

RESULTS FOR SECOND QUARTER ENDED 31 MARCH 2016
Financial Statements and Dividend Announcement

The Directors are pleased to make the following announcement of the unaudited results for the Second Quarter ended 31 March 2016.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), HALF AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) GROUP PROFIT STATEMENT

	2nd quarter to 31/03/2016 S\$'000	2nd quarter to 31/03/2015 S\$'000	Inc/(Dec) %	6 months to 31/03/2016 S\$'000	6 months to 31/03/2015 S\$'000	Inc/(Dec) %
REVENUE	897,869	441,649	103.3%	1,569,494	1,513,670	3.7%
Cost of sales	(609,953)	(255,823)	138.4%	(1,029,602)	(1,019,499)	1.0%
Gross Profit	287,916	185,826	54.9%	539,892	494,171	9.3%
Other income/(losses)	(193)	35,058	N/M	5,065	25,159	(79.9)%
Administrative expenses	(66,040)	(47,395)	39.3%	(145,135)	(107,406)	35.1%
TRADING PROFIT	221,683	173,489	27.8%	399,822	411,924	(2.9)%
Share of results of joint ventures and associates, net of tax	4,773	24,469	(80.5)%	37,622	65,149	(42.3)%
PROFIT BEFORE INTEREST, FAIR VALUE CHANGE, TAXATION AND EXCEPTIONAL ITEMS	226,456	197,958	14.4%	437,444	477,073	(8.3)%
Interest income	9,038	8,232	9.8%	17,962	15,830	13.5%
Interest expense	(46,312)	(54,190)	(14.5)%	(87,976)	(105,572)	(16.7)%
Net interest expense	(37,274)	(45,958)	(18.9)%	(70,014)	(89,742)	(22.0)%
PROFIT BEFORE FAIR VALUE CHANGE, TAXATION AND EXCEPTIONAL ITEMS	189,182	152,000	24.5%	367,430	387,331	(5.1)%
Fair value change on investment properties	4,450	43,220	(89.7)%	4,450	84,689	(94.7)%
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS	193,632	195,220	(0.8)%	371,880	472,020	(21.2)%
Exceptional items	13,860	131	N/M	12,536	17,660	(29.0)%
PROFIT BEFORE TAXATION	207,492	195,351	6.2%	384,416	489,680	(21.5)%
Taxation	(37,190)	(20,207)	84.0%	(72,774)	(67,735)	7.4%
PROFIT FOR THE PERIOD	170,302	175,144	(2.8)%	311,642	421,945	(26.1)%
Attributable profit:-						
- Before fair value change and exceptional items	110,344	99,358	11.1%	200,656	244,940	(18.1)%
- Fair value change	(923)	43,660	N/M	8,743	67,995	(87.1)%
- Exceptional items	13,860	29	N/M	12,536	16,982	(26.2)%
	123,281	143,047	(13.8)%	221,935	329,917	(32.7)%
Non-controlling interests	47,021	32,097	46.5%	89,707	92,028	(2.5)%
PROFIT FOR THE PERIOD	170,302	175,144	(2.8)%	311,642	421,945	(26.1)%

N/M = Not Meaningful

1(a)(ii) BREAKDOWN AND EXPLANATORY NOTES TO GROUP PROFIT STATEMENT

	2nd quarter to 31/03/2016 S\$'000	2nd quarter to 31/03/2015 S\$'000	Inc/(Dec) %	6 months to 31/03/2016 S\$'000	6 months to 31/03/2015 S\$'000	Inc/(Dec) %
Other items of expenses						
Included in other items of expenses are:						
Allowance for doubtful trade receivables	(1,008)	(239)	N/M	(1,290)	(360)	N/M
Write-back of allowance for doubtful trade receivables	14	181	(92.3)%	15	374	(96.0)%
Bad debts written off	(22)	(2)	N/M	(22)	(4)	N/M
Depreciation of property, plant and equipment	(12,885)	(9,385)	37.3%	(27,463)	(17,595)	56.1%
Amortisation of intangible assets	(503)	(145)	N/M	(916)	(289)	N/M
Employee share-based expense	(2,412)	(2,445)	(1.3)%	(4,921)	(4,256)	15.6%
Other income/(losses)						
Included in other income/(losses) are:						
Net fair value change on foreign currency forward contracts	14,853	(8,072)	N/M	16,432	(9,706)	N/M
Foreign exchange (loss)/gain	(17,000)	2,773	N/M	(14,442)	(8,140)	77.4%
Loss on disposal of property, plant and equipment	(42)	(2)	N/M	(70)	(4)	N/M
Gain on disposal of a subsidiary	-	38,406	N/M	-	38,406	N/M
Taxation						
Over/(under) provision in prior years taxation	6,625	(294)	N/M	5,415	2,285	137.0%
Exceptional items						
(Transaction costs)/write-back of transaction costs on acquisition of subsidiaries and associates						
	(1,008)	131	N/M	(2,332)	3,706	N/M
Gain on disposal of joint ventures and associates	14,868	-	N/M	14,868	13,954	6.6%
	13,860	131		12,536	17,660	
PBIT as a percentage of revenue						
	23.9%	44.8%		27.1%	31.5%	

1(a)(iii) ADDITIONAL INFORMATION

	2nd quarter to 31/03/2016 S\$'000	2nd quarter to 31/03/2015 S\$'000	6 months to 31/03/2016 S\$'000	6 months to 31/03/2015 S\$'000
Group revenue and profit analysis				
Revenue				
By Business Segment				
Commercial Properties	104,960	103,445	208,915	205,696
Development Properties	427,091	91,043	473,951	245,449
Hospitality	182,259	109,391	394,864	229,930
Frasers Property Australia	180,447	135,148	485,822	827,388
Corporate & Others	3,112	2,622	5,942	5,207
	<u>897,869</u>	<u>441,649</u>	<u>1,569,494</u>	<u>1,513,670</u>
By Geographical Segment				
Singapore	411,743	151,608	549,918	338,187
Australia	226,929	178,524	584,206	917,266
Europe	197,641	22,293	298,377	46,662
China	27,738	58,531	66,410	145,432
Others *	33,818	30,693	70,583	66,123
	<u>897,869</u>	<u>441,649</u>	<u>1,569,494</u>	<u>1,513,670</u>
Profit before interest, fair value change, taxation and exceptional items ("PBIT")				
By Business Segment				
Commercial Properties	70,235	75,539	153,218	147,106
Development Properties	118,600	77,169	149,621	147,586
Hospitality	21,575	26,460	69,347	56,527
Frasers Property Australia	21,679	27,561	79,995	154,408
Corporate & Others	(5,633)	(8,771)	(14,737)	(28,554)
	<u>226,456</u>	<u>197,958</u>	<u>437,444</u>	<u>477,073</u>
By Geographical Segment				
Singapore	112,188	67,693	197,170	161,142
Australia	39,119	54,960	120,450	187,023
Europe	63,758	10,632	82,706	34,278
China	6,830	54,367	22,567	76,930
Others *	4,561	10,306	14,551	17,700
	<u>226,456</u>	<u>197,958</u>	<u>437,444</u>	<u>477,073</u>
Others * - New Zealand, Vietnam, the Philippines, Indonesia, Malaysia, Japan and Thailand				
Attributable profit				
By Business Segment				
Commercial Properties	24,655	30,597	48,400	56,550
Development Properties	77,363	70,346	104,286	129,621
Hospitality	1,744	7,921	13,173	18,116
Frasers Property Australia	(2,242)	10,581	19,462	64,208
Corporate & Others	8,824	(20,087)	15,335	(23,555)
	110,344	99,358	200,656	244,940
Exceptional items	13,860	29	12,536	16,982
Fair value change on investment properties	(923)	43,660	8,743	67,995
	<u>123,281</u>	<u>143,047</u>	<u>221,935</u>	<u>329,917</u>
Non-controlling interests	47,021	32,097	89,707	92,028
	<u>170,302</u>	<u>175,144</u>	<u>311,642</u>	<u>421,945</u>

1(a)(iv) STATEMENT OF COMPREHENSIVE INCOME

	Group			
	2nd quarter to 31/03/2016 S\$'000	2nd quarter to 31/03/2015 S\$'000	6 months to 31/03/2016 S\$'000	6 months to 31/03/2015 S\$'000
PROFIT FOR THE PERIOD	170,302	175,144	311,642	421,945
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified to profit or loss:				
Net fair value change of cash flow hedges	(98,052)	11,243	(73,259)	11,949
Foreign currency translation	(18,693)	(42,103)	(9,790)	(246,842)
Share of other comprehensive income of joint ventures and associates	(51)	55	172	171
Realisation of reserves on disposal of a joint venture and an associate	-	-	-	(1,277)
Other comprehensive income for the period, net of tax	(116,796)	(30,805)	(82,877)	(235,999)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	53,506	144,339	228,765	185,946
PROFIT FOR THE PERIOD				
Attributable to:-				
Shareholders of the Company	91,230	132,381	189,884	312,726
Holder of Perpetual Securities	32,051	10,666	32,051	17,191
Non-controlling Interests	47,021	32,097	89,707	92,028
	170,302	175,144	311,642	421,945
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD				
Attributable to:-				
Shareholders of the Company	1,898	104,304	131,795	120,890
Holder of Perpetual Securities	32,051	10,666	32,051	17,191
Non-controlling Interests	19,557	29,369	64,919	47,865
	53,506	144,339	228,765	185,946

1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

Balance Sheets

	Group		Company	
	As at 31/03/2016 S\$'000	As at 30/09/2015 S\$'000	As at 31/03/2016 S\$'000	As at 30/09/2015 S\$'000
NON-CURRENT ASSETS				
Investment properties	13,178,139	12,951,192	1,600	1,600
Property, plant and equipment	2,005,796	1,991,014	3	-
Investments in:				
- Subsidiaries	-	-	1,796,896	1,672,524
- Joint ventures	254,212	334,928	500	500
- Associates	473,897	250,460	-	-
Financial assets	2,164	2,165	2,148	2,148
Intangible assets	704,756	721,164	-	-
Prepayments	8,108	8,349	-	-
Other receivables	237,295	241,476	2,752,068	2,721,722
Deferred tax assets	173,686	169,724	-	-
Derivative financial instruments	10,906	55,935	19,286	19,463
	17,048,959	16,726,407	4,572,501	4,417,957
CURRENT ASSETS				
Inventory	6,790	7,473	-	-
Properties held for sale	4,136,138	3,922,672	-	-
Prepaid land and development costs	51,772	19,877	-	-
Other prepayments	62,393	41,328	8	47
Trade and other receivables	772,575	843,505	212,367	293,465
Derivative financial instruments	10,919	20,167	344	5,352
Cash and cash equivalents	1,481,466	1,373,140	15,322	9,064
Assets held for sale	-	112,123	-	-
	6,522,053	6,340,285	228,041	307,928
TOTAL ASSETS	23,571,012	23,066,692	4,800,542	4,725,885
CURRENT LIABILITIES				
Trade and other payables	1,595,027	1,314,648	31,649	29,865
Derivative financial instruments	27,218	24,602	3,123	8,006
Provision for taxation	174,981	192,953	13,202	12,510
Loans and borrowings	1,478,889	1,020,137	-	-
	3,276,115	2,552,340	47,974	50,381
NET CURRENT ASSETS	3,245,938	3,787,945	180,067	257,547
	20,294,897	20,514,352	4,752,568	4,675,504
NON-CURRENT LIABILITIES				
Other payables	142,370	253,751	96,468	207,077
Derivative financial instruments	54,471	36,592	19,440	19,617
Deferred tax liabilities	332,706	317,736	-	-
Loans and borrowings	9,224,020	9,255,320	-	-
	9,753,567	9,863,399	115,908	226,694
NET ASSETS	10,541,330	10,650,953	4,636,660	4,448,810
SHARE CAPITAL AND RESERVES				
Share capital	1,766,800	1,759,858	1,766,800	1,759,858
Retained earnings	5,073,178	4,995,420	2,783,251	2,490,922
Other reserves	(415,799)	(245,798)	86,609	198,030
Equity attributable to Owners of the Company	6,424,179	6,509,480	4,636,660	4,448,810
NON-CONTROLLING INTERESTS - Perpetual Securities	1,293,254	1,293,254	-	-
	7,717,433	7,802,734	4,636,660	4,448,810
NON-CONTROLLING INTERESTS - Others	2,823,897	2,848,219	-	-
TOTAL EQUITY	10,541,330	10,650,953	4,636,660	4,448,810

- 1(b)(ii) **Aggregate amount of Group's borrowings and debt securities.**
 The Group's borrowings and debt securities as at the end of the financial period reported on and comparative figures as at the end of the immediately preceding financial year:

Amount repayable in one year or less, or on demand

	As at 31/03/2016 S\$'000	As at 30/09/2015 \$'000
Secured	402,307	374,329
Unsecured	1,076,582	645,808
	<u>1,478,889</u>	<u>1,020,137</u>

Amount repayable after one year

	As at 31/03/2016 S\$'000	As at 30/09/2015 \$'000
Secured	2,136,152	2,078,624
Unsecured	7,087,868	7,176,696
	<u>9,224,020</u>	<u>9,255,320</u>

Details of any collateral

Secured borrowings are generally bank loans secured on certain investment properties and properties held for sale and/or a first fixed and floating charge over the assets, and assignment of all rights, benefits and title in contracts of the respective borrowing companies.

1(c) **A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

GROUP CASH FLOW STATEMENT

	Group			
	2nd quarter to 31/03/2016 \$'000	2nd quarter to 31/03/2015 \$'000	6 months to 31/03/2016 \$'000	6 months to 31/03/2015 \$'000
Cash Flow from Operating Activities				
Profit after taxation	170,302	175,144	311,642	421,945
Adjustments for:				
Depreciation of property, plant and equipment	12,885	9,385	27,463	17,595
Fair value change on investment properties	(4,450)	(43,220)	(4,450)	(84,689)
Share of results of joint ventures and associates, net of tax	(4,773)	(24,469)	(37,622)	(65,149)
Amortisation of intangible assets	503	145	916	289
Loss on disposal of property, plant and equipment	42	2	70	4
Allowance for/(w rite-back of allowance for) doubtful trade receivables	994	58	1,275	(14)
Bad debts written off	22	2	22	4
Employee share-based expense	2,412	2,445	4,921	4,256
Gain on disposal of a subsidiary	-	(38,406)	-	(38,406)
Gain on disposal of joint ventures and associates	(14,868)	-	(14,868)	(13,954)
Net fair value change on foreign currency forward contracts	(14,853)	8,072	(16,432)	9,706
Interest income	(9,038)	(8,232)	(17,962)	(15,830)
Interest expense	46,312	54,190	87,976	105,572
Tax expense	37,190	20,207	72,774	67,735
Exchange difference	16,980	(47,869)	27,585	(148,290)
Operating profit before working capital changes	239,660	107,454	443,310	260,774
Change in trade and other receivables	(34,859)	98,054	54,463	430,688
Change in trade and other payables	187,903	231,867	191,617	(10,280)
Change in properties held for sale	(121,657)	(246,453)	(245,017)	(51,186)
Change in inventory	1,032	470	2,683	382
Cash generated from operations	272,079	191,392	447,056	630,378
Income taxes paid	(70,414)	(31,359)	(71,412)	(37,451)
Net cash generated from operating activities	201,665	160,033	375,644	592,927
Cash Flow from Investing Activities				
Acquisition of/development expenditure on investment properties	(114,238)	(1,366,589)	(255,854)	(1,503,301)
Purchase of property, plant and equipment	(8,886)	(3,612)	(21,402)	(8,906)
Proceeds from disposal of investment properties	14,939	-	14,939	-
Proceeds from disposal of property, plant and equipment	221	(1)	243	186
Investments in/loans to joint ventures and associates	(310,128)	(96,225)	(309,454)	(97,877)
Repayments of loans from joint ventures and associates	-	35,465	1,500	39,359
Dividends from joint ventures and associates	125,331	101,826	126,855	105,277
Settlement of hedging instruments	18,390	7,663	17,945	26,876
Interest received	8,124	5,174	15,352	13,038
Acquisition of subsidiaries, net of cash acquired	-	-	(75,938)	-
Disposal of a subsidiary, net of cash disposed of	78,933	(9,123)	78,933	(9,123)
Proceeds from disposal of joint ventures and associates	17,875	(36)	17,875	86,307
Proceeds from disposal of assets held for sale	621	-	112,744	-
Net cash used in investing activities	(168,818)	(1,325,458)	(276,262)	(1,348,164)

1(c) GROUP CASH FLOW STATEMENT (cont'd)

	Group			
	2nd quarter to 31/03/2016 \$'000	2nd quarter to 31/03/2015 \$'000	6 months to 31/03/2016 \$'000	6 months to 31/03/2015 \$'000
Cash Flow from Financing Activities				
Dividends paid to non-controlling interests	(33,015)	(26,953)	(94,080)	(63,596)
Contributions from non-controlling interests of subsidiaries without change in control	3,286	2,655	4,540	4,301
Dividends paid to shareholders	(179,800)	(179,491)	(179,800)	(179,491)
Proceeds from bank borrowings	696,195	1,308,972	874,039	2,393,548
Repayment of bank borrowings	(285,519)	(41,204)	(430,292)	(1,383,100)
Proceeds from issue of perpetual securities, net of costs	-	696,725	-	696,725
Distributions to perpetual securities holders	(32,051)	(14,519)	(32,051)	(14,519)
Interest paid	(39,358)	(49,891)	(87,136)	(100,142)
Issuance costs	(78)	(46)	(156)	2,787
Repayment of amounts due to non-controlling interests	-	-	(26,487)	-
Net cash generated from financing activities	129,660	1,696,248	28,577	1,356,513
Net change in cash and cash equivalents	162,507	530,823	127,959	601,276
Cash and cash equivalents at beginning of period	1,329,697	936,625	1,367,505	867,938
Effects of exchange rate on opening cash	(15,005)	10,467	(18,265)	8,701
Cash and cash equivalents at end of period	1,477,199	1,477,915	1,477,199	1,477,915
Cash and cash equivalents at end of period:				
Fixed deposits, current	945,735	703,805	945,735	703,805
Cash and bank balances	535,731	775,142	535,731	775,142
	1,481,466	1,478,947	1,481,466	1,478,947
Bank overdraft, unsecured	(4,267)	(1,032)	(4,267)	(1,032)
Cash and cash equivalents at end of period	1,477,199	1,477,915	1,477,199	1,477,915
Analysis of Acquisition of Subsidiaries				
Net assets acquired:				
Property, plant and equipment	-	-	76,126	-
Current assets	-	-	2,000	-
Current liabilities	-	-	(2,188)	-
Cash and cash equivalents	-	-	1,356	-
Fair value of net assets	-	-	77,294	-
Consideration paid in cash	-	-	77,294	-
Cash and cash equivalents of subsidiaries acquired	-	-	(1,356)	-
Cashflow on acquisition, net of cash and cash equivalents acquired	-	-	75,938	-
Analysis of Disposal of a Subsidiary				
Net assets disposed:				
Property, plant and equipment	-	(19)	-	(19)
Properties held for sale	-	(62,313)	-	(62,313)
Trade and other receivables	-	(1,128)	-	(1,128)
Cash and cash equivalents	-	(9,123)	-	(9,123)
Trade and other payables	-	2,414	-	2,414
Provision for taxation	-	3,109	-	3,109
Loans and borrowings	-	26,330	-	26,330
	-	(40,730)	-	(40,730)
Gain on disposal	-	(38,406)	-	(38,406)
Consideration received	-	(79,136)	-	(79,136)
Less: Cash of subsidiary disposed off	-	9,123	-	9,123
Less: Cash held in escrow account	-	79,136	-	79,136
Net cash outflow on disposal of subsidiary	-	9,123	-	9,123

- 1(d)(i) **A statement (for the issuer and Group) showing either**
(i) all changes in equity or
(ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY

	Share Capital \$'000	Retained Earnings \$'000	Other Reserves \$'000	Equity Attributable to Owners of the Company \$'000	Non-controlling Interests - Perpetual Securities \$'000	Total \$'000	Non-controlling Interests - Others \$'000	Total Equity \$'000
Group								
2nd Quarter ended 31 March 2016								
Opening balance at 1 January 2016	1,766,800	5,051,880	(218,988)	6,599,692	1,293,254	7,892,946	2,834,124	10,727,070
Profit for the period	-	91,230	-	91,230	32,051	123,281	47,021	170,302
<u>Other Comprehensive Income</u>								
Net fair value change of cash flow hedges	-	-	(83,490)	(83,490)	-	(83,490)	(14,562)	(98,052)
Foreign currency translation	-	-	(5,791)	(5,791)	-	(5,791)	(12,902)	(18,693)
Share of other comprehensive income of joint ventures and associates	-	-	(51)	(51)	-	(51)	-	(51)
Other comprehensive income for the period	-	-	(89,332)	(89,332)	-	(89,332)	(27,464)	(116,796)
Total comprehensive income for the period	-	91,230	(89,332)	1,898	32,051	33,949	19,557	53,506
<u>Contributions by and distributions to owners</u>								
Employee share-based expense	-	-	2,412	2,412	-	2,412	-	2,412
Dividend paid	-	(309)	(179,491)	(179,800)	-	(179,800)	(33,015)	(212,815)
Dividend proposed	-	(69,600)	69,600	-	-	-	-	-
Total contributions by and distributions to owners	-	(69,909)	(107,479)	(177,388)	-	(177,388)	(33,015)	(210,403)
<u>Changes in ownership interests in subsidiaries</u>								
Units issued to non-controlling interests	-	-	-	-	-	-	3,286	3,286
Issuance costs incurred by subsidiaries	-	(23)	-	(23)	-	(23)	(55)	(78)
Total changes in ownership interests in subsidiaries	-	(23)	-	(23)	-	(23)	3,231	3,208
Total transactions with owners in their capacity as owners	-	(69,932)	(107,479)	(177,411)	-	(177,411)	(29,784)	(207,195)
<u>Contributions by and distributions to perpetual securities holders</u>								
Distributions to perpetual securities holders	-	-	-	-	(32,051)	(32,051)	-	(32,051)
Total contributions by and distributions to perpetual securities holders	-	-	-	-	(32,051)	(32,051)	-	(32,051)
Closing balance at 31 March 2016	1,766,800	5,073,178	(415,799)	6,424,179	1,293,254	7,717,433	2,823,897	10,541,330

1(d)(i) STATEMENT OF CHANGES IN EQUITY (cont'd)

Group	Share Capital \$'000	Retained Earnings \$'000	Other Reserves \$'000	Equity Attributable to Owners of the Company \$'000	Non- controlling Interests - Perpetual Securities \$'000	Total \$'000	Non- controlling Interests - Others \$'000	Total Equity \$'000
2nd Quarter ended 31 March 2015								
Opening balance at 1 January 2015	1,759,699	4,724,415	(50,699)	6,433,415	604,179	7,037,594	2,597,210	9,634,804
Profit for the period	-	132,381	-	132,381	10,666	143,047	32,097	175,144
<u>Other Comprehensive Income</u>								
Net fair value change of cash flow hedges	-	-	8,003	8,003	-	8,003	3,240	11,243
Foreign currency translation	-	-	(36,135)	(36,135)	-	(36,135)	(5,968)	(42,103)
Share of other comprehensive income of joint ventures and associates	-	-	55	55	-	55	-	55
Other comprehensive income for the period	-	-	(28,077)	(28,077)	-	(28,077)	(2,728)	(30,805)
Total comprehensive income for the period	-	132,381	(28,077)	104,304	10,666	114,970	29,369	144,339
<u>Contributions by and distributions to owners</u>								
Ordinary shares issued	159	-	(159)	-	-	-	-	-
Employee share-based expense	-	-	2,445	2,445	-	2,445	-	2,445
Dividend paid	-	(323)	(179,168)	(179,491)	-	(179,491)	(26,953)	(206,444)
Dividend proposed	-	(69,480)	69,480	-	-	-	-	-
Total contributions by and distributions to owners	159	(69,803)	(107,402)	(177,046)	-	(177,046)	(26,953)	(203,999)
<u>Changes in ownership interests in subsidiaries</u>								
Units issued to non-controlling interests	-	-	-	-	-	-	2,655	2,655
Issuance costs incurred by subsidiaries	-	(6)	-	(6)	-	(6)	(40)	(46)
Total changes in ownership interests in subsidiaries	-	(6)	-	(6)	-	(6)	2,615	2,609
Total transactions with owners in their capacity as owners	159	(69,809)	(107,402)	(177,052)	-	(177,052)	(24,338)	(201,390)
<u>Contributions by and distributions to perpetual securities holders</u>								
Issue of perpetual securities, net of costs	-	-	-	-	696,725	696,725	-	696,725
Distributions to perpetual securities holders	-	-	-	-	(14,519)	(14,519)	-	(14,519)
Total contributions by and distributions to perpetual securities holders	-	-	-	-	682,206	682,206	-	682,206
Closing balance at 31 March 2015	1,759,858	4,786,987	(186,178)	6,360,667	1,297,051	7,657,718	2,602,241	10,259,959

1(d)(i) STATEMENT OF CHANGES IN EQUITY (cont'd)

	Share Capital \$'000	Retained Earnings \$'000	Other Reserves \$'000	Hedging Reserve \$'000	Share-based Compensation Reserve \$'000	Dividend Reserve \$'000	Total Equity \$'000
Company							
2nd Quarter ended 31 March 2016							
Opening balance at 1 January 2016	1,766,800	2,535,478	194,131	3,720	10,920	179,491	4,496,409
Profit for the period	-	317,682	-	-	-	-	317,682
<u>Other Comprehensive Income</u>							
Net fair value change of cash flow hedges	-	-	(43)	(43)	-	-	(43)
Total comprehensive income for the period	-	317,682	(43)	(43)	-	-	317,639
<u>Contributions by and distributions to owners</u>							
Employee share-based expense	-	-	2,412	-	2,412	-	2,412
Dividend paid	-	(309)	(179,491)	-	-	(179,491)	(179,800)
Dividend proposed	-	(69,600)	69,600	-	-	69,600	-
Total transactions with owners in their capacity as owners	-	(69,909)	(107,479)	-	2,412	(109,891)	(177,388)
Closing balance at 31 March 2016	1,766,800	2,783,251	86,609	3,677	13,332	69,600	4,636,660

	Share Capital \$'000	Retained Earnings \$'000	Other Reserves \$'000	Hedging Reserve \$'000	Share-based Compensation Reserve \$'000	Dividend Reserve \$'000	Total Equity \$'000
Company							
2nd Quarter ended 31 March 2015							
Opening balance at 1 January 2015	1,759,699	2,247,490	190,639	3,182	8,289	179,168	4,197,828
Profit for the period	-	112,355	-	-	-	-	112,355
<u>Other Comprehensive Income</u>							
Net fair value change of cash flow hedges	-	-	31	31	-	-	31
Total comprehensive income for the period	-	112,355	31	31	-	-	112,386
<u>Contributions by and distributions to owners</u>							
Ordinary shares issued during the period	159	-	(159)	-	(159)	-	-
Employee share-based expense	-	-	2,445	-	2,445	-	2,445
Dividend paid	-	(323)	(179,168)	-	-	(179,168)	(179,491)
Dividend proposed	-	(69,480)	69,480	-	-	69,480	-
Total transactions with owners in their capacity as owners	159	(69,803)	(107,402)	-	2,286	(109,688)	(177,046)
Closing balance at 31 March 2015	1,759,858	2,290,042	83,268	3,213	10,575	69,480	4,133,168

1(d)(i) STATEMENT OF CHANGES IN EQUITY (cont'd)

Group	Share Capital S\$'000	Retained Earnings S\$'000	Other Reserves S\$'000	Equity Attributable to Owners of the Company S\$'000	Non-controlling Interests - Perpetual Securities S\$'000	Total S\$'000	Non-controlling Interests - Others S\$'000	Total Equity S\$'000
6 months ended 31 March 2016								
Opening balance at 1 October 2015	1,759,858	4,995,420	(245,798)	6,509,480	1,293,254	7,802,734	2,848,219	10,650,953
Profit for the period	-	189,884	-	189,884	32,051	221,935	89,707	311,642
<u>Other comprehensive income</u>								
Net fair value change of cash flow hedges	-	-	(61,938)	(61,938)	-	(61,938)	(11,321)	(73,259)
Foreign currency translation	-	-	3,677	3,677	-	3,677	(13,467)	(9,790)
Share of other comprehensive income of joint ventures and associates	-	-	172	172	-	172	-	172
Other comprehensive income for the period	-	-	(58,089)	(58,089)	-	(58,089)	(24,788)	(82,877)
Total comprehensive income for the period	-	189,884	(58,089)	131,795	32,051	163,846	64,919	228,765
<u>Contributions by and distributions to owners</u>								
Ordinary shares issued	6,942	-	(6,942)	-	-	-	-	-
Employee share-based expense	-	-	4,921	4,921	-	4,921	-	4,921
Dividend paid	-	(309)	(179,491)	(179,800)	-	(179,800)	(94,080)	(273,880)
Dividend proposed	-	(69,600)	69,600	-	-	-	-	-
Total contributions by and distributions to owners	6,942	(69,909)	(111,912)	(174,879)	-	(174,879)	(94,080)	(268,959)
<u>Changes in ownership interests in subsidiaries</u>								
Units issued to non-controlling interests	-	-	-	-	-	-	4,540	4,540
Acquisition of non-controlling interests in subsidiaries without loss of control	-	(42,173)	-	(42,173)	-	(42,173)	411	(41,762)
Issuance costs incurred by subsidiaries	-	(44)	-	(44)	-	(44)	(112)	(156)
Total changes in ownership interests in subsidiaries	-	(42,217)	-	(42,217)	-	(42,217)	4,839	(37,378)
Total transactions with owners in their capacity as owners	6,942	(112,126)	(111,912)	(217,096)	-	(217,096)	(89,241)	(306,337)
<u>Contributions by and distributions to perpetual securities holders</u>								
Distributions to perpetual securities holders	-	-	-	-	(32,051)	(32,051)	-	(32,051)
Total contributions by and distributions to perpetual securities holders	-	-	-	-	(32,051)	(32,051)	-	(32,051)
Closing balance at 31 March 2016	1,766,800	5,073,178	(415,799)	6,424,179	1,293,254	7,717,433	2,823,897	10,541,330

1(d)(i) STATEMENT OF CHANGES IN EQUITY (cont'd)

Group	Share Capital \$'000	Retained Earnings \$'000	Other Reserves \$'000	Equity Attributable to Owners of the Company \$'000	Non-controlling Interests - Perpetual Securities \$'000	Total \$'000	Non-controlling Interests - Others \$'000	Total Equity \$'000
6 months ended 31 March 2015								
Opening balance at 1 October 2014, as previously reported	1,753,977	4,565,577	115,995	6,435,549	597,654	7,033,203	54,572	7,087,775
Effects of adopting FRS 110	-	(22,410)	1,159	(21,251)	-	(21,251)	2,557,026	2,535,775
Opening balance at 1 October 2014, as restated	1,753,977	4,543,167	117,154	6,414,298	597,654	7,011,952	2,611,598	9,623,550
Profit for the period	-	312,726	-	312,726	17,191	329,917	92,028	421,945
<u>Other Comprehensive Income</u>								
Net fair value change of cash flow hedges	-	-	7,477	7,477	-	7,477	4,472	11,949
Foreign currency translation	-	-	(198,207)	(198,207)	-	(198,207)	(48,635)	(246,842)
Share of other comprehensive income of joint ventures and associates	-	-	171	171	-	171	-	171
Realisation of reserve on disposal of a joint venture and an associate	-	-	(1,277)	(1,277)	-	(1,277)	-	(1,277)
Other comprehensive income for the period	-	-	(191,836)	(191,836)	-	(191,836)	(44,163)	(235,999)
Total comprehensive income for the period	-	312,726	(191,836)	120,890	17,191	138,081	47,865	185,946
<u>Contributions by and distributions to owners</u>								
Ordinary shares issued	5,881	-	(5,881)	-	-	-	-	-
Employee share-based expense	-	-	4,256	4,256	-	4,256	-	4,256
Dividend paid	-	(323)	(179,168)	(179,491)	-	(179,491)	(63,596)	(243,087)
Dividend proposed	-	(69,480)	69,480	-	-	-	-	-
Total contributions by and distributions to owners	5,881	(69,803)	(111,313)	(175,235)	-	(175,235)	(63,596)	(238,831)
<u>Changes in ownership interests in subsidiaries</u>								
Units issued to non-controlling interests	-	-	-	-	-	-	5,969	5,969
Dilution of non-controlling interests' in subsidiaries	-	357	(257)	100	-	100	(1,768)	(1,668)
Issuance costs incurred by subsidiaries	-	540	74	614	-	614	2,173	2,787
Total changes in ownership interests in subsidiaries	-	897	(183)	714	-	714	6,374	7,088
Total transactions with owners in their capacity as owners	5,881	(68,906)	(111,496)	(174,521)	-	(174,521)	(57,222)	(231,743)
<u>Contributions by and distributions to perpetual securities holders</u>								
Issue of perpetual securities, net of costs	-	-	-	-	696,725	696,725	-	696,725
Distributions to perpetual securities holders	-	-	-	-	(14,519)	(14,519)	-	(14,519)
Total contributions by and distributions to perpetual securities holders	-	-	-	-	682,206	682,206	-	682,206
Closing balance at 31 March 2015	1,759,858	4,786,987	(186,178)	6,360,667	1,297,051	7,657,718	2,602,241	10,259,959

1(d)(i) STATEMENT OF CHANGES IN EQUITY (cont'd)

	Share Capital S\$'000	Retained Earnings S\$'000	Other Reserves S\$'000	Hedging Reserve S\$'000	Share-based Compensation Reserve S\$'000	Dividend Reserve S\$'000	Total Equity S\$'000
Company							
6 months ended 31 March 2016							
Opening balance at 1 October 2015	1,759,858	2,490,922	198,030	3,217	15,322	179,491	4,448,810
Profit for the period	-	362,238	-	-	-	-	362,238
<u>Other comprehensive income</u>							
Net fair value change of cash flow hedges	-	-	460	460	-	-	460
Total comprehensive income for the period	-	362,238	460	460	-	-	362,698
<u>Contributions by and distributions to owners</u>							
Ordinary shares issued	6,942	-	(6,942)	-	(6,942)	-	-
Employee share-based expense	-	-	4,952	-	4,952	-	4,952
Dividend paid	-	(309)	(179,491)	-	-	(179,491)	(179,800)
Dividend proposed	-	(69,600)	69,600	-	-	69,600	-
Total contributions by and distributions to owners	6,942	(69,909)	(111,881)	-	(1,990)	(109,891)	(174,848)
Closing balance at 31 March 2016	1,766,800	2,783,251	86,609	3,677	13,332	69,600	4,636,660

	Share Capital S\$'000	Retained Earnings S\$'000	Other Reserves S\$'000	Hedging Reserve S\$'000	Share-based Compensation Reserve S\$'000	Dividend Reserve S\$'000	Total Equity S\$'000
Company							
6 months ended 31 March 2015							
Opening balance at 1 October 2014	1,753,977	2,212,590	194,104	2,736	12,200	179,168	4,160,671
Profit for the period	-	147,255	-	-	-	-	147,255
<u>Other comprehensive income</u>							
Net fair value change of cash flow hedges	-	-	477	477	-	-	477
Total comprehensive income for the period	-	147,255	477	477	-	-	147,732
<u>Contributions by and distributions to owners</u>							
Ordinary shares issued	5,881	-	(5,881)	-	(5,881)	-	-
Employee share-based expense	-	-	4,256	-	4,256	-	4,256
Dividend paid	-	(323)	(179,168)	-	-	(179,168)	(179,491)
Dividend proposed	-	(69,480)	69,480	-	-	69,480	-
Total contributions by and distributions to owners	5,881	(69,803)	(111,313)	-	(1,625)	(109,688)	(175,235)
Closing balance at 31 March 2015	1,759,858	2,290,042	83,268	3,213	10,575	69,480	4,133,168

1(d)(ii) SHARE CAPITAL

Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Shares	
	2nd Quarter to 31/03/2016	1st Quarter to 31/12/2015
Issued and fully paid:		
Ordinary shares:		
As at beginning of period	2,899,996,444	2,895,009,863
Issued during the period - pursuant to share plans	-	4,986,581
As at end of period	<u>2,899,996,444</u>	<u>2,899,996,444</u>
	As at 31/03/2016	As at 31/03/2015
The number of shares awarded conditionally under share plans as at the end of the period	<u>22,268,548</u>	<u>8,382,891</u>

The Company has no treasury shares as at 31 March 2016 and 31 March 2015.

As at 31 March 2016, the Company's issued and paid-up ordinary share capital was \$1,766,799,848 comprising 2,899,996,444 ordinary shares.

1(d)(iii) The total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The Company's total number of issued ordinary shares is 2,899,996,444 as at 31 March 2016 and 2,895,009,863 as at 30 September 2015.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares by the Company for the financial period ended 31 March 2016. The Company has no treasury shares as at 31 March 2016.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group and Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared with the audited financial statements for the financial year ended 30 September 2015.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

- (a) based on the weighted average number of ordinary shares on issue and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Group			
	2nd Quarter to 31/03/2016	2nd Quarter to 31/03/2015	6 Months to 31/03/2016	6 Months to 31/03/2015
Earnings per ordinary share ("EPS"):				
(a) Basic earnings per share (cents)				
- before fair value change and exceptional items	2.70	3.06	5.82	7.87
- after fair value change and exceptional items	<u>3.15</u>	<u>4.57</u>	<u>6.55</u>	<u>10.81</u>
(b) On a fully diluted basis (cents)				
- before fair value change and exceptional items	2.68	3.05	5.77	7.85
- after fair value change and exceptional items	<u>3.12</u>	<u>4.56</u>	<u>6.50</u>	<u>10.78</u>

The earnings per ordinary share is calculated based on attributable profit after adjusting for distributions to perpetual securities holders of \$32,051,000 for the quarter and 6 months ended 31 March 2016.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	As at 31/03/2016	As at 30/09/2015	As at 31/03/2016	As at 30/09/2015
Net asset value per ordinary share based on issued share capital	\$2.22	\$2.25	\$1.60	\$1.54

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonable or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

REVIEW OF PERFORMANCE

The principal activities of the Group are:-

- (i) property development; and
- (ii) investment and management of commercial properties, hospitality assets and property trusts.

These activities are carried out through the Company's subsidiaries, joint ventures and associates.

Group Profit Statement – 2nd Quarter

Group revenue and profit before interest, fair value change, taxation and exceptional items ("PBIT") increased by 103% and 14%, respectively, over the corresponding quarter last year to \$898 million and \$226 million, respectively. Excluding share of fair value losses of joint ventures and associates, PBIT would have increased 18% to \$233 million.

The increases were primarily driven by maiden profit recognition from the completion of Twin Fountains residential project ("Twin Fountains") and progressive development profits from North Park Residences in Singapore. In the United Kingdom ("UK"), profits from the completion and settlement of Riverside Quarter Blk 5C, and new stream of income from the newly acquired Malmaison Hotel du Vin ("MHDV") Group added to the increase. These gains were partly offset by lower contributions from the Group's development portfolio in China and Australia.

Group attributable profit* increased by 11% to \$110 million and basic earnings per share* based on weighted average number of ordinary shares on issue was 2.7 cents.

* before fair value change on investment properties and exceptional items

Commercial Properties ("CP")

Overall revenue was 2% higher at \$105 million while PBIT decreased by 7% to \$70 million, compared to the corresponding quarter last year. Excluding the Group's share of fair value losses of joint ventures and associates, PBIT would have increased 2% to \$76 million.

The increase was attributed mainly to better results from FCOT arising from the acquisition of 357 Collins Street in August 2015, as well as positive rental reversions and economies of scale achieved by Alexandra Technopark. This was further bolstered by maiden contribution from Waterway Point, which commenced operations in January 2016, and stronger operating performance at 51 Cuppage Road.

The gains were partly offset by the unfavourable effects of a fall in occupancy at The Centrepoint as asset enhancement initiatives ("AEI") are currently underway, as well as lower share of profits from One@Changi City.

Development Properties ("DP")

Revenue and PBIT increased by \$336 million and \$41 million, respectively, to \$427 million and \$119 million.

In Singapore, revenue and PBIT increased to \$287 million and \$49 million, respectively, of which Twin Fountains contributed \$209 million and \$36 million, respectively. Revenue from this executive condominium project is recognised on completion. Contributions from North Park Residences, as well as increase in profit recognition from Rivertrees Residences as a result of higher percentage of construction achieved, also added to the increase. These gains were, however, offset by lower profits from projects that achieved TOP in prior reporting periods (namely Palm Isles, Boathouse Residences and Waterfront Isle), and lower contributions from Q Bay Residences and eCO.

In China, revenue and PBIT decreased to \$23 million and \$13 million, respectively. This was mainly due to the tapering off of sales and profit contributions from Phase 2B of Suzhou Baitang and Chengdu development, where the projects had been substantially sold and recognised in FY2015. The significantly higher PBIT in the corresponding quarter last year was largely due to the sale of Crosspoint in Beijing. The decrease in revenue was partially offset by ongoing sales of completed Phase 3A in Suzhou Baitang.

In the UK, revenue and PBIT increased to \$116 million and \$57 million, respectively, mainly attributed to sales and profit contribution from Blk 5C of Riverside Quarter as completed units were delivered.

Hospitality

Hospitality revenue was 67% higher at \$182 million, while PBIT declined by 19% to \$22 million.

The increase in revenue was largely driven by the acquisitions of Capri by Fraser, Changi City in Singapore and the MHDV Group of 29 boutique hotels in UK. Despite the increase in revenue, PBIT declined due to unfavourable exchange movements impacting profit contributions from assets in Australia and China.

Frasers Property Australia ("FPA")

Revenue increased by 34% to \$180 million but PBIT decreased by 21% to \$22 million.

The lower PBIT was largely due to higher overhead and marketing costs for project launches. For the residential business, profits came largely from the completion and settlement of Greenvale and Berwick projects in Victoria, Melbourne, and Baldivis Parks in Western Australia. Higher profits from the Commercial and Industrial ("C&I") division relative to the corresponding quarter last year were noted. In the current quarter, projects contributing significantly to the results included Lend Lease and Schenker projects at Eastern Creek, New South Wales, BMW & Spec at Mulgrave, Victoria, as well as CEVA at Westpark, Victoria. The results of the IP division remain strong and consistent with the corresponding quarter last year. Occupancy of investment properties was close to full occupancy and weighted average lease expiry was 5 years.

Corporate & Others

Revenue remained relatively unchanged over the corresponding quarter last year while PBIT was a smaller net loss of \$6 million compared to loss of \$9 million in the same period last year. This was substantially due to favourable exchange movements.

Share of Results of Joint Ventures and Associates

Share of results of joint ventures and associates declined 81% to a net gain of \$5 million, due mainly to lower profit contribution from joint ventures in Singapore and Australia, as well as fair value losses from joint ventures and associates. These were partially offset by maiden profit contribution from the newly acquired Thailand associate, Golden Land Property Development Public Company Limited ("Gold") and Waterway Point in Singapore during the quarter.

Net Interest Expense

Net interest expense was \$37 million, compared to \$46 million in the corresponding quarter last year. The decrease was due mainly to smaller mark-to-market losses on interest rate swaps in the current quarter compared to the same period last year. Excluding the mark-to-market effects, borrowing costs were slightly higher at \$34 million compared to \$30 million in the corresponding quarter last year. This is in line with the increase in the Group's loan facilities.

Exceptional Items ("EI")

EI was \$14 million compared to a \$0.1 million in the corresponding quarter last year. The significantly higher EI comprised mainly of the gain on divestment of interest in an associate, which holds Compass Point, during the quarter.

Tax

The Group's effective tax rate ("ETR") of 17.9% (2015: 10.3%) was slightly higher than the corporate tax rate of 17% due to contributions from group entities operating in high-tax jurisdictions such as Australia, China and the UK. The significantly lower ETR in the prior period was primarily due to non-taxable gain arising from the disposal of an overseas subsidiary during the corresponding quarter last year.

Group Profit Statement – 6 months-to-date

Group revenue grew slightly by 4% to \$1,569 million, while PBIT was 8% lower at \$437 million over the corresponding period last year. Excluding the Group's share of fair value change of joint ventures and associates, PBIT would have declined 9% to \$434 million.

Revenue increased on the back of profit recognition from Singapore development projects, Twin Fountains and North Park Residences, as well as the completion and settlement of Riverside Quarter Blk 5C, and a new stream of contribution from the newly acquired MHDV Group in the UK. The increase in revenue was partially offset by lower contribution from FPA due to timing of completions and settlements of residential

developments. The decrease in PBIT was primarily a result of higher overhead costs for project launches in FPA, as well as the absence of profits from the sale of Crosspoint in Beijing in the prior reporting period.

Group attributable profit* declined by 18% to \$201 million and basic earnings per share* based on weighted average number of ordinary shares on issue was 5.8 cents.

* before fair value change on investment properties and exceptional items

Group Balance Sheet as at 31 March 2016

The increase in Investment Properties of \$227 million was mainly due to development expenditure incurred on the Group's investment properties under construction.

The increase in Property, Plant and Equipment of \$15 million was mainly due to the addition of hotel properties of \$76 million on acquisition of subsidiaries in the United Kingdom ("UK") through MHDV Holdings (UK) Limited ("MHDV") and partially offset by exchange re-alignment losses following the depreciation of the Sterling Pound.

Investments in Joint Ventures and Associates increased by \$143 million. This was mainly due to the acquisition of interest in an associate in Thailand as well as the share of results from joint ventures and associates. The increase was partially offset by the receipt of dividends from joint ventures and associates amounting to \$127 million.

The decrease in Trade and Other Receivables of \$75 million was mainly due to settlement of a \$64 million loan to an associate pursuant to its disposal, receipt of proceeds of \$79 million from the prior year's disposal of a subsidiary, as well as sales proceeds collected from development projects. The decrease was partially offset by a loan to a new joint venture amounting to about \$70 million and accrual of progress billings receivables of about \$94 million from Twin Fountains, which obtained TOP in March 2016.

The increase in Properties Held for Sale of \$213 million was mainly due to progressive development expenditure for projects in Australia, China, Singapore and the UK, as well as the acquisition of Central House, a freehold building in central London. This increase was partially offset by the charging out of costs on profit recognition of Twin Fountains.

Trade and other payables increased by \$169 million. This was largely due to a new entrustment loan taken from an associate and additional provision for Land Appreciation Tax following the new launch of Phase 3C1 of the Suzhou Singlong project.

The increase in Loans and Borrowings of \$427 million was mainly due to financing for the acquisition of subsidiaries in the UK, the acquisition of interest in an associate in Thailand and loan to a new joint venture in Singapore.

Group Cash Flow Statement – 2nd Quarter

The net cash outflow from investing activities of \$169 million was mainly due to development expenditure on investment properties of \$114 million, and investments in/net loans to joint ventures and associates, in particular, Golden Land Property Development Public Co Ltd, totalling \$310 million. These are partially offset by dividends from joint ventures and associates of \$125 million and receipt of proceeds of \$79 million from the prior year's disposal of a subsidiary. The net cash outflow from investing activities of \$1,325 million in the corresponding period last year was mainly due to the acquisition of/development expenditure on investment properties of \$1,367 million, largely from the payment of land premium for North Point City of \$723 million and the acquisition of Capri by Fraser, Changi City of \$257 million. This was partially offset by proceeds from dividends from joint ventures and associates of \$102 million.

The net cash inflow from financing activities of \$130 million was mainly due to net proceeds from bank borrowings of \$411 million, which was partially offset by dividends of \$180 million paid to shareholders, dividends of \$33 million paid to non-controlling interests, distributions of \$32 million to perpetual securities holders and interest paid of \$39 million. The net cash inflow from financing activities of \$1,696 million in the corresponding period last year was mainly due to net proceeds from bank borrowings of \$1,268 million and proceeds from the issue of perpetual securities of \$697 million. This was partially offset by dividends of \$179 million paid to shareholders, dividends of \$27 million paid to non-controlling interests and interest paid of \$50 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Singapore

The Singapore economy registered year-on-year growth of 1.8% in the first quarter of 2016, which is the same level of growth as the previous quarter. According to Ministry of Trade and Industry, economic growth is expected to remain modest in view of global uncertainty and forecast to be 1% - 3% in 2016 for Singapore.

Transaction volumes continue to be low for the Singapore residential property market. About 1,500 new private homes were sold in the first quarter of 2016, which is slightly higher than the 1,300 units sold in the same period of 2015. The residential property price index continued to soften with a decline of 0.7% in the March quarter, compared to a 0.5% decrease in the previous quarter. This decline was the tenth consecutive quarterly decline and is the longest stretch of price decline in almost two decades. Industry experts expect the decline to continue due to cooling measures and slowing economic growth. The government has reiterated that it is premature to ease cooling measures.

The Group recently launched Parc Life executive condominium, a joint venture development with Keong Hong. The Group, in a 40:40:20 joint venture with Sekisui House and Keong Hong, secured the tender for a condominium land parcel at Siglap Road for \$624.2 million in January 2016. The site is expected to launch in 2017.

In the retail market, rising average household incomes and low unemployment will continue to underpin non-discretionary expenditure. In the office market, vacancy levels are expected to rise with the completion of major developments from third quarter of 2016 onwards.

The Group's portfolio of malls and offices in Singapore continues to trade well. The official opening for Waterway Point was held on 19th April 2016. The mall has attracted more than six million shoppers in the first quarter of 2016.

Australia

Economic growth in Australia has eased due to the transition from a resource focused to a more balanced economy. In the residential market, price growth in Sydney and Melbourne is expected to moderate in 2016 but demand will continue to be supported by low interest rates, population growth and falling unemployment. Improving relative affordability in Brisbane is underpinning increased sales volumes and some price growth. Perth continues to see slowing sales and price adjustments given lower demand, higher rental vacancies and negative consumer sentiment as a result of a slowdown in the resources sector.

The Residential division had sales activity of 1,457 units during 1H FY15/16, mainly from projects in New South Wales and Victoria. Approximately 2,000 units were released for sale during 1H FY15/16 with a further 1,850 units planned for release over the course of the year. During 1H FY15/16, FPA acquired a new site in Queensland (Bahrs Scrub), which will yield 1,350 units.

In the industrial market, demand for prime grade assets is strong and yields are firming for secondary grade assets. In the office market, strong investment demand has shifted yields to near historical lows.

FPA's investment property portfolio continues to perform well with a 98.1% occupancy and weighted average lease expiry of 5.1 years.

China

China's economic growth slowed to 6.7% in the first quarter of 2016, largely in line with market expectations.

The rebound in residential property market continues with the loosened policies for mortgages and tax cuts. In Shanghai and Suzhou, transaction volumes and average sale prices in the residential market increased year-on-year in the first quarter of 2016. In Chengdu, the average vacancy rate for office increased with rentals declining.

In line with better residential market conditions, Phase 3B of Gemdale Megacity, which was launched in October 2015, sold about 96% of the 575 units launched.

Hospitality

In Singapore, the hospitality segment is facing uncertainty due mainly to the uncertain macroeconomic landscape on top of an anticipated supply of 4,000 additional hotel rooms.

In other key markets like Australia and China, the tourism and hotel market outlook is expected to remain positive. In Europe, the tourism market is affected as countries are issuing travel warnings for Europe.

Frasers Hospitality continued to grow its portfolio with the acquisition of a portfolio of four properties in the UK for a consideration of GBP36.1 million. Capri by Fraser, China Square Central has commenced construction. As at 31 March 2016, Frasers Hospitality has interest in and/or manages over 14,500 units and has signed up over 8,300 units pending openings.

Capital Management

The Group continues to diversify its funding sources and engage in capital recycling to optimize capital productivity.

On 21 April 2016, the Group issued \$250 million of 4.25% notes due 2026. The proceeds will be used for general corporate purposes, including refinancing existing borrowings, and financing investments and general working capital and/or capital expenditure requirements.

The Group has sold its 19.0% interest in Compass Point for approximately \$79.4 million. The Group, through its joint venture, Ascendas Frasers Pte Ltd, has also sold One@Changi City to Ascendas Real Estate Investment Trust for \$420 million.

Going forward

The Group expects a tepid growth environment going forward and will continue to grow its business and asset portfolio in a prudent manner across geographies and property segments. We will also focus on optimising capital productivity and strengthening the income base through our REIT platform. In Singapore, the Group will selectively tender for sites to replenish its landbank. In Australia, the Group will leverage the FPA platform and grow the Australian business. As for China, the Group will continue to look at opportunities in Shanghai, Suzhou and Chengdu and explore opportunities in the neighbouring cities. The Group will also seek opportunities to unlock value in its portfolio via asset enhancement or repositioning efforts, as well as injection of stabilised assets into our REITs.

11. If a decision regarding dividend has been made:-

(a) Whether an interim ordinary dividend has been recommended: Yes

(b) (i) Amount per share : 2.4 cents

(ii) Previous corresponding period : 2.4 cents

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Tax-exempt (one-tier).

(d) The date the dividend is payable.

The Directors have declared an interim dividend of 2.4 cents (last year: 2.4 cents) per share, to be paid on 9 June 2016.

(e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Registrable transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road, #02-00, Singapore 068898 up to 5.00 pm on 25 May 2016 will be registered before entitlements to the dividend are determined.

Notice is hereby given that the share registers will be closed from 26 to 27 May 2016 for the preparation of dividend warrants.

12. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company's general mandate for interested person transactions, the terms of which are set out in Appendix 2 to the Letter to Shareholders dated 5 January 2016, was renewed at the 52nd Annual General Meeting of the Company held on 29 January 2016.

Particulars of interested person transactions for the period 1 January 2016 to 31 March 2016 are as follows:

Name of interested person	Aggregate value of all interested person transactions conducted during the financial period under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	S\$'000
TCC Group of Companies ⁽¹⁾	7,218

⁽¹⁾ This refers to the companies and entities in the TCC Group, which are controlled by Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi.

13. Subsequent Events

On 14 April 2016, the Group, through its wholly-owned subsidiary, FCL Treasury Pte. Ltd. (the "Issuer"), issued S\$250 million in aggregate principal amount of 4.25 percent. notes due 2026, under the S\$3.0 billion Multicurrency Debt Issuance Programme established by the Issuer on 21 March 2012.

14. Confirmation pursuant to Rule 720(1) of the SGX-ST Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX-ST Listing Manual.

15. Confirmation pursuant to Rule 705(5) of the SGX-ST Listing Manual

We confirm on behalf of the Directors of the Company, that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the interim financial results to be false or misleading in any material respect.

On behalf of the Board

Charles Mak Ming Ying
Director

Sithichai Chaikriangkrai
Director

BY ORDER OF THE BOARD
Piya Treruanchada
Company Secretary

10 May 2016