

Frasers Property Limited

(Formerly known as Frasers Centrepoint Limited)

Incorporated in Singapore

Company Registration No. 196300440G

RESULTS FOR YEAR ENDED 30 SEPTEMBER 2018 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 year ended 30 September 2018.

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

| | 30/09/2018 \$'000 | 30/09/2017 \$'000 | Inc/(Dec) % |
|--|----------------------|----------------------|----------------|
| REVENUE | 4,311,609 | 4,026,638 | 7.1% |
| Cost of sales | (2,891,564) | (2,842,908) | 1.7% |
| Gross Profit | 1,420,045 | 1,183,730 | 20.0% |
| Other income/(losses) | (4,331) | 8,871 | (148.8)% |
| Administrative expenses | (378,001) | (288,785) | 30.9% |
| TRADING PROFIT | 1,037,713 | 903,816 | 14.8% |
| Share of results of joint ventures and associates, net of tax | 240,959 | 185,229 | 30.1% |
| PROFIT BEFORE INTEREST, FAIR VALUE CHANGE, TAXATION AND EXCEPTIONAL ITEMS | 1,278,672 | 1,089,045 | 17.4% |
| Interest income | 36,205 | 32,495 | 11.4% |
| Interest expense | (316,325) | (153,519) | 106.0% |
| Net interest expense | (280,120) | (121,024) | 131.5% |
| PROFIT BEFORE FAIR VALUE CHANGE, TAXATION AND EXCEPTIONAL ITEMS | 998,552 | 968,021 | 3.2% |
| Fair value change on investment properties | 636,891 | 294,976 | 115.9% |
| PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS | 1,635,443 | 1,262,997 | 29.5% |
| Exceptional items | (158,523) | (14,974) | N/M |
| PROFIT BEFORE TAXATION | 1,476,920 | 1,248,023 | 18.3% |
| Taxation | (281,637) | (215,732) | 30.5% |
| PROFIT FOR THE YEAR | 1,195,283 | 1,032,291 | 15.8% |
| Attributable profit:- | | | |
| - Before fair value change and exceptional items | 507,219 | 488,245 | 3.9% |
| - Fair value change | 387,779 | 215,275 | 80.1% |
| - Exceptional items | (136,036) | (14,397) | N/M |
| | 758,962 | 689,123 | 10.1% |
| Non-controlling interests | 436,321 | 343,168 | 27.1% |
| PROFIT FOR THE YEAR | 1,195,283 | 1,032,291 | 15.8% |

N/M = Not Meaningful

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

| | 30/09/2018 \$'000 | 30/09/2017 \$'000 | Inc/(Dec) % |
|---|----------------------|----------------------|----------------|
| Other items of expenses | | | |
| Included in other items of expenses are: | | | |
| Allowance for doubtful trade receivables | (1,962) | (2,111) | (7.1)% |
| Write-back of allowance for doubtful trade receivables | 2,059 | 2,642 | (22.1)% |
| Bad debts written off | (34) | (44) | (22.7)% |
| Depreciation of property, plant and equipment | (55,766) | (56,908) | (2.0)% |
| Property, plant and equipment written off | - | (2,084) | N/M |
| Amortisation of intangible assets | (2,961) | (1,630) | 81.7% |
| Write-down to net realisable value of properties held for sale | (30,685) | - | N/M |
| Employee share-based expense | (18,880) | (17,297) | 9.2% |
| Other income/(losses) | | | |
| Included in other income/(losses) are: | | | |
| Net fair value change on derivative financial instruments | 36,787 | 659 | N/M |
| Foreign exchange (loss)/gain | (44,527) | 4,815 | N/M |
| Gain/(loss) on disposal of property, plant and equipment | 83 | (544) | N/M |
| Taxation | | | |
| Overprovision in prior years taxation | 3,476 | 9,260 | (62.5)% |
| Exceptional items | | | |
| Write-back of/(transaction costs) on acquisitions of subsidiaries | 236 | (20,801) | N/M |
| Non-capitalisable expenses in relation to the acquisitions of properties | - | (748) | N/M |
| Gain on acquisitions of associates | - | 6,575 | N/M |
| Gain on acquisitions of subsidiaries | 17,947 | - | N/M |
| Loss on disposal of an associate | (20,383) | - | N/M |
| Impairment of intangible assets | (156,323) | - | N/M |
| | (158,523) | (14,974) | |
| Profit before interest, fair value change, taxation and exceptional items as a percentage of revenue | 29.7% | 27.0% | |

N/M = Not Meaningful

1(a)(iii) STATEMENT OF COMPREHENSIVE INCOME

| | Group | |
|---|-------------------|-------------------|
| | 30/09/2018 | 30/09/2017 |
| | \$'000 | \$'000 |
| PROFIT FOR THE YEAR | 1,195,283 | 1,032,291 |
| OTHER COMPREHENSIVE INCOME | | |
| Items that may be reclassified subsequently to profit statement: | | |
| Net fair value change of cash flow hedges | 27,102 | 38,499 |
| Foreign currency translation | (400,051) | 116,270 |
| Share of other comprehensive income of joint ventures and associates | 1,372 | (1,685) |
| Other comprehensive income for the year, net of tax | (371,577) | 153,084 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 823,706 | 1,185,375 |
| PROFIT FOR THE YEAR | | |
| Attributable to:- | | |
| Shareholders of the Company | 679,691 | 623,836 |
| Holders of perpetual securities | 82,670 | 68,730 |
| Non-controlling interests ¹ | 432,922 | 339,725 |
| | 1,195,283 | 1,032,291 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | |
| Attributable to:- | | |
| Shareholders of the Company | 442,992 | 729,514 |
| Holders of perpetual securities | 82,670 | 68,730 |
| Non-controlling interests ¹ | 298,044 | 387,131 |
| | 823,706 | 1,185,375 |

¹ after adjusting for non-controlling interests' share of distributions to perpetual securities holders of \$3,399,000 (2017: \$3,443,000).

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 30/09/2018 \$'000 | As at 30/09/2017 \$'000 | As at 30/09/2018 \$'000 | As at 30/09/2017 \$'000 |
| NON-CURRENT ASSETS | | | | |
| Investment properties | 20,644,479 | 15,817,282 | 1,600 | 1,500 |
| Property, plant and equipment | 2,116,054 | 2,240,724 | - | 1 |
| Investments in: | | | | |
| - Subsidiaries | - | - | 1,183,048 | 1,799,896 |
| - Joint ventures | 222,729 | 265,561 | 500 | 500 |
| - Associates | 969,824 | 1,166,096 | - | - |
| Financial assets | 8,475 | 2,162 | 2,148 | 2,148 |
| Intangible assets | 700,578 | 763,140 | - | - |
| Prepayments | 5,793 | 3,963 | - | - |
| Other receivables | 385,824 | 238,692 | 3,812,370 | 3,175,075 |
| Deferred tax assets | 60,803 | 34,842 | - | - |
| Derivative financial instruments | 29,830 | 4,279 | 8,509 | 73 |
| | 25,144,389 | 20,536,741 | 5,008,175 | 4,979,193 |
| CURRENT ASSETS | | | | |
| Inventory | 4,752 | 5,491 | - | - |
| Properties held for sale | 4,156,966 | 3,452,219 | - | - |
| Prepaid land and development costs | 353 | 76,038 | - | - |
| Other prepayments | 54,660 | 50,217 | 721 | 153 |
| Trade and other receivables | 463,901 | 478,582 | 402,292 | 219,583 |
| Derivative financial instruments | 10,727 | 604 | 1,431 | 90 |
| Bank deposits | 448,743 | 272,205 | - | - |
| Cash and cash equivalents | 2,136,448 | 2,137,275 | 8,514 | 45,432 |
| | 7,276,550 | 6,472,631 | 412,958 | 265,258 |
| TOTAL ASSETS | 32,420,939 | 27,009,372 | 5,421,133 | 5,244,451 |
| CURRENT LIABILITIES | | | | |
| Trade and other payables | 1,929,873 | 1,611,206 | 342,688 | 205,498 |
| Derivative financial instruments | 12,194 | 15,051 | 6,938 | 2,090 |
| Provision for taxation | 201,756 | 159,656 | 11,830 | 11,405 |
| Loans and borrowings | 2,642,943 | 1,571,718 | - | - |
| | 4,786,766 | 3,357,631 | 361,456 | 218,993 |
| NET CURRENT ASSETS | 2,489,784 | 3,115,000 | 51,502 | 46,265 |
| | 27,634,173 | 23,651,741 | 5,059,677 | 5,025,458 |
| NON-CURRENT LIABILITIES | | | | |
| Other payables | 154,553 | 130,910 | 8,754 | 985 |
| Derivative financial instruments | 35,943 | 87,703 | 7,384 | 36,726 |
| Deferred tax liabilities | 532,396 | 327,803 | - | - |
| Loans and borrowings | 12,283,207 | 10,056,126 | - | - |
| | 13,006,099 | 10,602,542 | 16,138 | 37,711 |
| NET ASSETS | 14,628,074 | 13,049,199 | 5,043,539 | 4,987,747 |
| SHARE CAPITAL AND RESERVES | | | | |
| Share capital | 1,784,732 | 1,774,771 | 1,784,732 | 1,774,771 |
| Retained earnings | 6,015,778 | 5,590,746 | 3,056,544 | 3,014,352 |
| Other reserves | (438,459) | (210,839) | 202,263 | 198,624 |
| Equity attributable to Owners of the Company | 7,362,051 | 7,154,678 | 5,043,539 | 4,987,747 |
| NON-CONTROLLING INTERESTS - Perpetual securities | 2,037,819 | 1,698,093 | - | - |
| | 9,399,870 | 8,852,771 | 5,043,539 | 4,987,747 |
| NON-CONTROLLING INTERESTS - Others | 5,228,204 | 4,196,428 | - | - |
| TOTAL EQUITY | 14,628,074 | 13,049,199 | 5,043,539 | 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 30/09/2018 \$'000 | As at 30/09/2017 \$'000 |
|-----------|--|--|
| Secured | 1,198,352 | 978,299 |
| Unsecured | 1,444,591 | 593,419 |
| | <u>2,642,943</u> | <u>1,571,718</u> |

Amount repayable after one year

| | As at 30/09/2018 \$'000 | As at 30/09/2017 \$'000 |
|-----------|--|--|
| Secured | 3,091,479 | 2,072,690 |
| Unsecured | 9,191,728 | 7,983,436 |
| | <u>12,283,207</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 | |
|---|----------------------|----------------------|
| | 30/09/2018 \$'000 | 30/09/2017 \$'000 |
| <u>Cash Flow from Operating Activities</u> | | |
| Profit after taxation | 1,195,283 | 1,032,291 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 55,766 | 56,908 |
| Fair value change on investment properties | (636,891) | (294,976) |
| Share of results of joint ventures and associates, net of tax | (240,959) | (185,229) |
| Amortisation of intangible assets | 2,961 | 1,630 |
| Impairment of intangible assets | 156,323 | - |
| (Gain)/loss on disposal of property, plant and equipment | (83) | 544 |
| Write-back of allowance for doubtful trade receivables | (97) | (531) |
| Bad debts written off | 34 | 44 |
| Write-down to net realisable value of properties held for sale | 30,685 | - |
| Employee share-based expense | 18,880 | 17,297 |
| Gain on acquisition of subsidiaries | (17,947) | - |
| Gain on acquisitions of associates | - | (6,575) |
| Loss on disposal of an associate | 20,383 | - |
| Net fair value change on derivative financial instruments | (36,787) | (659) |
| Interest income | (36,205) | (32,495) |
| Interest expense | 316,325 | 153,519 |
| Tax expense | 281,637 | 215,732 |
| Exchange difference | (113,133) | 16,110 |
| Operating profit before working capital changes | 996,175 | 973,610 |
| Change in trade and other receivables | (107,219) | 41,911 |
| Change in trade and other payables | 287,702 | (350,466) |
| Change in properties held for sale | (531,440) | 447,140 |
| Change in inventory | 739 | 233 |
| Cash generated from operations | 645,957 | 1,112,428 |
| Income taxes paid | (153,383) | (167,867) |
| Net cash generated from operating activities | 492,574 | 944,561 |
| <u>Cash Flow from Investing Activities</u> | | |
| Acquisition of/development expenditure on investment properties | (1,334,735) | (830,325) |
| Purchase of property, plant and equipment | (83,742) | (52,350) |
| Proceeds from disposal of investment properties | 476,512 | - |
| Proceeds from disposal of property, plant and equipment | 774 | 2,373 |
| Net investments in/loans to joint ventures and associates | (55,745) | (543,466) |
| Repayments of loans from joint ventures and associates | 39,000 | 127,403 |
| Dividends from joint ventures and associates | 197,312 | 160,074 |
| Settlement of hedging instruments | (34,697) | 19,989 |
| Purchase of financial assets | (6,302) | - |
| Purchase of intangible assets | (5,696) | (11,083) |
| Interest received | 31,576 | 46,010 |
| Acquisitions of subsidiaries, net of cash acquired | (893,907) | (736,358) |
| Acquisitions of non-controlling interests | (156,899) | (75,188) |
| (Placements)/uplift of structured deposits | (183,345) | 164,135 |
| Net cash used in investing activities | (2,009,894) | (1,728,786) |

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

| | Group | |
|--|-------------------|-------------------|
| | 30/09/2018 | 30/09/2017 |
| | \$'000 | \$'000 |
| <u>Cash Flow from Financing Activities</u> | | |
| Contributions from non-controlling interests of subsidiaries without change in control | 489,522 | 301,650 |
| Dividends paid to non-controlling interests | (270,218) | (294,053) |
| Dividends paid to shareholders | (250,435) | (249,858) |
| Proceeds from bank borrowings | 4,034,230 | 2,471,068 |
| Repayments of bank borrowings | (2,898,574) | (2,100,491) |
| Proceeds from issue of bonds/debentures, net of costs | 523,240 | 966,644 |
| Proceeds from issue of perpetual securities, net of costs | 339,726 | 306,310 |
| Distributions to perpetual securities holders | (82,670) | (68,730) |
| Interest paid | (309,185) | (150,317) |
| Issuance costs | (6,869) | (3,723) |
| Repayment of amounts due to non-controlling interests | (9,214) | - |
| Proceeds from issue of shares by a subsidiary to non-controlling interests | - | 1,159 |
| Net cash generated from financing activities | 1,559,553 | 1,179,659 |
| Net change in cash and cash equivalents | 42,233 | 395,434 |
| Cash and cash equivalents at beginning of year | 2,135,745 | 1,728,197 |
| Effects of exchange rate on opening cash | (44,759) | 12,114 |
| Cash and cash equivalents at end of year | 2,133,219 | 2,135,745 |
| Cash and cash equivalents at end of year: | | |
| Fixed deposits, current | 878,567 | 804,074 |
| Cash and bank balances | 1,257,881 | 1,333,201 |
| | 2,136,448 | 2,137,275 |
| Bank overdraft, unsecured | (3,229) | (1,530) |
| Cash and cash equivalents at end of year | 2,133,219 | 2,135,745 |
| <u>Analysis of Acquisitions of Subsidiaries</u> | | |
| Net assets acquired: | | |
| Investment properties | 3,714,936 | 990,979 |
| Property, plant and equipment | 5,384 | 247,380 |
| Investments in joint ventures and associates | 261,330 | - |
| Intangible assets | 68,735 | 433 |
| Properties held for sale | 1,723 | 25,322 |
| Non-current assets | 11 | - |
| Inventories | - | 45 |
| Trade and other receivables | 49,114 | 12,957 |
| Trade and other payables | (85,887) | (38,139) |
| Provision for taxation | (683) | - |
| Loans and borrowings | (1,801,401) | (434,923) |
| Deferred tax liabilities | (108,954) | (16,098) |
| Cash and cash equivalents | 373,627 | 24,315 |
| Fair value of net assets | 2,477,935 | 812,271 |
| Less: Non-controlling interests | (679,397) | (97,798) |
| Less: Amounts previously accounted for as investment in an associate | (587,961) | - |
| Less: Deposits paid | - | (24,691) |
| Add: Acquisition-related costs capitalised in property, plant and equipment | - | 14,130 |
| Gain on acquisitions of subsidiaries | (17,947) | - |
| Loss on disposal of an associate | 20,383 | 56,761 |
| Goodwill on acquisition of subsidiaries | 54,521 | - |
| Consideration paid in cash | 1,267,534 | 760,673 |
| Cash and cash equivalents of subsidiaries acquired | (373,627) | (24,315) |
| Cash flow on acquisitions, net of cash and cash equivalents acquired | 893,907 | 736,358 |

- 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 2018 | | | | | | | | |
| 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 year | - | 679,691 | - | 679,691 | 82,670 | 762,361 | 432,922 | 1,195,283 |
| <u>Other comprehensive income</u> | | | | | | | | |
| Net fair value change of cash flow hedges | - | - | 24,811 | 24,811 | - | 24,811 | 2,291 | 27,102 |
| Foreign currency translation | - | - | (262,882) | (262,882) | - | (262,882) | (137,169) | (400,051) |
| Share of other comprehensive income of joint ventures and associates | - | - | 1,372 | 1,372 | - | 1,372 | - | 1,372 |
| Other comprehensive income for the year | - | - | (236,699) | (236,699) | - | (236,699) | (134,878) | (371,577) |
| Total comprehensive income for the year | - | 679,691 | (236,699) | 442,992 | 82,670 | 525,662 | 298,044 | 823,706 |
| <u>Contributions by and distributions to owners</u> | | | | | | | | |
| Ordinary shares issued | 9,961 | - | (9,961) | - | - | - | - | - |
| Employee share-based expense | - | - | 13,185 | 13,185 | - | 13,185 | - | 13,185 |
| Dividend paid | - | (70,305) | (180,130) | (250,435) | - | (250,435) | (270,218) | (520,653) |
| Dividend proposed | - | (180,545) | 180,545 | - | - | - | - | - |
| Transfer to other reserves | - | (10,280) | 10,280 | - | - | - | - | - |
| Total contributions by and distributions to owners | 9,961 | (261,130) | 13,919 | (237,250) | - | (237,250) | (270,218) | (507,468) |
| <u>Changes in ownership interests in subsidiaries</u> | | | | | | | | |
| Units issued to non-controlling interests | - | - | - | - | - | - | 489,522 | 489,522 |
| Acquisitions of subsidiaries with non-controlling interests | - | - | - | - | - | - | 679,397 | 679,397 |
| Change in interests in subsidiaries without change in control | - | 7,963 | (4,840) | 3,123 | - | 3,123 | (159,592) | (156,469) |
| Issuance costs incurred by subsidiaries | - | (1,492) | - | (1,492) | - | (1,492) | (5,377) | (6,869) |
| Total changes in ownership interests in subsidiaries | - | 6,471 | (4,840) | 1,631 | - | 1,631 | 1,003,950 | 1,005,581 |
| Total transactions with owners in their capacity as owners | 9,961 | (254,659) | 9,079 | (235,619) | - | (235,619) | 733,732 | 498,113 |
| <u>Contributions by and distributions to perpetual securities holders</u> | | | | | | | | |
| Issue of perpetual securities, net of costs | - | - | - | - | 339,726 | 339,726 | - | 339,726 |
| Distributions to perpetual securities holders | - | - | - | - | (82,670) | (82,670) | - | (82,670) |
| Total contributions by and distributions to perpetual securities holders | - | - | - | - | 257,056 | 257,056 | - | 257,056 |
| Closing balance at 30 September 2018 | 1,784,732 | 6,015,778 | (438,459) | 7,362,051 | 2,037,819 | 9,399,870 | 5,228,204 | 14,628,074 |

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 |
|---|----------------------------|--------------------------------|-----------------------------|---|---|-----------------|--|------------------------|
| 2017 | | | | | | | | |
| 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 year | - | 623,836 | - | 623,836 | 68,730 | 692,566 | 339,725 | 1,032,291 |
| <u>Other comprehensive income</u> | | | | | | | | |
| Net fair value change of cash flow hedges | - | - | 28,337 | 28,337 | - | 28,337 | 10,162 | 38,499 |
| Foreign currency translation | - | - | 79,026 | 79,026 | - | 79,026 | 37,244 | 116,270 |
| Share of other comprehensive income of joint ventures and associates | - | - | (1,685) | (1,685) | - | (1,685) | - | (1,685) |
| Other comprehensive income for the year | - | - | 105,678 | 105,678 | - | 105,678 | 47,406 | 153,084 |
| Total comprehensive income for the year | - | 623,836 | 105,678 | 729,514 | 68,730 | 798,244 | 387,131 | 1,185,375 |
| <u>Contributions by and distributions to owners</u> | | | | | | | | |
| Ordinary shares issued | 7,971 | - | (7,971) | - | - | - | - | - |
| Employee share-based expense | - | - | 7,865 | 7,865 | - | 7,865 | - | 7,865 |
| Dividend paid | - | (70,058) | (179,800) | (249,858) | - | (249,858) | (294,942) | (544,800) |
| Dividend proposed | - | (180,130) | 180,130 | - | - | - | - | - |
| Transfer to other reserves | - | (12,248) | 12,248 | - | - | - | - | - |
| Total contributions by and distributions to owners | 7,971 | (262,436) | 12,472 | (241,993) | - | (241,993) | (294,942) | (536,935) |
| <u>Changes in ownership interests in subsidiaries</u> | | | | | | | | |
| Units issued to non-controlling interests | - | - | - | - | - | - | 301,650 | 301,650 |
| Acquisitions of subsidiaries with non-controlling interests | - | - | - | - | - | - | 97,798 | 97,798 |
| Change in interests in subsidiaries without change in control | - | 8,099 | (1,256) | 6,843 | - | 6,843 | (82,873) | (76,030) |
| Issuance costs incurred by subsidiaries | - | (826) | - | (826) | - | (826) | (2,897) | (3,723) |
| Total changes in ownership interests in subsidiaries | - | 7,273 | (1,256) | 6,017 | - | 6,017 | 313,678 | 319,695 |
| Total transactions with owners in their capacity as owners | 7,971 | (255,163) | 11,216 | (235,976) | - | (235,976) | 18,736 | (217,240) |
| <u>Contributions by and distributions to perpetual securities holders</u> | | | | | | | | |
| Issue of perpetual securities, net of costs | - | - | - | - | 306,310 | 306,310 | - | 306,310 |
| Distributions to perpetual securities holders | - | - | - | - | (68,730) | (68,730) | - | (68,730) |
| Total contributions by and distributions to perpetual securities holders | - | - | - | - | 237,580 | 237,580 | - | 237,580 |
| Closing balance at 30 September 2017 | 1,774,771 | 5,590,746 | (210,839) | 7,154,678 | 1,698,093 | 8,852,771 | 4,196,428 | 13,049,199 |

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 2018 | | | | | | |
| Opening balance at 1 October 2017 | 1,774,771 | 3,014,352 | 198,624 | 18,494 | 180,130 | 4,987,747 |
| Profit for the year | - | 293,042 | - | - | - | 293,042 |
| Total comprehensive income for the year | - | 293,042 | - | - | - | 293,042 |
| <u>Contributions by and distributions to owners</u> | | | | | | |
| Ordinary shares issued | 9,961 | - | (9,961) | (9,961) | - | - |
| Employee share-based expense | - | - | 13,185 | 13,185 | - | 13,185 |
| Dividend paid | - | (70,305) | (180,130) | - | (180,130) | (250,435) |
| Dividend proposed | - | (180,545) | 180,545 | - | 180,545 | - |
| Total contributions by and distributions to owners | 9,961 | (250,850) | 3,639 | 3,224 | 415 | (237,250) |
| Closing balance at 30 September 2018 | 1,784,732 | 3,056,544 | 202,263 | 21,718 | 180,545 | 5,043,539 |

| | Share Capital \$'000 | Retained Earnings \$'000 | Other Reserves \$'000 | Share-based Hedging Reserve \$'000 | Share-based Compensation Reserve \$'000 | Dividend Reserve \$'000 | Total Equity \$'000 |
|---|----------------------------|--------------------------------|-----------------------------|---|--|-------------------------------|------------------------|
| Company 2017 | | | | | | | |
| 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 year | - | 231,327 | - | - | - | - | 231,327 |
| <u>Other comprehensive income</u> | | | | | | | |
| Net fair value change of cash flow hedges | - | - | (3,700) | (3,700) | - | - | (3,700) |
| Total comprehensive income for the year | - | 231,327 | (3,700) | (3,700) | - | - | 227,627 |
| <u>Contributions by and distributions to owners</u> | | | | | | | |
| Ordinary shares issued | 7,971 | - | (7,971) | - | (7,971) | - | - |
| Employee share-based expense | - | - | 7,865 | - | 7,865 | - | 7,865 |
| Dividend paid | - | (70,058) | (179,800) | - | - | (179,800) | (249,858) |
| Dividend proposed | - | (180,130) | 180,130 | - | - | 180,130 | - |
| Total contributions by and distributions to owners | 7,971 | (250,188) | 224 | - | (106) | 330 | (241,993) |
| Closing balance at 30 September 2017 | 1,774,771 | 3,014,352 | 198,624 | - | 18,494 | 180,130 | 4,987,747 |

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> | |
|---|---------------------------------|---------------------------------|
| | 4th Quarter ended 30/09/2018 | 3rd Quarter ended 30/06/2018 |
| Issued and fully paid: | | |
| Ordinary shares: | | |
| As at beginning and end of period | 2,912,026,619 | 2,912,026,619 |
| | <u>As at 30/09/2018</u> | <u>As at 30/09/2017</u> |
| The number of shares awarded conditionally under FPL Restricted Share Plan and FPL Performance Share Plan as at the end of the year | 25,936,295 | 26,052,846 |

The Company does not have any treasury shares as at 30 September 2018 and as at 30 September 2017.

As at 30 September 2018, the Company's issued and paid-up ordinary share capital is \$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 30 September 2018 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 year ended 30 September 2018. The Company does not have any treasury shares as at 30 September 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.

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 year ended 30 September 2018 are prepared in accordance with Singapore Financial Reporting Standards.

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting year 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 | |
|---|------------|------------|
| | 30/09/2018 | 30/09/2017 |
| Earnings per ordinary share ("EPS"): | | |
| (a) Basic earnings per share (cents) | | |
| - before fair value change and exceptional items | 14.70 | 14.56 |
| - after fair value change and exceptional items | 23.35 | 21.48 |
| Weighted average number of ordinary shares (millions) | 2,910.6 | 2,904.2 |
| (b) On a fully diluted basis (cents) | | |
| - before fair value change and exceptional items | 14.57 | 14.43 |
| - after fair value change and exceptional items | 23.15 | 21.29 |
| Weighted average number of ordinary shares (millions) | 2,936.5 | 2,930.2 |

Earnings per ordinary share is calculated by dividing the Group's attributable profit (after adjusting for distributions to perpetual securities holders of \$79,271,000 (2017: \$65,287,000)) by the weighted number of ordinary shares in issue during the financial year. 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 30/09/2018 | As at 30/09/2017 | As at 30/09/2018 | As at 30/09/2017 |
| Net asset value per ordinary share based on issued share capital | \$2.53 | \$2.46 | \$1.73 | \$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) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

REVIEW OF PERFORMANCE

The principal activities of the Group are:-

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

Pursuant to the acquisitions of additional equity interests in TICON Industrial Connection Public Company Limited ("TICON") during the financial year, the Group's deemed interest in TICON has increased from 40.95% to 89.46% of the share capital of TICON. Consequently, TICON is reclassified from an associate to a subsidiary and henceforth consolidated with effect from 2 April 2018.

Profit Statement – Financial Year Ended 30 September 2018

Group revenue and profit before interest, fair value change, taxation and exceptional items ("PBIT") increased by 7% and 17%, respectively, over the last year to \$4,312 million and \$1,279 million, respectively. Excluding the share of joint ventures' and associates' fair value change, PBIT increased by 21% to \$1,236 million. Excluding the share of results of joint ventures and associates, PBIT would have increased by 15% to \$1,038 million.

The increases were largely attributable to the timing of sales settlements of development projects in Singapore and Australia and maiden contributions from the business parks in the United Kingdom (the "UK").

Fair value gains of \$637 million were recorded on the Group's investment properties.

Group attributable profit¹ increased by 4% to \$507 million and basic earnings per share² based on weighted average number of ordinary shares on issue was 14.7 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 Strategic Business Unit ("SBU")

Revenue and PBIT for Singapore SBU increased by 58% and 18% to \$1,357 million and \$481 million, respectively.

Revenue for Singapore retail & commercial properties grew 9% to \$470 million while PBIT decreased by 4% to \$337 million. Excluding the share of fair value change of joint ventures and associates, PBIT grew by 6% to \$323 million. The increases were mainly attributed to the commencement of operations at the newly completed south wing of Northpoint City as well as higher occupancies at the north wing following the completion of the asset enhancement initiatives.

These gains were partially offset by lower contributions from Frasers Commercial Trust's ("FCOT") Singapore and Australia properties, which experienced lower occupancies as well as impact from a weaker Australian dollar.

Singapore residential properties reported higher revenue and PBIT by \$467 million and \$92 million to \$879 million and \$147 million, respectively. The higher revenue and PBIT were largely attributable to the profit recognition on the settlements of Parc Life Executive Condominium and progressive development profit recognition from Seaside Residences.

Australia SBU

Revenue for Australia SBU decreased by 4% to \$1,576 million while PBIT increased by 24% to \$358 million. Excluding the share of results of joint venture and associates, PBIT increased by 10% to \$317 million.

Revenue and PBIT for Australia residential properties decreased by 7% to \$1,189m while PBIT increased by 43% to \$145m. The decrease in revenue was mainly due to the lumpiness of sales settlements of residential projects. The decrease was partially mitigated by better profit margins at Tailor's Walk in Botany, Discovery Point in Wollri Creek and Fairwater in Blacktown, New South Wales, Hamilton Reach in Hamilton, Queensland, and Avondale in Avondale Heights, Victoria.

Revenue and PBIT for Australia commercial and industrial, retail, and investment properties, remained fairly consistent with last year.

Revenue and PBIT for Frasers Logistics and Industrial Trust ("FLT") increased by 15% and 11% to \$199 million and \$143 million, respectively, mainly due to the acquisition of 21 properties in Germany and the Netherlands during the year.

Hospitality SBU

Revenue for Hospitality SBU remained fairly consistent at \$802 million (2017: \$807 million) while PBIT decreased by 15% from \$154 million to \$131 million.

The negative PBIT variance was partly due to the absence of a mark-to-market gain on Frasers Hospitality Trust's Japanese Yen-Singapore Dollar cross currency interest swap of \$13 million last year. PBIT further decreased on lower technical fee income due to timing of fees related to the progress of new projects, coupled with the absence of termination fees and acquisition fees earned last year.

Europe & rest of Asia

Revenue decreased by 20% to \$576 million while PBIT increased by 34% to \$366 million. Excluding the share of associates' fair value changes, PBIT increased by 36% to \$337 million.

PBIT increased mainly due to maiden contributions from the business parks in the UK, full year's profits from the logistics and industrial parks in continental Europe, as well as increased profit contributions from TICON, following the acquisition of additional equity interests during the year.

PBIT was further boosted by higher sales settlements in development projects by the Group's associates' in China and Thailand.

Corporate & Others

Corporate & Others mainly comprises corporate overheads.

Revenue remained relatively unchanged but PBIT recorded a higher net loss of \$57 million (2017: \$38 million). This was largely due to higher corporate overheads, mainly arising from the Group's growth plans.

B. Other Key Profit Statement Items

Share of Results of Joint Ventures and Associates

Share of results of joint ventures and associates increased by 30% to \$241 million. Excluding the share of fair value change, share of net profits increased by 73% to \$199 million.

The increase was mainly due to higher contributions from joint ventures' and associates' residential projects in Thailand, China, Singapore, and Australia.

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

Net Interest Expense

Net interest expense increased by \$159 million to \$280 million.

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

Exceptional Items ("EI")

EI was a net loss of \$159 million, compared to a net loss of \$15 million last year.

The net loss of \$159 million mainly comprised the impairment of brands and goodwill of \$156 million in the Hospitality SBU as business sentiment shifted due to Brexit uncertainties.

Tax

The Group's continued expansion in higher tax jurisdictions including the UK, the Netherlands and Germany during the current financial year has resulted in a higher effective tax rate of 19.1% (2017: 17.3%) than last year's as well as the Singapore statutory tax rate of 17%.

Group Balance Sheet as at 30 September 2018

The increase in investment properties of \$4,827 million was mainly due to (a) the addition of investment properties of \$1,608 million upon the consolidation of TICON; the acquisitions of (b) six business parks in the UK for \$1,636 million; (c) logistics and industrial properties in continental Europe for \$996 million; (d) a retail hub in Australia for \$42 million; and (e) land in Japan for the development of serviced apartments for \$167 million; (f) progressive development expenditure incurred on investment properties of \$503 million and (g) net fair value gains of \$637 million. These were partially offset by the divestments of an office building in Singapore for \$217 million, a portfolio of factory and warehouse properties in Thailand for \$71 million, four commercial and industrial properties in Australia for \$123 million and three industrial properties in continental Europe of \$66 million, as well as currency re-alignment losses of \$341 million.

The decrease in property, plant and equipment of \$125 million was mainly due to the reclassification of a serviced apartment in Australia to investment properties.

The decrease in investments in joint ventures and associates of \$239 million was mainly due to the reclassification of the investment in TICON from an associate to a subsidiary upon the acquisition of additional equity interests in TICON, as well as dividends received from joint ventures and

associates of \$197 million. This decrease was partially mitigated by the share of results from joint ventures and associates of \$199 million and share of joint ventures' and associates' net fair value gains of \$42 million.

The decrease in intangible assets of \$63 million was mainly due to the impairment of brands and goodwill of \$156 million, partially offset by management contracts of \$68 million on the step-up acquisition of TICON and provisional goodwill of \$44 million on the acquisition of subsidiaries in continental Europe.

The increase in properties held for sale of \$705 million was mainly due to the completion of the acquisition of the land parcel and development expenditure at Jiak Kim Street in Singapore of approximately \$1 billion and progressive development expenditure for projects in Australia. The increase was partially offset by cost recognition on settlements of completed units in the Tailor's Walk – Botany, Discovery Point and Fairwater – Ashlar projects in New South Wales, Australia, Northshore – Hamilton in Queensland, Australia, and Avondale Heights in Victoria, Australia, and settlements of Parc Life Executive Condominium in Singapore.

The increase in trade and other receivables of \$132 million was mainly due to sales proceeds receivable upon the completion of Parc Life Executive Condominium and goods and services tax recoverable on the acquisition of the land parcel at Jiak Kim.

The increase in trade and other payables of \$342 million was mainly due to higher amounts due to an associate in China. This increase was partially offset by the settlement of land vendor liabilities in Australia, as well as the recognition of sales proceeds on the completion of Parc Life Executive Condominium in Singapore.

The increase in loans and borrowings of \$3,298 million was mainly due to the net drawdown of bank borrowings of \$2,108 million, including a green loan of \$1,200 million drawn to refinance existing loans of \$800 million for the development of Frasers Tower, the issuance of debentures of \$464 million by a Thai subsidiary and the addition of debentures of \$726 million following the consolidation of TICON.

Group Cash Flow Statement – Financial Year Ended 30 September 2018

The net cash outflow from investing activities of \$2,010 million was mainly due to the acquisitions of and/or development expenditure on investment properties of \$1,335 million, acquisitions of subsidiaries of \$894 million, acquisitions of non-controlling interests of \$157 million and purchase of property, plant and equipment of \$84 million. This was partially offset by net cash inflow from proceeds from disposal of investment properties of \$477 million. The net cash outflow from investing activities last year of \$1,729 million was mainly due to acquisitions of/development expenditure on investment properties of \$830 million, acquisitions of subsidiaries of \$736 million, additional net investments in and/or loans to joint ventures and associates of \$543 million and purchase of property, plant and equipment of \$52 million. This was partially offset by uplift of structured deposits of \$164 million, dividends from joint ventures and associates of \$160 million and repayment of loans from joint ventures of \$127 million.

The net cash inflow from financing activities of \$1,560 million was mainly due to net proceeds from bank borrowings of \$1,136 million and proceeds from issue of bonds/debentures of \$523 million. This was partially offset by distributions to perpetual securities holders of \$83 million. The net cash outflow from financing activities last year of \$1,180 million was mainly due to proceeds from issue of bonds and perpetual securities of \$967 million and \$306 million, respectively, contributions from non-controlling interests of \$302 million and net proceeds from bank borrowings of \$371 million. This was partially offset by dividends/distributions paid of \$544 million and distributions to perpetual securities holders of \$69 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 2.6% in the September 2018 quarter, lower than the 4.1% in the previous quarter. MTI² expects GDP growth for Singapore to be 2.5% - 3.5% in 2018.

Transaction volumes slowed down for the Singapore private residential property market in the first nine months of 2018 with about 7,000 new private homes sold, 20% lower than the volume sold in the same period in 2017. With the imposition of additional property market cooling measures which took effect on 6 July 2018, the price recovery in the private residential market has dampened since then. The private residential property price index growth moderated significantly to 0.5% in the September 2018 quarter from the 3.4% growth observed in the previous quarter³.

In December 2017, the Group secured a land parcel at Jiak Kim Street for \$955 million and the project is expected to be launched in the first half of 2019. The Group has seen a strong take up in its residential projects, with North Park Residences and Parc Life Executive Condominium fully sold, and Seaside Residences over 80% sold, by September 2018.

In the retail market, retail sales have improved with the retail sales index (excluding motor vehicles) in August 2018, increasing year-on-year by 2.4%⁴. The south wing of Northpoint City commenced trading in December 2017, with overall occupancy rate at Northpoint City exceeding 90% as at September 2018.

In the office sector, the overall market has picked up across the various segments, with average rental rates of Grade A CBD Core, Grade B CBD Core and island-wide Grade B increasing by 3.5%, 2.6% and 2.8% quarter-on-quarter, respectively⁵. Frasers Tower, a Grade A CBD Core office, was completed in May 2018 and has achieved committed occupancy rate of over 90%. Taking advantage of the pick-up in the office sector, FCOT divested 55 Market Street for \$217 million and unlocked value which created headroom for future growth initiatives. Asset enhancement initiatives at Alexandra Technopark have also been completed during the quarter and has been well received by prospective tenants.

Australia

In the residential market, prices in Sydney and Melbourne have declined and are at levels slightly lower than the recent peak. Higher levels of housing supply, credit tightening and lower investment and foreign buying activity created headwinds for the residential market. Perth continues to remain challenging given the weaker economic environment.

The residential division recorded sales of 1,622 units during the financial year ended 2018 ("FY2018"), mainly from projects in New South Wales, Victoria and Queensland. Over 1,800 units were launched for sale in FY2018 with 2,200 units planned for release in the financial year ending 2019 ("FY2019"). Frasers Property Australia ("FPA") acquired one new site in Queensland (Carina) in Q2 FY2018, which is expected to yield approximately 185 units.

In the industrial market, occupancy rates remain high. Similarly in the office market, occupancy rates are above long term averages.

The Group's investment property portfolio continues to perform well with occupancies of 98.9% (Industrial) and 94.6% (Office). FPA entered into agreements to acquire five industrial sites for development in FY2018.

¹ Ministry of Trade and Industry Singapore, 12 October 2018, "Singapore's GDP Grew by 2.6 Per Cent in the Third Quarter of 2018"

² Ministry of Trade and Industry Singapore, 13 August 2018, "MTI Maintains 2018 GDP Growth Forecast at 2.5 to 3.5 Per Cent"

³ Urban Redevelopment Authority, 26 October 2018, "Release of 3rd Quarter 2018 real estate statistics"

⁴ Department of Statistics Singapore, August 2018, "Retail Sales Index and Food & Beverage Services Index"

⁵ CBRE, Singapore Market View, Q3 2018

Hospitality

In Singapore, the pressure arising from supply of new hotel rooms is tapering off in 2018. In Australia, occupancy rate has improved marginally with an increase in corporate travel in Brisbane, while Melbourne and Perth are facing pressure from expected new supply of hotels. Continued strong demand in Sydney is expected to mitigate pressure arising from new room supply. In the UK, relative weakness of the pound has resulted in an improved leisure market which resulted in high volumes, as well as increased inbound travel due to Glasgow hosting part of the European Sports Championship in August 2018, however, the number of inbound business travelers have decreased. Food and beverage performance in UK hotels remain challenging. Properties in Germany continue to enjoy healthy revenue per available room growth due to growing demand, driven by the attraction of Frankfurt as a global financial centre for corporates, especially those in the financial sector planning to relocate from London. Demand for events such as trade fairs and conventions in Berlin and Frankfurt and part of the European Sports Championship hosted by Berlin in August 2018 also contributed to growth.

The Group grew its investment portfolio by acquiring a site in Tokyo's Ginza district for the development of Capri by Fraser in February 2018, Frasers Suites Dalian commenced operations in March 2018. In addition, the Group expanded its portfolio of rooms under management by signing up new properties in Turkey, United Arab Emirates, Indonesia, the UK, Malaysia, Vietnam and China. As at 30 September 2018, the Group 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 deepen its presence in Europe and rest of Asia which is in line with the strategy to grow its global footprint in familiar markets.

In the UK, Brexit uncertainty will continue to weigh on economic growth while the impact will depend on the final Brexit outcome. However, in the real estate sector, leverage and vacancy rates remain low on the overall and the Group is also experiencing healthy inquiries for space at the business parks. In Germany and the Netherlands, prime yields continue to compress in the industrial and logistics markets due to the lack of supply for quality space. In the UK, the Group completed the acquisition of five business parks for approximately GBP754 million during the financial year. In addition, the Group, in a 50:50 joint venture with FCOT, completed the acquisition of Farnborough Business Park for approximately GBP175 million in January 2018.

As part of its continuing strategy to recycle capital via real estate investment trust ("REIT") platforms, the Group injected 21 industrial properties into FLT. The portfolio is located in Germany and the Netherlands and has a market valuation of approximately EUR597 million.

Separately, in Germany, the Group entered into a sale and purchase agreement for the acquisition of six cross-dock facilities for approximately EUR257 million with the transfer of the first four facilities having been completed. The remaining two facilities are under development and the transfer is expected to be completed by FY2019. The Group also entered into a series of sale and purchase agreements to acquire Alpha Industrial GmbH & Co KG management platform ("Alpha Industrial"), one of the leading logistics and industrial developers in Europe, and a portfolio of 22 logistics and light industrial properties located in Germany and Austria (the "Alpha Portfolio") with aggregate valuation of approximately EUR581 million. As at the end of October 2018, the transfer of Alpha Industrial and 15 logistics and light industrial assets from the Alpha Portfolio was completed.

In Thailand, the Group, through Frasers Assets Co., Ltd. ("FA"), a 49:51 joint venture with TCC Assets (Thailand) Co., Ltd., acquired an additional 26.10% interest in its associate, TICON for a consideration of THB8,569 million in April 2018 and it is accounted for as a subsidiary accordingly, and resulting in an increase in the Group's deemed interest in TICON from 40.95% to 67.05%. This triggered a tender offer for the remaining ordinary shares of TICON (not held by FA and Frasers Property Holdings (Thailand) Co., Ltd.) by FA. Upon the closing of the tender offer, FA acquired a further 22.42% of TICON's share capital, increasing the Group's deemed interest in TICON to approximately 89.46%.

In Vietnam, the Group grew its exposure by entering into conditional share purchase agreements to acquire 75% interest in each of the issued share capital of Phu An Dien Real Estate Joint Stock Company ("PAD") and Phu An Khang Real Estate Joint Stock Company ("PAK"). PAD and PAK will

undertake the development of residential-cum-commercial projects on mixed-use development plots in Linh Trung Ward, Thu Duc District and District 2, respectively, in Ho Chi Minh City.

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's capital management. 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 undertake development activities in a measured manner taking into consideration market conditions.

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

(a) Whether a final ordinary dividend has been recommended: Yes

(b) (i) Amount per share : 6.2 cents

(ii) Previous corresponding period : 6.2 cents

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

Tax-exempt (one-tier).

(d) The date the dividend is payable.

The Directors propose, subject to shareholders' approval, a final dividend of 6.2 cents (2017: 6.2 cents) per share, to be paid on 20 February 2019. Taken with the interim dividend of 2.4 cents (2017: 2.4 cents) per share already paid, this will give a total distribution for the year of 8.6 cents per share (2017: 8.6 cents).

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

Registrable transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road, #02-00, Singapore 068898 up to 5.00 pm on 7 February 2019 will be registered before entitlements to the dividend are determined.

Notice is hereby given that the share registers will be closed from 8 February 2019 to 11 February 2019 for the preparation of dividend warrants.

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

The Company's general mandate for interested person transactions, the terms of which are set out in Appendix 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.

| Name of interested person | Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) |
|---------------------------|--|
| | \$'000 |
| TCC Group of Companies* | 97,184 |

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

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. **Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

SEGMENTAL RESULTS
For year ended 30 September 2018

The following table presents financial information regarding business segments:

| <u>Business segment</u> | Singapore SBU \$'000 | Australia SBU \$'000 | Hospitality SBU \$'000 | Europe & rest of Asia \$'000 | Corporate & Others \$'000 | Group \$'000 |
|--|-------------------------------------|-------------------------------------|---------------------------------------|---|--|-------------------------|
| Revenue | 1,357,217 | 1,575,915 | 802,168 | 575,762 | 547 | 4,311,609 |
| Subsidiaries | 429,265 | 317,011 | 130,567 | 218,356 | (57,486) | 1,037,713 |
| Joint ventures and associates | 51,722 | 41,367 | 193 | 147,677 | - | 240,959 |
| PBIT | 480,987 | 358,378 | 130,760 | 366,033 | (57,486) | 1,278,672 |
| Interest income | | | | | | 36,205 |
| Interest expense | | | | | | (316,325) |
| Profit before fair value change, taxation and exceptional items | | | | | | 998,552 |
| Fair value change on investment properties | 272,599 | 246,366 | 24,251 | 93,575 | 100 | 636,891 |
| Profit before taxation and exceptional items | | | | | | 1,635,443 |
| Exceptional items | - | (6,220) | (156,706) | 4,403 | - | (158,523) |
| Profit before taxation | | | | | | 1,476,920 |
| Taxation | | | | | | (281,637) |
| Profit for the year | | | | | | 1,195,283 |
| Non-current assets | 9,796,526 | 4,613,463 | 4,858,236 | 4,603,256 | 19,552 | 23,891,033 |
| Current assets | 1,581,196 | 2,212,878 | 88,003 | 762,881 | 46,401 | 4,691,359 |
| Investments in joint ventures and associates | 262,861 | 11,178 | 103 | 918,411 | - | 1,192,553 |
| Tax assets | | | | | | 60,803 |
| Bank deposits | | | | | | 448,743 |
| Cash and cash equivalents | | | | | | 2,136,448 |
| Total assets | | | | | | 32,420,939 |
| Liabilities | 413,841 | 307,339 | 230,306 | 1,077,420 | 103,657 | 2,132,563 |
| Loans and borrowings | | | | | | 14,926,150 |
| Tax liabilities | | | | | | 734,152 |
| Total liabilities | | | | | | 17,792,865 |
| Other Segment Information | | | | | | |
| Additions / transfers between BUs of non-current assets | 323,777 | 97,889 | 372,797 | 4,349,364 | 3,590 | 5,147,417 |
| Additions to intangible assets | 38 | 66 | 3,512 | 125,522 | 981 | 130,119 |
| Amortisation | 464 | 15 | 1,380 | 404 | 698 | 2,961 |
| Depreciation | 185 | 6,879 | 45,722 | 1,051 | 1,929 | 55,766 |
| Write-down to net realisable value of properties held for sale | - | 30,685 | - | - | - | 30,685 |
| Attributable profit before fair value change and exceptional items | 154,967 | 107,980 | (2,428) | 175,008 | 71,692 | 507,219 |
| Fair value change | 175,686 | 130,199 | 9,940 | 71,854 | 100 | 387,779 |
| Exceptional items | - | (1,460) | (138,979) | 4,403 | - | (136,036) |
| Attributable profit | 330,653 | 236,719 | (131,467) | 251,265 | 71,792 | 758,962 |

SEGMENTAL RESULTS
For year ended 30 September 2018 (cont'd)

The following table presents financial information regarding geographical segments:

| <u>Geographical segment</u> | Singapore \$'000 | Australia \$'000 | Europe \$'000 | China \$'000 | Others* \$'000 | Group \$'000 |
|---|-----------------------------|-----------------------------|--------------------------|-------------------------|---------------------------|-------------------------|
| Revenue | 1,431,393 | 1,773,767 | 608,846 | 308,535 | 189,068 | 4,311,609 |
| PBIT | 394,822 | 413,591 | 176,214 | 154,368 | 139,677 | 1,278,672 |
| Non-current assets | 10,441,533 | 5,379,048 | 5,296,434 | 368,428 | 2,405,590 | 23,891,033 |
| Current assets | 1,647,800 | 2,217,884 | 413,620 | 321,063 | 90,992 | 4,691,359 |
| Investments in joint ventures and associates | 262,241 | 11,178 | - | 193,267 | 725,867 | 1,192,553 |
| Tax assets | | | | | | 60,803 |
| Bank deposits | | | | | | 448,743 |
| Cash and cash equivalents | | | | | | 2,136,448 |
| Total assets | | | | | | 32,420,939 |
| Liabilities | 556,915 | 312,986 | 226,745 | 922,772 | 113,145 | 2,132,563 |
| Loans and borrowings | | | | | | 14,926,150 |
| Tax liabilities | | | | | | 734,152 |
| Total liabilities | | | | | | 17,792,865 |
| Other Segment Information | | | | | | |
| Additions / transfers between BUs of non-current assets | 324,782 | 137,318 | 2,767,425 | 106,748 | 1,811,144 | 5,147,417 |
| Additions to intangible assets | 3,248 | 318 | 123,760 | 218 | 2,575 | 130,119 |
| Amortisation | 1,253 | 110 | 1,281 | 115 | 202 | 2,961 |
| Depreciation | 26,626 | 10,937 | 16,220 | 51 | 1,932 | 55,766 |
| Write-down to net realisable value of properties held for sale | - | 30,685 | - | - | - | 30,685 |
| Exceptional items | - | (218) | (157,778) | - | (527) | (158,523) |

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

SEGMENTAL RESULTS
For year ended 30 September 2017

The following table presents financial information regarding business segments:

| <u>Business segment</u> | Singapore SBU \$'000 | Australia SBU \$'000 | Hospitality SBU \$'000 | Europe & rest of Asia \$'000 | Corporate & Others \$'000 | Group \$'000 |
|--|-------------------------------------|-------------------------------------|---------------------------------------|---|--|-------------------------|
| Revenue | 859,233 | 1,642,273 | 807,322 | 717,092 | 718 | 4,026,638 |
| Subsidiaries | 348,820 | 288,302 | 154,077 | 150,292 | (37,675) | 903,816 |
| Joint ventures and associates | 59,409 | 1,839 | 165 | 123,816 | - | 185,229 |
| PBIT | 408,229 | 290,141 | 154,242 | 274,108 | (37,675) | 1,089,045 |
| Interest income | | | | | | 32,495 |
| Interest expense | | | | | | (153,519) |
| Profit before fair value change, taxation and exceptional items | | | | | | 968,021 |
| Fair value change on investment properties | 173,002 | 92,553 | 29,459 | 62 | (100) | 294,976 |
| Profit before taxation and exceptional items | | | | | | 1,262,997 |
| Exceptional items | - | - | (748) | (14,226) | - | (14,974) |
| Profit before taxation | | | | | | 1,248,023 |
| Taxation | | | | | | (215,732) |
| Profit for the year | | | | | | 1,032,291 |
| Non-current assets | 9,394,907 | 3,708,828 | 4,718,950 | 1,231,928 | 15,629 | 19,070,242 |
| Current assets | 1,078,659 | 2,200,582 | 143,578 | 596,336 | 43,996 | 4,063,151 |
| Investments in joint ventures and associates | 267,460 | 54,205 | 62 | 1,109,930 | - | 1,431,657 |
| Tax assets | | | | | | 34,842 |
| Bank deposits | | | | | | 272,205 |
| Cash and cash equivalents | | | | | | 2,137,275 |
| Total assets | | | | | | 27,009,372 |
| Liabilities | 609,071 | 465,863 | 206,072 | 428,420 | 135,444 | 1,844,870 |
| Loans and borrowings | | | | | | 11,627,844 |
| Tax liabilities | | | | | | 487,459 |
| Total liabilities | | | | | | 13,960,173 |
| Other Segment Information | | | | | | |
| Additions / transfers between BUs of non-current assets | 437,742 | 273,987 | 436,657 | 5,676 | (9,877) | 1,144,185 |
| Additions to intangible assets | 3,608 | 120 | 421 | 58,057 | 6,071 | 68,277 |
| Depreciation | 154 | 8,023 | 46,480 | 47 | 2,227 | 56,931 |
| Amortisation | 46 | - | 854 | 40 | 690 | 1,630 |
| Attributable profit before fair value change and exceptional items | 126,117 | 95,399 | 14,889 | 175,720 | 76,120 | 488,245 |
| Fair value change | 112,832 | 57,960 | 18,669 | 25,914 | (100) | 215,275 |
| Exceptional items | - | - | (172) | (14,225) | - | (14,397) |
| Attributable profit | 238,949 | 153,359 | 33,386 | 187,409 | 76,020 | 689,123 |

SEGMENTAL RESULTS
For year ended 30 September 2017 (cont'd)

The following table presents financial information regarding geographical segments:

| <u>Geographical segment</u> | Singapore \$'000 | Australia \$'000 | Europe \$'000 | China \$'000 | Others* \$'000 | Group \$'000 |
|--|-----------------------------|-----------------------------|--------------------------|-------------------------|---------------------------|-------------------------|
| Revenue | 936,694 | 1,844,888 | 697,549 | 366,311 | 181,196 | 4,026,638 |
| PBIT | 360,293 | 375,926 | 104,872 | 158,861 | 89,093 | 1,089,045 |
| Non-current assets | 9,943,954 | 5,517,693 | 2,839,717 | 265,381 | 503,497 | 19,070,242 |
| Current assets | 1,129,002 | 2,203,878 | 223,512 | 453,563 | 53,196 | 4,063,151 |
| Investments in joint ventures and associates | 267,091 | 54,205 | - | 217,117 | 893,244 | 1,431,657 |
| Tax assets | | | | | | 34,842 |
| Bank deposits | | | | | | 272,205 |
| Cash and cash equivalents | | | | | | 2,137,275 |
| Total assets | | | | | | 27,009,372 |
| Liabilities | 749,212 | 503,725 | 163,086 | 373,692 | 55,155 | 1,844,870 |
| Loans and borrowings | | | | | | 11,627,844 |
| Tax liabilities | | | | | | 487,459 |
| Total liabilities | | | | | | 13,960,173 |
| Other Segment Information | | | | | | |
| Additions / transfers between BUs of non-current assets | 452,371 | 552,740 | 131,904 | 3,030 | 4,140 | 1,144,185 |
| Additions to intangible assets | 9,869 | 120 | 57,439 | 849 | - | 68,277 |
| Depreciation | 3,850 | 38,216 | 14,523 | 42 | 300 | 56,931 |
| Amortisation | 737 | - | 893 | - | - | 1,630 |
| Exceptional items | (601) | (147) | (20,801) | - | 6,575 | (14,974) |

14. **In the review of performance, the factors leading to any material changes in contribution to turnover and earnings by earnings by the business or geographical segments.**

Please refer to paragraph 8.

15. **A breakdown of sales and profit after taxation (before deduction non-controlling interests) for the continuing operations are as follows:-**

| | Group | | |
|--|------------------------------|------------------------------|------------------------|
| | 30/09/2018 \$'000 | 30/09/2017 \$'000 | Inc/(Dec) % |
| Sales reported for first half year | 1,581,770 | 1,677,430 | (5.7)% |
| Operating profit after tax before deducting non-controlling interests reported for first half year | 314,924 | 380,929 | (17.3)% |
| Sales reported for second half year | 2,729,839 | 2,349,208 | 16.2% |
| Operating profit after tax before deducting non-controlling interests reported for second half year | 880,359 | 651,362 | 35.2% |

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

| | 30/09/2018 | 30/09/2017 |
|-----------|-------------------|-------------------|
| | \$'000 | \$'000 |
| Ordinary | | |
| - Interim | 70,305 | 70,058 |
| - Final | 180,545 | 180,130 |
| Total | <u>250,850</u> | <u>250,188</u> |

17. Subsequent Events

- On 19 February 2018, FPL announced the entry into by its wholly-owned subsidiaries of sale and purchase agreements (the "Sale and Purchase Agreements") to acquire (a) interests in 22 logistics and light industrial properties/assets (the "Portfolio Acquisition") located in Germany and Austria (the "Properties"), (b) two German management companies located in Cologne, Germany, and (c) a Luxembourg company, BV Maschinen GmbH, which holds the fixtures relating to some of the Properties ((b) and (c) collectively, the "Business Acquisition"). The aggregate consideration payable under the Sale and Purchase Agreements is approximately EUR285.2 million (approximately S\$467.7 million¹).

Subsequent to the completion of the Business Acquisition and part of the Portfolio Acquisition as announced on 6 July 2018 and 27 September 2018, FPL further announced the completion of the acquisition of interests in six logistics properties in Austria and Germany, which form part of the Portfolio Acquisition, on 17 October 2018 and 2 November 2018, respectively.

- On 31 October 2018, the Company has, through its indirect wholly-owned subsidiary, Frasers Property Investments (Europe) B.V., entered into a share purchase agreement with FLT Europe B.V., an indirect wholly-owned subsidiary of Perpetual (Asia) Limited, in its capacity as the trustee of FLT, and completed the sale of its entire shareholding interest in FPE Investments RE20 B.V. (the "Target Company") for a consideration of EUR24.8 million (approximately S\$39.0 million²). The Target Company is incorporated under the laws of the Netherlands and owns the property at Mandeveld 12 in Meppel, the Netherlands.

¹ Based on an exchange rate of EUR1 : S\$1.6400.

² Based on an exchange rate of EUR1 : S\$1.5725.

18. Confirmation pursuant to Rule 704(13) of the Listing Manual of the SGX-ST.

| Name | Age | Family relationship with any director and/or substantial shareholder | Current position and the year the position was held |
|-----------------------------|------------|---|--|
| Mr Panote Sirivadhanabhakdi | 41 | Son of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi | Group Chief Executive Officer (for the financial year ended 30 September 2018) |

19. 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.

BY ORDER OF THE BOARD
Catherine Yeo
Company Secretary

9 November 2018