Frasers Property Limited

Incorporated in Singapore
Company Registration No. 196300440G

FIRST QUARTER ENDED 31 DECEMBER 2018 ("1Q FY2019")
Financial Statements and Dividend Announcement

The Directors of Frasers Property Limited (the "Company") are pleased to make the following announcement of the unaudited results for the first quarter ended 31 December 2018.

1(a)(i) Consolidated Profit Statement

	Group		
	1st quarter to 31/12/2018	1st quarter to 31/12/2017 (Restated)	Inc/(Dec)
	$'000	$'000	%
REVENUE	1,083,334	748,560	44.7%
Cost of sales	(656,332)	(472,936)	38.8%
Gross Profit	427,002	275,624	54.9%
Other income/(losses)	3,124	2,195	42.3%
Administrative expenses	(108,259)	(73,232)	47.8%
TRADING PROFIT	321,867	204,587	57.3%
Share of results of joint ventures and associates, net of tax	32,499	30,551	6.4%
PROFIT BEFORE INTEREST, FAIR VALUE CHANGE, TAXATION AND EXCEPTIONAL ITEMS	354,366	235,138	50.7%
Interest income	12,834	7,773	65.1%
Interest expense	(97,685)	(76,705)	27.4%
Net interest expense	(84,851)	(68,932)	23.1%
PROFIT BEFORE FAIR VALUE CHANGE, TAXATION AND EXCEPTIONAL ITEMS	269,515	166,206	62.2%
Fair value change on investment properties	8,086	13,296	(39.2)%
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS	277,601	179,502	54.7%
Exceptional items	98	(989)	N/M
PROFIT BEFORE TAXATION	277,699	178,513	55.6%
Taxation	(63,908)	(35,948)	77.8%
PROFIT FOR THE PERIOD	213,791	142,565	50.0%
Attributable profit:-			
- Before fair value change and exceptional items	140,304	75,009	87.0%
- Fair value change	5,105	8,659	(41.0)%
- Exceptional items	182	(989)	N/M
	145,591	82,679	76.1%
Non-controlling interests	68,200	59,886	13.9%
PROFIT FOR THE PERIOD	213,791	142,565	50.0%

The results for the 1st quarter to 31 December 2017 have been restated to account for the retrospective adjustments on the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) framework ("SFRS(I)") and new/revised SFRS(I) as detailed in item 5 of this announcement.

1(a)(ii) Breakdown and Explanatory Notes to the Consolidated Profit Statement

	Group		
	1st quarter to 31/12/2018	1st quarter to 31/12/2017 (Restated)	Inc/(Dec)
	$'000	$'000	%
TRADING PROFIT			
Trading profit includes the following:			
Allowance for doubtful trade receivables	(503)	(1,068)	(52.9)%
Write-back of allowance for doubtful trade receivables	206	1,796	(88.5)%
Bad debts written off	(18)	(137)	(86.9)%
Depreciation of property, plant and equipment	(13,652)	(13,334)	2.4%
Amortisation of intangible assets	(793)	(620)	27.9%
Employee share-based expense	(5,913)	(6,513)	(9.2)%
Other income/(losses)			
Included in other income/(losses) are:			
Net fair value change on derivative financial instruments	18,695	8,191	128.2%
Foreign exchange loss	(17,716)	(6,471)	173.8%
Loss on disposal of property, plant and equipment	(30)	(21)	42.9%
Taxation			
Overprovision in prior years taxation	33	775	(95.7)%
Exceptional items			
Write-back of transaction costs on acquisitions of subsidiaries	98	-	N/M
Transaction costs on disposal of investment properties	-	(989)	N/M
	98	(989)	
Profit before interest, fair value change, taxation and exceptional items as a percentage of revenue	32.7%	31.4%	

1(a)(iii) Segmental Revenue and Results

	Group		
	1st quarter to 31/12/2018	1st quarter to 31/12/2017 (Restated)	Inc/(Dec)
	$'000	$'000	%
Revenue and Profit Analyses			
Revenue			
By Business Segment			
Singapore SBU	242,743	253,173	(4.1)%
Australia SBU	471,093	214,727	119.4%
Hospitality SBU	210,026	211,168	(0.5)%
Europe & rest of Asia	159,496	68,507	132.8%
Corporate & Others	(24)	985	N/M
	1,083,334	748,560	44.7%
By Geographical Segment			
Singapore	261,478	272,254	(4.0)%
Australia	517,335	270,239	91.4%
Europe	176,952	139,953	26.4%
China	71,007	23,936	196.7%
Others *	56,562	42,178	34.1%
	1,083,334	748,560	44.7%
Profit before interest, fair value change, taxation and exceptional items			
By Business Segment			
Singapore SBU	101,634	100,843	0.8%
Australia SBU	139,389	63,607	119.1%
Hospitality SBU	39,821	36,722	8.4%
Europe & rest of Asia	89,537	42,348	111.4%
Corporate & Others	(16,015)	(8,382)	91.1%
	354,366	235,138	50.7%
By Geographical Segment			
Singapore	77,815	86,734	(10.3)%
Australia	149,165	80,345	85.7%
Europe	65,450	43,849	49.3%
China	29,619	(645)	N/M
Others *	32,317	24,855	30.0%
	354,366	235,138	50.7%
Attributable profit			
By Business Segment			
Singapore SBU	16,714	30,481	(45.2)%
Australia SBU	57,780	9,751	N/M
Hospitality SBU	2,941	1,250	135.3%
Europe & rest of Asia	42,851	21,732	97.2%
Corporate & Others	20,018	11,795	69.7%
	140,304	75,009	87.0%
Fair value change on investment properties	5,105	8,659	(41.0)%
Exceptional items	182	(989)	N/M
	145,591	82,679	76.1%
Non-controlling interests	68,200	59,886	13.9%
	213,791	142,565	50.0%

* Thailand, Vietnam, Japan, New Zealand, the Philippines, Indonesia and Malaysia

Certain segmental reclassifications have been made to the comparative figures to facilitate comparability with the current period's presentation.

1(a)(iv) Consolidated Statement of Comprehensive Income

	Group		
	1st quarter to 31/12/2018	1st quarter to 31/12/2017 (Restated)	Inc/(Dec)
	$'000	$'000	%
PROFIT FOR THE PERIOD	213,791	142,565	50.0%
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit statement:			
Net fair value change of cash flow hedges	(41,236)	3,847	N/M
Foreign currency translation	(123,138)	(138,632)	(11.2)%
Share of other comprehensive income of joint ventures and associates	(1,451)	253	N/M
Other comprehensive income for the period, net of tax	(165,825)	(134,532)	23.3%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	47,966	8,033	N/M
PROFIT FOR THE PERIOD			
Attributable to:-			
Shareholders of the Company	138,129	82,171	68.1%
Holders of perpetual securities	9,175	2,243	N/M
Non-controlling interests[1]	66,487	58,151	14.3%
	213,791	142,565	50.0%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			
Attributable to:-			
Shareholders of the Company	19,374	(3,584)	N/M
Holders of perpetual securities	9,175	2,243	N/M
Non-controlling interests[1]	19,417	9,374	107.1%
	47,966	8,033	N/M

[1] after adjusting for non-controlling interests' share of distributions to perpetual securities holders of $1,713,000 for the 1st quarter to 31 December 2018 (1st quarter to 31 December 2017: $1,735,000).

1(b)(i) Balance Sheets

	Group		Company	
	As at 31/12/2018	As at 30/09/2018 (Restated)	As at 31/12/2018	As at 30/09/2018
	$'000	$'000	$'000	$'000
NON-CURRENT ASSETS				
Investment properties	20,708,310	20,740,079	1,600	1,600
Property, plant and equipment	2,083,197	2,116,055	-	-
Investments in:				
- Subsidiaries	-	-	1,183,048	1,183,048
- Joint ventures	246,012	230,580	500	500
- Associates	1,004,101	969,824	-	-
Financial assets	11,673	8,475	2,148	2,148
Intangible assets	688,633	700,580	-	-
Prepayments	4,312	5,793	-	-
Other receivables	384,571	385,824	3,806,150	3,812,370
Deferred tax assets	61,116	60,803	-	-
Derivative financial instruments	61,942	29,830	9,353	8,509
	25,253,867	25,247,843	5,002,799	5,008,175
CURRENT ASSETS				
Inventory	5,443	4,752	-	-
Properties held for sale	3,767,684	4,186,549	-	-
Prepaid land and development costs	363	353	-	-
Other prepayments	54,118	54,661	649	721
Trade and other receivables	835,998	459,726	395,583	402,292
Derivative financial instruments	24,161	10,727	3,720	1,431
Bank deposits	476,073	448,743	-	-
Cash and cash equivalents	2,411,266	2,150,002	18,134	8,514
	7,575,106	7,315,513	418,086	412,958
TOTAL ASSETS	32,828,973	32,563,356	5,420,885	5,421,133
CURRENT LIABILITIES				
Trade and other payables	1,992,763	1,933,419	345,128	342,688
Derivative financial instruments	9,858	12,194	1,502	6,938
Provision for taxation	271,008	203,268	11,828	11,830
Loans and borrowings	2,853,577	2,642,943	-	-
	5,127,206	4,791,824	358,458	361,456
NET CURRENT ASSETS	2,447,900	2,523,689	59,628	51,502
	27,701,767	27,771,532	5,062,427	5,059,677
NON-CURRENT LIABILITIES				
Other payables	142,604	154,553	9,354	8,754
Derivative financial instruments	72,369	35,943	12,773	7,384
Deferred tax liabilities	505,461	540,150	-	-
Loans and borrowings	12,302,907	12,302,757	-	-
	13,023,341	13,033,403	22,127	16,138
NET ASSETS	14,678,426	14,738,129	5,040,300	5,043,539
SHARE CAPITAL AND RESERVES				
Share capital	1,795,241	1,784,732	1,795,241	1,784,732
Retained earnings	5,860,062	5,728,354	3,048,494	3,056,544
Other reserves	(168,668)	(46,155)	196,565	202,263
Equity attributable to Owners of the Company	7,486,635	7,466,931	5,040,300	5,043,539
NON-CONTROLLING INTERESTS - Perpetual securities	2,037,819	2,037,819	-	-
	9,524,454	9,504,750	5,040,300	5,043,539
NON-CONTROLLING INTERESTS - Others	5,153,972	5,233,379	-	-
TOTAL EQUITY	14,678,426	14,738,129	5,040,300	5,043,539

The Group's balance sheet as at 30 September 2018 has been restated to account for the retrospective adjustments on the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) framework ("SFRS(I)") and new/revised SFRS(I) as detailed in item 5 of this announcement.

1(b)(ii) Group's Borrowings and Debt Securities

Amount repayable in one year or less, or on demand

	As at 31/12/2018 $'000	As at 30/09/2018 (Restated) $'000
Secured	1,244,324	1,198,352
Unsecured	1,609,253	1,444,591
	2,853,577	2,642,943

Amount repayable after one year

	As at 31/12/2018 $'000	As at 30/09/2018 (Restated) $'000
Secured	3,074,972	3,091,479
Unsecured	9,227,935	9,211,278
	12,302,907	12,302,757

Details of any collateral

Secured borrowings are generally bank loans secured on certain investment properties, property, plant and equipment 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 group entities.

1(c) Consolidated Cash Flow Statement

	Group	
	1st quarter to 31/12/2018	1st quarter to 31/12/2017 (Restated)
	$'000	$'000
Cash Flow from Operating Activities		
Profit after taxation	213,791	142,565
Adjustments for:		
Depreciation of property, plant and equipment	13,652	13,334
Fair value change on investment properties	(8,086)	(13,296)
Share of results of joint ventures and associates, net of tax	(32,499)	(30,551)
Amortisation of intangible assets	793	620
Loss on disposal of property, plant and equipment	30	21
Allowance for/(write-back of allowance) for doubtful trade receivables	297	(728)
Bad debts written off	18	137
Employee share-based expense	5,913	6,513
Net fair value change on derivative financial instruments	(18,695)	(8,191)
Interest income	(12,834)	(7,773)
Interest expense	97,685	76,705
Tax expense	63,908	35,948
Exchange difference	4,759	(7,088)
Operating profit before working capital changes	328,732	208,216
Change in trade and other receivables	(367,960)	(79,306)
Change in trade and other payables	10,009	(37,105)
Change in properties held for sale	418,814	(246,713)
Change in inventory	(644)	(818)
Cash generated from/(used in) operations	388,951	(155,726)
Income taxes paid	(26,780)	(9,470)
Net cash generated from/(used in) Operating Activities	362,171	(165,196)
Cash Flow from Investing Activities		
Acquisition of/development expenditure on investment properties	(53,729)	(168,018)
Purchase of property, plant and equipment	(6,921)	(13,548)
Proceeds from disposal of investment properties	130,883	14,586
Proceeds from disposal of property, plant and equipment	29	52
Net investments in/loans to joint ventures and associates	(25,860)	1,005
Repayments of loans from joint ventures and associates	-	26,000
Dividends from joint ventures and associates	12,867	200
Settlement of hedging instruments	(46,809)	(19,296)
Purchase of financial assets	(3,198)	-
Purchase of intangible assets	(13)	(1,050)
Interest received	5,726	3,539
Acquisitions of subsidiaries, net of cash acquired	(129,282)	(555,460)
(Placement)/uplift of structured deposits	(25,976)	162,571
Net cash used in Investing Activities	(142,283)	(549,419)

1(c) Consolidated Cash Flow Statement (cont'd)

	Group	
	1st quarter to 31/12/2018	1st quarter to 31/12/2017 (Restated)
	$'000	$'000
Cash Flow from Financing Activities		
Contributions from non-controlling interests of subsidiaries w ithout change in control	4,593	4,182
Dividends paid to non-controlling interests	(112,394)	(87,804)
Proceeds from bank borrow ings	771,147	841,617
Repayments of bank borrow ings	(517,020)	(810,070)
Proceeds from issue of bonds/debentures, net of costs	403	324,415
Proceeds from issue of perpetual securities, net of costs	-	41,748
Distributions to perpetual securities holders	(9,175)	(2,243)
Interest paid	(83,475)	(73,532)
Issuance costs	(67)	(80)
Repayment of amounts due to non-controlling interests	-	(9,214)
Net cash generated from Financing Activities	54,012	229,019
Net change in cash and cash equivalents	273,900	(485,596)
Cash and cash equivalents at beginning of period	2,146,514	2,147,684
Effects of exchange rate on opening cash	(12,393)	(20,896)
Cash and cash equivalents at end of period	2,408,021	1,641,192
Cash and cash equivalents at end of period:		
Fixed deposits, current	776,655	355,877
Cash and bank balances	1,634,611	1,287,319
	2,411,266	1,643,196
Bank overdraft, unsecured	(3,245)	(2,004)
Cash and cash equivalents at end of period	2,408,021	1,641,192
Analysis of Acquisitions of Subsidiaries		
Net assets acquired:		
Investment properties	201,210	1,387,160
Intangible assets	550	-
Inventories	47	-
Trade and other receivables	4,190	5,302
Trade and other payables	(10,495)	(26,123)
Provision for taxation	(3,146)	-
Loans and borrow ings	(57,938)	(806,534)
Cash and cash equivalents	190	13,129
Fair value of net assets	134,608	572,934
Less: Non-controlling interests	(5,136)	(4,345)
Consideration paid in cash	129,472	568,589
Cash and cash equivalents of subsidiaries acquired	(190)	(13,129)
Cash flow on acquisitions, net of cash and cash equivalents acquired	129,282	555,460

1(d)(i) Statement of Changes in Equity

Group 1st quarter to 31 December 2018	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
Closing balance at 30 September 2018 as previously reported	1,784,732	6,015,778	(438,459)	7,362,051	2,037,819	9,399,870	5,228,204	14,628,074
Effects of changes in accounting policies*	-	(287,424)	392,304	104,880	-	104,880	5,175	110,055
Closing balance at 30 September 2018 as restated	1,784,732	5,728,354	(46,155)	7,466,931	2,037,819	9,504,750	5,233,379	14,738,129
Effects of adopting SFRS(I) 9*	-	(553)	(19)	(572)	-	(572)	(1)	(573)
Opening balance at 1 October 2018 as restated	1,784,732	5,727,801	(46,174)	7,466,359	2,037,819	9,504,178	5,233,378	14,737,556
Profit for the period	-	138,129	-	138,129	9,175	147,304	66,487	213,791
Other comprehensive income								
Net fair value change of cash flow hedges	-	-	(39,162)	(39,162)	-	(39,162)	(2,074)	(41,236)
Foreign currency translation	-	-	(78,142)	(78,142)	-	(78,142)	(44,996)	(123,138)
Share of other comprehensive income of joint ventures and associates	-	-	(1,451)	(1,451)	-	(1,451)	-	(1,451)
Other comprehensive income for the period	-	-	(118,755)	(118,755)	-	(118,755)	(47,070)	(165,825)
Total comprehensive income for the period	-	138,129	(118,755)	19,374	9,175	28,549	19,417	47,966
Contributions by and distributions to owners								
Ordinary shares issued	10,509	-	(10,509)	-	-	-	-	-
Employee share-based expense	-	-	4,811	4,811	-	4,811	-	4,811
Dividend paid	-	-	-	-	-	-	(112,394)	(112,394)
Transfer to other reserves	-	(1,959)	1,959	-	-	-	-	-
Total contributions by and distributions to owners	10,509	(1,959)	(3,739)	4,811	-	4,811	(112,394)	(107,583)
Changes in ownership interests in subsidiaries								
Units issued to non-controlling interests	-	-	-	-	-	-	4,593	4,593
Acquisitions of subsidiaries with non-controlling interests	-	-	-	-	-	-	5,136	5,136
Change in interests in subsidiaries without change in control	-	(3,894)	-	(3,894)	-	(3,894)	3,894	-
Issuance costs incurred by subsidiaries	-	(15)	-	(15)	-	(15)	(52)	(67)
Total changes in ownership interests in subsidiaries	-	(3,909)	-	(3,909)	-	(3,909)	13,571	9,662
Total transactions with owners in their capacity as owners	10,509	(5,868)	(3,739)	902	-	902	(98,823)	(97,921)
Contributions by and distributions to perpetual securities holders								
Distributions to perpetual securities holders	-	-	-	-	(9,175)	(9,175)	-	(9,175)
Total contributions by and distributions to perpetual securities holders	-	-	-	-	(9,175)	(9,175)	-	(9,175)
Closing balance at 31 December 2018	1,795,241	5,860,062	(168,668)	7,486,635	2,037,819	9,524,454	5,153,972	14,678,426

* Refer to Item 5 of this announcement

1(d)(i) **Statement of Changes in Equity** (cont'd)

	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								
1st quarter to 31 December 2017								
Opening balance at 1 October 2017 as previously reported	1,774,771	5,590,746	(210,839)	7,154,678	1,698,093	8,852,771	4,196,428	13,049,199
Effects of changes in accounting policies*	-	(270,250)	394,294	124,044	-	124,044	5,164	129,208
Opening balance at 1 October 2017 as restated	1,774,771	5,320,496	183,455	7,278,722	1,698,093	8,976,815	4,201,592	13,178,407
Profit for the period	-	82,171	-	82,171	2,243	84,414	58,151	142,565
Other comprehensive income								
Net fair value change of cash flow hedges	-	-	3,039	3,039	-	3,039	808	3,847
Foreign currency translation	-	-	(89,047)	(89,047)	-	(89,047)	(49,585)	(138,632)
Share of other comprehensive income of joint ventures and associates	-	-	253	253	-	253	-	253
Other comprehensive income for the period	-	-	(85,755)	(85,755)	-	(85,755)	(48,777)	(134,532)
Total comprehensive income for the period	-	82,171	(85,755)	(3,584)	2,243	(1,341)	9,374	8,033
Contributions by and distributions to owners								
Ordinary shares issued	9,961	-	(9,961)	-	-	-	-	-
Employee share-based expense	-	-	5,669	5,669	-	5,669	-	5,669
Dividend paid	-	-	-	-	-	-	(87,804)	(87,804)
Transfer to other reserves	-	(2,720)	2,720	-	-	-	-	-
Total contributions by and distributions to owners	9,961	(2,720)	(1,572)	5,669	-	5,669	(87,804)	(82,135)
Changes in ownership interests in subsidiaries								
Units issued to non-controlling interests	-	-	-	-	-	-	4,182	4,182
Acquisitions of subsidiaries with non-controlling interests	-	-	-	-	-	-	4,345	4,345
Change in interests in subsidiaries without change in control	-	19,594	(7,488)	12,106	-	12,106	(18,971)	(6,865)
Issuance costs incurred by subsidiaries	-	(21)	-	(21)	-	(21)	(59)	(80)
Total changes in ownership interests in subsidiaries	-	19,573	(7,488)	12,085	-	12,085	(10,503)	1,582
Total transactions with owners in their capacity as owners	9,961	16,853	(9,060)	17,754	-	17,754	(98,307)	(80,553)
Contributions by and distributions to perpetual securities holders								
Issue of perpetual securities, net of costs	-	-	-	-	41,748	41,748	-	41,748
Distributions to perpetual securities holders	-	-	-	-	(2,243)	(2,243)	-	(2,243)
Total contributions by and distributions to perpetual securities holders	-	-	-	-	39,505	39,505	-	39,505
Closing balance at 31 December 2017	1,784,732	5,419,520	88,640	7,292,892	1,739,841	9,032,733	4,112,659	13,145,392

* Refer to Item 5 of this announcement

1(d)(i) Statement of Changes in Equity (cont'd)

Company 1st quarter ended 31 December 2018	Share Capital $'000	Retained Earnings $'000	Other Reserves $'000	Share-based Compensation Reserve $'000	Dividend Reserve $'000	Total Equity $'000
Opening balance at 1 October 2018	1,784,732	3,056,544	202,263	21,718	180,545	5,043,539
Profit for the period	-	(8,050)	-	-	-	(8,050)
Total comprehensive income for the period	-	(8,050)	-	-	-	(8,050)
Contributions by and distributions to owners						
Ordinary shares issued	10,509	-	(10,509)	(10,509)	-	-
Employee share-based expense	-	-	4,811	4,811	-	4,811
Total contributions by and distributions to owners	10,509	-	(5,698)	(5,698)	-	4,811
Closing balance at 31 December 2018	1,795,241	3,048,494	196,565	16,020	180,545	5,040,300

Company 1st quarter ended 31 December 2017	Share Capital $'000	Retained Earnings $'000	Other Reserves $'000	Share-based Compensation Reserve $'000	Dividend Reserve $'000	Total Equity $'000
Opening balance at 1 October 2017	1,774,771	3,014,352	198,624	18,494	180,130	4,987,747
Loss for the period	-	(6,860)	-	-	-	(6,860)
Total comprehensive income for the period	-	(6,860)	-	-	-	(6,860)
Contributions by and distributions to owners						
Ordinary shares issued	9,961	-	(9,961)	(9,961)	-	-
Employee share-based expense	-	-	5,669	5,669	-	5,669
Total contributions by and distributions to owners	9,961	-	(4,292)	(4,292)	-	5,669
Closing balance at 31 December 2017	1,784,732	3,007,492	194,332	14,202	180,130	4,986,556

1(d)(ii) Issued Share Capital

	No. of ordinary shares	
	1st quarter to 31/12/2018	4th quarter to 30/9/2018
Issued and fully paid:		
As at beginning of period	2,912,026,619	2,912,026,619
Issued during the period - pursuant to share plans	7,461,300	-
As at end of period	2,919,487,919	2,912,026,619

	As at 31/12/2018	As at 31/12/2017
The number of shares awarded conditionally under share plans as at the end of the period	28,522,689	26,989,341

As at 31 December 2018, the Company's issued and paid-up ordinary share capital was $1,795,241,425 comprising 2,919,487,919 ordinary shares.

1(d)(iii) The Company's total number of issued ordinary shares is 2,919,487,919 as at 31 December 2018 and 2,912,026,619 as at 30 September 2018.

1(d)(iv) The Company did not have any treasury shares as at 31 December 2018 and 31 December 2017.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares by the Company for the financial period ended 31 December 2018.

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 the Company's 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

Except as disclosed in item 5 below, the Group has 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 2018.

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**

5.1 **Adoption of new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS (I)) and new/revised SFRS (I)**

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) that are applicable for annual periods beginning on 1 January 2018. The Group's financial statements for the financial year ending 30 September 2019 are prepared in accordance with the SFRS(I).

In adopting the new framework, the Group is required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*.

(a) <u>SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*</u>

On the adoption of SFRS(I) in the financial year ending 30 September 2019, the Group applies SFRS(I) 1 with 1 October 2017 as the date of transition for the Group and the Company. SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective in 2019, restatement of comparatives may be required because SFRS(I) 1 requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) 1, however, provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to the FRS financial statements. The application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 does not have any significant impact on the Group's financial statements, except as described below.

(i) <u>Business Combination</u>

The Group elected the optional exemption in SFRS(I) 1 to not restate any business combinations prior to the date of transition.

(ii) <u>Foreign Currency Translation Reserve ("FCTR")</u>

The Group elected the optional exemption in SFRS(I) 1 to reset its cumulative FCTR for all foreign operations to nil at the date of transition, and reclassify the cumulative deficit in FCTR of $394,294,000 as at 1 October 2017 determined in accordance with the Singapore Financial Reporting Standards at that date to retained earnings. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

(iii) <u>Borrowing Cost</u>

The Group elected the optional exemption in SFRS(I) 1 to not restate the borrowing cost components that were capitalised under previous Generally Accepted Accounting Principles (GAAP) and that were included in the carrying amount of the assets at that date.

(b) <u>SFRS(I) 15 *Revenue from Contracts with Customers*</u>

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group applies all of the requirements of SFRS(I) 15 retrospectively, except for the practical expedients as described below.

- Practical expedient for comparative disclosure of transaction prices allocated to remaining performance obligations: the Group will not disclose the amount of transaction prices allocated to any remaining performance obligations or an explanation of when it expects to recognise the amount as revenue.

- Practical expedient for completed contracts: the Group will not restate completed contracts that began and ended in the same comparative reporting period as well as completed contracts at the beginning of the earliest period presented.

(i) Success-based Sales Commissions

The Group pays sales commissions to property sales agents for securing property sales contracts for the Group on a success basis. The Group capitalises such incremental costs as a contract cost asset under SFRS(I) 15 as they are recoverable. These costs are amortised to profit or loss as the Group recognises the related revenue.

(ii) Amortisation of Contract Costs

Under SFRS(I) 15, the Group recognises construction costs in profit or loss when incurred to the extent of units sold in a development.

(iii) Significant Financing Components arising from Payments from Customers

The Group receives payments from customers for the sale of residential projects. Under certain payment schemes, the time when payments are made by the buyer and the transfer of control of the property to the buyer do not coincide and the difference between the timing of receipt of the payments and the transfer of goods and services is 12 months or more. Accordingly, there may exist a significant financing component arising from payments from buyers. A finance income or finance expenses will be recognised depending on the arrangement.

(c) SFRS(I) 9 *Financial Instruments*

SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements.

The Group applies the changes in accounting policies resulting from the adoption of SFRS(I) 9 retrospectively, except as described below.

- The Group elects the exemption in SFRS(I) 1 allowing it not to restate comparative information. Differences in the carrying amount of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in accumulated profits and reserves as at 1 October 2018.

- New hedge accounting requirements are applied prospectively. All hedging relationships designated under FRS 39 *Financial Instruments: Recognition and Measurement* at 30 September 2018 that meet the criteria for hedge accounting under SFRS(I) 9 at 1 October 2018 will be regarded as continuing hedging relationships.

The impact on the adoption of SFRS(I) 9 is described below.

(i) Classification and Measurement: Financial Assets

Subsequent changes in the carrying value of the Group's equity investments are recognised in other comprehensive income.

(ii) Impairment

SFRS(I) 9 requires the Group to record expected credit losses on all of its loans and receivables, either on a 12-month or lifetime basis. The Group applies the simplified approach and records lifetime expected losses on all loans and receivables. The impairment calculated using the expected credit loss model does not have a significant impact on the financial statements.

The impact of the adoption of the above SFRS(I) on the Group's financial statements is as follows:

	1st quarter to 31/12/2017 (Reported) $'000	Effects of SFRS(I) 15 $'000	1st quarter to 31/12/2017 (Restated) $'000
Group Profit Statement			
REVENUE	740,030	8,162	748,192
Cost of sales	(471,296)	(1,496)	(472,792)
Gross Profit	268,734	6,666	275,400
Others	(70,237)	-	(70,237)
Share of results of joint ventures and associates, net of tax	30,072	479	30,551
PROFIT BEFORE INTEREST, FAIR VALUE CHANGE, TAXATION AND EXCEPTIONAL ITEMS	228,569	7,145	235,714
Others	(56,648)	-	(56,648)
PROFIT BEFORE TAXATION	171,921	7,145	179,066
Taxation	(35,149)	(982)	(36,131)
PROFIT FOR THE PERIOD	136,772	6,163	142,935
Attributable profit:-			
- Before fair value change and exceptional items	69,193	6,163	75,356
- Fair value change	8,659	-	8,659
- Exceptional items	(989)	-	(989)
	76,863	6,163	83,026
Non-controlling interests	59,909	-	59,909
PROFIT FOR THE PERIOD	136,772	6,163	142,935

Group Balance Sheet	As at 30/09/2018 (Reported) $'000	Effects of SFRS(I) 15 $'000	Effects of SFRS(I) 1 $'000	As at 30/09/2018 (Restated) $'000	Effects of SFRS(I) 9 $'000	As at 01/10/2018 (Restated) $'000
Investments in joint ventures	222,729	7,851	-	230,580	-	230,580
Investment in associates	969,824	-	-	969,824	(42)	969,782
Deferred tax assets	60,803	-	-	60,803	67	60,870
Properties held for sale	4,156,966	29,583	-	4,186,549	-	4,186,549
Trade and other receivables	463,901	-	-	463,901	(339)	463,562
Cash and cash equivalents	2,136,448	-	-	2,136,448	(259)	2,136,189
Others	24,410,268	-	-	24,410,268	-	24,410,268
Total Assets	32,420,939	37,434	-	32,458,373	(573)	32,457,800
Trade and other payables	2,084,426	1,252	-	2,085,678	-	2,085,678
Deferred tax liabilities	532,396	7,754	-	540,150	-	540,150
Others	15,176,043	-	-	15,176,043	-	15,176,043
Total Liabilities	17,792,865	9,006	-	17,801,871	-	17,801,871
Retained earnings	6,015,778	30,418	(394,294)	5,651,902	(553)	5,651,349
Other reserves	(438,459)	(1,990)	394,294	(46,155)	(19)	(46,174)
Non-controlling interests - others	5,228,204	-	-	5,228,204	(1)	5,228,203
Others	3,822,551	-	-	3,822,551	-	3,822,551
Total Equity	14,628,074	28,428	-	14,656,502	(573)	14,655,929

Group Balance Sheet	As at 30/09/2017 (Reported) $'000	Effects of SFRS(I) 15 $'000	Effects of SFRS(I) 1 $'000	As at 30/09/2017 (Restated) $'000	As at 01/10/2017 (Restated) $'000
Investments in joint ventures	265,561	5,502	-	271,063	271,063
Properties held for sale	3,452,219	64,087	-	3,516,306	3,516,306
Trade and other receivables	717,274	(8,376)	-	708,898	708,898
Cash and cash equivalents	2,137,275	-	-	2,137,275	2,137,275
Others	20,437,043	-	-	20,437,043	20,437,043
Total Assets	27,009,372	61,213	-	27,070,585	27,070,585
Deferred tax liabilities	327,803	13,464	-	341,267	341,267
Others	13,632,370	-	-	13,632,370	13,632,370
Total Liabilities	13,960,173	13,464	-	13,973,637	13,973,637
Retained earnings	5,590,746	47,749	(394,294)	5,244,201	5,244,201
Other reserves	(210,839)	-	394,294	183,455	183,455
Others	7,669,292	-	-	7,669,292	7,669,292
Total Equity	13,049,199	47,749	-	13,096,948	13,096,948

5.2 Consolidation of the Management Corporation Strata Title Plan No. 1298 ("MCST 1298")

In accordance with FRS 110 *Consolidated Financial Statements*, the Group continuously assesses its control over its investments in non-wholly owned entities. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Under the terms of a by-law lodged by the MCST 1298 with the Building and Construction Authority of Singapore, the MCST 1298 confers, at a fee, to Frasers Property Centrepoint Pte. Ltd., a wholly-owned subsidiary of the Group, the exclusive use and enjoyment of certain parts of common property in the Centrepoint Retail Podium.

Further, the activities of the MCST 1298 are managed by Frasers Property Management Services Pte. Ltd. (the "Managing Agent"), a wholly-owned subsidiary of the Group.

In determining whether the Group has control over the MCST 1298, management considered the proportion of its ownership interest and voting rights, and the Managing Agent's decision-making authority over the MCST 1298, as well as the Group's overall exposure to variable returns, both from the Managing Agent's remuneration and the Group's interest in the Centrepoint Retail Podium.

The consolidation of the MCST 1298 is accounted for retrospectively and the quantitative impact is as follows:

Group Profit Statement	1st quarter to 31/12/2017 Inc/(Dec) $'000
Revenue	368
Profit before interest, fair value change, taxation and exceptional items	(576)
Profit for the period	(370)

Group Balance Sheet	As at 30/09/2018 Inc/(Dec) $'000	As at 01/10/2017 Inc/(Dec) $'000
Total Assets	104,983	104,832
Total Liabilities	23,356	23,373
Total Equity	81,627	81,459

6. Earnings per ordinary share of the Group

	Group	
	1st quarter ended 31/12/2018	1st quarter ended 31/12/2017 (Restated)
Earnings per ordinary share ("EPS"):		
(a) Basic EPS (cents)		
- before fair value change and exceptional items	4.56	2.56
- after fair value change and exceptional items	4.74	2.83
Weighted average number of ordinary shares (millions)	2,913.1	2,906.2
(b) On a fully diluted basis (cents)		
- before fair value change and exceptional items	4.52	2.54
- after fair value change and exceptional items	4.70	2.80
Weighted average number of ordinary shares (millions)	2,941.6	2,933.2

EPS is calculated by dividing the Group's attributable profit (after adjusting for distributions to perpetual securities holders of $7,462,000 for the 1st quarter to 31 December 2018 (1st quarter to 31 December 2017: $508,000) by the weighted average number of ordinary shares in issue during the financial period. In respect of diluted EPS, the denominator is adjusted for the effects of dilutive potential ordinary shares, which comprise share awards granted to employees.

7. Net asset value per ordinary share based on issued share capital of the issuer at the end of the period

	Group		Company	
	As at 31/12/2018	**As at 30/09/2018** (Restated)	**As at 31/12/2018**	**As at 30/09/2018**
Net asset value per ordinary share based on issued share capital	$2.56	$2.56	$1.73	$1.73

Based on 2,919,487,919 ordinary shares in issue as at the end of the financial period (30 September 2018: 2,912,026,619 ordinary shares).

8. Review of the Group's Performance

Profit Statement – 1st Quarter to 31 December 2018

Group revenue increased by 45% to $1,083 million while profit before interest, fair value change, taxation and exceptional items ("PBIT") increased by 51% to $354 million.

The increase in revenue and PBIT were largely attributable to the sales and settlements of development projects in Australia and China. Revenue and PBIT in the current quarter were further boosted by contributions from the business parks in the United Kingdom ("UK"), as well as maiden contributions from Frasers Tower and the south wing of Northpoint City.

Group attributable profit[1] increased by 87% to $140 million and basic earnings per share[2] based on weighted average number of ordinary shares on issue was 4.6 cents.

[1] before fair value change on investment properties and exceptional items and distributions to perpetual securities holders
[2] before fair value change on investment properties and exceptional items and after adjusting for distributions to perpetual securities holders

A. Key Business Segment Results

Singapore SBU

Revenue and PBIT remained comparable to the corresponding quarter last year.

Singapore residential properties reported lower revenue and PBIT by $29 million and $17 million to $117 million and $14 million, respectively. The decline was mainly due to lower progressive profit recognition from North Park Residences for the period under review.

Both revenue and PBIT from Singapore commercial properties increased by approximately $18 million, following the commencement of operations at the south wing of Northpoint City and Frasers Tower in December 2017 and May 2018, respectively. Overall operating results from Frasers Centrepoint Trust and Frasers Commercial Trust were comparable to the corresponding quarter last year.

Australia SBU

Revenue and PBIT grew 119% to $471 million and $139 million, respectively, mainly contributed by sales and settlements from residential development.

Significant residential projects included Discovery Point in Wolli Creek, New South Wales, Central Park in Chippendale, New South Wales and Sunbury Fields in Sunbury, Victoria.

Frasers Logistics and Industrial Trust reported higher revenue and PBIT by $14 million and $5 million to $58 million and $42 million, respectively. The increase for the quarter under review was mainly due to the acquisition of properties in Germany and the Netherlands in May 2018.

Hospitality SBU

Revenue and PBIT remained fairly constant at $210 million and $40 million, respectively.

Europe & rest of Asia

Revenue and PBIT increased by $91 million and $47 million to $159 million and $90 million, respectively.

In China, revenue and PBIT increased by $46 million and $30 million to $64 million and $28 million, respectively. Contributions came mainly from sales and settlements from Phase 3B of Baitang One, Suzhou.

In the UK, the business parks acquired over the past financial year contributed a full quarter's revenue and PBIT of $21 million and $9 million to the segment, respectively.

In Thailand, the consolidation of Frasers Property (Thailand) Public Company Limited ("FPT") (formerly known as TICON Industrial Connection Public Company Limited) from April 2018 gave rise to additional revenue and PBIT for the quarter under review of $20 million and $13 million, respectively. Prior to April 2018, the results of FPT were equity-accounted.

Corporate & Others

Corporate & Others comprises mainly of corporate overheads.

PBIT was a net loss of $16 million, compared to a loss of $8 million in the corresponding quarter last year. The higher net loss was mainly due to higher corporate overheads, in line with the bigger business footprint.

B. Other Key Profit Statement Items

Share of Results of Joint Ventures and Associates

Share of results of joint ventures and associates increased by 6% to $32 million compared to the corresponding quarter last year. The slight increase was mainly due to the timing of settlement of development projects from the Group's joint ventures in Singapore, Australia and China.

The above analyses have been included in the preceding paragraphs in Key Business Segment Results.

Net Interest Expense

Net interest expense increased by $16 million to $85 million.

The increase in net interest expense corresponded with higher debt positions to fund acquisitions compared to the corresponding quarter last year. Following the completion of the south wing of Northpoint City and Frasers Tower, interest expenses were henceforth recognised in the profit statement.

Tax

Higher profit contributions from higher tax jurisdictions in Australia and China in the current quarter have resulted in the Group's higher effective tax rate ("ETR") of 23.0% (1st quarter to 31 December 2017: 20.1%) compared to the corresponding quarter last year, as well as the prevailing Singapore statutory tax rate of 17.0%.

Group Balance Sheet as at 31 December 2018

The decrease in investment properties of $32 million was mainly due to the divestments of a portfolio of logistics and industrial properties in Thailand for $80 million and two properties in the Netherlands for $51 million and currency re-alignment losses on properties in Australia and the UK, following the depreciation of the Australian Dollar and British Pound against the Singapore Dollar in the period under review. This decrease was partially offset by the acquisitions of six logistics and industrial properties in continental Europe for $201 million.

The increase in investments in joint ventures and associates of $50 million was mainly due to the share of results from joint ventures and associates of $32 million, as well as the additional equity interest in associates in Thailand of $23 million.

The decrease in properties held for sale of $419 million was mainly due to the charge out to cost of sales upon the completion of North Park Residences in Singapore and the settlements in the Discovery Point and Central Park projects in New South Wales, Australia. This decrease was partially offset by progressive development expenditures in for projects in Australia, Singapore and China.

The increase in trade and other receivables of $375 million was mainly due to the accrual of sales proceeds receivable upon the completion of North Park Residences in Singapore.

The increase in trade and other payables of $47 million was mainly due to the sales proceeds received in advance from Phase 3C2 of Baitang One, Suzhou in China.

The increase in loans and borrowings of $211 million was mainly due to the net drawdown of bank borrowings for the acquisitions of properties in the Germany and Austria.

Group Cash Flow Statement – 1st Quarter ended 31 December 2018

The net cash outflow from investing activities of $142 million was mainly due to acquisitions of subsidiaries of $129 million, acquisitions of/development expenditure on investment properties of $54 million and placement of structured deposits of $26 million. This was partially offset by proceeds from disposal of investment properties of $131 million. The net cash outflow from investing activities of $549 million in the corresponding quarter last year was mainly due to acquisition of subsidiaries of $555 million and acquisitions of/development expenditure on investment properties of $168 million. This was partially offset by proceeds from uplift of structured deposits of $163 million.

The net cash inflow from financing activities of $54 million was mainly due to net proceeds from bank borrowings of $254 million. This was partially offset by dividends to non-controlling interests of $112 million and interest paid of $83 million. The net cash inflow from financing activities of $229 million in the corresponding quarter last year was mainly due to proceeds from issuance of bonds and debentures of $324 million. This was partially offset by dividends paid to non-controlling interests of $88 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. Commentary 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 Ministry of Trade and Industry ("MTI") announced on 2 January 2019 that based on advanced estimates, the Singapore economy grew by 2.2% on a year-on-year ("y-o-y") basis in 4Q 2018, easing slightly from the 2.3% growth in 3Q 2018. For the whole of 2018, the economy grew by 3.3%. MTI expects growth in the Singapore economy to moderate to 1.5%-3.5% in 2019. Growth in manufacturing and outward-oriented services sectors, such as wholesale trade, transportation, finance and insurance, is projected to ease. Other services sectors, such as information, communications, education, health and social services, are expected to remain resilient.

The cooling measures introduced in July 2018 continue to put a dampener on the Singapore housing market. URA reported a marginal decrease of 0.1% in housing prices in 4Q 2018 compared to the previous quarter. Transaction volumes slowed down for the Singapore private residential property market in 2018 with 8,795 new private homes sold, 17% lower than 2017. There could be a further slow-down in Singapore residential sales transactions as buyer sentiment has remained weak. Collective sales activities have also slowed down sharply as developers became more cautious in their land purchases.

The Group has sold 85% of Seaside Residences and achieved Temporary Occupation Permit on the fully sold North Park Residences over the quarter. Project Riveria at Jiak Kim Street, featuring 455 exclusive apartments along Singapore River, will be launched in the first half of 2019.

The Singapore retail environment continues to show signs of improvement with the Singapore Department of Statistics retail sales index (excluding motor vehicles) increasing month-on-month ("m-o-m") by 1.4% in November 2018 and stabilizing at -0.2% y-o-y. Performance in our suburban retail malls has been resilient as they depend more on necessity shopping from recurring shopper traffic. Average occupancy in the Group's total retail portfolio in Singapore is up 2.4 percentage points y-o-y and achieved a positive rental reversion of 4.3%.

For the office market, CBRE[1] reported that the overall market in 2018 outperformed expectations. Island-wide office vacancy rate reduced to 5.8% as at December 2018 compared to 6.1% a year ago, supported mainly by healthy economic growth and higher number of companies being established. As at end 4Q 2018, average rents increased 3.3% quarter-on-quarter ("q-o-q") to S$10.80 per square feet ("psf") per month for Grade A CBD Core, 3.8% q-o-q to S$8.30 psf per month for Grade B CBD Core and 3.4% q-o-q to S$7.70 psf per month for island-wide Grade B. According to CBRE, the outlook for the office market appears positive for the next few years as demand is expected to remain stable while the supply pipeline is reduced.

Australia

In Australia, economic growth has slowed down in 2H 2018 due to weaker trade and domestic consumption. However, general business conditions remain positive and government infrastructure spending should provide support for the economy. According to the Reserve Bank of Australia ("RBA")[2], the outlook for the labour market continues to be strong with unemployment rate reaching its lowest level in six years. Unemployment is expected to reduce further as the Australian economy is expected to continue growing a little above trend. RBA expects the gross domestic product ("GDP") to grow by 2.75% in 2018 and pick up slightly to 3% in 2019.

Despite the health of the economy, CoreLogic[3] reported that housing prices in Sydney, Melbourne and Perth have declined 3.9%, 3.2% and 2.5% respectively in the quarter ended December 2018. Tighter credit conditions, as well as restrictions on both domestic and international investors have contributed to a cyclical correction in the market.

[1] CBRE, Singapore Market View, Q4 2018
[2] Reserve Bank of Australia, Statement on Monetary Policy, Feb 2019
[3] CoreLogic, Australia Housing Market Update, Dec 2018

The residential division recorded sales of 319 units in 1Q FY2019, mainly from projects in New South Wales and Victoria. A high level of secured contracts under-pin the outlook for FY2019. 2,300 units is planned for release in FY2019, with a similar number of units scheduled for completion and settlement. Frasers Property Australia ("FPA") acquired one new site in Victoria, the Grove, in 4Q FY2018, which is expected to yield approximately 1,780 units with an estimated gross development value ("GDV") of S$520 million.

Jones Lang LaSalle ("JLL") reported that take-up of industrial space remained steady in both Sydney and Melbourne in 4Q 2018, driving prime rental value growth of 0.7% and 1.2% q-o-q respectively. JLL also reported strong rental growth of 1.4% for Sydney CBD offices in 4Q 2018, while Melbourne CBD rents was flat after a strong run-up. Office vacancies in both cities are at cyclical low following high take-up.

In 1Q FY2019, FPA delivered four new industrial facilities totaling 25,400 sqm into the robust market, selling three of the facilities to third parties for S$54 million. Development of another 14 facilities totaling 260,400 sqm is currently underway. The Group's investment property portfolio maintained its strong performance with occupancies of 99.5% (Industrial) and 97.2% (Office). FPA secured two new industrial sites for development in 1Q FY2019.

Hospitality

In Singapore, properties recorded room rate growth due to a reprieve in new supply coming onboard. Room rates and occupancy dipped in Sydney due to significant new supply in the market despite higher visitor arrivals. Overall occupancy has picked up in Brisbane as corporate travel rebounded. However, occupancy and rates are likely to remain under pressure in Perth and Melbourne as more new supply is expected to enter the market. Hotel rates in Beijing were boosted by large scale conference events and domestic travel. Average hotel revenue per available room ("RevPar") in Shanghai grew marginally, as stronger international arrivals were broadly off-set by significant new supply. In the UK, increase in RevPar was underpinned by improvement in both occupancy and rates as the weak pound continued to boost inbound tourism. However, food and beverage revenue continued to be weak as UK domestic businesses and consumers cut down on discretionary spending. Properties in Europe recorded room rates and occupancy increases, supported by growth in both the leisure and business sectors.

The investment portfolio grew with the openings of Modena by Fraser in Buriram and Fraser Place Puteri Harbour. The 154 room Fraser Suites Hamburg is projected to be opened in March 2019. The Group continued to expand its portfolio of rooms under management by signing up new properties in Singapore, Chengdu and Hanoi. As at 31 December 2018, the Group has equity interest in and/or manages over 17,000 units and has signed up over 8,000 units pending openings.

Europe & rest of Asia

The Group continues to deepen its presence in Europe and rest of Asia which is in line with its strategy to grow its global footprint in familiar markets.

In the UK, Brexit uncertainty continues to weigh on both business and consumer confidence. However, the economy still managed to expand 1.4% in 2018 as consumer spending held up. Occupancy at the Group's business parks stayed strong at 89.2%. The lack of new developments in Thames Valley will likely result in competition for the best existing spaces, which is expected to provide support for rental values. Solid leasing volume of about 11,000 sqm was achieved in 1Q FY2019.

In Germany and the Netherlands, rental values in the warehouse and logistics market continued to grow. Yields compressed further as investors increased exposure in this strong performing sector. This was driven by robust demand, particularly for last-mile logistics due to booming e-commerce. There was also a shortage of logistics space in all the major cities. The Group increased its presence in continental Europe by acquiring 3 logistics warehouses in Austria and 3 logistics facilities in Germany for S$201 million in 1Q FY2019.

Thailand's GDP expanded by 4.2% in 2018, driven by robust export and domestic demand. Through One Bangkok Holdings Company Limited, FPT and Golden Land Property Development Public

Company Limited ("Golden Land"), the Group is well-positioned to tap into this growth market. FPT and its Real Estate Investment Trust platform has over 2.7 million sqm of industrial space under management, with portfolio occupancy increasing 4 percentage points to 70% for factory and 7 percentage points to 76% for warehouse in FY 2018. Golden Land has 53 ongoing residential projects as at 30 September 2018 with a 28% y-o-y increase in sales to approximately 3,560 units.

Despite headwinds from financial deleveraging and trade tensions with the US, China's housing market has remained stable. The Group sold 147 residential units in 1Q FY2019. Phase 4D of Gemdale Megacity residential development in Songjiang and Phase 3C2 of Baitang One residential development in Suzhou are expected to be completed by 4Q FY2019.

Vietnam's economy expanded by 7.1% in 2018, an 11-year high. The Group is targeting to expand its presence in this fast-growing economy through fulfilling two Conditional Agreements with Tran Thai Lands Company Limited. The two new mixed-use projects in District 2 and Thu Duc District, Ho Chi Minh City are expected to be launched in 4Q 2019.

Going forward

The Group will continue to manage its businesses and asset portfolio in a prudent manner across geographies and business segments. With a diversified portfolio which delivers a strong recurring income base, the Group will increase its focus on capital management and asset repositioning. Further, the recycling of assets into its sponsored REITs and a continued and disciplined focus on optimal capital structure and costs will be key to the Group. The Group is well positioned, through its real estate platforms in all the key markets it is in, to create asset value through a combination of development and asset/operational enhancement initiatives. In Singapore and Australia, the Group will continue to undertake development activities in a measured manner, taking into consideration market conditions.

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

No dividend has been declared for the current financial period.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Dividends are usually declared on a semi-annual basis for the six-month periods ending 31 March and 30 September.

13. Interested Person Transactions

The Company's general mandate for interested person transactions, the terms of which are set out in Appendix 1 to the Letter to Shareholders dated 3 January 2018, was renewed at the 54th Annual General Meeting of the Company held on 29 January 2018.

Particulars of interested person transactions for the period 1 October 2018 to 31 December 2018 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)
	$'000
TCC Group of Companies*	2,042

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

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

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 Listing Manual of the SGX-ST.

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

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 these financial results from 1 October 2018 to 31 December 2018 to be false or misleading in any material respect.

On behalf of the Board

Charles Mak Ming Ying
Director

Panote Sirivadhanabhakdi
Director and Group Chief Executive Officer

BY ORDER OF THE BOARD

Catherine Yeo
Company Secretary
12 February 2019