

RESULTS FOR FIRST QUARTER ENDED 31 DECEMBER 2017
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 2017.

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

	1st quarter to 31/12/2017 \$'000	1st quarter to 31/12/2016 \$'000	Inc/(Dec) %
REVENUE	740,030	971,668	(23.8)%
Cost of sales	(471,296)	(614,203)	(23.3)%
Gross Profit	268,734	357,465	(24.8)%
Other income/(losses)	2,195	19,054	(88.5)%
Administrative expenses	(72,432)	(69,192)	4.7%
TRADING PROFIT	198,497	307,327	(35.4)%
Share of results of joint ventures and associates, net of tax	30,072	23,735	26.7%
PROFIT BEFORE INTEREST, FAIR VALUE CHANGE, TAXATION AND EXCEPTIONAL ITEMS	228,569	331,062	(31.0)%
Interest income	7,765	11,062	(29.8)%
Interest expense	(76,720)	(34,986)	119.3%
Net interest expense	(68,955)	(23,924)	188.2%
PROFIT BEFORE FAIR VALUE CHANGE, TAXATION AND EXCEPTIONAL ITEMS	159,614	307,138	(48.0)%
Fair value change on investment properties	13,296	-	N/M
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS	172,910	307,138	(43.7)%
Exceptional items	(989)	5,140	N/M
PROFIT BEFORE TAXATION	171,921	312,278	(44.9)%
Taxation	(35,149)	(58,961)	(40.4)%
PROFIT FOR THE PERIOD	136,772	253,317	(46.0)%
Attributable profit:-			
- Before fair value change and exceptional items	69,193	181,989	(62.0)%
- Fair value change	8,659	-	N/M
- Exceptional items	(989)	5,526	N/M
	76,863	187,515	(59.0)%
Non-controlling interests	59,909	65,802	(9.0)%
PROFIT FOR THE PERIOD	136,772	253,317	(46.0)%

N/M = Not Meaningful

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

	1st quarter to 31/12/2017 \$'000	1st quarter to 31/12/2016 \$'000	Inc/(Dec) %
Other items of expenses			
Included in other items of expenses are:			
Allowance for doubtful trade receivables	(1,068)	(846)	26.2%
Write-back of allowance for doubtful trade receivables	1,796	829	116.6%
Bad debts written off	(137)	(3)	N/M
Depreciation of property, plant and equipment	(13,334)	(14,082)	(5.3)%
Amortisation of intangible assets	(620)	(232)	167.2%
Employee share-based expense	(6,513)	(2,888)	125.5%
Other income/(losses)			
Included in other income/(losses) are:			
Net fair value change on derivative instruments	8,191	13,646	(40.0)%
Foreign exchange (loss)/gain	(6,471)	4,971	N/M
Loss on disposal of property, plant and equipment	(21)	(5)	N/M
Taxation			
Overprovision in prior years taxation	775	286	171.0%
Exceptional items			
Transaction costs on disposal of investment properties	(989)	-	N/M
Non-capitalisable expenses in relation to the acquisitions of hotels	-	(493)	N/M
Gain on acquisition of an associate	-	5,633	N/M
	(989)	5,140	
Profit before interest, fair value change, taxation and exceptional items as a percentage of revenue	30.9%	34.1%	

N/M = Not Meaningful

1(a)(iii) ADDITIONAL INFORMATION

	1st quarter to 31/12/2017 \$'000	1st quarter to 31/12/2016 \$'000
Group revenue and profit analysis		
Revenue		
By Business Segment		
Singapore SBU	252,805	202,025
Australia SBU	206,565	215,672
Hospitality SBU	211,168	207,647
Europe & rest of Asia	68,507	346,162
Corporate & Others	985	162
	<u>740,030</u>	<u>971,668</u>
By Geographical Segment		
Singapore	249,316	197,054
Australia	271,633	282,480
Europe	145,490	114,032
China	23,936	327,190
Others *	49,655	50,912
	<u>740,030</u>	<u>971,668</u>
<u>Profit before interest, fair value change, taxation and exceptional items</u>		
By Business Segment		
Singapore SBU	93,115	105,865
Australia SBU	64,771	39,291
Hospitality SBU	36,722	48,791
Europe & rest of Asia	41,697	137,668
Corporate & Others	(7,736)	(553)
	<u>228,569</u>	<u>331,062</u>
By Geographical Segment		
Singapore	78,952	109,910
Australia	81,505	62,085
Europe	43,902	19,655
China	(645)	125,668
Others *	24,855	13,744
	<u>228,569</u>	<u>331,062</u>
<u>Attributable profit</u>		
By Business Segment		
Singapore SBU	23,854	45,009
Australia SBU	10,565	1,506
Hospitality SBU	1,250	8,202
Europe & rest of Asia	20,935	102,949
Corporate & Others	12,589	24,323
	69,193	181,989
Fair value change on investment properties	8,659	-
Exceptional items	(989)	5,526
	<u>76,863</u>	<u>187,515</u>
Non-controlling interests	59,909	65,802
	<u>136,772</u>	<u>253,317</u>

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

1(a)(iv) STATEMENT OF COMPREHENSIVE INCOME

	Group	
	1st quarter to 31/12/2017 \$'000	1st quarter to 31/12/2016 \$'000
PROFIT FOR THE PERIOD	136,772	253,317
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified subsequently to profit statement:		
Net fair value change of cash flow hedges	3,847	53,701
Foreign currency translation	(137,917)	15,727
Share of other comprehensive income of joint ventures and associates	253	471
Other comprehensive income for the year, net of tax	(133,817)	69,899
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>2,955</u>	<u>323,216</u>
PROFIT FOR THE PERIOD		
Attributable to:-		
Shareholders of the Company	76,355	187,031
Holders of Perpetual Securities	2,243	2,243
Non-controlling Interests ¹	58,174	64,043
	<u>136,772</u>	<u>253,317</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		
Attributable to:-		
Shareholders of the Company	(8,685)	243,253
Holders of Perpetual Securities	2,243	2,243
Non-controlling Interests ¹	9,397	77,720
	<u>2,955</u>	<u>323,216</u>

¹ after adjusting for non-controlling interests' share of distributions to perpetual securities holders of \$1,735,000 (1st quarter ended 31 December 2016: \$1,759,000).

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 31/12/2017 \$'000	As at 30/09/2017 \$'000	As at 31/12/2017 \$'000	As at 30/09/2017 \$'000
NON-CURRENT ASSETS				
Investment properties	17,299,950	15,817,282	1,500	1,500
Property, plant and equipment	2,212,873	2,240,724	1	1
Investments in:				
- Subsidiaries	-	-	1,798,458	1,799,896
- Joint ventures	281,287	265,561	500	500
- Associates	1,184,255	1,166,096	-	-
Financial assets	2,162	2,162	2,148	2,148
Intangible assets	760,331	763,140	-	-
Prepayments	7,645	3,963	-	-
Other receivables	273,988	238,692	3,147,309	3,175,075
Deferred tax assets	34,880	34,842	-	-
Derivative financial instruments	6,774	4,279	53	73
	22,064,145	20,536,741	4,949,969	4,979,193
CURRENT ASSETS				
Inventory	6,309	5,491	-	-
Properties held for sale	3,567,055	3,452,219	-	-
Prepaid land and development costs	157,933	76,038	-	-
Other prepayments	54,029	50,217	367	153
Trade and other receivables	463,819	478,582	256,563	219,583
Derivative financial instruments	5,089	604	226	90
Bank deposits	110,303	272,205	-	-
Cash and cash equivalents	1,631,715	2,137,275	38,361	45,432
	5,996,252	6,472,631	295,517	265,258
TOTAL ASSETS	28,060,397	27,009,372	5,245,486	5,244,451
CURRENT LIABILITIES				
Trade and other payables	1,587,520	1,611,206	212,528	205,498
Derivative financial instruments	3,248	15,051	-	2,090
Provision for taxation	179,716	159,656	11,405	11,405
Loans and borrowings	1,735,732	1,571,718	-	-
	3,506,216	3,357,631	223,933	218,993
NET CURRENT ASSETS	2,490,036	3,115,000	71,584	46,265
	24,554,181	23,651,741	5,021,553	5,025,458
NON-CURRENT LIABILITIES				
Other payables	137,455	130,910	964	985
Derivative financial instruments	81,536	87,703	34,033	36,726
Deferred tax liabilities	345,518	327,803	-	-
Loans and borrowings	10,978,566	10,056,126	-	-
	11,543,075	10,602,542	34,997	37,711
NET ASSETS	13,011,106	13,049,199	4,986,556	4,987,747
SHARE CAPITAL AND RESERVES				
Share capital	1,784,732	1,774,771	1,784,732	1,774,771
Retained earnings	5,683,954	5,590,746	3,007,492	3,014,352
Other reserves	(304,939)	(210,839)	194,332	198,624
Equity attributable to Owners of the Company	7,163,747	7,154,678	4,986,556	4,987,747
NON-CONTROLLING INTERESTS - Perpetual Securities	1,739,841	1,698,093	-	-
	8,903,588	8,852,771	4,986,556	4,987,747
NON-CONTROLLING INTERESTS - Others	4,107,518	4,196,428	-	-
TOTAL EQUITY	13,011,106	13,049,199	4,986,556	4,987,747

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 31/12/2017 \$'000	As at 30/9/2017 \$'000
Secured	1,196,845	978,299
Unsecured	538,887	593,419
	<u>1,735,732</u>	<u>1,571,718</u>

Amount repayable after one year

	As at 31/12/2017 \$'000	As at 30/9/2017 \$'000
Secured	1,994,378	2,072,690
Unsecured	8,984,188	7,983,436
	<u>10,978,566</u>	<u>10,056,126</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	
	1st quarter to 31/12/2017 \$'000	1st quarter to 31/12/2016 \$'000
<u>Cash Flow from Operating Activities</u>		
Profit after taxation	136,772	253,317
Adjustments for:		
Depreciation of property, plant and equipment	13,334	14,082
Fair value change on investment properties	(13,296)	-
Share of results of joint ventures and associates, net of tax	(30,072)	(23,735)
Amortisation of intangible assets	620	232
Loss on disposal of property, plant and equipment	21	5
(Write-back of)/allowance for doubtful trade receivables	(728)	17
Bad debts written off	137	3
Employee share-based expense	6,513	2,888
Gain on acquisitions of associates	-	(5,633)
Net fair value change on derivative financial instruments	(8,191)	(13,646)
Interest income	(7,765)	(11,062)
Interest expense	76,720	34,986
Tax expense	35,149	58,961
Exchange difference	(21,763)	9,454
Operating profit before working capital changes	<u>187,451</u>	<u>319,869</u>
Change in trade and other receivables	(54,372)	84,971
Change in trade and other payables	(38,067)	(181,254)
Change in properties held for sale	(249,444)	(169,320)
Change in inventory	(818)	(582)
Cash generated from operations	<u>(155,250)</u>	<u>53,684</u>
Income taxes paid	(9,470)	(2,035)
Net cash (used in)/generated from operating activities	<u>(164,720)</u>	<u>51,649</u>
<u>Cash Flow from Investing Activities</u>		
Acquisition of/development expenditure on investment properties	(168,012)	(190,398)
Purchase of property, plant and equipment	(13,548)	(274,866)
Proceeds from disposal of investment properties	14,586	-
Proceeds from disposal of property, plant and equipment	52	-
Net investments in/loans to joint ventures and associates	1,005	(37,690)
Repayments of loans from joint ventures and associates	26,000	8,344
Dividends from joint ventures and associates	200	37,209
Settlement of hedging instruments	(19,296)	(14,907)
Purchase of intangible assets	(1,051)	-
Interest received	3,531	7,110
Acquisitions of subsidiaries, net of cash acquired	(555,460)	-
Uplift of structured deposits	162,571	83,083
Net cash used in investing activities	<u>(549,422)</u>	<u>(382,115)</u>

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

	Group	
	1st quarter to 31/12/2017	1st quarter to 31/12/2016
	\$'000	\$'000
<u>Cash Flow from Financing Activities</u>		
Contributions from non-controlling interests of subsidiaries without change in control	4,182	210,724
Dividends paid to non-controlling interests	(87,804)	(83,735)
Proceeds from bank borrowings	841,617	284,637
Repayments of bank borrowings	(810,070)	(137,252)
Proceeds from issue of bonds/debentures, net of costs	324,415	-
Proceeds from issue of perpetual securities, net of costs	41,748	-
Distributions to perpetual securities holders	(2,243)	(2,243)
Write-back of perpetual securities issuance costs	-	20
Interest paid	(73,547)	(37,746)
Issuance costs	(80)	(2,420)
Repayment of amounts due to non-controlling interests	(9,214)	-
Net cash generated from financing activities	229,004	231,985
Net change in cash and cash equivalents	(485,138)	(98,481)
Cash and cash equivalents at beginning of period	2,135,745	1,728,197
Effects of exchange rate on opening cash	(20,896)	(5,212)
Cash and cash equivalents at end of period	1,629,711	1,624,504
Cash and cash equivalents at end of period:		
Fixed deposits, current	355,877	505,029
Cash and bank balances	1,275,838	1,120,198
	1,631,715	1,625,227
Bank overdraft, unsecured	(2,004)	(723)
Cash and cash equivalents at end of period	1,629,711	1,624,504
<u>Analysis of Acquisitions of Subsidiaries</u>		
Net assets acquired:		
Investment properties	1,387,160	-
Trade and other receivables	5,302	-
Trade and other payables	(26,123)	-
Loans and borrowings	(806,534)	-
Cash and cash equivalents	13,129	-
Fair value of net assets	572,934	-
Less: Non-controlling interests	(4,345)	-
Consideration paid in cash	568,589	-
Cash and cash equivalents of subsidiaries acquired	(13,129)	-
Cash flow on acquisition, net of cash and cash equivalents acquired	555,460	-

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								
3 months ended 31 December 2017								
Opening balance at 1 October 2017	1,774,771	5,590,746	(210,839)	7,154,678	1,698,093	8,852,771	4,196,428	13,049,199
Profit for the period	-	76,355	-	76,355	2,243	78,598	58,174	136,772
<u>Other comprehensive income</u>								
Net fair value change of cash flow hedges	-	-	3,039	3,039	-	3,039	808	3,847
Foreign currency translation	-	-	(88,332)	(88,332)	-	(88,332)	(49,585)	(137,917)
Share of other comprehensive income of joint ventures and associates	-	-	253	253	-	253	-	253
Other comprehensive income for the period	-	-	(85,040)	(85,040)	-	(85,040)	(48,777)	(133,817)
Total comprehensive income for the period	-	76,355	(85,040)	(8,685)	2,243	(6,442)	9,397	2,955
<u>Contributions by and distributions to owners</u>								
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)
<u>Changes in ownership interests in subsidiaries</u>								
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)
<u>Contributions by and distributions to perpetual securities holders</u>								
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	5,683,954	(304,939)	7,163,747	1,739,841	8,903,588	4,107,518	13,011,106

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
1st quarter ended 31 December 2016								
Opening balance at 1 October 2016	1,766,800	5,222,073	(327,733)	6,661,140	1,391,783	8,052,923	3,790,561	11,843,484
Profit for the period	-	187,031	-	187,031	2,243	189,274	64,043	253,317
<u>Other comprehensive income</u>								
Net fair value change of cash flow hedges	-	-	39,440	39,440	-	39,440	14,261	53,701
Foreign currency translation	-	-	16,311	16,311	-	16,311	(584)	15,727
Share of other comprehensive income of joint ventures and associates	-	-	471	471	-	471	-	471
Other comprehensive income for the period	-	-	56,222	56,222	-	56,222	13,677	69,899
Total comprehensive income for the period	-	187,031	56,222	243,253	2,243	245,496	77,720	323,216
<u>Contributions by and distributions to owners</u>								
Ordinary shares issued	7,971	-	(7,971)	-	-	-	-	-
Employee share-based expense	-	-	2,888	2,888	-	2,888	-	2,888
Dividend paid	-	-	-	-	-	-	(83,735)	(83,735)
Transfer to other reserves	-	(10,543)	10,543	-	-	-	-	-
Total contributions by and distributions to owners	7,971	(10,543)	5,460	2,888	-	2,888	(83,735)	(80,847)
<u>Changes in ownership interests in subsidiaries</u>								
Units issued to non-controlling interests	-	-	-	-	-	-	210,724	210,724
Issuance costs incurred by subsidiaries	-	(528)	-	(528)	-	(528)	(1,892)	(2,420)
Total changes in ownership interests in subsidiaries	-	(528)	-	(528)	-	(528)	208,832	208,304
Total transactions with owners in their capacity as owners	7,971	(11,071)	5,460	2,360	-	2,360	125,097	127,457
<u>Contributions by and distributions to perpetual securities holders</u>								
Write-back of issuance costs	-	-	-	-	20	20	-	20
Distributions to perpetual securities holders	-	-	-	-	(2,243)	(2,243)	-	(2,243)
Total contributions by and distributions to perpetual securities holders	-	-	-	-	(2,223)	(2,223)	-	(2,223)
Closing balance at 31 December 2016	1,774,771	5,398,033	(266,051)	6,906,753	1,391,803	8,298,556	3,993,378	12,291,934

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

	Share Capital \$'000	Retained Earnings \$'000	Other Reserves \$'000	Share-based Compensation Reserve \$'000	Dividend Reserve \$'000	Total Equity \$'000
Company						
1st quarter ended 31 December 2017						
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)
<u>Contributions by and distributions to owners</u>						
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

	Share Capital \$'000	Retained Earnings \$'000	Other Reserves \$'000	Hedging Reserve \$'000	Share-based Compensation Reserve \$'000	Dividend Reserve \$'000	Total Equity \$'000
Company							
1st quarter ended 31 December 2016							
Opening balance at 1 October 2016	1,766,800	3,033,213	202,100	3,700	18,600	179,800	5,002,113
Profit for the period	-	40,691	-	-	-	-	40,691
<u>Other comprehensive income</u>							
Net fair value change of cash flow hedges	-	-	(3,700)	(3,700)	-	-	(3,700)
Total comprehensive income for the period	-	40,691	(3,700)	(3,700)	-	-	36,991
<u>Contributions by and distributions to owners</u>							
Ordinary shares issued	7,971	-	(7,971)	-	(7,971)	-	-
Employee share-based expense	-	-	2,888	-	2,888	-	2,888
Total contributions by and distributions to owners	7,971	-	(5,083)	-	(5,083)	-	2,888
Closing balance at 31 December 2016	1,774,771	3,073,904	193,317	-	13,517	179,800	5,041,992

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.

	<u>Number of Shares</u>	
	<u>1st quarter to 31/12/2017</u>	<u>4th quarter to 30/09/2017</u>
Issued and fully paid:		
Ordinary shares:		
As at beginning of period	2,905,324,694	2,905,324,694
Issued during the period - pursuant to share plans	6,701,925	-
As at end of period	<u>2,912,026,619</u>	<u>2,905,324,694</u>
	<u>As at 31/12/2017</u>	<u>As at 31/12/2016</u>
The number of shares awarded conditionally under share plans as at the end of the period	<u>26,989,341</u>	<u>26,731,321</u>

The Company has no treasury shares as at 31 December 2017 and 31 December 2016.

As at 31 December 2017, the Company's issued and paid-up ordinary share capital was \$1,784,732,254 comprising 2,912,026,619 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 2,912,026,619 as at 31 December 2017 and 2,905,324,694 as at 30 September 2017.

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 December 2017. The Company has no treasury shares as at 31 December 2017.

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.

The consolidated financial statements of the Company and its subsidiaries (collectively, the "Group"), and the Group's interest in equity-accounted investees as at and for the period ended 31 December 2017 are prepared in accordance with Singapore Financial Reporting Standards.

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 2017.

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	
	1st quarter ended 31/12/2017	1st quarter ended 31/12/2016
Earnings per ordinary share ("EPS"):		
(a) Basic EPS (cents)		
- before fair value change and exceptional items	2.36	6.26
- after fair value change and exceptional items	2.63	6.45
Weighted average number of ordinary shares (millions)	2,906.2	2,900.7
(b) On a fully diluted basis (cents)		
- before fair value change and exceptional items	2.34	6.20
- after fair value change and exceptional items	2.60	6.39
Weighted average number of ordinary shares (millions)	2,933.2	2,927.4

EPS is calculated by dividing the Group's attributable profit (after adjusting for distributions to perpetual securities holders of \$508,000 (1st quarter ended 31 December 2016: \$484,000)) 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 (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 31/12/2017	As at 30/09/2017	As at 31/12/2017	As at 30/09/2017
Net asset value per ordinary share based on issued share capital	\$2.46	\$2.46	\$1.71	\$1.72

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 in and management of retail, commercial and industrial properties, hospitality assets and property trusts.

Profit Statement – 1st quarter ended 31 December 2017

Group revenue and profit before interest, fair value change, taxation and exceptional items ("PBIT") decreased by 24% and 31%, respectively, over the corresponding quarter last year to \$740 million and \$229 million, respectively.

The decrease was mainly due to the absence of significant sales and settlements of development projects from China in this current quarter, compared to the corresponding quarter last year.

Group attributable profit¹ decreased by 62% to \$69 million and basic earnings per share² based on weighted average number of ordinary shares on issue was 2.4 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 increased by 25% whilst PBIT decreased by 12%, to \$253 million and \$93 million, respectively.

The increase in revenue for Singapore SBU was mainly contributed by its residential properties. Revenue for its residential properties increased by 50% to \$146 million whilst PBIT declined by 17% to \$22 million. The increase in revenue was mainly attributable to progressive revenue from North Park Residences. PBIT, however, declined due to the absence of share of profit contributions from fully completed and sold joint venture projects this quarter. This decline was partially offset by profit contributions from North Park Residences.

Revenue for its commercial properties increased marginally by 2% to \$107 million whilst PBIT decreased by 3% to \$67 million. The decline was mainly due to lower PBIT contributions from Frasers Commercial Trust's ("FCOT") Singapore and Australia properties, which experienced lower occupancies and a weaker Australian dollar, respectively.

Australia SBU

Revenue for Australia SBU decreased by 4% to \$207 million whilst PBIT increased by 65% to \$65 million.

The decrease in revenue was mainly due to the lower level of completions and settlements of wholly-owned residential projects in this quarter.

PBIT, however, increased mainly due to share of profits of joint venture residential projects, namely Coorparoo Square in Queensland, Centrale in New South Wales and Life, Point Cook in Victoria.

Hospitality SBU

Revenue for Hospitality SBU increased by 2% to \$211 million, whilst PBIT decreased by 25% to \$37 million. The increase in revenue was mainly contributed by maiden revenue contribution from Capri by Fraser, Berlin which commenced operations in May 2017 and a full quarter's revenue from Frasers Hospitality Trust's Novotel Melbourne on Collins, acquired in October 2016.

The decrease in PBIT was largely due to the absence of a mark-to-market gain of \$11 million on a cross-currency interest rate swap recorded in the corresponding quarter last year. Excluding this foreign exchange

gain, PBIT would drop by 3%. Hospitality SBU recorded lower contributions from its properties in the United Kingdom ("UK") on weak consumer sentiments in the food and beverage segment.

Europe & rest of Asia

Revenue and PBIT for Europe & rest of Asia declined by 80% and 70% to \$69 million and \$42 million, respectively.

The decrease was mainly due to the absence of significant sales and settlements of development projects in China, where Phase 3C1 of Baitang One in Suzhou contributed revenue and PBIT of \$318 million and \$117 million, respectively, in the corresponding quarter last year.

This decline was partially mitigated by maiden contributions from Geneba Properties N. V. and from the recent acquisitions of four business parks in the UK.

Corporate & Others

Corporate & Others comprises mainly of corporate overheads.

PBIT was a net loss of \$8 million, compared to a loss of \$0.6 million in the corresponding quarter last year. The higher net loss was mainly due to higher overheads as the Group expands its global footprint. In the comparative quarter last year, favourable exchange movements offset much of these corporate overheads.

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 million to \$30 million. The increase came mainly from higher profit contributions from Property Development Plc and TICON Industrial Connection Public Company Limited, but these were partially offset by the absence of profit contributions from fully completed and sold Singapore joint venture projects.

Net Interest Expense

Net interest expense increased by \$45 million to \$69 million.

The increase in net interest expense corresponded with the higher debt positions compared to the corresponding quarter last year. In addition, the Group incurred costs on the redemption of \$75 million 7-year bonds and \$50 million 10-year bonds. Following the completion of Northpoint City (South Wing), interest expenses were henceforth recognised in the profit statement.

Tax

The Group's continued and increased presence in other jurisdictions such as Australia has resulted in an effective tax rate of 20.4% (1st quarter ended 31 December 2016: 18.9%), which is higher than the Singapore statutory rate of 17.0%.

Group Balance Sheet as at 31 December 2017

The increase in investment properties of \$1,483 million was mainly due to the acquisitions of four business parks in the UK for \$1,232 million, three properties in Germany for \$156 million and Coorparoo Square in Australia for \$44 million, as well as progressive development expenditure incurred on investment properties of \$106 million. This was partially offset by exchange re-alignment losses on Australian properties following the depreciation of the Australian Dollar.

The increase in properties held for sale of \$115 million was mainly due to progressive development expenditure for projects in Australia and China, and partially offset by cost recognition on settlement of completed units in the Sunbury Fields and Cove – Hope Island projects in Australia.

The increase in prepaid land and development costs of \$82 million was mainly attributable to the deposit of \$77 million placed for the acquisition of the land parcel at Jiak Kim street in Singapore.

The increase in loans and borrowings of \$1,086 million was mainly due to loans of \$848 million drawn down for the acquisition of properties in the UK and Germany, as well as the issuance of debentures and bonds totaling \$324 million. This increase was partially offset by the redemption of bonds of \$125 million.

Group Cash Flow Statement – 1st Quarter ended 31 December 2017

The net cash outflow from investing activities of \$549 million was mainly due to the 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 outflow from investing activities of \$382 million in the corresponding quarter last year was mainly due to acquisitions of/development expenditure on investment properties of \$190 million, purchase of property, plant and equipment of \$275 million, net investments in/loans to joint ventures and an associate of \$38 million. These were partially offset by proceeds from dividends from joint ventures and associates of \$37 million and proceeds from redemption of structured deposits upon maturity of \$83 million.

The net cash inflow from financing activities of \$229 million was mainly due to proceeds from the issuance of bonds and debentures of \$324 million. These were partially offset by dividends paid to non-controlling interests of \$88 million. The net cash outflow from financing activities of \$232 million in the corresponding quarter last year was mainly due to equity contributions from non-controlling interests of \$211 million and net proceeds from bank borrowings of \$147 million. These were partially offset by dividends paid to non-controlling interests of \$84 million and interest paid of \$38 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

According to advance estimates from MTI¹, the Singapore economy registered year-on-year growth of 3.1% in the fourth quarter of 2017, lower than the 5.4% in the previous quarter. For the whole of 2017, the economy grew by 3.5% which is in line with MTI's growth forecast. According to the MTI², global growth is expected to improve marginally and forecast economic growth to be 1.5% - 3.5% in 2018 for Singapore.

Transaction volumes improved for the Singapore private residential property market in 2017 with about 10,600 new private homes sold, which is about 33% more than the 8,000 units sold in 2016. The private residential property price index grew 0.8% in the December 2017 quarter, similar to the 0.7% growth in September 2017 quarter. For the whole of 2017, prices increased by 1.1%, compared to the 3.1% decline in 2016³. The increase in private home prices was driven by higher sales volumes, indicating a market recovery. Some industry experts expect private home prices to rise on the back of higher land prices transacted.

The Group secured the tender for a condominium land parcel at Jiak Kim Street for \$955.4 million in December 2017 and the site is expected to yield more than 550 residential units.

In the retail market, the Group's well-located suburban malls are expected to remain resilient. Northpoint City (South Wing) has commenced trading in December 2017, with more than 90% lease commitments for the entire Northpoint City.

In the office market, there are signs of rental recovery with stronger economic fundamentals. Frasers Tower, which is a Grade A CBD office, has achieved committed occupancy of over 70% and is expected to be completed in the first half of 2018.

Australia

In the residential market, price growth in Sydney and Melbourne is slowing. Perth continues to remain challenging given the weaker economic environment.

The residential division recorded sales of 249 units during 1Q FY18, mainly from projects in New South Wales, Victoria and Queensland. Approximately 270 units were launched for sale in 1Q FY18 with a further 2,230 units planned for release over the balance of the year.

¹ Ministry of Trade and Industry Singapore, 2 January 2018, "Singapore's GDP Grew by 3.1 Per Cent in the Fourth Quarter of 2017"

² Ministry of Trade and Industry Singapore, 23 November 2017, "MTI Forecasts GDP to Grow by 3.0 to 3.5 Per Cent in 2017 and 1.5 to 3.5 Per Cent in 2018"

³ Urban Redevelopment Authority, 26 January 2018, "Release of 4th Quarter 2017 real estate statistics"

In the industrial market, prime industrial vacancy rates remain low. Similarly in the office market, prime office vacancy rates are below long term averages.

The investment property portfolio continues to perform well with occupancies of 98.8% (Industrial) and 92.8% (Office). Two industrial sites were secured for development in 1Q FY18.

Hospitality

In Singapore, additional supply in hotel rooms is expected to slow down in 2018. In China, Beijing has benefited from a slower increase in new hotels and an increasing domestic demand. In Australia, Melbourne and Perth trading performance are expected to moderate. In Europe, weakening of the pound has attracted more leisure tourists to visit the UK whilst Germany continues to enjoy healthy occupancies as many of the cities are international business centres.

Frasers Hospitality continues to grow its portfolio of rooms under management by signing up new properties in Turkey, United Arab Emirates and Oman. Frasers Hospitality also added one new operating property in China to its current portfolio in 1Q FY18. As at 31 December 2017, Frasers Hospitality has equity interest in and/or manages over 16,000 units and has signed up over 8,000 units pending openings.

Europe & rest of Asia

The Group continues to increase its exposure geographically which is in line with the strategy to grow its global footprint in familiar markets and recurring earnings.

In the UK, growth in Gross Domestic Product in the third quarter of 2017 is 9.7% above the growth achieved in the pre-economic downturn peak in the first quarter of 2008⁴. In Germany and Netherlands, prime yields continue to compress in the industrial and logistics markets.

In the UK, the Group completed the acquisition of four business parks. The Group also, in a 50:50 joint venture with FCOT, completed the acquisition of Farnborough Business Park for approximately GBP174.6 million in January 2018. In Germany, the Group entered into a sale and purchase agreement for the acquisition of six cross-dock facilities for approximately EUR257 million.

Going forward

The Group will continue to grow its businesses and asset portfolio in a prudent manner across geographies and business segments. Diversifying earnings geographically, strengthening recurring income base, recycling of assets into its REITs, and improving capital productivity are central to the Group's strategy. In Singapore and Australia, the Group will maintain its efforts to replenish its landbank in a measured manner. In familiar markets in Europe and the rest of Asia, the Group will continue to explore prospects to deepen its presence by leveraging its core expertise across the Group. In addition, the Group will constantly evaluate its portfolio of assets for opportunities to unlock value via asset enhancement or repositioning efforts.

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

No dividend has been declared for the current financial period.

⁴ Office of National Statistics UK, 23 November 2017, "Second estimate of GDP: July to September 2017"

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 1 to the Letter to Shareholders dated 5 January 2017, was renewed at the 53rd Annual General Meeting of the Company held on 24 January 2017.

Particulars of interested person transactions for the period 1 October 2017 to 31 December 2017 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*	524

* 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

1. On 17 January 2018, Frasers Property Treasury Pte. Ltd. (formerly known as FCL Treasury Pte. Ltd.), a wholly-owned subsidiary of the Company, issued S\$300 million in aggregate principal amount of fixed rate subordinated perpetual securities under its S\$5.0 billion Multicurrency Debt Issuance Programme.
2. Frasers Property Holdco (Jersey) Limited, an indirect wholly-owned subsidiary of the Company, together with Frasers Commercial (UK) Sub. 1 Pte. Ltd., a wholly-owned subsidiary of FCOT, have, on 29 January 2018, each completed the acquisition of 50.0% of the total issued shares of HEREF Farnborough Limited, which holds full beneficial and legal title to the freehold property known as Farnborough Business Park, located at Farnborough, Thames Valley, west of London, the UK, for a purchase consideration of GBP174.6 million (approximately S\$314.8¹ million).
3. On 1 February 2018, Frasers Commercial Asset Management Ltd. (formerly known as Frasers Centrepoint Asset Management (Commercial) Ltd.), a wholly-owned subsidiary of the Company, as manager of FCOT, issued 67,567,000 new units in FCOT (the "New Units") in a private placement, at an issue price of S\$1.48 per New Unit.
4. On 2 February 2018, Frasers Hospitality Holdings Pte. Ltd. (formerly known as FCL (Fraser) Pte. Ltd.), a wholly-owned subsidiary of the Company, completed the acquisition of a land parcel located in Ginza, Tokyo, Japan, for the development of a new serviced residence, at a consideration of JPY 13.5 billion (approximately S\$161.7² million).

¹ Based on an exchange rate of GBP 1 : S\$1.8030 as at 11 December 2017.

² Based on an exchange rate of JPY 1 : S\$0.0120 as at 31 January 2018.

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 2017 to 31 December 2017 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
Fraser's Property Limited
Catherine Yeo
Company Secretary
8 February 2018