

FINANCIAL STATEMENTS

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Directors' Report

For the year ended 31 December 2003

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2003.

Directors

The directors in office at the date of this report are as follows:-

George Huang Chang Yi
Peter Tay Buan Huat
Philip Tan Yuen Fah
Patrick Yeoh Khwai Hoh
Roger Yeo Kok Tong
Chow Kok Kee
John Lim Kok Min

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Directors' Interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, share options and share-based incentives in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:-

	At beginning of the year/date of appointment	At end of the year
The Company		
Ordinary Shares of \$0.05 each fully paid		
George Huang Chang Yi	40,000	40,000
Peter Tay Buan Huat	380,000	880,000
Philip Tan Yuen Fah	20,000	20,000
John Lim Kok Min	3,000	3,000
Options to subscribe for Ordinary Shares of \$0.05 each *		
George Huang Chang Yi		
- Exercisable at \$0.55 per share between 24/08/2001 and 23/08/2005	70,000	70,000
- Exercisable at \$0.78 per share between 30/10/2001 and 29/10/2004	20,000	20,000
- Exercisable at \$0.69 per share between 28/07/2002 and 27/07/2006	50,000	50,000
- Exercisable at \$0.78 per share between 09/08/2003 and 08/08/2007	50,000	50,000
- Exercisable at \$0.76 per share between 05/08/2004 and 04/08/2008	-	120,000
Peter Tay Buan Huat		
- Exercisable at \$0.55 per share between 24/08/2001 and 23/08/2010	1,000,000	500,000
- Exercisable at \$0.78 per share between 30/10/2001 and 29/10/2009	700,000	700,000
- Exercisable at \$0.69 per share between 28/07/2002 and 27/07/2011	750,000	750,000
- Exercisable at \$0.78 per share between 09/08/2003 and 08/08/2012	750,000	750,000
- Exercisable at \$0.76 per share between 05/08/2004 and 04/08/2013	-	750,000

Directors' Report

For the year ended 31 December 2003

Directors' Interests (cont'd)

	At beginning of the year/date of appointment	At end of the year
The Company		
Options to subscribe for Ordinary Shares of \$0.05 each *		
Philip Tan Yuen Fah		
- Exercisable at \$0.55 per share between 24/08/2001 and 23/08/2005	100,000	100,000
- Exercisable at \$0.78 per share between 30/10/2001 and 29/10/2004	20,000	20,000
- Exercisable at \$0.69 per share between 28/07/2002 and 27/07/2006	70,000	70,000
- Exercisable at \$0.78 per share between 09/08/2003 and 08/08/2007	70,000	70,000
- Exercisable at \$0.76 per share between 05/08/2004 and 04/08/2008	-	70,000
Patrick Yeoh Khwai Hoh		
- Exercisable at \$0.55 per share between 24/08/2001 and 23/08/2005	50,000	50,000
- Exercisable at \$0.69 per share between 28/07/2002 and 27/07/2006	30,000	30,000
- Exercisable at \$0.78 per share between 09/08/2003 and 08/08/2007	30,000	30,000
- Exercisable at \$0.76 per share between 05/08/2004 and 04/08/2008	-	30,000
Roger Yeo Kok Tong		
- Exercisable at \$0.69 per share between 28/07/2002 and 27/07/2006	30,000	30,000
- Exercisable at \$0.78 per share between 09/08/2003 and 08/08/2007	30,000	30,000
- Exercisable at \$0.76 per share between 05/08/2004 and 04/08/2008	-	30,000
Chow Kok Kee		
- Exercisable at \$0.69 per share between 28/07/2002 and 27/07/2006	30,000	30,000
- Exercisable at \$0.78 per share between 09/08/2003 and 08/08/2007	50,000	50,000
- Exercisable at \$0.76 per share between 05/08/2004 and 04/08/2008	-	60,000
John Lim Kok Min		
- Exercisable at \$0.76 per share between 05/08/2004 and 04/08/2008	-	30,000
Conditional awards of Performance Shares		
Peter Tay Buan Huat		
- 380,000 shares to be delivered after 2003 (note 1a)	up to 760,000	up to 760,000
- 380,000 shares to be delivered after 2004 (note 1b)	up to 760,000	up to 760,000
- 420,000 shares to be delivered after 2005 (note 1c)	-	up to 840,000
Related Corporations		
CapitaLand Limited		
Ordinary Shares of \$1.00 each fully paid		
George Huang Chang Yi	2,500	2,500
Peter Tay Buan Huat	17,000	17,000
John Lim Kok Min	21,500	21,500
Chartered Semiconductor Manufacturing Ltd		
Ordinary Shares of \$0.26 each fully paid		
Peter Tay Buan Huat	5,193	5,193
John Lim Kok Min	2,000	2,000
Eugenics Ltd. (formerly known as Embrace Ltd)		
Ordinary Shares of \$0.01 each fully paid (held in trust by United Overseas Bank Trustee Limited)		
Roger Yeo Kok Tong	500,000	500,000

Directors' Report

For the year 31 December 2003

Directors' Interests (cont'd)

	At beginning of the year/date of appointment	At end of the year
Related Corporations		
Raffles Holdings Limited		
Ordinary Shares of \$0.50 each fully paid		
Patrick Yeoh Khwai Hoh	150,000	150,000
SembCorp Industries Ltd		
Ordinary Shares of \$0.25 each fully paid		
George Huang Chang Yi	1,475	1,475
Peter Tay Buan Huat	37,720	37,720
John Lim Kok Min	10,000	10,000
Options to subscribe for Ordinary Shares of \$0.25 each *		
Peter Tay Buan Huat		
- Exercisable at \$2.26 per share between 20/05/2001 and 19/05/2009	175,000	175,000
- Exercisable at \$1.99 per share between 27/06/2001 and 26/06/2010	25,000	25,000
- Exercisable at \$1.55 per share between 20/04/2002 and 19/04/2011	25,000	25,000
- Exercisable at \$1.59 per share between 08/05/2003 and 07/05/2012	12,500	12,500
- Exercisable at \$0.98 per share between 18/10/2003 and 17/10/2012	12,500	12,500
SIA Engineering Company Limited		
Ordinary Shares of \$0.10 each fully paid		
John Lim Kok Min	1,000	1,000
Singapore Airlines Limited		
Ordinary Shares of \$0.50 each fully paid		
George Huang Chang Yi	2,000	2,000
Patrick Yeoh Khwai Hoh	5,000	5,000
Singapore Airport Terminal Services Limited		
Ordinary Shares of \$0.10 each fully paid		
John Lim Kok Min	1,000	1,000
Singapore Technologies Engineering Ltd		
Ordinary Shares of \$0.10 each fully paid		
George Huang Chang Yi	18,022	18,022
Philip Tan Yuen Fah	25,686	25,686
Patrick Yeoh Khwai Hoh	5,000	5,000
John Lim Kok Min	48,525	48,525
Options to subscribe for Ordinary Shares of \$0.10 each *		
Philip Tan Yuen Fah		
- Exercisable at \$2.72 per share between 20/02/2002 and 19/02/2006	95,000	95,000
- Exercisable at \$2.29 per share between 08/02/2003 and 07/02/2007	55,000	55,000
- Exercisable at \$1.79 per share between 07/02/2004 and 06/02/2008	-	27,500
- Exercisable at \$1.86 per share between 12/08/2004 and 11/08/2008	-	27,500
Singapore Telecommunications Limited		
Ordinary Shares of \$0.15 each fully paid		
Peter Tay Buan Huat	3,760	3,760
Philip Tan Yuen Fah	3,620	3,620
Patrick Yeoh Khwai Hoh	3,480	3,480
Roger Yeo Kok Tong	1,560	60,540
Chow Kok Kee	3,360	3,360
John Lim Kok Min	86,000	86,000

Directors' Report

For the year 31 December 2003

Directors' Interests (cont'd)

	At beginning of the year/date of appointment	At end of the year
Related Corporations		
ST Assembly Test Services Ltd		
Ordinary Shares of \$0.25 each fully paid		
Peter Tay Buan Huat	6,000	6,000
John Lim Kok Min	6,000	6,000
STT Communications Ltd		
Options to subscribe for Ordinary Shares of \$0.50 each *		
Peter Tay Buan Huat		
- Exercisable at \$0.50 per share between 24/11/2002 and 23/11/2011	5,000	5,000
The Ascott Group Limited		
Ordinary Shares of \$0.20 each fully paid		
Philip Tan Yuen Fah	35,181	35,181
John Lim Kok Min	8,370	8,370
Options to subscribe for Ordinary Shares of \$0.20 each *		
Peter Tay Buan Huat		
- Exercisable at \$0.37 per share between 20/12/2001 and 19/12/2010	9,000	9,000
- Exercisable at \$0.32 per share between 29/06/2002 and 28/06/2011	8,000	8,000
Vertex Technology Fund (II) Ltd		
Ordinary Shares of US\$1.00 each fully paid (held in trust by Ballas Nominees (Private) Limited)		
Peter Tay Buan Huat	50	50
Redeemable Preference Shares of US\$0.01 each fully paid (held in trust by Ballas Nominees (Private) Limited)		
Peter Tay Buan Huat	50	50

* The vesting of the options is in accordance with the vesting schedule, if any, attached to the options.

Note 1(a) : 380,000 Shares comprised in the conditional awards granted to him are subject to the performance targets set over a 3-year period from 2001 to 2003, pursuant to the Singapore Food Industries Performance Share Plan. The actual number of Shares to be released at the end of the performance period may range from 0 to 760,000 (that is, twice the 380,000 Shares), depending on the achievement of the performance targets set under the conditional awards.

Note 1(b) : 380,000 Shares comprised in the conditional awards granted to him are subject to the performance targets set over a 3-year period from 2002 to 2004, pursuant to the Singapore Food Industries Performance Share Plan. The actual number of Shares to be released at the end of the performance period may range from 0 to 760,000 (that is, twice the 380,000 Shares), depending on the achievement of the performance targets set under the conditional awards.

Note 1(c) : 420,000 Shares comprised in the conditional awards granted to him are subject to the performance targets set over a 3-year period from 2003 to 2005, pursuant to the Singapore Food Industries Performance Share Plan. The actual number of Shares to be released at the end of the performance period may range from 0 to 840,000 (that is, twice the 420,000 Shares), depending on the achievement of the performance targets set under the conditional awards.

Directors' Report

For the year ended 31 December 2003

Directors' Interests (cont'd)

Except as disclosed above, no director who held office at the end of the financial year had interests in shares, debentures, warrants, share options or share-based incentives of the Company or of related corporations either at the beginning or at the end of the financial year.

There was no change in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2004.

Except as disclosed under the "Share Options" and "Share-Based Incentives" sections of this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

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Since the end of the last financial year, no director has received or become entitled to receive a benefit 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 has a substantial financial interest.

Share Options

(a) Singapore Food Industries Share Option Plan ("Option Plan")

The Option Plan was approved and adopted at the Extraordinary General Meeting of the Company held on 28 October 1999. The main features of the Option Plan are summarised as follows:

- (i) The exercise price of the options can be set at a discount to the market price not exceeding 20% of the market price in respect of options granted at the time of grant.
- (ii) The 1999 options vested on the 2nd anniversary of the grant date. From 2000 onwards, options granted will vest 25% each on the 1st to the 4th anniversary of the grant date.
- (iii) The options granted expire after 5 years from the date of the grant for non-executive directors and 10 years for group and parent group executives.

The Option Plan is administered by the Executive Resource and Compensation Committee ("ERCC") which comprises the following members:-

George Huang Chang Yi
Philip Tan Yuen Fah
Chow Kok Kee
Kuan Kwee Jee

Directors' Report

For the year 31 December 2003

Share Options (cont'd)

(b) Options Granted

During the financial year, the following options were granted under the Plan:-

Option Category	No. of Holders	Exercise Period	Exercise Price (per share)	No of Shares Under Option
Group executives (including 1 group executive director)	1,133	05/08/2004 - 04/08/2013	\$0.76	5,673,000
Non-executive directors	8	05/08/2004 - 04/08/2008	\$0.76	390,000
	<u>1,141</u>			<u>6,063,000</u>

(c) Issue of Shares Under Option

During the financial year, the Company issued a total of 1,284,750 ordinary shares of \$0.05 each fully paid at exercise prices ranging from \$0.55 to \$0.69 per share for cash upon the exercise of options granted under the Company's share option plan.

(d) Unissued Shares Under Option

At the end of the financial year, unissued shares of the Company under Option were as follows:-

Option Granted	No. of Holders	Exercise Period	Exercise Price (per share)	Aggregate Options Outstanding
1999 options	6	30/10/01 - 29/10/04	\$0.78	215,000
	112	30/10/01 - 29/10/09	\$0.78	2,618,000
2000 options	6	24/08/01 - 23/08/05	\$0.55	480,000
	451	24/08/01 - 23/08/10	\$0.55	3,072,500
2001 options	8	28/07/02 - 27/07/06	\$0.69	420,000
	721	28/07/02 - 27/07/11	\$0.69	4,588,500
2002 options	8	09/08/03 - 08/08/07	\$0.78	400,000
	761	09/08/03 - 08/08/12	\$0.78	4,633,000
2003 options	8	05/08/04 - 04/08/08	\$0.76	390,000
	706	05/08/04 - 04/08/13	\$0.76	4,701,000
				<u>21,518,000</u>

Directors' Report

For the year ended 31 December 2003

Share Options (cont'd)

(d) Unissued Shares Under Option (cont'd)

The details of options granted and exercised during the year were as follows:-

Option Participants	Options Granted [1]	Aggregate Options Granted [2]	Aggregate Options Cancelled/ Not Accepted [3]	Aggregate Options Exercised [4]	Aggregate Options Outstanding [5]
Directors of the Company					
- George Huang Chang Yi	120,000	310,000	-	-	310,000
- Peter Tay Buan Huat	750,000	3,950,000	-	500,000	3,450,000
- Philip Tan Yuen Fah	70,000	330,000	-	-	330,000
- Patrick Yeoh Khwai Hoh	30,000	140,000	-	-	140,000
- Roger Yeo Kok Tong	30,000	90,000	-	-	90,000
- Chow Kok Kee	60,000	140,000	-	-	140,000
- John Lim Kok Min	30,000	30,000	-	-	30,000
Directors of subsidiaries	50,000	525,000	-	-	525,000
Other executives					
- Group	4,893,000	22,369,000	5,095,250	1,465,750	15,808,000
- Parent Group	30,000	1,148,000	95,500	357,500	695,000
	<u>6,063,000</u>	<u>29,032,000</u>	<u>5,190,750</u>	<u>2,323,250</u>	<u>21,518,000</u>

[1] Options granted during the financial year under review.

[2] Aggregate options granted since commencement of the Plan to the end of financial year under review.

[3] Aggregate options not accepted since commencement of the Plan to end of financial year under review.

[4] Aggregate options exercised since commencement of the Plan to end of financial year under review.

[5] Aggregate options outstanding as at end of financial year under review.

Since the commencement of the Option Plan, no options have been granted to the controlling shareholders of the Company or their associates and no participant under the Option Plan, other than Peter Tay Buan Huat, has been granted 5% or more of the total options available under the Option Plan. No options have been granted at a discount to market price.

The options granted by the Company do not entitle the holders of the options, by virtue of such holdings, to any right to participate in any share issue of any other company.

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under option as at the end of the financial year.

(e) Financial Effect of Options Granted

The Company has not recognised compensation expense for the share options granted under the Option Plan. Had the Company accounted for the fair value of the options and amortised it over the vesting period, the effect on the financial statements would not be significant.

Directors' Report

For the year 31 December 2003

Share - Based Incentives

(a) Performance Share Plan

The Singapore Food Industries Performance Share Plan (the "Performance Plan") was approved at the Extraordinary General Meeting of the Company held on 30 March 2001. The Performance Plan was established with the objective of motivating senior executives to strive for superior performance and sustaining long-term growth for the Company. The Performance Plan is administered by the ERCC. Details of the Performance Plan were set out in the Directors' Report for the year ended 31 December 2001.

During the financial year, conditional awards aggregating up to a maximum of 2,690,000 performance shares were granted to nine key executives of the Company for the performance qualifying period of 2003 to 2005 depending on the achievement level. The key executives include Peter Tay Buan Huat, an executive director of the Board, who was conditionally awarded up to 840,000 performance shares.

At the end of the financial year, unissued shares of the Company under conditional awards granted under the Performance Plan were as follows :-

Award Granted	No. of Holders	Performance Period	Maximum Aggregate Awards
2001 awards	4	2001 to 2003	up to 1,640,000
2002 awards	6	2002 to 2004	up to 1,910,000
2003 awards	9	2003 to 2005	up to 2,690,000
			<hr/>
			up to 6,240,000
			<hr/>
Granted to :			
Executive director - Peter Tay Buan Huat			up to 2,360,000
Other executives			up to 3,880,000
			<hr/>
			up to 6,240,000
			<hr/>

The maximum aggregate award of performance shares, aggregated with the share options under the Option Plan total up to 30,081,250 shares under options/awards and is within the 15% limit, based on the issued share capital of the Company on the day preceding the relevant date of grant of options/awards, allowed collectively under the Option Plan, the Performance Plan and the Restricted Stock Plan.

(b) Restricted Stock Plan

The Singapore Food Industries Restricted Stock Plan (the "Restricted Plan") was approved at the Extraordinary General Meeting of the Company held on 30 March 2001. The Restricted Plan is administered by the ERCC. Details of the Restricted Plan were set out in the Directors' Report for the year ended 31 December 2001.

No awards have been granted under the Restricted Stock Plan since its inception.

Directors' Report

For the year ended 31 December 2003

Audit Committee

The members of the Audit Committee during the financial year and at the date of this report are:

Philip Tan Yuen Fah	(Chairman, Non-executive director)
Patrick Yeoh Khwai Hoh	(Non-executive director)
John Lim Kok Min	(Non-executive director)

The Audit Committee performs the functions specified in section 201B of the Companies Act, the Listing Manual and the Best Practices Guide of the Singapore Exchange, and the Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' report. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

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The Audit Committee also reviewed the following:-

- Assistance provided by the Company's officers to the internal and external auditors;
- Financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- Interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).


The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

Auditors

The auditors, KPMG, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



George Huang Chang Yi
Director



Peter Tay Buan Huat
Director

Singapore
28 January 2004

Statement by Directors

For the year ended 31 December 2003

In our opinion:-

- (a) the financial statements set out on pages 51 to 92. are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2003, the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (b) 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors



George Huang Chang Yi
Director



Peter Tay Buan Huat
Director

Singapore
28 January 2004

Report of the Auditors to the Members of Singapore Food Industries Limited

We have audited the accompanying financial statements of Singapore Food Industries Limited for the year ended 31 December 2003 as set out on pages 51 to 92. These financial statements are the responsibility of the Company's directors. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:-

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- (a) 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 Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2003 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; and
 - (b) the accounting and other records, excluding registers, required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' reports of all the subsidiaries of which we have not acted as auditors, being financial statements that have been included in the consolidated financial statements of the Group. The names of these subsidiaries are disclosed in note 5 to the financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements of the Group and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification, and in respect of subsidiaries incorporated in Singapore, did not include any comment made under Section 207(3) of the Act.



KPMG
Certified Public Accountants

Singapore
28 January 2004

Balance Sheets

As at 31 December 2003

	Note	Group		Company	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Non-Current Assets					
Property, plant and equipment	3	104,133	100,080	8,985	10,549
Intangible assets	4	49,278	51,447	-	-
Subsidiaries	5	-	-	109,385	107,537
Jointly controlled entity	6	130	77	50	50
Other assets	7	477	410	243	243
Deferred tax assets	8	1,854	690	711	210
		<u>155,872</u>	<u>152,704</u>	<u>119,374</u>	<u>118,589</u>
Current Assets					
Inventories	9	33,895	26,963	17,611	12,304
Trade and other receivables	10	77,832	73,033	35,739	33,417
Cash and bank balances		10,186	34,165	4,044	27,963
		<u>121,913</u>	<u>134,161</u>	<u>57,394</u>	<u>73,684</u>
Less:					
Current Liabilities					
Bank overdrafts (secured)	15	4,909	6,428	-	-
Trade and other payables	14	92,353	92,122	54,093	53,226
Interest-bearing bank loans and borrowings	15	18,176	56,811	7,500	44,743
Current tax payable		14,592	13,758	9,588	9,654
		<u>130,030</u>	<u>169,119</u>	<u>71,181</u>	<u>107,623</u>
Net Current Liabilities		<u>(8,117)</u>	<u>(34,958)</u>	<u>(13,787)</u>	<u>(33,939)</u>
		<u>147,755</u>	<u>117,746</u>	<u>105,587</u>	<u>84,650</u>
Less:					
Non-Current Liabilities					
Interest-bearing bank loans and borrowings	15	21,044	4,792	17,875	-
Equity compensation benefits	16	2	600	2	600
Deferred tax liabilities	8	994	2,072	-	-
		<u>22,040</u>	<u>7,464</u>	<u>17,877</u>	<u>600</u>
Minority Interests		<u>(8,682)</u>	<u>(9,604)</u>	<u>-</u>	<u>-</u>
Net Assets		<u><u>117,033</u></u>	<u><u>100,678</u></u>	<u><u>87,710</u></u>	<u><u>84,050</u></u>
Capital and Reserves					
Share capital	17	25,116	25,052	25,116	25,052
Reserves	18	91,917	75,626	62,594	58,998
Shareholders' Equity		<u><u>117,033</u></u>	<u><u>100,678</u></u>	<u><u>87,710</u></u>	<u><u>84,050</u></u>

Profit and Loss Accounts

For the year ended 31 December 2003

	Note	Group	
		2003 \$'000	2002 \$'000
Revenue	19	534,370	392,289
Cost of sales		(396,059)	(293,901)
Gross profit		138,311	98,388
Other operating income		1,755	1,593
Operating expenses -			
Warehousing, selling and distribution expenses		(32,146)	(22,213)
Administrative and other operating expenses		(65,670)	(38,100)
		(97,816)	(60,313)
Profit from operations	20	42,250	39,668
Non-operating income	21	1,408	2,227
Finance costs	22	(1,771)	(1,401)
		41,887	40,494
Share of results of associate		-	(264)
Amortisation of goodwill on acquisition of associate		-	(472)
Share of results of associates, net		-	(736)
Share of results of jointly controlled entity		60	45
Profit from ordinary activities before taxation		41,947	39,803
Taxation	23	(10,631)	(9,278)
Profit from ordinary activities after taxation		31,316	30,525
Minority interests		(513)	(627)
Net profit for the year		30,803	29,898
Earnings per Share	24		
Basic		6.1 cents	6.0 cents
Fully diluted		6.1 cents	5.9 cents

Statements of Changes in Equity

For the year ended 31 December 2003

	Share Capital \$'000	Share Premium \$'000	Merger Reserve \$'000	Accumulated Profits \$'000	Foreign Currency Translation Reserve \$'000	Total Capital and Reserves \$'000
Group						
2002						
At 1 January 2002	25,001	9,219	2,245	49,069	(292)	85,242
Net profit for the year	-	-	-	29,898	-	29,898
Issue of shares	51	601	-	-	-	652
Dividends paid (note 25)	-	-	-	(17,004)	-	(17,004)
Exchange differences on translation of net assets of foreign subsidiaries	-	-	-	-	1,890	1,890
At 31 December 2002	<u>25,052</u>	<u>9,820</u>	<u>2,245</u>	<u>61,963</u>	<u>1,598</u>	<u>100,678</u>
2003						
At 1 January 2003	25,052	9,820	2,245	61,963	1,598	100,678
Net profit for the year	-	-	-	30,803	-	30,803
Issue of shares	64	651	-	-	-	715
Dividends paid (note 25)	-	-	-	(19,581)	-	(19,581)
Exchange differences on translation of net assets of foreign subsidiaries	-	-	-	-	4,418	4,418
At 31 December 2003	<u>25,116</u>	<u>10,471</u>	<u>2,245</u>	<u>73,185</u>	<u>6,016</u>	<u>117,033</u>

Statements of Changes in Equity

For the year ended 31 December 2003

	Share Capital \$'000	Share Premium \$'000	Accumulated Profits \$'000	Total Capital and Reserves \$'000
Company				
2002				
At 1 January 2002	25,001	7	33,396	58,404
Net profit for the year	-	-	41,998	41,998
Issue of shares	51	601	-	652
Dividends paid (note 25)	-	-	(17,004)	(17,004)
At 31 December 2002	<u>25,052</u>	<u>608</u>	<u>58,390</u>	<u>84,050</u>
2003				
At 1 January 2003	25,052	608	58,390	84,050
Net profit for the year	-	-	22,526	22,526
Issue of shares	64	651	-	715
Dividends paid (note 25)	-	-	(19,581)	(19,581)
At 31 December 2003	<u>25,116</u>	<u>1,259</u>	<u>61,335</u>	<u>87,710</u>

Statement of Cash Flows

For the year ended 31 December 2003

	Group	
	2003 \$'000	2002 \$'000
Operating Activities		
Profit from ordinary activities before taxation	41,947	39,803
Adjustments for:-		
Amortisation of goodwill and other intangibles	2,643	893
Depreciation of property, plant and equipment	15,531	10,112
Gain on disposal of property, plant and equipment	(31)	(384)
Gain on disposal of interest in associate	-	(802)
Impairment loss on club memberships	-	22
Interest expenses	1,771	1,401
Interest income	(768)	(552)
Loss on disposal of fishing licences	-	4
Provision for cost of performance share plan	500	800
Share of losses of associates	-	264
Share of profits of jointly controlled entity	(60)	(45)
Operating profit before working capital changes	61,533	51,516
Changes in working capital:-		
Inventories	(5,510)	2,084
Trade and other receivables	148	16,929
Trade and other payables	(5,013)	(702)
Cash generated from operations	51,158	69,827
Income taxes paid	(10,940)	(9,263)
Cash flows from operating activities	40,218	60,564
Investing Activities		
Acquisition of property, plant and equipment	(14,115)	(12,491)
Acquisition of fishing licences	-	(260)
Acquisition of subsidiary, net of cash acquired	-	(54,254)
Additional investment in subsidiary	(236)	-
Interest received	768	552
Proceeds from disposal of property, plant and equipment	112	477
Proceeds from disposal of interest in associate	-	4,071
Payment to performance share trust fund	(1,098)	(1,200)
Cash flows from investing activities	(14,569)	(63,105)
Balance carried forward	25,649	(2,541)

Statement of Cash Flows

For the year ended 31 December 2003

	Group	
	2003 \$'000	2002 \$'000
Balance brought forward	25,649	(2,541)
Financing Activities		
Issue of new shares	715	652
Repayment of finance lease obligations	(597)	(984)
Proceeds from/(repayment of) bank loans	(26,591)	42,777
Interest paid	(1,771)	(1,401)
Dividends paid	(19,581)	(17,004)
Dividends paid to minority shareholder of a subsidiary	(2,073)	(1,250)
Cash flows from financing activities	(49,898)	22,790
Net increase/(decrease) in cash and cash equivalents	(24,249)	20,249
Cash and cash equivalents at beginning of the year	34,165	13,997
Effect of exchange rate changes on balances in foreign currencies	270	(81)
Cash and cash equivalents at end of the year	10,186	34,165

Notes to Statement of Cash Flows :

During the year, the Group acquired property, plant and equipment with an aggregate cost of \$15,161,000 (2002: \$14,482,000) of which \$1,046,000 (2002: \$1,991,000) was acquired under finance leases.

The acquisition of subsidiary was shown in the statement as a single item. The individual assets and liabilities at the date of acquisition is set out below:-

	2002 \$'000
Property, plant and equipment	26,399
Intangible assets	12,077
Inventories	5,041
Trade and other receivables	30,508
Trade and other payables	(24,394)
Borrowings	(2,962)
Overdraft	(7,299)
Current tax payable	(1,593)
Net assets acquired	37,777
Previously accounted as an associate	(13,110)
Goodwill on acquisition	22,288
Cash paid	46,955
Overdraft of subsidiary acquired	7,299
Net cash flow on acquisition	54,254

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

31 December 2003

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Directors on 28 January 2004.

1. Domicile and Activities

Singapore Food Industries Limited (the "Company") is incorporated in the Republic of Singapore with its registered office at 234 Pandan Loop, Singapore 128422.

The principal activities of the Company are those relating to food distribution, food preparation, manufacturing and processing. The principal activities of the subsidiaries are set out in note 5 to the financial statements.

The consolidated financial statements for the year ended 31 December 2003 relate to the Company and its subsidiaries (referred to as the "Group") and the Group's interests in jointly controlled entity.

The immediate, intermediate and ultimate holding companies during the year were Ambrosia Investment Pte Ltd, Singapore Technologies Pte Ltd and Temasek Holdings (Private) Limited respectively. All the companies are incorporated in Singapore.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (FRS) including related Interpretations promulgated by the Council on Corporate Disclosure and Governance.

The financial statements were previously prepared in accordance with Singapore Statements of Accounting Standard (SAS). The transition from SAS to FRS did not give rise to any adjustments to the opening balances of accumulated profits of the prior and current periods or to changes in comparatives.

The financial statements, which are expressed in Singapore dollars, unless stated otherwise, are prepared on the historical cost basis.

(b) Measurement Currency

The measurement currency of the Company is the Singapore dollar. As sales and purchases are denominated primarily in Singapore dollar and receipts from operations are usually retained in Singapore dollar, the Directors are of the opinion that the Singapore dollar reflects the economic substance of the underlying events and circumstances relevant to the Company.

(c) Consolidation

Subsidiaries

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities.

Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment losses.

Business combinations which meet the criteria for merger accounting under Section 69B of the Companies Act, Chapter 50 and Singapore Financial Reporting Standard No. 22 "Business Combinations", are accounted for under the pooling of interests method. Under this method of accounting, the combined assets, liabilities and reserves are recorded at their existing carrying amounts (after having made adjustments as is necessary to ensure that a uniform set of accounting policies is adopted) following the business combination. The difference between the nominal value of the share capital issued and the nominal value of shares received is taken to the merger deficit/reserve. The consolidated financial statements include the results of operations and the assets and liabilities of the pooled enterprises as if they had been part of the group for the whole of the current and preceding periods.

The acquisition of other subsidiaries is accounted for under the purchase method and included in the consolidated financial statements from the date that control commences until the date that control ceases. Goodwill, which represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired, is accounted for in accordance with note 2(e).

Notes to the Financial Statements

31 December 2003

2. Summary of Significant Accounting Policies (cont'd)

(c) Consolidation (cont'd)

Jointly Controlled Entities

Jointly controlled entities are enterprises over whose activities the Group has joint control, established by contractual agreement.

Investments in jointly controlled entities are stated in the Company's balance sheet at cost less impairment losses.

The consolidated financial statements include the Group's share of the total recognised gains and losses of jointly controlled entities on an equity accounted basis, from the date that joint control commences until the date that joint control ceases. When the Group's share of losses exceeds the carrying amount of a jointly controlled entity, the carrying amount is reduced to nil and recognition of further losses is discontinued unless the Group has incurred obligations in respect of the jointly controlled entity.

Transactions Eliminated on Consolidation

All significant intra-group transactions, balances and unrealised gains are eliminated on consolidation. Unrealised gains resulting from transactions with jointly controlled entities are eliminated to the extent of the Group's interest in the enterprise. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Disposals

On disposal of a subsidiary or jointly controlled entity, any attributable amount of purchased goodwill not previously amortised through the profit and loss account or which had previously been dealt with as movement in Group reserves is included in the calculation of the profit and loss on disposal.

(d) Property, Plant and Equipment

(i) Owned Assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is provided on a straight-line basis so as to write off items of property, plant and equipment over their estimated useful lives as follows: -

Freehold buildings	-	30 to 50 years
Leasehold land and buildings	-	Over period of lease not exceeding 30 years
Coldroom buildings	-	Over period of lease not exceeding 30 years
Plant and machinery, operating equipment	-	5 years
Other fixed assets	-	1 to 5 years

No depreciation is provided on freehold land and assets under construction.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

(ii) Leased Assets

Leases for which the Group assumes substantially all risks and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of such leases is capitalised at the lower of its fair value and the present value of minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. 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 and loss account. Capitalised lease assets are depreciated over the shorter of the economic useful life of the asset and the lease term.

Notes to the Financial Statements

31 December 2003

2. Summary of Significant Accounting Policies (cont'd)

(e) *Intangible Assets*

Goodwill

Goodwill arising on acquisition represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired. Goodwill is stated at cost less accumulated amortisation and impairment losses. Goodwill is amortised and recognised in the profit and loss account using the straight-line method over its estimated useful life of 20 years.

Goodwill arising on acquisitions of subsidiaries that occurred prior to 1 January 2001 was written off against reserves and has not been retrospectively capitalised and amortised.

In arriving at the gain or loss on disposal of an entity, the unamortised balance of goodwill relating to the entity disposed of, or for acquisitions prior to 1 January 2001, the goodwill previously written off against reserves, is included as part of the cost of investment.

Transferable Licences

Fishing licences are stated at cost less accumulated amortisation and impairment losses. Amortisation is over the estimated useful life of 20 years.

(f) *Other Investments*

Equity securities held for the long-term are stated at cost less allowance for diminution in value which, in the opinion of the directors, are other than temporary.

Profit or losses on disposal of equity securities are determined as the difference between the net disposal proceeds and the carrying amount of the equity security and are accounted for in the profit and loss account as they arise.

(g) *Inventories*

Inventories, which comprise inventories of stores, food products and raw materials, are stated at the lower of cost, determined on a weighted average basis, and net realisable value. In arriving at net realisable value, due allowance is made for all obsolete and slow moving inventories.

(h) *Cash and Cash Equivalents*

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management. Secured bank overdrafts are excluded as they are used by the Group for its financing activities.

(i) *Impairment*

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

(j) *Liabilities and Interest-Bearing Borrowings*

Trade and other payables and interest-bearing borrowings are recognised at cost.

Notes to the Financial Statements

31 December 2003

2. Summary of Significant Accounting Policies (cont'd)

(k) *Equity Compensation Benefits*

Singapore Food Industries Stock Option Plan

No compensation cost or obligation is recognised where share options are issued under the Company's Stock Option Plan. When the options are exercised, equity is increased by the amount of the proceeds received.

Singapore Food Industries Performance Share Plan

An initial estimate is made for the cost of compensation under the Company's performance share plan based on the number of shares expected to be awarded at the end of the performance period, valued at market price at the date of the grant of the award. The cost is charged to the profit and loss account on a basis that fairly reflects the manner in which the benefits will accrue to the employee under the plan over the service period to which the performance criteria relate.

At each reporting date, the compensation cost is remeasured based on the latest estimate of the number of shares that will be awarded considering the performance criteria and the market price of the shares at the reporting date. Any increase or decrease in compensation cost over the previous estimate is recorded in that reporting period.

The final measure of compensation cost is based on the number of shares ultimately awarded and the market price at the date the performance criteria are met.

(l) *Deferred Tax*

Deferred tax is provided in full, using the liability method, on 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 not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(m) *Revenue Recognition*

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue excludes goods and services and other sales taxes and is after deduction of trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Dividend Income

Dividend income is recognised in the profit and loss account when the right to receive payment is established.

Interest Income

Interest income is recognised on an accrual basis.

Notes to the Financial Statements

31 December 2003

2. Summary of Significant Accounting Policies (cont'd)

(n) **Operating Leases**

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Contingent rentals are charged to the profit and loss account in the accounting period in which they are incurred.

(o) **Finance Costs**

Interest expense and similar charges are expensed in the profit and loss account in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to prepare for its intended use or sale.

The interest component of finance lease payments is recognised in the profit and loss account using the effective interest rate method.

(p) **Dividends**

Dividends on ordinary shares are recognised as a liability in the period in which the shareholder's right to receive dividend is established.

(q) **Foreign Currencies**

Foreign Currency Transactions

Monetary assets and liabilities in foreign currencies are translated into Singapore dollars at rates of exchange approximate to those ruling at the balance sheet date. Transactions in foreign currencies are translated at rates ruling on transaction dates. Translation differences are included in the profit and loss account.

Foreign Entities

Assets and liabilities of foreign entities including goodwill and fair value adjustments arising on consolidation are translated to Singapore dollars at the rates of exchange ruling at the balance sheet date. The results of foreign entities are translated at the average exchange rates for the year. Exchange differences arising on translation are recognised directly in equity. On disposal, the accumulated translation differences are recognised in the consolidated profit and loss account as part of the gain or loss on disposal.

(r) **Derivative Financial Instruments**

Derivative financial instruments such as forward exchange contracts are used to manage exposure to foreign exchange risk arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes.

Derivative financial instruments used for hedging purposes are accounted for on an equivalent basis to the underlying assets, liabilities or net positions. Any profit or loss arising is recognised on the same basis as that arising from the related assets, liabilities or positions.

A hedge of any future transaction is held off balance sheet.

Notes to the Financial Statements

31 December 2003

3. Property, Plant and Equipment

Group	At 1/1/03 \$'000	Additions \$'000	Disposals/ Write-Offs \$'000	Transfers \$'000	Translation Adjustments \$'000	At 31/12/03 \$'000
Cost						
Freehold land and buildings	10,390	-	-	-	1,013	11,403
Leasehold land and buildings	74,403	440	(141)	(5,862)	1,686	70,526
Coldroom buildings	15,503	-	-	-	-	15,503
Plant and machinery	70,084	11,214	(1,799)	8,306	5,685	93,490
Operating equipment	23,880	1,089	(150)	(2,376)	431	22,874
Office and computer equipment, furniture and fittings	11,802	1,318	(274)	153	301	13,300
Motor vehicles	7,721	1,100	(415)	(221)	243	8,428
	<u>213,783</u>	<u>15,161</u>	<u>(2,779)</u>	<u>-</u>	<u>9,359</u>	<u>235,524</u>

Accumulated Depreciation

Freehold land and buildings	1,968	230	-	-	210	2,408
Leasehold land and buildings	20,922	2,952	(135)	(3,344)	475	20,870
Coldroom buildings	9,631	822	-	-	-	10,453
Plant and machinery	47,544	7,319	(1,771)	5,694	3,598	62,384
Operating equipment	19,393	1,613	(150)	(2,349)	231	18,738
Office and computer equipment, furniture and fittings	8,915	1,558	(272)	-	170	10,371
Motor vehicles	5,330	1,037	(370)	(1)	171	6,167
	<u>113,703</u>	<u>15,531</u>	<u>(2,698)</u>	<u>-</u>	<u>4,855</u>	<u>131,391</u>

	Depreciation Charge		Carrying Amount
	2002 \$'000	2003 \$'000	
Freehold land and buildings	41	8,995	8,422
Leasehold land and buildings	3,407	49,656	53,481
Coldroom buildings	770	5,050	5,872
Plant and machinery	2,148	31,106	22,540
Operating equipment	1,845	4,136	4,487
Office and computer equipment, furniture and fittings	1,027	2,929	2,887
Motor vehicles	874	2,261	2,391
	<u>10,112</u>	<u>104,133</u>	<u>100,080</u>

At 31 December 2003, the carrying amount of the Group's plant, equipment and motor vehicles held under finance leases amounted to \$3,032,000 (2002: \$2,982,000).

Notes to the Financial Statements

31 December 2003

3. Property, Plant and Equipment (cont'd)

Company	At 1/1/03 \$'000	Additions \$'000	Disposals/ Write-Offs \$'000	At 31/12/03 \$'000
Cost				
Leasehold land and buildings	1,175	-	-	1,175
Coldroom buildings	15,503	-	-	15,503
Plant and machinery	4,846	58	-	4,904
Operating equipment	13,200	90	(105)	13,185
Office and computer equipment, furniture and fittings	5,411	145	-	5,556
Motor vehicles	4,622	933	(91)	5,464
	<u>44,757</u>	<u>1,226</u>	<u>(196)</u>	<u>45,787</u>

Accumulated Depreciation

Leasehold land and buildings	515	39	-	554
Coldroom buildings	9,631	822	-	10,453
Plant and machinery	4,804	24	-	4,828
Operating equipment	11,783	560	(91)	12,252
Office and computer equipment, furniture and fittings	4,189	714	-	4,903
Motor vehicles	3,286	604	(78)	3,812
	<u>34,208</u>	<u>2,763</u>	<u>(169)</u>	<u>36,802</u>

	Depreciation Charge 2002 \$'000	2003 \$'000	Carrying Amount 2002 \$'000
Leasehold land and buildings	41	621	660
Coldroom buildings	770	5,050	5,822
Plant and machinery	24	76	42
Operating equipment	562	933	1,417
Office and computer equipment, furniture and fittings	740	653	1,222
Motor vehicles	528	1,652	1,336
	<u>2,665</u>	<u>8,985</u>	<u>10,549</u>

Notes to the Financial Statements

31 December 2003

4. Intangible Assets

Group	Goodwill \$'000	Fishing Licences \$'000	Total \$'000
Cost			
At 1 January 2003	51,837	4,194	56,031
Fair value adjustment	(818)	-	(818)
Translation adjustment	455	1,169	1,624
At 31 December 2003	<u>51,474</u>	<u>5,363</u>	<u>56,837</u>
Accumulated Amortisation			
At 1 January 2003	4,388	196	4,584
Amortisation charge for the year (note 20)	2,410	233	2,643
Translation adjustment	332	-	332
At 31 December 2003	<u>7,130</u>	<u>429</u>	<u>7,559</u>
Amortisation charge for 2002	<u>697</u>	<u>196</u>	<u>893</u>
Carrying Amount			
At 31 December 2003	<u>44,344</u>	<u>4,934</u>	<u>49,278</u>
At 31 December 2002	<u>47,449</u>	<u>3,998</u>	<u>51,447</u>

In 2003, the Group completed its valuation of the net assets of subsidiary, S Daniels Plc, acquired on 27 November 2002 after the 2002 financial statements were issued. As a result of changes in the valuation, the fair value attributed to net assets and liabilities has been reduced by \$8 18,000. Goodwill on consolidation is adjusted accordingly. The fair value adjustment relates mainly to the reversal of deferred tax liabilities of \$1,131,000 (note 8) in the financial statements of S Daniels Plc. Had the 2002 financial statements been restated, the impact on net profit would have been insignificant. These effects have been included in the financial statements for the year ended 31 December 2003.

5. Subsidiaries

	Company	
	2003 \$'000	2002 \$'000
Unquoted shares, at cost	113,699	111,851
Less:		
Impairment losses	4,314	4,314
	<u>109,385</u>	<u>107,537</u>

During the financial year, the Company had acquired the remaining 2.5% interest in the equity of its 97.5% held subsidiary, S Daniels Plc, for a purchase consideration of \$1.848 million.

Notes to the Financial Statements

31 December 2003

5. Subsidiaries (cont'd)

Details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Activities	Place of Incorporation and Business	Effective Equity held by the Group		Cost of Investment	
			2003 %	2002 %	2003 \$'000	2002 \$'000
International Cuisine Limited @	Production and marketing of chilled ready cooked food	United Kingdom	100%	100%	2,670	2,670
LM Food Industries Pte Ltd #	Contract manufacturing of food products	Singapore	100%	100%	755	755
Myanmar ST Food Industries Ltd *	Dormant	Myanmar	100%	100%	135	135
Piesin Sdn Bhd *	Voluntary liquidation	Malaysia	100%	100%	3,248	3,248
Primary Industries Pte Ltd and its subsidiaries #	Provision of abattoir services	Singapore	78.5%	78.5%	13,569	13,569
- Farmers Abattoir Pte Ltd	Abattoir related activities	Singapore	78.5%	78.5%	-	-
- Hog Auction Market Pte Ltd	Auctioneers of pigs	Singapore	78.5%	78.5%	-	-
Primary Industries (Qld) Pty Ltd and its subsidiaries *	Provision of land logistics support	Australia	100%	100%	664	664
- Schulz Fisheries Pty Ltd	Commercial fishing	Australia	50%	50%	-	-
- Urangan Fisheries Pty Ltd	Processing of seafood	Australia	51%	51%	-	-
Shanghai ST Food Industries Co., Ltd. *	Manufacture and sale of frozen foodstuff	People's Republic of China	96%	96%	5,814	5,814
Singapore Food Development Pte Ltd #	Investment holding	Singapore	100%	100%	1,307	1,307
ST Agritech International Pte Ltd #	Provision of technical and management services for agri-food business	Singapore	100%	100%	10,000	10,000
Balance carried forward					38,162	38,162

Notes to the Financial Statements

31 December 2003

5. Subsidiaries (cont'd)

Name of Subsidiary	Principal Activities	Place of Incorporation and Business	Effective Equity held by the Group		Cost of Investment	
			2003 %	2002 %	2003 \$'000	2002 \$'000
Balance brought forward					38,162	38,162
SFI Industries Pty Ltd *	Provision of management services	Australia	100%	100%	1,869	1,869
S Daniels Plc and its subsidiaries @	Investment holding	United Kingdom	100%	97.5%	73,668	71,820
- All Square Foods Limited	Dormant	United Kingdom	100%	97.5%	-	-
- Bilash Foods Limited	Dormant	United Kingdom	100%	97.5%	-	-
- Brash Brothers Limited	Dormant	United Kingdom	100%	97.5%	-	-
- Copak Vendona Limited	Dormant	United Kingdom	100%	97.5%	-	-
- Daniels Chilled Foods Limited	Production and marketing of chilled soup, freshly squeezed juices, fresh salads and sandwich fillings	United Kingdom	100%	97.5%	-	-
- Daniels Foods Limited	Dormant	United Kingdom	100%	97.5%	-	-
- Daniels Group Limited	Dormant	United Kingdom	100%	97.5%	-	-
- Get Fresh Limited	Dormant	United Kingdom	100%	97.5%	-	-
- Johnsons Fresh Products Limited	Dormant	United Kingdom	100%	97.5%	-	-
- Johnsons Freshly Squeezed Juice Limited	Dormant	United Kingdom	100%	97.5%	-	-
- Juice Limited	Dormant	United Kingdom	100%	97.5%	-	-
Balance carried forward					113,699	111,851

Notes to the Financial Statements

31 December 2003

5. Subsidiaries (cont'd)

Name of Subsidiary	Principal Activities	Place of Incorporation and Business	Effective Equity held by the Group		Cost of Investment	
			2003 %	2002 %	2003 \$'000	2002 \$'000
Balance brought forward					113,699	111,851
- New Covent Garden Food Company Limited (formerly known as Kent Seal Foods Limited)	Dormant	United Kingdom	100%	97.5%	-	-
- S Daniel Dried Fruit Limited	Dormant	United Kingdom	100%	97.5%	-	-
- Sun-Ripe Limited	Dormant	United Kingdom	100%	97.5%	-	-
- The New Covent Garden Soup Company Limited	Dormant	United Kingdom	100%	97.5%	-	-
					<u>113,699</u>	<u>111,851</u>

Audited by KPMG Singapore.

@ Audited by other member firms of KPMG International.

* Audited by other certified public accountants. These subsidiaries are not significant as defined under Clause 717 of the SGX-ST Listing Manual.

6. Jointly Controlled Entity

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Unquoted shares, at cost	50	50	50	50
Share of post-acquisition profits	80	27	-	-
	<u>130</u>	<u>77</u>	<u>50</u>	<u>50</u>

Details of the jointly controlled entity are as follows:

Name of Jointly Controlled Entity	-	SembCorp Network Pte Ltd #
Principal Activities	-	Provision of logistics support and services
Place of Incorporation and Business	-	Singapore
Effective Equity Held by the Group	-	50% (2002: 50%)

Audited by KPMG Singapore.

Notes to the Financial Statements

31 December 2003

6. Jointly Controlled Entity (cont'd)

The Group's share of the results, assets and liabilities of the jointly controlled entity are as follows:

	2003 \$'000	2002 \$'000
Results		
Revenue	69	53
Expenses	(9)	(8)
	<hr/>	<hr/>
Profit before taxation	60	45
Taxation	(7)	(10)
	<hr/>	<hr/>
Profit after taxation	<u>53</u>	<u>35</u>
Assets and Liabilities		
Current assets	147	96
Current liabilities	(17)	(19)
	<hr/>	<hr/>
Net assets	<u>130</u>	<u>77</u>

7. Other Assets

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
At cost				
- Unquoted equity investments	234	167	-	-
- Unquoted transferable club memberships	458	458	458	458
	<hr/>	<hr/>	<hr/>	<hr/>
	692	625	458	458
Less :				
Impairment losses				
At 1 January	215	250	215	250
Impairment made during the year	-	22	-	22
Impairment written off	-	(57)	-	(57)
At 31 December	<u>215</u>	<u>215</u>	<u>215</u>	<u>215</u>
	<hr/>	<hr/>	<hr/>	<hr/>
	477	410	243	243
	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the Financial Statements

31 December 2003

8. Deferred Tax

Movements in deferred tax assets/(liabilities) during the year are as follows:-

	At 1/1/03 \$'000	Credit/ (Charge) to income \$'000	Fair value adjustment (note 4) \$'000	Translation adjustment \$'000	At 31/12/03 \$'000
Group					
Property, plant and equipment	(2,976)	304	1,131	33	(1,508)
Inventories	246	-	-	-	246
Trade and other receivables	691	75	-	10	776
Provisions	361	331	-	51	743
Equity compensation benefits	291	272	-	35	598
Other assets	5	-	-	-	5
	<u>(1,382)</u>	<u>982</u>	<u>1,131</u>	<u>129</u>	<u>860</u>
Comprising :					
Deferred tax assets	690	1,004	-	160	1,854
Deferred tax liabilities	(2,072)	(22)	1,131	(31)	(994)
	<u>(1,382)</u>	<u>982</u>	<u>1,131</u>	<u>129</u>	<u>860</u>
Company					
Property, plant and equipment	(1,077)	356	-	-	(721)
Inventories	246	-	-	-	246
Trade and other receivables	671	43	-	-	714
Provisions	233	(8)	-	-	225
Employee benefits and others	132	110	-	-	242
Others	5	-	-	-	5
	<u>210</u>	<u>501</u>	<u>-</u>	<u>-</u>	<u>711</u>

9. Inventories

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
At cost -				
Stores	2,150	2,566	-	-
Raw materials	10,172	8,657	-	-
Finished goods	23,417	17,664	18,879	13,492
	<u>35,739</u>	<u>28,887</u>	<u>18,879</u>	<u>13,492</u>
Balance carried forward				

Notes to the Financial Statements

31 December 2003

9. Inventories (cont'd)

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Balance brought forward	35,739	28,887	18,879	13,492
Less:				
Allowance for obsolescence -				
At 1 January	1,924	1,604	1,188	1,223
Allowance of subsidiary acquired	-	341	-	-
Allowance made during the year	157	215	80	-
Inventories written off	(281)	(258)	-	(35)
Translation adjustment	44	22	-	-
At 31 December	1,844	1,924	1,268	1,188
	<u>33,895</u>	<u>26,963</u>	<u>17,611</u>	<u>12,304</u>
Comprising:				
At cost	2,150	2,566	-	-
At net realisable value	31,745	24,397	17,611	12,304
	<u>33,895</u>	<u>26,963</u>	<u>17,611</u>	<u>12,304</u>

10. Trade and Other Receivables

	Note	Group		Company	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Trade receivables	11	67,491	65,729	28,307	26,098
Deposits, prepayments and other receivables	12	10,337	7,173	1,390	3,365
Amounts due from					
- subsidiaries	13	-	-	6,038	3,823
- related companies (trade)		4	131	4	131
		<u>77,832</u>	<u>73,033</u>	<u>35,739</u>	<u>33,417</u>

Notes to the Financial Statements

31 December 2003

11. Trade Receivables

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Trade receivables	77,865	75,061	31,599	29,435
Less:				
Allowance for				
- doubtful receivables	7,042	6,679	3,292	3,337
- trade discounts	3,332	2,653	-	-
	10,374	9,332	3,292	3,337
	<u>67,491</u>	<u>65,729</u>	<u>28,307</u>	<u>26,098</u>

Movements in allowances during the year are:

Allowance for doubtful receivables -				
At 1 January	6,679	3,839	3,337	3,342
Allowance of subsidiary acquired	-	2,675	-	-
Allowance made during the year	638	816	233	351
Bad debts written off	(567)	(587)	(278)	(356)
Translation adjustment	292	(64)	-	-
	<u>7,042</u>	<u>6,679</u>	<u>3,292</u>	<u>3,337</u>
Trade discounts -				
At 1 January	2,653	-	-	-
Trade discounts of subsidiary acquired	-	2,653	-	-
Allowance made during the year	4,930	-	-	-
Trade discounts utilised	(4,494)	-	-	-
Translation adjustment	243	-	-	-
	<u>3,332</u>	<u>2,653</u>	<u>-</u>	<u>-</u>

12. Deposits, Prepayments and Other Receivables

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Deposits	105	104	86	85
Prepayments	6,344	4,338	940	2,701
Staff loans	6	14	4	5
Other receivables	3,882	2,717	360	574
	<u>10,337</u>	<u>7,173</u>	<u>1,390</u>	<u>3,365</u>

Notes to the Financial Statements

31 December 2003

13. Amounts Due from/to Subsidiaries

	Company	
	2003 \$'000	2002 \$'000
Amounts due from subsidiaries		
- Trade receivable	1,403	656
- Loans receivable	4,635	3,167
	<u>6,038</u>	<u>3,823</u>
Amounts due to subsidiaries		
- Trade payable	1,521	864
- Loans payable	12,810	10,976
	<u>14,331</u>	<u>11,840</u>

The amounts due from/to the subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

14. Trade and Other Payables

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Trade payables and accruals	86,648	87,417	37,984	39,779
Other payables	4,144	2,658	967	1,229
Amounts due to				
- subsidiaries (Note 13)	-	-	14,331	11,840
- intermediate holding company (trade)	260	-	260	-
- related companies (trade)	1,044	1,904	294	235
- jointly controlled entity (non-trade)	257	143	257	143
	<u>92,353</u>	<u>92,122</u>	<u>54,093</u>	<u>53,226</u>

The EVA Staff Incentive Plan was introduced by the Company in 1996. In 2000, an EVA Trust Fund was set up with a trustee company of a bank to act as trustees of the Fund, being the aggregate amount due to executives of the Company pursuant to the Plan. The financial statements do not include such trust fund which amounted to \$6,451,000 (2002: \$5,749,000) as at 31 December 2003.

The amount due to the jointly controlled entity is unsecured, interest-free and have no fixed terms of repayment.

Notes to the Financial Statements

31 December 2003

15. Interest-Bearing Bank Loans and Borrowings

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Secured bank loans	6,262	8,593	-	-
Unsecured bank loans	29,586	50,087	25,375	44,743
Finance lease liabilities	3,372	2,923	-	-
	<u>39,220</u>	<u>61,603</u>	<u>25,375</u>	<u>44,743</u>
Payable:				
Within 1 year				
- Secured bank loans	4,907	5,931	-	-
- Unsecured bank loans	11,711	49,908	7,500	44,743
- Finance lease liabilities	1,558	972	-	-
	<u>18,176</u>	<u>56,811</u>	<u>7,500</u>	<u>44,743</u>
After 1 year but within 5 years				
- Secured bank loans	1,355	2,662	-	-
- Unsecured bank loans	17,875	179	17,875	-
- Finance lease liabilities	1,814	1,951	-	-
	<u>21,044</u>	<u>4,792</u>	<u>17,875</u>	<u>-</u>
	<u>39,220</u>	<u>61,603</u>	<u>25,375</u>	<u>44,743</u>

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(a) Secured Bank Loans and Overdrafts

The secured banking facilities of the Group, comprising term loans and overdrafts, are secured on the assets of certain subsidiaries with a total carrying value at 31 December 2003 of \$114,701,000 (2002: \$117,302,000).

Information on interest rates, currency and maturity of secured and unsecured bank loans and overdrafts are set out in note 28(d).

(b) Finance Lease Liabilities

	2003			2002		
	Instalments Payable \$'000	Interest \$'000	Principal \$'000	Instalments Payable \$'000	Interest \$'000	Principal \$'000
Payable:						
Within 1 year	1,779	221	1,558	1,164	192	972
After 1 year but within 5 years	2,069	255	1,814	2,291	340	1,951
	<u>3,848</u>	<u>476</u>	<u>3,372</u>	<u>3,455</u>	<u>532</u>	<u>2,923</u>

Information on interest rates of the finance lease liabilities are set out in note 28.

Notes to the Financial Statements

31 December 2003

16. Equity Compensation Benefits

	Group and Company	
	2003 \$'000	2002 \$'000
Compensation cost for performance share plan -		
At 1 January	600	1,000
Provision made during the year	500	800
Payments to trust fund	(1,098)	(1,200)
At 31 December	<u>2</u>	<u>600</u>

In 2002, a Performance Share Trust Fund was set up with a trustee company of a bank to act as trustee for the Fund, being the aggregate amount estimated to be earned by executives of the Company pursuant to the Plan. The financial statements do not include such trust fund, which amounted to \$2,362,000 (2002: \$1,200,000) as at 31 December 2003.

Share Option Plan

The Singapore Food Industries Share Option Plan (the "Option Plan") was approved and adopted at the Extraordinary General Meeting of the Company held on 28 October 1999. The Option Plan is administered by the Executive Resource and Compensation Committee ("ERCC") which comprises the following members:-

George Huang Chang Yi
Philip Tan Yuen Fah
Chow Kok Kee
Kuan Kwee Jee

Other information regarding the Option Plan is set out below:

- The exercise price of the options can be set at a discount to the market price not exceeding 20% of the market price in respect of options granted at the time of grant.
- The 1999 options vested on the 2nd anniversary of the grant date. From 2000 onwards, options granted will vest 25% each on the 1st to the 4th anniversary of the grant date.
- The options granted expire after 5 years from the date of the grant for non-executive directors and 10 years for group and parent group executives.
- To-date, no options have been granted at a discount to market price.

Performance Share Plan

The Singapore Food Industries Performance Share Plan (the "Performance Plan") was approved and adopted at the Company's Extraordinary General Meeting held on 30 March 2002. The Performance Plan is administered by the ERCC.

Other information regarding the Performance Plan is set out below:-

- The awards of performance shares are given conditional on performance targets set based on medium-term corporate objectives.
- The final number of shares given will depend on the level of achievement of the targets over a three-year performance period and will only be released at the end of each performance period.

Notes to the Financial Statements

31 December 2003

16. Equity Compensation Benefits (cont'd)

Restricted Stock Plan

The Singapore Food Industries Restricted Stock Plan (the "Restricted Plan") was approved and adopted at the Company's Extraordinary General Meeting held on 30 March 2002. The Restricted Plan is administered by the ERCC.

Other information regarding the Restricted Plan is set out below:-

- Restricted share awards vest upon the satisfactory completion of time-based service conditions.
- Performance related restricted share awards vest upon satisfactory completion of a period of service beyond a performance-target completion date.
- To-date, no share awards have been granted under this plan.

At 31 December 2003, details of the options granted under the Option Plan and awards given under the Performance Plan for unissued ordinary shares of \$0.05 each of the Company were as follows:-

Date of grant of options awards	Exercise price	Outstanding 1 Jan 2003	Granted	Exercised	Cancelled/ Lapsed	Outstanding 31 Dec 2003	Exercisable 1 Jan 2003	Exercisable 31 Dec 2003	Proceeds on Exercise Credited to		Exercise period
									Share Capital \$'000	Share Premium \$'000	
Share Options:											
1999	\$0.78	215,000	-	-	-	215,000	215,000	215,000	-	-	30/10/2001-29/10/2004
1999	\$0.78	2,686,000	-	-	(68,000)	2,618,000	2,686,000	2,618,000	-	-	30/10/2001-29/10/2009
2000	\$0.55	580,000	-	(100,000)	-	480,000	580,000	480,000	5	50	24/08/2001-23/08/2005
2000	\$0.55	4,320,000	-	(1,126,250)	(121,250)	3,072,500	4,320,000	3,072,500	56	563	24/08/2001-23/08/2010
2001	\$0.69	420,000	-	-	-	420,000	420,000	420,000	-	-	28/07/2002-27/07/2006
2001	\$0.69	4,851,750	-	(58,500)	(204,750)	4,588,500	4,851,750	4,588,500	3	38	28/07/2002-27/07/2011
2002	\$0.78	400,000	-	-	-	400,000	-	400,000	-	-	09/08/2003-08/08/2007
2002	\$0.78	4,881,000	-	-	(248,000)	4,633,000	-	4,633,000	-	-	09/08/2003-08/08/2012
2003	\$0.76	-	390,000	-	-	390,000	-	-	-	-	05/08/2004-04/08/2008
2003	\$0.76	-	5,673,000	-	(972,000)	4,701,000	-	-	-	-	05/08/2004-04/08/2013
		18,353,750	6,063,000	(1,284,750)@	(1,614,000)	21,518,000	13,072,750	16,427,000	64	651	

Performance Shares:

2001	-	up to 1,640,000	-	-	-	up to 1,640,000
2002	-	up to 1,910,000	-	-	-	up to 1,910,000
2003	-	up to 2,690,000	-	-	-	up to 2,690,000
		up to 3,550,000	up to 2,690,000	-	-	up to 6,240,000

@ The daily closing price of the shares during the year ranged from \$0.66 to \$0.795 per share.

Notes to the Financial Statements

31 December 2003

17. Share Capital

	2003 No. of Shares	2002 ('000)	2003 \$'000	2002 \$'000
Authorised:				
Ordinary shares of \$0.05 each	1,500,000	1,500,000	75,000	75,000
Issued and fully paid:				
At 1 January	501,039	500,014	25,052	25,001
Shares issued under share option plan	1,284	1,025	64	51
At 31 December	502,323	501,039	25,116	25,052

During the financial year, the Company issued a total of 1,284,750 ordinary shares of \$0.05 each fully paid at prices ranging from \$0.55 to \$0.69 per share for cash upon the exercise of options granted under the Company's share option plan.

At the end of the financial year, unissued ordinary shares of \$0.05 each of the Company granted/awarded to eligible employees and directors of the Company and the Group under equity compensation plans were as follows:-

	No. of Unissued Shares	
	2003	2002
Singapore Food Industries Share Option Plan	21,518,000	18,353,750
Singapore Food Industries Performance Share Plan	up to 6,240,000	up to 3,550,000
Singapore Food Industries Restricted Stock Plan	-	-
	up to 27,758,000	up to 21,903,750

18. Reserves

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Share premium	10,471	9,820	1,259	608
Merger reserve	2,245	2,245	-	-
Accumulated profits	73,185	61,963	61,335	58,390
Foreign currency translation reserve	6,016	1,598	-	-
	91,917	75,626	62,594	58,998

Notes to the Financial Statements

31 December 2003

18. Reserves (cont'd)

In accordance with FRS 1, movements in reserves for the Group and the Company are set out in the Statements of Changes in Equity.

Share Premium -

The application of the share premium account is governed by Sections 69 to 69F of the Companies Act, Chapter 50.

Merger Reserve -

Merger reserve represents the difference between the nominal value of shares issued by the Company in exchange for the nominal value of shares acquired in respect of the business combinations accounted for under the pooling of interest method.

Foreign Currency Translation Reserve -

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the operations of the Group.

19. Revenue

Revenue of the Group and of the Company represents the sales value of goods supplied to customers (net of allowance for goods returned and trade discounts) and provision of services after eliminating intra-group transactions.

	Group	
	2003 \$'000	2002 \$'000
Sale of food products	420,078	268,295
Provision of services	114,292	123,994
	534,370	392,289
	534,370	392,289

20. Profit From Operations

The following have been included in arriving at profit from operations: -

	Group	
	2003 \$'000	2002 \$'000
(a) Other Operating Income		
Exchange gains	917	321
Gain on disposal of property, plant and equipment	31	384
Management fee income	238	238
Grants received	57	517
Rental income	512	133
	1,755	1,593
	1,755	1,593

Notes to the Financial Statements

31 December 2003

20. Profit From Operations (cont'd)

		Group	
	Note	2003 \$'000	2002 \$'000
(b) Staff Costs			
Wages and salaries		79,370	59,155
Central provident fund contributions		3,708	5,422
Compensation cost for performance share plan	16	500	800
Other staff related costs		8,995	7,293
		92,573	72,670
		2,216	2,490
(c) Expenses			
Allowances for			
- Doubtful debts and trade discounts	11	5,568	816
- Inventory obsolescence	9	157	215
Amortisation of intangible assets	4	2,643	893
Auditors' remuneration			
- Auditors of the Company		140	135
- Other auditors		219	114
Non-audit fees paid to other auditors		258	170
Bad debts written off (trade)		31	19
Depreciation of property, plant and equipment	3	15,531	10,112
Operating lease expenses		4,413	705
		4,214	3,104
(d) Directors' Remuneration			
Directors' remuneration is recognised as follows:-			
Staff costs			
- Directors of the Company		880	860
- Other directors		2,838	1,791
Directors' fees			
- Directors of the Company		394	403
- Other directors		102	50
		4,214	3,104
		4,214	3,104

21. Non-Operating Income

	Group	
	2003 \$'000	2002 \$'000
Bad debts recovered (trade)	211	312
Commission income	102	22
Gain on disposal of interest in associate	-	802
Impairment loss on club membership (note 7)	-	(22)
Interest income from banks	768	552
Loss on disposal of fishing licences	-	(4)
Others	327	565
	1,408	2,227
	1,408	2,227

Notes to the Financial Statements

31 December 2003

22. Finance Costs

	Group	
	2003 \$'000	2002 \$'000
Interest expense		
- Bank loans and overdrafts	1,481	1,232
- Finance leases	290	169
	1,771	1,401
	1,771	1,401

23. Taxation

	Group	
	2003 \$'000	2002 \$'000
Current tax expense		
- Current year	11,285	9,767
- Under/(over) provision in prior years	321	(567)
	11,606	9,200
Deferred tax expense		
- Movement in temporary differences	(583)	303
- Under/(over) provision in prior years	(399)	31
	(982)	334
	10,624	9,534
Share of taxation		
- Associate	-	(266)
- Jointly controlled entity	7	10
	7	(256)
	10,631	9,278

Notes to the Financial Statements

31 December 2003

23. Taxation (cont'd)

Reconciliation of Effective Tax Rate

	Group	
	2003 \$'000	2002 \$'000
Profit before taxation	41,947	39,803
Income tax at 22% (2002: 22%)	9,228	8,757
Effect of different tax rates in other countries	229	299
Tax exempt revenue	-	(204)
Non-deductible expenses	2,049	569
Tax rebate / exemption	(72)	(49)
Change in tax rates	-	(4)
Under/(Over) provision in prior years		
- current tax	321	(567)
- deferred tax	(399)	31
Others	(725)	446
	10,631	9,278

24. Earnings Per Share

	Group	
	2003	2002
Basic Earnings per Share		
The basic earnings per share is based on:-		
Net profit for the year (\$'000)	30,803	29,898
Weighted average number of shares at beginning of the year ('000)	501,039	500,014
Weighted average number of shares issued under share option plan during the year ('000)	946	634
Weighted average number of shares in issue during the year ('000)	501,985	500,648

Notes to the Financial Statements

31 December 2003

24. Earnings Per Share (cont'd)

	Group	
	2003	2002
Fully Diluted Earnings per Share		
The fully diluted earnings per share is based on:-		
Net profit for the year (\$'000)	30,803	29,898
Weighted average number of shares in issue used in the calculation of basic earnings per share ('000)	501,985	500,648
Potential dilutive ordinary shares under share options ('000)	1,314	1,921
Weighted average number of shares in issue during the year ('000)	503,299	502,569

25. Dividends

During the financial year, the following dividends were paid:-

	Group and Company	
	2003 \$'000	2002 \$'000
Final dividend of 3.0 cents per share less tax of 22% (2002: 2.5 cents per share less tax of 22%)	11,749	9,447
Special dividend of 2.0 cents per share less tax of 22% (2002: 2.0 cents per share less tax of 22%)	7,832	7,557
	19,581	17,004

After the balance sheet date, the Directors proposed the following dividends. These dividends have not been provided for:

	Group and Company	
	2003 \$'000	2002 \$'000
Final dividend proposed of 3.0 cents less tax of 22% (2002: 3.0 cents less tax of 22%)	11,754	11,724
Special dividend proposed of 2.0 cents less tax of 22% (2002: 2.0 cents less tax of 22%)	7,836	7,816
	19,590	19,540

Notes to the Financial Statements

26. Commitments

At the balance sheet date, outstanding commitments of the Group and the Company, which were not provided for in the financial statements, were as follows:-

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Capital expenditure				
- Approved and contracted for	284	288	-	-
- Approved but not contracted for	208	-	-	-
	492	288	-	-
Foreign exchange contracts	1,703	51,422	1,703	51,422
Lease commitments				
- Within 1 year	1,717	1,843	298	298
- After 1 year but within 5 years	4,020	4,656	1,193	1,193
- After 5 years	11,015	12,054	1,138	1,436
	16,752	18,553	2,629	2,927
Total Commitments	18,947	70,263	4,332	54,349

The Group leases several plots of land, buildings and motor vehicles under operating leases. The land leases range from 2 to 50 years. Certain land leases give the Group the option for renewal after the expiry dates at rates to be agreed upon renewal.

27. Significant Related Party Transactions

Identity of Related Parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making the financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Transaction with Directors

Total directors' remuneration is disclosed in note 20 (d).

Notes to the Financial Statements

31 December 2003

27. Significant Related Party Transactions (cont'd)

Transaction with Directors (cont'd)

The directors participate in the Company's equity compensation plans, the terms and conditions of which are stated in note 16. Details of options/awards granted, exercised and outstanding are set out below:-

Option Participants	Options/ Awards Outstanding 1/1/2003	Options/ Awards Granted	Aggregate Options Exercised	Options/ Awards Cancelled or Lapsed	Options/ Awards Outstanding 31/12/2003
Share Options:					
- George Huang Chang Yi	190,000	120,000	-	-	310,000
- Peter Tay Buan Huat	3,200,000	750,000	500,000	-	3,450,000
- Philip Tan Yuen Fah	260,000	70,000	-	-	330,000
- Patrick Yeoh Khwai Hoh	110,000	30,000	-	-	140,000
- Roger Yeo Kok Tong	60,000	30,000	-	-	90,000
- Chow Kok Kee	80,000	60,000	-	-	140,000
- John Lim Kok Min	-	30,000	-	-	30,000
	<u>3,900,000</u>	<u>1,090,000</u>	<u>500,000</u>	<u>-</u>	<u>4,490,000</u>
Performance Shares:					
- Peter Tay Buan Huat	up to 1,520,000	up to 840,000	-	-	up to 2,360,000

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28. Financial Instruments

(a) Financial Risk Management Objectives and Policies

Exposure to credit, interest rate and currency risk arises in the normal course of the Group's business. The Group has written risk management policies and guidelines which set out its overall business strategies, its tolerance of risk and its general risk management philosophy and has established processes to monitor and control hedging transactions in a timely and accurate manner.

Derivative financial instruments are used to reduce exposure to fluctuations in foreign exchange rates and interest rates. While these are subject to the risk of market rates changing subsequent to acquisition, such changes are generally offset by opposite effects on the items being hedged.

The Group's accounting policies in relation to derivative financial instruments are set out in Note 2(r).

(b) Credit Risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

Management has established credit policies in place and the exposure to credit risks is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

Investments and transactions involving derivative financial instruments are allowed only with counterparties that are of high credit quality. As such, management does not expect any counterparty to fail to meet their obligations.

At the balance sheet date, there were no significant concentrations of credit risks. The maximum exposure to credit risks is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheets.

Notes to the Financial Statements

31 December 2003

28. Financial Instruments (cont'd)

(c) Interest Rate Risk

The Group's exposure to changes in interest rates relates primarily to the Group's debt obligations.

(d) Effective Interest Rates and Repricing Analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at balance sheet date and the periods in which they reprice.

	Note	Effective interest rate %	Total \$'000	Within 1 year \$'000	1 to 5 years \$'000	After 5 years \$'000
Group 2003						
Financial Assets						
Cash and cash equivalents		0.18% - 4.97%	10,186	10,186	-	-
Financial Liabilities						
Secured bank loans	15					
- GBP floating rate		4.49% - 5.20%	(1,556)	(390)	(1,166)	-
- A\$ floating rate		5.21% - 6.38%	(4,706)	(4,517)	(189)	-
			(6,262)	(4,907)	(1,355)	-
Unsecured bank loans	15					
- GBP fixed rate		6.49%	(193)	(193)	-	-
- US\$ floating rate		2.06% - 2.85%	(2,389)	(2,389)	-	-
- RMB floating rate		5.31% - 6.00%	(1,629)	(1,629)	-	-
- S\$ floating rate		1.58%	(9,000)	-	(9,000)	-
- S\$ fixed rate		1.01% - 3.34%	(16,375)	(7,500)	(8,875)	-
			(29,586)	(11,711)	(17,875)	-
Finance lease liabilities	15	5.41% - 13.08%	(3,372)	(1,558)	(1,814)	-
Bank overdrafts		5.25% - 9.00%	(4,909)	(4,909)	-	-
			(44,129)	(23,085)	(21,044)	-

Notes to the Financial Statements

31 December 2003

28. Financial Instruments (cont'd)

(d) Effective Interest Rates and Repricing Analysis (cont'd)

	Note	Effective interest rate %	Total \$'000	Within 1 year \$'000	1 to 5 years \$'000	After 5 years \$'000
Group 2002						
Financial Assets						
Cash and cash equivalents		0.13% - 3.60%	<u>34,165</u>	<u>34,165</u>	<u>-</u>	<u>-</u>
Financial Liabilities						
Secured bank loans	15					
- GBP floating rate		5.20% - 7.25%	(4,706)	(2,044)	(2,662)	-
- A\$ floating rate		6.07% - 6.10%	(3,887)	(3,887)	-	-
			(8,593)	(5,931)	(2,662)	-
Unsecured bank loans	15					
- GBP floating rate		4.19% - 6.49%	(45,160)	(44,981)	(179)	-
- US\$ floating rate		2.86% - 3.98%	(3,832)	(3,832)	-	-
- RMB floating rate		5.42% - 6.42%	(1,095)	(1,095)	-	-
			(50,087)	(49,908)	(179)	-
Finance lease liabilities	15	7.16% - 13.08%	(2,923)	(972)	(1,951)	-
Bank overdrafts		5.25% - 8.65%	(6,428)	(6,428)	-	-
			<u>(68,031)</u>	<u>(63,239)</u>	<u>(4,792)</u>	<u>-</u>

Notes to the Financial Statements

31 December 2003

28. Financial Instruments (cont'd)

(d) Effective Interest Rates and Repricing Analysis (cont'd)

	Note	Effective interest rate %	Total \$'000	Within 1 year \$'000	1 to 5 years \$'000	After 5 years \$'000
Company 2003						
Financial Assets						
Cash and cash equivalents		0.18% - 4.97%	4,044	4,044	-	-
Financial Liabilities						
Unsecured bank loans	15					
- S\$ floating rate		1.58%	(9,000)	-	(9,000)	-
- S\$ fixed rate		1.01% - 3.34%	(16,375)	(7,500)	(8,875)	-
			(25,375)	(7,500)	(17,875)	-
2002						
Financial Assets						
Cash and cash equivalents		0.13% - 1.38%	27,963	27,963	-	-
Financial Liabilities						
Unsecured bank loans						
- S\$ floating rate	15	4.19% - 4.43%	(44,743)	(44,743)	-	-

(e) Foreign Currency Risk

The Group incurs foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than Singapore Dollar. The currencies giving rise to this risk are primarily US Dollar, Australian Dollar and British Pound.

The Group hedges approximately 75 percent of all trade payables denominated in foreign currency. At any point in time, the Group also hedges approximately 75 percent of its estimated foreign currency exposure in respect of forecast purchases over the following three months. The Group also enters into forward exchange contracts to hedge its other foreign currency risk.

In respect of other monetary assets and liabilities held in currencies other than the Singapore Dollar, the Group reviews periodically that the net exposure is kept at an acceptable level.

Notes to the Financial Statements

31 December 2003

28. Financial Instruments (cont'd)

(f) Sensitivity Analysis

In managing its interest rate and currency risks, the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer term, however, any prolonged adverse changes in foreign exchange and interest rates would have an impact on consolidated earnings.

At 31 December 2003, it is estimated that a general increase of one percentage point in interest rates would decrease the Group's profit before tax by approximately \$562,000 (2002: \$446,000).

It is estimated that a general increase of one percentage point in value of the Singapore dollar against other foreign currencies would increase the Group's profit before tax by approximately \$636,000 (2002: \$655,000). The forward exchange contracts have not been included in this calculation.

(g) Fair Values

Recognised Financial Instruments

The fair values of the financial assets and liabilities approximate their carrying values.

It is not practicable to estimate the fair values of the Company's long-term unquoted equity investments because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs. However, management believes that the carrying amounts recorded at the balance sheet date reflect the corresponding fair values.

Unrecognised Financial Instruments

The valuation of financial instruments not recognised in the balance sheet reflects amounts which the Group expects to pay or receive to terminate the contracts or replace the contracts at their current market rates as at the balance sheet date.

The notional amount and net fair value of financial instruments not recognised in the balance sheet as at 31 December are:

	Group and Company	
	2003	2002
	\$'000	\$'000
Forward foreign currency purchases:		
- notional amount	1,703	51,422
- fair value (net)	(3)	210
	<u>1,700</u>	<u>51,632</u>

Notes to the Financial Statements

31 December 2003

29. Contingent Liabilities

At 31 December 2003, there were the following outstanding contingent liabilities in respect of :

- (a) Guarantees amounting to \$5.292 million (2002: \$5.403 million) given by the Company to banks for banking facilities extended to a subsidiary.
- (b) A subsidiary of the Company has provided an insurance excess guarantee to a maximum amount of \$906,000 (equivalent to GBP300,000) as part of its ongoing insurance arrangements.

30. Segment Reporting

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segment, is based on the Group's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise income-earning assets and revenue, interest-bearing loans, borrowings and expenses and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business Segments

The Group comprises the following main business segments:

Food distribution - The distribution and trading of food products.

Food preparation, manufacturing and processing - The management of cookhouses, preparation of cooked meals and manufacturing of food products.

Abattoir and hog auction - The provision of abattoir and related services and auctioning of pigs.

Geographical Segments

The Group operates in four principal geographical areas, namely Singapore, United Kingdom, Australia and the People's Republic of China ("PRC"). The food distribution business segment is conducted in Singapore and PRC. The abattoir and hog auction business segment is conducted in Singapore. The food preparation, manufacturing and processing business segment is conducted in Singapore, United Kingdom, Australia and PRC.

In presenting information on the basis of geographical segments, segment revenue is based on the country of operation. Segment assets are based on the geographical location of the assets and operations.

Notes to the Financial Statements

31 December 2003

30. Segment Reporting (cont'd)

Geographical Segments (cont'd)

(a) Business Segments

	Food Distribution \$'000	Food Preparation, Manufacturing and Processing \$'000	Abattoir and Hog Auction \$'000	Others \$'000	Eliminations \$'000	TOTAL \$'000
Revenue and Expenses						
2003						
Revenue						
- External customers	144,296	372,398	17,676	-	-	534,370
- Inter-segment	22,784	13,904	3,421	-	(40,109)	-
Total revenue	<u>167,080</u>	<u>386,302</u>	<u>21,097</u>	<u>-</u>	<u>(40,109)</u>	<u>534,370</u>
Segment results	10,727	28,283	3,880	5,027	(5,027)	42,890
Interest income	705	63	-	-	-	768
Interest expense	(591)	(1,180)	-	-	-	(1,771)
	<u>10,841</u>	<u>27,166</u>	<u>3,880</u>	<u>5,027</u>	<u>(5,027)</u>	<u>41,887</u>
Share of associates and joint venture results, net						60
Profit from ordinary activities before taxation						41,947
Taxation						(10,631)
Profit from ordinary activities after taxation						31,316
Minority interests						(513)
Profit after taxation and minority interests						<u>30,803</u>

Notes to the Financial Statements

31 December 2003

30. Segment Reporting (cont'd)

(a) Business Segments (cont'd)

	Food Distribution \$'000	Food Preparation, Manufacturing and Processing \$'000	Abattoir and Hog Auction \$'000	Others \$'000	Eliminations \$'000	TOTAL \$'000
Revenue and Expenses						
2002						
Revenue						
- External customers	134,061	241,191	17,037	-	-	392,289
- Inter-segment	23,572	13,737	4,963	-	(42,272)	-
Total revenue	<u>157,633</u>	<u>254,928</u>	<u>22,000</u>	<u>-</u>	<u>(42,272)</u>	<u>392,289</u>
Segment results	10,284	26,463	4,596	28,382	(28,382)	41,343
Interest income	495	57	-	-	-	552
Interest expense	(509)	(892)	-	-	-	(1,401)
	<u>10,270</u>	<u>25,628</u>	<u>4,596</u>	<u>28,382</u>	<u>(28,382)</u>	<u>40,494</u>
Share of associates and joint venture results, net						(691)
Profit from ordinary activities before taxation						39,803
Taxation						(9,278)
Profit from ordinary activities after taxation						30,525
Minority interests						(627)
Profit after taxation and minority interests						<u>29,898</u>
Assets and Liabilities						
2003						
Segment assets	37,912	158,961	32,833	46,225	-	275,931
Unallocated assets	-	1,144	-	710	-	1,854
	<u>37,912</u>	<u>160,105</u>	<u>32,833</u>	<u>46,935</u>	<u>-</u>	<u>277,785</u>
Segment liabilities	14,856	93,076	3,435	25,117	-	136,484
Unallocated liabilities	3,452	4,381	1,617	6,136	-	15,586
	<u>18,308</u>	<u>97,457</u>	<u>5,052</u>	<u>31,253</u>	<u>-</u>	<u>152,070</u>
Capital expenditure	<u>118</u>	<u>14,079</u>	<u>908</u>	<u>56</u>	<u>-</u>	<u>15,161</u>

Notes to the Financial Statements

31 December 2003

30. Segment Reporting (cont'd)

(a) Business Segments (cont'd)

	Food Distribution \$'000	Food Preparation, Manufacturing and Processing \$'000	Abattoir and Hog Auction \$'000	Others \$'000	Eliminations \$'000	TOTAL \$'000
Assets and Liabilities						
2002						
Segment assets	28,818	159,586	34,590	63,181	-	286,175
Unallocated assets	-	480	-	210	-	690
	<u>28,818</u>	<u>160,066</u>	<u>34,590</u>	<u>63,391</u>	<u>-</u>	<u>286,865</u>
Segment liabilities	13,303	98,616	4,028	44,806	-	160,753
Unallocated liabilities	3,378	4,596	1,580	6,276	-	15,830
	<u>16,681</u>	<u>103,212</u>	<u>5,608</u>	<u>51,082</u>	<u>-</u>	<u>176,583</u>
Capital expenditure	<u>142</u>	<u>10,377</u>	<u>3,622</u>	<u>341</u>	<u>-</u>	<u>14,482</u>

(b) Geographical Segments

	Singapore \$'000	United Kingdom \$'000	Australia \$'000	China and Others \$'000	TOTAL \$'000
2003					
Total revenue from external customers	<u>236,778</u>	<u>251,408</u>	<u>27,843</u>	<u>18,341</u>	<u>534,370</u>
Segment assets	<u>140,760</u>	<u>105,771</u>	<u>16,048</u>	<u>13,352</u>	<u>275,931</u>
Segment liabilities	<u>69,863</u>	<u>48,723</u>	<u>8,348</u>	<u>9,550</u>	<u>136,484</u>
Capital expenditure	<u>2,188</u>	<u>12,376</u>	<u>512</u>	<u>85</u>	<u>15,161</u>
Significant non-cash items - Depreciation	<u>5,338</u>	<u>8,712</u>	<u>922</u>	<u>559</u>	<u>15,531</u>

Notes to the Financial Statements

31 December 2003

30. Segment Reporting (cont'd)

(b) Geographical Segments (cont'd)

	Singapore \$'000	United Kingdom \$'000	Australia \$'000	China and Others \$'000	TOTAL \$'000
2002					
Total revenue from external customers	<u>244,927</u>	<u>113,405</u>	<u>25,082</u>	<u>8,875</u>	<u>392,289</u>
Segment assets	<u>153,019</u>	<u>108,230</u>	<u>14,391</u>	<u>10,535</u>	<u>286,175</u>
Segment liabilities	<u>92,231</u>	<u>53,579</u>	<u>8,177</u>	<u>6,766</u>	<u>160,753</u>
Capital expenditure	<u>4,785</u>	<u>9,176</u>	<u>429</u>	<u>92</u>	<u>14,482</u>
Significant non-cash items - Depreciation	<u>4,738</u>	<u>3,698</u>	<u>841</u>	<u>835</u>	<u>10,112</u>

Supplementary Information

For the year ended 31 December 2003 (SGX-ST Listing Manual Requirements)

1. Directors' Remuneration

The following information relates to remuneration of Directors of Singapore Food Industries Limited:

	2003	2002
Remuneration Bands	Number of Directors	
\$500,000 and above	1	1
\$250,000 to \$499,999	-	-
Below \$250,000	6	6
Total	7	7

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Summary of Remuneration for year ended 31 December 2003

Name of Director	Salary*	Bonus#	Directors' fees	Total
		\$	\$	\$
George Huang Chang Yi	-	-	109,000	109,000
Peter Tay Buan Huat	524,388	355,787	-	880,175
Philip Tan Yuen Fah	-	-	81,000	81,000
Patrick Yeoh Khwai Hoh	-	-	47,000	47,000
Roger Yeo Kok Tong	-	-	47,000	47,000
Chow Kok Kee	-	-	64,000	64,000
John Lim Kok Min	-	-	46,232	46,232
	524,388	355,787	394,232	1,274,407

* The salary amount shown is inclusive of allowances & CPF.

The bonus amount shown is inclusive of CPF.

Supplementary Information

For the year ended 31 December 2003 (SGX-ST Listing Manual Requirements)

2. Interested Person Transactions

Interested Person Transactions carried out during the financial year, pursuant to the Shareholders' Mandate and as defined under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual") are as follows:

	Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the Listing Manual	
	2003 S\$'000	2002 S\$'000
Transactions for the Purchase of Goods and Services		
Singapore Computer Systems Limited and its Associates	175	1,411
SembCorp Industries Limited and its Associates	546	158
Singapore Technologies Engineering Ltd and its Associates	-	363
	<u>721</u>	<u>1,932</u>
Treasury Transactions		
SembCorp Industries Limited and its Associates	<u>-</u>	<u>18,137</u>
Management and Support Services		
Singapore Technologies Pte Ltd and its Associates	250	-
SembCorp Industries Limited and its Associates	-	250
	<u>250</u>	<u>250</u>
Total Interested Person Transactions	<u><u>971</u></u>	<u><u>20,319</u></u>

During the financial year, there were no borrowings, foreign exchange, swap and options transactions entered into or with and no subscription of debt securities issued by any interested person (as defined in Chapter 9 of the Listing Manual).

3. Dealings In Securities

The Company has procedures in place on dealing with SFI shares. Directors and key senior executives of the Group are prohibited from trading in SFI shares during the period commencing two weeks prior to the announcement of the Company's quarterly, half-year and full year results. Directors and key senior executives are also expected to observe insider trading laws at all times.

Value Added Statement

For year ended 31 December 2003

	2003 \$'000	2002 \$'000
VALUE ADDED :		
Turnover	534,370	392,289
Less: Bought-in materials and services	(381,932)	(266,702)
GROSS VALUE ADDED	<u>152,438</u>	<u>125,587</u>
Investment, interest & other income	1,774	3,913
Share of associated company profit	0	(264)
Share of joint venture profit	60	45
Other non-operating income/(expenses)	1,179	(272)
TOTAL VALUE ADDED	<u><u>155,451</u></u>	<u><u>129,009</u></u>
DISTRIBUTION		
To employees in salaries, wages & benefits	91,799	74,297
To government in income & other taxes	11,391	10,012
To providers of capital on: -		
Interest paid on borrowings	1,771	1,401
Dividends to shareholders	19,581	17,004
RETAINED IN BUSINESS		
Depreciation and Amortisation	18,174	11,754
Retained Profits	11,222	12,894
Minority Interests	513	627
NON-OPERATING EXPENSES	1,000	1,020
TOTAL DISTRIBUTION	<u><u>155,451</u></u>	<u><u>129,009</u></u>
Average Number Of Employee	2,288	1,975
PRODUCTIVITY ANALYSIS		
Value added per Employee (\$'000)	66.6	63.6
Value Added Per Dollar of Employment Costs (\$)	1.7	1.7
Value Added Per Dollar Sales (\$)	0.3	0.3
Value Added Per Dollar Investment in Net Fixed Assets (\$)	1.5	1.3

Statistics of Shareholders

As at 18 February 2004

Authorised share capital	:	S\$75,000,000
Issued and fully paid-up capital	:	S\$25,129,200
Class of share	:	Ordinary shares of S\$0.05 each
Voting rights	:	One vote per share

Analysis Of Shareholdings

Range of Shareholdings	Number of Shareholders	Percentage (%)	Number of Shares	Percentage (%)
1 - 999	321	2.37	149,764	0.03
1,000 - 10,000	12,292	90.78	28,871,429	5.75
10,001 - 1,000,000	917	6.77	38,203,165	7.60
1,000,001 and above	11	0.08	435,359,642	86.62
TOTAL	13,541	100.00	502,584,000	100.00

Based on information available to the Company as at 18 February 2004, approximately 28.2% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

Substantial Shareholders

Substantial Shareholder	Direct Interest	Number of Shares		Percentage (%)
		Percentage (%)	Deemed Interest	
Ambrosia Investment Pte. Ltd.	359,731,154	71.58	-	-
Singapore Technologies Pte Ltd ⁽¹⁾	-	-	359,731,154	71.58
Temasek Holdings (Private) Limited ⁽²⁾	-	-	359,731,154	71.58

Notes:

- (1) Singapore Technologies Pte Ltd ("STPL") is deemed to be interested in the 359,731,154 shares held by Ambrosia Investment Pte. Ltd., a wholly-owned subsidiary of STPL.
- (2) Temasek Holdings (Private) Limited is deemed to be interested in the 359,731,154 shares held by STPL by virtue of the provisions under section 7 of the Companies Act, Cap. 50.

Statistics of Shareholders

As at 18 February 2004

Top Twenty Shareholders

No.	Name of Shareholder	Number of Shares Held	Percentage (%)
1	Ambrosia Investment Pte. Ltd.	359,731,154	71.58
2	DBS Nominees Pte Ltd	20,932,107	4.16
3	NTUC Fairprice Co-operative Ltd	15,000,000	2.98
4	Raffles Nominees Pte Ltd	8,926,215	1.78
5	United Overseas Bank Nominees Pte Ltd	7,141,466	1.42
6	Oversea Chinese Bank Nominees Pte Ltd	5,941,129	1.18
7	HSBC (Singapore) Nominees Pte Ltd	5,573,640	1.11
8	Citibank Nominees Singapore Pte Ltd	5,342,931	1.06
9	The Asia Life Assurance Society Ltd - S'pore Life Fund	4,256,000	0.85
10	UOB Kay Hian Pte Ltd	1,432,000	0.28
11	Lee Hee Seng	1,083,000	0.22
12	Tay Buan Huat	878,000	0.17
13	Lek Siah Joo @ Lek Swee Chew	870,000	0.17
14	Lim Chye Huat @ Bobby Lim Chye Huat	660,000	0.13
15	OCBC Securities Private Limited	639,000	0.13
16	DBS Vickers Securities (S) Pte Ltd	636,205	0.13
17	Tan Lee Yong	531,000	0.11
18	Tan Yong Chiang or Tan Hui Liang	531,000	0.11
19	Goh Soo Luan	505,000	0.10
20	Overseas Union Enterprise Limited	500,000	0.10
		<hr/> 441,109,847	<hr/> 87.77