ANNUAL REPORT 2012

JOURNEY

FRASER AND NEAVE, LIMITED

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.

CONTENTS

129 years ago, two visionaries set up a modest company to produce carbonated soft drinks. This company would eventually become one of the food and beverage giants in the region – Fraser and Neave, Limited.

1883

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

1898

The Singapore and Straits Aerated Water Company went public as Fraser and Neave, Limited.

1931

Malayan Breweries Limited (subsequently renamed Asia Pacific Breweries Limited ("APB") in 1990) was formed in a joint venture with Dutch company, Heineken, to produce beer.

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

The Group divested its interests in APB in 2012.

1959

A sweetened condensed milk plant was built in Petaling Jaya, Malaysia, under a joint venture with Beatrice Foods of Chicago.

1985

Singapore breweries and soft drinks plants were relocated to free up sites for a new core business in properties.

1999

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

2006

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

2008

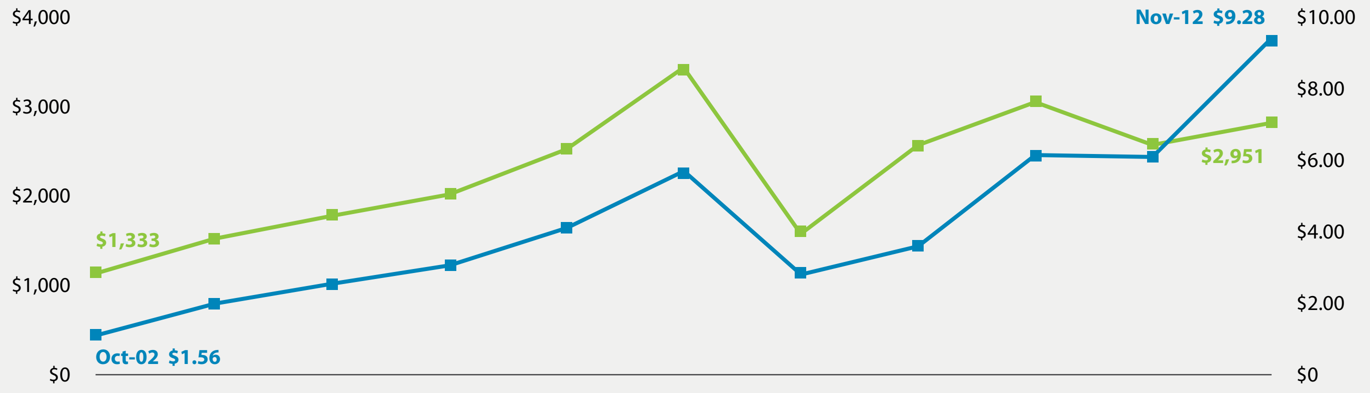
F&N acquired a 18.3% stake in SGX-ST listed Allco Commercial REIT, later renamed Frasers Commercial Trust (FCOT).

2012

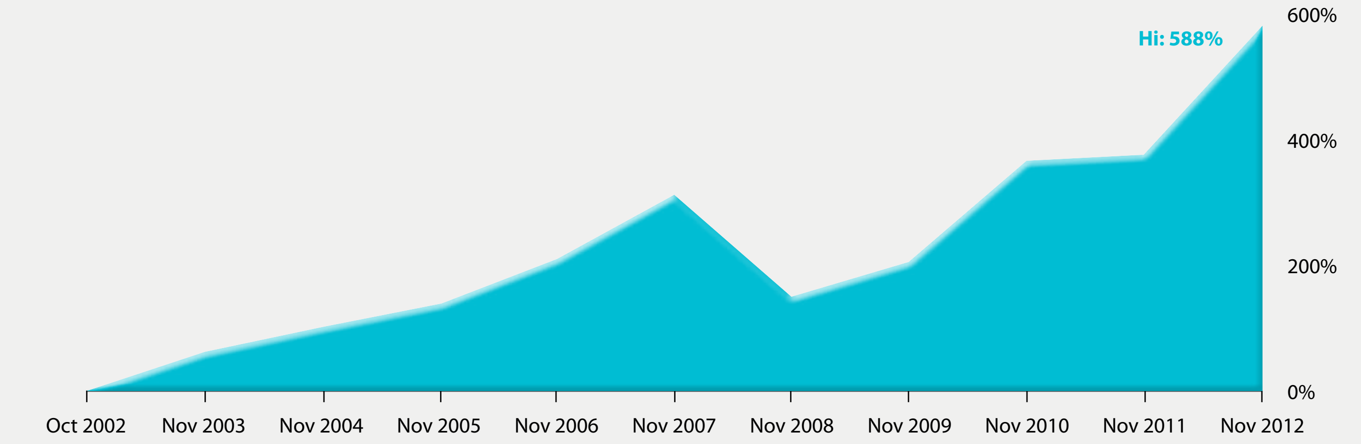
Today, F&N is one of the region's most established and successful homegrown companies with expertise and prominent standing in the Food and Beverage, Properties and Publishing & Printing industries. We have shareholders' funds and total assets employed of over $8 billion and $14 billion, respectively, and are present in over 30 countries, employing over 17,000 people worldwide.

Share Price ($)
LHS: Straits Times Index
RHS: Fraser and Neave, Limited

F&N Hi: $9.35
F&N Lo: $1.56



Cumulative Total Shareholder Return (Oct 2002 - Nov 2012): 588%



10-YEAR PERFORMANCE AT A GLANCE

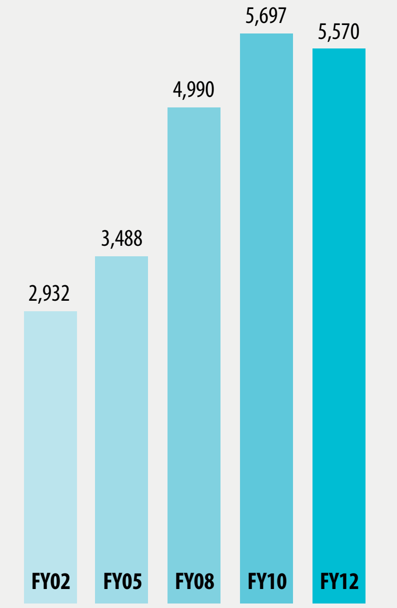
$5,570M

FY2012 REVENUE

- Strong topline growth in F&B and Properties divisions

Increased
90%
from FY2002's $2,932M

Revenue ($M)
10-year CAGR 7%



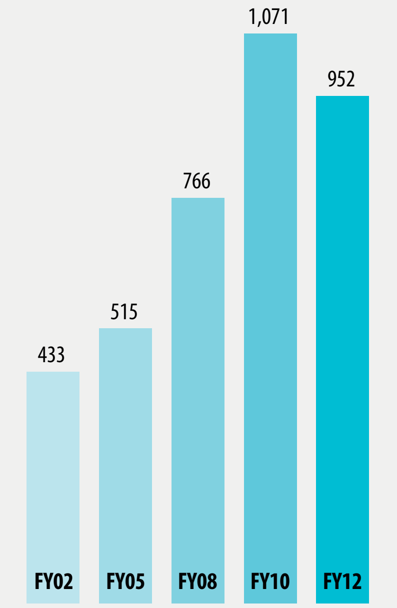
$952M

PROFIT BEFORE INTEREST & TAX[1]

- F&B earnings jumped four-fold, underpinned by strong earnings from APB[3]; Properties earnings grew 45%

Increased
120%
from FY2002's $433M

Profit Before Interest & Tax[1] ($M)
10-year CAGR 8%



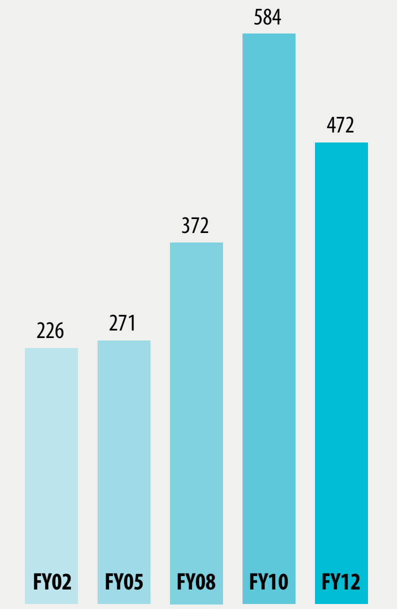
$472M

ATTRIBUTABLE PROFIT[1]

- 10-year compounded annual growth rate of 8%

Increased
109%
from FY2002's $226M

Attributable Profit[1] ($M)
10-year CAGR 8%



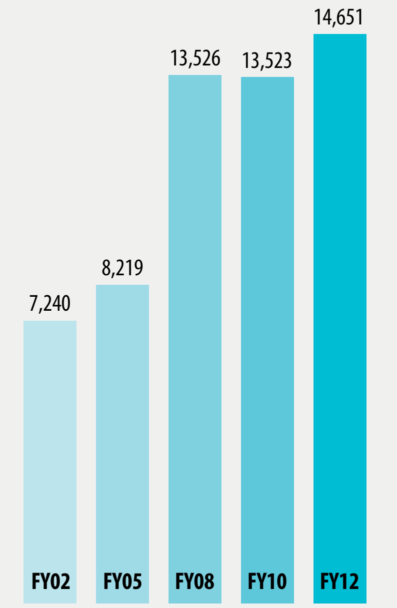
$14,651M

TOTAL ASSET

- Properties accounted for around 65% of Group's total assets

Increased
102%
from FY2002's $7,240M

Total Asset ($M)
10-year CAGR 7%



18.0¢

DISTRIBUTION

- 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 Group's dividend policy

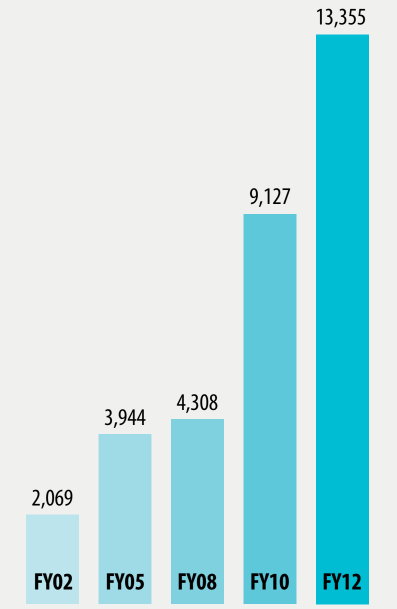
Increased
157%
from FY2002's 7.0 cents

$13,355M

MARKET CAPITALISATION[2]

Increased
545%
from FY2002's $2,069M

Market Capitalisation[2] ($M)
10-year CAGR 21%



Note:
1 *Before fair value adjustment and exceptional items*
2 *Based on issued shares as at 19 Nov 2012 at close of business on the first trading day after preliminary announcement of results*
3 *The results in this section includes the Group's share of Asia Pacific Breweries Limited/Asia Pacific Investment Pte Ltd FY2011 and FY2012 results which were presented separately as Discontinued Operations in the Group Financial Statements*

JOURNEY

Every story begins with a journey and ours started more than a century ago. The paths we've travelled have led us to the road we are on.

We've crossed seas to distant lands, transforming ourselves into a global conglomerate with three businesses and a worldwide presence in over 30 countries.

During the course of our journey we've always set high standards and lived up to them time and again. We inspire confidence in our brands, developments and expertise, passionately striving to be the best at what we do and committing ourselves completely to deliver value to all our stakeholders.

As we forge ahead, we will not shy from challenges, rest on our laurels or be confined in our imagination to deliver the inspirations of tomorrow. For we know that every step we take, our journey continues to gather momentum.

JOURNEY OF OUR BUSINESSES

FOOD & BEVERAGE

SOFT DRINKS & DAIRIES ○

Indonesia[1]
Malaysia
Singapore
Thailand
Vietnam[2]

BEER ☆

Myanmar

APB[3] ○

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

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

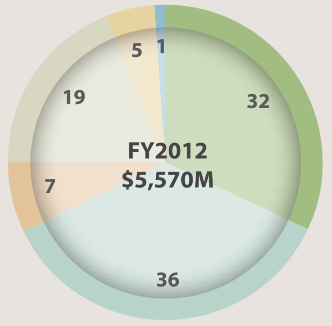
PUBLISHING & PRINTING □

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

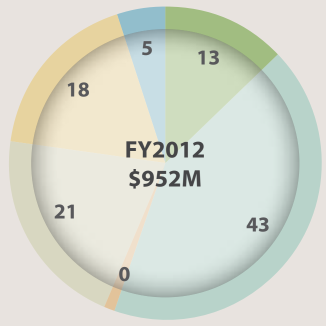
Note:

1 Licensing to third-party
2 9.5% stake in Vinamilk
3 The proposed disposal of the Company's interests in Asia Pacific Breweries Limited ("APB") and certain non-APB assets held by Asia Pacific Investment Pte Ltd ("APIPL") was completed on 15 November 2012. The results in this section includes the Group's share of APB/APIPL FY2011 and FY2012 results which were presented separately as Discontinued Operations in the Group Financial Statements

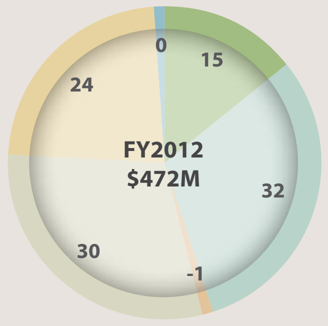
Revenue (%)



Profit Before Interest and Taxation (%)



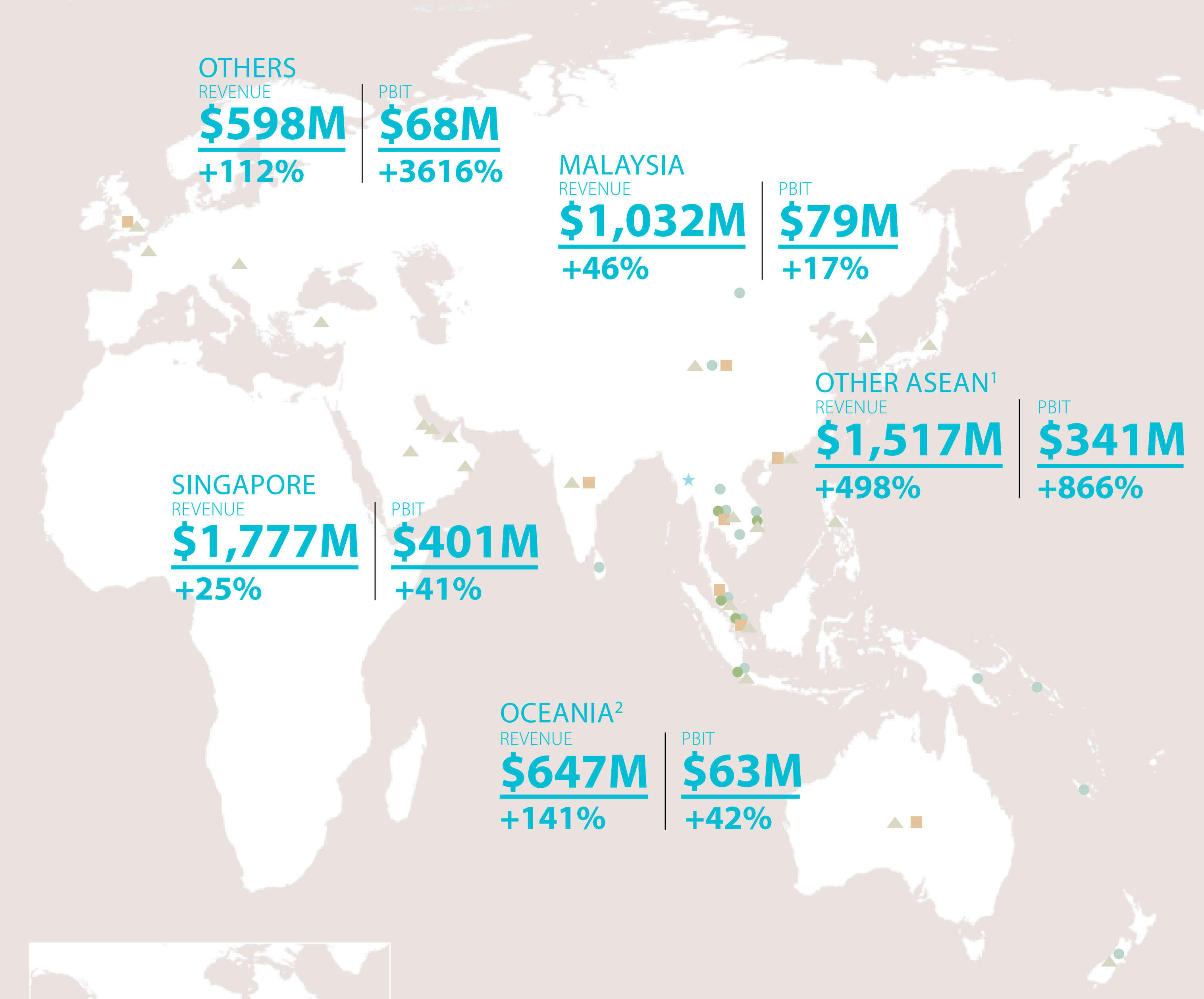
Attributable Profit Before Fair Value Adjustment and Exceptional Items (%)



By Business Segment (%)

Food & Beverage | APB[3] | Publishing & Printing | Development Property | Commercial Property | Others

	F&B ($'000)	APB[3] ($'000)	Publishing & Printing ($'000)	Development Property ($'000)	Commercial Property ($'000)	Others ($'000)	Group ($'000)
Profit Before Interest and Taxation							
FY2012	123,877	410,971	4,086	194,801	169,521	48,494	951,750
Growth from FY2002 (%)	76%	522%	-77%	46%	44%	78%	120%
Share of Profit Before Interest and Taxation (%)							
FY2012	13%	43%	0%	21%	18%	5%	-
In FY2002	17%	15%	4%	31%	27%	6%	-



Presence in over

30 COUNTRIES

Leadership positions in our key markets

Note:

1 Other ASEAN: Cambodia, Indonesia, Laos, Myanmar, Philippines, Thailand and Vietnam
2 Oceania: Australia, New Zealand and Papua New Guinea
3 Percentage (%) denotes growth from FY2002 to FY2012

OUR 3 BUSINESSES

FOOD & BEVERAGE

A household name to many, F&N has established itself as a leader in the Food & Beverage ("F&B") arena in Singapore and Malaysia since the 1930s. F&N's origin dates back to the founding business of Soft Drinks in 1883. The Group expanded beyond Soft Drinks and successfully ventured into Beer in 1931 and Dairies in 1959. In 2012, the Group divested and unlocked a significant value of the beer business and retained a 55%-held brewery in Myanmar. 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 *Myanmar Beer*, *Myanmar Double Strong* and *Andaman Gold* for Beer. The Group's consistent leading market shares across various products have led to F&N being conferred numerous brand awards. The F&B operations and investments now span Singapore, Malaysia, Thailand, Vietnam and Myanmar. Through established distribution networks and joint partnerships, F&N aims to reinforce its foothold in the F&B industry geographically across Asia Pacific, further expand its portfolio of brands and strengthen its research and development capabilities.

PROPERTIES

Frasers Centrepoint Limited ("FCL") is a wholly-owned subsidiary of F&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.

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, Chile, China, Hong Kong, India, South-east Asia, the US and the UK.

JOURNEY of Achievements

CORPORATE DEVELOPMENTS

This year has been an eventful one, beginning with the extended flooding of our dairy facility in Thailand, the sale of our 81-year old brewery business and a takeover situation for the Company, the outcome of which is yet unknown.

18 July 2012 marked the dawn of a new era for the Company. On that day, the OCBC Group and Lee Rubber Company (Pte) Limited ("Lee Rubber") agreed to sell their combined 22% stake in F&NL at $8.88 per share and 8.6% stake in Asia Pacific Breweries Limited ("APBL") at $45 per share, to Thai Beverage Public Company Limited ("Thai Beverage") and Kindest Place Groups Limited, respectively. The attractive premiums negotiated for these transactions set record benchmarks then for the share prices of the Company and APBL. We also want to thank the OCBC Group and Lee Rubber for their support over the many years which have facilitated the Group's growth to what it is today.

These transactions triggered a series of events (see Timeline on page 8) culminating in the sale of the Company's interests in APBL. F&NL is now also the subject of competing takeover bids from TCC Assets Limited ("TCC Assets") and a consortium led by Overseas Union Enterprise Limited ("OUE").

"The value created for all shareholders of F&NL and APBL was only possible because of the concerted regionalisation and expansion efforts since the 1990s..."

MR LEE HSIEN YANG
CHAIRMAN

18 Jul 12
OCBC Group and Lee Rubber agree to sell:
- 22% stake in F&NL, at $8.88 per share to Thai Beverage
- 8.6% stake in APBL, at $45 per share, to Kindest Place

20 Jul 12
Heineken NV offers $50 per share for F&NL's direct/indirect stakes in APBL and $163 million for non-APBL assets in APIPL

14 Aug 12
OCBC Group completes the sale of their stakes in F&NL & APBL

18 Aug 12
F&NL Board announces recommendation for sale of direct and indirect stakes in APBL to Heineken NV, at an improved offer of $53 per share and non-APBL assets in APIPL for $163 million

13 Sep 12
TCC Assets launches a mandatory conditional cash offer at $8.88 per share

28 Sep 12
F&NL Shareholders approve sale of APBL to Heineken NV

15 Nov 12
OUE announces a voluntary conditional cash offer for F&NL at $9.08 per share

Timeline – Series of Significant Events Since 18 July 2012

APBL had been an important part of our Food & Beverage ("F&B") strategy. However, with the prospect of Thai Beverage becoming a substantial shareholder of the Company, Heineken NV asserted that this had altered the fabric of the 50:50 joint venture in Asia Pacific Investment Pte Ltd ("APIPL").

After careful deliberation and taking into consideration that the Company may not be able to realise the full potential of APBL's business in the future, given the constraints of the APIPL joint venture structure, the Board recommended the sale of F&NL's direct and indirect interests in APBL at an improved and attractive price of $53 per APBL share. The total consideration from our divestments was $5.6 billion, including $163 million for non-APBL assets held directly by APIPL.

F&NL shareholders overwhelmingly approved these divestments at an extraordinary general meeting ("EGM") on 28 September 2012, enabling the Company to unlock substantial value in the beer business and maximise overall returns for shareholders. Completion of these divestments took place on 15 November 2012.

The value created for all shareholders of F&NL and APBL was only possible because of the concerted regionalisation and expansion efforts since the 1990s, the unstinting support of both partners in the APIPL joint venture and the excellent execution of APBL management.

Group Revenue

$5,570M

Group PBIT

$952M

I would like to place on record our thanks to Directors and management of APBL, past and present, especially our past chairman Dr Michael Fam, who proposed the APIPL joint venture which reserved the Asia Pacific region for APBL. I would also like to extend F&NL's best wishes to Heineken NV and APBL for continued progress. We are pleased to note that Heineken NV has stated that both the *Heineken* and *Tiger* brands will spearhead their brand portfolio in this region.

Today, the Company still retains a 55% stake in Myanmar Brewery Limited ("MBL"), which has a leadership position in the Myanmar beer market. Given its first-mover advantage, our investment in MBL continues to be of significant value at a time when Myanmar is attracting foreign investments in the wake of the recent political and economic developments in the country.

The ongoing rival contest for control of F&NL reflects the attractiveness of our established portfolio of brands in the Soft Drinks and Dairies businesses, and our extensive distribution network in Malaysia, Singapore and Thailand. Our property arm is also one of Singapore's leading integrated real estate companies with a sound reputation as a quality developer of homes and an experienced manager of commercial properties and gold-standard serviced apartments.

Group Financial Review

The results of our Financial Year ended 30 September 2012 ("FY2012") were affected by the adoption of INT FRS 115 which permits the recognition of development profits from the sale of Executive Condominiums in Singapore and overseas development projects only upon completion. Going forward, this change in accounting is likely to cause volatility in the reporting of our Development Property earnings.

For FY2012[1],

- Group turnover fell by 12% to $5.6 billion compared to last year. This was due mainly to a 45% decline in revenue from Development Property and a 9% drop from Dairies arising from floods in Thailand.
- At the operating level, Group Profit Before Interest, Taxation and fair value gain and exceptional items declined 19% from last year to $952 million. The reduction from last year was due mainly to lower recognition of Development Property earnings, the absence of one-off gain from the sale of 50% of the Group's stake in *Central Park* in Australia and lower contribution from Soft Drinks and Dairies.
- This year, the Group recorded a net gain of $340 million from fair value adjustments of our investment properties (versus $113 million last year), bringing the Group Attributable Profit, after fair value gain and exceptional items to $836 million, 7% lower than last year.
- Our balance sheet was further strengthened with net asset value per share at $5.31 at the end of FY2012, an increase of about 9% over last year. After the close of FY2012, net asset value rose by a further $3.41 per share upon the completion of the divestment of our stakes in APIPL and APBL.
- Group gearing improved to 27% (from 31% last year). The average cost of Group debt fell to 2.91% (versus 3.23% in FY2011). We ended FY2012 with a stronger balance sheet.

On 15 November 2012, the Company received $5.6 billion cash from the proceeds of the sale of the beer business. Together with undrawn facilities of $3.1 billion[2] under our revolving credit facilities, the Group stands in good stead to pursue opportunities for growth.

Note:

1 *The results in this section includes the Group's share of APIPL/APBL FY2011 and FY2012 results which were presented separately as Discontinued Operations in the Group Financial Statements*

2 *As at 30 September 2012*

MESSAGE FROM THE CHAIRMAN

Operations Review

The Business Review section of this Annual Report presents our CEOs' reviews of the FY2012 performance by our F&B, Properties and Publishing & Printing businesses.

Our F&B division had a busy and challenging year. The expiry of our licensing agreement with The Coca-Cola Company on 30 September 2011 gave us a fresh start. During the year, we successfully defended our leading positions in Malaysia and Singapore and laid the groundwork for expansion into new ASEAN markets. Excluding the Coca-Cola business in Malaysia, we achieved volume growth across our Soft Drinks brand portfolio as a result of our focus on brand and market building campaigns.

We reported in October last year that massive floods affected large parts of Thailand, including our Rojana dairy plant which was closed for about 200 days. The plant re-commenced operations in April 2012 and was in full production by May 2012, one of the first companies in the Rojana Industrial Estate to do so. During the plant closure, products were imported from around the region to meet consumer demand and to maintain market positions. Thanks to our colleagues in Thailand for a job well done.

Take-up rates for residential units in Singapore were encouraging in FY2012 despite cooling measures implemented by the Singapore Government. Frasers Centrepoint Limited ("FCL") launched four projects and sold 3,047 units[3] during the year. FCL remains one of Singapore's top three developers in terms of number of private non-landed residential (including Executive Condominium) units sold for FY2012.

FCL will continue to adopt a conservative approach in its efforts to replenish its land bank in Singapore, which at the end of FY2012, can yield about 1,050 apartment units[3].

In China, the launch of phase 2A *Baitang One* in Suzhou saw sales of 100 out of 244 units. Currently, our residential land bank in China can yield about 7,500 units[3] over the next few years.

On 28 September 2012, we completed the sale of our entire interest in Frasers Property China Limited ("FPCL"). This enabled us to rationalise our property development activities in China under one entity. I would like to thank the Directors and management of FPCL for their hard work and support.

In Australia, we recorded strong pre-sales of about 580 units[3] in FY2012 mainly at *Central Park*, Sydney.

At the end of FY2012, the Group had unrecognised contracted sales of $3.1 billion from Singapore and overseas pre-sold residential projects which will support its Development Property earnings over the next few years.

During the year, Frasers Commercial Trust ("FCOT") acquired the remaining 50% interest in *Caroline Chisholm Centre* in Canberra and successfully unlocked value in *Keypoint* which was divested at a gain of $73 million. On 25 October 2012, FCOT completed its portfolio reshaping strategy which began two years ago, when it divested its remaining Japanese portfolio. Moving forward, FCOT will focus on growing its portfolios in Singapore and Australia.

Frasers Centrepoint Trust ("FCT") achieved a strong performance in FY2012 with a record distribution of 10.01 cents per unit (20% higher than FY2011). The results were bolstered by a full year's contribution from *Bedok Point*, the substantial completion of the refurbishment of *Causeway Point* and a healthy rental growth across all its properties.

The mall at Changi Business Park, *Changi City Point,* commenced operations in November 2011. It is part of the *One @ Changi City* project jointly owned and developed by FCL and Ascendas Land. *One @ Changi City* is an integrated business park with retail and hotel elements. The hotel, *Capri by Fraser*, opened in September 2012.

Note:
3 *Including share of joint ventures*

At the end of FY2012, Frasers Hospitality owned and/or managed 7,100 apartment units, with signed management contracts for another 5,110 apartment units which are currently under construction.

Our Publishing and Printing business continued to rationalise its operations in the face of challenging competitive landscape to improve returns. Times Publishing Limited, our wholly owned subsidiary, discontinued its under-performing Library Reference business in the US to focus on Education Publishing which has gained strong traction. A new office in Chile was recently set up to drive the growth in education publishing business in Latin America.

Dividends

The Directors recommend for shareholders' approval, a final ordinary dividend of 12.0 cents per share. If approved at the annual general meeting on 29 January 2013, this brings total dividend for the year to 18.0 cents per share. The total proposed distribution of 18.0 cents represents payout of 54% which is marginally higher than our policy of paying up to 50% of Group Attributable Profit before fair value gain and exceptional items. This is to maintain the same dividend payment as the previous year.

The final dividend, if approved by shareholders, will be paid on 21 February 2013.

The Board's proposal to distribute $4 billion of the proceeds from the sale of APBL to shareholders by way of a capital reduction did not secure the requisite 75% approval of the shareholders at the EGM on 28 September 2012. The Directors will explore options for cash distribution to shareholders when the Company is no longer the subject of any takeover offer.

Corporate Governance

During the year, we reconstituted the Risk Management Committee as part of the Company's efforts to strengthen its risk management processes and framework. This is in line with the heightened emphasis on risk awareness within our Group and is in compliance with the revised Code of Corporate Governance.

Acknowledgements

This has been a busy period. The Board met 18 times during the course of FY2012, on many occasions to consider the offers for APBL at short notice. After the close of the financial year, the Board also held special meetings to consider the offers for the shares of the Company. I would like to thank my fellow Board members for their invaluable counsel which enabled us to arrive at an attractive price for the divestment of our stakes in APIPL and APBL.

Mr Soon Tit Koon, a nominee of OCBC Group resigned from the Board on 14 August 2012 following completion of the sale of shares by the OCBC Group in the Company. I would like to thank him for his active participation and contributions to the growth of the Group.

On behalf of the Board, I would like to place on record our appreciation to the Boards of Fraser & Neave Holdings Bhd, Frasers Centrepoint Asset Management Limited (the manager of FCT) and Frasers Centrepoint Asset Management (Commercial) Ltd (the manager of FCOT) for their able stewardship of our listed entities.

I also thank management and staff for their contributions towards another successful year. Our gratitude also goes to all our customers and shareholders for your continued support.

Mr Lee Hsien Yang
Chairman

Mr Lee Hsien Yang, 55
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 2012)	: 5 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 2012)
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)
- Frasers Centrepoint Limited (Chairman)
- Governing Board of Lee Kuan Yew School of Public Policy
- Kwa Geok Choo Pte Ltd
- The Islamic Bank of Asia Limited (Chairman)

Major Appointments (other than Directorships)
Nil

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2009 to 30 Sep 2012)
Nil

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

Mr Timothy Chia Chee Ming, 62
Non-executive and independent Director

Date of first appointment as a director	: 26 Jan 2006
Date of last re-election as a director	: 27 Jan 2012
Length of service as a director (as at 30 Sep 2012)	: 6 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 2012)
Listed companies
- Banyan Tree Holdings Limited
- Hup Soon Global Corporation Limited (Chairman)

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

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

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2009 to 30 Sep 2012)
- Singapore Post Limited

Ms Maria Mercedes Corrales, 63
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 2012)	: 2 years 01 month

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

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 2012)
Listed companies
- Huhtamaki Oyj, Finland
- D.E.Master Blenders, Amsterdam (member, Remuneration committee)

Major Appointments (other than Directorships)
Nil

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2009 to 30 Sep 2012)
- 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.

BOARD OF DIRECTORS

Mr Ho Tian Yee, 60
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 2012)	: 14 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 2012)
Listed companies
- DBS Bank Ltd.
- DBS Group Holdings Ltd.
- SP AusNet*

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

Major Appointments (other than Directorships)
Nil

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2009 to 30 Sep 2012)
- Singapore Exchange Limited

Others
Nil

* *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, 57
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 2012)	: 1 year 09 months

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

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 2012)
Listed companies
- Kirin Holdings Company, Limited

Others
- Schincariol Participações e Representações S.A.

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

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2009 to 30 Sep 2012)
- Lion Nathan Limited
- National Foods Limited
- San Miguel Corporation

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

Mr Koh Beng Seng, 62
Non-executive and independent Director

Date of first appointment as a director	: 26 Jan 2006
Date of last re-election as a director	: 27 Jan 2012
Length of service as a director (as at 30 Sep 2012)	: 6 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 2012)
Listed companies
- Bank of China (Hong Kong) Limited
- BOC Hong Kong (Holdings) Limited
- Great Eastern Holdings Limited
- Singapore Technologies Engineering Ltd

Others
- 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 2009 to 30 Sep 2012)
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
- Previously Director of Japan Wealth Management Securities Inc

Dr Seek Ngee Huat, 62
Non-executive and independent Director

Date of first appointment as a director	: 26 Sep 2011
Date of last re-election as a director	: 27 Jan 2012
Length of service as a director (as at 30 Sep 2012)	: 1 year 0 month

Board committee(s) served on:
- Risk Management Committee

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 2012)
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, International Advisory Council, Fundacao Dom Cabral, Brazil
- Senior Advisor, Pontiac Land Pte Ltd

Past Directorships in listed companies held over the preceding three years (from 01 Oct 2009 to 30 Sep 2012)
- Banco BTG Pactual S.A., Brazil
- BTG Pactual Participations Ltd, Brazil

Others
- Previously Director of :
  - Government of Singapore Investment Corporate 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
- Previously Member of Real Estate Advisory Board, Cambridge University

Mr Tan Chong Meng, 52
Non-executive and independent Director

Date of first appointment as a director	: 18 Jun 2008
Date of last re-election as a director	: 27 Jan 2012
Length of service as a director (as at 30 Sep 2012)	: 4 years 03 months

Board committee(s) served on:
- Risk Management Committee (Chairman)

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 2012)
Listed companies
Nil

Others
- PSA International Pte Ltd
- National University Health System Pte Ltd
- Times Publishing Limited (Chairman)

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 2009 to 30 Sep 2012)
- Showa Shell Sekiyu, Japan

Others
Nil

Mr Nicky Tan Ng Kuang, 54
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 2012)	: 8 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 2012)
Listed companies
Nil

Others
- Director of:
  - 9 Resources Pte Ltd
  - Aspen Crest Holdings Ltd
  - Aristos Asset Management Pte Ltd
  - nTan Capital Fund Ltd
  - nTan Corporate Advisory Pte Ltd
  - nTan-ZMG Executive Solutions Pte Ltd
  - National Cancer Research Fund
  - National University Health System Pte Ltd
  - Purple Ray Offshore Limited
  - Singtel Innov8 Holdings Pte Ltd
  - Singtel Innov8 Pte Ltd
  - Tan-Ho Tee Min Foundation Ltd
- Board of Trustee of Community Cancer Fund
- Member of the School of Management Committee of Pei Chun Public School

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 2009 to 30 Sep 2012)
- 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 Tan Chong Meng
Mr Nicky Tan Ng Kuang

BOARD EXECUTIVE COMMITTEE

Mr Lee Hsien Yang *(Chairman)*
Mr Ho Tian Yee
Mr Nicky Tan Ng Kuang

FOOD & BEVERAGE COMMITTEE

Mr Lee Hsien Yang *(Chairman)*
Ms Maria Mercedes Corrales
Mr Hirotake Kobayashi
Mr Nicky Tan Ng Kuang

RISK MANAGEMENT COMMITTEE

Mr Tan Chong Meng *(Chairman)*
Dr Seek Ngee Huat

AUDIT COMMITTEE

Mr Koh Beng Seng *(Chairman)*
Mr Timothy Chia Chee Ming
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

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

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

Mr Anthony Cheong Fook Seng
Group Company Secretary

Mr Hui Choon Kit
Chief Financial Officer

REGISTERED OFFICE

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

SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Barbinder Share Registration Services
80 Robinson Road
#02-00
Singapore 068898
Tel: (65) 6236 3333 | Fax: (65) 6236 4399

AUDITOR

Ernst & Young LLP
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

FRASER AND NEAVE, LIMITED

PROPERTIES

FRASERS CENTREPOINT GROUP
- 166 Subsidiary companies
- 16 Joint venture companies
- 6 Associated companies
  Listed companies
  Frasers Centrepoint Trust
  Frasers Commercial Trust

OTHER UNLISTED COMPANY
Vacaron Company Sdn Bhd

FOOD & BEVERAGE

FRASER & NEAVE HOLDINGS BHD
- 23 Subsidiary companies
- 1 Associated company
  Cocoaland Holdings Berhad

OTHER LISTED & UNLISTED COMPANIES
- 12 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
  PT F&N Indonesia
  F&N Creameries Group
  - *4 Subsidiary companies*

- 1 Joint venture company
  Asia Pacific Investment Pte Ltd[1]
  - *Asia Pacific Breweries Group*
    66 Subsidiary companies
    4 Joint venture companies
    2 Associated companies
  - *Heineken-Asia Pacific Breweries Limited*
    7 Subsidiary companies
    1 Joint venture company
  - *3 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

Note:
1 *Disposal of the Company's interest in Asia Pacific Investment Pte Ltd was completed on 15 Novermber 2012*

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.

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

GROUP FINANCIAL PERFORMANCE

5-YEAR STATISTICS

Note	Year ended 30 September	FY2008	FY2009	FY2010	FY2011	**FY2012**
1	**Profit Statement ($ million)**					
	Revenue	4,990	5,146	5,697	6,355	**5,570**
	Profit before taxation					
	- before interest	766	799	1,071	1,177	**952**
	- before impairment, fair value adjustment & exceptional items	701	737	1,009	1,123	**868**
	- after exceptional items	737	614	1,172	1,438	**1,239**
	Attributable profit					
2	- before fair value adjustment & exceptional items	372	462	584	643	**472**
	- after exceptional items	436	357	728	898	**836**
	Balance Sheet ($ million)					
3	Net asset value	5,283	5,585	6,143	6,843	**7,591**
	Total assets employed	13,526	13,868	13,523	13,924	**14,651**
	Long-term borrowings	3,355	3,608	2,666	3,216	**2,972**
	Market Capitalisation ($ million)					
	at close of business on then first trading day after preliminary announcement of results	4,308	5,408	9,127	8,745	**13,355**
1	**Financial Ratio (%)**					
	Return on average shareholders' equity					
	- profit before impairment, fair value adjustment & exceptional items	13.4	13.6	17.2	17.3	**12.0**
2	- attributable profit before fair value adjustment & exceptional items	7.1	8.5	10.0	9.9	**6.5**
4	Gearing ratio					
	- without non-controlling interest	83.3	65.5	46.8	34.5	**29.8**
	- with non-controlling interest	68.6	54.7	41.4	30.8	**27.4**
1	**Per Share**					
	Profit before impairment, fair value adjustment, taxation and exceptional items (cents)	50.5	53.0	72.2	79.8	**61.1**
	Attributable profit (cents) (basic)					
	- before fair value adjustment and exceptional items	26.8	33.2	41.8	45.7	**33.2**
	- after exceptional items	31.4	25.7	52.1	63.8	**58.9**
3	Net asset value ($)	3.80	4.01	4.38	4.85	**5.31**
	Dividend					
	- net (cents)	13.5	13.5	17.0	18.0	**18.0**
5	- cover (times)	2.0	2.5	2.5	2.5	**1.8**
	Stock Exchange Prices ($)					
	at close of business on the first trading day after preliminary announcement of results	3.10	3.88	6.51	6.20	**9.35**

Note:

1 *The results in this section includes the Group's share of Asia Pacific Breweries Limited/Asia Pacific Investment Pte Ltd FY2011 and FY2012 results which were presented separately as Discontinued Operations in the Group Financial Statements*

2 *Attributable profit before fair value adjustment and exceptional items: Profit after taxation and non-controlling interest but before fair value adjustment and exceptional items*

3 *Net asset value: Share capital and reserves*

4 *Gearing ratio: Sum of bank borrowings and term loans, less fixed deposits and cash and bank balances, expressed as a percentage of equity*

5 *Dividend cover: Attributable profit before fair value adjustment and exceptional items per share, divided by net dividend per share*

6 *FY2008 - FY2010: As previously reported; FY2011 - FY2012: restated for INT FRS 115*

JOURNEY of **Refreshment**

What started as an aerated company in 1883 has grown from strength to strength over the years to become the F&N Group today that owns a reputable stable of brands ranging from soft drinks to dairies and beer. Through the years, F&N has built a strong portfolio of brands known for their refreshing tastes and nourishing goodness, a regional network of manufacturing plants and sales and distribution channels, and most importantly a sound reputation as one of the region's leading Food and Beverage ("F&B") producers. Today, F&N holds the number 1 position in Malaysia for soft drinks, and maintains key positions in dairies and beer segments in this region. Even though there have been changes to our profile with the ending of the partnership with The Coca-Cola Company, as well as the divestment of our entire interest in Asia Pacific Breweries Limited, product innovation, strengthening of marketing and distribution activities, and increasing our operational efficiency will continue to propel the Group's F&B business forward to new heights.

Revenue increased 2% to

$3,778M

BUSINESS OVERVIEW[1]

FY2012 was a year of transformation for our F&B division. We successfully unlocked significant value of the beer business through the divestment of Asia Pacific Breweries Limited ("APB"), and positioned our successful Soft Drinks, Dairies and Myanmar beer brewing businesses for long-term growth and profitability while performing in the current marketplace.

In August 2012, after receiving an improved offer, the Board of F&N signed conditional sale and purchase agreements with Heineken International B V ("Heineken"), a wholly-owned subsidiary of Heineken N V, to sell F&N's entire 39.7% interest in APB and other assets held through Asia Pacific Investment Pte Ltd ("APIPL") for a total consideration of $5.6 billion. APIPL was the 50:50 joint venture company through which F&N and Heineken held their joint 64.8% interest in APB. Shareholders at an extraordinary general meeting convened in September 2012 approved the sale. In November 2012, the Group completed the sale to Heineken, to book a gain of around $4.8 billion in 1Q 2013.

PBIT increased 1% to

$535M

Note:

1 *The results in this section includes the Group's share of Asia Pacific Breweries Limited/Asia Pacific Investment Pte Ltd FY2011 and FY2012 results which were presented separately as Discontinued Operations in the Group Financial Statements*

PASCAL DE PETRINI
CHIEF EXECUTIVE OFFICER

Following the completion of this sale, the Group's beer portfolio now consists of a 55%-held brewery in Myanmar Brewery Limited ("MBL") in Myanmar. Established in 1995, MBL manufactures and sells Myanmar's leading beer brands such as *Myanmar Beer*, *Myanmar Double Strong* and *Andaman Gold*.

In FY2010, the Group took a bold step to end its licensing partnership with The Coca-Cola Company ("TCCC") in Singapore, Malaysia and Brunei. This transformative step allowed our successful Soft Drinks business to be better placed to face challenges of delivering short-term profitability in this rapidly changing consumer behaviour and competitive environment, as well as to realise future growth opportunities in order to create long-term shareholder value. Beginning in FY2011, we started our journey of this transformation. We stepped up our efforts in marketing activities, boosted our investment in R&D and facilities, and expanded our product

offerings to our consumers. I am happy to report that we have made strong progress and our portfolio of endearing and locally relevant brands continues to deliver solid results. This year, Soft Drinks in Malaysia and Singapore achieved volume and revenue growth of 19% and 17%, respectively, across our portfolio of brands, solidifying our position as one of ASEAN's leading F&B players.

Following a poor start in FY2012 by factors beyond the Group's control in Malaysia and Thailand, Dairies operations recovered strongly in the 2H2012. Dairies Thailand fully recovered production after a 200-day cessation of manufacturing activities, with profits returning to pre-flood levels. In Dairies Malaysia, earnings also improved in the 2H2012 due to higher export volumes and improved margins from favourable product mix. In Dairies Singapore, higher export sales were offset by lower domestic sales. Revenue of F&N Creameries, our ice cream division, was higher on increased sales in Malaysia. Despite unpredictable events mentioned above, Dairies FY2012 revenue was only 9% lower than last year. Dairies PBIT however was 31% lower than last year due to unabsorbed operating overheads as a result of plant closure in Thailand due to floods in the 1H2012. Excluding Dairies Thailand, Dairies PBIT would have been 67% higher than last year.

Overall, F&B FY2012 revenue gained 2% to $3,778 million, bolstered by strong double-digit growth in the APB business. Despite a 23% PBIT growth in the APB business, and double-digit earnings growth in MBL, F&B PBIT grew 1% to $535 million mainly due to the absence of TCCC's contribution and expenses incurred for a rationalisation exercise to improve Soft Drinks productivity.

SOFT DRINKS: A NEW CHAPTER

1 October 2011 marked a new milestone in the 129-year history of F&N with the return of our Soft Drinks business in Singapore. A homecoming for the company's founding business, the F&B division regained control of all aspects of its soft drinks business, from manufacturing and marketing to sales and distribution. Our subsidiary, F&N Foods Pte Ltd, became the sole distributor of all F&N beverages in Singapore, while our Malaysian-listed subsidiary, Fraser & Neave Holdings Bhd, covers Malaysia and Brunei. This new structure allowed F&N to aggressively push marketing and sales activities for all F&N beverages regionally as the Group springboarded plans from our home market to solidify our position as one of ASEAN's leading F&B players.

This year, Soft Drinks division extended its leadership positions in the F&B industry with new products to cater to an increasingly discerning generation of consumers. Armed with formidable, well-established brands like the *100PLUS* isotonic drink, *F&N* Sparkling Drinks, *F&N SEASONS* Asian-inspired drinks and teas, as well as the *F&N ICE MOUNTAIN* water range, we forged ahead from a position of strength with our five soft drinks manufacturing plants in Malaysia, including the state-of-the-art facility in Shah Alam. *100PLUS EDGE* was introduced at the beginning of the financial year to herald the division's efforts to offer even more choices and to drive new and differentiated products across our Soft Drinks portfolio. Together with our strong line-up of dairy products, F&N now offers a comprehensive beverage portfolio in Singapore and Malaysia.

F&N's successful multi-brand portfolio has always been driven by its overarching philosophy of *Pure Enjoyment. Pure Goodness.* The company's strong emphasis on branding, coupled with a deep understanding of consumer behaviour, has resulted in a multi-brand portfolio that fulfils the various refreshment, hydration, rejuvenation, nutrition, health and wellness consumer needs.

100PLUS: Outdo Your Everyday

With the aim of promoting active lifestyles and healthy living, *100PLUS* remains at the forefront of all major sporting events as the isotonic drink of choice, while encouraging consumers to outdo themselves in their everyday lives.

100PLUS continues to dominate the ready-to-drink segment in Malaysia. Several initiatives were launched to deepen and widen *100PLUS*' presence and equity in the market. The "*100PLUS* Infinity Challenge Contest" held in October 2011 offered Malaysians a rewarding augmented reality online gaming experience using webcams and QR codes, making *100PLUS* the first beverage brand to use QR codes to enable game play.

Another notable campaign in Malaysia included the "*100PLUS* Road to London Campaign" in April 2012 which rallied Malaysians from all walks of life to support the national contingent at the London Olympics. Well-wishes poured in throughout the campaign, with hundreds of thousands of supportive messages, signatures and video dedications. In conjunction with the campaign, *100PLUS* signed on national celebrity athletes including Datuk Lee Chong Wei, Pandalela Rinong and Khairul Fahmi Che Mat and Safee Sali as *100PLUS* ambassadors.

In Singapore and in a year filled with exciting sports events, *100PLUS* presented a complete isotonic portfolio to refresh, recharge and re-energise for all occasions with its launch of *100PLUS EDGE*. *100PLUS* continued to make headlines with its presentation of "The Straits Times Athlete of the Year Award". This annual award gives recognition to athletes who are determined to excel and to bring honour to their sport and country. In addition, *100PLUS* also presented "The Straits Times Star of the Month Award". This year, *100PLUS* also continued to support Singapore's dedicated and outstanding national table tennis team.


F&N
F&N
F&N
F&N

F&N SEASONS: Share the Healthy Goodness

F&N SEASONS presented a series of refreshing treats to its consumers through its campaigns to reward its loyal fans.

In Malaysia, the "Stay Cool with *F&N SEASONS*" campaign was launched in October 2011 to showcase the *F&N SEASONS* Asian drinks range. The campaign, which encouraged consumers to "Share the healthy goodness with your friends", highlighted the cooling properties of the *F&N SEASONS* Asian drinks range. *F&N SEASONS* then kick-started the new year with the "*F&N SEASONS* Ushers in the Dragon 2012" campaign in January 2012. The campaign which featured radio, print and online advertising was created to accompany aggressive sales efforts for the festive season.

F&N: Spread the Cheer

F&N sparkling drinks' involvement in the "Singapore Dance Delight" movement showcased some of the best street dancers in the region. "Singapore Dance Delight Vol. 3" continued to gain popularity in Singapore, delighted its audiences who witnessed the battle for the honour to represent Singapore at the finals in Japan, where the winning team competed against some of the best street dancers from around the world. This year, the Singapore leg of the competition saw teams from South East Asia making it into the finals.

In Malaysia, the launch of Fikir Fresh with *F&N* Clearly Citrus in November 2011 offered consumers a burst of refreshing lemon lime flavour to complement our existing sparkling range. In June 2012, F&N introduced a first-of-its-kind interactive "*F&N* Relaunch – Fresh & New Interactive Experience" campaign. This campaign merges live digital media with traditional media and included the launch of the "Fresh & New Bubble Blaster" gaming application for mobile devices. *F&N* also introduced a new look for its range of sparkling drinks, emphasising the youthfulness and dynamism of the brand. During the nationwide roadshow, consumers enjoyed a carnival-like atmosphere via the Augmented Reality dance-off and participated in many exciting games.

BEER:
A LAND OF OPPORTUNITY

Established in 1995, MBL manufactures Myanmar's leading beer brands such as flagship brand *Myanmar Beer*, *Myanmar Double Strong* and *Andaman Gold*. This year, MBL maintained its market leadership position in Myanmar and delivered positive volume growth.

This year, several strategic initiatives have been put in place as MBL prepares for future challenges of potential new entrants into the market, with the Myanmar government having issued several new beer licenses in the year. The year saw MBL take control of direct distributorship, allowing us to respond more quickly to the market and our customers. A capacity upgrading plan was completed with a new high-speed bottling line installed in the year. This ensures that we are well-positioned to seize growth opportunities with the opening up of the Myanmar beer market.

From top: *Myanmar Double Strong Cup Sepak Takraw Championship 2012, Myanmar Beer new look launch on 17 October 2012*

DAIRIES: NURTURING GROWTH

While the focus remained on driving organic growth in key markets of Singapore, Malaysia and Thailand, the Group continued to cultivate new ASEAN markets to grow our dairy business.

In Malaysia, F&N maintained its leadership position of the sweetened condensed milk and evaporated milk categories, with both taking majority market shares.

A highlight of the year was the smooth transition of Dairies Malaysia's manufacturing plant to the Pulau Indah Halal Hub. The division now operates with the most advanced technologies used in liquid milk canning today. This will allow for improved quality control over our products, reduced production costs and pave the way for more new product variants – such as our recently introduced *F&N Hi Calcium Sweetened Creamer.* The plant has also been accredited with ISO 9001:2008, ISO22000:2005, HAACP Codex and MS 1480 certification, as testament to its high standards of manufacturing and food safety.

2012 also saw the return of a level playing field following the removal of sugar subsidies for selected F&B manufacturers and our taking control of the distribution of acquired brands. The division now enjoys full control of its distribution and the route-to-market of its total product portfolio with savings envisaged from margins and distributor commissions.

F&N MAGNOLIA: Passing on Treasured Values

2012 marked the 75th anniversary of *F&N MAGNOLIA*. The brand celebrated 75 years of trusted goodness with a year-long theme of "Passing on Treasured Values" and lined up an exciting series of promotions and activities to thank consumers for their support. *F&N MAGNOLIA* was the proud supporter of the annual READ! Singapore campaign, 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. For three years now, *F&N MAGNOLIA* has also nurtured young readers through its partnership with "The Little Red Dot Reading Passport Programme" in schools.

F&N FRUIT TREE FRESH: Goodness Each Day

F&N FRUIT TREE FRESH No Sugar Added Red Grape Mixed Juice was launched in August 2012 as the latest addition to the *F&N FRUIT TREE FRESH No Sugar Added* range. The product offers the antioxidant benefit of red grapes coupled with the delicious crisp taste of red and white grapes. This message was delivered to its target consumers through an aggressive advertising and promotion blitz nationwide.

F&N NUTRISOY: Heart's Preferred Soya Milk

F&N NUTRISOY earned the distinction of being the most popular soy brand in Singapore in 2012 and reinforced its position as Singapore's number 1 soy milk with its emphasis on heart health. Cholesterol and lactose-free, the range has been awarded the Healthier Choice Symbol by the Health Promotion Board and is supported by the Singapore Heart Foundation. *F&N NUTRISOY* also supported the World Heart Day 2012 and National Heart Health Week, organised by the Singapore Heart Foundation with promotions for consumers.

Ice Cream: Creating Cool Pleasures

F&N Creameries launched *F&N MAGNOLIA* Sherbet in Malaysia and Thailand, and partnered with Astro Malaysia to create a branded content program titled "OMG! Sherbet" on the Diva Channel in 2012. F&N Creameries has also added Japan to its list of export markets in addition to Taiwan, Hong Kong, China and Indochina.

In November 2011, F&N Creameries Malaysia was presented a Superbrand award for *King's*, a much-loved brand in both Malaysia and Singapore that epitomises family values. F&N Creameries has further strengthened its organisation and capabilities by rationalising its product range and upgrading its quality and food safety systems. Its two Malaysia plants in Shah Alam and Kuching were both awarded HACCP system certification, the gold standard for food safety.

LOOKING AHEAD

Following the divestment of the Group's entire interest in APB, the Soft Drinks business is grouped with the remaining Beer business to form the Beverages segment. Looking ahead, we remain focused on our core businesses in Beverages and Dairies, strengthening our portfolio of brands within a diverse base of geographical markets. I am optimistic that our strong financial position coupled with strategies of striving for operational excellence and bolstering market leadership through consistent branding efforts should put us in good stead.

Operational excellence, business innovation and market expansion will remain the key pillars to drive long-term growth. We will continue to invest and strengthen our route-to-market as well as our brand equity across all our businesses. Business innovation across all platforms will be strived upon to deliver value to our customers and the company. We hope to be able to make further inroads into new markets which will enable us to capture growth opportunities and further strengthen our presence and performance in the region.

JOURNEY of Refinement

In 1985, F&N's Singapore brewery and soft drinks plants were relocated to pave the way for a new core business – Property development and investment. The old brewery and plants were re-developed into what is known today as *Anchorpoint* and the Group's first residential project, *The Anchorage*. Since 1990, we have come a long way as a single mall operator to our current position as a full-fledged real estate group with a strong foothold in property development, property investment, serviced residences and investment funds. While FY2012 earnings were adversely affected by a change in accounting standards, our multifaceted journey with Development Property and Commercial Property marches on to create growth opportunities and sustain our business for all stakeholders far into the future.

Achieved Revenue of

$1,345M

BUSINESS OVERVIEW

This year, earnings from Properties dropped 39% to $364 million on a 39% decline in revenue. Properties earnings were dampened upon the Group's adoption of INT FRS 115 accounting standards, which created volatility in Development Property's profit. Under this new rule, earnings of overseas and certain Singapore residential developments are recognised only upon completion, and not according to construction progress. Consequently, despite achieving strong pre-sales of private residential units in Australia and China as well as executive condominium units in Singapore, such revenue and profit were not recognised in FY2012. Specifically, earnings of the 573-unit *Esparina Residences* (99% sold), an executive condominium in Singapore, and phases 1 and 2 of the mixed-use *Central Park* project in Australia (74% sold) would only be recognised upon construction completion in the coming financial year. At the end of FY2012, the Group had unrecognised contracted sales of $3.1 billion from Singapore and overseas pre-sold residential projects.

Achieved PBIT of

$364M

LIM EE SENG
CHIEF EXECUTIVE OFFICER

From left: *Watertown, Capri by Fraser*

Last year, Development Property earnings were also lifted by a $68 million gain from the Group's sale of its 50% stake in the mixed-use *Central Park* project in Australia to Sekisui House Ltd. Both the absence of this gain and the accounting change mentioned above have resulted in a 55% drop in Development Property earnings.

The changes in accounting standards will create volatility and lumpiness in F&N's earnings. To minimise earnings volatility, the Group will focus on achieving its sales target of over 1,000 units in its key overseas markets of Australia and China, as well as ensuring completion of overseas development projects every year. To further minimise earnings volatility, F&N will continue to grow and strengthen its Commercial Property division so as to ensure a stronger flow of recurring income. This year, the Group successfully bought the remaining 68% interest in *Fraser Suites Kensington* and added *Fraser Place Queens Gate* in London, *Fraser Suites Perth* in Australia and *Capri by Fraser* in Singapore to its Hospitality portfolio.

Market Review

Singapore's residential market remained resilient despite economic uncertainties and the government's effort to cool the property market. The first nine months of 2012 saw primary home sales totalling 17,927 units, up 12.7% from 15,904 units in 2011 and about 10% in 2010. It has been estimated that the aggregate residential sales in 2012 is between 20,000 and 23,000 units, surpassing the record set in 2010 (DTZ).

Overall, private home prices rose 0.6% in the 3Q 2012, the highest increase this year. Based on Knight Frank's residential property basket, prices of mass market and mid-tier properties increased 3.0% and 4.8% respectively from the previous quarter. Driving the demand in 3Q was mass market homes (excluding Executive Condominiums) which garnered 79% market share in September, up from 59% in August (The Edge 22 Oct).

For the Singapore office market, concerns about the Eurozone debt crisis and slowing growth momentum in Asia weighed heavily on consumer and business confidence. Suppressed leasing activities could be seen among large space occupiers including major banks and financial institutions, as they remained cautious of the economic uncertainties. It was observed that the majority of the take-up in 3Q were of Grade A office spaces of less than 20,000 square feet (Colliers).

According to Colliers International, the average occupancy rate of Grade A offices in the CBD grew from 92.0% in 2Q to 93.1% in 3Q, which is the highest in five quarters. The City Hall/Marina and Raffles Place/New Downtown micro-markets saw the biggest jump by 2.6% and 1.7% respectively during the quarter. The city fringe micro-market continued to enjoy the highest occupancy at 98.7%, whilst the Orchard Road micro-market experienced the lowest rate at 87.4% as at end of September 2012. In general, the overall improvement in occupancy rate of Grade A office space in Singapore has helped moderate rental decline for two consecutive quarters.

The retail property market in Singapore on the other hand stayed buoyant with the opening of new malls, stores and restaurants, as well as new brand entrants in the 3Q. Renowned F&B chefs and international brands were still looking for viable locations in new and existing malls to establish their presence in Singapore. As a result, retail rents in both Orchard Road and Regional Centres (suburban residential estates) have been holding steady in 3Q. The monthly prime rents in Orchard Road at the end of September 2012 remained unchanged from the previous quarter staying firm at $31.60 per square foot ("psf"), whilst the average monthly gross rent of prime space in suburban stabilised at $29.75 psf per month (CBRE).

Meanwhile, the hospitality sector continued to see positive demand in 2012, boosted by strong visitor arrivals as well as new setups by regional headquarter offices in Singapore. In general, occupancy rates for serviced residences in Singapore are stronger than for hotels, clocking an average occupancy of 91.8% in 2011 (CBRE), versus an average of 86% for hotels (STB).



***Clockwise from left:** eCO, Twin Waterfalls, Palm Isles*

DEVELOPMENT PROPERTY

With a strong focus on capital management, the Group continues to deploy its strategy of fast turnover of land bank to deliver its pipeline in Singapore, China and Australia, while maintaining strong discipline in pricing land bids.

Strong residential sales in Singapore

The year saw four new residential launches in Singapore, yielding a total of 2,900 units. Our joint venture project *Watertown*, Punggol's first integrated waterfront residential and retail development, was launched over the Lunar New Year season with resounding success. Jointly developed with Far East Organization ("FEO") and Sekisui House Ltd ("Sekisui"), *Watertown* was the best-selling condominium in January 2012 with a total of 771 units sold within two weeks of its launch. To date, more than 950 of the 992 units have been sold.

Riding on the positive demand, two more projects were launched in quick succession in March - the 728-unit *Twin Waterfalls* executive condominium ("EC") and the 430-unit *Palm Isles*. Located just minutes away from the Punggol Central/ Walk MRT-cum-LRT station, *Twin Waterfalls*' 182 units were snapped up within two hours of its launch. As at 30 September 2012, *Twin Waterfalls* was close to 100% sold. *Palm Isles* at Flora Drive, which has a unique "garden homes" concept, has so far achieved steady sales of 75%.

Meanwhile, the 750-unit *eCO*, launched in mid-September 2012, saw more than 400 units sold within two weeks. A joint venture project with FEO and Sekisui, this new private residential development has attracted strong attention and interest among buyers due to its proximity to the Tanah Merah MRT station and its unique eco-friendly theme.

This year, including previously launched projects, we sold 3,047 residential units in Singapore, far exceeding our annual sales target of 1,000 units. During the year, the Group also obtained Temporary Occupation Permits for three residential developments - 81-unit *Residences Botanique*, 712-unit *Caspian* and 330-unit *8@Woodleigh*, all of which have been fully sold.

Disciplined approach in replenishing land bank

We continued to tap the government land sales programme to replenish our land bank, focusing on the mid and mass market segments. With disciplined pricing in land bids and strategic partnerships, we successfully acquired two residential sites at Bedok South Avenue 3 (launched as *eCo* in September 2012) in February 2012 and Tampines Avenue 10 (to be launched as *Qbay Residences*) in May 2012 at $534 psf and $418 psf respectively. More recently, the Group picked up another EC site in Woodlands at $302 psf. Altogether, these sites added 1,800 units to our land bank.

With all the acquisitions successfully launched within nine months, the Group once again demonstrated its key strength in unlocking land bank value. These launches comprised *Twin Waterfalls* EC at an average selling price of $710 psf, *Palm Isles* at $860 psf and *eCO* at $1,260 psf. The fourth site, *Qbay Residences* at Tampines Avenue 10 acquired in May 2012, is targeted to be launched in 1Q 2013.

SINGAPORE: Projects currently under development

Projects	No. of units	% Sold @ 30 Sep 12	% Completion @ 30 Sep 12	Ave. selling price ($ psf)	Land cost ($ psf ppr)	Est. completion date
8@Woodleigh	330	100%	100%	$790	$267	Completed
Caspian	712	100%	100%	$610	$248	Completed
Residences Botanique	81	100%	100%	$1,020	$260	Completed
Waterfront Key	437	100%	96%	$840	$240	Oct-12
Esparina Residences EC	573	99%	62%	$740	$315	Apr-13
Flamingo Valley	393	86%	59%	$1,230	$415	Dec-13
Waterfront Gold	361	100%	43%	$970	$240	Jan-14
Eight Courtyards	656	94%	35%	$800	$321	May-14
Waterfront Isle	563	97%	23%	$990	$240	Nov-14
Boathouse Residences	494	84%	19%	$900	$320	Dec-14
Seastrand	475	85%	16%	$900	$334	Jun-14
Twin Waterfalls EC	728	96%	10%	$710	$270	Jan-15
Watertown	992	96%	6%	$1,160	$482	Jun-16
Palm Isles	430	75%	6%	$860	$325	Aug-15
eCO	750	0%	0%	$1,260	$534	Jun-15

SINGAPORE: Land bank

Sites	Location	Effective interest	Est. no. of units	Est. saleable area (mil sqf)	Land cost ($ psf ppr)	Tenure	Est. launch ready date
Qbay Residences	Tampines	33%	632	0.60	$418	Leasehold	1Q2013
Woodlands Ave 6/Dr 16 EC	Woodlands	70%	418	0.50	$302	Leasehold	2Q2013
51 Cuppage Road	Orchard Road	100%	249	0.24	$1,194	Leasehold	TBD
TOTAL			**1,299**	**1.34**			

Twin Waterfalls

Robust sales in Australia, led by Central Park Sydney

The Group's overseas property subsidiary, Frasers Property Australia and its joint venture partner Sekisui launched for the first time in Asia, *The Mark*, phase 3 of Central Park, Sydney. It was released simultaneously in Singapore, Hong Kong and Sydney and sold more than 50% of the 203 initially released apartments at an average of A$13,360 per square meter ("psm"). *The Mark* features 412 apartments within a soaring glass tower designed by Johnson Pilton Walker, one of Australia's leading architectural firms. At 27 storeys, *The Mark* will offer panoramic views across the newly completed Chippendale Green and east to the city skyline and will be the second tallest building at Central Park, the first being *One Central Park*, phase 1 of Central Park.

This year, a total of 289 sales were achieved across all phases of Central Park, translating into a value of A$200 million and an average sales price of A$13,070 psm.

In November 2012, Central Park will launch its most exclusive properties –*Sky at One Central Park* – featuring 38 luxurious penthouse and sub-penthouse apartments. Ranging in size from 103 to 213 square metres ("sqm") for two- and three-bedroom apartments and from 182 to 260 sqm for the dual-level three-bedroom penthouses, prices range from A$1.3 million to A$2.9 million.

Strong sales were also recorded at *QIII*, which is part of our flagship mixed-use Queens Riverside project in Perth. The Queens Riverside development combines approximately 410 residential apartments in three separate buildings, together with commercial and retail outlets at the ground level, and the newly completed 236-unit serviced residence, *Fraser Suites Perth*, which opened in October 2012.

As of 30 September 2012, more than 68% of *QIII*, or 182 of the 267 apartments, have been sold, at an average of A$9,500 psm.

Another project which enjoyed steady sales during the year was *Putney Hill* in Ryde, situated 12 km north-west of Sydney's Central Business District. Out of the 84 medium-density houses launched in November 2011 (the second phase of the medium-density housing release), 81 were sold at an average selling price of A$1 million. Thereafter, the 54-unit *Figtree* low-rise development was launched in May 2012. A total of 45 apartments were sold at an average selling price of A$672,000, an average of A$8,025 psm.

For FY2012, a total of 134 dwellings were sold at this *Putney Hill* development, translating to a sales value of approximately A$120 million.

Following adoption of the new accounting standards, revenue and profit from these pre-sold projects are only allowed for recognition upon completion of projects, compared with the previous practice of progressive recognition.

In October 2012, the next stage of this project was also launched. *The Palmera* development, which comprises a collection of 91 premium apartments, was priced at an average of A$8,250 psm.

We have also recently lodged an application for planning approval for a 742-unit development in Parramatta, on the banks of the Parramatta River, Sydney. Upon receiving approval in early 2013, the first stage of 250 units will be marketed in mid-2013.

Continued focus on capital management in China

In China, the Group continued to enjoy steady sales from new launches. As part of the phase 2 launch, *Baitang One* in Suzhou released 244 units for sale in April 2012 out of which 100 units or 41% were sold at an average of RMB11,800 psm. Given the positive response, 294 additional units were subsequently released for sale.

For the completed phase 1 of *Shanshui Four Seasons* which comprises 418 units, the project was fully sold at the end of the financial year.

The Group currently operates its business in China via many other private companies and a listed company, Frasers Property (China) Ltd ("FPCL"). On 28 September 2012, as part of the Group's effort to consolidate its China operations, we sold our entire 56% stake in FPCL for HK$1.654 billion (about S$261 million) and realised a gain of $38 million in FY2012. This new operating structure would allow for greater focus, efficiency and fundings for our China operations. The Group will reinvest the sale proceeds to grow its property portfolio and further strengthen its presence in China.

In addition, the year also saw the completed sale of a car showroom development at Plot 2, phase 3 of *Chengdu Logistics Hub*. The development was sold to Chengdu Yuntong for about RMB214 million.

Sky at One Central Park

The Mark



From left: QIII, Baitang One, Park Lane (interior), Central Park, Putney Hill (interior)

AUSTRALASIA: Projects currently under development

Projects	Location	Effective interest	No. of units	% Sold @ 30 Sep 12	Ave. selling price (A$ psf)	Land cost (A$ psf)	Est. completion date
City Quarter (Trio and Alexandra)	Sydney	88%	409	99%	A$665	A$94	Completed
Lorne Killara	Sydney	75%	40	88%	A$600	A$130	Completed
Lumiere Residences	Sydney	81%	456	99%	A$1,050	A$86	Completed
Frasers Landing	Western Australia	56%	171	19%	A$55	A$6	NA
One Central Park	Sydney	38%	623	86%	A$1,140	A$252	2013
Park Lane	Sydney	38%	393	55%	A$1,240	A$257	2013
Putney Hill	Sydney	75%	229	59%	A$570	A$100	2014
QIII	Perth	88%	267	68%	A$910	A$29	2014
The Mark	Sydney	38%	412	32%	A$1,240	A$256	2014
Coast Papamoa Beach	New Zealand	68%	86	16%	NZ$70	NZ$10	NA

AUSTRALASIA: Land bank

Sites	Location	Effective interest	Est. no. of units	Est. saleable area ('m sqf)	Land cost (A$ psf)
Central Park - JV	Sydney	38%	871[1]	0.98	A$163
Central Park - Non-JV	Sydney	75%	323	0.28	A$163
Frasers Landing	Western Australia	56%	885	1.37	A$6
Killara Pavilions (3, 5, 7)	Sydney	75%	99	0.09	A$151
Parramatta River	Sydney	75%	742	0.69	A$31
Putney Hill	Sydney	75%	560	0.42	A$42
Queens Riverside	Perth	88%	143	0.20	A$30
Broadview Rise	New Zealand	75%	29	0.07	NZ$77
Coast @ Papamoa	New Zealand	68%	634	1.89	NZ$6
TOTAL			**4,286**	**5.99**	

Note:
1 *Inclusive of student accomodation and commercial space*



CHINA: Projects currently under development

Projects	Location	Effective interest	No. of units	% Sold @ 30 Sep 12	Ave. selling price (RMB psf)	Land cost (RMB psf)	Est. completion date
Baitang One (Phase 1A)	Suzhou	100%	426	99%	RMB1,240	RMB233	Completed
Chengdu Logistics Hub (Phase 1- Office)	Chengdu	80%	136	99%	RMB500	RMB14	Completed
Chengdu Logistics Hub (Phase 1- Warehouse)	Chengdu	80%	1	For lease	NA	RMB17	Completed
Shanshui Four Seasons (Phase 1)	Shanghai	45%	418	100%	RMB1,270	RMB76	Completed
Baitang One (Phase 1B)	Suzhou	100%	542	78%	RMB1,270	RMB233	Completed
Baitang One (Phase 2A)	Suzhou	100%	538	19%	RMB1,050	RMB233	2013

CHINA: Land bank

Sites	Location	Effective interest	Est. no. of units	Est. saleable area ('m sqf)	Land cost (RMB psf)
Baitang One (Phases 2B - 3)	Suzhou	100%	2,480	3.57	RMB233
Shanshui Four Seasons (Phases 2 - 5)	Shanghai	45%	5,077	7.37	RMB115
Residential			7,557	10.94	
Chengdu Logistic Hub (Phases 2 - 4)	Chengdu	80%	-	3.33	-
Commercial			-	3.33	
TOTAL			**7,557**	**14.27**	

COMMERCIAL PROPERTY

It was yet another successful year for the Group, with its retail and office REITs optimising returns for their unitholders, and Hospitality division extending its global footprint with 47 properties in 29 key gateway cities and another 29 properties on the drawing board.

RETAIL

Delivering growth and creating value for retail portfolio

Frasers Centrepoint Trust ("FCT"), our retail real estate investment trust ("REIT"), achieved a strong finish in FY2012 with new highs in revenue, earnings, distribution per unit ("DPU") and net asset value ("NAV"). Gross revenue for FY2012 was $147 million, up 25% and net property income was $104 million, up 26%. DPU for the year was 10.01 cents, up 20% and it is the sixth consecutive year of DPU growth since FCT's listing.

The good results were attributed to the strong performance of *Causeway Point*, full-year contribution from *Bedok Point* and positive growth in every mall in FCT's portfolio. Overall occupancy remained steady at 94% as at 30 September 2012. The occupancy is expected to improve as the asset enhancement initiative at *Causeway Point* progresses towards full completion by end-December 2012. FCT achieved healthy average rental reversions of 12% during the year, as demand from its prospective and existing tenants remained strong.

During the year, our non-REIT portfolio of malls such as *The Centrepoint* and *Changi City Point* enjoyed strong occupancy at 99.5% and 97% respectively, whilst *Valley Point Shopping Centre* achieved 100% occupancy.

Our property division was appointed in April 2012 to manage *Eastpoint Mall*, making it the 12th mall under the Frasers Centrepoint Malls brand. Leveraging on our expertise in asset enhancement, the 190,000-sqf suburban mall will also embark on an asset enhancement programme to rejuvenate its premises. Owned by NTUC Income, this 16-year old mall currently has 161 tenants spread over six levels of retail space. The mall is targeted to reopen in 2014 with a brand new positioning.

OFFICE

Re-shaping the office portfolio for growth

During the year, Frasers Commercial Trust ("FCOT"), our office and business park REIT, acquired the remaining 50% interest in *Caroline Chisholm Centre* in Canberra, Australia for A$83 million, which represents a 13% discount compared to the valuation of A$95 million. The acquisition is in line with its objective to deliver regular and stable distributions to unitholders by identifying yield accretive quality income producing assets.

In September 2012, it divested *KeyPoint*, a 34-year old non-Grade A commercial building in Singapore for $360 million, a 26% premium to its book value. This helped to unlock value, enabling FCOT to deploy the sale proceeds into higher yielding assets, as well as lower its gearing level, thereby providing FCOT with greater financial flexibility going forward.

This year, FCOT recorded strong performances on various fronts, including revenue, net property income ("NPI"), portfolio valuation and net asset value. It achieved its third year of consecutive growth in DPU since the completion of the recapitalisation exercise in 2009. Driving its profit growth was higher rental income with Singapore and Australia being the largest contributor to the NPI. FCOT's distributable income surged 19% to $43 million, and its DPU for FY2012 was 6.69 cents, an increase of 16% from FY2011.

The Group's non-REIT offices in Singapore continued to enjoy healthy occupancy. Our two office towers, *Alexandra Point* and *Valley Point Tower*, respectively achieved 95% and 78% occupancy amidst the challenging macro environment.

In China, *Chengdu Logistics Hub's* warehouse, comprising a net lettable space of 717,047 sqf, achieved an occupancy rate of 73%.

Over in Vietnam, demand for office space continued to be strong with *Me Linh Point* achieving 100% occupancy.

Commercial Portfolio

Properties	Effective interest	Book value	Net lettable area (sqf)	Occupancy FY2012	FY2011
SINGAPORE: REIT retail asset (Frasers Centrepoint Trust)					
Anchorpoint	41%	$81m	71,610	99%	99%
Bedok Point	41%	$128m	81,393	99%	98%
Causeway Point	41%	$890m	415,896	88%	92%
Northpoint	41%	$570m	234,781	100%	98%
YewTee Point	41%	$147m	73,602	96%	96%
SINGAPORE: Non-REIT retail asset					
Compass Point	19%	$519m	269,546	100%	100%
Eastpoint Mall[1]	-	NA	189,986	NA	NA
Robertson Walk	100%	$80m	97,044	93%	83%
The Centrepoint	100%	$628m	332,240	100%	98%
Valley Point (Retail)	100%	$33m	39,817	100%	100%
Changi City Point	50%	$99m	207,236	97%	73%
Waterway Point (Punggol mixed-use site)[2]	33%	NA	382,451	NA	NA
OVERSEAS: Non-REIT retail asset					
China, Beijing: Crosspoint	100%	$51m	101,119	91%	84%
TOTAL RETAIL		**$3,226m**	**2,496,721**		
SINGAPORE: REIT office/business park asset (Frasers Commercial Trust)					
55 Market Street	27%	$128m	71,872	90%	96%
Alexandra Technopark	27%	$390m	1,047,552	100%	100%
China Square Central[3]	27%	$558m	367,574	74%	100%
SINGAPORE: Non-REIT office/business park asset					
Alexandra Point	100%	$230m	198,691	95%	98%
Valley Point (Office)	100%	$202m	183,108	79%	97%
Changi Business Park (Office)[2]	50%	$94m	640,407	NA	NA
51 Cuppage Road	100%	$392m	276,648	64%	57%
OVERSEAS: REIT (Frasers Commercial Trust)					
Australia, Canberra - Caroline Chisholm Centre	27%	$255m	433,182	100%	100%
Australia, Perth - Central Park	27%	$427m	357,432	96%	100%
Japan, Osaka - Galleria Otemae Building[4]	27%	$43m	108,405	66%	89%
Japan, Tokyo - Azabu Aco Building[4]	27%	$21m	15,944	100%	100%
Japan, Tokyo - Ebara Techno-Serve Headquarters Building[4]	27%	$30m	53,805	100%	100%
OVERSEAS: Non-REIT office/business park asset					
China, Chengdu - Chengdu Logistics Hub	80%	$82m	717,047	73%	71%
Vietnam, Ho Chi Minh City - Me Linh Point	75%	$50m	188,896	100%	96%
TOTAL OFFICE/BUSINESS PARK		**$2,902m**	**4,660,563**		
TOTAL COMMERCIAL PROPERTY ASSET		**$6,128m**	**7,157,284**		

Note:

1 *Managed by Frasers Centrepoint Group*
2 *Currently under construction*
3 *Committed occupancy as at 30 September 2012 was 86%*
4 *Japanese properties were divested in October 2012*

Clockwise from top: *Changi City Point, Bedok Point, Causeway Point*

Clockwise from top left: *Chengdu Logistics Hub, Alexandra Point, Caroline Chisholm Centre, China Square Central*

Clockwise from top left: *Fraser Suites Doha, Fraser Suites River Valley, Fraser Suites Sydney*

HOSPITALITY

Maintaining premier leadership through consistent offerings

As part of the Group's ongoing efforts to maintain our leading position as a premier global brand, Frasers Hospitality embarked on asset enhancement initiatives on several properties - *Fraser Suites Singapore*, *Fraser Suites Glasgow*, *Fraser Place Canary Wharf, London*, *Fraser Place Manila*, and *Fraser Residence Shanghai*, as well as the refurbishment of *Fraser Place Melbourne*. With the completion of these renovations, our residents will continue to enjoy consistent product and service offerings across all properties.

During the financial year, Frasers Hospitality officially opened its third property in the Middle East with the 138-apartment *Fraser Suites Doha*. Strategically located on the famous Corniche, residents enjoy an unparalleled vista of the turquoise Arabian Sea from their elegant and spacious apartments. In addition, it also opened its 12th property in China with the grand opening of *Fraser Suites Chengdu*, which is part of the city's most prestigious development. Impressive high ceilings adorned with six huge hooped chandeliers greet residents when they enter the 360-apartment property.

The hospitality division also succeeded in renewing its management contract for *Fraser Suites Insadong Seoul* for another term. Ideally located in the heart of the city, *Fraser Suites Insadong* was the first overseas property managed by the Group and it has been enjoying high occupancy. As at 30 September 2012, Frasers Hospitality has a total of over 7,090 apartments in operation.

Another key milestone this year was the launch of Frasers Hospitality's third brand - *Capri by Fraser*, and the subsequent soft opening of *Capri by Fraser*, Changi City, Singapore. The hotel residence is part of the mixed-use Changi City, a joint venture with Ascendas Land. With 313 suites and an eclectic mix of art installations, this urban and design-led hotel residence offers an extensive range of facilities and customisable services together with the comfort and convenience of a full-serviced residence. Fully equipped with high-speed and free WiFi connection throughout the property, *Capri by Fraser* is designed to meet the lifestyle needs of the 24x7 e-generation business executives on a short or mid-term stay.

Serviced Residences: Properties in Operation

Country	Property	Equity (%)	No. of units	Occupancy FY2012	Occupancy FY2011	Ave. daily rate FY2012	Ave. daily rate FY2011	Book value @ 30 Sep 12
OWNED PROPERTIES								
Australia	Fraser Suites Sydney	81%	201	88%	88%	A$239	A$237	A$99m
	Fraser Place Melbourne	100%	115	63%	72%	A$128	A$115	A$31m
China	Fraser Suites Beijing	100%	357	88%	85%	RMB759	RMB637	RMB1b
Indonesia	Fraser Residence Sudirman Jakarta	100%	108	89%	65%	US$129	US$122	US$31m
London	Fraser Place Canary Wharf	100%	97	80%	89%	£159	£153	£35m
	Fraser Place Queens Gate	100%	106	81%	87%	£134	£121	£42m
	Fraser Suites Kensington	100%	69	85%	83%	£239	£234	£92m
Philippines	Fraser Place Manila	100%	89	91%	88%	PHP6,725	PHP6,664	PHP941m
Scotland	Fraser Suites Glasgow	100%	99	73%	70%	£64	£68	£9m
	Fraser Suites Edinburgh	100%	75	81%	72%	£106	£106	£35m
Singapore	Capri by Fraser	50%	313	38%	NA	$222	NA	$51m
	Fraser Place Singapore	100%	161	78%	92%	$335	$297	$230m
	Fraser Suites Singapore	100%	251	55%	84%	$239	$275	$340m
TOTAL NO. OF ROOMS (OWNED)			**2,041**					

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
	Fraser Suites Hong Kong	87
France	Fraser Suites Harmonie, Paris La Defense	134
	Le Claridge Champs - Elysees, Fraser Suites, Paris	110
Hungary	Fraser Residence Budapest	54
India	Fraser Suites New Delhi	92
Japan	Fraser Residence Nankai Osaka	114
London, UK	Fraser Residence Prince of Wales	18
	Fraser Residence Bishopgate	26
	Fraser Residence Blackfriars	12
	Fraser Residence Monument	14
	Fraser Residence City	22
Malaysia	Fraser Place Kuala Lumpur	216
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 Suites Sukhumvit, Bangkok	163
	Phachara Suites	194
Turkey	Fraser Place Anthill Istanbul	116
UAE	Fraser Suites Dubai	180
Vietnam	Fraser Suites Hanoi	185
TOTAL NO. OF ROOMS (UNDER MANAGEMENT)		**5,051**

LOOKING AHEAD

Development - Singapore

According to a recent announcement by the Monetary Authority of Singapore, Singapore could experience sluggish growth, at between 3% and 5% next year, as the outlook for the global economy remains bleak. Core inflation is likely to face upward pressure from higher food and services costs, whilst overall inflation could hover slightly above 4.5% in 2013. However, there is still a silver lining, with the domestic economy expected to stay resilient and wages continuing to rise.

In the near term, abundant liquidity resulting from the third round of quantitative easing from the US is likely to propel overseas investors to seek assets in safe havens such as Singapore. In an environment where high liquidity and low interest rate prevails, property remains an attractive investment option, especially to hedge against inflation.

Going forward, the Group will continue to focus on the mass market segment and participate in the Government Land Sales to replenish its land bank. It will exercise discretion in pricing land bids and team up with joint venture partners for viable locations. For upcoming launches, plans are underway to market the 632-unit *Qbay Residences* at Tampines Ave 10 in 1Q 2013, whilst the newly acquired EC site in Woodlands which will yield approximately 418 units, is likely to launch by 2Q 2013.

Development - Australia

Australia's economic fundamentals through 2012 remained sound, with an environment of low unemployment, interest rates and inflation. GDP growth is estimated at approximately 3%. Despite the sound economic fundamentals, negative consumer sentiment continued to constrain growth in the residential market with housing prices continuing to fall in 2012, although at relatively modest rates. Residential construction activity, home loan credit growth and sales volumes were all weighed down by sentiment rather than economic and market fundamentals. However, the recent interest rate cuts by the Reserve Bank of Australia had a positive impact on the housing market. Australian home-building approvals surged for a second month in September, a sign that housing demand is accelerating.

Of all the markets in Australia, Sydney, where most of our current projects are located, exhibited the most positive outlook with demand continuing to outstrip supply. In this market, continuous population growth, tightening residential vacancy levels and rental growth combined with current low levels of residential construction should translate into price growth in the medium term.

Moving into 2013, we will hand over more than 720 units at Central Park and see our first residents move into their newly completed apartments in *One Central Park* and *Park Lane*. A further 640 units are scheduled for handing over to owners by FY2014. In addition, we will complete the leasing of our retail centre at Central Park with the opening planned in September 2013, to take advantage of the busy Christmas period. Work will also commence on the adjacent Kensington Lane, a heritage precinct to be redeveloped as a food and beverage cluster. Kensington Lane will include the first stage of Central Park's student housing developments, the construction of which will occur concurrently with the restoration and redevelopment of Kensington Lane.

In 2013, *Putney Hill* will see the construction commencement of the phase 1 medium density housing precinct, as well as the *The Palmera* and *Figtree* apartment buildings. We will also lodge planning applications for the remaining three apartment buildings within phase 1, incorporating a further 225 apartments. Marketing will commence once approval has been secured.

In Perth, we will continue with our sales program on *QIII*, lodge planning applications and commence marketing for the final two phases of the Queens Riverside development, which consists of 143 apartments.

Clockwise from top left: *Qbay Residences, eCO (facade and deck), One Central Park*

Development - China

Since the emergence of property tightening policies in 2010, there have been signs of cooling in the overheated housing market in China. In the year, more developers have opted for price-cutting to increase transaction volume. With a gradual recovery of fundamental demand on housing recently, Chinese developers are more confident of the market outlook and are more eager to acquire lands than in the first half of the year. The local governments are also supportive in promoting land auctions in the second half of the year.

Home prices in China's second and third-tier cities have fallen more than in major cities and by as much as 15.5% compared to a year ago. Major cities such as Beijing and Shanghai have seen prices decline by 0.5% and 1.6% respectively. Home buyers are still adopting the "wait and see" attitude, anticipating home prices to stabilise further. In the short term, the government's control measures are unlikely to change. The Group adopts a cautiously optimistic outlook on China's real estate development sector with property prices expected to remain stable and fundamental demand intact. Going forward, we are ready to ride the next wave by launching phase 2 of *Shanshui Four Seasons* and phase 3 of *Baitang One* in the coming financial year.

Commercial - Retail

The retail sector in Singapore has historically demonstrated resilience through economic cycles. The larger resident population, sustained low unemployment rate and growing affluence in Singapore over the last few years have helped to boost the retail sector and underpin its resilience. The Group believes that our retail REIT, FCT, is well-positioned to benefit from these positive factors.

Looking ahead, FCT will continue to pursue growth via its three-pronged strategy – acquisition, asset enhancement, and organic growth. Key challenges ahead for FCT will be mitigating rising operating costs, and in particular, manpower-intensive costs such as general cleaning, maintenance and security services. FCT will continue to drive productivity improvement and cost efficiency in its mall management through the use of technology and optimisation of its work flow and processes.

As the sponsor of FCT, the Group will continue to support the REIT in its growth strategies and its position as a leading suburban retail mall REIT in Singapore. The Group's pipeline assets include the 207,236-sqf newly completed *Changi City Point* which is part of One@Changi City.

From top: *Baitang One, China Square Central*

***From top:** Capri by Fraser, Kuala Lumpur, Capri by Fraser*

Commercial - Office

The Group will also continue to support our office and business park REIT FCOT's strategy on growing its portfolios in Singapore and Australia by proactively seeking quality yield-accretive opportunities and capitalising on the long term growth prospects of the commercial real estate sector in these two core markets.

Another important focus for FCOT will be proactive asset management. With the unveiling of the China Square Precinct Master Plan, a collaborative effort between Far East Square, China Square Central and Great Eastern Centre, a covered link way connecting the three properties, as well as the future Telok Ayer MRT station will be constructed to improve connectivity. In addition to building markers and locally-commissioned building mural artwork, a line-up of activities and promotions is in the works to generate a new buzz to the area. FCOT will upgrade the main tower block office lobby and common areas of *China Square Central* to complement the proposed covered link way and to capitalise on the opening of the future Telok Ayer MRT station in 2013.

Commercial - Hospitality

The serviced residence sector in the Asia Pacific region will continue to experience further growth. With economic prospects in the US and Europe remaining uncertain, Asia will benefit from increased foreign direct investments as companies extend their footprint in the region, encouraging business travel. The AsiaPacific region has been the world's strongest growth region in terms of international arrivals over the past two years, according to World Tourism Organization, a United Nations agency.

Moving forward, the Group will continue to expand its footprint both through strategic acquisitions in key gateway cities across Europe and Asia, as well as increase its management contracts in both key cities and second-tier cities in China.

Frasers Hospitality will open properties in Guangzhou, Gurgaon, Shanghai, Wuhan, Melbourne and Perth. With the launch of its flagship property *Capri by Fraser*, Changi City, Singapore, plans are in place to roll out the *Capri* brand aggressively across Asia with two more properties, *Capri by Fraser*, Kuala Lumpur, Malaysia and *Capri by Fraser*, Ho Chi Minh City, Vietnam, slated to open by 2013.

JOURNEY of Enrichment

With the objective of leveraging Times Publishing's rich intellectual capital to drive the Group's growth in the information-driven, knowledge-based economy at the turn of the century, F&N acquired a 20% stake in Times Publishing in 1999 followed by a general offer in 2000. With that, Times Publishing became a subsidiary of the Group. As Singapore's leading publishing and printing giant, Times Publishing will continue to forge new frontiers with strategic steps taken to further strengthen and expand the Education Publishing and digital products businesses both in Singapore and overseas.

Achieved Revenue of

$382M

BUSINESS OVERVIEW

Times Publishing Group's revenue of continuing business grew by 1% or $2 million after excluding divested businesses, driven mainly by strong growth in Education Publishing and increased contribution from the distribution of lifestyle products. The increase was partly negated by the decline of print demand from Western markets and weak retail sentiments.

PBIT declined by 85% to $4 million due to rationalisation expenses, lower print volume and investment costs in Education Publishing for future expansion. Lower contribution from associates also adversely affected earnings.

During the year, Education Publishing delivered a stellar performance with double-digit growth in revenue and PBIT. The success was underpinned by investment foresight and proactive management of the education publishing unit to improve both revenue and earnings. Overseas sales grew from 49% to 62% of total education revenue over the last threeyears, as Education Publishing continued to gain momentum in its international footprint.

Achieved PBIT of

$4M

GOH SIK NGEE
CHIEF EXECUTIVE OFFICER

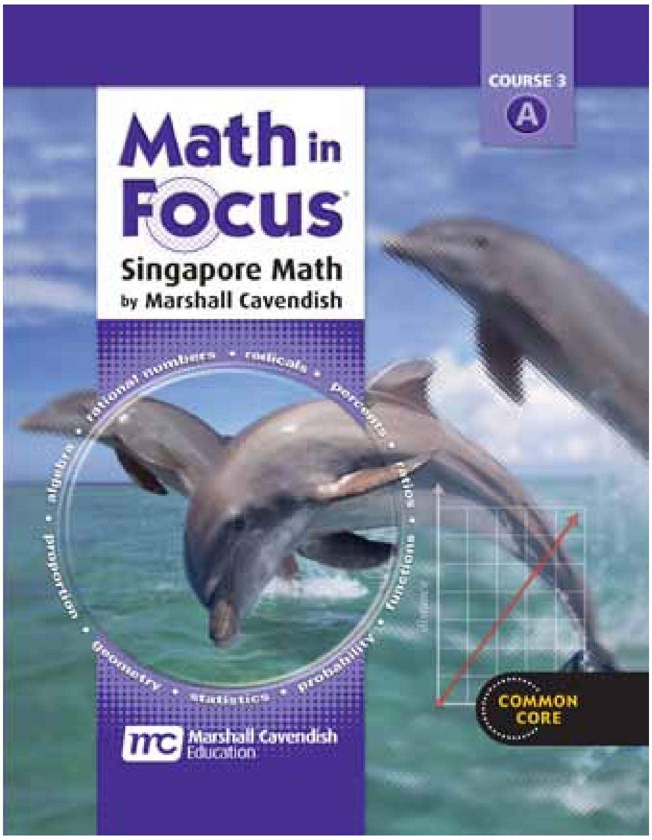
Our products with Singapore mathematics approach continued to gain market share, both locally and internationally, and efforts to deliver an effective education solution have extended beyond print as digital products continued to gain positive reviews from adopters in the United States ("US") and Asia. In response to the changes in the Singapore school syllabus for 2013, Marshall Cavendish Education launched the blended learning approach that combines the best of print and digital platforms to provide a unique teaching and learning experience. The digital textbook empowers students to be confident users of technology in their learning process and develop collaboration skills through social sharing platforms such as the social learning wall. The product generated great interest from schools and media.

The Group continued to face challenges in the Printing business as the print volume in Western markets declined. However, our efforts to diversify our revenue base to non-publishing segments and to increase our market shares from domestic markets in Malaysia and China registered positive results. In the year, Times Printers embraced digital opportunities by launching a host of digital services such as e-book conversion, app development and QR codes to seamlessly integrate print and web requirements of our customers. An affirmation of our superior quality was displayed as Times Printers once again garnered recognition by winning numerous international awards.

Pansing, our distribution division, achieved improvement in revenue through the diversification to lifestyle products and expansion of its distribution network for non-book customers in Singapore, Malaysia and Hong Kong. Even though there were closures of major bookstores in Singapore, Pansing mitigated the impact with the success of blockbuster titles.

Notwithstanding the challenges of book retailing, NoQ store, our online retail site, continued to make significant progress in customer acquisition and growth in its membership base. NoQ store won the Gold Award for Excellence in Mobile Marketing in Marketing Magazine's Marketing Excellence Award 2012.

Times Publishing Group continued to make good progress in achieving a strong balance sheet with a net cash improvement of $34 million, up from $17 million last year.



From top: *Marshall Cavendish Education's Blended Learning Package for lower secondary Science and My Pals are here! series are available in both print and digital format for 2013 curriculum, The Math in Focus series adopted in the United States*

PUBLISHING

Marshall Cavendish Education

Marshall Cavendish Education continued to achieve good growth with market share gain for our Singapore mathematics programme in the US. The overseas markets met with a record year as sales grew by 36% on strong contributions from the US, Indonesia and Chile. The success of *Maths in Focus* continued its growth into the middle schools in the US as we extended our range into grades 7 and 8. Our footprint in Latin America made further headway as our pilot programmes with Chile for *Pensar sin Límites Matemática Método Singapur* (Spanish edition of the successful *My Pals are Here! Mathematics*) went into its third year. Research commissioned by Ministry of Education, Chile proved the effectiveness of our Math programme; 89% of teachers indicated an improvement in student's learning and 83% felt that Marshall Cavendish Maths textbooks were better compared with the textbooks that they normally used.

In Singapore, Marshall Cavendish Education launched new textbook packages following new syllabuses announced by the Ministry of Education. The textbook offerings blended the best of print and digital platforms to provide a unique teaching and learning experience. It also encouraged self-directed and collaborative learning for students and parents as part of their learning process through the various activities and projects. Our MC e-books are compatible with Windows, iOS and Android platforms.

The Marshall Cavendish Education Conference 2012, which covered both Mathematics and Science, provided a platform for educational policymakers, curriculum specialists, and educators from 13 countries to discuss equity in education.

In Hong Kong, despite a very challenging market condition, we ended the financial year with higher sales. Hong Kong Education Bureau's requirement for publishers to de-bundle teacher resources from their textbooks resulted in an overall reduction in textbook prices in the territory.

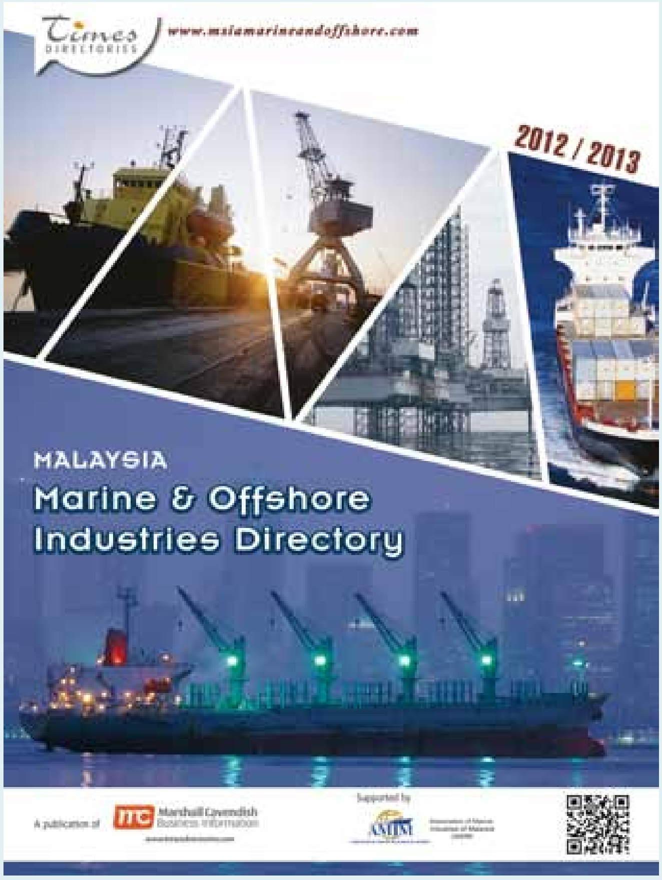
MCEnrich.com portal provides a full suite of online learning and enrichment resources

Marshall Cavendish E-Learning

In the US, Marshall Cavendish Online ("MC Online") launched our new online learning program *Math Buddies* at the National Council of Teachers of Mathematics conference. This standalone programme that was designed to be used without a physical textbook was very well received by educators and students. *Math Buddies* supports the Singapore approach to the learning of Mathematics and is fully aligned to the new US Common Core States Standards. It is being progressively marketed to schools across the US. In Philippines, Vietnam and Jordan, MC Online's learning management system ("LMS") also enjoyed higher sales.

In Singapore, MC Online acquired a strong school market share that sealed its position as the leading provider of LMS services. During the year, MC Online launched MCEnrich.com. This portal offered a full suite of online learning and enrichment resources catering to primary one to six, including assessment components, question banks and interactive multimedia courseware.

In Hong Kong, our e-learning initiative continued to gain traction with a number of schools for the government e-learning pilot projects. E-books, together with our new LMS, were launched in schools to engage the young digital generation. We also launched *More Word's Please 600+ Adjectives*, a comic-style, three-volume series dictionary on smartphones.



Clockwise from top left: *Foreign delegates from 13 countries attended the Marshall Cavendish Education Conference 2012, Marshall Cavendish Business Information successfully launched the Malaysia Marine & Offshore Industries Directory 2012/2013, Ms Lee Fei Chen, Head of Publishing, Marshall Cavendish Publishing Group welcoming all delegates at the Marshall Cavendish Education Conference 2012*

Marshall Cavendish Institute

Our Professional Development unit, Marshall Cavendish Institute ("MCI" or the "Institute"), continued to cement its growing reputation as a leading provider of teacher professional development for Mathematics globally.

In Singapore, the Ministry of Education engaged the Institute to support the 21st Century Competencies Partner Schools Programme in two of its five partner schools. MCI organised the inaugural Singapore Math Institute for educators from the region. It also collaborated with MediaCorp Radio's Gold 90.5FM to hold the annual Surviving Math! seminar for parents.

In the US, MCI collaborated with various schools and school districts to run regular professional development courses for their teachers. We also worked with our partners to run "Experiencing Singapore Mathematics" executive seminars for administrators and curriculum leaders.

Marshall Cavendish Business Information

The advertisement sales in the directories business were lower than last year due mainly to the unsuccessful tender for the renewal of the Building Construction Authority Directory ("BCA"). However, the loss was mitigated by our successful tender for the BCA Catalogue and the launch of the Malaysia Marine and Offshore Industries Directory. Poor business sentiments resulting from the Eurozone crisis and a poor US economy also affected performance.

In spite of the challenging environment, our online advertisement sales continued to see strong take-up rate with the number of visitors to our websites registering a growth of 21% over last year. Online revenue has grown 12% from last year.

From left: *PAL - Your child's first multi-media device that complements English-Time, At the SAPPI Printer of the Year 2012 Awards, Times Printers took home the Gold Award for the Book Printing 4C or more colour category*

Marshall Cavendish Home & Library Market

During the year we closed our school library book publishing operations in the US to focus on the growing educational publishing business.

Educational Technologies Limited ("ETL"), our unit specialising in the publishing of home reference books, recorded lower sales in Thailand, the Gulf and Singapore markets but achieved significant sales growth in Indonesia, Sri Lanka and Pakistan. ETL has upgraded a number of its products to increase its digital presence with a target to launch in the coming year.

PAL, positioned as "your child's first multi-media device", is the latest enhancement to *English-Time* and comes with bonus materials from other products. PAL debuted in October 2012 in Indonesia and proved to be popular, exceeding sales expectations.

PRINTING

The Printing division had a challenging year as print volume from Western markets declined and PBIT was affected due to price pressure and higher operating cost. On the other hand, there were revenue growths in Malaysia and China as a result of stronger focus on local sales initiatives.

Diversifying our print revenue to non-publishing segments has registered positive results. This year, our stable of clients has expanded beyond publishers to include manufacturing, retail, and information technology industries.

Efforts were made to develop the latest digital printing technologies to provide richer and more interactive print media for consumers. Bringing contents to life using augmented reality gave a new level of enhanced understanding and appreciation for consumers. These solutions were designed to assist marketers to reach out to their intended audience using interactive advertising and marketing messages that deliver different levels of information through QR codes which were integrated seamlessly between print and web. Our digital print-on-demand supports the quick turnaround for time-sensitive printing needs like marketing materials.

Our printing plants continued to excel in delivering quality print work by gaining recognition in prestigious international print industry awards. At the 9th Asian Print Awards held in November 2011, our Singapore plant won the gold award for 'Best in Web Offset Printing'. In the same event, Everbest Printing, our China plant, won the gold award for 'Book Printing', and two silver awards for 'Sheetfed magazine' and 'Limited Editions & Artwork Reproduction', respectively.

Everbest Printing also won the gold award for Sappi Printers of the Year award, which is the 'Oscars' of the print world, recognising master craftsmanship and honouring excellence in print. At the Malaysian Print Awards 2012, our Malaysian plant won the Certificates of Excellence awards for 'Commercial and Publications' (web magazine), and the award for 'Commercial and Publication' (limb bound).

Going forward, Printing division expects that the continuing effects of electronic devices will have an impact on the reading habits of consumers. We have embraced the opportunity with a slew of digital services in design and creation of electronic publications across a variety of digital platforms ranging from e-book to mobile device applications. Our Printing division will continue to seek new markets, expand our customer base and drive improvements in efficiency through sharper sales and marketing effort, as well as providing a higher level of service to our customers.

DISTRIBUTION

The Distribution division experienced positive gains from the diversification to lifestyle products during the year. However, the traditional book and magazine distribution faced challenges in Singapore and Malaysia.

For Pansing book distribution, the decline in revenue, which resulted from the closure of major bookstores in Singapore, was partly mitigated by the success of some blockbuster titles.

Magazine distribution made significant progress in developing a new customer base for lifestyle products in Singapore, Malaysia and Hong Kong. This widening of customer base will lay the ground work for further diversification of the business in the future. In Hong Kong, our business significantly exceeded both last year's revenue as well as this year's budget. The team has established a strong customer network to support future growth of non-magazine products.

Musicway, a distributor for lifestyle accessories in Australia, was severely impacted by the weak consumer sentiments since the beginning of 2012, reducing revenue by more than 50%. Revenue has stablised and is expected to improve going forward.

RETAIL

High-street bookstores continued to be plagued by deteriorating business economics. Consumers moving to e-books and online purchases, as well as high rental rates of bookstores negatively impacted earnings. We have started a series of actions to rationalise the backend as well as expand the range of merchandise to improve the retail business.

The outlook for book retailing remains challenging in 2013 given the economic uncertainty. Times bookstores will continue to expand the merchandise mix from books to non-books.

The year has been a challenging one for Times Newslink. While passenger traffic in Singapore Changi Airport has grown year on year, the customer mix as well as consumer behavior have changed. Book purchases have gone down with the exception of Chinese titles due to the increase in Chinese passengers, whereas the sale of non-book products such as travel accessories and gifts has shown improvement.

Times Newslink successfully acquired three new stores in Changi Airport Terminal 2. All the new stores were fully operational by October 2012.

NoQ store made significant progress in the year. Besides an increase in membership, NoQ store also recorded a higher percentage of repeat purchases. Recently, in recognition of our outstanding efforts in designing an iPhone application to support our price-guaranteed campaign, NoQ store emerged the winner of the Gold Award for Excellence in Mobile Marketing in Marketing Magazine's Marketing Excellence Award 2012.

The trend of online shopping in Asia is growing and consumers are getting more web savvy. Going forward, NoQ store will continue to expand our product range to meet the needs of consumers in this region.

The Retail and Distribution division will embark on an effort to increase the effectiveness and efficiency of our sales organisation in 2013. This will have a direct impact on our growth potential. Specifically, sales staff will be trained to be trusted advisors to our customers, helping them maximise the value they can derive from our products and services.

In addition to sales development, we will also enhance our customer service levels at the retail shop front with training to equip our shop front personnel with the ability to serve our customers better.

NoQ store wins the Excellence in Mobile Marketing award (Gold) in Marketing Magazine's Marketing Excellence Awards 2012

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 communications 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.

Besides communicating regularly with Shareholders and the investment community via disclosures of material and other pertinent information through regular dialogues and announcements to SGX-ST, the Investor Relations team undertakes road shows (together with key senior management), investor seminars and conferences to keep the market and investors apprised of the F&N Group's corporate developments and financial performance.

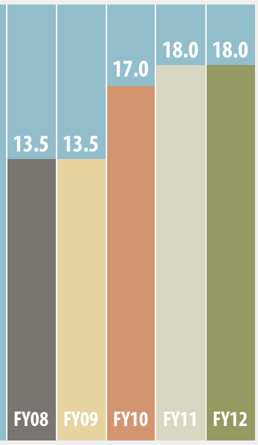
Total shareholder returns ("TSR") for the year under review improved 54%. Cumulatively over a five-year period, TSR improved 90%, and 158% over a three-year period. The F&NL share price has also outperformed the Straits Times Index over the recent five-year, three-year and one-year period by 88% points, 141% points and 46% points, respectively.

The Group maintained a healthy track record of generous shareholder distributions. For the financial year ended 30 September 2012, the directors have recommended a final dividend of 12.0 cents per share, which together with the interim dividend of 6.0 cents paid earlier brings total dividend for the year to 18.0 cents per share.

Dividend Per Share (cents)

- Interim of 6.0 cents per share
- Proposed final dividend of 12.0 cents per share

18.0 cents
IN FY2012



Analyst coverage:
10 brokerage houses provide research coverage on F&N

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
Nomura Research
OSK Research

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Investor Relations Manager
Tel: (65) 6318 9393
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Share Registrar and Transfer Office

Tricor Barbinder Share Registration Services
80 Robinson Road
#02-00
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. Our 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, the Group maintains a significant amount of available banking facilities with a large number of banks, and the Group's MTN Programs allows us continued access to the debt capital markets.

In FY2012, the Group's balance sheet strengthened further. Net Group Borrowings (net of cash) dropped from $2.4 billion to $2.2 billion during the year. Coupled with a 7.6% increase in total equity, to $8.25 billion, Group Net Gearing (borrowings less cash) fell to 26.7%. 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 $1.0 billion in cash from its existing pre-sold projects for the new financial year ending 30 September 2013. With the disposal F&N's interest in APB in November 2012, the Group cash would increase by S$5.6 billion in FY2013.

Interest cost in FY2012 was $166.6 million (of which $61.3 million was capitalised), 16.7% higher than the previous year's interest cost of $142.8 million (of which $71.2 million was capitalised) mainly due to higher borrowings and higher interest rates.

Source of Funding

Besides cash flow from our businesses, the Group also relies on the debt capital markets, equity market and bilateral banking facilities for its funding. As at 30 Sep 2012, the Group has $3.1 billion in banking facilities, $0.8 billion in Transferable Term Loan Facilities and S$3.9 billion in Medium Term Note Programmes to meet the funding requirements of the Group.

Available Bank Lines by Banks as at 30 Sep 2012

The Group maintains an active relationship with a network of more than 20 banks of various nationalities, located in various countries where the Group operates. Our 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 our core business partners, which has served us well in the last financial turbulence. We continue to receive very strong support from our relationship banks across all segments of the Group's businesses. Total banking facilities (utilised and unutilised) extended to the Group as at 30 Sep 2012 amounted to $4.8 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 Medium Term Notes ("MTN") Programs in place to tap the debt capital market. F&N Treasury Pte Ltd has a S$2 billion MTN program, FCL Treasury Pte Ltd has a S$1 billion MTN Program, Frasers Centrepoint Trust has a S$500 million MTN Program and Fraser and Neave Holdings Bhd has a RM1 billion MTN Program.

Maturity Profile of Group Debt (excludes Finance Leases)

Maturing within one year	$ 981m
Maturing within 1 to 2 years	$ 319m
Maturing within 2 to 5 years	$2,353m
Maturing after 5 years	$ 496m
	$4,149m

As at the date of this report, the Group currently has more than sufficient resources to repay these loans as and when they fall due without having to refinance these loans.

Note:
On 15 November 2012, the Group completed the sale of its entire interest in Asia Pacific Breweries Limited. The results in this section are presented before reclassification of this business as Discontinued Operations

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, 51% of the Group's borrowings are in fixed rates (including floating rate borrowings that have been fixed with interest rate swaps). The term loans average tenor was 3 years as at 30 Sep 2012. The remaining 49% of the Group's borrowings are in floating rates as at 30 Sep 2012. 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 2012 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 2012, this ratio was 26.7%. Total interest paid during the year amounted to $140.4 million, of which $61.3 million was capitalised as part of Properties Under Development. The net interest charged to profit statement for the year was $83.4 million and net interest cover was at 11.4 times. Net Borrowings over PBITDA was at 2.0 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 2012 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 then 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 business.

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 2012, the Company's Food and Beverage Division[1] had deployed a total of $59.8 million from the Net Proceeds for the 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.

Capital expenditure	$33.1m
Brand-building investment	
(advertising and promotions)	$20.0m
Corporate development and new markets	$ 6.7m
	$59.8m

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

Our vision is to be a world-class multinational enterprise based on our ability to create and build long-term sustainable value for our stakeholders.

Bearing a longstanding tradition of corporate social responsibility, the F&N Group remains steadfast in conducting our business in a responsible and sustainable manner. As a socially responsible corporate citizen, we strive to incorporate best practices in our business so as to contribute meaningfully to local communities, minimise our impact on the environment, provide product and service excellence to consumers and foster a creative and supportive work environment for our employees.

SUPPORTING OUR COMMUNITY

Corporate Philanthropy

As a long-term supporter of the sporting community, *100PLUS* presented "The Straits Times Athlete of the Year Award" for the third year running in Singapore, in recognition of athletes who are determined to excel and bring honour to their sport and country. It also presented "The Straits Times Star of the Month Award". The iconic isotonic brand also continued sponsoring Singapore's national table tennis team of dedicated and outstanding world-class players in their competitions.

In Malaysia, Fraser & Neave Holdings Bhd's ("F&NHB") "F&N Chairman Award" celebrated its 10th anniversary by handing out RM236,400 to 183 deserving students in recognition of their outstanding performance in the 2011 public examinations. Initiated by F&NHB in conjunction with the Group's 120th anniversary celebrations in 2003, the "F&N Chairman Award" rewards the children of F&NHB's employees for academic excellence. The annual award scheme is aimed at fostering employer-employee relationships as well as inculcating a caring and harmonious working environment. An initial endowment of RM1.2 million was initially set aside but the scheme was topped up with an additional RM1.25 million at F&N's 125th anniversary celebrations in 2008.

F&NHB also recognised four individuals in the sixth "F&N Out-Do Yourself Award" ("OYA") for going beyond the call of duty to perform extraordinary deeds involving civic consciousness and compassion: a paraplegic who supports other spinal cord injury victims, a couple who helps underprivileged and refugee children break the cycle of poverty, and a blind teacher who pushes his blind students to excel in their studies. Launched in conjunction with F&N's 125th anniversary in 2008, the F&N OYA recognises ordinary individuals for various acts of selflessness ranging from bravery, chivalry, civic consciousness and promoting nation building to outstanding sports or academic achievements. The recipients were each awarded a cheque for RM5,000, certificate, plaque and *F&N* products.

The spirit of giving was demonstrated through a charity drive organised by NoQ store's debut Christmas roadshow, where books donated by NoQ store, Marshall Cavendish and Pansing were sold to the public to raise funds. The proceeds of $7,000 raised were donated to The Salvation Army Singapore.

As Asia's online bookstore, NoQ store looked beyond Singapore to give back to the Asian community at large. A collection of children's books were donated to Ku Ma Vey Chlat Orphanage located in the remote Phuok village of the Siem Reap District in Cambodia. The new library features enriching quality children books and education books.

Myanmar Care, Myanmar Brewery Limited's charity vehicle, continued to serve its community missions this year. Amongst the many social and health care activities undertaken, the Operation Smile programme co-sponsored by the Group's F&B division received excellent local support. Held in the old capital of Mandalay City, the programme received 175 patients, of which 110 kids were treated for their facial deformities. Another exciting initiative was the donation drive which successfully sponsored the construction of a school for underprivileged children from the brewery's neighbouring village.

Frasers Centrepoint Limited ("FCL"), the Group's Properties division, views engaging the community as its key priority and contributed close to $1 million in cash and in-kind to support various charitable causes in Singapore and overseas in FY2012.

At home, FCL, together with its joint venture partners Far East Organization and Sekisui House Limited, each contributed $20,000 towards two Punggol grassroots projects. The total sum of $60,000 raised went towards a $50,000 building fund by Punggol West Community Club, while $10,000 was donated to Project 10,000 Tiles, an event organised by Punggol North Citizens' Consultative Committee.

On the retail front, *The Centrepoint* raised more than $5,000 for the Movement for the Intellectually Disabled of Singapore ("MINDS") through the sale of festive lanterns during the Mid-Autumn Festival. *The Centrepoint* has been partnering MINDS for several years now and the funds raised will go towards providing quality programmes and services to the beneficiaries who require education, training, employment, therapy and residential support. Separately, Frasers Centrepoint Malls ("FCM") and its tenants brought much cheer to 100 underprivileged children from Pertapis Children's Home, Fei Yue Family Service Centre (Yew Tee) and Club Rainbow, presenting each child with a bag full of goodies on Children's Day.

Beyond fundraising, employees from the Office & Industrial unit pitched in their time to create a cosy yet invigorating living environment for the children and youths of Melrose Home. The premises was given a new and vibrant coat of paint. A clay workshop and a mini fundraising event were also organised for the home.

In Perth, *Central Park* office tower continued to act as venue sponsor for Step Up for MS, an event held for the sixth consecutive year. An iconic event of the Multiple Sclerosis Society, the annual stairs running competition attracted record participants and funds. This year saw the first Fire Fighters Challenge, with four teams of fire fighters participating in full gear and breathing apparatus. Cleo's Bachelor of the Year Finalist and double-amputee, Dwayne Fernandes, also took part in the race. A total of A$186,590 was raised including a sum of A$10,000 donated by *Central Park*.

Central Park also sponsored the Purple Bra Day organised by the Breast Cancer Care ("BCC") organisation. This year's Purple Bra Day fundraising activities included the sale of purple bras, a barbeque in the park and abseiling from the office tower by media representatives. The BCC received both sponsorship and widespread local media coverage, successfully raising A$338,000.

Investing in our future generations

To mark its 75th anniversary in 2012, *F&N MAGNOLIA* celebrated the year with the theme "Passing On Treasured Values", encouraging parents to inculcate in their children treasured values in the family. Driving home the message that *F&N MAGNOLIA* milk is healthy, convenient and premium – a trusted provider of nourishment for generations – the brand championed the importance of nutrition for both body and mind.

For the second year, *F&N MAGNOLIA* brought the joy of reading to the nation with its support of the National Library Board's annual READ! Singapore campaign to promote the culture of reading among Singaporeans and to offer them opportunities to rediscover the joys of reading. On top of that, for three years now, it has nurtured young readers through its partnership with The Little Red Dot Reading Passport programme in primary schools.

Promoting the enterprising and eco-friendly spirit, FCM hosted the National Youth Business Challenge for the fourth consecutive year. Jointly organised with Ngee Ann Polytechnic's School of Business & Accountancy, this year's event was held at *Changi City Point*. Some 270 youths from 51 secondary schools took up the challenge to set up enterprising and earth-friendly businesses.

Now in its 12th edition, the Marshall Cavendish Budding Writers Project continues to be the leading platform in Singapore for children to express their creativity through writing and drawing, as well as a unique opportunity to get their work published. The programme aims to cultivate young talent and encourage them to express their creativity, feelings and opinions through prose and picture. Underpinning the environmental theme this year, the winning book was printed on recycled paper and published as an e-book.

Supporting the arts and heritage

The Group remains a firm supporter of and works towards fostering the arts and heritage scene in Singapore and overseas.

Frasers Hospitality, our serviced apartment arm, sponsored accommodation worth more than $87,000 for artistes from the musical "La Cage Aux Folles" by Wild Rice Ltd.

Another cause we supported was the Singapore HeritageFest, an annual event organised by the National Heritage Board. Three of our malls, *Changi City Point*, *Causeway Point* and *The Centrepoint*, participated as the main Festival Hub and Satellite Hubs for the festival. Through the exhibitions "Shopping for Gold", "Void Decks" and "Rocking Good Times", both Singaporeans and foreign visitors shared and spread knowledge about Singapore's rich heritage and cultural diversity.

Over in Sydney, Frasers Property Australia teamed up with Sekisui House Australia to commission a A$1.3 million artwork "The Halo", which was presented to the City of Sydney. Developed by two of Australia's pre-eminent public artists, Jennifer Turpin and Michaelie Crawford, the spectacular wind-activated kinetic sculpture was placed in the new public park Chippendale Green, which is part of FCL's Central Park development. The park is due to open in December 2012.

CONSERVING OUR ENVIRONMENT

As a fundamental focus area of the Group, the conscientious utilisation of global resources and relentless pursuit of best practices underlies our commitment to protect our environment.

Maintaining its dedication to environmental conservation, Times Printers streamlined the internal work processes of its printing plants to reduce waste and enhance productivity. Detailed monitoring of data enabled Times Printers to better control its use of paper material. A significant milestone for the Print division, both its Malaysian and China plants achieved 100% alcohol-free printing for all presses, while its Singapore plant completed alcohol-free printing for all web presses.

As one of the region's largest F&B manufactures and packaging users, we recognise that our operations have an impact on the environment. The universal distress signal, S.O.S, also acronym for "Save Our Seas" in this cause, is used to get the community to take notice and action in helping to conserve marine life. The main objectives of Project S.O.S are reef rehabilitation and marine life conservation, creating awareness about the importance of marine conservation and responsible behaviours on the beach and towards our sea creatures, encouraging proper waste disposal and recycling among communities and tourists.

F&NHB collaborated with ReefCheck Malaysia and Marine Park Terengganu to kickstart Project S.O.S in Redang island. The team successfully planted 40 reef rehabilitation frames. In addition, F&NHB worked with the local primary school to educate the children on marine conservation and proper waste disposal.

As part of our conscious effort to manage energy and water consumption, water and energy-efficient features have been incorporated into FCL's developments.

Our Properties division continued to bag Green Mark Awards from the Building and Construction Authority ("BCA") for its efforts to create and operate a sustainable built environment. This year, FCL received two new Gold awards for its residential developments *Esparina Residences* and *Waterfront Gold*, and a new Goldplus award for *Changi City Point*. In addition, our commercial buildings *Alexandra Technopark A & B* obtained a Gold award for the period from September 2011 to August 2014.

During the year, a total of seven commercial buildings (*Anchorpoint*, *Alexandra Point*, *Alexandra Technopark A & B*, *Valley Point*, *55 Market Street* and *China Square Central*) were recognised as Water-Efficient Buildings by the Public Utilities Board, Singapore's national water agency.

To minimise water wastage, NeWater is used whenever possible for the air-conditioning, landscape watering and sprinkler protection systems, as well as hose reel systems at our buildings. In addition, *Causeway Point* collects rainwater for landscape watering. In total, water consumption at our ten[1] commercial properties (*Anchorpoint*, *Compass Point*, *Northpoint*, *The Centrepoint*, *YewTee Point*, *51 Cuppage Road*, *55 Market Street*, *Alexandra Technopark A & B* and *Valley Point*) was reduced by 38,665 cubic metres or 7% as compared to the last financial year.

Nine of our properties (*55 Market Street*, *Alexandra Technopark B*, *Valley Point*, *Anchorpoint*, *Compass Point*, *Causeway Point*, *Northpoint*, *The Centrepoint* and *YewTee Point*) managed to achieve energy savings of 2.4 million kWh. One of the key factors resulting in energy savings was the renewal of 106 water-cooled package units for the air-conditioning system in *Alexandra Technopark A & B*. The annual cost savings is estimated to be $2.2 million for the 10.8 million kWh saved in energy consumption. Other energy conservation measures include reduced lighting levels after business hours, motion detectors for staircases, as well as air-conditioning system plant operation control adjustment to achieve better energy efficiency.

Over in Australia, two of our office buildings, *Caroline Chisholm Centre* in Canberra and *Central Park* in Perth were awarded a NABERS Energy base building rating of 4.5 stars and 5 stars respectively. NABERS is Australia's national rating system that measures the environmental performance of Australian buildings.

Upgraded from 4.5 stars previously, *Central Park's* NABERS Energy rating of 5 stars is a first for a premium office building in Perth. *Central Park's* rating was upgraded following a slew of energy-saving initiatives which includes the replacement of chillers, an overhaul of the lighting systems, installation of solar panels and a new building automation system. The energy management programme resulted in its base building energy use declining by 25% over the last four years. In addition, *Central Park* launched the first comprehensive "Ride and Park" bicycle facility for cyclists for an office building, encouraging employees of its tenants to go green by cycling to work.

DELIVERING PRODUCT EXCELLENCE

In making F&N brands their choice, consumers reinforce F&N's philosophy of *Pure Enjoyment. Pure Goodness*, which has been the driving force of our branding efforts. Building strong brands under the F&N portfolio is tantamount to investing in enduring assets that provide a lasting competitive advantage in strengthening the customer base that will weather ever-changing markets. F&N's continued investment in branding has enabled the group to retain leadership across categories, resulting in increased brand value, corporate worth and ultimately returns to shareholders.

F&N has been an avid supporter and partner of the Singapore Health Promotion Board ("HPB") since 2007. Together, we jointly educate Singaporeans on the importance of staying healthy through the knowledge of good nutrition, healthy eating habits and adopting an active lifestyle. F&N has also pledged to support HPB's Healthier Food Choices Commitment by rolling out more Healthier Choice Symbol products in the next three years in line with our F&B philosophy to deliver *Pure Enjoyment. Pure Goodness* to our valued consumers.

F&N NUTRISOY, earning its position as Singapore's most popular soy brand in 2012, is one such example of our commitment to deliver healthier products to consumers. Awarded HPB's Healthier Choice Symbol, *F&N NUTRISOY* is also supported by the Singapore Heart Foundation. This year, it celebrated World Heart Day 2012 and National Heart Health Week.

Properties continued to maintain its product and service excellence with the addition of more accolades to its stable of achievements. Awards were received across the residential, commercial and hospitality units.

Note:

1 *Commercial properties which carried out asset enhancement initiative works, maintenance works, had a change of occupancy or less than two years' data are not included*

HUMAN CAPITAL MANAGEMENT

Sustainability through Innovation – WIAL Outstanding Organization Award

In recognition of F&N's effort in implementing and promoting iTAL or **i**nnovation **T**hrough **A**ction **L**earning across the organisation, World Institute for Action Learning (WIAL) conferred the WIAL Outstanding Organization Award to F&N in 2011. This award recognises organisations for their continuous efforts in promoting and implementing Action Learning.

iTAL is based on the principles of Action Learning which involves a small group working on real-time work-place issues, taking appropriate actions to resolve these issues, and through the facilitation of an Action Learning Coach, learn as individuals and collectively as a team. Action Learning is not just adopted by many companies in Singapore, but also by global MNCs to drive innovation, develop creative products and services, generate creative solutions for work place issues and develop leaders in real time.

Following the successful iTAL official launch in Singapore, iTAL was launched in Malaysia, attended by more than 230 senior executives from all business units including Dairies Thailand. Following the launch, Professor Marquardt conducted a series of introductory Action Learning workshops for the senior executives. The participants were coached by Professor Marquardt using the iTAL framework to generate innovative and practical solutions to issues and challenges encountered at work. The workshop not only enabled participants to understand iTAL methodology, but gave them the opportunity to practice facilitating a team as iTAL coaches.

Participants practicing their facilitation skills as iTAL coaches

Since then, iTAL has been incorporated as a problem-solving tool used in the day-to-day operations at F&N Group Malaysia's business units. Some managers have started practicing iTAL regularly in their group meetings and discussions in Beverage and Dairies business operations.

Leveraging on iTAL's momentum, FCL launched eWISE or **e**lectronic **W**ork **I**nnovation **S**chem**E** in 2012 to further entrench innovation and drive staff engagement within the business unit. eWISE is an online suggestion system allowing FCL staff to submit product and service improvement ideas or creative suggestions to enhance operational efficiencies within the company.

The official launch of iTAL in F&N Holdings BHD by Chairman Y.A.M. Tengku Syed Badarudin Jamalullail

The Singapore Health Award

F&N staff de-stressing on the roof top - with a view!

Action Learning will continue to play a dominant role in driving innovation within F&N and to underscore its importance, a total of 120 iTAL coaches have been trained to facilitate iTAL projects across the business units. To further strengthen and embed iTAL within F&N's culture, additional iTAL Coach workshops have been arranged in Singapore and the region to increase the pool of iTAL Coaches to support iTAL projects. In addition, refresher workshops have been arranged for existing iTAL Coaches to exchange knowledge and ideas, sharpen facilitation skills and strengthen the bond between coaches. On top of this, iTAL Introductory workshops will be organised so all F&N staff have a clear understanding of how Action Learning leads to personal and organisational success by solving problems and building effective teams and leaders.

Workplace Health Programmes garner Health Promotion Awards

The adage "all work and no play makes Jack a dull boy" is a subtle reminder that dull and unengaged employees do not contribute positively to the organisation. Moreover, they influence other employees negatively by their words and deeds. Therefore, various business units in F&N embarked on a workplace health initiative to inject fun into the corporate lives of F&N employees. Our continuous efforts in introducing workplace health activities such as health and wellness talks, exercise classes and health screenings were rewarded when two of our business units, FCL and F&N Food & Beverage, received the Singapore Health Silver and Bronze Awards respectively in Nov 2012.

These ongoing activities ensure that F&N employees continue to live well-balanced work lives resulting in a happier and productive work force.

ROC.IT Service The Frasers Way – Personalising the Frasers Experience

We are committed to the same world class service experience across all Frasers' Properties. The formula to this success is driven by Fraser Hospitality's signature service programme ***ROC.IT Service The Frasers Way*** which ensures guests are served with the same personalised Frasers' experience worldwide.

Forming part of the core pre-opening training for all service staff in new properties, this programme focuses on the importance of teamwork and being innovative in delivering unique Frasers experiences for guests through a series of activities and experiential learning.

Embodiment of Fraser's vision and its values, display of Frasers' identity and unchallenged service standards form the essential components in delivering the Frasers Way experience to all our guests.

*Participants from Beijing Cluster attending **ROC.IT Service The Frasers Way** Train-the-Trainer*

Thumbs Up for MCIS' Interactive and Engaging Programme

Marshall Cavendish International (Singapore) Pte Ltd (MCIS), a division of Times Publishing Limited ("TPL"), underwent a review of its editorial function. This was done with the objective of refining work processes and working relationships amongst employees.

To ensure a smooth transition, a series of programmes were organised to help build relationships and a sense of belonging amongst MCIS employees. These interactive programmes featured experiential activities which allowed participants to internalise TPL's four core values - Value & Respect for People, Integrity, Open Communication, and Committed to Winning.

This programme, which was a winner with all MCIS employees, was subsequently extended to all new employees joining the division.

Participants internalising MCIS core values through experiential activities

F&N Group Total Company Training Plan – Alignment of Training Plans with Business Objectives

In our continuing effort to provide a more structured training plan for F&N employees and to align training plans with business objectives, the F&N Group Training Plan pulls together results of learning needs analysis conducted by the business units into an integrated format.

The F&N Group Training Plan integrates the training and development needs of F&N employees with a focus on soft skills and leadership development programmes. The F&N Group Training Plan allows managers and staff to tap on existing programmes offered by business units across the region.

*F&N Foods participants discussing strategies in **Managing Sales Objections and Obstacles** workshop*

Moving Ahead - Riding the Digital Age by leveraging E-learning to enhance Human Capital Development

In our continuous effort to meet the varied learning and development needs of our employees, Corporate Human Resource will be launching CrossKnowledge, an e-learning portal to bring just-in time learning to our employees.

CrossKnowledge is an on-line database featuring one of the largest and most complete range of on-line training products for Management and Leadership training. With twenty-four workplace-related themes, CrossKnowledge gives insights to employees to better deal with various workplace-related issues and provides them a sense of self development and added confidence via e-learning sessions, inspiring videos, action tips, reading resources and on-line assessments.

This initiative allows F&N to leverage new learning technologies to engage, refresh and accelerate our employees' learning curve while complementing traditional classroom training.

F&N-CrossKnowledge e-learning home page

ENTERPRISE-WIDE RISK MANAGEMENT ("ERM")

The objective of risk management is to safeguard shareholders' investments and the company's assets as the company pursues its strategic objectives. Fraser and Neave, Limited, ("F&N" or the "Group") achieves this objective through having a risk management framework that encompasses all areas of 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) coordinates the risk review and reporting process.

In response to the increasing scale and complexity of operations, a Group Risk Management Committee was formed in May 2012, to assist the Board in ensuring that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's and Group's assets.

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
- Operational risks

At the end of each financial year, an annual ERM validation session is held where Management of the business units provide 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 Risk Management 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 Risk Governance Guidance for Listed Boards issued by the Corporate Governance Council in May 2012 and the ISO 31000 standards on risk management.

During the year, F&N initiated a group-wide review of the risk scorecards of the various business units and presented recommendations to improve the identification and recording of risks.

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

Key Risks in Financial Year 2011/2012

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

Reputational Risks

Global food safety concerns served to reinforce the importance of managing the risks related to food safety. 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 standards and certifications, food safety risk is reported by the Food and Beverage division of the Group at quarterly intervals.

With the increasing use of social media, the Group closely monitors this medium of communication and periodically reviews the response plans put in place to mitigate the potential risks.

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 threat of natural disasters and political tensions in Asia and Middle East entails a continual review of the effectiveness of business continuity plans and insurance programmes. Greater emphasis has been placed on raising the awareness and preparedness of staff in responding to crisis.

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 reinforce risk and business continuity plan awareness 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.

Fraser and Neave, Limited ("**F&N**" or the "**Company**") believes that good corporate governance is imperative to the continued growth and success of the F&N Group. It is therefore committed to high standards of corporate governance and strives to strengthen corporate transparency through sound corporate policies, business practices and internal controls. These measures enable the Company to safeguard its assets and interests while it strives to meet its strategic objectives, and attain sustainable growth and value for Shareholders.

Listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), F&N adheres closely to the principles and guidelines of the Code of Corporate Governance 2005 ("**Code 2005**") and other applicable laws, rules and regulations, including the SGX-ST Listing Manual. The revised Code of Corporate Governance was issued by the Monetary Authority of Singapore on 2 May 2012 ("**Code 2012**"). Although Code 2012 will only take effect for the Company in respect of annual reports for the financial year commencing 1 October 2013, F&N already complies with many of its revised principles, and continues to keep pace with developments in corporate governance by enhancing its practices and framework.

Given the growing emphasis accorded to risk management amid an increasingly complex and challenging business, commercial and economic environment, the Company reconstituted its Risk Management Committee in May 2012 to assist the Board in overseeing the Company's risk management framework and policies. This function was previously performed by the Audit Committee.

This report sets out F&N's main corporate governance policies and practices with reference to 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.*

Our Board comprises highly qualified members who collectively set the standards for F&N's corporate governance practices and policies. The Board oversees the business performance and affairs of the F&N Group, and is responsible for the Group's overall entrepreneurial leadership, strategic direction and performance objectives. The Board also reviews annual budgets, financial plans, major acquisitions and divestments, funding and investment proposals, monitors the financial performance of the Group and 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. Time is also set aside after scheduled Board meetings for discussions amongst our Directors without the presence of Management.

As at 30 September 2012, the Board comprises nine 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
Mr Koh Beng Seng
Dr Seek Ngee Huat
Mr Tan Chong Meng
Mr Nicky Tan Ng Kuang

Note:
Mr Soon Tit Koon resigned from the Board and from the Board Executive, Food & Beverage, Risk Management and Remuneration & Staff Establishment Committees on 14 August 2012.

Board Matters (cont'd)

Delegation of Authority on certain Board Matters

In order for the Board to efficiently provide oversight, it delegates specific areas of responsibilities to six Board Committees namely, the Board Executive Committee, the Audit Committee, the Nominating Committee, the Remuneration & Staff Establishment Committee, the Risk Management Committee, and the Food & Beverage 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. The MOA also contains a schedule of matters specifically reserved to the Board for approval. These include approval of annual budgets, financial plans, financial statements, business strategy and material transactions, namely, major acquisitions, divestments, funding and investment proposals, annual capital and operating budget, and operating expenditure. 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. For purchases of property in Frasers Centrepoint Limited ("**FCL**") property projects, there is also a policy which sets out the process and procedure for disclosing, reporting and the obtaining of relevant approvals for property purchases made by interested persons (as defined in the SGX-ST Listing Manual), the CEO of FCL, Directors and employees of the Group.

Board Executive Committee ("Board EXCO")

The Board EXCO comprises the following members:

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

Note:
Mr Soon Tit Koon resigned from the Board EXCO on 14 August 2012.

The Board EXCO assumes 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") Committee

This Committee oversees the F&N Group's F&B strategy and strategic plans for the Group's F&B business. The Group's F&B Management devises and develops strategic plans and proposals which are then presented to the F&B 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 Committee are:

Mr Lee Hsien Yang	Chairman
Mr Nicky Tan Ng Kuang	Member
Ms Maria Mercedes Corrales	Member[1]
Mr Hirotake Kobayashi	Member[1]

Notes:
(1) Ms Maria Mercedes Corrales and Mr Hirotake Kobayashi were appointed as members of the F&B Committee on 11 May 2012.
(2) Mr Soon Tit Koon resigned from the F&B Committee on 14 August 2012.

Board Matters (cont'd)

Risk Management Committee ("RMC")

Reconstituted on 11 May 2012, the RMC takes over the responsibility previously assumed by the Audit Committee for overseeing the risk management framework and policies of the Group. Its responsibilities include reviewing the Group's risk management strategy and policies, its enterprise-wide risk management framework, and the processes and procedures for identifying, measuring, reporting and mitigating key risks in the Group's businesses and operations. In this regard, material matters, findings and recommendations would be reported to the Board. The RMC, together with the Audit Committee, ensures that Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interests and the Group's assets. Through guidance to and discussions with Management, its assists the Board in its determination of the nature and extent of significant risks which the Board would be willing to take in achieving the Group's strategic objectives. The meetings of the RMC attended by the Senior Management of the various business units of the Group, provide a forum to review material risks and exposures of these businesses and their strategies to mitigate risks.

The RMC is made up of the following members:

Mr Tan Chong Meng	Chairman[(1)]
Dr Seek Ngee Huat	Member[(1)]

Notes:

(1) Dr Seek Ngee Huat, Mr Soon Tit Koon and Mr Tan Chong Meng were appointed as members of the RMC on 11 May 2012. Mr Tan, who relinquished his membership of the Audit Committee, was appointed Chairman of the RMC.

(2) Mr Soon Tit Koon resigned from the RMC on 14 August 2012.

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 2012, the Board met 18 times, including an annual offsite strategic review meeting in Hong Kong March 2012 in conjunction with one of the Board meetings.

This annual off-site Board strategic review meeting is a platform 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, may also be included as part of the ongoing process for Directors to have an intimate understanding of the F&N Group's key business operations.

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, videoconference or any other forms of electronic or instantaneous communication facilities.

Board Matters (cont'd)

Meetings of the Board and Board Committees (cont'd)

The number of Board meetings and Board Committee meetings held in the financial year ended 30 September 2012 and the attendance of Directors at these meetings are as follows:

	Board	Board EXCO	Audit Committee	Risk Management Committee	Remuneration & Staff Establishment Committee	Nominating Committee	F&B Committee
Meetings held for the financial year ended 30 September 2012	18	5	5	2	3	-[4]	1
Mr Lee Hsien Yang	18/18	5/5	-	-	-	-	1/1
Mr Timothy Chia Chee Ming	18/18	-	5/5	-	3/3	-	-
Ms Maria Mercedes Corrales[1]	18/18	-	-	-	-	-	1/1
Mr Ho Tian Yee	16/18	3/5	-	-	3/3	-	-
Mr Hirotake Kobayashi[1]	14/18	-	-	-	-	-	1/1
Mr Koh Beng Seng	17/18	-	5/5	-	-	-	-
Dr Seek Ngee Huat[2]	17/18	-	-	2/2	-	-	-
Mr Soon Tit Koon[2] [3]	12/12	4/4	-	1/1	2/2	-	1/1
Mr Tan Chong Meng[2]	15/18	-	3/4	2/2	-	-	-
Mr Nicky Tan Ng Kuang	16/18	5/5	3/5	-	-	-	1/1

Notes:

(1) Ms Maria Mercedes Corrales and Mr Hirotake Kobayashi were appointed as members of the F&B Committee on 11 May 2012.

(2) Dr Seek Ngee Huat, Mr Soon Tit Koon and Mr Tan Chong Meng were appointed as members of the RMC on 11 May 2012. Mr Tan, who relinquished his membership of the Audit Committee, was appointed Chairman of the RMC.

(3) Mr Soon Tit Koon resigned from the Board and from the Board EXCO, F&B Committee, RMC and Remuneration & Staff Establishment Committee on 14 August 2012.

(4) 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 a formal letter of appointment setting out his or her duties and obligations, and, where appropriate, incorporating processes to deal with possible conflicts of interest that may arise. 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, presentations and/or handouts. During the year, the Board was briefed and/or updated on the following: (1) changes under Code 2012, (2) directors' duties in respect of company's financial statements, (3) enhanced provisions under the SGX-ST Listing Manual to strengthen corporate governance and (4) the Personal Data Protection Act which Parliament passed in October 2012. 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.

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 nine non-executive Directors, with a 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 changes under Code 2012, the 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 as they collectively bring with them a broad range of complementary competencies and experience.

The Nominating Committee determines the independence of each Director annually based on the definitions and guidelines of independence set out in Code 2005. In respect of the financial year ended 30 September 2012, the Nominating Committee performed a review of the independence of the Directors and 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 Executive Committee of FCL, a wholly owned subsidiary 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, who is non-executive, is not related to any of the CEOs of the three business divisions. There is no business relationship between him and any of these CEOs. Likewise, none of the CEOs are related to each other, and neither is there any other business relationship between or among them.

The Chairman leads the Board and ensures its effectiveness by, among other things, steering effective, productive and comprehensive discussions amongst Board members and the Management team on strategic, business and other key issues pertinent to the business and operations of the Group. His responsibilities also include making sure that Directors are provided with clear, complete and timely information in order to make sound, informed decisions.

The Chairman encourages active and effective engagement, participation by and contribution from all Directors, and facilitates constructive relations among and between them and Management. With the full support of the Board, Company Secretary and Management, the Chairman spearheads 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, the CEOs of the Group's three business divisions are responsible respectively for executing the Group's strategies and policies, and accountable to the Board for the conduct and performance of the respective business operations under their respective charge.

Board Membership

Principle 4: *There should be a formal and transparent process for the appointment of new directors to the Board.*

Nominating Committee

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.

Board Membership (cont'd)

Besides evaluating annually the independence of each Director, the Nominating Committee also appraises the performance of the Board as a whole, and the contribution of each Director to the effectiveness of the Board. Furthermore, it is also required to determine whether Directors who hold multiple board representations are able to and have been devoting sufficient time to discharge their responsibilities adequately. The Nominating Committee notes the requirement under Code 2012 for companies to fix the maximum number of listed company board representations that their directors may hold and to disclose this in their annual report. Details of such directorships and other principal commitments of our Directors may be found on pages 12 to 17. As time requirements are subjective, the Nominating Committee recognises that its assessment of each Director's ability to discharge his or her duties adequately cannot be confined to the criterion of the number of his or her board representations. It thus also takes into account contributions by Directors to and during meetings of the Board and relevant Board Committees and their attendance at such meetings, in addition to the principal commitments of each of them.

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 is in order to ensure an appropriate mix of core competencies to fulfill the Board's roles and responsibilities.

The Committee also leads the process for the search, identification, evaluation and selection of suitable candidates for new directorships. 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 and Board Committees. It 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 on its networking contacts and/or engage external professional headhunters to assist with identifying and shortlisting candidates.

The Company's Articles of Association provide 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 reappointment by virtue of their skills, experience and contributions. 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 for the financial year ended 30 September 2012, the Nominating Committee has assessed, affirmed and determined the status of each Director as follows:

Mr Lee Hsien Yang	Non-Independent
Mr Timothy Chia Chee Ming	Independent
Mr Hirotake Kobayashi	Non-Independent
Ms Maria Mercedes Corrales	Independent
Mr Ho Tian Yee[(1)]	Independent
Mr Koh Beng Seng	Independent
Dr Seek Ngee Huat	Independent
Mr Tan Chong Meng	Independent
Mr Nicky Tan Ng Kuang[(1)]	Independent

Notes:

(1) Mr Ho Tian Yee and Mr Nicky Tan will be deemed non-independent by virtue of Code 2012 from the next financial year as they would have served on the Board for more than nine years.

(2) Mr Soon Tit Koon resigned from the Board and from the Board EXCO, F&B Committee, RMC and Remuneration & Staff Establishment Committee on 14 August 2012.

Key Information regarding Directors

Key information on the Directors is set out on pages 12 to 17.

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 annually the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board.

An independent external consultant is engaged to formulate and facilitate the implementation of a process for evaluating the effectiveness of the Board collectively and the various Board Committees. Engaging an independent third party ensures objectivity in the process. All Directors are required to assess the performance of the Board and the Board Committees. Such assessment covers Board composition, information management, Board processes, Shareholder management, Board priorities, managing the Company's performance, effectiveness of the Board Committees, Director development and management, risk management and Director self-evaluation. In addition, Directors can also provide input on issues which do not fall under these categories. This includes addressing any specific areas where improvements may be made.

Through interviews conducted with 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.

Based on the Nominating Committee's review, 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 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

Note:
Mr Soon Tit Koon resigned from the RSEC on 14 August 2012.

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 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. The RSEC also oversees the framework for remuneration and other terms of service for other key management personnel of the Company.

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.

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. Carrots Consulting Pte Ltd and Hay Group Pte Ltd were appointed as remuneration consultants during the financial year ended 30 September 2012 ("**Remuneration Consultants**"). The Remuneration Consultants do not have any relationship with the Company which will affect their independence and objectivity.

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. This is 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 Executives' Share Option Scheme ("**F&N ESOS**"), Restricted Share Plan ("**RSP**") and Performance Share Plan ("**PSP**").

At an Extraordinary General Meeting of the Company held on 22 January 2009, the Company adopted the RSP and 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 as 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 applies to 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. These targets are set by the RSEC in its absolute discretion for the performance conditions to be met over the performance period. The performance period for the RSP and PSP are two and three years respectively. 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.

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.

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.

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	1,588,200[(2)]	100	0	0	0	0	100
Mr Timothy Chia Chee Ming	174,000	100	0	0	0	0	100
Ms Maria Mercedes Corrales	104,743[(3)]	100	0	0	0	0	100
Mr Ho Tian Yee	218,550[(4)]	100	0	0	0	0	100
Mr Hirotake Kobayashi	92,923	100	0	0	0	0	100
Mr Koh Beng Seng	152,000	100	0	0	0	0	100
Dr Seek Ngee Huat	99,847	100	0	0	0	0	100
Mr Soon Tit Koon[(1)]	128,605	100	0	0	0	0	100
Mr Tan Chong Meng	166,836[(5)]	100	0	0	0	0	100
Mr Nicky Tan Ng Kuang	170,500	100	0	0	0	0	100

Notes:

(1) Mr Soon Tit Koon resigned from the Board on 14 August 2012.

(2) Includes payment of (i) $79,200 in lieu of company car entitlement and (ii) $150,000 being director's fees from FCL.

(3) Includes payment of $7,820 being director's fees from Times Publishing Limited ("**TPL**").

(4) Includes payment of $53,550 being director's fees from TPL.

(5) Includes payment of $42,820 being director's fees from TPL.

Key Executives of the F&N Group	Remuneration $	Fee %	Salary %	Bonus %	Allowances & Benefits %	Long Term Incentive %	Total %
Lim Ee Seng	3,325,493	0	35	31	4	30	100
Roland Pirmez	2,877,965	0	41	37	4	18	100
Pascal De Petrini	2,781,402	0	41	26	33	0	100
Anthony Cheong Fook Seng	1,626,573	0	39	41	4	16	100
Dato' Ng Jui Sia	1,290,106	0	45	18	7	30	100

Note:

Save as disclosed below, there are no termination, retirement and post-employment benefits that may be granted to Directors and top five key management personnel (who are not Directors or the CEO of the Company):

- Mr Pascal De Petrini, CEO of the Company's F&B division and a director of certain entities of the F&N Group, is entitled to be paid an annual base salary of approximately $1,150,000 (excluding fixed allowances) and a cash reimbursement equal to the value of the long-term incentive under his employment contract with his previous employer. Under his employment contract, variable bonus is also payable dependent on the extent to which the targets set for the relevant financial year have been achieved subject to a guaranteed sum of $707,696 in the first financial year of his employment. In the event that Mr De Petrini's employment contract is terminated within 12 calendar months after the occurrence of a change in control event, the Company will be required to pay him $1,000,000 in cash on the last day of his employment (or at such earlier date required by law).

Disclosure on Remuneration (cont'd)

There are no employees within the F&N Group who are immediate family members of a Director, and whose remuneration exceeds $60,000 during the year.

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 a basic fee 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. Directors' fees are reviewed periodically to benchmark such fees against the amounts paid by other major listed companies. Following a review undertaken in the preceding financial year (i.e. ended 30 September 2011), the Company's Board fee structure during the year was as 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	50,000	2,000
- Member	25,000	1,000
RSEC and Nominating Committee		
- Chairman	30,000	2,000
- Member	15,000	1,000

The basic and attendance fees payable in respect of the RSEC and Nominating Committee as set out above, applies to the newly-formed RMC. While the same attendance fee applies to the F&B Committee, the basic fee for this Committee is lower, at $15,000 for its chairman and $7,500 for its members.

In anticipation of more F&B Committee meetings in the coming year and which is likely to involve greater participation by Directors, following this year's benchmarking review exercise, it is proposed that the basic fee for the F&B Committee be increased to bring it on par with the other Board Committees with effect from the next financial year as set out below. There will be no other changes to the Company's current Board fee structure.

	Current Basic Fee ($)	Proposed Basic Fee ($)
F&B Committee		
- Chairman	15,000	30,000
- Member	7,500	15,000

Shareholders' approval will be sought at the 114th AGM of the Company on 29 January 2013, for the payment of Directors' fees proposed for the financial year ending 30 September 2013 amounting to $2.9 million – the same amount for which approval was sought and obtained at the 113th AGM of the Company last year.

To better align with Shareholders' interests, Directors are encouraged to purchase the Company's shares from the open market and to hold the equivalent of a 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 three members:

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

Note:

Mr Tan Chong Meng relinquished his membership of the Audit Committee on 11 May 2012, when he was appointed Chairman of the RMC, with Dr Seek Ngee Huat and Mr Soon Tit Koon appointed as members. Mr Soon resigned from the Board and from the RMC on 14 August 2012.

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 internal control systems, including financial, operational and compliance controls, and risk management policies and framework[1]
- 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

Note:

(1) In respect of reviewing and evaluating risk management policies and framework, the Audit Committee performed this function up to 11 May 2012, when the RMC was reconstituted and assumed responsibility for it.

Audit Committee (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 133. 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 the 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.

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, 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.

Risk Management

The Board, through the RMC[(1)], 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.

Note:

(1) This was from 11 May 2012, when the RMC was reconstituted. Prior to this, the role was assumed by the Audit Committee.

Periodic updates are provided to the RMC 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.

Internal Controls (cont'd)

Risk Management (cont'd)

Using a comfort matrix of key risks, the material operational, financial and compliance risks of the Company have been documented and presented against strategies, policies, people, processes, systems, mechanisms and reporting processes that have been put in place. The management of the Company's business divisions also initiated a programme for control self-assessments in key areas of their respective businesses and operations to evaluate the adequacy and effectiveness of their risk management measures and internal controls.

Based on the internal controls and risk management framework established and maintained by the Group, work performed by internal and external auditors and reviews performed by Management and various Board Committees, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls were adequate as at 30 September 2012 to address financial, operational and compliance risks, which the Group considers relevant and material to its operations.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives.

In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

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

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 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 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 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 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 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, 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.

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 63.

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 up to two proxies 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.

Greater Shareholder Participation (cont'd)

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 2012

Name of Key Executive	Age	Academic & Professional Qualifications	Working Experience	Area of Responsibility
Mr Anthony Cheong Fook Seng	58	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 Pascal De Petrini	52	Master of Science in Management, Ecole Superieure des Sciences, Economiques 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 & Neave, Limited (Date appointed: 1 October 2011)
Mr Lim Ee Seng, PBM	61	Bachelor of Engineering (Civil), University of Singapore Master of Science (Project Management), National University of Singapore Fellow, Singapore Institute of Directors 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	60	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	52	Master 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)

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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 2012.

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	
Mr Koh Beng Seng	
Dr Seek Ngee Huat	
Mr Tan Chong Meng	
Mr Nicky Tan Ng Kuang	

Mr Soon Tit Koon resigned from the Board on 14 August 2012.

At the forthcoming Annual General Meeting, the following directors will retire by rotation pursuant to Article 117 of the Company's Articles of Association and, being eligible, offer themselves for re-election:

- Mr Nicky Tan Ng Kuang
- Mr Lee Hsien Yang
- Ms Maria Mercedes Corrales

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 is a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

	As at 1 Oct 2011	As at 30 Sep 2012
Lee Hsien Yang		
- *Fraser and Neave, Limited*		
• Ordinary Shares	588,240[1]	588,240[1]
- *Frasers Centrepoint Asset Management (Commercial) Ltd*		
• Ordinary Units in Frasers Commercial Trust	955,078[2]	955,078[2]
• Series A Convertible Perpetual Preferred Units in Frasers Commercial Trust	160,000	160,000
Timothy Chia Chee Ming	Nil	37,968[3]
Maria Mercedes Corrales	Nil	Nil
Hirotake Kobayashi	Nil	Nil
Ho Tian Yee	Nil	Nil
Koh Beng Seng	Nil	Nil
Dr Seek Ngee Huat	Nil	Nil
Tan Chong Meng		
- *Fraser and Neave, Limited*		
• Ordinary Shares	30,000	30,000
- *Frasers Centrepoint Asset Management (Commercial) Ltd*		
• Ordinary Units in Frasers Commercial Trust	60,000	60,000
Nicky Tan Ng Kuang		
- *Fraser and Neave, Limited*		
• Ordinary Shares	50,000	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	450,000	450,000

1 Includes deemed interest in 408,240 shares held by the estate of Mr Kwa Siew Tee, of which he is one of three trustees.

2 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.

3 Includes deemed interest of 30,374 shares which forms part of Mr Chia's mother's estate of which he is one of the beneficiaries and in respect of which probate was not granted as at 30 September 2012. The exact number of shares out of the 30,374 shares which he will receive will only be known after probate has been granted and the estate has been finalised.

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, Chapter. 50 by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he had a substantial financial interest except as disclosed in the financial statements.

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	(Resigned on 14 August 2012)

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

Information pertaining to Outstanding Options

At the end of the financial year, there were 11,055,498 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 1.10.2011	Options Exercised/ Lapsed	Balance as at 30.9.2012	Exercise Price	Exercise Period
1999 Scheme						
2003 (Year 4)	01.10.2002	25,380	(25,380)	-	$1.51	01.07.2005 to 31.08.2012
2004 (Year 5)	08.10.2003	178,610	(178,610)	-	$2.12	08.07.2006 to 07.09.2013
2005 (Year 6)	08.10.2004	1,517,335	(1,145,455)	371,880	$2.82	08.07.2007 to 07.09.2014
2006 (Year 7)	10.10.2005	2,738,550	(1,037,885)	1,700,665	$3.46	10.07.2008 to 09.09.2015
2007 (Year 8)	10.10.2006	4,692,040	(2,361,848)	2,330,192	$4.22	10.07.2009 to 09.09.2016
2008 (Year 9)	10.10.2007	8,559,498	(4,992,667)	3,566,831	$5.80	10.07.2010 to 09.09.2017
2009 (Year 10)	25.11.2008	9,961,758	(6,875,828)	3,085,930	$2.86	25.08.2011 to 24.10.2018
		27,673,171	(16,617,673)*	11,055,498		

* Exercised (16,454,911)
Lapsed due to Resignations (162,762)

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 auditor of the Company that such adjustment is fair and reasonable, by reason of any issue of additional shares in the Company by way of rights or capitalisation of profits or reserves, or repayment and reduction of capital or subdivision or consolidation of shares, made while an option remains unexercised.

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

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

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

The Company introduced the RSP and PSP (collectively, the "Share Plans") 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	(Resigned on 14 August 2012)

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 vesting of the RSP Base Award and PSP Base Award are conditional on the achievement of pre-determined targets set for a two-year performance period and three-year performance period respectively. The final number of RSP Shares and PSP Shares to be awarded will be determined at the end of the 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, or parent group employees 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.

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	Balance as at 1.10.2011 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2012
Year 1	14.12.2009	3,003,728	(208,650)	681,672	(1,819,200)	1,657,550
Year 2	14.12.2010	2,001,530	(213,750)	-	-	1,787,780
Year 3	14.12.2011	2,188,265	(210,400)	-	-	1,977,865
		7,193,523	(632,800)*	681,672	(1,819,200)	5,423,195

* Cancelled due to resignations

(ii) PSP

Shares	Grant Date	Balance as at 1.10.2011 or Grant Date if later	Cancelled	Balance as at 30.9.2012
Year 1	14.12.2009	283,972	(28,000)	255,972
Year 2	14.12.2010	225,158	(18,000)	207,158
Year 3	14.12.2011	179,897	(19,000)	160,897
		689,027	(65,000)*	624,027

* Cancelled due to resignations

(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, 19,250 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 1.10.2011	Options Lapsed	Balance as at 30.9.2012	Exercise Price	Exercise Period
2003	15.10.2002	10,750	(10,750)	-	$4.79	15.07.2005 to 14.09.2012
2004	08.10.2003	19,250	-	19,250	$6.29	08.07.2006 to 07.09.2013
		30,000	(10,750)	19,250		

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.

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, 3,931,800 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 1.10.2011	Options Exercised/ Lapsed	Balance as at 30.9.2012	Exercise price/ adjusted exercise price w.e.f. 13.12.2010	Exercise Period
2008	20.11.2007	29,700	(29,700)	-	RM7.77/7.17	20.08.2010 to 19.10.2012
2009	19.11.2008	970,000	(909,600)	60,400	RM8.46/7.81	19.08.2011 to 18.10.2013
2010	20.11.2009	2,941,500	(1,822,500)	1,119,000	RM11.34/10.47	20.08.2012 to 19.10.2014
2011	22.11.2010	2,958,700	(206,300)	2,752,400	RM14.52	22.08.2013 to 21.10.2015
		6,899,900	(2,968,100)*	3,931,800		

* Exercised (2,605,600)
Lapsed due to Resignations and Termination (362,500)

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 F&NHB which may be issued on the exercise of options granted under 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 F&NHB group and executive directors of F&NHB 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 F&NHB 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 F&NHB group; and

  (ii) not more than 10% of the new shares of F&NHB 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 F&NHB.

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

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

Following approval by its shareholders on 13 January 2012, F&NHB adopted the F&NHB Restricted Share Plan and F&NHB Performance Share Plan. No further options will be granted under the F&NHB 2007 Scheme.

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

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

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

6. AUDIT COMMITTEE

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

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

7. AUDITOR

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

8. OTHER INFORMATION REQUIRED BY SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

(a) The interests of the directors of the Company in the share capital of the Company and of its related companies as at the 21st day after the end of the financial year remained unchanged from those at 30 September 2012 as set out at paragraph 3 hereof.

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

On behalf of the Board

LEE HSIEN YANG
Director

KOH BENG SENG
Director

Singapore
16 November 2012

STATEMENT BY DIRECTORS

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

(i) the balance sheets, profit statements, statements of comprehensive income, statements of changes in equity and consolidated cash flow statement together with the notes thereto, set out on pages 105 to 209, 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 2012 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 2012; 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
16 November 2012

INDEPENDENT AUDITOR'S 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 105 to 209, which comprise the balance sheets of the Group and the Company as at 30 September 2012, 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, Chapter 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.

Auditor's 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 2012 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
16 November 2012

PROFIT STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Notes	THE GROUP 2012 ($'000)	2011 ($'000) (Restated)
Continuing operations			
REVENUE	3	**3,596,097**	4,610,237
Cost of sales		**(2,412,189)**	(3,173,495)
Gross profit		**1,183,908**	1,436,742
Other income (net)	4(a)	**16,467**	30,579
Operating expenses			
- Distribution		**(178,142)**	(168,292)
- Marketing		**(312,962)**	(305,327)
- Administration		**(244,512)**	(211,739)
		(735,616)	(685,358)
TRADING PROFIT		**464,759**	781,963
Share of associated companies' profits	4(b)	**60,402**	52,475
Gross income from investments	6	**15,618**	8,381
PROFIT BEFORE INTEREST AND TAXATION ("PBIT")		**540,779**	842,819
Finance income		**11,170**	5,512
Finance cost		**(95,043)**	(62,301)
Net finance cost	4(c)	**(83,873)**	(56,789)
PROFIT BEFORE FAIR VALUE ADJUSTMENT, TAXATION AND EXCEPTIONAL ITEMS		**456,906**	786,030
Fair value adjustment of investment properties		**341,585**	140,057
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS	4(d)	**798,491**	926,087
Exceptional items	7	**60,770**	136,341
PROFIT BEFORE TAXATION		**859,261**	1,062,428
Taxation	8	**(100,326)**	(197,784)
PROFIT FROM CONTINUING OPERATIONS AFTER TAXATION		**758,935**	864,644
Discontinued operations			
PROFIT FROM DISCONTINUED OPERATIONS AFTER TAXATION	28(a)	**251,480**	267,080
PROFIT AFTER TAXATION		**1,010,415**	1,131,724
ATTRIBUTABLE PROFIT TO:			
Shareholders of the Company			
- Before fair value adjustment and exceptional items			
Continuing operations		**320,120**	518,771
Discontinued operations		**152,215**	124,179
		472,335	642,950
- Fair value adjustment of investment properties		**340,203**	112,925
- Exceptional items			
Continuing operations		**50,769**	108,495
Discontinued operations		**(27,750)**	33,460
		23,019	141,955
		835,557	897,830
Non-controlling interests			
Continuing operations		**47,843**	124,453
Discontinued operations		**127,015**	109,441
		174,858	233,894
		1,010,415	1,131,724
Earnings per share attributable to the shareholders of the Company	10		
Basic - before fair value adjustment and exceptional items		**33.2 cts**	45.7 cts
- after fair value adjustment and exceptional items		**58.9 cts**	63.8 cts
Fully diluted - before fair value adjustment and exceptional items		**33.0 cts**	45.1 cts
- after fair value adjustment and exceptional items		**58.4 cts**	63.1 cts
Earnings per share from continuing operations attributable to the shareholders of the Company	10		
Basic - before fair value adjustment and exceptional items		**22.5 cts**	36.9 cts
- after fair value adjustment and exceptional items		**50.1 cts**	52.6 cts
Fully diluted - before fair value adjustment and exceptional items		**22.4 cts**	36.4 cts
- after fair value adjustment and exceptional items		**49.7 cts**	52.0 cts

The Notes on pages 113 to 209 form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2012

	THE GROUP	
	2012 ($'000)	2011 ($'000) (Restated)
Profit after taxation	**1,010,415**	1,131,724
Other comprehensive income:		
Share of other comprehensive income of associated companies	**(59)**	1,347
Realisation of reserves on disposal of subsidiary and associated companies	**46,916**	(5,751)
Net fair value changes on derivative financial instruments	**4,519**	(7,461)
Realisation of hedging loss from derivative financial instruments	**6,186**	-
Net fair value changes on available-for-sale financial assets	**123,399**	63,783
Currency translation difference	**(104,077)**	12,679
Other comprehensive income for the year, net of tax	**76,884**	64,597
Total comprehensive income for the year	**1,087,299**	1,196,321
Total comprehensive income attributable to:		
Shareholders of the Company	**938,420**	971,898
Non-controlling interests	**148,879**	224,423
	1,087,299	1,196,321

The Notes on pages 113 to 209 form an integral part of the Financial Statements.

BALANCE SHEET
AS AT 30 SEPTEMBER 2012

		THE GROUP			THE COMPANY	
	Notes	**2012 ($'000)**	2011 ($'000) (Restated)	2010 ($'000) (Restated)	**2012 ($'000)**	2011 ($'000)
SHARE CAPITAL AND RESERVES						
Share capital	11	**1,499,329**	1,417,404	1,374,502	**1,499,329**	1,417,404
Treasury shares	11	**(23)**	-	-	**(23)**	-
Reserves	11	**6,092,150**	5,425,965	4,707,223	**2,840,319**	2,755,660
		7,591,456	6,843,369	6,081,725	**4,339,625**	4,173,064
NON-CONTROLLING INTERESTS		**663,048**	831,204	803,055	**-**	-
		8,254,504	7,674,573	6,884,780	**4,339,625**	4,173,064
Represented by:						
NON-CURRENT ASSETS						
Fixed assets	12	**747,447**	1,188,098	1,104,216	**-**	-
Investment properties	13	**2,837,787**	2,476,740	2,139,026	**-**	-
Subsidiary companies	14	**-**	-	-	**3,829,665**	3,676,408
Joint venture companies	15	**-**	60,101	89,839	**-**	434,421
Associated companies	16	**1,495,514**	1,382,200	1,355,249	**82,383**	82,383
Intangible assets	17	**163,475**	569,609	576,219	**-**	-
Brands	22	**30,337**	73,519	74,275	**212**	-
Other investments	19	**374,978**	404,583	323,531	**8,877**	8,672
Other receivables	25	**83,970**	65,212	61,556	**-**	-
Other assets	20	**42,400**	41,000	41,000	**-**	-
Deferred tax assets	32	**38,700**	14,649	25,251	**-**	-
		5,814,608	6,275,711	5,790,162	**3,921,137**	4,201,884
CURRENT ASSETS						
Properties held for sale	23	**4,441,491**	4,254,487	4,488,047	**-**	-
Inventories	24	**265,936**	373,497	391,916	**-**	-
Trade receivables	25	**551,668**	961,457	1,021,283	**-**	-
Other receivables	25	**132,439**	317,142	252,327	**24**	316
Subsidiary companies	14	**-**	-	-	**16,552**	50,898
Joint venture companies	15	**1,662**	6,117	6,540	**-**	-
Associated companies	16	**13,122**	13,181	10,798	**-**	-
Short term investments	27	**60,448**	3,604	3,429	**-**	-
Bank fixed deposits	21	**604,112**	1,180,935	1,274,626	**64,489**	98,566
Cash and bank balances	21	**1,044,833**	418,672	424,290	**91,793**	1,002
		7,115,711	7,529,092	7,873,256	**172,858**	150,782
Assets held for sale	28	**1,720,659**	119,542	38,262	**434,421**	-
		8,836,370	7,648,634	7,911,518	**607,279**	150,782
Deduct: CURRENT LIABILITIES						
Trade payables	29	**529,751**	673,442	724,740	**-**	-
Other payables	29	**905,456**	1,012,643	1,013,210	**8,338**	5,125
Subsidiary companies	14	**-**	-	-	**17,823**	5,164
Joint venture companies	15	**3**	14,263	6,350	**-**	-
Associated companies	16	**1,787**	3,043	954	**-**	-
Borrowings	30	**936,296**	747,546	1,908,709	**-**	-
Provision for taxation		**176,739**	310,240	295,603	**12,244**	18,961
		2,550,032	2,761,177	3,949,566	**38,405**	29,250
Liabilities held for sale	28	**690,111**	38,292	2,297	**-**	-
		3,240,143	2,799,469	3,951,863	**38,405**	29,250
NET CURRENT ASSETS		**5,596,227**	4,849,165	3,959,655	**568,874**	121,532
Deduct: NON-CURRENT LIABILITIES						
Other payables	29	**38,630**	39,251	15,577	**-**	-
Borrowings	30	**2,971,647**	3,215,900	2,666,032	**150,000**	150,000
Provision for employee benefits	31	**17,346**	20,405	25,044	**-**	-
Deferred tax liabilities	32	**128,708**	174,747	158,384	**386**	352
		3,156,331	3,450,303	2,865,037	**150,386**	150,352
		8,254,504	7,674,573	6,884,780	**4,339,625**	4,173,064

The Notes on pages 113 to 209 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

THE GROUP

	Notes	Share Capital ($'000)	Treasury Shares ($'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 2012													
Balance at 1 October 2011		1,417,404	-	267,906	4,965,458	(158,936)	202,303	(23,273)	41,966	169,382	6,882,210	838,837	7,721,047
Effects of adopting INT FRS 115		-	-	-	(39,517)	676	-	-	-	-	(38,841)	(7,633)	(46,474)
Balance at 1 October 2011, restated		1,417,404	-	267,906	4,925,941	(158,260)	202,303	(23,273)	41,966	169,382	6,843,369	831,204	7,674,573
Comprehensive income													
Share of other comprehensive income of associated companies		-	-	(515)	(293)	708	450	(397)	(12)	-	(59)	-	(59)
Realisation of reserves on disposal of subsidiary and associated companies		-	-	(2,024)	1,506	49,073	-	(382)	(1,257)	-	46,916	-	46,916
Net fair value changes on derivative financial instruments		-	-	-	-	-	-	4,597	-	-	4,597	(78)	4,519
Realisation of hedging loss from derivative financial instruments		-	-	-	-	-	-	5,798	-	-	5,798	388	6,186
Net fair value changes on available-for-sale financial assets		-	-	-	-	-	123,399	-	-	-	123,399	-	123,399
Currency translation difference		-	-	-	-	(77,788)	-	-	-	-	(77,788)	(26,289)	(104,077)
Other comprehensive income for the year		-	-	(2,539)	1,213	(28,007)	123,849	9,616	(1,269)	-	102,863	(25,979)	76,884
Profit for the year		-	-	-	835,557	-	-	-	-	-	835,557	174,858	1,010,415
Total comprehensive income for the year		-	-	(2,539)	836,770	(28,007)	123,849	9,616	(1,269)	-	938,420	148,879	1,087,299
Contributions by and distributions to owners													
Employee share-based expense		-	-	-	-	-	-	-	12,399	-	12,399	1,109	13,508
Issue of shares in the Company upon exercise of share options and vesting of shares awarded	11	81,925	-	-	-	-	-	-	(16,689)	-	65,236	-	65,236
Purchase of treasury shares	11	-	(8,093)	-	-	-	-	-	-	-	(8,093)	-	(8,093)
Treasury shares reissued pursuant to share plans	11	-	8,070	(2,814)	-	-	-	-	(5,256)	-	-	-	-
Contribution of capital by non-controlling interests		-	-	-	-	-	-	-	-	-	-	35,660	35,660
Transfer of reserves by overseas subsidiary companies in compliance with statutory requirements		-	-	2,242	(2,242)	-	-	-	-	-	-	-	-
Dividends	9												
Dividend paid		-	-	-	(86,145)	-	-	-	-	(169,382)	(255,527)	(163,018)	(418,545)
Dividend proposed		-	-	-	(171,404)	-	-	-	-	171,404	-	-	-
Total contributions by and distributions to owners		81,925	(23)	(572)	(259,791)	-	-	-	(9,546)	2,022	(185,985)	(126,249)	(312,234)
Changes in ownership interests													
Change of interests in subsidiary and joint venture companies		-	-	-	(3,054)	(1,294)	-	-	-	-	(4,348)	669	(3,679)
Disposal of subsidiary companies		-	-	-	-	-	-	-	-	-	-	(191,455)	(191,455)
Total changes in ownership interests		-	-	-	(3,054)	(1,294)	-	-	-	-	(4,348)	(190,786)	(195,134)
Total transactions with owners in their capacity as owners		81,925	(23)	(572)	(262,845)	(1,294)	-	-	(9,546)	2,022	(190,333)	(317,035)	(507,368)
Balance at 30 September 2012		1,499,329	(23)	264,795	5,499,866	(187,561)	326,152	(13,657)	31,151	171,404	7,591,456	663,048	8,254,504

The Notes on pages 113 to 209 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
Effects of adopting INT FRS 115		-	-	(61,915)	842	-	-	-	-	(61,073)	(2,606)	(63,679)
Balance at 1 October 2010, restated		1,374,502	269,709	4,279,298	(170,874)	138,609	(16,169)	38,414	168,236	6,081,725	803,055	6,884,780
<u>Comprehensive income</u>												
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		-	-	-	21,987	-	-	-	-	21,987	(9,308)	12,679
Other comprehensive income for the year		-	(2,339)	187	19,419	63,694	(6,904)	11	-	74,068	(9,471)	64,597
Profit for the year		-	-	897,830	-	-	-	-	-	897,830	233,894	1,131,724
Total comprehensive income for the year		-	(2,339)	898,017	19,419	63,694	(6,904)	11	-	971,898	224,423	1,196,321
<u>Contributions by and distributions to owners</u>												
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)
<u>Changes in ownership interests</u>												
Change of interests in subsidiary and joint venture companies		-	21	2,577	(6,916)	-	(200)	-	-	(4,518)	(2,238)	(6,756)
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)	(10,478)	(14,996)
Total transactions with owners in their capacity as owners		42,902	536	(251,374)	(6,805)	-	(200)	3,541	1,146	(210,254)	(196,274)	(406,528)
Balance at 30 September 2011		1,417,404	267,906	4,925,941	(158,260)	202,303	(23,273)	41,966	169,382	6,843,369	831,204	7,674,573

The Notes on pages 113 to 209 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

THE COMPANY

	Notes	Share Capital ($'000)	Treasury Shares ($'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 2012									
Balance at 1 October 2011		1,417,404	-	1,039,274	1,506,196	1,717	39,091	169,382	4,173,064
Comprehensive income									
Net fair value changes on available-for-sale financial assets		-	-	-	-	169	-	-	169
Other comprehensive income for the year		-	-	-	-	169	-	-	169
Profit for the year		-	-	-	352,957	-	-	-	352,957
Total comprehensive income for the year		-	-	-	352,957	169	-	-	353,126
Contributions by and distributions to owners									
Employee share-based expense		-	-	-	-	-	11,819	-	11,819
Issue of shares in the Company upon exercise of share options and vesting of shares awarded	11	81,925	-	-	-	-	(16,689)	-	65,236
Purchase of treasury shares	11	-	(8,093)	-	-	-	-	-	(8,093)
Treasury shares reissued pursuant to share plans	11	-	8,070	(2,814)	-	-	(5,256)	-	-
Dividends	9								
Dividend paid		-	-	-	(86,145)	-	-	(169,382)	(255,527)
Dividend proposed		-	-	-	(171,404)	-	-	171,404	-
Total contributions by and distributions to owners		81,925	(23)	(2,814)	(257,549)	-	(10,126)	2,022	(186,565)
Total transactions with owners in their capacity as owners		81,925	(23)	(2,814)	(257,549)	-	(10,126)	2,022	(186,565)
Balance at 30 September 2012		1,499,329	(23)	1,036,460	1,601,604	1,886	28,965	171,404	4,339,625
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

The Notes on pages 113 to 209 form an integral part of the Financial Statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

	THE GROUP	
	2012 ($'000)	2011 ($'000) (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and exceptional items from continuing operations	**798,491**	926,087
Profit before taxation and exceptional items from discontinued operations	**411,423**	337,189
Profit before taxation and exceptional items	**1,209,914**	1,263,276
Adjustments for:		
Depreciation of fixed assets	**130,439**	119,615
Impairment of fixed assets and intangible assets	**15,513**	4,921
Impairment reversal of fixed assets and intangible assets	**(1,569)**	(2,213)
Fixed assets and intangible assets written off	**56**	983
Provision for employee benefits	**4,568**	2,237
Write back of provision for employee benefits	**(348)**	(2,907)
Allowance for foreseeable losses on properties held for sale (net)	**34,751**	12,034
Loss on disposal of fixed assets	**2,462**	3,100
Amortisation of brands and intangible assets	**17,655**	21,223
Amortisation of deferred income	**-**	(8,005)
Interest income	**(21,875)**	(17,623)
Interest expenses	**82,814**	52,922
Share of joint venture companies' profits	**(16,245)**	(17,342)
Share of associated companies' profits	**(60,838)**	(51,937)
Investment income	**(18,076)**	(11,549)
Profit on properties held for sale	**(281,936)**	(488,407)
Employee share-based expense	**21,140**	41,696
Fair value adjustment of financial instruments	**8,505**	(2,471)
Fair value adjustment of investment properties	**(341,585)**	(140,057)
Loss on disposal of financial instruments	**18,664**	16,647
Operating cash before working capital changes	**804,009**	796,143
Change in inventories	**(36,531)**	7,362
Change in receivables	**175,448**	(220,877)
Change in joint venture and associated companies' balances	**(11,002)**	8,664
Change in payables	**20,024**	30,454
Progress payment received/receivable on properties held for sale	**1,467,107**	2,460,962
Development expenditure on properties held for sale	**(1,376,111)**	(1,600,099)
Currency realignment	**(1,564)**	(3,925)
Cash generated from operations	**1,041,380**	1,478,684
Interest income received	**16,989**	17,623
Interest expenses paid	**(79,107)**	(54,795)
Income taxes paid	**(310,460)**	(267,182)
Payment of employee benefits	**(2,884)**	(3,313)
Payment of cash-settled options	**(7,018)**	(25,690)
Net cash from operating activities	**658,900**	1,145,327
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends from joint venture and associated companies	**89,949**	71,773
Investment income	**18,076**	11,549
Proceeds from sale of fixed assets and assets held for sale	**3,487**	15,660
Proceeds from disposal of associated companies	**37,603**	97,957
Proceeds from sale of other and short term investments	**703**	294
Proceeds from disposal of intangible assets	**1,688**	-
Proceeds from disposal of subsidiary companies	**55,946**	28,748
Proceeds from sale of investment properties	**-**	54,654
Purchase of fixed assets and investment properties	**(265,825)**	(348,773)
Purchase of other investments	**-**	(17,401)
Acquisition of non-controlling interests in subsidiary companies	**(4,054)**	(7,584)
Payment for intangible assets and brands	**(18,512)**	(15,799)
Development expenditure on investment properties under construction	**(53,232)**	(228,813)
Investments in associated and joint venture companies	**(22,234)**	(37,412)
Acquisition of subsidiary and joint venture companies	**(146,794)**	(27,086)
Repayment of loan from an associated company	**9,607**	-
Additional trade advances	**1,643**	663
Net cash used in investing activities	**(291,949)**	(401,570)

The Notes on pages 113 to 209 form an integral part of the Financial Statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

	THE GROUP	
	2012 ($'000)	2011 ($'000) (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from/(Repayment of) term loans and bank borrowings	**323,522**	(709,944)
Proceeds from issue of bonds	**-**	300,000
Purchase of treasury shares	**(8,093)**	-
Proceeds from issue of shares:		
- by subsidiary companies to non-controlling interests	**21,482**	20,682
- by the Company to shareholders	**65,236**	35,072
Payment of dividends:		
- by subsidiary companies to non-controlling interests	**(163,018)**	(206,826)
- by the Company to shareholders	**(255,527)**	(253,381)
Net cash used in financing activities	**(16,398)**	(814,397)
Net increase/(decrease) in cash and cash equivalents	**350,553**	(70,640)
Cash and cash equivalents at beginning of year	**1,597,635**	1,695,123
Reclassified to assets held for sale	**(279,312)**	(1,383)
Effects of exchange rate changes on cash and cash equivalents	**(21,399)**	(25,465)
Cash and cash equivalents at end of year	**1,647,477**	1,597,635
Cash and cash equivalents at end of year comprise:		
Cash and bank deposits (Note 21)	**1,648,945**	1,599,607
Bank overdrafts (Note 30)	**(1,468)**	(1,972)
	1,647,477	1,597,635
Analysis of acquisition and disposal of subsidiary and joint venture companies		
Net assets acquired:		
Fixed assets	**12,616**	12,135
Investment properties	**266,688**	-
Other non-current assets	**213**	4,211
Current assets	**14,155**	16,498
Bank borrowings	**(82,692)**	(103)
Current liabilities	**(23,965)**	(9,249)
Non-current liabilities	**-**	(2,315)
Non-controlling interests	**(471)**	(831)
Cash	**12,340**	7,036
	198,884	27,382
Investment in associated company previously accounted for	**(43,878)**	-
Goodwill on acquisition (net)	**18,306**	6,740
Consideration	**173,312**	34,122
Contribution of capital by non-controlling interests	**(14,178)**	-
Cash and cash equivalents of subsidiary and joint venture companies	**(12,340)**	(7,036)
Cash outflow on acquisition net of cash and cash equivalents acquired	**146,794**	27,086
Net assets disposed:		
Fixed assets	**(278)**	(228)
Investment properties	**(235,402)**	-
Properties held for sale	**(303,213)**	-
Other non-current assets	**(1,421)**	(2,079)
Current assets	**(3,028)**	(169,693)
Non-current liabilities	**222,621**	1,510
Current liabilities	**77,215**	62,591
Non-controlling interests	**191,455**	7,933
Cash	**(205,675)**	(4,002)
	(257,726)	(103,968)
Realisation of translation difference	**(34,632)**	5,498
Provision for cost of disposal	**(100)**	-
Fair value of retained interest reclassified to investment in associated company	**69,316**	-
Consideration satisfied by other receivables	**-**	84,352
Gain on disposal	**(38,479)**	(18,632)
Consideration received	**(261,621)**	(32,750)
Less: Cash of subsidiary companies disposed off	**205,675**	4,002
Cash inflow on disposal net of cash and cash equivalents disposed	**(55,946)**	(28,748)

The Notes on pages 113 to 209 form an integral part of the Financial Statements.

The following Notes form an integral part of the Financial Statements on pages 105 to 112.

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 beverages (includes soft drinks, beer and stout) and dairy products;
(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 16 November 2012.

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, Chapter 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 2011, the Group and the Company adopted the following new and revised standards and interpretations of FRS (INT FRS) that are mandatory for application from that date.

Revised FRS 24	Related Party Disclosures
Amendments to INT FRS 114	Prepayments of a Minimum Funding Requirement
INT FRS 115	Agreements for the Construction of Real Estate
Amendments to FRS 107	Disclosures - Transfer of Financial Assets

Improvements to FRSs 2010 - Amendments to:

FRS 107	Financial Instruments: Disclosures
FRS 1	Presentation of Financial Statements
FRS 34	Interim Financial Reporting

Except for INT FRS 115 and Revised FRS 24, the adoption of the above standards and interpretations had no material effect on the financial performance or position of the Group and the Company.

2. ACCOUNTING POLICIES (cont'd)

2.1 Basis of Preparation (cont'd)

INT FRS 115 Agreements for the Construction of Real Estate

The Group has adopted INT FRS 115 Agreements for the Construction of Real Estate from 1 October 2011.

On 26 August 2010, the Accounting Standards Council issued INT FRS 115 with an accompanying note that explains the application of INT FRS 115 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.

Before 1 October 2011, the Group's accounting policy for all pre-completion property sales was to recognise revenue using the POC method as construction progresses. Upon applying INT FRS 115 retrospectively, the comparatives have been restated. The effects on the Group's financial statements are as follows:

Group Profit Statement

	2011 ($'000)
Increase in revenue	92,086
Increase in cost of sales	(23,402)
Increase in marketing expenses	(43,158)
Increase in taxation	(8,154)
Increase in profit after taxation	17,372
Increase in attributable profit to:	
- Shareholders of the Company	22,398
- Non-controlling interests	(5,026)
	17,372
Basic and diluted earnings per share (cents)	
- Before fair value adjustment and exceptional items	1.6
- After fair value adjustment and exceptional items	1.6

Group Balance Sheet

	2011 ($'000)	2010 ($'000)
Decrease in revenue reserves	(39,517)	(61,915)
Increase in exchange reserves	676	842
Decrease in non-controlling interests	(7,633)	(2,606)
Decrease in total equity	(46,474)	(63,679)
Increase in properties held for sale	217,799	178,862
Increase in other payables	274,406	260,713
Decrease in provision for taxation	(7,408)	(18,172)
Decrease in deferred taxation	(2,725)	-

2. ACCOUNTING POLICIES (cont'd)

2.1 Basis of Preparation (cont'd)

Revised FRS 24 Related Party Disclosures

The Group adopted Revised FRS 24 Related Party Disclosures from 1 October 2011.

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 adoption of the revised FRS 24 affects only the disclosures made in the financial statements. There is no financial effect on the results and financial position of the Group for the current and previous financial years.

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.

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).

2. ACCOUNTING POLICIES (cont'd)

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

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.

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.

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. ACCOUNTING POLICIES (cont'd)

2.4 Associated Companies

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

The Group's investments in associated companies are 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.

2.5 Revenue Recognition

Sale of Goods

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).

Sale of Development Properties Under Construction

Revenue from development properties under construction is recognised when the significant risks and rewards of ownership have been transferred to the purchasers. For residential development projects under progressive payment scheme in Singapore, whereby the legal terms in the sales contracts result in continuous transfer of work-in-progress to the purchasers, revenue is recognised based on the percentage of completion method. Under the percentage of completion method, profit is brought into profit statement only in respect of finalised sales contracts and to the extent that such profit relates to the progress of construction work. The progress of construction work is measured by the proportion of the construction and related costs incurred to date to the estimated total construction and related costs for each project.

For executive condominium projects in Singapore, residential development projects under deferred payment scheme in Singapore and overseas development projects, revenue will be recognised upon the transfer of significant risks and rewards of ownership, which generally coincides with the time the development units are delivered to the purchasers.

Sale of Completed Development Properties

Revenue from completed properties is recognised when the risks and rewards of ownership have been transferred to the purchaser either through the transfer of legal title or equitable interest in the properties, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

2. ACCOUNTING POLICIES (cont'd)

2.5 Revenue Recognition (cont'd)

Others

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.

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 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. ACCOUNTING POLICIES (cont'd)

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.

2.9 Investment Properties

(a) Completed Investment Properties

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.

2. ACCOUNTING POLICIES (cont'd)

2.9 Investment Properties (cont'd)

(b) Investment Property Under Construction

Investment properties under construction are initially stated at cost. Cost includes land and construction, related overhead expenditure and financing charges incurred during the period of construction and up to the completion of construction.

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.

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, development properties held for sale or completed properties held for sale. Capitalisation of borrowing costs commences when activities to prepare the assets are in progress until the asset is ready for its intended use. Borrowing costs capitalised in property held for sale are 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.

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) Development costs of publications are expensed as incurred, except for development costs which can reasonably be expected to be recovered from related future revenues.

The development costs are then amortised in accordance with their estimated economic useful lives, upon completion of published products as follows:

	Directories	Curriculum	General	Reference
1st year	100%	33%	50%	33%
2nd year	-	33%	30%	27%
3rd year	-	34%	20%	20%
4th year	-	-	-	13%
5th year	-	-	-	7%

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

2. ACCOUNTING POLICIES (cont'd)

2.11 Intangible Assets (cont'd)

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.

2.13 Properties Held For Sale

(a) Development Properties Held for Sale

Development properties held for sale are measured 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. Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when incurred.

Net realisable value of development properties held for sale is the estimated selling price in the ordinary course of the business, based on market prices at the end of the reporting period and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

Development properties held for sale are stated at cost plus attributable profits less progress billings if their revenue is recognised based on percentage of completion method. Progress billings not yet paid by customers are included within "trade and other receivables".

2. ACCOUNTING POLICIES (cont'd)

2.13 Properties Held For Sale (cont'd)

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

Development properties held for sale are stated at cost if their revenue is recognised upon completion. Payments received from purchasers prior to completion are included in "trade and other payables" as "progress billings received in advance".

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

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.

For revenue recognition on development properties held for sale, please refer to Note 2.5.

(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.

For revenue recognition on completed properties held for sale, please refer to Note 2.5.

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.

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. ACCOUNTING POLICIES (cont'd)

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.

Defined contribution plans under statutory regulations

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

2. ACCOUNTING POLICIES (cont'd)

2.18 Employee Benefits (cont'd)

(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.

(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.

2. ACCOUNTING POLICIES (cont'd)

2.19 Functional and Foreign Currencies (cont'd)

(b) Foreign currency transactions (cont'd)

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.

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 cash generating units ("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.

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 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.

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.

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.

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 less the estimated costs of completion and the estimated costs necessary to make the sale. 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 use 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 the recoverable amount of the 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.

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*

For residential development projects under progressive payment scheme in Singapore, 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 2.5. 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 references to information such as current offers and/or recent contracts with contractors and suppliers, estimation on cost of construction and material costs based on historical experience, and the work of professional surveyors and architects. Revenue from partly completed properties held for sale is 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. The fair value of completed investment properties is determined using a combination of the Direct Comparison Method, Market Value Method, Capitalisation Approach, Income Approach and Discounted Cash Flow Analysis. 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 recorded at cost. The fair value is determined using a combination of Market Comparison and Discounted Cash Flow Analysis and Investment, Comparable Sales and Residual Land Value Methods which considers the significant risks which are relevant to the development process, including but not limited to construction and letting risks.

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 separately from income and expenses from continuing activities.

2.28 Treasury Shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.29 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and the Company; or

(b) a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the balance sheet of the Group and the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

	THE GROUP 2012 ($'000)	THE GROUP 2011 ($'000) (Restated)
3. REVENUE		
Sale of properties		
- recognised on completed contract method	**457,064**	818,305
- recognised on percentage of completion method	**575,519**	1,105,199
	1,032,583	1,923,504
Sale of goods	**1,985,402**	2,172,309
Sale of services	**272,655**	229,864
Gross rental income	**280,354**	266,988
Others	**25,103**	17,572
Total revenue	**3,596,097**	4,610,237
4. PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS		
(a) Included in Other Income (net):		
Exchange gain	**11,434**	15,562
Compensation income/(Provision for litigation claims)	**6,749**	(4,760)
Impairment of goodwill	**(3,298)**	-
Loss on disposal of fixed assets	**(2,037)**	(2,701)
Loss on disposal of derivatives	**(513)**	(1,954)
Fair value (loss)/gain on derivatives	**(4,202)**	3,420
Gain on disposal of property	**-**	14,777
(b) Share of associated companies' profits comprise of:		
Share of associated companies' profits	**60,402**	52,475
Share of exceptional items of an associated company	**20,713**	4,066
Share of fair value adjustment of investment properties of associated companies	**71,694**	54,491
	152,809	111,032
(c) Net Finance Cost:		
Finance income		
Interest income from bank and other deposits	**4,924**	4,520
Interest rate swap contracts	**-**	81
Others	**6,246**	911
	11,170	5,512
Finance cost		
Interest expense from bank and other borrowings	**(67,895)**	(43,515)
Interest rate swap contracts	**(3,171)**	(337)
Foreign exchange contracts	**(19,311)**	(18,303)
Others	**(4,666)**	(146)
	(95,043)	(62,301)
	(83,873)	(56,789)

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

	THE GROUP	
	2012 ($'000)	2011 ($'000) (Restated)
(d) Profit before taxation and exceptional items have been arrived at after charging:		
Depreciation of fixed assets	**81,030**	74,291
Impairment of fixed assets	**458**	162
Impairment of intangible assets	**10,323**	1,307
Allowance for foreseeable losses on properties held for sale	**34,751**	12,034
Amortisation of intangible assets	**17,513**	21,200
Intangible assets written off	**56**	952
Fixed assets written off	**-**	31
Allowance for doubtful trade debts and bad debts	**5,005**	3,733
Allowance for inventory obsolescence	**8,436**	12,087
Provision for employee benefits	**3,745**	1,627
Directors of the Company:		
Fee	**2,349**	2,144
Remuneration of members of Board committees	**548**	375
Key executive officers:		
Remuneration	**8,834**	8,111
Provident Fund contribution	**42**	41
Employee share-based expense	**1,921**	3,824
Staff costs (exclude directors and key executives)	**307,174**	290,305
Defined contribution plans (exclude directors and key executives)	**21,926**	19,901
Employee share-based expense (exclude directors and key executives)	**12,271**	10,141
Auditors' remuneration:		
Auditor of the Company	**1,158**	990
Member firms of the Auditor of the Company	**1,376**	1,121
Other auditors	**941**	607
Professional fees paid to:		
Auditor of the Company	**302**	413
Member firms of the Auditor of the Company	**1,054**	1,005
Other auditors	**781**	158
and crediting:		
Write back of provision for employee benefits	**339**	2,907
Write back of allowance for doubtful trade debts and bad debts	**2,665**	1,358
Write back of allowance for inventory obsolescence	**3,831**	1,763
Amortisation of deferred income	**-**	8,005
Reversal of impairment of fixed assets	**485**	1,843
Reversal of impairment of intangible assets	**174**	-

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.

Following the classification of APIPL Group results as Discontinued Operations, as detailed in Note 28(a), the remaining Breweries components were grouped together with the Soft Drinks segment to form the Beverages segment. Last year's segment was revised to be comparable.

5. SEGMENT INFORMATION (cont'd)

Year ended 30 September 2012

The following table presents financial information regarding operating segments:

Operating Segment	Beverages ($'000)	Dairies ($'000)	Breweries (Discontinued Operations) ($'000)	Printing & Publishing ($'000)	Commercial Property ($'000)	Development Property ($'000)	Others ($'000)	Adjustment & Elimination ($'000)	Per Consolidated Financial Statements ($'000)
Revenue - external	834,741	969,018	1,973,909	382,314	276,410	1,069,064	64,550	(1,973,909)	3,596,097
Revenue - inter-segment	13,883	-	-	300	4,763	-	247,943	(266,889)	-
Total revenue	**848,624**	**969,018**	**1,973,909**	**382,614**	**281,173**	**1,069,064**	**312,493**	**(2,240,798)**	**3,596,097**
Subsidiary companies	98,241	25,636	394,286	4,643	112,742	193,146	45,969	(394,286)	480,377
Joint venture and associated companies	-	-	16,683	(557)	56,779	1,655	2,525	(16,683)	60,402
PBIT	**98,241**	**25,636**	**410,969**	**4,086**	**169,521**	**194,801**	**48,494**	**(410,969)**	**540,779**
Finance income									11,170
Finance cost									(95,043)
Profit before taxation and exceptional items									**456,906**
Fair value adjustment of investment properties									341,585
Exceptional items									60,770
Profit before taxation									**859,261**
Taxation									(100,326)
Profit from continuing operations after taxation									**758,935**
Profit from discontinued operations after taxation									**251,480**
Profit after taxation									**1,010,415**
Non-controlling interests									(174,858)
Attributable profit									**835,557**
Assets	428,628	625,942	1,686,244	397,806	3,043,622	4,612,205	673,372	-	11,467,819
Investments in Associated and Joint Venture Companies	-	-	-	228,702	1,113,018	124,218	29,576	-	1,495,514
Tax assets									38,700
Bank deposits & cash balances									1,648,945
Total assets									**14,650,978**
Liabilities	125,989	172,579	688,538	102,346	91,320	770,673	231,639	-	2,183,084
Tax liabilities									305,447
Borrowings									3,907,943
Total liabilities									**6,396,474**
Other segment information:									
Capital expenditure	46,072	76,232	93,658	22,047	93,896	1,726	3,938	-	337,569
Depreciation & amortisation	24,886	27,674	49,551	34,778	5,271	117	5,817	(49,551)	98,543
Impairment and foreseeable losses	275	3,481	4,732	7,025	-	34,751	-	(4,732)	45,532
Negative goodwill	-	-	-	(1,849)	(6,106)	-	-	-	(7,955)
Reversal of impairment losses	(211)	(264)	(910)	(174)	-	-	(10)	910	(659)
Attributable profit from continuing operations before fair value adjustment and exceptional items	39,966	29,130	152,215	(4,996)	111,389	144,355	276	(152,215)	320,120
Fair value adjustment of investment properties	-	-	-	3,897	336,306	-	-	-	340,203
Exceptional items	-	19,099	(27,750)	(25,444)	52,442	-	4,672	27,750	50,769
Attributable profit from continuing operations	39,966	48,229	124,465	(26,543)	500,137	144,355	4,948	(124,465)	711,092
Attributable profit from discontinued operations									124,465
Total Attributable profit									835,557

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)	Discontinued Operations ($'000)	Per Consolidated Financial Statements ($'000)
Total revenue	1,777,209	1,031,798	1,516,692	550,719	646,621	46,967	(1,973,909)	3,596,097
PBIT	401,396	78,874	341,011	63,049	62,633	4,785	(410,969)	540,779
Non-current assets	2,494,946	406,112	612,593	311,116	50,633	404,994	-	4,280,394
Investments in Associated and Joint Venture Companies	1,113,018	29,576	41,069	239,515	72,336	-	-	1,495,514
Current assets	2,894,458	321,281	978,447	827,285	1,847,989	317,965	-	7,187,425
Capital expenditure	61,900	112,809	110,756	20,150	29,508	2,446	-	337,569

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

5. SEGMENT INFORMATION (cont'd)

Year ended 30 September 2011 (Restated)

The following table presents financial information regarding operating segments:

Operating Segment	Beverages ($'000)	Dairies ($'000)	Breweries (Discontinued Operations) ($'000)	Printing & Publishing ($'000)	Commercial Property ($'000)	Development Property ($'000)	Others ($'000)	Adjustment & Elimination ($'000)	Per Consolidated Financial Statements ($'000)
Revenue - external	883,326	1,066,832	1,744,502	397,058	261,489	1,959,024	42,508	(1,744,502)	4,610,237
Revenue - inter-segment	1,602	-	-	346	4,809	-	251,122	(257,879)	-
Total revenue	**884,928**	**1,066,832**	**1,744,502**	**397,404**	**266,298**	**1,959,024**	**293,630**	**(2,002,381)**	**4,610,237**
Subsidiary companies	156,579	39,773	317,453	21,317	115,262	430,807	26,606	(317,453)	790,344
Joint venture and associated companies	-	(2,351)	16,804	5,870	45,707	2,488	761	(16,804)	52,475
PBIT	**156,579**	**37,422**	**334,257**	**27,187**	**160,969**	**433,295**	**27,367**	**(334,257)**	**842,819**
Finance income									5,512
Finance cost									(62,301)
Profit before taxation and exceptional items									**786,030**
Fair value adjustment of investment properties									140,057
Exceptional items									136,341
Profit before taxation									**1,062,428**
Taxation									(197,784)
Profit from continuing operations after taxation									**864,644**
Profit from discontinued operations after taxation									**267,080**
Profit after taxation									**1,131,724**
Non-controlling interests									(233,894)
Attributable profit									**897,830**
Assets	324,009	593,320	1,352,430	452,729	2,687,299	4,835,158	622,843	-	10,867,788
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									**13,924,345**
Liabilities	148,040	168,401	381,012	98,791	83,290	679,937	241,868	-	1,801,339
Tax liabilities									484,987
Borrowings									3,963,446
Total liabilities									**6,249,772**
Other segment information:									
Capital expenditure	59,193	92,884	94,825	19,490	321,859	2,894	2,240	-	593,385
Depreciation & amortisation	21,405	24,047	45,352	38,755	5,542	101	5,641	(45,352)	95,491
Impairment and foreseeable losses	62	100	3,452	1,307	-	12,034	-	(3,452)	13,503
Negative goodwill	-	-	-	-	(6,915)	-	-	-	(6,915)
Reversal of impairment losses	(636)	(1,207)	(370)	-	-	-	-	370	(1,843)
Attributable profit from before fair value adjustment and exceptional items	69,999	13,575	124,179	20,738	112,295	305,953	(3,789)	(124,179)	518,771
Fair value adjustment of investment properties	-	-	-	2,864	110,061	-	-	-	112,925
Exceptional items	-	416	33,460	4,191	11,925	6,187	85,776	(33,460)	108,495
Attributable profit from continuing operations	69,999	13,991	157,639	27,793	234,281	312,140	81,987	(157,639)	740,191
Attributable profit from discontinued operations									157,639
Total Attributable profit									897,830

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)	Discontinued Operations ($'000)	Per Consolidated Financial Statements ($'000)
Total revenue	2,191,839	1,229,408	1,436,915	539,724	909,971	46,882	(1,744,502)	4,610,237
PBIT	479,225	167,402	295,749	87,726	155,939	(8,965)	(334,257)	842,819
Non-current assets	2,270,521	384,082	1,070,221	597,953	362,904	133,080	-	4,818,761
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	2,737,755	320,937	298,110	1,143,229	1,252,643	296,353	-	6,049,027
Capital expenditure	264,728	126,480	102,413	34,957	61,313	3,494	-	593,385

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

	THE GROUP	
	2012 ($'000)	2011 ($'000) (Restated)
6. GROSS INCOME FROM INVESTMENTS		
Interest income	**2,662**	2,291
Dividend income	**12,956**	6,090
	15,618	8,381
7. EXCEPTIONAL ITEMS		
Gain on disposal of subsidiary and associated companies	**56,120**	6,154
Share of exceptional items of associated companies	**20,713**	4,066
Assets written off and other expenses incurred relating to flood in Thailand (net of insurance claims)	**(1,886)**	-
Business interruption insurance claim relating to flood in Thailand	**12,137**	-
Gain on corporate and debt restructuring of subsidiary companies	**4,468**	102,876
Write back of impairment in value of investments	**1,004**	7,897
Provision for restructuring and re-organisation costs of operations	**(24,150)**	(2,988)
Others	**(7,636)**	13,343
Profit on disposal of properties	**-**	3,987
Gain on dilution of interest in an associated company	**-**	1,006
	60,770	136,341
8. TAXATION		
Based on profit for the year:		
Singapore tax	**49,313**	69,823
Overseas tax		
- current year	**60,011**	109,879
- withholding tax	**9,245**	7,067
Deferred tax		
- current year	**9,285**	35,402
- adjustment of tax rate	**620**	(39)
	128,474	222,132
Over provision in preceding years		
- current income tax	**(26,137)**	(11,283)
- deferred tax	**(2,011)**	(13,065)
Income tax attributable to continuing operations	**100,326**	197,784
Income tax attributable to discontinued operations (Note 28(a))	**128,209**	108,896
	228,535	306,680

8. TAXATION (cont'd)

	THE GROUP	
	2012	2011
	%	%
		(Restated)

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

Singapore statutory rate	**17.0**	17.0
Effect of different tax rates of other countries	**3.8**	5.3
Effect of tax losses of subsidiary and joint venture companies not available for set-off against profits of other companies within the group	**4.1**	1.1
Income not subject to tax (tax incentive/exemption)	**(7.0)**	(6.0)
Expenses not deductible for tax purposes	**4.8**	4.4
Utilisation of previously unrecognised tax losses in determining taxable profit	**(0.4)**	(0.2)
Over provision in prior years	**(2.2)**	(1.7)
Tax effect of fair value adjustments	**(3.8)**	(0.9)
Withholding tax	**2.0**	1.3
Other reconciliation items	**0.1**	1.0
	18.4	21.3

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

Singapore statutory rate	**17.0**	17.0
Effect of different tax rates of other countries	**2.0**	4.6
Effect of tax losses of subsidiary and joint venture companies not available for set-off against profits of other companies within the group	**5.2**	1.0
Income not subject to tax (tax incentive/exemption)	**(9.5)**	(7.0)
Expenses not deductible for tax purposes	**5.0**	5.3
Utilisation of previously unrecognised tax losses in determining taxable profit	**(0.6)**	(0.2)
Over provision in prior years	**(3.3)**	(2.3)
Tax effect of fair value adjustments	**(5.4)**	(1.2)
Withholding tax	**1.1**	0.7
Other reconciliation items	**0.2**	0.7
	11.7	18.6

As at 30 September 2012, certain Singapore subsidiary companies have unutilised tax losses carried forward of approximately $39,510,000 (2011: $35,022,000) and unabsorbed capital allowances of $578,000 (2011: $578,000) available for set off against future profits. In addition, certain overseas subsidiary companies have unutilised tax losses carried forward of approximately $246,996,000 (2011: $217,811,000), unutilised investment allowances of approximately $165,679,000 (2011: $40,942,000) and unabsorbed capital allowances of $44,153,000 (2011: $20,754,000). 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") 2012 certain subsidiary companies have transferred loss items of $9,800,000 (YA 2011: $12,437,000) to offset against the taxable income of other companies in the Group. Tax benefits of $1,423,000 (YA 2011: $160,000) were recognised on the tax losses utilised under the group relief systems. Tax benefits of $2,980,000 (YA 2011: $2,980,000) 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.

9. DIVIDENDS

	THE GROUP & THE COMPANY	
	2012 (\$'000)	2011 (\$'000)
Interim paid of 6.0 cents per share (2011: 6.0 cents per share)	**86,145**	85,145
Final proposed of 12.0 cents per share (2011: 12.0 cents per share)	**171,404**	169,382
	257,549	254,527

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	
	2012 (\$'000)	2011 (\$'000)	**2012 (\$'000)**	2011 (\$'000)	**2012 (\$'000)**	2011 (\$'000)
Group attributable profit to shareholders of the Company						
- before fair value adjustment and exceptional items	**320,120**	518,771	**152,215**	124,179	**472,335**	642,950
- after fair value adjustment and exceptional items	**711,092**	740,191	**124,465**	157,639	**835,557**	897,830
	–– No. of shares ––					
Weighted average number of ordinary shares in issue	**1,419,992,417**	1,407,551,828	**1,419,992,417**	1,407,551,828	**1,419,992,417**	1,407,551,828
Earnings Per Share (Basic)						
- before fair value adjustment and exceptional items	**22.5 cts**	36.9 cts	**10.7 cts**	8.8 cts	**33.2 cts**	45.7 cts
- after fair value adjustment and exceptional items	**50.1 cts**	52.6 cts	**8.8 cts**	11.2 cts	**58.9 cts**	63.8 cts

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	
	2012 ($'000)	2011 ($'000)	**2012 ($'000)**	2011 ($'000)	**2012 ($'000)**	2011 ($'000)
Group attributable profit to shareholders of the Company before fair value adjustment and exceptional items	**320,120**	518,771	**152,215**	124,179	**472,335**	642,950
Change in attributable profit due to dilutive share options	**(170)**	(409)	**(10)**	(15)	**(180)**	(424)
Group adjusted attributable profit to shareholders of the Company before fair value adjustment and exceptional items	**319,950**	518,362	**152,205**	124,164	**472,155**	642,526
Group attributable profit to shareholders of the Company after fair value adjustment and exceptional items	**711,092**	740,191	**124,465**	157,639	**835,557**	897,830
Change in attributable profit due to dilutive share options	**(223)**	(448)	**(9)**	(17)	**(232)**	(465)
Group adjusted attributable profit to shareholders of the Company after fair value adjustment and exceptional items	**710,869**	739,743	**124,456**	157,622	**835,325**	897,365

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	
	2012	2011	**2012**	2011	**2012**	2011
	–– No. of shares ––					
Weighted average number of ordinary shares used to compute basic earnings per share	**1,419,992,417**	1,407,551,828	**1,419,992,417**	1,407,551,828	**1,419,992,417**	1,407,551,828
Effect of dilutive share options	**10,401,378**	14,612,630	**10,401,378**	14,612,630	**10,401,378**	14,612,630
Weighted average number of ordinary shares used to compute diluted earnings per share	**1,430,393,795**	1,422,164,458	**1,430,393,795**	1,422,164,458	**1,430,393,795**	1,422,164,458
Earnings Per Share (Fully diluted)						
- before fair value adjustment and exceptional items	**22.4 cts**	36.4 cts	**10.6 cts**	8.7 cts	**33.0 cts**	45.1 cts
- after fair value adjustment and exceptional items	**49.7 cts**	52.0 cts	**8.7 cts**	11.1 cts	**58.4 cts**	63.1 cts

No share options (2011: Nil) 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, TREASURY SHARES AND RESERVES

(a) Share capital

	THE GROUP & THE COMPANY			
	2012		2011	
	No. of shares	**($'000)**	No. of shares	($'000)
Ordinary shares issued and fully paid up				
Balance at beginning of year	**1,411,514,577**	**1,417,404**	1,401,963,196	1,374,502
Issued during the year				
- pursuant to the exercise of Executives' Share Options	**16,454,911**	**80,452**	9,551,381	42,902
- pursuant to the vesting of shares awarded under Share Plan	**398,300**	**1,473**	-	-
Balance at end of year	**1,428,367,788**	**1,499,329**	1,411,514,577	1,417,404

11. SHARE CAPITAL, TREASURY SHARES AND RESERVES (cont'd)

(a) Share capital (cont'd)

The holders of ordinary shares (except for treasury 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 $80,452,000 (2011: $42,902,000).

(b) Treasury shares

	THE GROUP & THE COMPANY			
	2012		2011	
	No. of shares	**($'000)**	No. of shares	($'000)
Balance at beginning of year	**-**	**-**	-	-
Purchased during the year	**(1,425,000)**	**(8,093)**	-	-
Reissued during the year:				
- Reissued pursuant to share plans	**1,420,900**	**-**	-	-
- Transferred from share-based payment reserve	**-**	**5,256**	-	-
- Loss on reissuance of treasury shares	**-**	**2,814**	-	-
	1,420,900	**8,070**	-	-
Balance at end of year	**(4,100)**	**(23)**	-	-

Treasury shares relate to ordinary shares of the Company that is held by the Company.

The Company acquired 1,425,000 (2011: Nil) shares in the Company through purchases on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was $8,093,000 (2011: $Nil) and this was presented as a component within shareholders' equity.

The Company reissued 1,420,900 (2011: Nil) treasury shares pursuant to its share plans at a weighted average price of $5.68 (2011: $Nil) each.

11. SHARE CAPITAL, TREASURY SHARES AND RESERVES (cont'd)

(c) Reserves

	THE GROUP			THE COMPANY	
	2012 ($'000)	2011 ($'000) (Restated)	2010 ($'000) (Restated)	**2012 ($'000)**	2011 ($'000)
The reserves comprise the following:					
Capital Reserve	**264,795**	267,906	269,709	**1,036,460**	1,039,274
Fair Value Adjustment Reserve	**326,152**	202,303	138,609	**1,886**	1,717
Hedging Reserve	**(13,657)**	(23,273)	(16,169)	**-**	-
Share-based Payment Reserve	**31,151**	41,966	38,414	**28,965**	39,091
Revenue Reserve	**5,499,866**	4,925,941	4,279,298	**1,601,604**	1,506,196
Dividend Reserve (Note 9)	**171,404**	169,382	168,236	**171,404**	169,382
Exchange Reserve	**(187,561)**	(158,260)	(170,874)	**-**	-
Total reserves	**6,092,150**	5,425,965	4,707,223	**2,840,319**	2,755,660

Capital reserve of the Company comprises mainly surplus from revaluation of investments. The capital reserve of the Group comprises statutory reserve, asset revaluation reserve of subsidiary companies and the loss on reissuance of treasury shares.

Fair value adjustment reserve comprises the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed 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.

Movement of hedging instruments designated as cash flow hedges are as follows:

	THE GROUP	
	2012 ($'000)	2011 ($'000)
Balance at beginning of year	**(23,273)**	(16,169)
Gain/(losses) during the year	**4,679**	(6,780)
Share of associated company's hedging reserve	**(397)**	(124)
Realisation of reserves on disposal of subsidiary and associated companies	**(382)**	-
Change of interests in subsidiary companies	**-**	(200)
Reclassification adjustments for losses included in the statement of comprehensive income	**5,716**	-
Balance at end of year	**(13,657)**	(23,273)

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.

Dividend reserve relates to proposed final dividend of 12.0 cents (2011: 12.0 cents) per share.

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.

As at 30 September 2012, the cumulative expense recognised directly in equity relating to a disposal group classified as held for sale amounted to $116,304,000.

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 2012							
At cost							
Balance at beginning of year	53,458	61,319	440,260	1,128,767	174,351	402,975	2,261,130
Currency realignment	(965)	(2,147)	(11,761)	(26,210)	(4,021)	(6,945)	(52,049)
Additions	-	66	2,463	35,382	126,454	70,103	234,468
Acquisition of subsidiary companies	-	-	-	-	-	2,526	2,526
Acquisition of joint venture companies	-	-	3,885	4,415	-	1,790	10,090
Disposal of subsidiary companies	-	-	(287)	-	-	(2,100)	(2,387)
Disposals	-	-	(9,005)	(44,295)	(8)	(35,923)	(89,231)
Reclassification	-	-	70,681	151,017	(213,427)	(8,271)	-
Reclassified from assets held for sale	-	7,708	14,635	56,130	6	3,373	81,852
Reclassified to assets held for sale	(5,521)	(26,423)	(208,400)	(631,305)	(71,254)	(80,702)	(1,023,605)
Reclassified to intangible assets	-	-	-	-	(238)	-	(238)
Reclassified to current assets	-	-	-	-	-	(1,913)	(1,913)
Balance at end of year	46,972	40,523	302,471	673,901	11,863	344,913	1,420,643
Accumulated depreciation and impairment							
Balance at beginning of year	948	15,868	136,071	660,733	-	260,462	1,074,082
Currency realignment	(16)	(553)	(3,476)	(11,901)	-	(5,044)	(20,990)
Depreciation charge for the year							
- Continuing operations	-	728	13,039	33,231	-	34,032	81,030
- Discontinued operations	-	655	7,210	33,004	-	8,540	49,409
Impairment charge for the year							
- Continuing operations	-	-	-	166	-	292	458
- Discontinued operations	-	-	552	3,470	-	710	4,732
Impairment reversal for the year							
- Continuing operations	-	-	-	(273)	-	(212)	(485)
- Discontinued operations	-	-	(3)	(816)	-	(91)	(910)
Disposal of subsidiary companies	-	-	(287)	-	-	(1,822)	(2,109)
Disposals	-	-	(8,893)	(30,950)	-	(31,576)	(71,419)
Reclassification	-	-	8	(5)	-	(3)	-
Reclassified from assets held for sale	-	2,652	8,356	33,836	-	2,623	47,467
Reclassified to assets held for sale	-	(8,430)	(76,778)	(344,661)	-	(57,914)	(487,783)
Reclassified to current assets	-	-	-	-	-	(286)	(286)
Balance at end of year	932	10,920	75,799	375,834	-	209,711	673,196
Net book value at end of year	46,040	29,603	226,672	298,067	11,863	135,202	747,447

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 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	1,566	4,822	146	345	7,568
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)
Reclassified to investment properties and properties held for sale	-	(15,140)	-	-	-	(14,629)	(29,769)
Balance at end of year	53,458	61,319	440,751	1,129,326	174,351	402,975	2,262,180
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							
- Continuing operations	-	861	6,390	31,686	-	35,354	74,291
- Discontinued operations	-	594	6,250	30,248	-	8,232	45,324
Impairment charge for the year							
- Continuing operations	-	-	-	59	-	103	162
- Discontinued operations	-	-	2	3,370	-	80	3,452
Impairment reversal for the year							
- Continuing operations	-	-	(377)	(1,438)	-	(28)	(1,843)
- Discontinued operations	-	-	(221)	(77)	-	(72)	(370)
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)
Reclassified 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	304,680	468,593	174,351	142,513	1,188,098

(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 2012 amounted to $660,000 (2011: $878,000).

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

	2012 ($'000)	2011 ($'000)
Plant and machinery	**17,221**	12,927
Building	**5,053**	1,033
Freehold and leasehold land	**46**	33
Other fixed assets	**1,694**	500

13. INVESTMENT PROPERTIES

		THE GROUP	
		2012 ($'000)	2011 ($'000)
(a)	**Completed Investment Properties**		
	Balance at beginning of year	**2,214,635**	2,090,869
	Currency realignment	**(21,379)**	7,148
	Additions	**31,357**	77,322
	Acquisition of subsidiary companies	**266,688**	-
	Disposal of subsidiary companies	**(235,402)**	-
	Disposals	**(1,100)**	(54,081)
	Net fair value gain recognised in the profit statement	**262,135**	84,700
	Transfer from fixed assets	**-**	8,677
	Balance at end of year	**2,516,934**	2,214,635
(b)	**Investment Properties under Construction**		
	Balance at beginning of year	**262,105**	48,157
	Currency realignment	**(40)**	(794)
	Additions	**53,232**	228,813
	Transfer to properties held for development	**(2,200)**	(14,937)
	Fair value gain recognised in the profit statement	**7,756**	866
	Balance at end of year	**320,853**	262,105
	Total Investment Properties	**2,837,787**	2,476,740

(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:

	2012	2011
Rental income from investment properties:		
- Minimum lease payments	**197,243**	176,009
- Contingent rent based on tenants' turnover	**2,491**	2,394
Direct operating expenses arising from rental generating properties	**79,824**	73,560

Completed investment properties are stated at fair value which has been determined based on valuations performed at balance sheet date. Valuations are performed by accredited independent valuers with recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued.

The valuations are based on open market values on the as-is basis and were prepared primarily using the Direct Comparison Method, Market Value Method, Capitalisation Approach, 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.

13. INVESTMENT PROPERTIES (cont'd)

(c) Independent professional valuations were carried out by the following valuers:

Valuers	Country	Valuation Date
Knight Frank Pte Ltd	Singapore	September 2012
CB Richard Ellis (Pte) Ltd	Singapore	September 2012
CB Richard Ellis Limited	Hong Kong	September 2012
Savills Commercial Limited	United Kingdom & China	September 2012
CBRE Valuations Pty Limited	Australia	September 2012
Asian Appraisal Company, Inc.	Philippines	September 2012
DTZ Debenham Tie Leung (Vietnam) Co. Limited	Vietnam	September 2012
KJPP Rengganis, Hamid & Rekan	Indonesia	September 2012

Completed investment properties amounting to $268,988,000 (2011: $107,771,000) are secured for credit facilities with banks.

(d) Investment properties under construction are stated at fair value which has been determined based on valuations performed as at balance sheet date. Valuations are performed by accredited independent valuers with recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued. The valuation is prepared on an ungeared basis. The fair value of investment properties under construction is determined using a combination of Market Comparison and Discounted Cash Flow Analysis and Investment, Comparable Sales and Residual Land Value Methods. 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 2012
Knight Frank Pte Ltd	Singapore	September 2012

Investment properties under construction amounting to $320,853,000 (2011: $218,165,000) has been mortgaged as security for bank facilities.

14. SUBSIDIARY COMPANIES

	THE COMPANY	
	2012 ($'000)	2011 ($'000)
Quoted shares at cost	**256,353**	256,353
Unquoted shares at cost	**3,085,949**	3,085,949
Allowance for impairment	**(26,649)**	(26,649)
	3,315,653	3,315,653
Amounts owing by subsidiary companies (unsecured)	**617,890**	465,453
Amounts owing to subsidiary companies (unsecured)	**(103,878)**	(104,698)
	3,829,665	3,676,408
MARKET VALUE		
Quoted shares	**1,480,157**	1,366,409

14. SUBSIDIARY COMPANIES (cont'd)

During the financial year, an impairment loss of $Nil (2011: $26,643,000) 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 $616,861,000 (2011: $464,433,000) which bear interest at an average rate of 0.34% (2011: 0.31%) 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, Australian Dollars and United States Dollars.

Details of subsidiary companies are included in Note 42.

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

Properties

On 9 December 2011, the Group through Frasers Centrepoint Limited ("FCL")'s wholly-owned subsidiary company, FCL (Fraser) Pte Ltd completed the acquisition of the entire shareholding interest in Queensgate Gardens (C.I.) Limited and 39 QGG Management Limited. The consideration for the acquisition of £42.0 million was arrived at on a willing buyer and willing seller basis taking into account expected income, on a discounted cash flow basis, that ownership will bring, on a debt free basis and supported by a desktop valuation obtained by FCL (Fraser) Pte Ltd.

On 11 September 2012, Fairbriar Residential Investment Partnership ("FRIP"), a 32% held associated company, completed the buy-out of three out of four partners in its partnership. As FRIP's sole business is the operations of the serviced apartments, Fraser Suites Kensington, the buy-out was based on the fair valuation of this property of £92.0 million as at August 2012 and resulted in cash of £56.3 million being paid out to the three partners. Consequent to the buy-out, FCL (Frasers) Pte Ltd, being the sole remaining partner, controls 100% of the shareholding interest in FRIP.

The fair value of the identifiable assets and liabilities of Queensgate Gardens, 39 QGG and FRIP as at the respective acquisition dates were as follows:

	Fair Value at Date of Acquisition ($'000)
Fixed assets	2,526
Investment properties	266,688
Current assets	3,919
Cash and cash equivalents	11,629
Bank borrowings	(82,627)
Current liabilities	(16,502)
Total identifiable net assets at fair value	185,633
Investment in associated company previously accounted for	(43,878)
Negative goodwill arising from acquisition	(1,086)
Consideration paid	140,669
Less: Cash and cash equivalents in subsidiary companies acquired	(11,629)
Net cash outflow on acquisition of subsidiary companies	129,040

14. SUBSIDIARY COMPANIES (cont'd)

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

Properties (cont'd)

Impact of the acquisition on profit and loss

From the acquisition date, Queensgate Gardens (C.I.) Limited and 39 QGG Management Limited had contributed $6,491,000 to the Group's revenue and $2,120,000 to the Group's profit after taxation for the year. If the business combination had taken place at the beginning of the year, the contribution to the Group's revenue would have been $6,906,000 and the contribution to the Group's profit after taxation would have been $2,122,000.

The Group has equity accounted for its share of FRIP's results, share of fair value adjustment on investment properties and exceptional items, from the beginning of the financial year to the date of acquisition, of $1,007,000, $13,687,000 and $746,000, respectively. If the business combination had taken place at the beginning of the year, the revenue from FRIP's operations would have been $9,140,000 and the Group's profit from FRIP's operations net of tax would have been $45,010,000.

Transaction costs

Transaction costs related to the acquisitions of $514,000 have been recognised under "Administration expenses" in the Group's profit statement for the year ended 30 September 2012.

(b) During the financial year, the Group disposed the following subsidiary company:

Properties

On 28 September 2012, the Group through FCL's wholly-owned subsidiary company, FCL (China) Pte Ltd, disposed off its entire interest of approximately 56.05% in Frasers Property (China) Limited for a total consideration of approximately HK$1,654 million (approximately S$261 million).

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

(c) During the financial year, the Group acquired additional equity interest in the following subsidiary companies from non-controlling interests:

Printing and Publishing

On 21 December 2011, the Group through Times Publishing Limited ("TPL")'s wholly-owned subsidiary company, Times Printers Private Limited ("TPPL") exercised a call option to acquire the remaining 49% of the issued share capital of JCS Digital Solutions Pte Ltd ("JCS"). On completion of the acquisition on 23 December 2011, TPPL's shareholding in JCS increased from 51% to 100%.

On 28 September 2012, TPL acquired the remaining 70% of the issued share capital of STP Distributors (M) Sdn Bhd to make it a wholly-owned subsidiary.

The difference of $3,024,000 between the consideration and the carrying value of the additional interest acquired has been recognised within equity.

15. JOINT VENTURE COMPANIES

		THE COMPANY	
		2012 ($'000)	2011 ($'000)
(a)	Unquoted investment, at cost	**301,626**	301,626
	Quoted investment, at cost	**132,795**	132,795
	Reclassified to assets held for sale	**(434,421)**	-
		-	434,421
	MARKET VALUE		
	Quoted shares	**-**	491,164

Investment in joint venture companies have been reclassified to assets held for sale upon the approval of the sale of the joint venture companies as disclosed in part (c).

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.

		THE GROUP	
		2012 ($'000)	2011 ($'000)
(i)	The Group's share of the consolidated results of the joint venture companies for the year is as follows:		
	Revenue	**339,906**	314,310
	Profit before taxation and exceptional items	**91,332**	66,981
	Taxation	**(15,494)**	(13,878)
(ii)	The Group's share of the consolidated assets and liabilities of the joint venture companies is as follows:		
	Non-current assets	**1,065,755**	1,842,579
	Current assets	**357,397**	974,038
	Current liabilities	**(608,812)**	(1,016,132)
	Non-current liabilities	**(615,727)**	(754,433)
		198,613	1,046,052

(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 2012.

(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 and United States Dollars.

(c) Sale of joint venture companies

On 18 August 2012, the Company announced that it had entered into conditional sale and purchase agreements with Heineken International B. V., a wholly-owned subsidiary of Heineken N. V., to acquire the Company's entire 39.7% interest in Asia Pacific Breweries Limited ("APBL") and other assets held through Asia Pacific Investment Pte Ltd ("APIPL") for a total aggregate consideration of S$5.6 billion. Both APBL and APIPL are joint venture companies of the Company. At an Extraordinary General Meeting held on 28 September 2012, the shareholders have approved the sale. As at 30 September 2012, the assets and liabilities related to APBL and APIPL have been presented in the balance sheet as "Assets held for sale" and "Liabilities held for sale", and its results are presented separately in the profit statement as "Profit from discontinued operations after taxation". The disposal of APBL and APIPL was completed on 15 November 2012.

The effects of the disposal are disclosed in Note 28 Discontinued Operations and Assets and Liabilities Held for Sale.

16. ASSOCIATED COMPANIES

	THE GROUP		THE COMPANY	
	2012 ($'000)	2011 ($'000)	**2012 ($'000)**	2011 ($'000)
Unquoted investments, at cost	**102,291**	42,788	**-**	-
Quoted investments, at cost	**1,258,578**	1,289,629	**93,783**	93,783
Allowance for impairment	**(8,869)**	(44,628)	**(11,400)**	(11,400)
Share of post acquisition reserves, net	**129,681**	76,388	**-**	-
	1,481,681	1,364,177	**82,383**	82,383
Loans owing from associated companies (unsecured)	**13,833**	18,023	**-**	-
	1,495,514	1,382,200	**82,383**	82,383
MARKET VALUE				
Quoted shares	**1,217,683**	1,011,385	**12,511**	32,647

(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, Chinese Renminbi and Malaysia Ringgit.

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

	THE GROUP	
	2012 ($'000)	2011 ($'000)
Revenue	**2,202,490**	2,661,840
Profit before taxation	**220,666**	254,806
Taxation	**(7,886)**	(12,150)
Profit after taxation	**212,780**	242,656
Non-current assets	**4,434,133**	4,861,331
Current assets	**2,155,066**	1,171,795
Current liabilities	**(876,506)**	(899,800)
Non-current liabilities	**(1,921,128)**	(1,631,948)
	3,791,565	3,501,378

(d) The results, assets and liabilities as stated in paragraph (c) above are based on the accounts of the associated companies to 30 September 2012.

(e) The Group's share of capital commitments of the associated companies as at 30 September 2012 is $17,428,000 (2011: $14,243,000).

Details of associated companies are included in Note 42.

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 2012					
At cost					
Balance at beginning of year	**459,356**	**77,336**	**67,250**	**30,674**	**634,616**
Currency realignment	**(32,622)**	**(2,455)**	**-**	**(211)**	**(35,288)**
Additional expenditure during the year	**-**	**18,180**	**-**	**120**	**18,300**
Acquisition of joint venture company	**19,392**	**-**	**-**	**-**	**19,392**
Reclassified to assets held for sale	**(382,845)**	**-**	**-**	**(2,467)**	**(385,312)**
Reclassified from assets held for sale	**5,430**	**-**	**-**	**-**	**5,430**
Reclassified from fixed assets	**-**	**-**	**-**	**238**	**238**
Disposal for the year	**-**	**(3,240)**	**-**	**-**	**(3,240)**
Write off for the year	**(56)**	**(19,897)**	**-**	**-**	**(19,953)**
Balance at end of year	**68,655**	**69,924**	**67,250**	**28,354**	**234,183**
Accumulated amortisation and impairment					
Balance at beginning of year	**-**	**48,143**	**1,960**	**14,904**	**65,007**
Currency realignment	**-**	**(1,950)**	**-**	**(73)**	**(2,023)**
Amortisation charge for the year					
- Continuing operations	**-**	**14,771**	**490**	**2,252**	**17,513**
- Discontinued operations	**-**	**-**	**-**	**136**	**136**
Impairment charge for the year	**3,298**	**6,901**	**-**	**124**	**10,323**
Impairment reversal for the year	**-**	**(174)**	**-**	**-**	**(174)**
Reclassified to assets held for sale	**-**	**-**	**-**	**(177)**	**(177)**
Write off for the year	**-**	**(19,897)**	**-**	**-**	**(19,897)**
Balance at end of year	**3,298**	**47,794**	**2,450**	**17,166**	**70,708**
Net book value	**65,357**	**22,130**	**64,800**	**11,188**	**163,475**
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	3,442	-	-	-	3,442
Disposal of subsidiary company	(915)	-	-	(1,428)	(2,343)
Reclassified to assets held for sale	(5,433)	-	-	-	(5,433)
Write off for the year	-	(11,747)	-	-	(11,747)
Balance at end of year	459,356	77,336	67,250	30,674	634,616
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					
- Continuing operations	-	17,992	490	2,718	21,200
- Discontinued operations	-	-	-	17	17
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	459,356	29,193	65,290	15,770	569,609

All intangible assets have finite useful lives of not more than 20 years, except management contracts with a cost of $62,601,000 (2011: $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.

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 2012				
Subsidiary companies:				
Printing and Publishing Group	**25,465**	**Value-in-use**	**0%**	**7.5% - 21.3%**
Dairies Group	**2,642**	**Value-in-use**	**2% - 3%**	**8.1% - 10.7%**
Beverages Group	**37,250**	**Value-in-use and Fair value less cost to sell**	**5%**	**8.1%**
	65,357			
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	2% - 3%	8.1% - 10.0%
Beverages Group	37,539	Value-in-use and Fair value less cost to sell	5%	8.1%
	69,693			
Joint venture companies:				
Breweries Group	389,663	Value-in-use and Fair value less cost to sell	1% - 3%	12.2% - 21.5%
	459,356			

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 $3,298,000 (2011: $Nil) was recognised under "Other Income (net)" in the profit statement. The recoverable amount of the goodwill has been determined based on value-in-use calculations using 5 year cash flow projections approved by management. The pre-tax discount rate applied to the cash flow projections is 10.7% (2011: 10.0%) and the terminal growth rate is 2% (2011: 2%).

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% (2011: 10%) and the forecast growth rate used beyond the 5 year period is 2% (2011: 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 $6,901,000 (2011: $1,307,000) was recognised under "Cost of Sales" 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 is 7.5% - 11.7% (2011: 5.8% - 7.5%) and the terminal growth rate is 0% (2011: 0%).

A reasonable change to the assumptions used by the management to determine the impairment required, particularly the discount rate and terminal growth rate, would not significantly affect the results.

19. OTHER INVESTMENTS

	THE GROUP		THE COMPANY	
	2012 ($'000)	2011 ($'000)	**2012 ($'000)**	2011 ($'000)
Quoted				
Quoted available-for-sale financial asset				
Non-equity investment				
At cost	**-**	25,450	**-**	-
Equity investments				
At fair value	**370,021**	282,317	**6,191**	6,191
Quoted held-to-maturity financial asset				
Non-equity investment				
At amortised cost	**-**	267	**-**	-
Quoted total	**370,021**	308,034	**6,191**	6,191
Unquoted				
Unquoted available-for-sale financial assets				
Non-equity investments				
At cost (less impairment loss)	**121**	121	**-**	-
Equity investments				
At cost (less impairment loss)	**2,164**	87,270	**14**	14
At fair value	**2,672**	2,467	**2,672**	2,467
Loan and receivables				
Non-equity investments in company	**-**	6,691	**-**	-
Unquoted total	**4,957**	96,549	**2,686**	2,481
Total	**374,978**	404,583	**8,877**	8,672

19. OTHER INVESTMENTS (cont'd)

(a) The quoted non-equity investments carry interest rate of Nil% (2011: 8%).

(b) The unquoted non-equity investments carry interest rates of Nil% (2011: 0% to 10%).

(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	
	2012 ($'000)	2011 ($'000)	**2012 ($'000)**	2011 ($'000)
Bank fixed deposits	**604,112**	1,180,935	**64,689**	98,566
Cash and bank balances	**1,044,833**	418,672	**91,793**	1,002
	1,648,945	1,599,607	**156,482**	99,568

The weighted average effective interest rate for bank fixed deposits is 1.59% (2011: 2.19%).

Included in the Group's cash and bank balances, and bank fixed deposits are amounts of $8,660,000 (2011: $10,769,000) and $355,878,000 (2011: $339,253,000) 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 2012 cash and bank deposits held by the Group are in the following major foreign currencies: Hong Kong Dollars - 16.3% (2011: 2.4%), Chinese Renminbi - 8.1% (2011: 24.7%), Australia Dollars - 4.6% (2011: 5.7%) and Malaysia Ringgit - 4.4% (2011: 5.7%).

22. BRANDS

	THE GROUP		THE COMPANY	
	2012 ($'000)	2011 ($'000)	**2012 ($'000)**	2011 ($'000)
At cost				
Balance at beginning of year	**91,442**	92,775	**8,435**	8,435
Currency realignment	**(2,346)**	(2,400)	**-**	-
Additions during the year	**212**	-	**212**	-
Acquisition of joint venture companies	**-**	1,067	**-**	-
Reclassified to assets held for sale	**(48,324)**	-	**-**	-
Balance at end of year	**40,984**	91,442	**8,647**	8,435
Accumulated amortisation and impairment				
Balance at beginning of year	**17,923**	18,500	**8,435**	8,435
Currency realignment	**(104)**	(583)	**-**	-
Amortisation charge for the year				
- Discontinued operations	**6**	6	**-**	-
Reclassified to assets held for sale	**(7,178)**	-	**-**	-
Balance at end of year	**10,647**	17,923	**8,435**	8,435
Net book value	**30,337**	73,519	**212**	-

Included in the Group's brands are brands with indefinite useful life of carrying amount of $30,337,000 (2011: $72,367,000).

The discount rate applied to the cash flow projections is derived from the weighed average 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 was 8.1% (2011: 12.2% to 21.5%) and terminal growth rates applied was 1.5% (2011: 1% to 3%).

23. PROPERTIES HELD FOR SALE

		THE GROUP	
	2012 ($'000)	2011 ($'000)	2010 ($'000)
		(Restated)	(Restated)
(a) Development Properties Held for Sale			
Properties in the course of development, at cost	**4,349,044**	4,422,286	4,897,717
Allowance for foreseeable losses	**(46,124)**	(21,785)	(91,613)
	4,302,920	4,400,501	4,806,104
Development profit	**286,364**	90,095	306,676
	4,589,284	4,490,596	5,112,780
Progress payments received	**(752,393)**	(843,224)	(1,111,860)
Balance at end of year	**3,836,891**	3,647,372	4,000,920

23. PROPERTIES HELD FOR SALE (cont'd)

		THE GROUP		
		2012 ($'000)	2011 ($'000) (Restated)	2010 ($'000) (Restated)
(b)	**Completed Properties Held for Sale**			
	Completed units, at cost	**632,550**	635,838	492,182
	Allowance for foreseeable losses	**(27,950)**	(28,723)	(5,055)
	Balance at end of year	**604,600**	607,115	487,127
	Total Properties Held for Sale	**4,441,491**	4,254,487	4,488,047

(i) The following table provides information about agreements that are in progress at the reporting date whose revenue are recognised on a percentage of completion basis:

	2012	2011	2010
Aggregate amount of costs incurred and recognised to date	**1,951,173**	2,223,505	2,641,526
Less: Progress billings	**(752,393)**	(721,864)	(1,040,245)
	1,198,780	1,501,641	1,601,281

(ii) Interest capitalised during the year was $61,323,000 (2011: $71,195,000). A capitalisation rate of between 0.60% and 7.94% (2011: 0.60% and 9.63%) per annum was used, representing the borrowing cost of the loans used to finance the projects.

(iii) Certain subsidiary and joint venture companies have granted fixed and floating charge over their properties held for sale totalling $1,587,617,000 (2011: $1,413,472,000) to banks as securities for credit facilities.

(iv) Development properties recognised as an expense in cost of sales during the year was $785,398,000 (2011: $1,472,936,000).

24. INVENTORIES

	THE GROUP	
	2012 ($'000)	2011 ($'000)
Containers	**1,423**	28,186
Raw materials	**88,600**	113,614
Manufactured inventories	**98,076**	116,082
Engineering spares, work-in-progress and other inventories	**20,386**	46,470
Packaging materials	**27,993**	36,623
Goods purchased for resale	**29,458**	32,522
	265,936	373,497

(a) Write back of allowance for inventory obsolescence during the year amounted to $3,983,000 (2011: $2,369,000).

(b) The cost of inventories recognised as expense and included in Cost of Sales - Continuing Operations amounted to $1,269,459,000 (2011: $1,382,662,000).

25. TRADE RECEIVABLES AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2012 ($'000)	2011 ($'000)	**2012 ($'000)**	2011 ($'000)
Trade receivables	**551,668**	961,457	**-**	-
Other receivables:				
Current				
Accrued income	**19,282**	4,680	**5**	12
Prepayments	**11,953**	89,662	**12**	11
Deposits paid	**19,307**	14,237	**-**	-
Tax recoverable	**18,869**	25,597	**-**	-
Staff loans	**5,113**	6,076	**-**	-
Amount receivable from joint venture partners	**1,298**	3,963	**-**	-
Derivative financial instruments (Note 26)	**788**	5,938	**-**	278
Advanced project cost paid	**671**	1,082	**-**	-
Amount held in trust	**-**	85,578	**-**	-
Sundry debtors	**5,075**	10,131	**-**	15
Other receivables	**50,083**	70,198	**7**	-
	132,439	317,142	**24**	316
	684,107	1,278,599	**24**	316
Non-current				
Prepayments	**354**	2,222	**-**	-
Staff loans	**461**	1,240	**-**	-
Loans to non-controlling interests	**82,836**	57,540	**-**	-
Other receivables	**319**	4,210	**-**	-
	83,970	65,212	**-**	-
	768,077	1,343,811	**24**	316

(a) Included in trade receivables is an amount of $217,644,000 (2011: $452,582,000) 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 2012, trade receivables and other receivables held by the Group are in the following major foreign currencies: Malaysia Ringgit - 19.4% (2011: 13.8%), Thai Baht - 9.0% (2011: 3.3%), Australia Dollars - 4.5% (2011: 4.6%) and United States Dollars - 5.1% (2011: 3.6%).

(c) Loans to a non-controlling interest are non-trade related, secured by assets in Australia, bears interest at 8% (2011: 12.0%) per annum and have no fixed repayment terms.

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

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to $92,243,000 (2011: $107,372,000) 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	
	2012 ($'000)	2011 ($'000)
Trade receivables past due:		
1 to 30 days	**57,654**	74,985
31 to 60 days	**19,636**	14,100
61 to 90 days	**5,009**	6,184
91 to 120 days	**4,935**	4,973
More than 120 days	**5,009**	7,130
	92,243	107,372

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	
	2012 ($'000)	2011 ($'000)	**2012 ($'000)**	2011 ($'000)
Trade receivables - nominal amounts	**306**	6	**12,968**	23,976
Less: Allowance for impairment	**(306)**	(6)	**(9,033)**	(9,422)
	-	-	**3,935**	14,554
Movement in allowance accounts:				
Balance at beginning of year	**6**	114	**9,422**	9,573
Charge for the year				
- Continuing operations	**333**	16	**4,672**	3,717
- Discontinued operations	**289**	1	**139**	367
Written back				
- Continuing operations	**(18)**	(24)	**(2,647)**	(1,334)
- Discontinued operations	**-**	-	**(168)**	(252)
Acquisition of subsidiary and joint venture companies	**-**	23	**62**	150
Written off	**(9)**	(123)	**(2,052)**	(2,485)
Exchange difference	**(1)**	(1)	**753**	(219)
Reclassified to assets held for sale	**(294)**	-	**(1,148)**	(95)
Balance at end of year	**306**	6	**9,033**	9,422

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.

26. DERIVATIVE FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
	2012 ($'000)	2011 ($'000)	**2012 ($'000)**	2011 ($'000)
Assets				
Current				
Interest rate swaps	**-**	359	**-**	278
Forward currency contracts	**788**	5,579	**-**	-
	788	5,938	**-**	278
Liabilities				
Current				
Interest rate swaps	**10,480**	13,973	**-**	-
Forward currency contracts	**9,630**	3,362	**-**	-
Others	**-**	124	**-**	-
	20,110	17,459	**-**	-
Non-current				
Interest rate swaps	**7,181**	8,705	**-**	-
	27,291	26,164	**-**	-
Net position	**(26,503)**	(20,226)	**-**	278

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	
	2012 ($'000)	2011 ($'000)
Quoted		
Quoted available-for-sale financial assets		
Equity investments at fair value	**98**	89
Non-equity investments at fair value	**60,350**	-
Unquoted		
Loans and receivables		
Non-equity investments at cost	**-**	3,515
Total	**60,448**	3,604

Included in non-equity investments are notes with interest rates of 8% (2011: 0% to 10%) per annum and maturing within the next 12 months.

28. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD FOR SALE

(a) Discontinued operations

Breweries

On 18 August 2012, the Company announced that it had entered into conditional sale and purchase agreements with Heineken International B. V., a wholly-owned subsidiary of Heineken N. V., to acquire the Company's entire 39.7% interest in APBL and other assets held through APIPL for a total aggregate consideration of S$5.6 billion. Both APBL and APIPL are joint venture companies of the Company. At an Extraordinary General Meeting held on 28 September 2012, the shareholders have approved the sale. As at 30 September 2012, the assets and liabilities related to APBL and APIPL have been presented in the balance sheet as "Assets held for sale" and "Liabilities held for sale", and its results are presented separately in the profit statement as "Profit from discontinued operations after taxation". The disposal of APBL and APIPL was completed on 15 November 2012.

	THE GROUP	
	2012 ($'000)	2011 ($'000)
Profit statement disclosures		
The results of the discontinued operations for the year ended 30 September are as follows:		
Revenue	**1,973,909**	1,744,502
Expenses	**(1,582,077)**	(1,430,214)
Trading profit	**391,832**	314,288
Share of joint venture and associated companies' profits	**16,681**	16,804
Gross income from investments	**2,458**	3,168
Profit before interest and taxation	**410,971**	334,260
Net interest income	**452**	2,929
Profit from discontinued operations before taxation and exceptional items	**411,423**	337,189
Exceptional items	**(31,734)**	38,787
Profit from discontinued operations before taxation	**379,689**	375,976
Taxation	**(128,209)**	(108,896)
Profit from discontinued operations after taxation	**251,480**	267,080
Balance sheet disclosures		
The major classes of assets and liabilities of the discontinued operations as at 30 September are as follows:		
Assets		
Fixed assets	**535,822**	-
Intangibles and brands	**426,281**	-
Inventories	**136,691**	-
Trade and other receivables	**144,986**	-
Cash and bank balances and fixed deposits	**298,343**	-
Other assets	**144,121**	-
Assets of disposal group classified as held for sale	**1,686,244**	-
Liabilities		
Trade and other payables	**346,954**	-
Borrowings	**241,335**	-
Deferred tax liabilities	**37,613**	-
Provision for taxation	**58,656**	-
Other liabilities	**3,816**	-
Liabilities of disposal group classified as held for sale	**688,374**	-
Net assets of disposal group classified as held for sale	**997,870**	-

28. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD FOR SALE (cont'd)

(a) Discontinued operations (cont'd)

Breweries (cont'd)

	THE GROUP	
	2012 ($'000)	2011 ($'000)
Cash flow statement disclosures		
The cash flows attributable to the discontinued operations for the year ended 30 September are as follows:		
Operating cash inflows	**332,561**	283,817
Investing cash outflows	**(79,236)**	(2,456)
Financing cash outflows	**(130,226)**	(105,745)
Net cash inflows	**123,099**	175,616

Earnings per share disclosures (Note 10)

Earnings per share from discontinued operations attributable to the shareholders of the company:

		–– cents per share ––	
- Basic	- before fair value adjustment and exceptional items	**10.7 cts**	8.8 cts
	- after fair value adjustment and exceptional items	**8.8 cts**	11.2 cts
- Diluted	- before fair value adjustment and exceptional items	**10.6 cts**	8.7 cts
	- after fair value adjustment and exceptional items	**8.7 cts**	11.1 cts

(b) Assets and liabilities held for sale

Apart from the assets and liabilities held for sale from the discontinued operations in part (a), the remaining assets and liabilities held for sale relate to the discontinuation of joint ventures with certain printing companies and the properties retained by the Group upon disposal of a property investment subsidiary company in Malaysia.

	THE GROUP	
	2012 ($'000)	2011 ($'000)
Assets		
Fixed assets	**8,526**	44,739
Other non-current assets	**-**	40,771
Development properties held for sale	**22,342**	22,750
Current assets	**3,547**	11,282
	34,415	119,542
Liabilities		
Current liabilities	**1,737**	38,292

29. TRADE AND OTHER PAYABLES

	THE GROUP			THE COMPANY	
	2012 ($'000)	2011 ($'000) (Restated)	2010 ($'000) (Restated)	**2012 ($'000)**	2011 ($'000)
Trade payables	**529,751**	673,442	724,740	**-**	-
Other payables:					
Current					
Advances from joint venture partners	**48**	9,276	12,757	**-**	-
Accrued operating expenses	**95,401**	184,296	203,581	**130**	656
Sundry accruals	**99,930**	129,940	153,795	**547**	143
Sundry deposits	**43,353**	53,747	47,797	**-**	-
Staff costs payable	**54,287**	90,568	84,149	**-**	-
Accrual for unconsumed annual leave	**5,713**	10,565	9,497	**-**	-
Amounts due to non-controlling interests	**133,167**	145,878	114,923	**-**	-
Progress billings received	**335,053**	283,845	282,389	**-**	-
Deferred income	**447**	1,277	4,474	**-**	-
Derivative financial instruments (Note 26)	**20,110**	17,459	18,283	**-**	-
Other payables	**117,947**	85,792	81,565	**7,661**	4,326
	905,456	1,012,643	1,013,210	**8,338**	5,125
	1,435,207	1,686,085	1,737,950	**8,338**	5,125
Non-current					
Derivative financial instruments (Note 26)	**7,181**	8,705	11,708	**-**	-
Other payables	**31,449**	30,546	3,869	**-**	-
	38,630	39,251	15,577	**-**	-
	1,473,837	1,725,336	1,753,527	**8,338**	5,125

(a) Included in trade payables are amounts due to related parties of $Nil (2011: $1,299,000). 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.

(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 $11,633,000 (2011: $12,062,000) which bear interest at 2.4% (2011: 2.0%) per annum.

(d) Included in non-current other payables is a provision of $18,224,000 (2011: $23,169,000) 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 2012, the trade and other payables held by the Group are in the following major currencies: Malaysia Ringgit - 12.6% (2011: 14.9%), Chinese Renminbi - 8.0% (2011: 13.8%) and Australia Dollars - 8.3% (2011: 7.6%).

30. BORROWINGS

	Weighted average effective interest rate %	Notes	THE GROUP 2012 ($'000)	THE GROUP 2011 ($'000)	THE COMPANY 2012 ($'000)	THE COMPANY 2011 ($'000)
Repayable within one year:						
Unsecured						
Bank loans	1.67		**246,146**	275,080	**-**	-
Bank overdrafts	1.14		**1,468**	1,043	**-**	-
			247,614	276,123	**-**	-
Term loans	3.46	(a)	**545,494**	299,895	**-**	-
Secured						
Bank loans	3.64	(b)	**143,139**	170,254	**-**	-
Bank overdrafts	-	(b)	**-**	929	**-**	-
			143,139	171,183	**-**	-
Finance leases			**49**	345	**-**	-
			936,296	747,546	**-**	-
Repayable after one year:						
Unsecured						
Bank loans	3.38		**135,785**	315,834	**-**	-
Term loans	2.71	(a)	**1,671,920**	2,129,701	**150,000**	150,000
Secured						
Bank loans	2.68	(b)	**1,163,942**	770,289	**-**	-
Finance leases			**-**	76	**-**	-
		(d)	**2,971,647**	3,215,900	**150,000**	150,000
Total			**3,907,943**	3,963,446	**150,000**	150,000
Fair value		(c)	**3,964,140**	4,038,021	**155,445**	155,910

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.

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

(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 $831,505,000 (2011: $1,067,050,000) which have a fair value of $887,702,000 (2011: $1,141,625,000).

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 2012 ($'000)	THE GROUP 2011 ($'000)	THE COMPANY 2012 ($'000)	THE COMPANY 2011 ($'000)
Between 1 and 2 years	**319,357**	591,770	**-**	-
Between 2 and 5 years	**2,199,227**	2,069,906	**150,000**	150,000
After 5 years	**453,063**	554,224	**-**	-
	2,971,647	3,215,900	**150,000**	150,000

30. BORROWINGS (cont'd)

(e) As at 30 September 2012, the borrowings held by the Group are in the following major currencies: United States Dollars - 10.8% (2011: 13.6%), Australia Dollars - 8.8% (2011: 6.6%) and Sterling Pounds - 6.5% (2011: 4.4%).

(f) As at 30 September 2012, the Group and the Company 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 2012 and include the effect of related interest rate swaps.

31. PROVISION FOR EMPLOYEE BENEFITS

	THE GROUP	
	2012 ($'000)	2011 ($'000)
Defined benefit plan	**17,275**	16,642
Long service leave/severance allowance/gratuity	**71**	3,763
	17,346	20,405

(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.

Accruals for defined contribution plans are included in Other Payables under Note 29.

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

	2012	2011
Net benefit expense		
Benefits earned during the year	**1,006**	1,040
Interest cost on benefit obligation	**1,959**	2,020
Amortisation of unrecognised gain	**(124)**	(111)
Expected return on plan assets	**(1,287)**	(1,361)
Net actuarial loss/(gain)	**1**	(1,814)
Provision write back	**(344)**	(686)
Transition obligation recognised	**60**	(380)
Curtailment loss	**57**	-
Net benefit expense/(income)	**1,328**	(1,292)
Actual return on plan assets	**2,659**	765

31. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(b) Defined Benefit Plan (cont'd)

	THE GROUP	
	2012 ($'000)	2011 ($'000)
Benefit liability		
Present value of benefit obligation	**41,785**	37,734
Fair value of plan assets	**(21,282)**	(18,860)
Unfunded benefit obligation	**20,503**	18,874
Unrecognised net actuarial gain	**(5,287)**	(2,232)
Unrecognised transition benefit	**2,059**	-
Benefit liability	**17,275**	16,642
Present value of unfunded benefit obligation	**14,807**	14,790
Present value of funded benefit obligation	**26,978**	22,944
	41,785	37,734
Change in present value of defined benefit plan are as follows:		
Balance at beginning of year	**37,734**	41,641
Interest cost	**2,042**	2,009
Current service cost	**1,088**	1,027
Benefits paid	**(2,251)**	(2,193)
Net actuarial (gain)/loss	**3,413**	(2,272)
Currency realignment	**(241)**	(2,478)
Balance at end of year	**41,785**	37,734
Change in fair value of plan assets are as follows:		
Balance at beginning of year	**18,860**	18,627
Expected return	**1,286**	1,361
Contributions by employer	**697**	798
Benefits paid	**(621)**	(749)
Net actuarial (gain)/loss	**1,372**	(595)
Currency realignment	**(312)**	(582)
Balance at end of year	**21,282**	18,860
The proportion of fair value of plan assets at the balance sheet is analysed as follows:		
Equity instruments	**11,918**	10,705
Debt instruments	**9,301**	8,155
Other assets	**63**	-
	21,282	18,860
The major assumptions used by the qualified independent actuaries were:		
Rate of increase in salaries	**5.0% to 6.0%**	5.0% to 6.0%
Expected rate of return on assets	**6.9%**	7.5%
Discount rate	**4.1% to 6.5%**	4.6% to 6.5%

31. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(b) Defined Benefit Plan (cont'd)

The history of existing plans for the current and previous four periods are as follows:

	2012 ($'000)	2011 ($'000)	2010 ($'000)	2009 ($'000)	2008 ($'000)
Present value of benefit obligation	**41,785**	37,734	41,641	39,079	39,165
Fair value of plan assets	**(21,282)**	(18,860)	(18,627)	(20,542)	(21,211)
Deficit in scheme	**20,503**	18,874	23,014	18,537	17,954

(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.

(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 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 and APBL 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 Singapore Exchange 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.

31. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Options (cont'd)

Information regarding F&NHB 2007 Scheme

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

(ii) Eligible full-time executives of the group and executive directors of the company with at least one year service shall be eligible to participate in the 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.

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

Fraser and Neave, Limited Executives' Share Option Scheme, 1999 ("1999 Scheme")

Options	Offer Date	Balance as at 1.10.2011	Options Exercised/ Lapsed	Balance as at 30.9.2012	Exercise Price	Exercise Period
1999 Scheme						
Year 4	01.10.2002	25,380	(25,380)	-	$1.51	01.07.2005 - 31.08.2012
Year 5	08.10.2003	178,610	(178,610)	-	$2.12	08.07.2006 - 07.09.2013
Year 6	08.10.2004	1,517,335	(1,145,455)	371,880	$2.82	08.07.2007 - 07.09.2014
Year 7	10.10.2005	2,738,550	(1,037,885)	1,700,665	$3.46	10.07.2008 - 09.09.2015
Year 8	10.10.2006	4,692,040	(2,361,848)	2,330,192	$4.22	10.07.2009 - 09.09.2016
Year 9	10.10.2007	8,559,498	(4,992,667)	3,566,831	$5.80	10.07.2010 - 09.09.2017
Year 10	25.11.2008	9,961,758	(6,875,828)	3,085,930	$2.86	25.08.2011 - 24.10.2018
		27,673,171	(16,617,673)*	11,055,498		

* Exercised (16,454,911); Lapsed due to Resignations (162,762).

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 $6.91 (2011: $6.04).

31. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(d) Share Options (cont'd)

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

Options	Offer Date	Balance as at 1.10.2011	Options Exercised/ Lapsed	Balance as at 30.9.2012	Exercise Price/ Adjusted Exercise Price #	Exercise Period
2008	20.11.2007	29,700	(29,700)	-	RM7.77/7.17	20.08.2010 - 19.10.2012
2009	19.11.2008	970,000	(909,600)	60,400	RM8.46/7.81	19.08.2011 - 18.10.2013
2010	20.11.2009	2,941,500	(1,822,500)	1,119,000	RM11.34/10.47	20.08.2012 - 19.10.2014
2011	22.11.2010	2,958,700	(206,300)	2,752,400	RM14.52	22.08.2013 - 21.10.2015
		6,899,900	(2,968,100)*	3,931,800		

* Exercised (2,605,600); Lapsed due to Resignations and Termination (362,500).

\# 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 scheme has expired and therefore no options were granted during the year.
The weighted average share price for options exercised during the year was RM18.26 (2011: RM16.72).

Asia Pacific Breweries Limited Executives' Share Option Scheme

Options	Offer Date	Balance as at 1.10.2011	Options Exercised/ Lapsed	Balance as at 30.9.2012	Exercise Price	Exercise Period
2003	15.10.2002	10,750	(10,750)	-	$4.79	15.07.2005 - 14.09.2012
2004	08.10.2003	19,250	-	19,250	$6.29	08.07.2006 - 07.09.2013
		30,000	(10,750)*	19,250		

* Lapsed due to Expiry

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 $Nil (2011: $23.19).

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 ("F&NHB 2007 Scheme")

	2011
Dividend yield (%)	3.8
Expected volatility (%)	22.7
Risk-free interest rate (%)	3.5
Expected life of option (years)	4.9
Share price at date of grant (RM)	14.62
Exercise share price (RM)	14.52

31. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(e) Phantom Shares Option Plan

Asia Pacific Breweries Limited ("APBL"), has in place an equity-based cash-settled Phantom Share Option Plan ("APBL PSOP") which 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
Dividend yield (%)	4.1
Expected volatility (%)	19.8
Risk-free interest rate (%)	0.6
Expected life of option (years)	3.7
Share price at date of grant ($)	18.30
Exercise share price ($)	17.75

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.

(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 1.10.2011	Options Exercised/ Lapsed	Balance as at 30.9.2012	Exercise Price	Exercise Period
2009	08.11.2008	126,850	(116,350)	10,500	$10.95	08.08.2011 - 07.08.2013
2010	07.11.2009	1,373,050	(1,355,050)	18,000	$11.95	07.08.2012 - 07.08.2014
2011	08.11.2010	1,415,900	(76,400)	1,339,500	$17.75	08.08.2013 - 08.08.2015
		2,915,800	(1,547,800)*	1,368,000		

* Exercised (1,409,000); Lapsed due to Resignation (138,800).

The fair value of options granted during the year was $Nil (2011: $1.75).
The weighted average share price for options exercised during the year was $40.04 (2011: $27.56).

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 2012 is $9,061,000 (2011: $8,673,000).

31. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(f) Share Plans

Fraser and 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

(i) 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.

(ii) 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 1.10.2011 or Grant Date if later	Cancelled	Achievement Factor	Vested	Balance as at 30.9.2012
Year 1	14.12.2009	3,003,728	(208,650)	681,672	(1,819,200)	1,657,550
Year 2	14.12.2010	2,001,530	(213,750)	-	-	1,787,780
Year 3	14.12.2011	2,188,265	(210,400)	-	-	1,977,865
		7,193,523	(632,800)*	681,672	(1,819,200)	5,423,195

* Cancelled due to Resignations.

The expense recognised in profit statement granted under the RSP during the financial year is $11,062,000 (2011: $8,655,000).

The estimated fair value of shares granted during the year ranges from $5.30 to $5.67 (2011: $5.47 to $5.80). 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:

	2012	2011
Dividend yield (%)	3.5	3.2
Expected volatility (%)	33.9	41.0
Risk-free interest rate (%)	0.4 to 0.7	0.5 to 1.0
Expected life (years)	2.1 to 4.1	2.1 to 4.1
Share price at date of grant ($)	6.05	6.23

31. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(f) Share Plans (cont'd)

Fraser and 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

(i) 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.

(ii) 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 1.10.2011 or Grant Date if later	Cancelled	Balance as at 30.9.2012
Year 1	14.12.2009	283,972	(28,000)	255,972
Year 2	14.12.2010	225,158	(18,000)	207,158
Year 3	14.12.2011	179,897	(19,000)	160,897
		689,027	(65,000)*	624,027

* Cancelled due to Resignations.

The expense recognised in profit statement granted under the PSP during the financial year is $757,000 (2011: $622,000).

The estimated fair value of shares granted during the year ranges from $5.37 to $6.23 (2011: $4.09 to $5.98). 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:

	2012	2011
Dividend yield (%)	3.5	3.2
Expected volatility (%)	33.9	41.0
Cost of equity (%)	8.0	8.0
Risk-free interest rate (%)	0.6	0.7
Expected life (years)	3.1	3.1
Share price at date of grant ($)	6.05	6.23

31. PROVISION FOR EMPLOYEE BENEFITS (cont'd)

(f) Share Plans (cont'd)

F&NHB Restricted Share Plan ("F&NHB RSP")

The F&NHB RSP is a share-based incentive plan for senior executives and key senior management, which was approved by shareholders of F&NHB at an Extraordinary General Meeting held on 13 January 2012.

Information regarding the F&NHB RSP

(i) Depending on the achievement of pre-determined targets over a two year period for the F&NHB RSP, the final number of restricted shares awarded could range between 0% to 150% of the initial grant of the restricted shares.

(ii) Based on meeting stated performance conditions over a two-year performance period, 50% of the F&NHB 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 F&NHB RSP is as follows:

Shares	Grant Date	Balance as at 1.10.2011 or Grant Date if later	Cancelled	Balance as at 30.9.2012
Year 1	15.03.2012	427,700	(25,400)*	402,300

* Cancelled due to Resignations.

The estimated fair value of shares granted during the year ranges from RM15.36 to RM16.67. 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:

	2012
Dividend yield (%)	4.0
Expected volatility (%)	19.2
Risk-free interest rate (%)	2.9 to 3.3
Expected life (years)	1.8 to 3.8
Share price at date of grant (RM)	18.06

F&NHB Performance Share Plan ("F&NHB PSP")

The F&NHB PSP is a share-based incentive plan for senior executives and key senior management, which were approved by shareholders of F&NHB at an Extraordinary General Meeting held on 13 January 2012.

Information regarding the F&NHB PSP

(i) 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.

(ii) PSP awards will vest based on meeting stated performance conditions over a three-year performance period.

As at 30 September 2012, no share has been awarded under F&NHB PSP.

32. DEFERRED TAX ASSETS AND LIABILITIES

	THE GROUP					THE COMPANY	
	Balance Sheet			Profit Statement		Balance Sheet	
	2012 ($'000)	2011 ($'000)	2010 ($'000)	**2012 ($'000)**	2011 ($'000)	**2012 ($'000)**	2011 ($'000)
		(Restated)	(Restated)		(Restated)		
Deferred tax liabilities							
Differences in depreciation	**38,197**	69,683	67,612	**(4,829)**	(4,089)	**-**	-
Tax effect on revaluation surplus	**42,572**	71,630	68,641	**1,765**	3,915	**-**	-
Provisions, expenses and income taken in a different period	**50,286**	50,900	26,015	**33,467**	22,151	**-**	-
Fair value adjustments	**1,629**	5,068	6,813	**(339)**	-	**386**	352
Other deferred tax liabilities	**5,525**	7,683	9,522	**1,712**	3,884	**-**	-
Gross deferred tax liabilities	**138,209**	204,964	178,603	**31,776**	25,861	**386**	352
Less: Deferred tax assets							
Employee benefits	**(2,027)**	(8,542)	(5,490)	**1,513**	56	**-**	-
Unabsorbed losses and capital allowances	**(6,283)**	(5,964)	(1,961)	**(1,518)**	(2,623)	**-**	-
Provisions, expenses and income taken in a different period	**(1,191)**	(12,817)	(9,542)	**110**	456	**-**	-
Fair value adjustments	**-**	(2,146)	(279)	**-**	(1,941)	**-**	-
Other deferred tax assets	**-**	(748)	(2,947)	**-**	-	**-**	-
Gross deferred tax assets	**(9,501)**	(30,217)	(20,219)	**105**	(4,052)	**-**	-
Net deferred tax liabilities	**128,708**	174,747	158,384	**31,881**	21,809	**386**	352

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

	2012 ($'000)	2011 ($'000)	2010 ($'000)	**2012 ($'000)**	2011 ($'000)	**2012 ($'000)**	2011 ($'000)
Employee benefits	**(1,139)**	(1,186)	(3,079)	**42**	47	**-**	-
Differences in depreciation	**10,846**	3,578	4,123	**7,689**	(633)	**-**	-
Unabsorbed losses and capital allowances	**(7,048)**	(11,368)	(16,979)	**3,781**	461	**-**	-
Provisions	**(8,094)**	(5,673)	(7,231)	**(2,840)**	614	**-**	-
Tax effect on revaluation surplus	**-**	-	(967)	**-**	-	**-**	-
Investment allowances	**(32,662)**	-	-	**(32,662)**	-	**-**	-
Other deferred tax assets	**(603)**	-	(1,118)	**4**	-	**-**	-
Net deferred tax assets	**(38,700)**	(14,649)	(25,251)	**(23,986)**	489	**-**	-

The deferred tax relating to fair value adjustment in other comprehensive income during the year is $123,000 (2011: $Nil).

Deferred tax liabilities of $9,677,000 (2011: $9,703,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the unremitted earnings of $56,921,000 at 30 September 2012 (2011: $57,078,000).

Deferred tax liabilities of $414,000 (2011: $328,000) have not been recognised in the consolidated financial statements for withholding and other taxes that would be payable on the undistributed earnings of $4,187,000 at 30 September 2012 (2011: $3,319,000) of certain of the Group's subsidiaries as the the Group has determined that the undistributed earnings of its subsidiaries will not be distributed in the foreseeable future.

	THE GROUP	
	2012 ($'000)	2011 ($'000)

33. FUTURE COMMITMENTS

Commitments not provided for in the financial statements:

	2012 ($'000)	2011 ($'000)
(a) Commitments in respect of contracts placed		
Fixed assets	**5,084**	52,272
Investment properties	**46,939**	-
Properties held for sale	**824,216**	1,316,231
Share of joint venture companies' commitments	**376,724**	326,309
Others	**-**	141
	1,252,963	1,694,953
(b) Other amounts approved by directors but not contracted for:		
Fixed assets	**13,106**	74,318
Share of joint venture companies' commitments	**-**	6,783
	13,106	81,101
Total	**1,266,069**	1,776,054

34. LEASE COMMITMENTS

Operating Leases

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

	2012 ($'000)	2011 ($'000)
Payable within one year	**41,457**	46,623
Payable between one and five years	**52,042**	102,368
Payable after five years	**6,338**	59,088
	99,837	208,079
Operating lease expense relating to continuing operations for the year	**25,609**	19,688

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:

	2012 ($'000)	2011 ($'000)
Receivable within one year	**131,558**	143,960
Receivable between one and five years	**157,365**	163,490
Receivable after five years	**700**	611
	289,623	308,061

34. LEASE COMMITMENTS (cont'd)

Finance Leases

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

	THE GROUP			
	2012 ($'000)		2011 ($'000)	
	Minimum lease payments	**Present value of payments**	Minimum lease payments	Present value of payments
Minimum lease payments due:				
Payable within one year	**51**	**49**	359	345
Payable between one and five years	**-**	**-**	80	76
Total minimum lease payments	**51**	**49**	439	421
Less: Future finance charges				
Payable within one year	**(2)**	**-**	(14)	-
Payable between one and five years	**-**	**-**	(4)	-
	(2)	**-**	(18)	-
	49	**49**	421	421

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

Significant transactions with related parties of the Group include transactions with the Group's joint venture companies, key management personnel and entities which are controlled or significantly influenced by the key management personnel and their close family members.

In addition to the information disclosed elsewhere in the financial statements, the following were the significant related party transactions entered into between the Group and related parties during the year:

		THE GROUP		THE COMPANY	
		2012 ($'000)	2011 ($'000)	**2012 ($'000)**	2011 ($'000)
(a)	Transactions with Asia Pacific Investment Pte Ltd and its subsidiary companies				
	Rental received	**1,419**	1,452	**-**	-
	Management fees received	**2,218**	2,218	**-**	-
	Sale of services	**3**	28	**-**	-
	Management fees paid	**(814)**	(487)	**(814)**	(487)
(b)	Transactions with an entity in which an associate of the Director of the Group is a member				
	Fees paid for legal services	**(486)**	(152)	**(486)**	(152)

These transactions were based on agreed fees or terms between the parties.

36. CONTINGENT LIABILITIES

The Company issued corporate guarantees to the extent of $4,250,534,000 (2011: $4,249,514,000) for the purpose of assisting its subsidiary companies to obtain external borrowings. Of the $4,250,534,000 (2011: $4,249,514,000) corporate guarantees given by the Company $1,979,830,000 (2011: $1,495,685,000) 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's 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. As at 30 September 2012, the outstanding loan by MCST 1298 is $18,199,000 (2011: $19,699,000). The Group also provided a corporate guarantee for $7,960,000 (Baht 200,000,000) as security for bank facility granted to a joint venture company in respect of the acquisition of land and $17,717,000 (RMB 91,000,000) of financial guarantees to banks in China in connection with loans provided by the banks to the property buyers, covering the period from loan contract date to property delivery date.

37. FINANCIAL RISK MANAGEMENT

The Group and the Company 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 Group and the Company 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 Committee 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.

(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 2012, the Group had entered into foreign currency forward exchange buy contracts amounting to $73 million (2011: $87 million) and sell contracts amounting to $803 million (2011: $453 million). The fair value adjustments of the buy contracts and sell contracts (which is the difference between the notional principal amount and market value of the contracts) are gain of $378,000 (2011: loss of $774,000) and loss of $9,220,000 (2011: gain of $2,991,000) 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.

37. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Foreign Currency Risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's total equity and the Group's profit net of tax to a reasonably possible 10% strengthening of the Australian Dollar, Sterling Pound, United States Dollar, Vietnamese Dong, Hong Kong Dollar, Euro, Singapore Dollar and Malaysia Ringgit 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 2012				
Australian Dollar	**-**	**1,245**	**-**	**52**
Sterling Pound	**-**	**(5,177)**	**-**	**-**
United States Dollar	**-**	**(40,216)**	**-**	**270**
Vietnamese Dong	**36,345**	**13**	**-**	**-**
Hong Kong Dollar	**-**	**(160)**	**-**	**-**
Euro	**-**	**(155)**	**-**	**-**
Singapore Dollar	**-**	**615**	**-**	**-**
Malaysia Ringgit	**-**	**(115)**	**-**	**619**
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	-	-

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.

(b) Liquidity Risk

The Group's and the Company's exposure to liquidity risk arises in the general funding of the Group's and the Company'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.

37. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity Risk (cont'd)

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

		Cash Flows			
	Carrying amount ($'000)	Contractual Cash flow ($'000)	Less than 1 year ($'000)	Between 1 and 5 years ($'000)	Over 5 years ($'000)
The Group					
Year Ended 30 September 2012					
Financial Assets					
Trade receivables	551,668	551,668	551,668	-	-
Other receivables (excluding derivative financial instruments)	165,089	173,079	88,289	84,790	-
Derivative financial instruments	788	788	788	-	-
Joint venture companies	1,662	1,662	1,662	-	-
Associated companies	26,955	26,955	13,122	-	13,833
Bank fixed deposits	604,112	604,112	604,112	-	-
Cash and bank balances	1,044,833	1,044,833	1,044,833	-	-
	2,395,107	2,403,097	2,304,474	84,790	13,833
Financial Liabilities					
Trade payables	529,751	529,751	529,751	-	-
Other payables (excluding derivative financial instruments)	885,871	885,871	854,422	27,658	3,791
Derivative financial instruments	27,291	28,907	20,110	8,797	-
Borrowings	3,907,943	4,208,874	1,022,443	2,713,219	473,212
Joint venture companies	3	3	3	-	-
Associated companies	1,787	1,787	1,787	-	-
	5,352,646	5,655,193	2,428,516	2,749,674	477,003
Total net undiscounted financial liabilities		(3,252,096)	(124,042)	(2,664,884)	(463,170)

37. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity Risk (cont'd)

	Carrying amount ($'000)	Cash Flows: Contractual Cash flow ($'000)	Less than 1 year ($'000)	Between 1 and 5 years ($'000)	Over 5 years ($'000)
The Group					
Year Ended 30 September 2011					
Financial Assets					
Trade receivables	961,457	961,457	961,457	-	-
Other receivables (excluding derivative financial instruments)	243,616	243,616	173,721	69,895	-
Derivative financial instruments	5,938	5,938	5,660	278	-
Joint venture companies	6,117	6,117	6,117	-	-
Associated companies	31,204	31,204	13,181	-	18,023
Bank fixed deposits	1,180,935	1,180,935	1,180,935	-	-
Cash and bank balances	418,672	418,672	418,672	-	-
	2,847,939	2,847,939	2,759,743	70,173	18,023
Financial Liabilities					
Trade payables	673,442	673,442	673,442	-	-
Other payables (excluding derivative financial instruments)	986,429	986,429	955,883	30,546	-
Derivative financial instruments	26,164	27,016	17,459	9,557	-
Borrowings	3,963,446	4,326,123	841,184	2,897,101	587,838
Joint venture companies	14,263	14,263	14,263	-	-
Associated companies	3,043	3,043	3,043	-	-
	5,666,787	6,030,316	2,505,274	2,937,204	587,838
Total net undiscounted financial (liabilities)/assets		(3,182,377)	254,469	(2,867,031)	(569,815)

37. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Liquidity Risk (cont'd)

	Carrying amount ($'000)	Cash Flows: Contractual Cash flow ($'000)	Less than 1 year ($'000)	Between 1 and 5 years ($'000)	Over 5 years ($'000)
The Company					
Year Ended 30 September 2012					
Financial Assets					
Other receivables	**12**	**12**	**12**	**-**	**-**
Subsidiary companies	**16,552**	**16,552**	**16,552**	**-**	**-**
Bank fixed deposits	**64,489**	**64,489**	**64,489**	**-**	**-**
Cash and bank balances	**91,793**	**91,793**	**91,793**	**-**	**-**
	172,846	**172,846**	**172,846**	**-**	**-**
Financial Liabilities					
Other payables	**8,253**	**8,253**	**8,253**	**-**	**-**
Borrowings	**150,000**	**166,469**	**5,430**	**161,039**	**-**
Subsidiary companies	**17,823**	**17,823**	**17,823**	**-**	**-**
	176,076	**192,545**	**31,506**	**161,039**	**-**
Total net undiscounted financial (liabilities)/assets		**(19,699)**	**141,340**	**(161,039)**	**-**
Year Ended 30 September 2011					
Financial Assets					
Other receivables (excluding derivative financial instruments)	27	27	27	-	-
Derivative financial instruments	278	278	-	278	-
Subsidiary companies	50,898	50,898	50,898	-	-
Bank fixed deposits	98,566	98,566	98,566	-	-
Cash and bank balances	1,002	1,002	1,002	-	-
	150,771	150,771	150,493	278	-
Financial Liabilities					
Other payables	4,982	4,982	4,982	-	-
Borrowings	150,000	171,914	5,445	166,469	-
Subsidiary companies	5,164	5,164	5,164	-	-
	160,146	182,060	15,591	166,469	-
Total net undiscounted financial (liabilities)/assets		(31,289)	134,902	(166,191)	-

37. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Credit Risk

At the balance sheet date, the Group's and the Company'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.

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			
	2012		2011	
	($'000)	**% of total**	($'000)	% of total
By Geographical Segment:				
Singapore	**321,180**	**59%**	595,297	61%
Malaysia	**160,689**	**29%**	169,514	18%
Other ASEAN	**52,808**	**10%**	65,369	7%
North/South Asia	**1,204**	**0%**	38,249	4%
Oceania	**13,491**	**2%**	87,555	9%
Europe & USA	**2,296**	**0%**	5,473	1%
	551,668	**100%**	961,457	100%
By Business Segment:				
Beverages	**82,578**	**15%**	97,933	10%
Dairies	**137,911**	**25%**	144,743	15%
Breweries (Discontinued operations)	**-**	**-**	118,942	12%
Printing & Publishing	**87,740**	**16%**	98,450	10%
Commercial Property	**11,879**	**2%**	16,592	2%
Development Property	**218,695**	**40%**	463,218	48%
Others	**12,865**	**2%**	21,579	3%
	551,668	**100%**	961,457	100%

The Group and the Company have no significant concentration of credit risk. The Group and the Company 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 Group's and the Company's policy to enter into financial instruments with a diversity of credit worthy counterparties. The Group and the Company do not expect to incur material credit losses on their financial assets or other financial instruments.

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

37. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Interest Rate Risk

The Group's and the Company's exposure to market risk for changes in interest rates relate primarily to debt obligation with financial institutions. The Group's and the Company'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 Group and the Company 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 Group and the Company have the following interest rate swap arrangements in place:

	THE GROUP		THE COMPANY	
	2012 ($'000)	2011 ($'000)	**2012 ($'000)**	2011 ($'000)
Notional Amount	**844,621**	915,536	**-**	100,000
Net Fair Value				
Fair value gain on interest rate swap contracts	**-**	359	**-**	278
Fair value loss on interest rate swap contracts	**(17,661)**	(22,678)	**-**	-

At 30 September 2012, the fixed interest rate of outstanding interest rate swap contracts is between 1.2% to 4.3% (2011: 0.5% to 4.3%), 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 and the Company'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 2012				
Assets				
Cash and bank deposits	**157,741**	**646,623**	**-**	**-**
Other financial assets	**-**	**60,350**	**82,836**	**-**
Liabilities				
Borrowings	**1,624,723**	**251,052**	**1,628,816**	**403,352**
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

37. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Interest Rate Risk (cont'd)

	Floating rates	Fixed rates		
		Less than 1 year	Between 1 to 5 years	After 5 years
	($'000)	($'000)	($'000)	($'000)
The Company				
Year Ended 30 September 2012				
Assets				
Cash and bank deposits	**-**	**90,798**	**-**	**-**
Liabilities				
Borrowings	**-**	**-**	**150,000**	**-**
Year Ended 30 September 2011				
Assets				
Cash and bank deposits	-	98,566	-	-
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 Group and the Company are in a net finance cost position for the years ended 30 September 2012 and 2011.

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 $12,716,000 (2011: $13,291,000) and $12,500,000 (2011: $16,100,000) 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 2011.

37. FINANCIAL RISK MANAGEMENT (cont'd)

(e) Market Price Risk

The Group and the Company are exposed to market price risk and the risk of impairment in the value of investments held. The Group and the Company 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	
	2012 ($'000)	2011 ($'000)	**2012 ($'000)**	2011 ($'000)
Fair value adjustment reserve	**41,868**	30,138	**514**	514

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 2011 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.

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 2012				
Financial Assets				
Other investments (Note 19)				
Quoted - Equity investments	**370,021**	**-**	**-**	**370,021**
Unquoted - Equity investments	**-**	**2,672**	**-**	**2,672**
Derivative financial instruments (Note 26)	**-**	**788**	**-**	**788**
Short term investments (Note 27)				
Quoted - Equity investments	**98**	**-**	**-**	**98**
Quoted - Non-equity investments	**-**	**60,350**	**-**	**60,350**
	370,119	**63,810**	**-**	**433,929**
Financial Liabilities				
Derivative financial instruments (Note 26)	**-**	**27,291**	**-**	**27,291**
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

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.

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 and the Company's financial instruments that are carried in the financial statements:

	Loans and receivables ($'000)	Fair value through profit and loss ($'000)	Derivatives used for hedging ($'000)	Available-for-sale ($'000)	Liabilities at amortised cost ($'000)	Non-financial assets/ liabilities ($'000)	Total ($'000)
The Group							
Year Ended 30 September 2012							
Assets							
Fixed assets	-	-	-	-	-	747,447	747,447
Investment properties	-	-	-	-	-	2,837,787	2,837,787
Joint venture companies	1,662	-	-	-	-	-	1,662
Associated companies	26,955	-	-	-	-	1,481,681	1,508,636
Intangible assets	-	-	-	-	-	163,475	163,475
Brands	-	-	-	-	-	30,337	30,337
Other investments	-	-	-	374,978	-	-	374,978
Other receivables	165,089	788	-	-	-	50,532	216,409
Other assets	-	-	-	-	-	42,400	42,400
Deferred tax assets	-	-	-	-	-	38,700	38,700
Properties held for sale	-	-	-	-	-	4,441,491	4,441,491
Inventories	-	-	-	-	-	265,936	265,936
Trade receivables	551,668	-	-	-	-	-	551,668
Short term investments	-	-	-	60,448	-	-	60,448
Bank fixed deposits	604,112	-	-	-	-	-	604,112
Cash and bank balances	1,044,833	-	-	-	-	-	1,044,833
Assets held for sale	432,271	434	-	83,303	-	1,204,651	1,720,659
	2,826,590	1,222	-	518,729	-	11,304,437	14,650,978
Liabilities							
Trade payables	-	-	-	-	529,751	-	529,751
Other payables	-	9,630	17,661	-	885,871	30,924	944,086
Joint venture companies	-	-	-	-	3	-	3
Associated companies	-	-	-	-	1,787	-	1,787
Borrowings	-	-	-	-	3,907,943	-	3,907,943
Provision for taxation	-	-	-	-	-	176,739	176,739
Liabilities held for sale	-	582	-	-	574,982	114,547	690,111
Provision for employee benefits	-	-	-	-	-	17,346	17,346
Deferred tax liabilities	-	-	-	-	-	128,708	128,708
	-	10,212	17,661	-	5,900,337	468,264	6,396,474

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 2011								
Assets								
Fixed assets	-	-	-	-	-	-	1,188,098	1,188,098
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	-	-	-	-	-	-	569,609	569,609
Brands	-	-	-	-	-	-	73,519	73,519
Other investments	6,691	-	-	397,625	267	-	-	404,583
Other receivables	243,616	5,695	243	-	-	-	132,800	382,354
Other assets	-	-	-	-	-	-	41,000	41,000
Deferred tax assets	-	-	-	-	-	-	14,649	14,649
Properties held for sale	-	-	-	-	-	-	4,254,487	4,254,487
Inventories	-	-	-	-	-	-	373,497	373,497
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	3,243	-	-	-	-	-	116,299	119,542
	2,855,450	5,695	243	397,714	267	-	10,664,976	13,924,345
Liabilities								
Trade payables	-	-	-	-	-	673,442	-	673,442
Other payables	-	3,188	22,976	-	-	986,429	39,301	1,051,894
Joint venture companies	-	-	-	-	-	14,263	-	14,263
Associated companies	-	-	-	-	-	3,043	-	3,043
Borrowings	-	-	-	-	-	3,963,446	-	3,963,446
Provision for taxation	-	-	-	-	-	-	310,240	310,240
Liabilities held for sale	1,824	-	-	-	-	-	36,468	38,292
Provision for employee benefits	-	-	-	-	-	-	20,405	20,405
Deferred tax liabilities	-	-	-	-	-	-	174,747	174,747
	1,824	3,188	22,976	-	-	5,640,623	581,161	6,249,772

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 2012						
Assets						
Subsidiary companies	**634,442**	**-**	**-**	**(103,878)**	**3,315,653**	**3,846,217**
Associated companies	**-**	**-**	**-**	**-**	**82,383**	**82,383**
Brands	**-**	**-**	**-**	**-**	**212**	**212**
Other investments	**-**	**-**	**8,877**	**-**	**-**	**8,877**
Other receivables	**12**	**-**	**-**	**-**	**12**	**24**
Bank fixed deposits	**64,489**	**-**	**-**	**-**	**-**	**64,489**
Cash and bank balances	**91,793**	**-**	**-**	**-**	**-**	**91,793**
Assets held for sale	**-**	**-**	**-**	**-**	**434,421**	**434,421**
	790,736	**-**	**8,877**	**(103,878)**	**3,832,681**	**4,528,416**
Liabilities						
Other payables	**-**	**-**	**-**	**8,253**	**85**	**8,338**
Subsidiary companies	**-**	**-**	**-**	**17,823**	**-**	**17,823**
Borrowings	**-**	**-**	**-**	**150,000**	**-**	**150,000**
Provision for taxation	**-**	**-**	**-**	**-**	**12,244**	**12,244**
Deferred tax liabilities	**-**	**-**	**-**	**-**	**386**	**386**
	-	**-**	**-**	**176,076**	**12,715**	**188,791**
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

38. 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 2012 and 2011.

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	
	2012 ($'000)	2011 ($'000) (Restated)	2010 ($'000) (Restated)	**2012 ($'000)**	2011 ($'000)
Cash & bank deposits	**1,648,945**	1,599,607	1,698,916	**156,282**	99,568
Borrowings	**(3,907,943)**	(3,963,446)	(4,574,741)	**(150,000)**	(150,000)
Net borrowings	**(2,258,998)**	(2,363,839)	(2,875,825)	**6,282**	(50,432)
Shareholders' fund	**7,591,456**	6,843,369	6,081,725	**4,339,625**	4,173,064
Total equity (including non-controlling interests)	**8,254,504**	7,674,573	6,884,780	**4,339,625**	4,173,064
Net borrowings/Shareholders' fund	**0.30**	0.35	0.47	**-**	0.01
Net borrowings/Total equity	**0.27**	0.31	0.42	**-**	0.01

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.

39. 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**
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
Revised FRS 27	Separate Financial Statements	1 January 2014
Revised FRS 28	Investments in Associates and Joint Ventures	1 January 2014
FRS 110	Consolidated Financial Statements	1 January 2014
FRS 111	Joint Arrangements	1 January 2014
FRS 112	Disclosures of Interests in Other Entities	1 January 2014
FRS 113	Fair Value Measurements	1 January 2013
Amendments to FRS 107	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 32	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Improvements to FRSs 2012:		
Amendments to FRS 1	Presentation of Financial Statements	1 January 2013
Amendments to FRS 16	Property, Plant and Equipment	1 January 2013
Amendments to FRS 32	Financial Instruments: Presentation	1 January 2013

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

Except for the Amendments to FRS 1, Revised FRS 19, Amendments to FRS 12, FRS 110, Revised FRS 27, FRS 111, Revised FRS 28 and FRS 112, 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 are described below.

(a) 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.

(b) Revised FRS 19 Employee Benefits

The Revised FRS 19 requires all actuarial gains and losses to be recognised in other comprehensive income and unvested past service costs previously recognised over the vesting period to be recognised immediately in profit or loss when incurred.

The Group currently recognised actuarial gains and losses as income or expense when the net cumulative unrecognised gains and losses for each individual plan at the end of the previous period exceeded 10% of the higher of the defined benefit obligation and the fair value of the plan assets and recognised unvested past service costs as an expense on a straight line basis over the average vesting period until the benefits become vested. Upon adoption of Revised FRS 19, the Group will recognise all actuarial gains or losses in OCI and all past service costs in profit or loss in the period they occur.

(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.

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

(d) FRS 110 Consolidated Financial Statements and Revised FRS 27 Separate Financial Statements

FRS 110 establishes a single control model that applies to all entities (including special purpose entities). The changes introduced by FRS 110 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 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 Joint Arrangements and Revised FRS 28 Investment in Associates and Joint Ventures

FRS 111 classifies joint arrangements either as joint operations or joint ventures. Joint operation is a joint arrangement whereby 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 have rights to the net assets of the arrangement. FRS 111 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 disallows proportionate consolidation and requires joint ventures 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, the Group expects the change to equity accounting for some of these joint ventures and this will affect the Group's financial statement presentation.

(f) FRS 112 Disclosure of Interests in Other Entities

FRS 112 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 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. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group when implemented.

40. SUBSEQUENT EVENTS

On 18 August 2012, the Company had entered into conditional sale and purchase agreements with Heineken International B.V. in connection with the proposed sale of the Company's interests in APBL and APIPL for a total consideration of $5.6 billion (the "Transaction"). On 28 September 2012, at the Extraordinary General Meeting of the Company, the members approved and adopted the Transaction. The Transaction was completed on 15 November 2012.

Subsequent to the year end, the Company has given an undertaking to pay OUE Baytown Pte. Ltd. ("OUE Baytown") a fee of up to $50 million ("the Break Fee") in connection with a voluntary conditional cash offer made by OUE Baytown (the "OUE Offer") for all the issued and paid-up ordinary shares in the capital of the Company ("Shares") at an offer price of $9.08 per Share. The Break Fee will be payable in the event that a general offer (not being the OUE Offer) for the Shares at or above the OUE Offer price becomes or is declared unconditional as to acceptances within 85 calendar days from the date of the OUE Offer Announcement or such longer period that the Securities Industry Council may allow the OUE Offer to continue.

41. COMPARATIVE FIGURES

(a) Certain comparative figures have been changed due to the adoption of INT FRS 115 Agreements for the Construction of Real Estate, as disclosed in Note 2.1 and the agreement to dispose the Breweries business, as disclosed in Note 28(a).

(b) Certain reclassifications have been made to the prior year's financial statements to conform with the current year's presentation. These reclassifications have no impact on the Group's profit for the year.

The effects of the reclassification are as follows:

	THE GROUP 2011 ($'000)
Profit statement	
Continuing operations	
Decrease in revenue	(11,636)
Decrease in administration expenses	11,636
	-
Balance sheet	
Decrease in properties held for sale	(67,194)
Decrease in other payables (non-current)	(67,194)

42. SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES

	Effective Shareholding 2012	2011	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 *(Held by a subsidiary company)*	**100.0%**	100.0%	Distribution of Ice-Cream

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

		Effective Shareholding 2012	Effective Shareholding 2011	Principal Activities
	SUBSIDIARY COMPANIES OF THE COMPANY (cont'd)			
	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	**56.1%**	56.7%	Investment Holding
(A)	Tiger Taverns Sdn Bhd	**100.0%**	100.0%	Dormant
(A)	Magnolia - PDL Dairies (1993) Sdn Bhd	**100.0%**	100.0%	Dormant
(A)	Fannet Online Sdn Bhd	**100.0%**	100.0%	Dormant
(A)	F&N Services (L) Bhd	**100.0%**	100.0%	Investment Holding
(A) (3)	Vacaron Company Sdn Bhd	**78.0%**	56.7%	Property Development
	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
	Country of Incorporation and Place of Business: **Indonesia**			
(E)	PT F&N Indonesia *(Held by subsidiary companies)*	**100.0%**	-	Sale and Distribution of Asian Soft Drinks
	SUBSIDIARY COMPANIES OF F&N CREAMERIES GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(A)	F&N Ice Cream Manufacturing (M) Sdn Bhd	**100.0%**	100.0%	Manufacture and Distribution of Ice-Cream
(A)	F&N Creameries (M) Sdn Bhd	**100.0%**	100.0%	Distribution of Ice-Cream
(A)	F&N Ice Cream Manufacturing (Sarawak) Sdn Bhd	**100.0%**	100.0%	Manufacture and Distribution of Ice-Cream
(A)	F&N Creameries (Sarawak) Sdn Bhd	**100.0%**	100.0%	Distribution of Ice-Cream

Notes:
(A) Audited by Ernst & Young in the respective countries.
(C) Audited by other firms of auditors.
(E) To be appointed.
(3) Vacaron Company Sdn Bhd is considered a subsidiary of the Company by virtual of it being a 50:50 joint venture between Fraser & Neave Holdings Group and Frasers Centrepoint Group.

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

		Effective Shareholding 2012	Effective Shareholding 2011	Principal Activities
	SUBSIDIARY COMPANIES OF FRASER & NEAVE HOLDINGS GROUP			
	Country of Incorporation and Place of Business: **Malaysia**			
(A)	Fraser & Neave (Malaya) Sdn Bhd	**56.1%**	56.7%	Management Services and Property Investment Holdings
(A)	F&N Beverages Marketing Sdn Bhd	**56.1%**	56.7%	Distribution of Soft Drinks
(A)	F&N Beverages Manufacturing Sdn Bhd	**56.1%**	56.7%	Manufacture of Soft Drinks
(A)	F&N Dairies (Malaysia) Sdn Bhd	**56.1%**	56.7%	Distribution of Dairy Products
(A)	Premier Milk (Malaya) Sdn Bhd	**56.1%**	56.7%	Manufacture of Dairy Products
(A)	Four Eights Sdn Bhd	**56.1%**	56.7%	Dormant
(A)	F&N Foods Sdn Bhd	**56.1%**	56.7%	Manufacture of Dairy Products
(A)	Kuala Lumpur Glass Manufacturers Company Sdn Bhd	**56.1%**	56.7%	Dormant
(A)	Wimanis Sdn Bhd	**56.1%**	56.7%	Property Development
(A)	Lettricia Corporation Sdn Bhd	**39.2%**	39.7%	Property Development
(A)	Elsinburg Holdings Sdn Bhd	**56.1%**	56.7%	Property Development
(A)	Nuvak Company Sdn Bhd	**56.1%**	56.7%	Dormant
(A)	Greenclipper Corporation Sdn Bhd	**56.1%**	56.7%	Dormant
(A)	Utas Mutiara Sdn Bhd	**56.1%**	56.7%	Property Investment Holding
(A)	Borneo Springs Sdn Bhd	**56.1%**	56.7%	Manufacture and Sale of Mineral Water, Carbonated Drinks and Bottles
(A)	PML Dairies Sdn Bhd	**56.1%**	56.7%	Manufacture and Distribution of Dairy Products
(A)	F&N Properties Sdn Bhd	**56.1%**	56.7%	Provision of Property Management Services
(A)	F&N Capital Sdn Bhd	**56.1%**	56.7%	Provide Treasury and Financial Services
(A)	Tropical League Sdn Bhd	**56.1%**	56.7%	Dormant
	Country of Incorporation and Place of Business: **Singapore**			
	Arolys Singapore Pte Ltd	**56.1%**	56.7%	Distribution of Dairy Products
	Country of Incorporation and Place of Business: **Thailand**			
(A)	F&N Dairies (Thailand) Limited	**56.1%**	56.7%	Manufacture and Distribution of Dairy Products
(A)	F&N Beverage (Thailand) Limited	**56.1%**	56.7%	Dormant
	Country of Incorporation and Place of Business: **British Virgin Islands**			
(A)	Lion Share Management Limited	**56.1%**	56.7%	Brand Owner

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

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

	Effective Shareholding 2012	Effective Shareholding 2011	Principal Activities
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
FCL (Fraser) Pte Ltd	**100.0%**	100.0%	Investment Holding
FCL Boon Lay Pte Ltd	**100.0%**	100.0%	Property Development
FCL Sophia Pte Ltd	**100.0%**	100.0%	Property Development
Frasers Centrepoint Property Management Services Pte Ltd	**100.0%**	100.0%	Management Services
FCL Choa Chu Kang Pte Ltd	**100.0%**	100.0%	Property Development
FCL Joo Chiat Place Pte Ltd	**100.0%**	100.0%	Property Development
Frasers (NZ) Pte Ltd	**75.0%**	75.0%	Investment Holding
FCL China Development Pte Ltd	**100.0%**	100.0%	Investment Holding
FCL Court Pte Ltd	**100.0%**	100.0%	Property Development
FCL Lodge Pte Ltd	**100.0%**	100.0%	Property Development
FCL Place Pte Ltd	**100.0%**	100.0%	Property Development
FCL Rise Pte Ltd	**100.0%**	100.0%	Property Development
Frasers (Thailand) Pte Ltd	**100.0%**	100.0%	Investment Holding
River Valley Properties Pte Ltd	**100.0%**	100.0%	Investment Holding and Property Development
Lion (Singapore) Pte Limited	**100.0%**	100.0%	Property Development

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

	Effective Shareholding 2012	Effective Shareholding 2011	Principal Activities
SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
Country of Incorporation and Place of Business: **Singapore** (cont'd)			
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
FCL Emerald (2) 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%**	100.0%	Investment Holding
FCL Treasury Pte Ltd	**100.0%**	-	Financial Services
Emerald Hill Developments Pte Ltd	**100.0%**	100.0%	Property Investment
River Valley Shopping Centre Pte Ltd	**100.0%**	100.0%	Property Investment
River Valley Tower Pte Ltd	**100.0%**	100.0%	Property Investment
River Valley Apartments Pte Ltd	**100.0%**	100.0%	Property Investment
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
Frasers Hospitality Changi City Pte Ltd	**100.0%**	-	Management Consultancy Services

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

		Effective Shareholding 2012	Effective Shareholding 2011	Principal Activities
	SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
	Country of Incorporation and Place of Business: **Singapore** (cont'd)			
	Sinomax International Pte Ltd	**100.0%**	100.0%	Investment Holding
	Frasers Land Pte Ltd *(Formerly Frasers International Logistics Management Pte. Ltd)*	**100.0%**	100.0%	Property Development
	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%**	80.0%	Property Development
	FC Hotel Trustee Pte Ltd	**100.0%**	100.0%	Management Services
	Ruby Star Trust	**100.0%**	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
(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
	Country of Incorporation and Place of Business: **Hong Kong**			
(A)	Excellent Esteem Limited	**100.0%**	100.0%	Investment Holding
(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

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

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

		Effective Shareholding 2012	Effective Shareholding 2011	Principal Activities
	SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
	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%**	80.0%	Investment Holding
	Country of Incorporation and Place of Business: **United Kingdom**			
(C)	Frasers Property (UK) Limited	**80.0%**	80.0%	Investment Holding
(C)	Frasers Property Developments Ltd	**80.0%**	80.0%	Investment Holding
(C)	Frasers Investments (UK) Limited	**80.0%**	80.0%	Property Investment
(C)	Frasers Ventures Limited	**80.0%**	80.0%	Property Development
(C)	Frasers FB (UK) Limited	**80.0%**	80.0%	Property Investment
(C)	Frasers Projects Limited	**80.0%**	80.0%	Property Development
(C)	The School House (Tunbridge Wells) Limited	**80.0%**	80.0%	Property Development
(C)	Frasers General Partner Limited	**80.0%**	80.0%	Property Investment
(C)	Frasers FB (UK) Group Limited	**80.0%**	80.0%	Investment Holding
(C)	Frasers House Limited	**80.0%**	80.0%	Investment Holding
(C)	Frasers Homes (UK) Limited	**80.0%**	80.0%	Property Development
(C)	Frasers (Buckswood Grange) Limited	**80.0%**	80.0%	Property Development
(C)	Frasers Islington Limited	**83.3%**	80.0%	Property Development
(C)	Frasers Islington Properties Limited	**83.3%**	80.0%	Property Development
(C)	NGH Properties Limited	**80.0%**	80.0%	Property Investment
(C)	Frasers (Brown Street) Limited	**80.0%**	80.0%	Property Development
(C)	Fairdace Limited	**100.0%**	100.0%	Serviced Apartments
(C)	Frasers Hospitality (UK) Limited	**100.0%**	100.0%	Management Consultancy Services and Serviced Apartments
(C)	Frasers (Vincent Square) Ltd	**80.0%**	80.0%	Property Development
(C)	Frasers Lumiere Leeds Ltd	**80.0%**	80.0%	Investment Holding
(C)	Frasers Management (UK) Ltd	**80.0%**	80.0%	Management Services
(C)	Frasers (Riverside Quarter) Ltd	**80.0%**	80.0%	Property Development
(B)	Frasers Highbury Limited	**75.0%**	75.0%	Dormant
(C)	Frasers St Giles Street Management Ltd	**100.0%**	100.0%	Property Management
(C)	39 QGG Management Limited	**100.0%**	-	Management Services
(C)	Frasers Hospitality Frankfurt Investment Ltd	**100.0%**	-	Investment Holding
(C)	Fairbrair Residential Investment Partnership	**100.0%**	32.0%	Investment in Residential Property Fund
(C)	Frasers (Maidenhead) Ltd	**80.0%**	80.0%	Property Development
(C)	Frasers Imperial Place Ltd	**80.0%**	80.0%	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.

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

		Effective Shareholding 2012	Effective Shareholding 2011	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%**	80.5%	Management Services
(A)	Frasers City Quarter Pty Limited	**87.5%**	87.5%	Property Development
(A)	Frasers Queens Pty Limited	**87.5%**	87.5%	Investment Holding and Property Development
(A)	Frasers Perth Pty Ltd	**87.5%**	-	Property Investment
(A)	Frasers Perth Management Pty Ltd	**87.5%**	-	Management Services
(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%	Builder
(A)	Frasers Putney Pty Limited	**75.0%**	75.0%	Property Development
(A)	Frasers Central Park Holdings No. 1 Pty Ltd	**75.0%**	75.0%	Investment Holding
(A)	Frasers Central Park Holdings No. 2 Pty Ltd	**75.0%**	75.0%	Investment Holding
(A)	Frasers Central Park Land No. 1 Pty Ltd	**75.0%**	75.0%	Property Development
(A)	Frasers Central Park Land No. 2 Pty Ltd	**75.0%**	75.0%	Property Development
(A)	Frasers Central Park Equity No. 1 Pty Ltd	**75.0%**	75.0%	Property Development
(A)	Frasers Central Park Equity No. 2 Pty Ltd	**75.0%**	75.0%	Property Development
(A)	Frasers Melbourne Trust	**100.0%**	100.0%	Property Investment
(A)	Frasers Melbourne Apartments Pty Limited	**100.0%**	100.0%	Management and Consultancy Services
(A)	Frasers Melbourne Management Pty Limited	**100.0%**	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

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

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

		Effective Shareholding 2012	Effective Shareholding 2011	Principal Activities
	SUBSIDIARY COMPANIES OF FRASERS CENTREPOINT GROUP (cont'd)			
	Country of Incorporation: **Jersey, Channel Islands** Place of Business: **United Kingdom**			
(C)	Frasers (St Giles Street, Edinburgh) Ltd	**100.0%**	100.0%	Property Investment
(C)	Queensgate Gardens (C.I.) Limited	**100.0%**	-	Property Investment
	Country of Incorporation and Place of Business: **France**			
(C)	Socie De Gestion Residence	**100.0%**	100.0%	Management Services
	Country of Incorporation and Place of Business: **New Zealand**			
(A)	Frasers Broadview Limited	**75.0%**	75.0%	Property Development
(A)	Frasers Papamoa Limited	**67.5%**	67.5%	Property Development
(A)	Coast Homes Limited	**67.5%**	67.5%	Builder
	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%**	100.0%	Management Consultancy Services
	Country of Incorporation and Place of Business: **Indonesia**			
(A)	PT Frasers Hospitality Investments Indonesia *(Accounting year ends on 31 December)*	**100.0%**	100.0%	Property Investment
	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	**100.0%**	51.0%	Digital Printing
	Starprint Production Pte Ltd	**51.0%**	51.0%	Dormant

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

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

		Effective Shareholding 2012	Effective Shareholding 2011	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)			
	Country of Incorporation and Place of Business: **Singapore** (cont'd)			
	Times Editions Pte Ltd	**100.0%**	100.0%	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
	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 - Education, Business Information and Trade Books
(A)	STP Distributors (M) Sdn Bhd	**100.0%**	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	**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

Notes:
(A) Audited by Ernst & Young in the respective countries.
** In voluntary liquidation.

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

		Effective Shareholding 2012	Effective Shareholding 2011	Principal Activities
	SUBSIDIARY COMPANIES OF TIMES PUBLISHING GROUP (cont'd)			
	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**			
(C)	Everbest Printing (Guangzhou) Co. Ltd	**100.0%**	100.0%	Commercial Printing
(A) **	Liaoning Times Xinhua Printers Ltd	**51.0%**	51.0%	Commercial Printing
(A)	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
	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
	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

Notes:
(A) Audited by Ernst & Young in the respective countries.
(C) Audited by other firms of auditors.
** In voluntary liquidation.

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

		Effective Shareholding 2012	2011	Principal Activities
	JOINT VENTURE COMPANIES OF THE COMPANY			
	Country of Incorporation and Place of Business: **Singapore**			
*	Asia Pacific Investment Pte Ltd	**50.0%**	50.0%	Investment Holding
	JOINT VENTURE COMPANIES OF FRASERS CENTREPOINT GROUP			
	Country of Incorporation and Place of Business: **Thailand**			
(A) (2)	Riverside Homes Development Co., Ltd *(Accounting year ends on 31 December)*	**69.6%**	69.6%	Property Development
	Country of Incorporation and Place of Business: **Singapore**			
	FCL Peak Pte Ltd	**50.0%**	50.0%	Property Development
	Ascendas Frasers Pte Ltd *(Accounting year ends on 31 March)*	**50.0%**	50.0%	Property Development
	Yishun Gold Pte Ltd	**50.0%**	50.0%	Property Development
	Precious Sand Pte Ltd	**50.0%**	50.0%	Property Development
	Easthouse Properties Pte Ltd	**50.0%**	50.0%	Property Development
	Emerald Star Pte Ltd	**33.3%**	33.3%	Property Development
	Sapphire Star Trust	**33.3%**	33.3%	Property Development
	FC Retail Trustee Pte Ltd	**33.3%**	100.0%	Trustee-Management Services
	eCO Propeties Pte Ltd	**33.3%**	-	Property Development
	Quarry Bay Pte Ltd	**33.3%**	-	Property Development
	Country of Incorporation and Place of Business: **United Kingdom**			
(C)	GSF Homes Limited	**40.0%**	40.0%	Property Development
(C)	Sovereign House Fairbriar Homes Ltd	**40.0%**	40.0%	Property Development
(C)	Fairmuir Limited	**40.0%**	40.0%	Property Development
(A) (4)	Frasers Central Park Equity No.1 Pty Ltd and SH Central Park Development East Pty Ltd	**37.5%**	37.5%	Property Development
(A) (4)	Frasers Central Park Equity No.2 Pty Ltd and SH Central Park Development West Pty Ltd	**37.5%**	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

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.
(4) Unincorporated joint ventures.
* 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, Chapter.50, Fraser and Neave, Limited is the ultimate holding company by reason of its rights to appoint a majority of the directors of APIPL.

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

		Effective Shareholding 2012	Effective Shareholding 2011	Principal Activities
	ASSOCIATED COMPANIES OF THE COMPANY			
	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)*	**12.0%**	11.6%	Printing and Packaging
	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)*	**15.2%**	13.1%	Investment Holding
	ASSOCIATED COMPANIES OF FRASERS CENTREPOINT GROUP			
	Country of Incorporation and Place of Business: **Singapore**			
	Frasers Commercial Trust	**27.4%**	26.0%	Real Estate Investment Trust
	Frasers Centrepoint Trust	**41.0%**	40.7%	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
	Country of Incorporation and Place of Business: **British Virgin Islands**			
(B)	Supreme Asia Investments Limited	**43.3%**	75.2%	Investment Holding
	Country of Incorporation and Place of Business: **China**			
(A)	Shanghai Zhong Jun Property Real Estate Development Co, Ltd *(Accounting year ends on 31 December)*	**45.2%**	76.0%	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.
(1) Company is treated as an associate company of the Group by virtue of significant influence over the company.

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

		Effective Shareholding 2012	Effective Shareholding 2011	Principal Activities
	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%**	44.8%	Investment Holding
(D)	Island Link Holdings Pte Ltd	**39.7%**	-	Investment Holding
(A)	Mongolian Beverages Company Pte Ltd	**20.2%**	-	Investment Holding
	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%**	44.8%	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.

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

		Effective Shareholding 2012	Effective Shareholding 2011	Principal Activities
	SUBSIDIARY COMPANIES OF ASIA PACIFIC BREWERIES GROUP (cont'd)			
	Country of Incorporation and Place of Business: **India**			
(C)	Asia Pacific Breweries (India) Private 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
	Country of Incorporation and Place of Business: **New Zealand**			
(B)	Amstel Brouwerij Importers Ltd	**39.7%**	39.7%	Dormant
(B)	Albany Hospitality Ltd	**17.8%**	17.8%	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
(B)	Black Dog Brewery Limited	**39.7%**	39.7%	Dormant
(D)	BOF Limited	**17.8%**	17.8%	Distribution of Beer
(D)	Clifford Pubs Limited	**23.8%**	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)	Glenfield Hospitality Limited	**23.8%**	-	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
(C)	Redwood Cellars (2006) Limited	**31.7%**	-	Brewing and 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%**	39.7%	Dormant
(D)	Studio 25 Limited	**23.8%**	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
(B)	Tui Brewery Limited	**39.7%**	39.7%	Dormant
(B)	Waitemata Brewery Limited	**39.7%**	39.7%	Dormant
(E)	Wrynoze Limited	**17.8%**	-	Investment Holding

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.
(E) To be appointed.

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

		Effective Shareholding 2012	Effective Shareholding 2011	Principal Activities
	SUBSIDIARY COMPANIES OF ASIA PACIFIC BREWERIES GROUP (cont'd)			
	Country of Incorporation and Place of Business: **Papua New Guinea**			
(D)	South Pacific Brewery Limited	**30.3%**	30.1%	Brewing and Distribution of Beer
	Country of Incorporation and Place of Business: **United Kingdom**			
(C)	Tiger Beer UK Ltd	**39.7%**	39.7%	Distribution of Beer and Stout
	Country of Incorporation and Place of Business: **United States of America**			
(B)	Tiger Beer USA Inc	**39.7%**	39.7%	Distribution of Beer 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
(A)	MCS Distribution LLC	**20.2%**	-	Distribution of Vodka and Spirits
(A)	SBB Trade LLC	**20.2%**	-	Portfolio Management, Brand Development, Marketing and Sales of Vodka and Beer
(A)	Spirit Bal Buram LLC	**19.0%**	-	Brewing of Vodka and Spirits
(A)	Goyoselenge LLC	**19.0%**	-	Animal Husbandry
(A)	Khosturuu LLC	**19.0%**	-	Agriculture Growing Wheat and Supplies
	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	**34.7%**	34.6%	Brewing and Distribution of Beer and Spring Water
	Country of Incorporation and Place of Business: **Indonesia**			
(D)	PT Multi Bintang Indonesia Tbk	**32.0%**	32.0%	Brewing and Distribution of Beer
(D)	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	**38.7%**	38.9%	Brewing and Distribution of Beer

Notes:
(A) Audited by Ernst & Young in the respective countries.
(B) Not required to be audited under the laws of the country of incorporation.
(C) Audited by other firms of auditors.
(D) Audited by PricewaterhouseCoopers in the respective countries.

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

		Effective Shareholding 2012	Effective Shareholding 2011	Principal Activities
	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
(C)	Daraka Co., Ltd	**14.6%**	-	Events Management Specialist
	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)*	**10.4%**	10.4%	Bottling of Spring Water

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.

PARTICULARS OF GROUP PROPERTIES

The main properties as at 30 September 2012 and their net book values are indicated below:
("F&N" refers to Fraser and Neave Group, "FCL" refers to 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	5,328
	Peninsular Malaysia				
	F&N	-	18.0 hectares industrial property at Lot 3-1 & Lot 3-2, Lion Industrial Park, Shah Alam	19,417	30,380
		-	2.1 hectares industrial property at 3724 to 3726 Sungei Nyior, Butterworth	1,887	813
		-	2.7 hectares industrial property at 217, Jalan Lahat, Ipoh	1,125	1,469
		-	2.2 hectares industrial property at 701, Jalan Tampoi, Johor Bahru	3,063	66
		-	0.6 hectares industrial property at 598, Jalan Tampoi, Johor Bahru	420	1,351
		-	0.1 hectares office premise at No. 3, Jalan Metro Pudu, Fraser Business Park, Kuala Lumpur	-	5,939
		-	0.4 hectares industrial property at Seksyen 26, Shah Alam, Selangor	565	374
		-	2.0 hectares industrial property at Jalan Mempaga, Mukim Sabai, Karak, Pahang	1,478	2,930
		-	Other properties	373	216
	TPL	-	1.2 hectares industrial property at Lot 46, Subang Hi-Tech Industrial Park, Batu Tiga, Shah Alam	1,539	2,543
	East Malaysia				
	F&N	-	1.1 hectares industrial property at Lot 924 Block 4, Matang Land District, Sarawak	1,750	1,093
		-	Other properties	-	4
	Thailand				
	F&N	-	1.2 hectares industrial property at 90 Moo 8 Mitapap Road, Phayayen District, Amphur Pakchong, Nakonratchasima Province 30320	-	46,015
		-	9.2 hectares industrial property at 668 Moo 4 Rojana Industrial Park Zone 2, U-thai, Phra Nakhon Si Ayutthaya 13210	6,732	-
	Australia				
	TPL	-	0.2 hectares commercial property at Unit 7 & 8 Monash Business Park, 29 Business Park Drive, Nottinghill, Melbourne - Victoria	978	409
	United State of America				
	TPL	-	3.4 hectares commercial property at 99 White Plains Road, Tarrytown, New York	613	2,724
	Total Freehold			**46,040**	**101,654**

				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)	-	12,538
		-	0.1	hectares industrial property at 51 Quality Road (Lease expires year 2014)	47	57
	TPL	-		Commercial property at Unit #04-08 - #04-11, 176 Orchard Road Centrepoint (Lease expires year 2078)	-	32
		-	1.8	hectares offices at 16 & 18 Tuas Avenue 5 (Lease expires year 2043)	-	13,094
	Peninsular Malaysia				
	F&N	-	15.1	hectares industrial property at Lot 56, Section 4, Phase 2B, Mukim Klang, Selangor (Lease expires year 2097)	11,325	65,967
		-		Other properties	551	260
	East Malaysia				
	F&N	-	1.8	hectares industrial property at 3.5 Miles Penrissen Road, Kuching (Lease expires year 2038)	596	2,482
		-	2.6	hectares industrial property at 5.5 Miles Tuaran Road, Kota Kinabalu (Lease expires year 2062)	868	-
		-	1.2	hectares industrial property at Lot 1557, Block 218 KNLD, Kuching (Lease expires year 2038)	2,566	1,884
		-	2.4	hectares industrial property at Lot 1581 Block 4, Matang Land District, Kuching (Lease expires year 2038)	1,732	1,244
		-	0.4	hectares office premise at Lot 142 Block 63, Kuching (Lease expires year 2784)	90	70
		-	0.4	hectares industrial property at Lot 1008, Bintawa Industrial Estate, Kuching (Lease expires year 2035)	51	155
	Thailand				
	F&N	-	3.5	hectares industrial property at No. 19/111 Moo 7 95 Thakarm Road, Samaedam, Bangkhuntien, Bangkok 10150 (Lease expires year 2029)	382	3,006
	TPL	-		Warehouse at Soi Wat Kok #20/526-527, Rama II Road, Bangkok (Lease expires year 2021)	-	27
	Myanmar				
	F&N	-	5.0	hectares industrial property at Mingaladon Township, Yangon (Lease expires year 2025)	912	8,362

			Land ($'000)	Building ($'000)
(A)	**CLASSIFIED AS FIXED ASSETS** (cont'd) **(Note 12 to the Financial Statements)**			
	LEASEHOLD (cont'd)			
	China/Hong Kong			
	TPL	- Residential property at Unit 1AF Riverside Garden, Shenyang, China	-	178
		- Warehouse at Unit D, 2nd Floor, Freder Centre 68 Sung Wong Toi Road, Tokwawan, Kowloon, Hong Kong (Lease expires year 2022)	-	13
		- Industrial property at Dachong Western Industrial District Nansha Panyu, Guangdong, China (Lease expires year 2044)	2,307	12,419
		- Industrial property at Unit A1,C5, Ko Fai Industrial Building 7 Ko Fai Road, Yau Tong, Kowloon, Hong Kong (Lease expires year 2048)	-	315
		- Factory at 1 Zhao Yu Street, Yuci Economic Development Zone Jin Zhong City, Shanxi Province (Lease expires year 2026)	-	2,726
		- Offices at Seaview Estate - 10th Floor Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	4,200	100
		- Offices at Seaview Estate - 9th Floor Block C, No. 8 Watson Road, North Point, Hong Kong (Lease expires year 2057)	3,976	89
	Total Leasehold		**29,603**	**125,018**
	TOTAL PROPERTIES (CLASSIFIED AS FIXED ASSETS)		**75,643**	**226,672**
(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 - 18,458 sqm	169,980	60,020
		- 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 - 30,866 sqm	505,880	122,120
		- A 10-storey commercial-cum-serviced apartment complex with a 2-storey basement carpark, a 2-storey retail podium and 161 serviced apartment units at Robertson Walk Shopping Centre and Fraser Place Robertson Walk, 11 Unity Street Leasehold (Lease expires year 2840) Lettable area: Retail 9,068 sqm Serviced apartments 14,293 sqm Total 23,361 sqm	226,160	83,840

			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 (Lease expires year 2876) Lettable area: Retail 3,699 sqm Serviced apartments 20,232 sqm Office 16,948 sqm Total 40,879 sqm	418,390	156,610
		- Other properties	1,440	110
	TPL	- 0.7 hectares industrial property at 438 Ang Mo Kio Industrial Park Leasehold (Lease expires year 2038)	-	15,500
	Vietnam			
	FCL	- A 22-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 - 17,676 sqm	27,626	22,766
	China			
	FCL	- 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	-	220,819
	Indonesia			
	FCL	- 108 serviced apartment units in Tower A of Fraser Residence Sudirman, Jakarta The Peak Sudirman 1, Jakarta Freehold, lettable area - 11,388 sqm	38,485	-
	Philippines			
	FCL	- 89 serviced apartment units with 116 car park lots in the East Tower of Fraser Place Forbes Tower, Valero Street, Salcedo Village, Makati City, Manila Freehold, lettable area - 17,046 sqm	-	27,729
	Australia			
	FCL	- 115 serviced apartment units in 2 blocks of high rise building at Melbourne, VIC 3000 Freehold, lettable area - 4,808 sqm	40,089	-

		Land ($'000)	Building ($'000)
(B)	**CLASSIFIED AS INVESTMENT PROPERTIES** (cont'd) **(Note 13 to the Financial Statements)**		
	COMPLETED INVESTMENT PROPERTIES (cont'd)		
	United Kingdom		
	FCL - 2 buildings of 97 residential apartments at Fraser Place Canary Wharf, C2 and C3 The Boardwalk, Trafalgar Way, London Leasehold (Lease expires year 2998) Lettable area - 4,765 sqm	-	69,073
	- A 4-storey building of 99 serviced apartments at Fraser Suites Glasgow, 1-19 Albion Street, Glasgow G1 1 NY Freehold, lettable area - 4,964 sqm	-	18,353
	- A 8-storey building of serviced residences with 75 apartments at Fraser Suites Edinburgh, St Giles Street, Scotland Freehold, lettable area - 4,037 sqm	12,557	13,098
	- 106 residential apartments at Fraser Place Queens Gate, London 39B Queens Gate, London SW7 Freehold, lettable area - 4,188 sqm	-	83,874
	- 69 residential apartments at Fraser Suites Kensington, 59-79 Cromwell Road, Stanhope Garden Freehold, lettable area - 6,845 sqm	-	181,562
	Hong Kong		
	TPL - Shop unit at Houston Centre, Tsimshatsui East, Kowloon Leasehold (Lease expires year 2053), lettable area - 68 sqm	755	98
	TOTAL COMPLETED INVESTMENT PROPERTIES	**1,441,362**	**1,075,572**
	INVESTMENT PROPERTIES UNDER CONSTRUCTION		
	Singapore		
	FCL - A mixed development comprising a 9-storey business park at Changi Business Park Leasehold (Lease expires year 2068) Gross floor ares of 59,496 sqm for lease.	30,500	64,000
	- A mixed commercial and residential development at Punggol Central/ Punggol Walk Leasehold (Lease expires year 2110) Gross floor area of 50,398 sqm for lease.	215,956	10,397
	TOTAL INVESTMENT PROPERTIES UNDER CONSTRUCTION	**246,456**	**74,397**
	TOTAL PROPERTIES (CLASSIFIED AS INVESTMENT PROPERTIES)	**1,687,818**	**1,149,969**

			Effective Group Interest %
(C)	**CLASSIFIED AS COMPLETED PROPERTIES HELD FOR SALE (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 and Capri by Fraser Leasehold land of approximately 47,006 sqm situated at Changi Business Park. The development has a gross floor area of 58,019 sqm and consists of 313 hotel rooms and a retail mall.	50
	Australia		
	FCL	- The Habitat Freehold land of approximately 862 sqm situated at 11-17 Chandos Street, Sydney NSW. 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 consists of 1 retail podium, 456 residential units, 201 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. The development has a gross floor area of 6,671 sqm and consists of 40 residential units.	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 & 2 offices.	88
	China		
	FCL	- 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 and consists of retail units and offices.	100
		- Chengdu Logistics Hub Leasehold land of approximately 195,846 sqm situated at Chengdu. Phase 1 of the development has a gross floor area of 161,288 sqm and consists of 136 offices, 29 warehouses and 766 car park lots.	80
		- Baitang One Leasehold land of approximately 314,501 sqm situated at Gongye Yuan District, Nan Shi Jie Dong, Suzhou. Phase 1a and 1b of the development has a gross floor area of 132,915 sqm and consists of 968 apartment units.	100

			Effective Group Interest %
(C)	**CLASSIFIED AS COMPLETED PROPERTIES HELD FOR SALE** (cont'd) **(Note 23 to the Financial Statements)**		
	Thailand		
	FCL	- The Pano Freehold land of approximately 40,608 sqm situated at Rama III Road, Bangkok. Phase 1 of the development has a gross floor area of 61,999 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.	100
		- 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.	100
		- Water Street Freehold land of approximately 2,226 sqm situated at Water Street, Edinburgh. The development has a gross floor area of 4,512 sqm and consists of 50 residential units.	40

		Stage of Completion %	Estimated Date of Completion	Effective Group Interest %
(D)	**CLASSIFIED AS DEVELOPMENT PROPERTIES HELD FOR SALE (Note 23 to the Financial Statements)**			
	Singapore			
	FCL - Waterfront Key - Leasehold land (Lease expires year 2106) 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.	96	4th Quarter 2012	50
	- Waterfront Gold - Leasehold land (Lease expires year 2108) 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.	43	1st Quarter 2014	50
	- Waterfront Isle - Leasehold land (Lease expires year 2108) 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.	23	4th Quarter 2014	50
	- 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.	59	4th Quarter 2013	100
	- Esparina Residences - Leasehold land (Lease expires year 2109) of approximately 19,000 sqm at Compassvale Bow for a residential development of 573 units of approximately 56,643 sqm of gross floor area for sale.	62	2nd Quarter 2013	80
	- Eight Courtyards - Leasehold land (Lease expires year 2109) 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.	35	2nd Quarter 2014	50
	- Freehold land of approximately 2,801 sqm at Holland Park for the development of 2 good class bungalows for sale.	-	2nd Quarter 2013	100
	- Boathouse Residences - Leasehold land (Lease expires year 2110) 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.	19	4th Quarter 2014	50
	- 51 Cuppage Road - Leasehold land (Lease expires year 2095) of approximately 6,310 sqm at Cuppage Road for the development of 249 retail units together with the building erected thereon.	-	4th Quarter 2014	100
	- Palm Isles - Leasehold land (Lease expires year 2110) of approximately 26,818 sqm at Flora Drive for the proposed development of approximately 429 residential units and 1 retail unit of approximately 40,160 sqm of gross floor area for sale.	6	3rd Quarter 2015	100

	Stage of Completion %	Estimated Date of Completion	Effective Group Interest %
(D) CLASSIFIED AS DEVELOPMENT PROPERTIES HELD FOR SALE (cont'd) **(Note 23 to the Financial Statements)**			
Singapore			
FCL - Seastrand - Leasehold land (Lease expires year 2110) 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.	16	2nd Quarter 2014	50
- Watertown - Leasehold land (Lease expires year 2110) 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 992 residential units of approximately 75,598 sqm of gross floor area for sale.	6	2nd Quarter 2016	33
- eCO - Leasehold land (Lease expires year 2111) of approximately 62,099 sqm at Bedok South Ave 3 for the development of 714 condominium units, 34 units of strata landed houses and 2 commercial units of approximately 60,154 sqm of gross floor area for sale.	-	2nd Quarter 2015	33
- Twin Waterfalls - Leasehold land (Lease expires year 2110) of approximately 25,164 sqm at Punggol Walk for the development of 728 executive condominium units of approximately 75,493 sqm of gross floor area for sale.	10	1st Quarter 2015	80
- Tampines - Leasehold land (Lease expires year 2111) of approximately 20,071 sqm at Tampines Ave 10 for the development of 630 condominium units and 2 commercial units of approximately 55,347 sqm of gross floor area for sale.	-	-	33
Peninsular Malaysia			
F&N - Leasehold land (Lease expires year 2069) of approximately 51,491 sqm at Petaling Jaya, Selangor for a proposed mixed development with a total of approximately 180,156 sqm of gross floor area for sale.			
- Phase 1	-	2nd Quarter 2017	78
- Phase 2	-	2nd Quarter 2018	78
- Phase 3	-	4th Quarter 2017	78
- Phase 4	-	4th Quarter 2018	78
- Freehold land of approximately 3,788 sqm at Fraser Park, Jalan Yew, Kuala Lumpur.	-	-	56
- Freehold land of approximately 245,287 sqm for a residential property development at Lot 609, Geran 24235, Mukim Hulu Semenyih, District of Hulu Langat, Selangor.	-	-	56
- Freehold land of approximately 12,268 sqm for a commercial property development at Lot 15350 to 15351 & Lot PTB 20048, Jalan Balau 1, Jalan Dato Sulaiman, Jalan Tebrau, Mukim Bandar, Johor Bahru.	-	-	56

			Stage of Completion %	Estimated Date of Completion	Effective Group Interest %
(D)	**CLASSIFIED AS DEVELOPMENT PROPERTIES HELD FOR SALE** (cont'd) **(Note 23 to the Financial Statements)**				
	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 of the development was completed.	-	-	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 apartments and commercial space of a total of approximately 59,202 sqm of gross floor area for sale.	-	3rd Quarter 2014	88
		- Paramatta River - Freehold land of approximately 49,240 sqm situated at Parramatta, Sydney NSW for a proposed development of approximately 760 apartment units of approximately 54,329 sqm of gross floor area for sale.	-	3rd Quarter 2014	75
		- Killara Pavilions - Freehold land of approximately 6,215 sqm situated at Killara NSW for a proposed development comprising 99 apartment units of approximately 9,190 sqm of gross floor area for sale.	-	3rd Quarter 2014	75
		- Frasers Landing - Freehold land of approximately 550,000 sqm situated at Mandurah, Western Australia for a proposed mixed residential and commercial development.	-	3rd Quarter 2017	56
		- Central Park - Freehold land of approximately 48,000 sqm situated at Broadway, Sydney NSW for a proposed mixed development of approximately 2,299 residential apartment units of approximately 139,200 sqm of gross floor area for sale and commercial space of approximately 74,300 sqm of gross floor area for sale.	-	4th Quarter 2015	38
		- Central Park (CUB Site) - Freehold land of approximately 10,000 sqm situated at Broadway, Sydney NSW for a proposed mixed development of approximately 590 residential apartment units of approximately 34,400 sqm of gross floor area for sale and commercial space of approximately 7,600 sqm of gross floor area for sale.	-	4th Quarter 2015	75
		- Putney Hill - Freehold land of approximately 113,500 sqm situated at Putney, Sydney NSW for a proposed development comprising 690 apartment and 101 houses of approximately 75,818 sqm of gross floor area for sale.	-	1st Quarter 2017	75

		Stage of Completion %	Estimated Date of Completion	Effective Group Interest %
(D)	**CLASSIFIED AS DEVELOPMENT PROPERTIES HELD FOR SALE** (cont'd) **(Note 23 to the Financial Statements)**			
	China			
	FCL - Chengdu Logistics Hub - Leasehold land (Lease expires year 2057) of approximately 195,846 sqm situated at Chengdu, which is separated into Phase 1 of 161,288 sqm and Phase 2 to 4 of 448,306 sqm. Phase 1 of the development was completed.	-	1st Quarter 2013 - 1st Quarter 2016	80
	- Baitang One - Leasehold land (Lease expires year 2074) of approximately 314,501 sqm situated at Gongye Yuan District, Nan Shi Jie Dong, Suzhou, which is separated into Phase 1a and 1b of 132,915 sqm and Phase 2a to 3d of 422,085 sqm. Phase 1a and 1b of the development were completed.			
	- Baitang One (Phase 2a)	38	3rd Quarter 2013	100
	- Baitang One (Phase 2b)	-	2nd Quarter 2014	100
	- Baitang One (Phase 3a)	-	3rd Quarter 2015	100
	- Baitang One (Phase 3b)	-	2nd Quarter 2016	100
	- Baitang One (Phase 3c)	-	1st Quarter 2017	100
	- Baitang One (Phase 3d)	-	1st Quarter 2014	100
	New Zealand			
	FCL - Broadview - Freehold land of approximately 13,275 sqm in the South Island, Queenstown for a proposed development of 43 luxury residential apartments of approximately 8,410 sqm of gross floor area for sale.	-	-	75
	- Coast @ Papamoa - Freehold land of approximately 228,884 sqm located in Tauranga, North Island for a proposed development of approximately 350 land lots of approximately 140,000 sqm of lot area for sale.	-	3rd Quarter 2014	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.	-	3rd Quarter 2016	100
	- Freehold land of approximately 1,781 sqm situated at 143 - 161 Wandsworth Road, London.	-	-	100
	- Freehold land of approximately 2,310 sqm situated at 1 - 6 Camberwell Green and 307 - 311 Camberwell New Road SE5, London.	-	-	100
	- Freehold land of approximately 3,157 sqm situated at Brown Street, Glasgow.	-	-	100
	- Freehold land of approximately 5,870 sqm situated at Baildon.	-	-	100

SHAREHOLDING STATISTICS
AS AT 11 DECEMBER 2012

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

Size of holding	Number of Shareholders	%	Number of Shares[1]	%
1 - 999	322	3.27	107,109	0.01
1,000 - 10,000	7,004	71.14	25,512,551	1.77
10,001 - 1,000,000	2,496	25.35	148,497,331	10.31
1,000,001 and above	23	0.24	1,266,400,289	87.91
	9,845	100.00	1,440,517,280	100.00

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

No	Shareholder's Name	Number of Shares Held[1]	%[2]
1	International Beverage Holdings Limited	412,423,822	28.63
2	Citibank Nominees Singapore Pte Ltd	148,252,603	10.29
3	DBS Nominees Pte Ltd	108,527,033	7.53
4	Raffles Nominees Pte Ltd	107,422,779	7.46
5	UOB Kay Hian Pte Ltd	56,819,230	3.94
6	DBSN Services Pte Ltd	52,913,475	3.67
7	HSBC (Singapore) Nominees Pte Ltd	46,628,763	3.24
8	DBS Vickers Securities (Singapore) Pte Ltd	22,735,190	1.58
9	Morgan Stanley Asia (Singapore) Securities Pte Ltd	20,247,859	1.41
10	United Overseas Bank Nominees Pte Ltd	18,345,155	1.27
11	DB Nominees (Singapore) Pte Ltd	15,003,343	1.04
12	BNP Paribas Securities Services	5,950,741	0.41
13	Merrill Lynch (Singapore) Pte Ltd	4,465,689	0.31
14	Paramount Assets Investments Pte Ltd	2,700,000	0.19
15	Lee Seng Tee	2,300,000	0.16
16	The Shaw Foundation Pte Ltd	2,277,830	0.16
17	Bank of Singapore Nominees Pte Ltd	2,229,251	0.15
18	Phay Thong Huat Pte Ltd	1,798,825	0.12
19	Phillip Securities Pte Ltd	1,679,210	0.12
20	Oversea Chinese Bank Nominees Pte Ltd	1,593,245	0.11
		1,034,314,043	71.79

Notes:

1 Does not include changes in shareholdings as a result of tendering or receipt of acceptances of the mandatory conditional cash offer by TCC Assets Limited or the voluntary conditional cash offer by OUE Baytown Pte. Ltd. for the issued and paid-up ordinary shares in the capital of the Company.

2 Percentage is based on 1,440,517,280 shares (excluding shares held as Treasury Shares) as at 11 December 2012. Treasury Shares as at 11 December 2012 is 4,100 shares.

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

	DIRECT INTEREST (Number of Shares)	DEEMED INTEREST (Number of Shares)
International Beverage Holdings Limited	412,423,822	-
Charoen Sirivadhanabhakdi	-	474,088,822*
Khunying Wanna Sirivadhanabhakdi	-	474,088,822*
Thai Beverage Public Company Limited	-	412,423,822
Siriwana Company Limited	-	412,423,822
MM Group Limited	-	412,423,822
Maxtop Management Corp.	-	412,423,822
Risen Mark Enterprise Ltd	-	412,423,822
Golden Capital (Singapore) Limited	-	412,423,822
Kirin Holdings Company, Limited held through Merrill Lynch (Singapore) Pte Ltd - depository agent	212,773,000#	-

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

Notes:

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

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

* Does not include changes in shareholdings as a result of receipt of acceptances of the mandatory conditional cash offer by TCC Assets Limited for the issued and paid-up ordinary shares in the capital of the Company.

\# Does not include changes in shareholdings as a result of tendering of acceptance of the voluntary conditional cash offer by OUE Baytown Pte. Ltd. for the issued and paid-up ordinary shares in the capital of the Company.

INTERESTED PERSON TRANSACTIONS

Particulars of interested person transactions ("**IPTs**") for the period 1 October 2011 to 30 September 2012 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[2] pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate[2] pursuant to Rule 920 (excluding transactions less than $100,000)
Stamford Law Corporation[1]		
- Provision of legal services to the Company	$440,000	Nil

Notes:

(1) The Senior Director of Stamford Law Corporation is an associate of a Director of the Company.

(2) There was no shareholders' IPT mandate during the financial year under review.

Date	Event
29 January 2013	Annual General Meeting
8 February 2013 *(after close of trading) (tentative)*	Announcement of 1st Quarter Results
10 May 2013 *(after close of trading) (tentative)*	Announcement of 2nd Quarter Results Declaration of Interim Dividend
12 August 2013 *(after close of trading) (tentative)*	Announcement of 3rd Quarter Results
15 November 2013 *(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)

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