December 2010 and 24 June 2011	65.9%	5,807	100.0%
F&N Ice Cream Manufacturing (Sarawak) Sdn Bhd	8 July 2011	33.6%	1,000	100.0%
			7,583	

[1] Acquisition of non-controlling interests of subsidiary companies of Frasers Property (Europe) Holdings Pte. Ltd.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

14. SUBSIDIARY COMPANIES (cont'd)

(c) **During the financial year, the Group acquired additional equity interest in the following subsidiary companies from various non-controlling interests:** (cont'd)

The differences between the consideration and the carrying values of the additional interests acquired has been recognised as revenue reserve within equity.

The following summarises the effect of the change in the Group's ownership in the above subsidiary companies on equity attributable to owners of the Company:-

	($'000)
Consideration paid for acquisition of non-controlling interests	7,583
Decrease in equity attributable to non-controlling interests	(1,886)
Decrease in equity attributable to owners of the Company	5,697

15. JOINT VENTURE COMPANIES

		THE COMPANY	
		2011 ($'000)	2010 ($'000)
(a)	Unquoted investment, at cost	**301,626**	301,626
	Quoted investment, at cost	**132,795**	132,795
		434,421	434,421
	MARKET VALUE		
	Quoted shares	**491,164**	322,567

Details of joint venture companies are included in Note 42.

(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	
	2011 ($'000)	2010 ($'000)
Revenue	**1,994,075**	1,667,498
Profit before taxation and exceptional items	**393,071**	289,476
Exceptional items	**38,787**	(531)
Taxation	**(120,662)**	(80,378)
Non-controlling interests	**(121,847)**	(96,264)

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

Non-current assets	**1,842,579**	1,046,856
Current assets	**974,038**	1,046,468
Current liabilities	**(1,016,132)**	(871,747)
Non-current liabilities	**(754,433)**	(337,471)
	1,046,052	884,106

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

15. JOINT VENTURE COMPANIES (cont'd)

(b) (iii) The share of the results, assets and liabilities as stated in paragraphs (i) and (ii) above is based on the accounts of the joint venture companies to 30 September 2011.

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

(v) The Group's and the Company's share of capital commitments of the joint venture companies as at 30 September 2011 is $81,441,000 (2010: $153,283,000).

(vi) The Group's and the Company's share of contingent liabilities of the joint venture companies as at 30 September 2011 is $267,000 (2010: $260,000).

(vii) On 13 July 2011, the Company had announced that its joint venture company, Asia Pacific Investment Pte Ltd ("APIPL") has reached an Agreement with a purchaser, China Resources Snow Breweries Limited, for the sale of all the issued shares ("Transaction Shares") of its joint venture company, Heineken-APB (China) Pte Ltd ("HAPBC"). As at 30 September 2011, HAPBC holds 100% of the registered capital of Shanghai Asia Pacific Brewery Company Limited ("SAPB") and 40% of the registered share capital of Jiangsu Dafuhao Brewery Co., Limited ("DFH").

Accordingly, the assets and liabilities of these joint venture companies have been reclassified to assets and liabilities held for sale (Note 28).

(viii) Acquisition of subsidiary company by joint venture company

On June 2011, a joint venture company, Asia Pacific Breweries Limited ("APBL"), completed the acquisition of a 97.69% equity stake in Solomon Breweries Limited ("SBL"), a company incorporated in the Solomon Islands.

A provisional goodwill was recognised on this acquisition based on the difference between the purchase consideration and the provisional fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition subject to completion of the Purchase Price Allocation exercise:

	Fair Value at Date of Acquisition ($'000)
Non-current assets	6,518
Current assets	2,270
Current liabilities	(1,391)
Cash and cash equivalents	1,893
	9,290
Less: Non-controlling interests	(201)
Net asset value as at acquisition	9,089
Goodwill arising from acquisition	4,398
Consideration paid	13,487
Less: Cash and cash equivalents	(1,893)
Net cash outflow on acquisition of subsidiary company by joint venture company	11,594

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

15. 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.

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

	THE GROUP	
	2011 ($'000)	2010 ($'000)
Investment in joint venture companies, at cost	**71,688**	73,477
Provision for impairment	**(4,539)**	(4,539)
Share of post acquisition reserves, net	**24,594**	20,899
Reclassification to held for sale	**(31,642)**	-
	60,101	89,837
Loans owing from joint venture companies (unsecured)	**-**	2
	60,101	89,839

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

	2011	2010
Revenue	**248,159**	249,629
Profit before taxation	**23,347**	20,587
Taxation	**(6,005)**	(5,308)
Profit after taxation	**17,342**	15,279

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

	2011	2010
Non-current assets	**41,012**	76,971
Current assets	**83,558**	91,812
Current liabilities	**(33,178)**	(46,476)
Non-current liabilities	**(31,291)**	(32,468)
	60,101	89,839

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

16. ASSOCIATED COMPANIES

	THE GROUP		THE COMPANY	
	2011 ($'000)	2010 ($'000)	**2011 ($'000)**	2010 ($'000)
Unquoted investments, at cost	**42,788**	40,139	**-**	-
Quoted investments, at cost	**1,242,430**	1,300,548	**93,783**	93,783
Acquisition of interests	**47,199**	18,526	**-**	-
Allowance for impairment	**(44,628)**	(63,713)	**(11,400)**	(11,400)
Share of post acquisition reserves, net	**76,388**	39,996	**-**	-
	1,364,177	1,335,496	**82,383**	82,383
Loans owing from associated companies (unsecured)	**18,023**	19,753	**-**	-
	1,382,200	1,355,249	**82,383**	82,383
MARKET VALUE				
Quoted shares	**1,011,385**	1,066,232	**32,647**	34,823

(a) The loans owing from associated companies are interest-free, non-trade in nature and are not repayable within one year. They are treated like quasi-equity loans. The fair value of the loans is not determinable as the timing of future cash flows arising from the repayment of the loans cannot be estimated reliably. Accordingly, the loans are recorded at transaction price.

(b) The amounts due from/to associated companies classified under current assets and current liabilities are unsecured, trade in nature, interest-free, to be settled in cash and are denominated mostly in Singapore Dollars and Chinese Renminbi.

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

	THE GROUP	
	2011 ($'000)	2010 ($'000)
Revenue	**3,039,920**	2,810,614
Profit before taxation	**246,398**	221,491
Taxation	**(10,154)**	(23,761)
Profit after taxation	**236,243**	197,729
Non-current assets	**4,957,823**	5,082,602
Current assets	**1,269,195**	1,190,504
Current liabilities	**(1,001,770)**	(1,123,634)
Non-current liabilities	**(1,631,948)**	(1,414,588)
	3,593,300	3,734,884

(d) The results, assets and liabilities as stated in paragraph (c) above are based on the accounts of the associated companies to 30 September 2011.

(e) The Group's share of capital commitments of the associated companies as at 30 September 2011 is $14,243,000 (2010: $6,879,000).

Details of associated companies are included in Note 42.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

17. 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 2011					
At cost					
Balance at beginning of year	**461,002**	**74,396**	**66,699**	**28,659**	**630,756**
Currency realignment	**(2,182)**	**(778)**	**551**	**109**	**(2,300)**
Additional expenditure during the year	**-**	**15,465**	**-**	**334**	**15,799**
Acquisition of subsidiary company	**3,442**	**-**	**-**	**3,000**	**6,442**
Acquisition of joint venture company	**4,398**	**-**	**-**	**-**	**4,398**
Disposal of subsidiary company	**(915)**	**-**	**-**	**(1,428)**	**(2,343)**
Reclassified to asset held for sale	**(5,433)**	**-**	**-**	**-**	**(5,433)**
Write off for the year	**-**	**(11,747)**	**-**	**-**	**(11,747)**
Balance at end of year	**460,312**	**77,336**	**67,250**	**30,674**	**635,572**
Accumulated amortisation and impairment					
Balance at beginning of year	**-**	**39,820**	**1,470**	**13,247**	**54,537**
Currency realignment	**-**	**(181)**	**-**	**3**	**(178)**
Amortisation charge for the year	**-**	**17,992**	**490**	**2,735**	**21,217**
Impairment charge for the year	**-**	**1,307**	**-**	**-**	**1,307**
Disposal of subsidiary company	**-**	**-**	**-**	**(1,081)**	**(1,081)**
Write off for the year	**-**	**(10,795)**	**-**	**-**	**(10,795)**
Balance at end of year	**-**	**48,143**	**1,960**	**14,904**	**65,007**
Net book value	**460,312**	**29,193**	**65,290**	**15,770**	**570,565**
For the year ended 30 September 2010					
At cost					
Balance at beginning of year	256,325	146,384	66,641	26,131	495,481
Currency realignment	(10,997)	(6,406)	58	(35)	(17,380)
Additional expenditure during the year	-	12,477	-	2,074	14,551
Acquisition of business assets	2,727	2,012	-	902	5,641
Acquisition of joint venture companies	223,845	-	-	372	224,217
Disposal of joint venture companies	(10,153)	-	-	-	(10,153)
Disposal of subsidiary company	-	-	-	(308)	(308)
Reclassified from other investment	-	-	-	767	767
Write off for the year	(745)	(80,071)	-	(1,244)	(82,060)
Balance at end of year	461,002	74,396	66,699	28,659	630,756
Accumulated amortisation and impairment					
Balance at beginning of year	-	106,326	980	11,495	118,801
Currency realignment	-	(5,414)	-	(28)	(5,442)
Amortisation charge for the year					
- Continuing operations	-	18,376	490	3,151	22,017
- Discontinued operations	-	-	-	46	46
Impairment charge for the year	-	300	-	-	300
Disposal of subsidiary company	-	-	-	(173)	(173)
Write off for the year	-	(79,768)	-	(1,244)	(81,012)
Balance at end of year	-	39,820	1,470	13,247	54,537
Net book value	461,002	34,576	65,229	15,412	576,219

All intangible assets have finite useful lives of not more than 20 years, except management contracts with a cost of $62,601,000 (2010: $62,601,000) are assessed to have an indefinite useful life and not amortised. This is the value ascribed to management contracts entered into between a subsidiary company and an associated company. Management is of the view that these intangible assets have an indefinite useful life as the contracts are contracts which go into perpetuity, and will only be terminated upon the removal of the subsidiary company as the manager.

The remaining useful life of management contracts with finite useful life is 4 (2010: 5) years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

18. IMPAIRMENT TESTS FOR INTANGIBLE ASSETS

(a) Goodwill

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

	($'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				
As at 30 September 2011				
Subsidiary companies:				
Printing and Publishing Group	**26,112**	**Value-in-use**	**0%**	**7.0% - 17.1%**
Dairies Group	**6,042**	**Value-in-use**	**0%**	**10.7%**
Soft Drinks Group	**37,539**	**Value-in-use and Fair value less cost to sell**	**0%**	**10.7%**
	69,693			
Joint venture companies:				
Breweries Group	**390,619**	**Value-in-use and Fair value less cost to sell**	**1% - 3%**	**12.2% - 21.5%**
	460,312			
As at 30 September 2010				
Subsidiary companies:				
Printing and Publishing Group	27,245	Value-in-use	0%	5.9% - 16.5%
Dairies Group	2,721	Value-in-use	0%	10.7%
Soft Drinks Group	38,282	Value-in-use and Fair value less cost to sell	0%	10.7%
	68,248			
Joint venture companies:				
Breweries Group	392,754	Value-in-use and Fair value less cost to sell	2%	12.3% - 28.5%
	461,002			

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

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

The discount rates applied to the cash flow projections reflect managements' estimates of the risks specific to the respective cash generating units at the date of assessment.

An impairment loss of $NIL (2010: $745,000) was required for the financial years ended 30 September for the goodwill assessed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

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

(b) Management contracts

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

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

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

(c) Deferred development costs

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

An impairment loss of $1,307,000 (2010: $300,000) was recognised in the profit statement as the carrying value was assessed to be in excess of its recoverable value.

The recoverable amount of the deferred development costs has been determined based on value-in-use calculations using 5 year cash flow projection approved by management. The pre-tax discount rate applied to the cash flow projections was 5.8% - 7.5% (2010: 5.8% - 7.5%) and the terminal growth rate was 0% (2010: 0%).

19. OTHER INVESTMENTS

	THE GROUP		THE COMPANY	
	2011 ($'000)	2010 ($'000)	**2011 ($'000)**	2010 ($'000)
Quoted				
Quoted available-for-sale financial asset				
Non-equity investment				
At cost	**25,450**	25,450	**-**	-
Equity investments				
At fair value	**282,317**	218,138	**6,191**	6,252
Quoted held-to-maturity financial asset				
Non-equity investment				
At amortised cost	**267**	260	**-**	-
Quoted total	**308,034**	243,848	**6,191**	6,252
Unquoted				
Unquoted available-for-sale financial assets				
Non-equity investments				
At cost (less impairment loss)	**121**	121	**-**	-
Equity investments				
At cost (less impairment loss)	**87,270**	70,031	**14**	14
At fair value	**2,467**	2,787	**2,467**	2,787
Loan and receivables				
Non-equity investments in company	**6,691**	6,744	**-**	-
Unquoted total	**96,549**	79,683	**2,481**	2,801
Total	**404,583**	323,531	**8,672**	9,053

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

19. OTHER INVESTMENTS (cont'd)

(a) The quoted non-equity investments carry interest rate of 6% to 8% (2010: 6% to 8%).

(b) The unquoted non-equity investments carry interest rates of 0% to 10.4% (2010: 0% to 10.4%).

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

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

20. OTHER ASSETS

Other assets relates to the unguaranteed residual value in relation to the Group's freehold interest retained in Alexandra Technopark after the expiry of the 99-year lease to an associated company.

21. CASH AND BANK DEPOSITS

	THE GROUP		THE COMPANY	
	2011 ($'000)	2010 ($'000)	**2011 ($'000)**	2010 ($'000)
Cash and bank balances	**418,672**	424,290	**1,002**	910
Bank fixed deposits	**1,180,935**	1,274,626	**98,566**	47,624
	1,599,607	1,698,916	**99,568**	48,534

The weighted average effective interest rate for bank fixed deposits is 2.19% (2010: 1.71%).

Included in the Group's cash and bank balances, and bank fixed deposits are amounts of $10,769,000 (2010: $5,776,000) and $339,253,000 (2010: $488,753,000) 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 2011, cash and bank deposits held by the Group are in the following major foreign currencies: Chinese Renminbi - 24.7% (2010: 16.9%), Australia Dollars - 5.7% (2010: 3.1%) and Malaysia Ringgit - 5.7% (2010: 22.6%).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

22. BRANDS

	THE GROUP		THE COMPANY	
	2011 ($'000)	2010 ($'000)	**2011 ($'000)**	2010 ($'000)
At cost				
Balance at beginning of year	**92,775**	59,592	**8,435**	8,435
Currency realignment	**(2,400)**	109	**-**	-
Additions during the year	**-**	19,243	**-**	-
Acquisition of joint venture companies	**-**	14,797	**-**	-
Disposal of joint venture companies	**-**	(966)	**-**	-
Balance at end of year	**90,375**	92,775	**8,435**	8,435
Accumulated amortisation and impairment				
Balance at beginning of year	**18,500**	16,465	**8,435**	8,435
Currency realignment	**(583)**	2,512	**-**	-
Amortisation charge for the year				
- Continuing operations	**6**	49	**-**	-
- Discontinued operations	**-**	43	**-**	-
Disposal of joint venture companies	**-**	(569)	**-**	-
Balance at end of year	**17,923**	18,500	**8,435**	8,435
Net book value	**72,452**	74,275	**-**	-

Included in the Group's brands are brands with indefinite useful life of carrying amount of $72,367,000 (2010: $74,184,000).

The discount rate applied to the cash flow projections is derived from the cost of capital plus a reasonable risk premium at the date of assessment of the respective cash generating unit. The terminal growth rate used does not exceed the long term average growth rate of the respective industry and country in which the cash generating unit operates. The pre-tax discount rates applied to the cash flow projections ranges from 12.2% to 21.5% and terminal growth rates applied ranges from 1% to 3%.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

	THE GROUP 2011 ($'000)	THE GROUP 2010 ($'000)

23. PROPERTIES HELD FOR SALE

	2011 ($'000)	2010 ($'000)
(a) Development Properties Held for Sale		
Properties in the course of development, at cost	**4,422,286**	4,897,717
Allowance for foreseeable losses	**(21,785)**	(91,613)
	4,400,501	4,806,104
Development profit	**223,336**	410,203
	4,623,837	5,216,307
Progress payments received	**(1,127,070)**	(1,394,249)
Balance at end of year	**3,496,767**	3,822,058
(b) Completed Properties Held for Sale		
Completed units, at cost	**635,838**	492,182
Allowance for foreseeable losses	**(28,723)**	(5,055)
Balance at end of year	**607,115**	487,127
Total Properties Held for Sale	**4,103,882**	4,309,185

(c) Interest capitalised during the year was $71,195,000 (2010: $97,068,000). A capitalisation rate of between 0.60% and 9.63% (2010: 0.30% and 9.62%) per annum was used, representing the borrowing cost of the loans used to finance the projects.

(d) Certain subsidiary and joint venture companies have granted fixed and floating charge over their properties held for sale totalling $1,413,472,000 (2010: $1,253,070,000) to banks as securities for credit facilities.

24. INVENTORIES

	2011 ($'000)	2010 ($'000)
Containers	**28,186**	32,782
Raw materials	**113,614**	109,423
Manufactured inventories	**116,082**	135,669
Engineering spares, work-in-progress and other inventories	**46,470**	50,363
Packaging materials	**36,589**	25,181
Goods purchased for resale	**32,464**	38,498
	373,405	391,916

(a) Write back of allowance for inventory obsolescence during the year amounted to $2,369,000 (2010: $9,407,000).

(b) Inventories of $611,000 (2010: $651,000) of the Group's joint venture company is secured against its bank overdrafts.

(c) The cost of inventories recognised as expense and included in Cost of Sales amounted to $1,093,085,000 (2010: $1,023,022,000).

NOTES TO THE FINANCIAL STATEMENTS
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25. TRADE RECEIVABLES AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2011 ($'000)	2010 ($'000)	**2011 ($'000)**	2010 ($'000)
Trade receivables	**961,457**	1,021,283	**-**	-
Other receivables:				
Current				
Accrued income	**4,680**	10,305	**12**	4
Prepayments	**89,662**	122,755	**11**	3
Deposits paid	**14,237**	19,278	**-**	-
Tax recoverable	**25,597**	21,189	**-**	-
Staff loans	**6,076**	6,114	**-**	-
Amount receivable from joint venture partners	**3,963**	9,056	**-**	-
Derivative financial instruments (Note 26)	**5,938**	2,793	**278**	800
Advanced project cost paid	**1,082**	1,956	**-**	-
Amount held in trust	**85,578**	-	**-**	-
Sundry debtors	**10,131**	15,999	**15**	2
Other receivables	**70,198**	42,882	**-**	-
	317,142	252,327	**316**	809
	1,278,599	1,273,610	**316**	809
Non current				
Prepayments	**2,222**	4,081	**-**	-
Staff loans	**1,240**	979	**-**	-
Loans to non-controlling interests	**57,540**	51,375	**-**	-
Other receivables	**4,210**	5,121	**-**	-
	65,212	61,556	**-**	-
	1,343,811	1,335,166	**316**	809

(a) Included in trade receivables is an amount of $452,582,000 (2010: $548,658,000) which relates to the balance of sales proceeds from completed properties held for sale, which will be received upon issuance of certificate of statutory completion, notice of vacant possession, expiry of defect liability period and/or title subdivision, and outstanding balances of progress billings which are due within 14 days after the purchasers receive notices to make payments.

(b) As at 30 September 2011, trade receivables and other receivables held by the Group are in the following major foreign currencies: Malaysia Ringgit - 13.8% (2010: 14.3%), Chinese Renminbi - 8.5% (2010: 8.7%) and Australia Dollars - 4.6% (2010: 3.3%).

(c) Trade and other receivables of $NIL (2010: $1,319,000) of the Group's joint venture company are pledged as security for bank overdraft.

(d) At balance sheet date, trade receivables amounting to $11,112,000 (2010: $10,145,000) of the Group's joint venture company have been secured by collaterals provided by customers.

(e) Loans to a non-controlling interest are non-trade related, secured by assets in Australia, bears interest at 12.0% (2010: 12.0%) per annum and have no fixed repayment terms.

(f) The amount held in trust represents the net sale consideration proceeds deposited in a bank's entrusted account, with interest, in relation to the disposal of Shenyang Frasers. This sum will be remitted to the Group upon obtaining approval from the relevant foreign exchange regulatory authorities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

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

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to $107,372,000 (2010: $108,100,000) 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	
	2011 ($'000)	2010 ($'000)
Trade receivables past due:		
1 to 30 days	**74,985**	57,229
31 to 60 days	**14,100**	17,192
61 to 90 days	**6,184**	8,025
91 to 120 days	**4,973**	4,609
more than 120 days	**7,130**	21,045
	107,372	108,100

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	
	2011 ($'000)	2010 ($'000)	**2011 ($'000)**	2010 ($'000)
Trade receivables - nominal amounts	**6**	1,843	**23,976**	10,168
Less: Allowance for impairment	**(6)**	(114)	**(9,422)**	(9,573)
	-	1,729	**14,554**	595
Movement in allowance accounts:				
Balance at beginning of year	**114**	632	**9,573**	12,219
Charge for the year	**17**	90	**4,084**	3,842
Write back for the year	**(24)**	(321)	**(1,586)**	(1,770)
Acquisition of subsidiary companies	**23**	-	**150**	498
Disposal of subsidiary companies	**-**	-	**-**	(373)
Write off for the year	**(123)**	(78)	**(2,485)**	(4,812)
Exchange difference	**(1)**	(209)	**(219)**	(31)
Reclassified to asset held for sale	**-**	-	**(95)**	-
Balance at end of year	**6**	114	**9,422**	9,573

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 enhancement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

26. DERIVATIVE FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
	2011 ($'000)	2010 ($'000)	**2011 ($'000)**	2010 ($'000)
Assets				
Interest rate swap	**359**	1,351	**278**	800
Forward currency contracts	**5,579**	1,442	**-**	-
	5,938	2,793	**278**	800
Liabilities				
Interest rate swap	**22,678**	21,251	**-**	-
Forward currency contracts	**3,362**	8,740	**-**	-
Others	**124**	-	**-**	-
	26,164	29,991	**-**	-
Net position	**(20,226)**	(27,198)	**278**	800

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

27. SHORT TERM INVESTMENTS

	THE GROUP	
	2011 ($'000)	2010 ($'000)
Quoted		
Quoted available-for-sale financial assets		
Equity investments at fair value	**89**	100
Unquoted		
Loans and receivables		
Non-equity investments at cost	**3,515**	3,329
Total	**3,604**	3,429

Included in non-equity investments are notes with interest rates of 0% to 10.4% (2010: 8.9% to 11.9%) per annum and maturing within the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

28. ASSETS AND LIABILITIES HELD FOR SALE

The assets and liabilities held for sale relate to the sale and disposal of a printing plant in China, discontinuation of joint ventures with certain printing companies, sale and disposal of a property investment subsidiary in Malaysia and sale and disposal of the Group's joint venture company, HAPBC.

	THE GROUP	
	2011 ($'000)	2010 ($'000)
Assets		
Fixed assets	**44,739**	17,928
Other non-current assets	**63,521**	8,915
Current assets	**11,282**	11,419
	119,542	38,262
Liabilities		
Non-current liabilities	**38,292**	2,297

29. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2011 ($'000)	2010 ($'000)	**2011 ($'000)**	2010 ($'000)
Trade payables	**673,442**	724,740	**-**	-
Other payables:				
Current				
Advances from joint venture partners	**9,276**	12,757	**-**	-
Interest payable	**21,779**	25,973	**2,544**	2,544
Accrued operating expenses	**184,296**	203,581	**656**	587
Sundry accruals	**129,940**	153,795	**143**	71
Sundry deposits	**53,747**	47,797	**-**	-
Staff costs payable	**90,568**	84,149	**-**	-
Accrual for unconsumed annual leave	**10,565**	9,497	**-**	-
Amounts due to non-controlling interests	**145,878**	114,923	**-**	-
Deferred income	**1,277**	4,474	**-**	-
Derivative financial instruments (Note 26)	**26,164**	29,991	**-**	-
Other payables	**74,978**	77,268	**1,782**	2,054
	748,468	764,205	**5,125**	5,256
	1,421,910	1,488,945	**5,125**	5,256
Non-current				
Deferred income	**65,668**	-	**-**	-
Other payables	**30,546**	3,869	**-**	-
	96,214	3,869	**-**	-
	1,518,124	1,492,814	**5,125**	5,256

(a) Included in trade payables are amounts due to related parties of $1,299,000 (2010: $NIL). These amounts are unsecured and interest-free.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

29. TRADE AND OTHER PAYABLES (cont'd)

(c) Amounts due to non-controlling interests are non-trade in nature, unsecured, repayable in cash on demand and interest-free, except for loans of $12,062,000 (2010: $18,109,000) which bear interest at 2.0% (2010: 3.7%) per annum.

(d) Included in non-current other payables is a provision of $23,169,000 (2010: $NIL) for a bank's share of any future profits arising on certain development properties held for sale in the United Kingdom in connection with the corporate and debt restructuring of subsidiary companies during the year.

(e) As at 30 September 2011, the trade and other payables held by the Group are in the following major currencies: Malaysia Ringgit - 14.9% (2010: 18.8%), Chinese Renminbi - 13.8% (2010: 14.3%) and Australia Dollars - 7.6% (2010: 2.7%).

30. BORROWINGS

	Weighted average effective interest rate %	Notes	THE GROUP 2011 ($'000)	THE GROUP 2010 ($'000)	THE COMPANY 2011 ($'000)	THE COMPANY 2010 ($'000)
Repayable within one year:						
Unsecured						
Bank loans	4.02		**275,080**	687,899	**-**	-
Bank overdrafts	6.60		**1,043**	2,569	**-**	-
			276,123	690,468	**-**	-
Term loans	3.41	(a)	**299,895**	579,414	**-**	-
Secured						
Bank loans	6.22	(b)	**170,254**	637,236	**-**	-
Bank overdrafts	10.50	(b)	**929**	1,224	**-**	-
			171,183	638,460	**-**	-
Finance leases			**345**	367	**-**	-
			747,546	1,908,709	**-**	-
Repayable after one year:						
Unsecured						
Bank loans	2.44		**315,834**	789,462	**-**	-
Term loans	3.12	(a)	**2,129,701**	1,443,172	**150,000**	150,000
Secured						
Bank loans	2.33	(b)	**770,289**	432,984	**-**	-
Finance leases			**76**	414	**-**	-
		(d)	**3,215,900**	2,666,032	**150,000**	150,000
Total			**3,963,446**	4,574,741	**150,000**	150,000
Fair value		(c)	**4,038,021**	4,655,057	**155,910**	148,455

Notes

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

Included in the term loans that are repayable after one year are 2.48% fixed rate 5 years and 3.15% fixed rate 7 years bonds which were offered to the public and institutional investors under the Offering Information Statement dated 16 March 2011. These bonds are listed on the Singapore Exchange Securities Trading Limited.

NOTES TO THE FINANCIAL STATEMENTS
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30. 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.

(c) 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 $1,067,050,000 (2010: $2,022,586,000) which have a fair value of $1,141,625,000 (2010: $2,102,901,000).

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

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

	THE GROUP		THE COMPANY	
	2011 ($'000)	2010 ($'000)	**2011 ($'000)**	2010 ($'000)
Between 1 and 2 years	**591,770**	597,367	**-**	-
Between 2 and 5 years	**2,069,906**	1,382,288	**150,000**	-
After 5 years	**554,224**	686,377	**-**	150,000
	3,215,900	2,666,032	**150,000**	150,000

(e) As at 30 September 2011, the borrowings held by the Group are in the following major currencies: United States Dollars - 13.6% (2010: 13.0%), Australia Dollars - 6.6% (2010: 5.6%) and Sterling Pounds - 4.4% (2010: 10.0%).

(f) As at 30 September 2011, 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 37. The weighted average effective interest rates are as at 30 September 2011 and include the effect of related interest rate swaps.

31. PROVISION FOR EMPLOYEE BENEFITS

	THE GROUP	
	2011 ($'000)	2010 ($'000)
Balance at beginning of year	**25,044**	19,303
Currency realignment	**(656)**	107
Acquisition of joint venture companies	**-**	809
Disposal of joint venture companies	**-**	(891)
Write back for the year	**(2,907)**	(2)
Provision for the year		
- Continuing operations	**2,237**	7,584
- Discontinued operations	**-**	118
Payment for the year	**(3,313)**	(1,984)
Balance at end of year	**20,405**	25,044

(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, the USA and Europe.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

31. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(b) Defined Benefit Plan

The defined benefit plan in the United Kingdom is a funded, defined benefit pension scheme, the assets of which are held in a separate trustee-administrated fund. The defined benefit plans in Malaysia and Thailand 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	
	2011	2010
Rate of increase in salaries	**5.0% to 6.0%**	5.0% to 6.0%
Expected rate of return on assets	**7.5%**	7.0%
Discount rate	**4.6% to 6.5%**	4.6% to 6.5%

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

	2011 ($'000)	2010 ($'000)
Net benefit expense		
Benefits earned during the year	**1,040**	1,094
Interest cost on benefit obligation	**2,020**	2,089
Amortisation of unrecognised gain	**(111)**	(118)
Expected return on plan assets	**(1,361)**	(1,357)
Net actuarial (gain)/loss	**(1,814)**	530
Provision write back	**(686)**	-
Transition obligation recognised	**(380)**	208
Net benefit expense	**(1,292)**	2,446
Benefit liability		
Present value of benefit obligation	**37,734**	41,641
Fair value of plan assets	**(18,860)**	(18,627)
Unfunded benefit obligation	**18,874**	23,014
Unrecognised net actuarial gain	**(2,232)**	(2,076)
Benefit liability	**16,642**	20,938
Present value of unfunded benefit obligation	**14,790**	16,098
Present value of funded benefit obligation	**22,944**	25,543
	37,734	41,641

(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.

NOTES TO THE FINANCIAL STATEMENTS
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31. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Options

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

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

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

Information regarding the 1999 Scheme, APBL Scheme and F&NHB Scheme

(i) The exercise price is equal to the market value of a share based on the average of the last done price on the exchange which the respective shares are traded, for the five market days preceding the option offer date.

(ii) The grantee may exercise an option during the exercise period which commences 33 months after the offer date.

(iii) Options expire 119 months after the offer date, except for F&NHB Scheme options which expire 59 months after the option offer date.

Information regarding F&NHB 2007 Scheme

(i) The maximum number of new ordinary shares of RM1.00 each in the company which may be issued on the exercise of the F&NHB 2007 Scheme shall not exceed 10% of the issued and paid-up share capital of F&NHB at any point of time throughout the duration of the F&NHB 2007 Scheme.

(ii) Eligible full-time executives of the group and executive directors of the company with at least one year service shall be eligible to participate in the F&NHB 2007 Scheme.

(iii) The allotment of an eligible executive shall not exceed the maximum limits for any specific job grade in any one financial year and 1,000,000 new shares of the company during the tenure of the F&NHB 2007 Scheme, subject to the limits below:

  (1) not more than 50% of the new shares of F&NHB available under the F&NHB 2007 Scheme shall be allocated, in aggregate, to the directors and senior management of the group; and

  (2) not more than 10% of the new shares of the company available under the F&NHB 2007 Scheme shall be allocated to any individual eligible executive who, either singly or collectively through persons connected to that eligible executive, holds 20% or more of the issued and paid-up share capital of the company.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

31. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) **Share Options** (cont'd)

Information regarding FPCL Scheme

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

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

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

(3) the nominal value of FPCL share.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

31. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Options (cont'd)

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

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

Options	Offer Date	Balance as at 1.10.2010	Options Exercised/ Lapsed	Balance as at 30.9.2011	Exercise Price	Exercise Period
1999 Scheme						
Year 3	08.10.2001	13,930	(13,930)	-	$1.40	09.07.2004 - 08.09.2011
Year 4	01.10.2002	78,600#	(53,220)	25,380	$1.51	01.07.2005 - 31.08.2012
Year 5	08.10.2003	802,655	(624,045)	178,610	$2.12	08.07.2006 - 07.09.2013
Year 6	08.10.2004	2,213,305	(695,970)	1,517,335	$2.82	08.07.2007 - 07.09.2014
Year 7	10.10.2005	4,451,405	(1,712,855)	2,738,550	$3.46	10.07.2008 - 09.09.2015
Year 8	10.10.2006	7,236,248	(2,544,208)	4,692,040	$4.22	10.07.2009 - 09.09.2016
Year 9	10.10.2007	10,127,766	(1,568,268)	8,559,498	$5.80	10.07.2010 - 09.09.2017
Year 10	25.11.2008	13,136,223	(3,174,465)	9,961,758	$2.86	25.08.2011 - 24.10.2018
		38,060,132	(10,386,961)*	27,673,171		

* Exercised (9,875,733); Lapsed due to Resignations (511,228).

\# Included an adjustment of 41,795.

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 $6.04 (2010: $4.71).

Fraser & Neave Holdings Bhd Executives' Share Option Scheme

Options	Offer Date	Balance as at 1.10.2010	Options Exercised	Balance as at 30.9.2011	Exercise Price	Exercise Period
2007	26.09.2006	115,600	(115,600)	-	RM6.12	27.06.2009 - 26.08.2011

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 RM16.72 (2010: RM11.69).

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

Options	Offer Date	Balance as at 1.10.2010 or Offer Date if later	Options Exercised/ Lapsed	Balance as at 30.9.2011	Exercise Price/ Adjusted Exercise Price#	Exercise Period
2008	20.11.2007	1,458,500	(1,428,800)	29,700	RM7.77/7.17	20.08.2010 - 19.10.2012
2009	19.11.2008	2,685,300	(1,715,300)	970,000	RM8.46/7.81	19.08.2011 - 18.10.2013
2010	20.11.2009	3,033,600	(92,100)	2,941,500	RM11.34/10.47	20.08.2012 - 19.10.2014
2011	22.11.2010	3,067,300	(108,600)	2,958,700	RM14.52	22.08.2013 - 21.10.2015
		10,244,700	(3,344,800)*	6,899,900		

* Exercised (3,070,600); Lapsed due to Resignations and Termination (274,200).

\# F&NHB's special interim single tier dividend in respect of financial year 2010 of RM1.10 per share which represent the entire gain from the divestment of the glass container business, amounted to a capital distribution and required adjustments to be made to the Exercise Price of the F&NHB 2007 Scheme. Accordingly, the Exercise Prices were adjusted effective 13 December 2010.

The fair value of options granted during the year was RM2.33 (2010: RM1.70).
The weighted average share price for options exercised during the year was RM16.72 (2010: RM11.69).

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31. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Options (cont'd)

Frasers Property (China) Limited's Share Option Scheme

Options	Offer Date	Balance as at 1.10.2010 or Offer Date if later	Options Exercised/ Lapsed	Balance as at 30.9.2011	Exercise Price	Exercise Period
2003	31.12.2003	9,875,359	(86,000)	9,789,359	HK$0.1580	31.12.2004 - 30.12.2013
2004	31.12.2004	10,828,103	-	10,828,103	HK$0.1547	31.12.2005 - 30.12.2014
2005	30.12.2005	13,125,983	-	13,125,983	HK$0.1343	30.12.2006 - 29.12.2015
2006	13.11.2006	14,250,737	(250,000)	14,000,737	HK$0.1670	13.11.2007 - 12.11.2016
2007	09.11.2007	16,550,000	(500,000)	16,050,000	HK$0.3370	09.11.2008 - 08.11.2017
2008	14.11.2008	15,750,000	(1,300,000)	14,450,000	HK$0.1000	14.11.2009 - 13.11.2018
2009	13.11.2009	17,800,000	(1,350,000)	16,450,000	HK$0.1550	13.11.2010 - 12.11.2019
2010	12.11.2010	14,250,000	(750,000)	13,500,000	HK$0.2050	12.11.2011 - 11.11.2020
		112,430,182	(4,236,000)*	108,194,182		

* Exercised (2,386,000); Lapsed due to Resignations (1,850,000).

The fair value of options granted during the year was HK$0.21 (2010: HK$0.16).
The weighted average share price for options exercised during the year was HK$0.19 (2010: HK$0.19).

Asia Pacific Breweries Limited Executives' Share Option Scheme

Options	Offer Date	Balance as at 1.10.2010	Options Exercised/ Lapsed	Balance as at 30.9.2011	Exercise Price	Exercise Period
2001	20.12.2000	2,750	(2,750)	-	$3.91	19.09.2003 - 18.11.2010
2002	08.10.2001	5,650	(5,650)	-	$3.79	08.07.2004 - 07.09.2011
2003	15.10.2002	18,000	(7,250)	10,750	$4.79	15.07.2005 - 14.09.2012
2004	08.10.2003	38,800	(19,550)	19,250	$6.29	08.07.2006 - 07.09.2013
		65,200	(35,200)*	30,000		

* Exercised (33,000); Lapsed due to Expiry (2,200).

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 $23.19 (2010: $NIL).

The fair value of share options, granted during the year, 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 & Neave Holdings Bhd Executives' Share Option Scheme

	2011	2010
Dividend yield (%)	3.8	3.9
Expected volatility (%)	22.7	21.8
Risk-free interest rate (%)	3.5	3.6
Expected life of option (years)	4.9	4.5
Share price at date of grant (RM)	14.62	11.20
Exercise share price (RM)	14.52	11.34

NOTES TO THE FINANCIAL STATEMENTS

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31. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Options (cont'd)

Frasers Property (China) Limited's Share Option Scheme

	2011	2010
Dividend yield (%)	-	-
Expected volatility (%)	65.0	75.0
Risk-free interest rate (%)	1.7	2.0
Expected life of option (years)	10.0	10.0
Share price at date of grant (HK$)	0.21	0.16
Exercise share price (HK$)	0.21	0.16

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.

(e) Phantom Share Option Plan

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

The fair value of share options, granted during the year, 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:

	2011	2010
Dividend yield (%)	4.1	3.0
Expected volatility (%)	19.8	18.3
Risk-free interest rate (%)	0.6	1.4
Expected life of option (years)	3.7	4.7
Share price at date of grant ($)	18.30	12.00
Exercise share price ($)	17.75	11.95

The expected life of the option is based on historical data and is not necessarily indicative of exercise patterns that may occur.

The expected volatility reflects the assumptions that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

31. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(e) Phantom Shares Option Plan (cont'd)

(iv) Upon exercise of the options, an amount in cash equal 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 1.10.2010 or Offer Date if later	Options Exercised/ Lapsed	Balance as at 30.9.2011	Exercise Price	Exercise Period
2007	07.11.2006	1,292,650	(1,292,650)	-	$15.34	07.08.2009 - 06.08.2011
2008	08.11.2007	1,446,050	(1,446,050)	-	$13.59	09.08.2010 - 06.08.2012
2009	08.11.2008	1,351,700	(1,224,850)	126,850	$10.95	08.08.2011 - 07.08.2013
2010	07.11.2009	1,417,650	(44,600)	1,373,050	$11.95	07.08.2012 - 07.08.2014
2011	08.11.2010	1,462,400	(46,500)	1,415,900	$17.75	08.08.2013 - 08.08.2015
		6,970,450	(4,054,650)*	2,915,800		

* Exercised (3,933,800); Lapsed due to Resignation (120,850).

The fair value of options granted during the year was $1.75 (2010: $1.47).
The weighted average share price for options exercised during the year was $27.56 (2010: $13.73).

The carrying amount of the liability recognised in the Group's balance sheet relating to cash settled option granted under the PSOP as at 30 September 2011 is $8,673,000 (2010: $5,846,000).

(f) Share Plans

Fraser & Neave Limited Restricted Share Plan ("RSP")

The RSP is a share-based incentive plan for senior executives and key senior management, which was approved by shareholders of the Company at an Extraordinary General Meeting held on 22 January 2009.

Information regarding the RSP

(1) Depending on the achievement of pre-determined targets over a two year period for the RSP, the final number of restricted shares awarded could range between 0% to 150% of the initial grant of the restricted shares.

(2) Based on meeting stated performance conditions over a two-year performance period, 50% of the RSP awards will vest. The balance will vest equally over the subsequent two years with fulfillment of service requirements.

Information with respect to the number of shares granted under the RSP is as follows:

Shares	Grant Date	Balance as at 1.10.2010 or Grant Date if later	Cancelled	Adjusted	Balance as at 30.9.2011
Year 1	14.12.2009	3,131,728	(128,000)	-	3,003,728
Year 2	14.12.2010	2,040,530	(71,000)	32,000	2,001,530
		5,172,258	(199,000)*	32,000#	5,005,258

* Cancelled due to Resignations.
\# Adjustment due to new grants.

The expense recognised in profit statement granted under the RSP during the financial year is $8,655,000 (2010: $4,534,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

31. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(f) Share Plans (cont'd)

Fraser & Neave Limited Restricted Share Plan ("RSP") (cont'd)

The estimated fair value of shares granted during the year ranges from $5.47 to $5.80 (2010: $3.41 to $3.70). The fair value of equity-settled contingent award of shares are determined using Monte Carlo Valuation Model, which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility of returns. The inputs to the model used are as follows:

	2011	2010
Dividend yield (%)	3.2	3.9
Expected volatility (%)	41.0	41.5
Risk-free interest rate (%)	0.5 to 1.0	0.6 to 1.1
Expected life (years)	2.1 to 4.1	2.1 to 4.1
Share price at date of grant ($)	6.23	4.05

Fraser & Neave Limited Performance Share Plan ("PSP")

The PSP is a share-based incentive plan for senior executives and key senior management, which were approved by shareholders of the Company at an Extraordinary General Meeting held on 22 January 2009.

Information regarding the PSP

(1) Depending on the achievement of pre-determined targets over a three year period, the final number of restricted shares awarded could range between 0% to 200% of the initial grant of the restricted shares.

(2) PSP awards will vest based on meeting stated performance conditions over a three-year performance period.

Information with respect to the number of shares granted under the PSP is as follows:

Shares	Grant Date	Balance as at 1.10.2010 or Grant Date if later	Cancelled	Balance as at 30.9.2011
Year 1	14.12.2009	283,972	-	283,972
Year 2	14.12.2010	225,158	-	225,158
		509,130	-	509,130

The expense recognised in profit statement granted under the PSP during the financial year is $622,000 (2010: $291,000).

The estimated fair value of shares granted during the year ranges from $4.09 to $5.98 (2010: $3.34 to $4.56). The fair value of equity-settled contingent award of shares are determined using Monte Carlo Valuation Model, which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility of returns. The inputs to the model used are as follows:

	2011	2010
Dividend yield (%)	3.2	3.9
Expected volatility (%)	41.0	41.5
Cost of equity (%)	8.0	7.6
Risk-free interest rate (%)	0.7	0.8
Expected life (years)	3.1	3.1
Share price at date of grant ($)	6.23	4.05

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

32. DEFERRED TAX ASSETS AND LIABILITIES

	THE GROUP				THE COMPANY	
	Balance Sheet		Profit Statement		Balance Sheet	
	2011 ($'000)	2010 ($'000)	**2011 ($'000)**	2010 ($'000)	**2011 ($'000)**	2010 ($'000)
Deferred tax liabilities						
Differences in depreciation	**69,683**	67,612	**1,406**	5,391	**-**	-
Tax effect on revaluation surplus	**71,630**	68,641	**3,915**	21,813	**-**	-
Provisions, expenses and income taken in a different period	**48,966**	26,015	**32,618**	13,584	**-**	-
Fair value adjustments	**3,887**	6,813	**(258)**	578	**352**	417
Other deferred tax liabilities	**2,921**	9,522	**2,098**	(6,951)	**-**	-
Gross deferred tax liabilities	**197,087**	178,603	**39,779**	34,415	**352**	417
Less: Deferred tax assets						
Employee benefits	**(5,169)**	(5,490)	**56**	(4,331)	**-**	-
Unabsorbed losses and capital allowances	**(5,964)**	(1,961)	**(2,622)**	2,171	**-**	-
Provisions, expenses and income taken in a different period	**(8,157)**	(9,542)	**456**	1,432	**-**	-
Fair value adjustments	**(2,195)**	(279)	**(1,941)**	(281)	**-**	-
Other deferred tax assets	**640**	(2,947)	**1,216**	6,284	**-**	-
Gross deferred tax assets	**(20,845)**	(20,219)	**(2,835)**	5,275	**-**	-
Net deferred tax liabilities	**176,242**	158,384	**36,944**	39,690	**352**	417

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

Employee benefits	**(1,187)**	(3,079)	**(862)**	71	**-**	-
Differences in depreciation	**3,578**	4,123	**(633)**	345	**-**	-
Unabsorbed losses and capital allowances	**(11,368)**	(16,979)	**461**	(2,803)	**-**	-
Provisions	**(5,672)**	(7,231)	**847**	944	**-**	-
Tax effect on revaluation surplus	**-**	(967)	**-**	-	**-**	-
Other deferred tax assets	**-**	(1,118)	**245**	(452)	**-**	-
Net deferred tax assets	**(14,649)**	(25,251)	**58**	(1,895)	**-**	-

Deferred tax liabilities of $9,691,000 (2010: $7,975,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the unremitted earnings of $57,005,000 at 30 September 2011 (2010: $46,912,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

	THE GROUP	
	2011 ($'000)	2010 ($'000)

33. FUTURE COMMITMENTS

Commitments not provided for in the financial statements:

(a) Commitments in respect of contracts placed		
Fixed assets	**52,272**	140,388
Properties held for sale	**1,316,231**	626,870
Share of joint venture companies' commitments	**326,309**	154,204
Others	**141**	25
	1,694,953	921,487
(b) Other amounts approved by directors but not contracted for:		
Fixed assets	**74,318**	104,753
Properties held for sale	**4,198,222**	6,507,774
Share of joint venture companies' commitments	**432,982**	249,993
	4,705,522	6,862,520
Total	**6,400,475**	7,784,007

34. LEASE COMMITMENTS

Operating Leases

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

Payable within one year	**46,623**	41,352
Payable between one and five years	**102,368**	98,500
Payable after five years	**59,088**	40,231
	208,079	180,083
Operating lease expense for the year	**32,447**	31,603

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

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

Receivable within one year	**143,960**	125,252
Receivable between one and five years	**163,490**	137,502
Receivable after five years	**611**	4,607
	308,061	267,361

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

34. LEASE COMMITMENTS (cont'd)

Finance Leases

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

	THE GROUP			
	2011 ($'000)		2010 ($'000)	
	Minimum lease payments	**Present value of payments**	Minimum lease payments	Present value of payments
Minimum lease payments due:				
Payable within one year	**359**	**345**	400	368
Payable between one and five years	**80**	**76**	423	414
Total minimum lease payments	**439**	**421**	823	782
Less: Future finance charges				
Payable within one year	**(14)**	**-**	(32)	-
Payable between one and five years	**(4)**	**-**	(9)	-
	(18)	**-**	(41)	-
	421	**421**	782	782

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.

35. RELATED PARTY TRANSACTIONS

The following were the significant related party transactions entered into between the Group and related parties during the year:

		THE GROUP		THE COMPANY	
		2011 ($'000)	2010 ($'000)	**2011 ($'000)**	2010 ($'000)
(a)	Transactions with Asia Pacific Investment Pte Ltd and its subsidiary companies				
	Rental received	**1,452**	1,478	**-**	-
	Management fees received	**2,218**	2,218	**-**	-
	Sale of services	**28**	8	**-**	-
	Management fees paid	**(487)**	(389)	**(487)**	(389)
(b)	Transactions with an entity in which an associate of the Director of the Group is a member				
	Fees paid for legal services	**152**	-	**152**	-

These transactions were based on agreed fees or terms between the parties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

36. CONTINGENCIES

(a) Contingent Liabilities

The Company issued corporate guarantees to the extent of $4,249,514,000 (2010: $3,837,303,000) for the purpose of assisting its subsidiary companies to obtain external borrowings. Of the $4,249,514,000 (2010: $3,837,303,000) corporate guarantees given by the Company $3,704,835,000 (2010: $1,647,310,000) has been utilised by its subsidiaries as security for its borrowings, and these borrowings have been included as borrowings under the Group Balance Sheet. Any further borrowings by its subsidiary companies supported by the Company corporate guarantees will be reported as borrowings in the Group Balance Sheet.

The Group provided an unconditional and irrevocable corporate guarantee for up to $57,000,000 to finance the payment of development charge and construction cost of the New Wing of The Centrepoint held by The Management Corporation Strata Title Plan No. 1298 ("MCST 1298"). The corporate guarantee will only be discharged upon full repayment of the loan by the MCST 1298. The Group also provided a corporate guarantee for $8,340,000 (Baht 200,000,000) as security for bank facility granted to a joint venture company in respect of the acquisition of land.

The corporate guarantee of the Group and the Company matures within 1 year and are as follows:

	THE GROUP		THE COMPANY	
	2011 ($'000)	2010 ($'000)	**2011 ($'000)**	2010 ($'000)
Contingent liabilities	**65,340**	65,660	**4,249,514**	3,837,303

(b) Contingent Assets

As announced on 9 June 2010, the Group through Fraser Centrepoint Limited's subsidiary company, Frasers Property (China) Limited ("FPCL") has reached a preliminary settlement with the relevant Shenzhen authorities in relation to the future development plans for the Phase 3 site of its Vision Shenzhen Business Park project located in Shenzhen, the People's Republic of China. Currently, the project has not been recognised as the recoverability does not meet certainty criteria. On signing the ancillary agreements with finalised land planning parameters with the authorities, the project will be recognised at approximately HK$217,000,000 (or approximately $36,152,000).

37. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

37. FINANCIAL RISK MANAGEMENT (cont'd)

(a) 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 2011, the Group had entered into foreign currency forward exchange buy contracts amounting to $87 million (2010: $72 million) and sell contracts amounting to $453 million (2010: $212 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 $774,000 (2010: $3,715,000) and gain of $2,991,000 (2010: loss of $3,583,000) 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.

Sensitivity analysis for foreign currency risk

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

	THE GROUP		THE COMPANY	
	Equity ($'000)	Profit ($'000)	Equity ($'000)	Profit ($'000)
Year Ended 30 September 2011				
Australian Dollar	**-**	**(11,055)**	**-**	**68**
Sterling Pound	**-**	**(57)**	**-**	**-**
United States Dollar	**(725)**	**(65,085)**	**-**	**106**
Vietnamese Dong	**27,512**	**381**	**-**	**-**
Hong Kong Dollar	**-**	**22**	**-**	**-**
Euro	**19**	**(1,055)**	**-**	**-**
Singapore Dollar	**-**	**264**	**-**	**-**
Year Ended 30 September 2010				
Australian Dollar	-	(10,364)	-	95
Sterling Pound	-	(39)	-	-
United States Dollar	-	(48,736)	-	(512)
Vietnamese Dong	27,482	429	-	-
Hong Kong Dollar	-	34	-	-
Euro	-	1,875	-	-
Singapore Dollar	-	(546)	-	-

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

37. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity Risk

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

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

The table below analyses the maturity profile of the Group's and Company's financial liabilities (including 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)
The Group				
Year Ended 30 September 2011				
Derivative financial instruments				
Interest rate swaps	**22,319**	**8,720**	**13,599**	**-**
Forward currency contracts	**(2,217)**	**(2,217)**	**-**	**-**
Others	**124**	**124**	**-**	**-**
Non-derivative financial instruments				
Trade payables	**673,442**	**673,442**	**-**	**-**
Other payables	**713,549**	**683,003**	**30,546**	**-**
Borrowings	**3,963,446**	**841,184**	**2,897,101**	**587,838**
Amount due to joint venture companies	**14,263**	**14,263**	**-**	**-**
Amount due to associated companies	**3,043**	**3,043**	**-**	**-**
	5,387,969	**2,221,563**	**2,941,246**	**587,838**
Year Ended 30 September 2010				
Derivative financial instruments				
Interest rate swaps	19,900	4,466	15,143	291
Forward currency contracts	7,298	7,298	-	-
Non-derivative financial instruments				
Trade payables	724,740	724,740	-	-
Other payables	723,018	719,149	2,993	876
Borrowings	4,574,741	1,973,328	2,050,199	701,996
Amount due to joint venture companies	6,350	6,350	-	-
Amount due to associated companies	954	954	-	-
	6,057,001	3,436,285	2,068,335	703,163

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

37. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity Risk (cont'd)

	Carrying amount ($'000)	Cash Flows Less than 1 year ($'000)	Between 1 and 5 years ($'000)	Over 5 years ($'000)
The Company				
Year Ended 30 September 2011				
Derivative financial instruments				
Interest rate swaps	**(278)**	**-**	**(278)**	**-**
Non-derivative financial instruments				
Other payables	**4,982**	**4,982**	**-**	**-**
Amount due to subsidiary companies	**5,164**	**5,164**	**-**	**-**
Borrowings	**150,000**	**5,445**	**166,469**	**-**
	159,868	**15,591**	**166,191**	**-**
Year Ended 30 September 2010				
Derivative financial instruments				
Interest rate swaps	(800)	(800)	-	-
Non-derivative financial instruments				
Other payables	4,145	4,145	-	-
Amount due to subsidiary companies	12,986	12,986	-	-
Borrowings	150,000	5,430	16,498	155,430
	166,331	21,761	16,498	155,430

(c) Credit Risk

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

37. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Credit Risk (cont'd)

Credit risk concentration profile

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

	THE GROUP			
	2011		2010	
	($'000)	**% of total**	($'000)	% of total
By Geographical Segment:				
Singapore	**595,297**	**61%**	665,250	65%
Malaysia	**169,514**	**18%**	168,249	16%
Other ASEAN	**65,369**	**7%**	55,909	6%
North/South Asia	**38,249**	**4%**	48,047	5%
Oceania	**87,555**	**9%**	72,641	7%
Europe & USA	**5,473**	**1%**	11,187	1%
	961,457	**100%**	1,021,283	100%
By Business Segment:				
Soft Drinks	**97,933**	**10%**	81,903	8%
Dairies	**144,743**	**15%**	130,195	13%
Breweries	**118,942**	**12%**	98,751	10%
Printing & Publishing	**98,450**	**10%**	94,380	9%
Commercial Property	**16,592**	**2%**	2,905	0%
Development Property	**463,218**	**48%**	592,155	58%
Others	**21,579**	**3%**	20,994	2%
	961,457	**100%**	1,021,283	100%

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

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

Information regarding financial assets that are either past due or impaired and aging analysis is disclosed in Note 25. Management believes that no additional credit risk beyond that provided for is inherent in the Group's trade and other receivables.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

37. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Interest Rate Risk

The Company's and the Group's exposure to market risk for changes in interest rates relate primarily to debt obligation with financial institutions. The Company's and the Group's policy is to manage interest cost using a mix of fixed and variable rate debts, and interest rate economic effect of converting borrowings from fixed rates to variable rates or vice versa.

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

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

	THE GROUP		THE COMPANY	
	2011 ($'000)	2010 ($'000)	**2011 ($'000)**	2010 ($'000)
Notional Amount	**915,536**	586,840	**100,000**	100,000
Net Fair Value				
Fair value gain on interest rate swap contracts	**359**	1,351	**278**	800
Fair value loss on interest rate swap contracts	**(22,678)**	(21,251)	**-**	-

At 30 September 2011 the fixed interest rate of the outstanding interest rate swap contract is between 0.5% to 4.3% (2010: 1.6% to 4.7%), while the floating interest rates are mainly linked to Singapore Interbank Offered Rates.

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

	Floating rates	**Fixed rates**		
	($'000)	**Less than 1 year ($'000)**	**Between 1 to 5 years ($'000)**	**After 5 years ($'000)**
The Group				
Year Ended 30 September 2011				
Assets				
Cash and bank deposits	**156,260**	**1,168,020**	**-**	**-**
Other financial assets	**-**	**3,515**	**34,374**	**57,540**
Liabilities				
Borrowings	**1,757,605**	**322,788**	**1,512,595**	**370,458**
Year Ended 30 September 2010				
Assets				
Cash and bank deposits	213,920	1,247,530	641	-
Other financial assets	-	3,329	36,205	114,923
Liabilities				
Borrowings	2,505,215	647,724	923,130	498,672

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

37. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Interest Rate Risk (cont'd)

	Floating rates ($'000)	Fixed rates Less than 1 year ($'000)	Fixed rates Between 1 to 5 years ($'000)	Fixed rates After 5 years ($'000)
The Company				
Year Ended 30 September 2011				
Assets				
Cash and bank deposits	**-**	**98,566**	**-**	**-**
Liabilities				
Borrowings	**-**	**-**	**150,000**	**-**
Year Ended 30 September 2010				
Assets				
Cash and bank deposits	-	47,624	-	-
Liabilities				
Borrowings	-	-	-	150,000

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

The Company and the Group are in a net finance cost position for the years ended 30 September 2011 and 2010.

Sensitivity analysis for interest rate risk

It is estimated that a hundred basis points increase/decrease in interest rate, with all other variables held constant, would decrease/increase the Group's profit after tax and net loss in hedging reserve by approximately $13,291,000 (2010: $19,018,000) and $16,100,000 (2010: $5,000,000) respectively, arising mainly as a result of higher/lower interest expense on net floating borrowing position and increase/decrease in the fair value of derivatives held for hedging respectively. The analysis is performed on the same basis for 2010.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

37. FINANCIAL RISK MANAGEMENT (cont'd)

(e) Market Price Risk

The Company and the Group are exposed to market price 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 available-for-sale investments increase by 10% with all other variables including tax rate being held constant, the impact on fair value adjustment reserve will be as follows:

	THE GROUP		THE COMPANY	
	2011 ($'000)	2010 ($'000)	**2011 ($'000)**	2010 ($'000)
Fair value adjustment reserve	**30,138**	23,733	**514**	519

There will be no impact to profit after tax.

A 10% decrease in the underlying equity prices would have had the equal but opposite effect to the amounts shown above. The analysis is performed on the same basis for 2010 and assumes that all other variables remain constant.

(f) 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:

(i) Cash and bank balances, other receivables and other payables

The carrying amounts of these items approximate fair value due to their short term nature.

(ii) Trade receivables and trade payables

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

(iii) 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.

(iv) 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.

(v) Bank borrowings and term loans

The fair value of fixed rate bank borrowings and term loans are disclosed in Note 30. The carrying values of bank borrowings, and term loans maturing within one year and the floating rates borrowings and loans approximate their fair value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

37. FINANCIAL RISK MANAGEMENT (cont'd)

(f) Fair Values (cont'd)

(vi) Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Quoted prices in active markets for identical instruments (Level 1) ($'000)	Significant other observable inputs (Level 2) ($'000)	Significant unobservable inputs (Level 3) ($'000)	Total ($'000)
The Group				
Year Ended 30 September 2011				
Financial Assets				
Other investments (Note 19)				
Quoted - Equity investments	**282,317**	**-**	**-**	**282,317**
Unquoted - Equity investments	**-**	**2,467**	**-**	**2,467**
Derivative financial instruments (Note 26)	**-**	**5,938**	**-**	**5,938**
Short term investments (Note 27)				
Quoted - Equity investments	**89**	**-**	**-**	**89**
	282,406	**8,405**	**-**	**290,811**
Financial Liabilities				
Derivative financial instruments (Note 26)	**-**	**26,164**	**-**	**26,164**
Year Ended 30 September 2010				
Financial Assets				
Other investments (Note 19)				
Quoted - Equity investments	218,138	-	-	218,138
Unquoted - Equity investments	-	2,787	-	2,787
Derivative financial instruments (Note 26)	-	2,793	-	2,793
Short term investments (Note 27)				
Quoted - Equity investments	100	-	-	100
	218,238	5,580	-	223,818
Financial Liabilities				
Derivative financial instruments (Note 26)	-	29,991	-	29,991

Fair value hierarchy

The Group classify fair value measurement using a fair value hierarchy that reflect the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

Level 1 - Quoted prices in active markets for identical assets or liabilities
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 - Inputs for the asset or liability that are not based on observable market data

Quoted equity instruments: Fair value is determined directly by reference to their published market bid price at the balance sheet date.

Derivatives: The fair value of interest rate swap contracts and foreign currency forward contracts is determined by reference to market values for similar instruments.

There have been no transfers between Level 1 and Level 2 during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

37. FINANCIAL RISK MANAGEMENT (cont'd)

(g) Classification of Financial Instruments

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

	Loans and receivables ($'000)	Fair value through profit and loss ($'000)	Derivatives used for hedging ($'000)	Available-for-sale ($'000)	Held-to-maturity ($'000)	Liabilities at amortised cost ($'000)	Non-financial assets/ liabilities ($'000)	Total ($'000)
The Group								
Year Ended 30 September 2011								
Assets								
Fixed assets	-	-	-	-	-	-	1,187,048	1,187,048
Investment properties	-	-	-	-	-	-	2,476,740	2,476,740
Joint venture companies	6,117	-	-	-	-	-	60,101	66,218
Associated companies	31,204	-	-	-	-	-	1,364,177	1,395,381
Intangible assets	-	-	-	-	-	-	570,565	570,565
Brands	-	-	-	-	-	-	72,452	72,452
Other investments	6,691	-	-	397,625	267	-	-	404,583
Other receivables	245,838	5,695	243	-	-	-	130,578	382,354
Other assets	-	-	-	-	-	-	41,000	41,000
Deferred tax assets	-	-	-	-	-	-	14,649	14,649
Properties held for sale	-	-	-	-	-	-	4,103,882	4,103,882
Inventories	-	-	-	-	-	-	373,405	373,405
Trade receivables	961,457	-	-	-	-	-	-	961,457
Short term investments	3,515	-	-	89	-	-	-	3,604
Bank fixed deposits	1,180,935	-	-	-	-	-	-	1,180,935
Cash and bank balances	418,672	-	-	-	-	-	-	418,672
Assets held for sale	-	-	-	-	-	-	119,542	119,542
	2,854,429	5,695	243	397,714	267	-	10,514,139	13,772,487
Liabilities								
Trade payables	-	-	-	-	-	673,442	-	673,442
Other payables	-	3,188	22,976	-	-	713,549	104,969	844,682
Joint venture companies	-	-	-	-	-	14,263	-	14,263
Associated companies	-	-	-	-	-	3,043	-	3,043
Borrowings	-	-	-	-	-	3,963,446	-	3,963,446
Provision for taxation	-	-	-	-	-	-	317,648	317,648
Liabilities held for sale	-	-	-	-	-	-	38,292	38,292
Provision for employee benefits	-	-	-	-	-	-	20,405	20,405
Deferred tax liabilities	-	-	-	-	-	-	176,242	176,242
	-	3,188	22,976	-	-	5,367,743	657,556	6,051,463

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

37. FINANCIAL RISK MANAGEMENT (cont'd)

(g) Classification of Financial Instruments (cont'd)

	Loans and receivables ($'000)	Fair value through profit and loss ($'000)	Derivatives used for hedging ($'000)	Available-for-sale ($'000)	Held-to-maturity ($'000)	Liabilities at amortised cost ($'000)	Non-financial assets/ liabilities ($'000)	Total ($'000)
The Group								
Year Ended 30 September 2010								
Assets								
Fixed assets	-	-	-	-	-	-	1,104,216	1,104,216
Investment properties	-	-	-	-	-	-	2,139,026	2,139,026
Joint venture companies	6,542	-	-	-	-	-	89,837	96,379
Associated companies	30,551	-	-	-	-	-	1,335,496	1,366,047
Intangible assets	-	-	-	-	-	-	576,219	576,219
Brands	-	-	-	-	-	-	74,275	74,275
Other investments	6,744	-	-	316,527	260	-	-	323,531
Other receivables	166,804	2,242	551	-	-	-	144,286	313,883
Other assets	-	-	-	-	-	-	41,000	41,000
Deferred tax assets	-	-	-	-	-	-	25,251	25,251
Properties held for sale	-	-	-	-	-	-	4,309,185	4,309,185
Inventories	-	-	-	-	-	-	391,916	391,916
Trade receivables	1,021,283	-	-	-	-	-	-	1,021,283
Short term investments	3,329	-	-	100	-	-	-	3,429
Bank fixed deposits	1,274,626	-	-	-	-	-	-	1,274,626
Cash and bank balances	424,290	-	-	-	-	-	-	424,290
Assets held for sale	-	-	-	-	-	-	38,262	38,262
	2,934,169	2,242	551	316,627	260	-	10,268,969	13,522,818
Liabilities								
Trade payables	-	-	-	-	-	724,740	-	724,740
Other payables	-	6,947	23,044	-	-	723,018	15,065	768,074
Joint venture companies	-	-	-	-	-	6,350	-	6,350
Associated companies	-	-	-	-	-	954	-	954
Borrowings	-	-	-	-	-	4,574,741	-	4,574,741
Provision for taxation	-	-	-	-	-	-	313,775	313,775
Liabilities held for sale	-	-	-	-	-	-	2,297	2,297
Provision for employee benefits	-	-	-	-	-	-	25,044	25,044
Deferred tax liabilities	-	-	-	-	-	-	158,384	158,384
	-	6,947	23,044	-	-	6,029,803	514,565	6,574,359

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

37. FINANCIAL RISK MANAGEMENT (cont'd)

(g) Classification of Financial Instruments (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						
Year Ended 30 September 2011						
Assets						
Subsidiary companies	**516,351**	**-**	**-**	**(104,698)**	**3,315,653**	**3,727,306**
Joint venture companies	**-**	**-**	**-**	**-**	**434,421**	**434,421**
Associated companies	**-**	**-**	**-**	**-**	**82,383**	**82,383**
Other investments	**-**	**-**	**8,672**	**-**	**-**	**8,672**
Other receivables	**27**	**278**	**-**	**-**	**11**	**316**
Bank fixed deposits	**98,566**	**-**	**-**	**-**	**-**	**98,566**
Cash and bank balances	**1,002**	**-**	**-**	**-**	**-**	**1,002**
	615,946	**278**	**8,672**	**(104,698)**	**3,832,468**	**4,352,666**
Liabilities						
Other payables	**-**	**-**	**-**	**4,982**	**143**	**5,125**
Subsidiary companies	**-**	**-**	**-**	**5,164**	**-**	**5,164**
Borrowings	**-**	**-**	**-**	**150,000**	**-**	**150,000**
Provision for taxation	**-**	**-**	**-**	**-**	**18,961**	**18,961**
Deferred tax liabilities	**-**	**-**	**-**	**-**	**352**	**352**
	-	**-**	**-**	**160,146**	**19,456**	**179,602**
Year Ended 30 September 2010						
Assets						
Subsidiary companies	486,434	-	-	(104,494)	3,177,787	3,559,727
Joint venture companies	-	-	-	-	434,421	434,421
Associated companies	-	-	-	-	82,383	82,383
Other investments	-	-	9,053	-	-	9,053
Other receivables	6	800	-	-	3	809
Bank fixed deposits	47,624	-	-	-	-	47,624
Cash and bank balances	910	-	-	-	-	910
	534,974	800	9,053	(104,494)	3,694,594	4,134,927
Liabilities						
Other payables	-	-	-	4,145	1,111	5,256
Subsidiary companies	-	-	-	12,986	-	12,986
Borrowings	-	-	-	150,000	-	150,000
Provision for taxation	-	-	-	-	15,491	15,491
Deferred tax liabilities	-	-	-	-	417	417
	-	-	-	167,131	17,019	184,150

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

38. UNUSUAL ITEM

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

In September 2004, four banks, Bayerische Hypo-und Vereinsbank Aktiengesellschaft ("HVB"), Skandinaviska Enskilda Banken ("SEB"), Mizuho Corporate Bank Ltd ("Mizuho") and Sumitomo Mitsui Banking Corporation ("Sumitomo"), commenced separate actions against APBS. The breakdown of the respective claims by the four banks is as follows:

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

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

The court hearing for the remaining suits has ended. In the judgement released on 31 August 2009, the High Court dismissed SEB's and HVB's claims in full. However, the court also held that APBS did not have a valid change of position defence in respect of the sum of $347,671 and held that SEB was entitled to judgement in the sum of $347,671 ("SEB Judgement Sum") together with interest thereon. On 29 September 2009, SEB and HVB filed their notices of appeal against the entire High Court decision. On 27 April 2010, the appeal was heard by the Court of Appeal.

In the Court of Appeal judgement released on 19 May 2011, the Court of Appeal upheld the High Court's decision and dismissed the appeals by SEB and HVB in full, with costs awarded in favour of APBS. APBS has since paid the Judgement Sum and is in the midst of recovering costs from SEB and HVB for both the High Court and Court of Appeal proceedings. If parties do not reach a settlement on costs, the issue of costs will proceed to taxation i.e. formal assessment by the Court on costs.

39. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios to support its business and maximise shareholder value. No changes were made in the objectives, policies or processes during the years ended 30 September 2011 and 2010.

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 80% of total equity.

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

	THE GROUP		THE COMPANY	
	2011 ($'000)	2010 ($'000)	**2011 ($'000)**	2010 ($'000)
Cash and bank deposits	**1,599,607**	1,698,916	**99,568**	48,534
Borrowings	**(3,963,446)**	(4,574,741)	**(150,000)**	(150,000)
Net borrowings	**(2,363,839)**	(2,875,825)	**(50,432)**	(101,466)
Shareholders' fund	**6,882,210**	6,142,798	**4,173,064**	3,950,777
Total equity (including non-controlling interests)	**7,721,024**	6,948,459	**4,173,064**	3,950,777
Net borrowings/Shareholders' fund	**0.34**	0.47	**0.01**	0.03
Net borrowings/Total equity	**0.31**	0.41	**0.01**	0.03

Certain entities in the Group are required to comply with certain externally imposed capital requirements in respect of certain external borrowings. The Group and the Company are in compliance with all externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

40. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATION

The Group has not adopted the following relevant standards and interpretations that have been issued as at balance sheet date but are not yet effective:

Description		Effective for annual periods beginning on or after
Revised FRS 24	Related Party Disclosures	1 January 2011
Amendments to INT FRS 114	Prepayments of a Minimum Funding Requirement	1 January 2011
INT FRS 115	Agreements for the Construction of Real Estate	1 January 2011
Amendments to FRS 107 Disclosures	Transfer of Financial Assets	1 July 2011
Amendments to FRS 12 Deferred Tax	Recovery of Underlying Assets	1 January 2012
Amendments to FRS 1	Presentation of Items of Other Comprehensive Income	1 July 2012
Revised FRS 19	Employee Benefits	1 January 2013
FRS 27	Separate Financial Statements	1 January 2013
FRS 28	Investments in Associates and Joint Ventures	1 January 2013
FRS 110	Consolidated Financial Statements	1 January 2013
FRS 111	Joint Arrangements	1 January 2013
FRS 112	Disclosures of Interests in Other Entities	1 January 2013
FRS 113	Fair Value Measurements	1 January 2013
Improvements to FRSs 2010:		
Amendments to FRS 107	Financial Instruments: Disclosures	1 January 2011
Amendments to FRS 1	Presentation of Financial Statements	1 January 2011
FRS 34	Interim Financial Reporting	1 January 2011

Except for the Revised FRS 24, the Amendments to FRS 1, Amendments to FRS 12, FRS 110, FRS 10, FRS 27, FRS 111, FRS 112, INT FRS 114 and INT FRS 115, the Directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the following FRS and INT FRS are described below.

(a) Revised FRS 24 Related Party Disclosures

The Revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The Revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. The Group is currently determining the impact the changes to the definition of a related party has on the disclosure of related party transaction.

The Group will apply the Revised FRS 24 from 1 October 2011. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group when implemented.

(b) Amendments to FRS 1 Presentation of Items of Other Comprehensive Income

The Amendments to FRS 1 changes the grouping of items presented in other comprehensive income ("OCI"). Items that could be reclassified to profit or loss at a future point in time would be presented separately from items which will never be reclassified. As the Amendments only affect the presentation of items that are already recognised in OCI, the Group does not expect any impact on its financial position or performance upon adoption of this standard.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

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

(c) Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets

The Amendments to FRS 12 apply to the measurement of deferred tax liabilities and assets arising from investment properties measured using the fair value model under FRS 40 Investment Property, including investment property acquired in a business combination and subsequently measured using the fair value model. For the purposes of measuring deferred tax, the Amendments introduce a rebuttable presumption that the carrying amount of an investment property measured at fair value will be recovered entirely through sale. The presumption can be rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits over time, rather than through sale.

The Group provides for deferred tax liabilities for its investment properties on the basis that the carrying amount of the investment properties will be recovered through use. Upon adoption of the Amendments to FRS 12, there is a presumption that the carrying amount of an investment property measured at fair value will be recovered entirely through sale. Accordingly, there will be no deferred tax liability on investment properties in Singapore as there is no capital gains tax in Singapore. The Group expects the adoption of Amendments to FRS 12 to result in a decrease in deferred tax liabilities of the Group and a corresponding increase in retained earnings upon initial application of the amendments.

The Group will apply the Amendments to FRS 12 from 1 October 2012.

(d) FRS 110/IFRS 10 Consolidated Financial Statements and FRS 27 Separate Financial Statements (Revised)

FRS 110/IFRS 10 establishes a single control model that applies to all entities (including special purpose entities). The changes introduced by FRS 110/IFRS 10 will require the management to exercise significant judgement to determine which entities are controlled, and therefore are required to be consolidated by the Group, compared with the requirements that were in FRS 27. Therefore, FRS 110/IFRS 10 may change which entities are consolidated within a group. The revised FRS 27 was amended to address accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

The Group is currently determining the impact of the changes to the concept of control.

(e) FRS 111/IFRS 11 Joint Arrangements and FRS 28 Investment in Associates and Joint Ventures (Revised)

FRS 111/IFRS 11 classifies joint arrangements either as joint operations or joint ventures. Joint operation is a joint arrangement hereby the parties that have rights to the assets and obligations for the liabilities whereas joint venture is a joint arrangement whereby the parties that have joint control of the arrangement has rights to the net assets of the arrangement. FRS 111/IFRS 11 requires the determination of joint arrangement's classification to be based on the parties' rights and obligations under the arrangement, with the existence of a separate legal vehicle no longer being the key factor. FRS 111/IFRS 11 disallows proportionate consolidation and requires joint venture to be accounted for using the equity method. The revised FRS 28 was amended to describe the application of equity method to investments in joint ventures in addition to associates.

The Group currently applies proportionate consolidation for its joint ventures. Upon adoption of FRS 111/IFRS 11, the Group expects the change to equity accounting for these joint ventures will affect the Group's financial statements presentation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

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

(f) FRS 112/IFRS 12 Disclosure of Interests in Other Entities

FRS 112/IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interest in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112/IFRS 12 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements.

The Group is currently determining the impact of the disclosure requirements. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group when implemented.

(g) Amendments to INT FRS 114 Prepayments of a Minimum Funding Requirement

The changes to INT FRS 114 require entities sponsoring defined benefit plans to assess whether prepayments have been made that now need to be re-assessed for their impact on recoverability on pension assets. Entities applying the corridor to recognise actuarial gains and losses may also need to take into account the potential interaction between corridor and the recoverability of plan assets.

The Group will apply INT FRS 114 from 1 October 2011.

(h) INT FRS 115 Agreements for the Construction of Real Estate

On 26 August 2010, the Accounting Standards Council issued INT FRS 115 with an accompanying note that explains the application of the Interpretation to property development sales in Singapore by considering the Singapore legal framework. INT FRS 115 supersedes RAP 11 Pre-Completion Contracts for the Sale of Development Property and becomes effective for annual periods beginning on or after 1 January 2011. When adopted INT FRS 115 is to be applied retrospectively.

INT FRS 115 clarifies when revenue and related expenses from a sale of real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of real estate is completed. INT FRS 115 determines that contracts which do not classify as construction contracts in accordance with FRS 11 can only be accounted for using the percentage of completion ("POC") method if the entity continuously transfers to the buyer control and the significant risks and rewards of ownership of the work in progress in its current state as construction progresses.

The Group's current accounting policy for all residential property sales is to recognise revenue using the POC method as construction progresses. When the Group applies INT FRS 115 in the financial year ended 30 September 2012 retrospectively, the 2011 comparatives for revenue and net profit after tax are expected to increase by approximately $92,337,000 and $29,499,000 respectively. The properties held for sale and deferred income as at 30 September 2011 are also expected to decrease by approximately $43,614,000 and increase by approximately $1,526,000 respectively.

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

For the current financial year, RAP 11 is still applicable in Singapore. 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 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. With the issuance of INT FRS 115, RAP 11 will cease to have effect for annual periods beginning on or after 1 January 2011.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

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

(i) 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	
	2011 ($'000)	2010 ($'000)
Profit statement		
Increase/(Decrease) in revenue recognised for the year	**503,237**	(66,592)
Increase in profit for the year	**127,480**	31,018
Balance sheet		
Decrease in opening accumulated profits	**(287,593)**	(319,575)
Decrease in properties under development		
At beginning of the year	**(386,865)**	(401,310)
At end of the financial year	**(216,886)**	(387,365)
Increase/(Decrease) in non-controlling interests		
At beginning of the year	**-**	(3,231)
Share of profit for the year	**1,351**	3,231

41. SUBSEQUENT EVENTS

(a) On 11 October 2011, the Group announced that its subsidiary company, F&NHB's dairies product manufacturing facilities in Rojana Industrial Park, Ayutthaya, Thailand under F&N Dairies (Thailand) Limited, a wholly owned subsidiary, was inundated by massive floods and has ceased production.

It is currently estimated that production can recommence approximately 3 to 5 months after flood water has subsided. During the interim, in order to mitigate the disruption to the market place/customers, the Group plans to ship products from its outsourced manufacturing locations.

The Group is also working closely with its insurer and loss adjusters to file claims under its Property All Risk and Business Interruption Insurance policies. Material financial losses including consequential loss of profit are recoverable from the insurer and the Group will look to these policies for reimbursement during the period.

(b) On 28 October 2011, the Group announced that its subsidiary company, F&N Dairy Investments Pte Ltd has entered into a share purchase agreement to sell its entire 29.5% shareholding interest in China Dairy Group Ltd for a consideration of approximately $37.9 million. This sale was completed on 1 November 2011.

(c) On 1 November 2011, the Group's joint venture company, Asia Pacific Breweries Limited increased its equity interest in South Pacific Brewery Limited ("SPB") from 75.8% to 76.4% through the purchase of 201,600 shares representing 0.6% of the share capital of SPB for an aggregate consideration of Kina 3,024,000 (or approximately $1,700,000).

(d) On 4 November 2011, the Group's joint venture company, Asia Pacific Breweries Limited's indirect subsidiary company, Barworks Holdings Limited ("BHL") has acquired the remaining 25.0% equity interest in Clifford Pubs Limited ("CPL"), a company incorporated in New Zealand, from MJ Clifford, SE Leonard & MAG Trustees Ltd. The consideration for the acquisition, reached on a willing seller willing buyer basis taking into account the profitability of CPL, is NZ$925,000 (or approximately $928,000), and has been paid in cash by BHL on completion. The book value of the additional interest based on the unaudited accounts of CPL as at 30 September 2011 is approximately NZ$55,000 (or approximately $55,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES

		Effective Shareholding 2011	Effective Shareholding 2010	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
	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
	Times Publishing Ltd	**100.0%**	100.0%	Investment Holding
	Frasers Centrepoint Limited	**100.0%**	100.0%	Investment Holding
	F&NBev Manufacturing Pte. Ltd. *(Held by a subsidiary company)*	**100.0%**	100.0%	Dormant
	F&N Treasury Pte Ltd	**100.0%**	100.0%	Provide Treasury and Financial Services
	F&N Creameries (S'pore) Pte Ltd *(Formerly King's Creameries (S) Pte Ltd)* *(Held by a subsidiary company)*	**100.0%**	-	Distribution of Ice-Cream
	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	**56.7%**	57.0%	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: **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
	Country of Incorporation and Place of Business: **Australia**			
(A)	Red Lion Holdings Pty Ltd *(Held by a subsidiary company)*	**100.0%**	100.0%	Dormant

Notes:

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

(C) Audited by other firms of auditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

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

		Effective Shareholding 2011	2010	Principal Activities
	SUBSIDIARY COMPANIES OF F&N CREAMERIES GROUP			
	Country of Incorporation and Place of Business: **Singapore**			
**	N'Joy Dairies International Pte Ltd	**100.0%**	-	Dormant
	Country of Incorporation and Place of Business: **Malaysia**			
(A)	F&N Ice Cream Manufacturing (M) Sdn Bhd *(Formerly King's Creameries (M) Sdn Bhd)*	**100.0%**	-	Manufacture and Distribution of Ice-Cream
(A)	F&N Creameries (M) Sdn Bhd *(Formerly King's Dairies (M) Sdn Bhd)*	**100.0%**	-	Distribution of Ice-Cream
(A)	F&N Ice Cream Manufacturing (Sarawak) Sdn Bhd *(Formerly Treats Dairies (Sarawak) Sdn Bhd)*	**100.0%**	-	Manufacture and Distribution of Ice-Cream
(A)	F&N Creameries (Sarawak) Sdn Bhd *(Formerly TDS Marketing & Services Sdn Bhd)*	**100.0%**	-	Distribution of Ice-Cream
**	N'Joy Dairies International Sdn Bhd	**100.0%**	-	Dormant
	SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(A)	Fraser & Neave (Malaya) Sdn Bhd	**56.7%**	57.0%	Management Services and Property Investment Holdings
(A)	F&N Beverages Marketing Sdn Bhd	**56.7%**	57.0%	Distribution of Soft Drinks
(A)	F&N Beverages Manufacturing Sdn Bhd	**56.7%**	57.0%	Manufacture of Soft Drinks
(A)	F&N Dairies (Malaysia) Sdn Bhd	**56.7%**	57.0%	Distribution of Dairy Products
(A)	Premier Milk (Malaya) Sdn Bhd	**56.7%**	57.0%	Manufacture of Dairy Products
(A)	Four Eights Sdn Bhd	**56.7%**	57.0%	Dormant
(A)	F&N Foods Sdn Bhd	**56.7%**	57.0%	Manufacture of Dairy Products
(A)	Kuala Lumpur Glass Manufacturers Company Sdn Bhd	**56.7%**	57.0%	Dormant
(A)	Wimanis Sdn Bhd	**56.7%**	57.0%	Property Development
(A)	Lettricia Corporation Sdn Bhd	**39.7%**	39.9%	Property Development
(A)	Elsinburg Holdings Sdn Bhd	**56.7%**	57.0%	Property Development
(A)	Vacaron Company Sdn Bhd	**56.7%**	57.0%	Property Development
(A)	Nuvak Company Sdn Bhd	**56.7%**	57.0%	Dormant
(A)	Greenclipper Corporation Sdn Bhd	**56.7%**	57.0%	Dormant
(A)	Utas Mutiara Sdn Bhd	**56.7%**	57.0%	Property Investment Holding
(A)	Borneo Springs Sdn Bhd	**56.7%**	57.0%	Manufacture and Sale of Mineral Water, Carbonated Drinks and Bottles
(A)	PML Dairies Sdn Bhd	**56.7%**	57.0%	Manufacture and Distribution of Dairy Products
(A)	F&N Properties Sdn Bhd	**56.7%**	57.0%	Provision of Property Management Services
(A)	F&N Capital Sdn Bhd	**56.7%**	57.0%	Provide Treasury and Financial Services
(A)	Tropical League Sdn Bhd	**56.7%**	57.0%	Dormant

Notes:

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

** In voluntary liquidation

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

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

		Effective Shareholding 2011	2010	Principal Activities
	SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP (cont'd)			
	Country of Incorporation and Place of Business: **Singapore**			
	Arolys Singapore Pte Ltd	**56.7%**	57.0%	Distribution of Dairy Products
	Country of Incorporation and Place of Business: **Thailand**			
(A)	F&N Dairies (Thailand) Limited	**56.7%**	57.0%	Manufacture and Distribution of Dairy Products
(A)	F&N Beverage (Thailand) Limited	**56.7%**	57.0%	Dormant
	Country of Incorporation and Place of Business: **British Virgin Islands**			
(A)	Lion Share Management Limited	**56.7%**	57.0%	Brand Owner
	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
	Orrick Investments Pte Ltd	**100.0%**	100.0%	Property Investment
	Yishun Development Pte Ltd	**100.0%**	100.0%	Property Development
	FCL Alexandra Point Pte Ltd	**100.0%**	100.0%	Property Investment
	Woodlands Complex Pte Ltd	**100.0%**	100.0%	Property Development
	Riverside Walk Pte Ltd	**100.0%**	100.0%	Property Development
	FCL Ventures Pte Ltd	**100.0%**	100.0%	Property Development
	FCL Management Services Pte Ltd	**100.0%**	100.0%	Management Services
	Riverside Investments Pte Ltd	**100.0%**	100.0%	Property Development
	Yishun Land Pte Ltd	**100.0%**	100.0%	Property Development
	Yishun Property Pte Ltd	**100.0%**	100.0%	Property Development
	FCL Tampines Pte Ltd	**80.0%**	80.0%	Property Development
	FCL Homes Pte Ltd	**100.0%**	100.0%	Property Development
	FCL Land Pte Ltd	**100.0%**	100.0%	Property Development
	FCL Assets Pte Ltd	**100.0%**	100.0%	Investment Holding
	FCL Estates Pte Ltd	**100.0%**	100.0%	Property Development
	Frasers Hospitality Pte Ltd	**100.0%**	100.0%	Investment Holding and Management Services
	Frasers (UK) Pte Ltd	**75.0%**	75.0%	Investment Holding
	Frasers (Australia) Pte Ltd	**75.0%**	75.0%	Investment Holding
	FCL (China) Pte Ltd	**100.0%**	100.0%	Investment Holding
	Marine Parade View Pte Ltd	**100.0%**	100.0%	Property Development
	FCL (Fraser) Pte Ltd	**100.0%**	100.0%	Investment Holding
	FCL Sophia Pte Ltd	**100.0%**	100.0%	Property Development

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

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

	Effective Shareholding 2011	Effective Shareholding 2010	Principal Activities
SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
Country of Incorporation and Place of Business: **Singapore** (cont'd)			
Frasers Centrepoint Property Management Services Pte Ltd	**100.0%**	100.0%	Management Services
FCL Choa Chu Kang Pte Ltd	**100.0%**	100.0%	Property Development
FCL Joo Chiat Place Pte Ltd	**100.0%**	100.0%	Property Development
Frasers (NZ) Pte Ltd	**75.0%**	75.0%	Investment Holding
FCL China Development Pte Ltd	**100.0%**	100.0%	Investment Holding
FCL Court Pte Ltd	**100.0%**	100.0%	Property Development
FCL Lodge Pte Ltd	**100.0%**	100.0%	Property Development
FCL Place Pte Ltd	**100.0%**	100.0%	Property Development
FCL Rise Pte Ltd	**100.0%**	100.0%	Property Development
Frasers (Thailand) Pte Ltd	**100.0%**	100.0%	Investment Holding
River Valley Properties Pte Ltd	**100.0%**	100.0%	Investment Holding and Property Development
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
Frasers Centrepoint Asset Management (Malaysia) Pte Ltd	**100.0%**	100.0%	Investment Holding
FCL Trust Holdings (Commercial) Pte Ltd	**100.0%**	100.0%	Investment Holding
Frasers Centrepoint Asset Management (Commercial) Ltd	**100.0%**	100.0%	Asset Management, Fund and Property Management and Related Advisory Services
Frasers Centrepoint Property Management (Commercial) Pte Ltd	**100.0%**	100.0%	Asset Management, Fund and Property Management and Related Advisory Services
FCL Management Services (Commercial) Pte Ltd	**100.0%**	100.0%	Management Services
FCL REIT Management Ltd	**100.0%**	100.0%	Management Services
MLP Co Pte Ltd	**100.0%**	100.0%	Investment Holding
SAJV Co Pte Ltd	**100.0%**	100.0%	Investment Holding
FCL Clover Pte Ltd	**100.0%**	100.0%	Financial Services
FCL Tampines Court Pte Ltd	**100.0%**	100.0%	Investment Holding
FCL Emerald (1) Pte Ltd	**100.0%**	100.0%	Investment Holding
Opal Star Pte Ltd	**100.0%**	100.0%	Investment Holding
Fraser Suites Jakarta Pte Ltd	**100.0%**	100.0%	Investment Holding
Fraser Residence Orchard Pte Ltd	**100.0%**	100.0%	Management Consultancy Services
FCL Crystal Pte Ltd	**100.0%**	100.0%	Property Development
FCL Topaz Pte Ltd	**100.0%**	100.0%	Investment Holding
Frasers Hospitality Investments Melbourne Pte Ltd	**100.0%**	-	Investment Holding
Emerald Hill Developments Pte Ltd	**100.0%**	100.0%	Property Investment
River Valley Shopping Centre Pte Ltd	**100.0%**	100.0%	Property Investment

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

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

		Effective Shareholding 2011	2010	Principal Activities
	SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
	Country of Incorporation and Place of Business: **Singapore** (cont'd)			
	River Valley Tower Pte Ltd	**100.0%**	100.0%	Property Investment
	River Valley Apartments Pte Ltd	**100.0%**	100.0%	Property Investment
	Frasers Hospitality Management Pte Ltd	**100.0%**	100.0%	Management Consultancy Services
	Frasers Hospitality Property Services Pte Ltd	**100.0%**	100.0%	Management Consultancy Services
	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
	FCL Compassvale Pte Ltd	**80.0%**	80.0%	Property Development
	Punggol Residences Pte Ltd	**80.0%**	-	Property Development
	FC Hotel Trustee Pte Ltd *(Formerly FC Retail Trust Management Pte Ltd)*	**100.0%**	100.0%	Management Services
	Ruby Star Trust	**100.0%**	-	Investment Holding
	Country of Incorporation and Place of Business: **Vietnam**			
(A)	Me Linh Point Ltd	**75.0%**	75.0%	Property Investment
	Country of Incorporation and Place of Business: **China**			
(C)	Beijing Fraser Suites Real Estate Management Co., Ltd	**100.0%**	100.0%	Property Investment
(A)	Shanghai Zhong Jun Real Estate Development Co., Ltd	**76.0%**	76.0%	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	**56.2%**	56.2%	Business Park Development and Investment
(A) (1)	Vision Huaqing (Beijing) Development Co., Ltd	**33.7%**	33.7%	Business Park Development and Investment
(A)	Vision Property (Shenzhen) Co., Ltd	**56.2%**	-	Property Development
(C)	Frasers Hospitality Management Co., Ltd, Shanghai	**100.0%**	100.0%	Management Consultancy Services
(C)	Fraser Place (Beijing) Property Management Co., Ltd	**100.0%**	100.0%	Management Consultancy Services
(C)	Modena Hospitality Management Co., Ltd. (Shanghai)	**51.0%**	51.0%	Management Consultancy Services
(C)	Shanghai Frasers Management Consultancy Co., Ltd	**100.0%**	100.0%	Management Services
(C)	Beijing Sin Hua Yan Real Estate Development Co., Ltd	**100.0%**	100.0%	Property Development
(C)	Singlong Property Development (Suzhou) Co., Ltd	**100.0%**	100.0%	Property Development
(C)	Frasers Property Management (Shanghai) Co., Ltd	**100.0%**	100.0%	Management Services
(C)	Chengdu Sino Singapore Southwest Logistics Co., Ltd *(All the above companies, incorporated in China, accounting year ends on 31 December)*	**80.0%**	80.0%	Property Development

Notes:

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

(C) Audited by other firms of auditors.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

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

		Effective Shareholding 2011	Effective Shareholding 2010	Principal Activities
	SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
	Country of Incorporation: **Bermuda** Place of Business: **Hong Kong**			
(A)	Frasers Property (China) Limited	**56.2%**	56.2%	Investment Holding
	Country of Incorporation and Place of Business: **Hong Kong**			
(A)	Excellent Esteem Limited	**100.0%**	100.0%	Investment Holding
(A)	Vision Century Secretaries Limited	**56.2%**	56.2%	Secretarial and Nominee Services
(A)	Vision Century Administration Limited	**56.2%**	56.2%	Management Consultancy Services
(A)	Vision Century Property Management Limited	**56.2%**	56.2%	Property Management
(C)	Frasers Hospitality (Hong Kong) Limited	**100.0%**	100.0%	Management Consultancy Services
(C)	Ace Goal Limited	**100.0%**	100.0%	Investment Holding
(C)	Extra Strength Limited	**100.0%**	100.0%	Investment Holding
(C)	Forth Carries Limited	**100.0%**	100.0%	Investment Holding
(C)	Forward Plan Limited	**100.0%**	100.0%	Investment Holding
(C)	Summit Park Limited	**100.0%**	100.0%	Investment Holding
(C)	Superway Logistics Investments (Hong Kong) Limited *(Accounting year ends on 31 December)*	**80.0%**	80.0%	Investment Holding
	Country of Incorporation: **British Virgin Islands** Place of Business: **Hong Kong**			
(B)	Limbo Enterprises Limited	**56.2%**	56.2%	Property Holding
(B)	Supreme Asia Investments Ltd	**75.2%**	75.2%	Investment Holding
	Country of Incorporation and Place of Business: **Philippines**			
(A)	Frasers Hospitality Philippines, Inc	**100.0%**	100.0%	Management Consultancy Services
(A)	Frasers Hospitality Investment, Inc	**100.0%**	100.0%	Property Investment
	Country of Incorporation: **Singapore** Place of Business: **United Kingdom**			
	Frasers Property (Europe) Holdings Pte Ltd	**80.0%**	51.2%	Investment Holding
	Country of Incorporation and Place of Business: **United Kingdom**			
(C)	Frasers Property (UK) Limited	**80.0%**	51.2%	Investment Holding
(C)	Frasers Property Developments Ltd	**80.0%**	51.2%	Investment Holding
(C)	Frasers Investments (UK) Limited	**80.0%**	51.2%	Property Investment
(C)	Frasers Ventures Limited	**80.0%**	51.2%	Property Development

Notes:

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

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

(C) Audited by other firms of auditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

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

		Effective Shareholding 2011	2010	Principal Activities
	SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
	Country of Incorporation and Place of Business: **United Kingdom** (cont'd)			
(C)	Frasers FB (UK) Limited *(Formerly Fairbriar plc)*	**80.0%**	51.2%	Property Investment
(C)	Ellisridge Limited	**80.0%**	40.4%[(1)]	Property Investment
(C)	Ellisridge Suites Limited	**80.0%**	40.4%[(1)]	Property Investment
(C)	Frasers FB (Apartments) Limited *(Formerly Fairbriar Apartments Limited)*	**80.0%**	51.2%	Property Development
(C)	Frasers FB (UK) Developments Limited *(Formerly Fairbriar Developments Limited)*	**80.0%**	51.2%	Property Development
(C)	Fairbriar Projects Limited	**80.0%**	51.2%	Property Development
(C)	The School House (Tunbridge Wells) Limited	**80.0%**	51.2%	Property Development
(C)	Fairbriar General Partner Limited	**80.0%**	51.2%	Property Investment
(C)	Frasers FB (UK) Group Limited *(Formerly Fairbriar Group plc)*	**80.0%**	51.2%	Investment Holding
(C)	Fairbriar House Limited	**80.0%**	51.2%	Investment Holding
(C)	Frasers Homes (UK) Limited	**80.0%**	51.2%	Property Development
(C)	Frasers (Buckswood Grange) Limited	**80.0%**	51.2%	Property Development
(C)	Frasers Islington Limited	**80.0%**	51.2%	Property Development
(C)	Frasers Islington Properties Limited	**80.0%**	51.2%	Property Development
(C)	Islington Theatre Development Limited	**79.2%**	38.1%[(1)]	Property Development
(C)	Frasers FB (Pepys Street) Limited *(Formerly Fairbriar Pepys Street Limited)*	**80.0%**	51.2%	Property Development
(C)	FKB Property Investment Ltd	**80.0%**	51.2%	Management Consultancy Services
(C)	FKB Property Management Limited	**80.0%**	51.2%	Management Consultancy Services
(C)	NGH Properties Limited	**80.0%**	51.2%	Property Investment
(C)	Frasers Sloane Avenue Limited	**80.0%**	51.2%	Property Development
(C)	Frasers (Brown Street) Limited	**80.0%**	51.2%	Property Development
(C)	Fairdace Limited	**100.0%**	34.1%	Serviced Apartments
(C)	Frasers Hospitality (UK) Limited	**100.0%**	51.2%	Management Consultancy Services and Serviced Apartments
(C)	Frasers (Vincent Square) Ltd	**80.0%**	51.2%	Property Development
(C)	Frasers Lumiere Leeds Ltd	**80.0%**	51.2%	Investment Holding
(C)	Frasers Management (UK) Ltd	**80.0%**	51.2%	Management Services
(C)	Frasers (Riverside Quarter) Ltd	**80.0%**	51.2%	Property Development
(B)	Frasers Highbury Limited	**75.0%**	75.0%	Dormant
(C)	Frasers St Giles Street Management Ltd	**100.0%**	51.2%	Property Management
(C)	Frasers (Maidenhead) Ltd	**80.0%**	51.2%	Property Development

Notes:

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

(C) Audited by other firms of auditors.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

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

		Effective Shareholding 2011	Effective Shareholding 2010	Principal Activities
	SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
	Country of Incorporation: **Singapore** Place of Business: **Australia**			
	FCL Bridgepoint Pte Ltd	**100.0%**	100.0%	Property Investment
	Country of Incorporation and Place of Business: **Australia**			
(A)	Frasers Town Hall Pty Ltd	**80.5%**	80.5%	Investment Holding and Property Development
(A)	Frasers Town Hall Residences Pty Ltd	**80.5%**	80.5%	Property Investment
(A)	Frasers Town Hall Issuer Pty Ltd	**80.5%**	80.5%	Financial Services
(A)	Frasers Town Hall Residences Operations Pty Ltd	**80.5%**	-	Serviced Apartments
(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 Property Management Australia Pty Limited	**75.0%**	75.0%	Management Services
(A)	Frasers Chandos Pty Limited	**75.0%**	75.0%	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 Killara Pty Ltd	**75.0%**	75.0%	Property Development
(A)	Frasers Morton Pty Ltd	**75.0%**	75.0%	Property Development
(A)	Frasers Broadway Pty Ltd	**75.0%**	75.0%	Property Development
(A)	Frasers Property Australia Pty Ltd	**75.0%**	75.0%	Investment Holding
(A)	Frasers Homes WA Pty Limited	**56.3%**	56.3%	Property Development
(A)	Frasers Putney Pty Limited	**75.0%**	75.0%	Property Development
(A)	Frasers Central Park Holdings No. 1 Pty Ltd	**75.0%**	-	Investment Holding
(A)	Frasers Central Park Holdings No. 2 Pty Ltd	**75.0%**	-	Investment Holding
(A)	Frasers Central Park Land No. 1 Pty Ltd	**75.0%**	-	Property Development
(A)	Frasers Central Park Land No. 2 Pty Ltd	**75.0%**	-	Property Development
(A)	Frasers Central Park Equity No. 1 Pty Ltd	**75.0%**	-	Property Development
(A)	Frasers Central Park Equity No. 2 Pty Ltd	**75.0%**	-	Property Development
(A)	Frasers Melbourne Trust	**100.0%**	-	Property Investment
(A)	Frasers Melbourne Apartments Pty Limited	**100.0%**	-	Management and Consultancy Services
(A)	Frasers Melbourne Management Pty Limited	**100.0%**	-	Management Services
	Country of Incorporation and Place of Business: **Japan**			
(B)	Frasers Hospitality Japan Kabushiki Kaisha	**100.0%**	100.0%	Management Consultancy Services
	Country of Incorporation: **Jersey, Channel Islands** Place of Business: **United Kingdom**			
(C)	Frasers (St Giles Street, Edinburgh) Ltd	**100.0%**	51.2%	Property Investment

Notes:

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

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

(C) Audited by other firms of auditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

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

		Effective Shareholding 2011	2010	Principal Activities
	SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
	Country of Incorporation and Place of Business: **New Zealand**			
(A)	Frasers Broadview Limited	**75.0%**	75.0%	Property Development
(A)	Frasers Papamoa Limited	**67.5%**	67.5%	Property Development
(A)	Coast Homes Limited	**67.5%**	67.5%	Property Development
	Country of Incorporation and Place of Business: **Thailand**			
(A)	Frasers Hospitality (Thailand) Ltd *(Accounting year ends on 31 December)*	**100.0%**	100.0%	Management Consultancy Services
	Country of Incorporation and Place of Business: **India**			
(A)	Frasers Hospitality India Pty Ltd	**100.0%**	-	Management Consultancy
	Country of Incorporation and Place of Business: **Indonesia**			
(A)	PT Frasers Hospitality Investments Indonesia *(Accounting year ends on 31 December)*	**100.0%**	-	Property Investment Services
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP			
	Country of Incorporation and Place of Business: **Singapore**			
	Marshall Cavendish International Private Limited	**100.0%**	100.0%	Investment Holding
	Marshall Cavendish International (Asia) Private Limited	**100.0%**	100.0%	Publishing of Trade Books
	Marshall Cavendish International (Singapore) Private Limited	**100.0%**	100.0%	Publishing - Education
	Marshall Cavendish Business Information Private Limited	**100.0%**	100.0%	Publishing of Trade Directory and Business Information
	Educational Technologies Pte Ltd	**100.0%**	100.0%	Distribution of Home Library Reference Books
	MC Online Pte Ltd	**100.0%**	100.0%	E-Learning Provider
	Panpac Education Pte Ltd	**100.0%**	100.0%	Publishing - Education and Supplies
	Pansing Distribution Pte Ltd	**100.0%**	100.0%	Distribution of Books and Magazines
	Goodwill Binding Pte Ltd	**51.0%**	51.0%	Printing and Binding
	JCS Digital Solutions Pte Ltd	**51.0%**	51.0%	Digital Printing
	Starprint Production Pte Ltd	**51.0%**	51.0%	Dormant
	Times Editions Pte Ltd	**60.0%**	60.0%	Dormant
	Times Graphics Private Limited	**100.0%**	100.0%	Dormant
**	TransQuest Asia Publishers Pte Ltd	**100.0%**	100.0%	Distribution of Books
	Country of Incorporation: **Singapore** Place of Business: **Singapore and Malaysia**			
	Times The Bookshop Pte Ltd	**100.0%**	100.0%	Retail of Books, Stationery, Magazines and Periodicals

Notes:

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

** In voluntary liquidation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

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

		Effective Shareholding 2011	Effective Shareholding 2010	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)			
	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%	Publishing of Books
(A) (1)	STP Distributors (M) Sdn Bhd	**30.0%**	30.0%	Distribution of Home Library Reference Books
(A)	Pansing Marketing Sdn Bhd	**100.0%**	100.0%	Distribution of Books and Magazines
(A)	Times Offset (Malaysia) Sdn Bhd	**100.0%**	100.0%	Commercial Printing
(A)	Pansing Distribution Sdn Bhd *(Formerly Times Distri-Services Sdn Bhd)*	**100.0%**	100.0%	Distribution of Books and Magazines
	Country of Incorporation: **Hong Kong** Place of Business: **Thailand**			
(A)	Far East Publications Ltd	**100.0%**	100.0%	Distribution of Home Library Reference Books
	Country of Incorporation and Place of Business: **Thailand**			
(A)	Marshall Cavendish International (Thailand) Co. Ltd	**49.0%**	49.0%	Publishing - Education
	Country of Incorporation and Place of Business: **Hong Kong**			
(A)	Everbest Printing Holdings Limited	**100.0%**	100.0%	Investment Holding
(A)	Everbest Printing Investment Ltd	**100.0%**	100.0%	Investment Holding
(A)	Everbest Printing Company Ltd	**100.0%**	100.0%	Commercial Printing
(A)	Marshall Cavendish Business Information (Hong Kong) Limited	**100.0%**	100.0%	Publishing of Trade Directory and Business Information
(A)	Times Publishing (Hong Kong) Limited	**100.0%**	100.0%	Education Publishing and Distribution of Magazines
	Country of Incorporation: **Hong Kong** Place of Business: **Hong Kong/Taiwan**			
(A)	Educational Technologies Limited	**100.0%**	100.0%	Publishing and Selling of Home Library Reference Books
	Country of Incorporation and Place of Business: **China**			
(A)	Everbest Printing (Guangzhou) Co. Ltd	**100.0%**	100.0%	Commercial Printing
(A) **	Liaoning Times Xinhua Printers Ltd	**51.0%**	51.0%	Commercial Printing
(A)	Shanxi Xinhua Times Packaging Printing Co Ltd	**51.0%**	51.0%	Commercial Printing and Packaging
(C)	Marshall Cavendish (Beijing) Co. Limited *(All the above companies, incorporated in China, accounting year ends on 31 December)*	**100.0%**	100.0%	Book Production Services

Notes:

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

(C) Audited by other firms of auditors.

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

** In voluntary liquidation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

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

		Effective Shareholding 2011	Effective Shareholding 2010	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)			
	Country of Incorporation and Place of Business: **India**			
(A)	Direct Educational Technologies India Pte Ltd	**100.0%**	100.0%	Distribution of Home Library Reference Books
	Country of Incorporation and Place of Business: **Australia**			
(A)	Musicway Corporation Limited	**100.0%**	100.0%	Distribution of Lifestyle Accessories and Storage Products
(A)	Rainbow Products Limited	**100.0%**	100.0%	Dormant
(A)	Times Properties Pty Limited	**100.0%**	100.0%	Dormant
(A)	Pansing IMM Pty Limited	**100.0%**	100.0%	Distribution of Magazines
(A)	Marshall Cavendish (Australia) Pty Ltd	**100.0%**	100.0%	Investment Holding
	Country of Incorporation and Place of Business: **United Kingdom**			
(A)	Marshall Cavendish Ltd	**100.0%**	100.0%	Investment Holding (ELT) Publishing
	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: **Ukraine**			
(A) **	A Wholly Owned Subsidiary Marshall Cavendish Ukraine	**100.0%**	100.0%	Partworks
	Country of Incorporation and Place of Business: **United States of America**			
(C)	Marshall Cavendish Corporation	**100.0%**	100.0%	Publishing of Library Reference 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

Notes:

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

(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.

** In voluntary liquidation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

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

		Effective Shareholding 2011	2010	Principal Activities
	JOINT VENTURE COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
	Country of Incorporation and Place of Business: **Singapore**			
	FCL Peak Pte Ltd	**50.0%**	50.0%	Property Development
	Ascendas Frasers Pte Ltd	**50.0%**	50.0%	Property Development
	Yishun Gold Pte Ltd	**50.0%**	50.0%	Property Development
	Precious Sand Pte Ltd	**50.0%**	-	Property Development
	Easthouse Properties Pte Ltd	**50.0%**	-	Property Development
	Emerald Star Pte Ltd	**33.3%**	-	Property Development
	Sapphire Star Trust	**33.3%**	-	Property Development
	Country of Incorporation and Place of Business: **United Kingdom**			
(C)	GSF Homes Limited	**40.0%**	25.6%	Property Development
(C)	Sovereign House Fairbriar Homes Ltd	**40.0%**	25.6%	Property Development
(C)	Fairmuir Limited	**40.0%**	25.6%	Property Development
(A) (4)	Frasers Central Park Equity No.1 Pty Ltd and SH Central Park Development East Pty Ltd	**37.5%**	-	Property Development
(A) (4)	Frasers Central Park Equity No.2 Pty Ltd and SH Central Park Development West Pty Ltd	**37.5%**	-	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
	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%	Manufacture and 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 and Packaging
	Country of Incorporation and Place of Business: **Australia**			
(C) (1)	PMP Limited *(Accounting year ends on 30 June)*	**11.6%**	11.6%	Printing and Packaging

Notes:

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

(C) Audited by other firms of auditors.

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

(4) Unincorporated joint ventures.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

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

		Effective Shareholding 2011	Effective Shareholding 2010	Principal Activities
	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 *(Accounting year ends on 31 December)*	**40.0%**	40.0%	Printing
	ASSOCIATED COMPANIES OF FRASER & NEAVE HOLDINGS GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(C) (1)	Cocoaland Holdings Berhad *(Accounting year ends on 31 December)*	**13.1%**	-	Investment Holding
	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)*	**32.0%**	26.1%	Investment in Residential Property Fund
	Country of Incorporation and Place of Business: **Singapore**			
	Frasers Commercial Trust	**26.0%**	24.4%	Real Estate Investment Trust
	Frasers Centrepoint Trust	**40.7%**	42.9%	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**			
(C)	Hektar Asset Management Sdn Bhd *(Accounting year ends on 31 December)*	**40.0%**	40.0%	Management Services
	SUBSIDIARY COMPANIES OF ASIA PACIFIC BREWERIES GROUP			
	Country of Incorporation and Place of Business: **Singapore**			
(D)	Asia Pacific Breweries Ltd	**39.7%**	39.7%	Investment Holding
(D)	Asia Pacific Breweries (Singapore) Pte Ltd	**39.7%**	39.7%	Brewing and Distribution of Beer and Stout
(D)	Tiger Export Pte Ltd	**39.7%**	39.7%	Export of Beer and Stout
(D)	Archipelago Brewery Co (1941) Pte Ltd	**39.7%**	39.7%	Dormant
(D)	Tiger Marketing Pte Ltd	**39.7%**	39.7%	Investment Holding
	Heineken-APB (China) Pte Ltd	**44.8%**	44.8%	Investment Holding
	Heineken-APB (China) Holding Pte Ltd	**44.8%**	-	Investment Holding

Notes:

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

(C) Audited by other firms of auditors.

(D) Audited by PricewaterhouseCoopers in the respective countries.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

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

		Effective Shareholding 2011	2010	Principal Activities
	SUBSIDIARY COMPANIES OF ASIA PACIFIC BREWERIES GROUP (cont'd)			
	Country of Incorporation and Place of Business: **Cambodia**			
(D)	Cambodia Brewery Limited	**31.7%**	31.7%	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business: **Vietnam**			
(D)	Vietnam Brewery Limited	**23.8%**	23.8%	Brewing and Distribution of Beer
(D)	Asia Pacific Brewery (Hanoi) Limited	**39.7%**	39.7%	Brewing and Distribution of Beer
(D)	Beers and Beverages International Ltd	**39.7%**	39.7%	Distribution of Beer
(D)	Vietnam Beer and Beverage Limited	**23.8%**	23.8%	Distribution of Beer
(D)	VBL Da Nang Limited	**23.8%**	23.8%	Brewing of Beer
(D)	VBL Tien Giang Limited	**23.8%**	23.8%	Brewing of Beer
(D)	VBL (Quang Nam) Limited	**19.0%**	19.0%	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business: **British Virgin Islands**			
(B)	Able Win Gain Limited	**50.0%**	50.0%	Investment Holding
(B)	Kenton Assets Limited	**50.0%**	50.0%	Investment Holding
	Country of Incorporation and Place of Business: **Hong Kong**			
(C)	Capital Shine Limited	**50.0%**	50.0%	Investment Holding
	Country of Incorporation and Place of Business: **China**			
(C)	Hainan Asia Pacific Brewery Co Ltd	**44.8%**	44.8%	Brewing and Distribution of Beer
(C)	Shanghai Asia Pacific Brewery Co Ltd	**44.8%**	44.8%	Brewing and Distribution of Beer
(C)	Heineken Trading (Shanghai) Co Ltd	**44.8%**	44.8%	Distribution of Beer
(C)	Heineken-APB (China) Management Services Co Ltd	**44.8%**	44.8%	Provision of Investment, Management and Consulting Services
(C)	Guangzhou Asia Pacific Brewery Co Ltd	**44.8%**	44.8%	Brewing and Distribution of Beer
(C)	Heineken-APB (Shanghai) Co., Ltd *(All the above companies, incorporated in China, accounting year ends on 31 December)*	**44.8%**	-	Distribution of Beer
	Country of Incorporation and Place of Business: **India**			
(C)	Asia Pacific Breweries (India) Private Limited *(Accounting year ends on 31 March)*	**39.7%**	39.7%	Dormant
	Country of Incorporation and Place of Business**: Sri Lanka**			
(D)	Asia Pacific Brewery (Lanka) Limited	**23.8%**	23.8%	Brewing and Distribution of Beer

Notes:

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

(C) Audited by other firms of auditors.

(D) Audited by PricewaterhouseCoopers in the respective countries.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

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

		Effective Shareholding 2011	2010	Principal Activities
	SUBSIDIARY COMPANIES OF ASIA PACIFIC BREWERIES GROUP (cont'd)			
	Country of Incorporation and Place of Business: **New Zealand**			
(B)	Amstel Brouwerij Importers Ltd	**39.7%**	39.7%	Dormant
(B)	Albany Hospitality Ltd	**39.7%**	-	Distribution of Beer
(D)	Barneydale Limited	**23.8%**	23.8%	Distribution of Beer
(D)	Barworks Group Limited	**23.8%**	23.8%	On-premise Management
(D)	Barworks Holdings Limited	**23.8%**	23.8%	Investment Holding Company
(B)	Black Dog Brewery Limited	**39.7%**	39.7%	Dormant
(D)	BOF Limited	**17.8%**	17.8%	Distribution of Beer
(D)	Clifford Pubs Limited	**17.8%**	17.8%	Distribution of Beer
(D)	DB Breweries Limited	**39.7%**	39.7%	Investment Holding and Brewing and Distribution of Beer
(D)	DB Nominees Ltd	**39.7%**	39.7%	Trustee Company
(D)	DB South Island Brewery Ltd	**21.8%**	21.8%	Brewing and Distribution of Beer
(B)	Drinkworks Limited	**39.7%**	39.7%	Dormant
(D)	Gaults On Quay Limited	**23.8%**	23.8%	Distribution of Beer
(D)	George Corporation Limited	**17.8%**	17.8%	Distribution of Beer
(D)	Hurstmere Pubs Limited	**17.8%**	17.8%	Distribution of Beer
(B)	Kustenbrau Breweries Limited	**39.7%**	39.7%	Dormant
(B)	Mainland Brewery Limited	**39.7%**	39.7%	Dormant
(D)	Market St Holdings Limited	**17.8%**	17.8%	Distribution of Beer
(B)	Monteith's Brewery Company Limited	**39.7%**	39.7%	Dormant
(D)	Portumna Limited	**23.8%**	23.8%	Distribution of Beer
(D)	Riccarton Hospitality 2007 Limited	**23.8%**	23.8%	Distribution of Beer
(B)	Robbie Burns Limited	**39.7%**	39.7%	Dormant
(B)	Rock Ember Limited	**17.8%**	17.8%	Distribution of Beer
(B)	Sale Street Brewery Co Limited	**39.7%**	23.8%	Dormant
(D)	Studio 25 Limited	**17.8%**	17.8%	Distribution of Beer
(D)	Tarmon Limited	**17.8%**	17.8%	Distribution of Beer
(D)	Temperance Hospitality Company Limited	**23.8%**	23.8%	Distribution of Beer
(D)	Temperance Holdings Limited	**23.8%**	23.8%	Investment Holding Company
(B)	Tui Brewery Limited	**39.7%**	39.7%	Dormant
(B)	Waitemata Brewery Limited	**39.7%**	39.7%	Dormant
	Country of Incorporation and Place of Business: **Papua New Guinea**			
(D)	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

Notes:

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

(C) Audited by other firms of auditors.

(D) Audited by PricewaterhouseCoopers in the respective countries.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

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

		Effective Shareholding 2011	2010	Principal Activities
	SUBSIDIARY COMPANIES OF ASIA PACIFIC BREWERIES GROUP (cont'd)			
	Country of Incorporation and Place of Business: **United States of America**			
(B)	Tiger Beer USA Inc	**39.7%**	39.7%	Distribution of Beer and Stout
	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**			
(D)	Asia Pacific Breweries (Australia) Pty Ltd	**39.7%**	39.7%	Investment Holding
(D)	FBG Vietnam Holdings Pty Ltd	**39.7%**	39.7%	Investment Holding
(D)	DBG (Australia) Pty Limited	**39.7%**	39.7%	Distribution of Beer
	Country of Incorporation and Place of Business: **Laos**			
(D)	Lao Asia Pacific Breweries Limited	**27.0%**	27.0%	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business: **New Caledonia**			
(C)	Grande Brasserie de Nouvelle Caledonie S.A	**34.6%**	34.6%	Brewing and Distribution of Beer and Spring Water
	Country of Incorporation and Place of Business: **Indonesia**			
(C)	PT Multi Bintang Indonesia Tbk	**32.0%**	32.0%	Brewing and Distribution of Beer
(C)	PT Multi Bintang Indonesia Niaga *(All the above companies, incorporated in Indonesia, accounting year ends on 31 December)*	**32.0%**	32.0%	Distribution of Beer
	Country of Incorporation and Place of Business: **Solomon Islands**			
(C)	Solomon Breweries Limited	**38.9%**	-	Brewing and Distribution of Beer
	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 and Distribution of Beer
	Country of Incorporation and Place of Business: **China**			
(C)	Jiangsu DaFuHao Breweries Co. Ltd *(Accounting year ends on 31 December)*	**22.0%**	22.0%	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business: **Thailand**			
(C)	Thai Asia Pacific Brewery Co Ltd	**14.6%**	14.6%	Brewing and Distribution of Beer
(C)	TAP Trading Company Ltd	**14.6%**	14.6%	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.

(D) Audited by PricewaterhouseCoopers in the respective countries.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

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

		Effective Shareholding 2011	2010	Principal Activities
	ASSOCIATED COMPANIES OF ASIA PACIFIC BREWERIES GROUP			
	Country of Incorporation and Place of Business: **New Zealand**			
(A)	The Associated Bottlers Company Ltd *(Accounting year ends on 31 March)*	**19.8%**	19.8%	Hire of Returnable Beer Bottles
	Country of Incorporation and Place of Business: **New Caledonia**			
(D)	Societe Industrielle des Eaux du Mont Dore *(Accounting year ends on 31 December)*	**11.9%**	11.9%	Bottling of Spring Water

Notes:

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

(D) Audited by PricewaterhouseCoopers in the respective countries.

PARTICULARS OF GROUP PROPERTIES

The main properties as at 30 September 2011 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 Frasers Centrepoint Limited Group and "TPL" refers to Times Publishing Group)

					Land ($'000)	Building ($'000)
(A)	**CLASSIFIED AS FIXED ASSETS (Note 12 to the Financial Statements)**					
	FREEHOLD					
	Singapore					
	TPL	-	1.1	hectares industrial property at Times Centre, 1 New Industrial Road	6,100	5,605
	Peninsular Malaysia					
	F&N	-	18.0	hectares industrial property at Lot 3-1 & Lot 3-2, Lion Industrial Park, Shah Alam	19,771	31,704
		-	2.1	hectares industrial property at 3724 to 3726 Sungei Nyior, Butterworth	1,921	853
		-	2.7	hectares industrial property at 217, Jalan Lahat, Ipoh	1,146	1,535
		-	2.2	hectares industrial property at 701, Jalan Tampoi, Johor Bahru	3,118	70
		-	0.6	hectares industrial property at 598, Jalan Tampoi, Johor Bahru	427	1,417
		-	0.1	hectares property at No. 3, Jalan Metro Pudu, Fraser Business Park	-	6,242
		-	0.4	hectares industrial property at Seksyen 26, Shah Alam, Selangor	568	397
		-	Other properties		380	6
	TPL	-	1.2	hectares industrial property at Lot 46, Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam	1,568	2,677
	East Malaysia					
	F&N	-	1.1	hectares industrial property at Matang Land District, Sarawak	1,782	1,159
		-	2.0	hectares industrial property at Jalan Mempaga, Mukim Sabai, Karak	1,505	2,807
	Thailand					
	F&N	-	1.2	hectares industrial property at Amphur Pakchong, Nakonratchasima Province 30320	-	49,517
		-	9.2	hectares industrial property at U-thai, Phra Nakhon Si Avutthava 13210	7,072	-
	New Zealand					
	APBL	-	17.4	hectares industrial property for Waitemata Brewery site at Auckland	3,585	14,588
		-	9.1	hectares industrial property for Mainland Brewery at Timaru	171	1,697
		-	10.8	hectares industrial property for Tui Brewery at Pahiatua	312	1,162
	Australia					
	TPL	-	0.2	hectare commercial property at Unit 7 & 8 Monash Business Park, 29 Business Park Drive, Nottinghill, Melbourne - Victoria	967	420
	United States of America					
	TPL	-	3.4	hectares commercial property at 99 White Plains Road, Tarrytown, New York	649	2,977
	Mongolia					
	APBL	-	5.0	hectares industrial property at 10th Khoroo, Bayanzurkh District, Ulaanbaatar City	-	5,110
	Sri Lanka					
	APBL	-	0.4	hectares industrial property at Millawa Land	11	-
		-	0.8	hectares industrial property at Ibbagamuwa Land	13	-
	New Caledonia					
	APBL	-	3.7	hectares industrial property at 12 Rue Edmond Harbulot, Noumea	1,210	15,030
		-	0.2	hectares residential property at 1 Rue De La Baie D'Houiguie, Noumea	234	703
	Total Freehold				**52,510**	**145,676**

PARTICULARS OF GROUP PROPERTIES

				Land ($'000)	Building ($'000)
(A)	**CLASSIFIED AS FIXED ASSETS** (cont'd) **(Note 12 to the Financial Statements)**				
	LEASEHOLD				
	Singapore				
	F&N	-	4.0 hectares industrial property at 214 Pandan Loop (Lease expires year 2040)	-	13,046
		-	0.1 hectares industrial property at 51 Quality Road (Lease expires year 2014)	78	64
	APBL	-	8.8 hectares industrial property at 459 Jalan Ahmad Ibrahim (Lease expires year 2046)	-	18,340
	TPL	-	Commercial property at Unit #04-08 - #04-11, 176 Orchard Road Centrepoint (Lease expires year 2078)	-	120
		-	1.8 hectares offices at 16 & 18 Tuas Avenue 5 (Lease expires year 2043)	-	13,530
	Peninsular Malaysia				
	F&N	-	3.6 hectares industrial property at 70 Jalan Universiti, Petaling Jaya (Lease expires year 2058)	-	5,509
		-	1.6 hectares industrial property at 16 Jalan Bersatu 13/4, Petaling Jaya (Lease expires year 2058)	-	1,544
		-	1.4 hectares industrial property at Lot 56, Section 4, Phase 2B, Mukim Klang, Selangor (Lease expires year 2097)	11,668	-
		-	Other properties	587	529
	East Malaysia				
	F&N	-	1.8 hectares industrial property at 3.5 miles Penrissen Road, Kuching (Lease expires year 2038)	622	2,594
		-	2.6 hectares industrial property at 5.5 miles Tuaran Road, Kota Kinabalu (Lease expires year 2062)	902	1,925
		-	1.2 hectares industrial property at Lot 1557, Block 218 KNLD, Kuching (Lease expires year 2038)	2,716	-
		-	2.8 hectares industrial property at Matang Land District, Sarawak/Kuching District (Lease expires year 2038/2784)	1,824	312
		-	0.4 hectares industrial property at Lot 1008, Bintawa Industrial Estate, Kuching (Lease expires year 2035)	61	164
	Cambodia				
	APBL	-	11.3 hectares industrial property at Kandal Province (Land rights expires year 2065)	-	5,869
	Vietnam				
	APBL	-	13.0 hectares industrial property at Ho Chi Minh City (Lease expires year 2021)	978	5,268
		-	30.0 hectares industrial property at Van Tao Village - Hatay Province (Lease expires year 2046)	-	6,347
		-	5.1 hectares industrial property at Tien Giang Province (Lease expires year 2022)	-	772
		-	7.7 hectares industrial property at Danang City (Lease expires year 2022)	-	876
		-	3.0 hectares industrial property at Quang Nam (Lease expires year 2046)	-	242

PARTICULARS OF GROUP PROPERTIES

				Land ($'000)	Building ($'000)
(A)	**CLASSIFIED AS FIXED ASSETS** (cont'd) **(Note 12 to the Financial Statements)**				
	LEASEHOLD (cont'd)				
	Solomon Islands				
	APBL	- 14.0	hectares residential property at Mbaranaba (Lease expires year 2045)	26	37
		- 2.0	hectares residential property at Ranadi (Lease expires year 2039 - 2045)	652	988
	New Zealand				
	APBL	- 0.1	hectares retail property at Wellington (Lease expires year 2017)	-	987
	Australia				
	APBL	- 0.1	hectares office property at Sydney (Lease expires year 2013)	-	14
	Thailand				
	F&N	- 0.9	hectares industrial property at No. 19/111 Moo 7 Thakarm Road, Samaedam, Bangkhuntien, Bangkok 10150 (Lease expires year 2029)	424	3,278
	TPL	-	Warehouse at Soi Wat Kok #20/526-527, Rama II Road, Bangkok (Lease expires year 2021)	-	31
	Myanmar				
	F&N	- 5.0	hectares industrial property at Mingaladon Township, Yangon (Lease expires year 2023)	1,078	9,524
	China/Hong Kong				
	APBL	- 20.0	hectares industrial property at Haikou, Hainan, China (Lease expires year 2065)	4,476	15,693
		- 12.6	hectares industrial property at Guangzhou, China (Lease expires year 2058)	4,976	14,435
		- 0.02	hectares industrial property at Shanghai, China (Lease expires year 2042)	-	259
	TPL	-	Residential property at Unit 1AF Riverside Garden, Shenyang, China	-	183
		-	Residential property at Vanke Garden, Shenyang , China	-	91
		-	Warehouse at Unit D, 2nd Floor, Freder Centre 68 Sung Wong Toi Road, Tokwawan, Kowloon, Hong Kong (Lease expires year 2022)	2	18
		-	Industrial property at Dachong Western Industrial District Nansha Panyu, Guangdong, China (Lease expires year 2044)	2,502	13,475
		-	Industrial property at Unit A1,C5, Ko Fai Industrial Building 7 Ko Fai Road, Yau Tong, Kowloon, Hong Kong (Lease expires year 2048)	-	367
		-	Factory at 1 Zhao Yu Street, Yuci Economic Development Zone Jin Zhong City, Shanxi Province (Lease expires year 2026)	-	2,919
		-	Offices at Seaview Estate - 10th Floor Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	4,528	108
		-	Offices at Seaview Estate - 9th Floor Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	4,285	96

PARTICULARS OF GROUP PROPERTIES

				Land ($'000)	Building ($'000)
(A)	**CLASSIFIED AS FIXED ASSETS** (cont'd) **(Note 12 to the Financial Statements)**				
	LEASEHOLD (cont'd)				
	Papua New Guinea				
	APBL	- 2.6	hectares industrial property at Port Moresby (Lease expires year 2105)	809	4,129
		- 9.7	hectares industrial property at Lae and Goroka (Lease expires year 2057 and year 2091)	272	4,176
		- 4.8	hectares residential properties (Lease expires year 2054 and year 2071)	29	167
	Sri Lanka				
	APBL	- 2.3	hectares industrial property at Mawathagama (Lease expires year 2027)	34	344
	Laos				
	APBL	- 13.5	hectares industrial property at Veunkham Road, B.Nongno, Xaythany District, Vientianne (Lease expires year 2056)	1,194	6,471
	Indonesia				
	APBL	- 10.4	hectares industrial property at Tangerang, West Java (Lease expires year 2033)	81	1,747
		- 30.0	hectares industrial property at Sampang Agung, East Java (Lease expire between year 2025 - 2029)	647	1,925
	Total Leasehold			**45,451**	**158,513**
	TOTAL PROPERTIES (CLASSIFIED AS FIXED ASSETS)			**97,961**	**304,189**
(B)	**CLASSIFIED AS INVESTMENT PROPERTIES (Note 13 to the Financial Statements)**				
	COMPLETED INVESTMENT PROPERTIES				
	Singapore				
	FCL	-	A 24-storey office building at 438 Alexandra Road Freehold, lettable area - 18,423 sqm	85,540	76,460
		-	Retained interests (excluding apartments) in a 7-storey shopping cum residential complex with 2 basement floors at The Centrepoint, 176 Orchard Road Leasehold (Lease expires year 2078), lettable area - 30,867 sqm	432,310	152,190
		-	A 10-storey commercial-cum-serviced apartment complex at Robertson Walk Shopping Centre and Fraser Place Robertson Walk, 11 Unity Street, with 2 basement carparks comprising a 2-storey retail podium and 161 serviced apartment units Leasehold (999 years from July 1841) Lettable area: Retail 9,068 sqm Serviced apartments 14,293 sqm Total 23,361 sqm	148,960	114,740

PARTICULARS OF GROUP PROPERTIES

			Land ($'000)	Building ($'000)
(B)		**CLASSIFIED AS INVESTMENT PROPERTIES** (cont'd) **(Note 13 to the Financial Statements)**		
		COMPLETED INVESTMENT PROPERTIES (cont'd)		
		Singapore (cont'd)		
FCL	-	A 20-storey commercial-cum-serviced apartment complex with a 3-storey covered carpark, a 5-storey podium block, a 2-storey retail podium and 251 serviced apartment units at Valley Point Shopping Centre/ Office Tower and Fraser Suites River Valley, River Valley Road Leasehold (999 years from June 1877) Lettable area : Retail 3,699 sqm Serviced apartments 20,232 sqm Office 16,948 sqm Total 40,879 sqm	249,920	202,480
	-	Other properties	1,405	145
TPL	-	0.7 hectares industrial property at 438 Ang Mo Kio Industrial Park Leasehold (Lease expires year 2038)	-	11,000
	-	1.9 hectares warehouse at No. 24 Senoko Drive Leasehold (Lease expires year 2014)	-	-
	-	0.1 hectares industrial property at 35 Kallang Pudding Road #07-14 Tong Lee Building Blk A (Freehold)	-	1,100
		Vietnam		
FCL	-	A 23-storey retail/office building plus 2 basements at Me Linh Point Tower, 2 Ngo Duc Ke Street, District 1, Ho Chi Minh City Leasehold (Lease expires year 2045), lettable area - 17,816 sqm	30,803	24,882
		China		
FCL	-	A 2 cross shaped, 5-storey buildings, 2 blocks of office space, an amenity centre, 3 hi-tech multi-purpose buildings and a multi storey carpark building at Vision (Shenzhen) Business Park, Shenzhen Industrial Hi-Tech Industrial Park. Gaoxing South Ring Road/Keji South Road, Shenzhen Leasehold (Lease expires year 2049), lettable area - 157,610 sqm	40,836	143,374
	-	A 13-storey building with 2 levels of basement car parks and ancillary facilities at Vision International Centre (Sohu.com Internet Plaza), TsingHua Science Park, No. 1 Zhongguancun East Road, Haidian District, Beijing Leasehold (Lease expires year 2053), lettable area - 14,820 sqm	41,572	17,653
	-	A building comprising residential (3rd to 23rd level) and clubhouse (2nd level) at Fraser Suites CBD Beijing (EEL), Block D, No. 7 Guanghua Road, Chaoyang District, Beijing Leasehold: Residental (Lease expires year 2073) Clubhouse (Lease expires year 2043) Lettable area - 28,419 sqm	-	229,139
		Indonesia		
FCL	-	108 apartment units in Tower A of Fraser Sudirman Jakarta, The Peak Sudirman 1, Jakarta Freehold, lettable area - 11,388 sqm	37,819	-

PARTICULARS OF GROUP PROPERTIES

			Land ($'000)	Building ($'000)
(B)	**CLASSIFIED AS INVESTMENT PROPERTIES** (cont'd) **(Note 13 to the Financial Statements)**			
	COMPLETED INVESTMENT PROPERTIES (cont'd)			
	Philippines			
	FCL	- 69 apartment units with 116 car park lots in the East Tower of Fraser Place Forbes Tower, Valero Street, Salcedo Village, Makati City, Manila Leasehold, lettable area - 17,046 sqm	-	25,503
	Australia			
	FCL	- 115 apartment units in 2 blocks of high rise building at Melbourne, VIC 3000 Freehold, lettable area - 4,808 sqm	38,301	-
	United Kingdom			
	FCL	- 2 buildings of 63 serviced residences at C2 and C3 The Boardwalk, Trafalgar Way, London E14 Leasehold (999 years from 25 December 1999), lettable area - 4,765 sqm	-	62,966
		- A 4-storey building of 99 serviced residences at Fraser Suites 1-19 Albion Street, Glasgow G1 1 NY Freehold, lettable area - 4,964 sqm	-	18,693
		- A 8-storey building of serviced residences with 75 apartments at Fraser Suites Edinburgh, St Giles Street Freehold, lettable area - 4,037 sqm	12,520	13,591
	Hong Kong			
	TPL	- Shop unit at Houston Centre, Tsimshatsui East, Kowloon Leasehold (Lease expires year 2053), lettable area - 68 sqm	633	100
	TOTAL COMPLETED INVESTMENT PROPERTIES		**1,120,619**	**1,094,016**
	INVESTMENT PROPERTIES UNDER CONSTRUCTION			
	Singapore			
	FCL	- A 12-storey hotel and a shopping mall at Plot 61, Changi Business Park Leasehold land of approximately 47,006 sqm	30,500	11,200
		- A mixed commercial and residential development at Punggol Central/ Punggol Walk Leasehold land of approximately 29,999 sqm	215,956	2,209
	Peninsular Malaysia			
	F&N	- A carpark and gallery at Jalan Yew, Kuala Lumpur Freehold land of approximately 3,788 sqm	2,240	-
	TOTAL INVESTMENT PROPERTIES UNDER CONSTRUCTION		**248,696**	**13,409**
	TOTAL PROPERTIES (CLASSIFIED AS INVESTMENT PROPERTIES)		**1,369,315**	**1,107,425**

PARTICULARS OF GROUP PROPERTIES

				Effective Group interest %
(C)	**CLASSIFIED AS COMPLETED PROPERTIES HELD FOR SALES (Note 23 to the Financial Statements)**			
	Australia			
	FCL	-	The Habitat Freehold land of approximately 862 sqm situated at 11-17 Chandos Streets, Sydney. The development has a gross floor area of 7,855 sqm and consists of 60 residential units, 2 retail and 9 offices.	75
		-	Lumiere Freehold land of approximately 3,966 sqm situated at former Regent Theatre, Frontages on George Street, Bathurst & Kent Street, Sydney NSW. The development has a gross floor area of 62,000 sqm and 1 retail podium, 456 residential units, 145 serviced apartments, 3 retail and 1 commerical unit.	81
		-	Lorne Freehold land of approximately 4,022 sqm situated at 27,29 & 36A Lorne Ave, Killara NSW 2071. The development has a gross floor area of 6,671 sqm and consist of 40 residential apartments.	75
		-	Trio, Alexandra & Altro Freehold land of approximately 9,366 sqm situated at Pyrmont Road Camperdown NSW. The development has a gross floor area of 38,847 sqm and consist of 409 residential units and 2 offices.	88
	China/Hong Kong			
	FCL	-	Scenic Place Leasehold land of approximately 26,052 sqm situated at No. 305 Guang An Men Wai Avenue Xuan Wu, District Beijing. The development has a gross floor area of 95,855 sqm and consists of 788 residential units and 64 carpark lots.	56
		-	Ninth Zhongshan Leasehold land of approximately 73,152 sqm situated at No. 2 Xinglin Street Zhongshan District Da Lian. The development has a gross floor area of 63,054 sqm and consists of 439 residential units and 105 carpark lots. Twin Towered development comprising of 32 storey east tower and 30 storey west tower.	56
		-	Greenery Place Leasehold land of approximately 6,796 sqm situated at No.1 Town Park Road South, Yuen Long, Hong Kong. The development has a gross floor area of 22,106 sqm and consists of four 11 storey residential towers with a total of 330 residential units, a clubhouse and 133 carpark lots.	56
		-	Crosspoint Leasehold land of approximately 7,111 sqm situated at Xi Cheng District, Xin Jie Kou, Beijing. The development has a gross floor area of 28,572 sqm.	100
		-	Chengdu Logistics Park Leasehold land of approximately 195,846 sqm situated at South-West sector of Chengdu. The development has a gross floor area of 584,283 sqm.	80
		-	Suzhou Baitang Leasehold land of approximately 314,501 sqm situated at Baitang Park, Suzhou. The development has a gross floor area of 555,000 sqm and consists of approximately 3,884 apartment units.	100
		-	Shanshui Four Seasons Leasehold land of approximately 711,101 sqm located near the Light Rapid Transit station at Si Chen Road in Song Jiang District, Shanghai. The development has a gross floor area of 782,418 sqm.	76

PARTICULARS OF GROUP PROPERTIES

			Effective Group interest %
(C)	**CLASSIFIED AS COMPLETED PROPERTIES HELD FOR SALES** (cont'd) **(Note 23 to the Financial Statements)**		
	Singapore		
	FCL	- Soleil @ Sinaran Leasehold land of approximately 12,468 sqm situated at Sinaran Drive. The development has a gross floor area of 44,878 sqm and consists of 417 condominium units.	100
		- Changi City Point Business park component of a mixed development in a leasehold land of approximately 47,006 sqm in Changi Business Park. The development has a gross floor area of 117,515 sqm.	50
	Thailand		
	FCL	- The Pano Freehold land of approximately 40,608 sqm situated at Rama III Road, Bangkok, The development has a gross floor area of 62,322 sqm and consists of 397 condominium units.	49
	United Kingdom		
	FCL	- Wandsworth Freehold land of approximately 40,015 sqm situated at River Thames, London. The development has a gross floor area of 27,000 sqm and consists of 203 residential units and 8 commercial units.	80
		- Buckswood Grange Freehold land of approximately 800 sqm situated at Uckfield, Sussex. The development has a gross floor area of 2,434 sqm and consists of apartments and townhouses.	80
		- Shoppenhangers Lane Freehold land of approximately 3,035 sqm situated at Maidenhead. The development has a gross floor area of 2,316 sqm and consists of proposed 28 residential units.	80
		- Collins Theatre Freehold land of approximately 4,273 sqm situated at Islington, London. The development has a gross floor area of 7,659 sqm and consists of 70 apartment units, 2 townhouse units and commercial space.	80

PARTICULARS OF GROUP PROPERTIES

(D) CLASSIFIED AS DEVELOPMENT PROPERTIES HELD FOR SALE (Note 23 to the Financial Statements)

			Stage of Completion %	Estimated Date of Completion	Effective Group interest %
Singapore					
FCL	-	Waterfront Waves - Leasehold land (99-year tenure commencing 31 October 2007) of approximately 19,885 sqm at Bedok Reservoir Road for the development of 405 residential units of approximately 51,233 sqm of gross floor area for sale.	100	4th Quarter FY2011	50
	-	Waterfront Key - Leasehold land (99-year tenure commencing 31 October 2007) of approximately 19,980 sqm at Bedok Reservoir Road for the development of 437 residential units of approximately 51,013 sqm of gross floor area for sale.	72	4th Quarter FY2012	50
	-	Waterfront Gold - Leasehold land (99-year tenure commencing 26 December 2009) of approximately 14,496 sqm at Bedok Reservoir Road for the development of 361 residential units of approximately 36,085 sqm of gross floor area for sale.	13	1st Quarter FY2014	50
	-	Waterfront Isle - Leasehold land (99-year tenure commencing 26 December 2009) of approximately 20,800 sqm at Bedok Reservoir Road for the development of 561 residential units and 2 retail units of approximately 52,491 sqm of gross floor area for sale.	6	4th Quarter FY2014	50
	-	Caspian - Leasehold land (99-year tenure commencing 1 March 2008) of approximately 22,000 sqm Boon Lay Way/Lakeside Drive for the development of 712 condominium units of approximately 79,762 sqm of gross floor area for sale.	80	1st Quarter FY2012	100
	-	Flamingo Valley - Freehold land of approximately 31,164 sqm at Siglap Road for the development of 393 condominium units of approximately 43,629 sqm of gross floor area for sale.	22	4th Quarter FY2013	100
	-	8 @ Woodleigh - Leasehold land (99-year tenure commencing 22 September 2008) of approximately 10,774 sqm at Woodleigh Close for the development of 330 condominium units of approximately 30,164 sqm of gross floor area for sale.	61	2nd Quarter FY2012	100
	-	Residences Botanique - Freehold land of approximately 5,590 sqm at Yio Chu Kang Road/Sirat Road for a residential development of 81 units of approximately 7,960 sqm of gross floor area for sale.	77	1st Quarter FY2012	100

PARTICULARS OF GROUP PROPERTIES

(D) CLASSIFIED AS DEVELOPMENT PROPERTIES HELD FOR SALE (cont'd) (Note 23 to the Financial Statements)

		Stage of Completion %	Estimated Date of Completion	Effective Group interest %
Singapore (cont'd)				
FCL	- Esparina Residences - Leasehold land (99-year tenure commencing 2 June 2010) of approximately 19,000 sqm at Compassvale Bow for a residential development of 573 units approximately 56,643 sqm of gross floor area for sale.	13	2nd Quarter FY2013	80
	- Eight Courtyards - Leasehold land (99-year tenure commencing 20 September 2010) of approximately 26,540 sqm at Yishun Ave 2/Ave 7/Canberra Drive for the development of 654 residential units and 2 retail units of approximately 70,902 sqm of gross floor area for sale.	4	3rd Quarter FY2014	50
	- Freehold land of approximately 2,801 sqm at Holland Park for the development of 2 good class bungalows for sale.	-	4th Quarter FY2012	100
	- Boathouse Residences - Leasehold land (99-year tenure commencing 9 February 2011) of approximately 13,000 sqm at Upper Serangoon View for the development of 493 residential units and 1 retail unit of approximately 49,004 sqm of gross floor area for sale.	-	4th Quarter FY2014	50
	- Starhub Centre - Leasehold land (99-year tenure commencing 1 February 1996) with 240 retail units at Cuppage Road together with the building erected thereon.	-	4th Quarter FY2014	100
	- Flora Drive - Leasehold land (99-year tenure commencing 14 September 2011) of approximately 26,818 sqm at Flora Drive for the proposed development of approximately 432 residential units of approximately 37,545 sqm of gross floor area for sale.	-	1st Quarter FY2014	100
	- Seastrand - Leasehold land (99-year tenure commencing 3 January 2011) of approximately 20,000 sqm at Pasir Ris Link for the development of 473 residential units and 2 retails units of approximately 40,314 sqm of gross floor area for sale.	2	4th Quarter FY2014	50
	- Watertown/Waterway Point - Leasehold land (99-year tenure commencing 18 May 2011) of approximately 29,999 sqm at Punggol Central/Punggol Walk for a mixed commercial and residential development. The residential component of the proposed development comprises approximately 930 residential units of approximately 75,598 sqm of gross floor area for sale.	-	1st Quarter FY2014	33

PARTICULARS OF GROUP PROPERTIES

(D) CLASSIFIED AS DEVELOPMENT PROPERTIES HELD FOR SALE (cont'd)
(Note 23 to the Financial Statements)

			Stage of Completion %	Estimated Date of Completion	Effective Group interest %
Malaysia					
F&N	-	Freehold land of approximately 245,287 sqm at Hulu Langat, Selangor for a proposed development of residential properties.	-	-	57
	-	Freehold land of approximately 12,268 sqm at Johor Bahru, State of Johor for a proposed development of commercial properties.	-	-	57
	-	Freehold land of approximately 35,532 sqm at Jalan Universiti, Petaling Jaya, Selangor for a proposed mixed development.	-	-	57
	-	Freehold land of approximately 15,961 sqm at Jalan Bersatu, Petaling Jaya, Selangor for a proposed mixed development.	-	-	57
Thailand					
FCL	-	The Pano - freehold land of approximately 40,608 sqm situated at Rama III Road, Bangkok, which is separated into Phase 1 of 14,062 sqm and Phase 2 and 3 of 26,546 sqm. Phase 1 consists of development of 397 condominium units of approximately 62,322 sqm of gross floor area for sale.	100	-	49
Australia					
FCL	-	Queens Riverside - Freehold land of approximately 11,895 sqm situated at East Perth for a proposed mixed development comprising approximately 408 private apartment units, 165 serviced suites and commercial space of a total of approximately 59,200 sqm of gross floor area for sale.	-	4th Quarter FY2012	88
	-	Paramatta River - Freehold land of approximately 48,240 sqm situated at Parramatta, Sydney for a proposed development of approximately 637 apartment units of approximately 57,300 sqm of gross floor area for sale.	-	4th Quarter FY2014	75
	-	Killara Pavilions - Freehold land of approximately 6,215 sqm situated at Killara, Sydney for a proposed development comprising 99 apartment units of approximately 9,190 sqm of gross floor area for sale.	-	4th Quarter FY2013	75
	-	Frasers Landing - Freehold land of approximately 522,000 sqm situated at Mandurah, Western Australia for a proposed mixed residential and commercial development.	-	4th Quarter FY2017	56
	-	Central Park - freehold land of approximately 48,000 sqm situated at Broadway, Sydney for a proposed mixed development of approximately 2,257 residential apartment units of approximately 139,800 sqm of gross floor area for sale and commercial space of approximately 73,700 sqm of gross floor area for sale.	-	4th Quarter FY2015	38

PARTICULARS OF GROUP PROPERTIES

(D) CLASSIFIED AS DEVELOPMENT PROPERTIES HELD FOR SALE (cont'd)
(Note 23 to the Financial Statements)

	Stage of Completion %	Estimated Date of Completion	Effective Group interest %
Australia (cont'd)			
- Central Park (CUB Site) - Freehold land of approximately 10,000 sqm situated at Broadway, Sydney for a proposed mixed development of approximately 555 residential apartment units of approximately 29,750 sqm of gross floor area for sale and commercial space of approximately 12,250 sqm of gross floor area for sale.	-	4th Quarter FY2015	75
- Putney - Freehold land of approximately 113,500 sqm situated at Putney, Sydney for a proposed development comprising 678 apartment and 113 houses of approximately 79,600 sqm of gross floor area for sale.	-	2nd Quarter FY2017	75
China			
FCL - Chengdu Logistics Park - Leasehold land (50-year tenure commencing 19 September 2007) of approximately 195,846 sqm situated in Chengdu for a mixed industrial/commercial development with a total of approximately 609,594 sqm of gross floor area for sale.			
- Phase 1 (Office)	100	FY2010	80
- Phase 2 to 4	-	2nd Quarter FY2010 - 2nd Quarter FY2016	80
- Shanshui Four Seasons - Leasehold land (70-year tenure commencing 6 December 2003) of approximately 711,101 sqm located near the Light Rapid Transit station at Si Chen Road in Song Jiang District, Shanghai for a composite development with a total of approximately 782,418 sqm of gross floor area for sale.			
- Phase 1	100	FY2010	76
- Phase 2 to 5	-	FY2018	76
- Baitang One - Leasehold land (70-year tenure commencing 27 December 2004) of approximately 314,501 sqm situated in Gongye Yuan District, Nan Shi Jie Dong, Suzhou for a residential development of a total of approximately 555,000 sqm of gross floor area for sale.			
- Baitang One (Phase 1a)	100	3rd Quarter FY2011	100
- Baitang One (Phase 1b)	70	3rd Quarter FY2012	100
- Baitang One (Phase 2-4)	-	FY2017	100
- Vision Shenzhen Business Park (Phase 3)	-	-	56

PARTICULARS OF GROUP PROPERTIES

(D) CLASSIFIED AS DEVELOPMENT PROPERTIES HELD FOR SALE (cont'd) (Note 23 to the Financial Statements)

			Stage of Completion %	Estimated Date of Completion	Effective Group interest %
New Zealand					
FCL	-	Broadview - Freehold land of approximately 6,831 sqm in the South Island, Queenstown for a proposed development of 29 luxury residential apartments of approximately 8,400 sqm of gross floor area for sale.	-	Project on Hold	75
	-	Coast @ Papamoa - Freehold land of approximately 271,168 sqm located in Tauranga in the Bay of Plenty for a proposed development of approximately 682 houses and apartments and a beach front condominium complex of approximately 136,500 sqm of gross floor area for sale.	-	4th Quarter FY2014	68
United Kingdom					
FCL	-	Freehold land of approximately 20,531 sqm on the south bank of River Thames, London for a proposed residential and commercial development of 504 residential units and ancillary office and retail space of a total of approximately 32,236 sqm of gross floor area for sale for Phase 3 of the Wandsworth Riverside Development.	-	4th Quarter FY2016	80
	-	Freehold land of approximately 1,781 sqm situated at 143 - 161 Wandsworth Road, London.	-	-	80
	-	Freehold land of approximately 2,310 sqm situated at Camberwell Green and Camberwell New Road, London.	-	-	80
	-	Freehold land of approximately 2,226 sqm situated at Water Street, Edinburgh for a residential development of 50 apartments of approximately 4,140 sqm of gross floor area for sale.	100	Completed	40
	-	Freehold land of approximately 3,035 sqm situated at Brown Street, Glasgow.	-	-	80
	-	Freehold land of approximately 5,870 sqm situated at Baildon.	-	Project on Hold	80

SHAREHOLDING STATISTICS
AS AT 08 DECEMBER 2011

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

Size of holding	Number of Shareholders	%	Number of Shares[1]	%
1 - 999	393	2.79	128,721	0.01
1,000 - 10,000	10,474	74.29	37,000,725	2.62
10,001 - 1,000,000	3,197	22.67	181,647,609	12.85
1,000,001 and above	35	0.25	1,194,460,887	84.52
	14,099	100.00	1,413,237,942	100.00

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

No	Shareholder's Name	Number of Shares Held[1]	%
1	Citibank Nominees Singapore Pte Ltd	283,922,806	20.09
2	Merrill Lynch (Singapore) Pte Ltd	216,916,859	15.35
3	DBSN Services Pte Ltd	86,420,043	6.12
4	DBS Nominees Pte Ltd	78,190,904	5.53
5	Great Eastern Life Assurance Co Ltd - Participating Fund	77,358,575	5.47
6	HSBC (Singapore) Nominees Pte Ltd	73,742,536	5.22
7	Great Eastern Life Assurance (Malaysia) Berhad	70,393,850	4.98
8	Oversea Chinese Bank Nominees Pte Ltd	47,897,765	3.39
9	The Overseas Assurance Corporation Ltd	46,505,570	3.29
10	UOB Kay Hian Pte Ltd	40,332,930	2.85
11	United Overseas Bank Nominees Pte Ltd	39,113,631	2.77
12	Lee Pineapple Company Pte Ltd	18,375,000	1.30
13	The Great Eastern Trust Private Limited	17,587,805	1.24
14	BNP Paribas Nominees Singapore Pte Ltd	13,504,547	0.96
15	Raffles Nominees (Pte) Ltd	12,006,384	0.85
16	Lee Latex Pte Limited	10,656,115	0.75
17	Tropical Produce Company Pte Ltd	8,665,400	0.61
18	BNP Paribas Securities Services Singapore	8,615,566	0.61
19	Selat Pte Limited	5,265,000	0.37
20	DB Nominees (Singapore) Pte Ltd	4,648,646	0.33
		1,160,119,932	82.08

Note:

1 Percentage is based on 1,413,237,942 shares (excluding shares held as Treasury Shares) as at 8 December 2011. Treasury Shares as at 8 December 2011 is 1,073,000 shares.

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

		DIRECT INTEREST (Number of Shares)	DEEMED INTEREST (Number of Shares)
1	Oversea-Chinese Banking Corporation Limited	46,226,850	212,919,065
2	Great Eastern Life Assurance Company Limited	77,409,075	70,393,850
3	Great Eastern Holdings Limited	-	212,293,685
4	Kirin Holdings Company, Limited held through Merrill Lynch (Singapore) Pte. Ltd. - depository agent	211,109,000	-
5	Prudential Asset Management (Singapore) Ltd (reporting on behalf of Prudential Asset Management (Singapore) Ltd., Jackson National Life and M&G Investments)	-	113,188,859

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

Notes:

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

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

INTERESTED PERSON TRANSACTIONS

Particulars of interested person transactions (**"IPTs"**) for the period 1 October 2010 to 30 September 2011 as required under Rule 907 of the SGX Listing Manual.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate[3] pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate[3] pursuant to Rule 920 (excluding transactions less than $100,000)
Stamford Law Corporation[1]		
- Provision of legal services to the Company	$152,495	Nil
Eastern Realty Company Limited[2]		
- Lease of residential building to Fraser Residence Orchard Pte Ltd (an indirect wholly-owned subsidiary of the Company)	$28,900,000	Nil

Notes:

(1) The Senior Director of Stamford Law Corporation is an associate of a Director of the Company.

(2) Eastern Realty Company Limited is an associate of a controlling Shareholder of the Company.

(3) There was no shareholders' IPT mandate during the financial year under review.

FRASER AND NEAVE, LIMITED

(COMPANY REGISTRATION NO. 189800001R)
(INCORPORATED IN SINGAPORE)

NOTICE OF ANNUAL GENERAL MEETING

Date : Friday 27 January 2012
Place : Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958

NOTICE IS HEREBY GIVEN that the 113th Annual General Meeting of FRASER AND NEAVE, LIMITED will be held at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 on Friday 27 January 2012 at 10.00 a.m. 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 2011.

2. To approve a final tax-exempt (one-tier) dividend of 12.0 cents per share in respect of the year ended 30 September 2011.

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 Timothy Chia Chee Ming, who retires by rotation, be and is hereby re-appointed as a Director of the Company."

   Subject to his re-appointment, Mr Chia, who is considered an independent director, will be re-appointed as Chairman of the Remuneration & Staff Establishment Committee, and a member of each of the Audit and Nominating 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 retires by rotation, 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.

   (d) "That Dr Seek Ngee Huat, who was appointed during the year, be and is hereby re-appointed as a Director of the Company."

4. To approve Directors' fees of S$2,900,000 payable by the Company for the year ending 30 September 2012 (last year: S$2,700,000).

5. To re-appoint auditors for the ensuing year and authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions, 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

FRASER AND NEAVE, LIMITED

(COMPANY REGISTRATION NO. 189800001R)
(INCORPORATED IN SINGAPORE)

(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% 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 of the Company to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the Fraser and Neave, Limited Executives' Share Option Scheme 1999 (the "**1999 Scheme**"), provided that the aggregate number of ordinary shares to be issued pursuant to the 1999 Scheme shall not exceed 15% of the total number of issued ordinary shares in the capital of the Company, excluding treasury shares, from time to time."

8. "That approval be and is hereby given to the Directors of the Company to:

(a) grant awards in accordance with the provisions of the F&N Restricted Share Plan (the "**Restricted Share Plan**") and/or the F&N Performance Share Plan (the "**Performance Share Plan**"); and

(b) allot and issue such number of ordinary shares in the capital of the Company as may be required to be delivered pursuant to the vesting of awards under the Restricted Share Plan and/or the Performance Share Plan,

provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares in the capital of the Company (including shares held in treasury) delivered and/or to be delivered, pursuant to the Restricted Share Plan and the Performance Share Plan, shall not exceed 10% of the total number of issued ordinary shares in the capital of the Company, excluding treasury shares, from time to time."

9. "That authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be allotted and issued pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme."

FRASER AND NEAVE, LIMITED

(COMPANY REGISTRATION NO. 189800001R)
(INCORPORATED IN SINGAPORE)

OTHER BUSINESS

10. To transact any other business which may properly be brought forward.

By Order of the Board
Anthony Cheong Fook Seng
Group Company Secretary

Singapore, 4 January 2012

A member of the Company entitled to attend the meeting and vote is entitled to appoint not more than two proxies to attend and vote instead of him; a proxy need not be a member of the Company. Where a member of the Company appoints more than one proxy, he shall specify the proportion of his shareholdings to be represented by each proxy. The instrument appointing a proxy or proxies (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)
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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 113th Annual General Meeting are:

(a) Ordinary Resolution No. 6 is to authorise the Directors of the Company from the date of that meeting until the next Annual General Meeting to issue shares and/or make or grant instruments that might require shares to be issued on a pro rata basis to shareholders of the Company, and to issue shares in pursuance of such instruments, up to a limit of 50% of the total number of issued shares in the capital of the Company, excluding treasury shares, calculated as described in the Resolution.

(b) Ordinary Resolution No. 7 is to authorise the Directors of the Company to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the Fraser and Neave, Limited Executives' Share Option Scheme 1999 (the "**1999 Scheme**") up to an aggregate limit of 15% of the total number of issued ordinary shares in the capital of the Company, excluding treasury shares, from time to time (the "**15% Limit**"). The 15% Limit is calculated by including the ordinary 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.

(c) Ordinary Resolution No. 8 is to authorise the Directors of the Company to offer and grant awards and to issue ordinary shares in the capital of the Company pursuant to the F&N Restricted Share Plan (the "**Restricted Share Plan**") and the F&N Performance Share Plan (the "**Performance Share Plan**") provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares in the capital of the Company (including shares held in treasury) delivered and/or to be delivered, pursuant to the Restricted Share Plan and the Performance Share Plan, shall not exceed 10% of the total number of issued ordinary shares in the capital of the Company, excluding treasury shares, from time to time. The Committee administering the Restricted Share Plan and the Performance Share Plan currently does not intend, in any given year, to grant awards under the Restricted Share Plan and the Performance Share Plan which would comprise more than 1% of the total number of issued ordinary shares from time to time (the "**Yearly Limit**"). However, if the Yearly Limit is not fully utilised in any given year, the balance of the unutilised Yearly Limit may be used by the Company to make grants of awards in subsequent years.

(d) Ordinary Resolution No. 9 is to authorise the Directors of the Company to allot and issue ordinary shares in the capital of the Company pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme to eligible members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

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FRASER AND NEAVE, LIMITED

(COMPANY REGISTRATION NO. 189800001R)
(INCORPORATED IN 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. 8 on required format).

I/We ______________________________ (Name) ______________ (NRIC/Passport Number)

of ____ (Address)

being a member/members of Fraser and Neave, Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (Note 2)	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (Note 2)	
			No. of Shares	%

or failing him/them, the Chairman of the Annual General Meeting (the "**AGM**"), as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the AGM of the Company to be held at 10.00 a.m. on 27 January 2012 at Level 2, Alexandra Point, 438 Alexandra Road, Singapore 119958 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they may on any other matter arising at the AGM.

NOTE: The Chairman of the AGM will be exercising his right under Article 70(a) of the Articles of Association of the Company to demand a poll in respect of the resolutions to be put to the vote of members at the AGM and at any adjournment thereof. Accordingly, such resolutions at the AGM will be voted on by way of poll.

NO.	RESOLUTIONS RELATING TO:	No. of Votes For*	No. of Votes Against*
	ROUTINE BUSINESS		
1.	To receive and adopt the report of the Directors and audited financial statements for the year ended 30 September 2011.		
2.	To approve a final tax-exempt (one-tier) dividend of 12.0 cents per share in respect of the year ended 30 September 2011.		
3.	(a) To re-appoint Director: Mr Timothy Chia Chee Ming		
	(b) To re-appoint Director: Mr Koh Beng Seng		
	(c) To re-appoint Director: Mr Tan Chong Meng		
	(d) To re-appoint Director: Dr Seek Ngee Huat		
4.	To approve Directors' fees of S$2,900,000 payable by the Company for the year ending 30 September 2012.		
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 and to make or grant convertible instruments.		
7.	To authorise Directors to allot and issue shares pursuant to the Fraser and Neave, Limited Executives' Share Option Scheme 1999.		
8.	To authorise Directors to grant awards and to allot and issue shares pursuant to the F&N Restricted Share Plan and/or the F&N Performance Share Plan.		
9.	To authorise Directors to allot and issue shares pursuant to the Fraser and Neave, Limited Scrip Dividend Scheme.		
	OTHER BUSINESS		
10.	To transact any other business which may properly be brought forward.		

* If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (√) within the relevant box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant resolution, please indicate the number of Shares in the boxes provided.

Dated this __________ day of __________ 2012.

Total Number of Shares held (Note 4)	

____
Signature/Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

Fold and seal here

NOTES TO PROXY FORM:

1. A member of the Company entitled to attend the meeting and vote is entitled to appoint one or two proxies to attend and vote instead of him; a proxy need not be a member of the Company. The instrument appointing a proxy or proxies 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. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. Completion and return of this instrument appointing a proxy or proxies 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.
4. 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.
5. 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.
6. Where an instrument appointing a proxy or proxies 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.
7. 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.
8. Agent Banks acting on the request of CPF investors who wish to attend the meeting as Observers are required to submit in writing, a list with details of the investors' name, NRIC/Passport numbers, addresses and numbers of shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company Secretary, at the registered office of the Company not later than 48 hours before the time appointed for holding the meeting.

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Affix Postage Stamp

THE COMPANY SECRETARY
FRASER AND NEAVE, LIMITED
#21-00 Alexandra Point
438 Alexandra Road
Singapore 119958

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FINANCIAL CALENDAR

Date	Event
27 January 2012	Annual General Meeting
10 February 2012 (after close of trading) (tentative)	Announcement of 1st Quarter Results
11 May 2012 (after close of trading) (tentative)	Announcement of 2nd Quarter Results Declaration of Interim Dividend
10 August 2012 (after close of trading) (tentative)	Announcement of 3rd Quarter Results
16 November 2012 (after close of trading) (tentative)	Announcement of Full Year Results Declaration of Final Dividend

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

For online version of F&N FY2011 Annual Report, please refer to www.fraserandneave.com/FN_investor_r_reports.asp
For easy-to-read guides on annual reports, please refer to www.sgx.com/wps/wcm/connect/mp_en/site/highlights/highlight_contents/Investors_Guide