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Frasers Property (China) Limited

星獅地產(中國)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 535)

**QUARTERLY RESULTS
FOR THE THREE MONTHS ENDED 31 DECEMBER 2009**

The Board of Directors (“the Board”) of Frasers Property (China) Limited (“the Company”) announces the first quarter unaudited consolidated results of the Company and its subsidiaries (“the Group”) for the three months ended 31 December 2009 together with the comparative figures:

* For identification purpose only

UNAUDITED CONSOLIDATED INCOME STATEMENT*For the three months ended 31 December 2009*

	For the three months ended	
	31 December	
	2009	2008
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue	1,142,324	31,295
Cost of sales	(979,916)	(1,447)
Gross profit	162,408	29,848
Direct operating expenses	(22,249)	(22,096)
Other income	7,048	8,873
Provision written back	69,599	–
Administrative expenses	(5,265)	(6,692)
Finance costs	(7,020)	(8,107)
Profit before tax	204,521	1,826
Tax	(81,234)	(765)
Profit for the period	123,287	1,061
Attributable to:		
Ordinary equity holders of the parent	95,542	2,635
Non-controlling interests	27,745	(1,574)
	123,287	1,061
Earnings per share attributable to ordinary equity holders of the parent:		
– basic (HK cent)	1.40	0.04
– diluted (HK cent)	1.40	N/A

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 December 2009

	For the three months ended	
	31 December	
	2009	2008
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Profit for the period	<u>123,287</u>	<u>1,061</u>
Other comprehensive loss for the period		
Exchange differences on translating foreign operations	<u>(459)</u>	<u>(34,048)</u>
Other comprehensive loss for the period, net of tax	<u>(459)</u>	<u>(34,048)</u>
Total comprehensive income/(loss) for the period	<u>122,828</u>	<u>(32,987)</u>
Total comprehensive income/(loss) attributable to:		
Ordinary equity holders of the parent	<u>95,042</u>	<u>(27,083)</u>
Non-controlling interests	<u>27,786</u>	<u>(5,904)</u>
	<u>122,828</u>	<u>(32,987)</u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

	As at	
	31 December 2009 (Unaudited) HK\$'000	30 September 2009 (Audited) HK\$'000
NON-CURRENT ASSETS		
Property, plant and equipment	2,474	3,115
Investment properties	1,047,291	1,047,561
Prepayment for acquisition of land use rights	441,755	442,142
Prepayments, deposits and other receivables	1,843	1,855
Available-for-sale financial assets	8,822	8,822
Deferred tax assets	–	15,278
Total non-current assets	1,502,185	1,518,773
CURRENT ASSETS		
Properties held for sale	95,995	35,173
Properties under development	1,583,086	2,550,357
Trade receivables	106,609	4,775
Prepayments, deposits and other receivables	93,902	80,681
Due from the immediate holding company	64,896	66,213
Restricted cash	2,095	45,574
Cash and cash equivalents	847,158	812,316
Total current assets	2,793,741	3,595,089
CURRENT LIABILITIES		
Trade payables	7,540	7,947
Advanced receipts, accruals and other payables	298,133	1,267,403
Interest-bearing bank borrowings	974,524	478,532
Due to the immediate holding company	91,291	91,291
Due to a fellow subsidiary	269	54
Tax payable	45,932	2,463
Total current liabilities	1,417,689	1,847,690
NET CURRENT ASSETS	1,376,052	1,747,399
TOTAL ASSETS LESS CURRENT LIABILITIES	2,878,237	3,266,172
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	510,224	1,026,593
Deferred tax liabilities	127,698	122,253
TOTAL NON-CURRENT LIABILITIES	637,922	1,148,846
NET ASSETS	2,240,315	2,117,326

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*As at 31 December 2009*

	As at	
	31 December	30 September
	2009	2009
	(Unaudited)	(Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
EQUITY		
Equity attributable to the ordinary equity holders of the parent		
Issued capital	684,337	684,337
Reserves	1,214,156	1,118,953
	<hr/>	<hr/>
	1,898,493	1,803,290
Non-controlling interests	341,822	314,036
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Total equity	2,240,315	2,117,326
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NOTES:

1. Basis of preparation and accounting policies

The consolidated financial information should be read in conjunction with the financial statements for the year ended 30 September 2009.

The accounting policies and methods of computation used in the preparation of this consolidated financial information are consistent with those in the financial statements for the year ended 30 September 2009. In the current period, the Group has applied all new and revised Hong Kong Financial Reporting Standards, which included all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations, issued by the HKICPA which are effective for the Group's financial period beginning from 1 October 2009.

2. Earnings per share attributable to ordinary equity holders of the parent

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity holders of the parent of HK\$95,542,000 (2008: HK\$2,635,000) and the weighted average of 6,843,371,580 (2008: 6,843,371,580) ordinary shares in issue during the three months ended 31 December 2009.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit for the period attributable to ordinary equity holders of the parent of HK\$95,542,000. The weighted average number of 6,844,855,278 ordinary shares used in the calculation is the number of ordinary shares in issues during the period, as used in the basic earnings per share calculation, and the weighted average number of 1,483,698 ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

No diluted earnings per share for the three months period ended 31 December 2008 had been presented because the exercise prices of the Company's share options were higher than the average market price for shares for that period.

REVIEW OF RESULTS FOR THE THREE MONTHS ENDED 31 DECEMBER 2009

Revenue for the three months ended 31 December 2009 amounted to HK\$1,142.3 million against HK\$31.3 million of the corresponding period in 2008. The substantial increase was mainly due to the recognition of revenue from the sale of residential units of phase 1 of Shanghai Shanshui Four Seasons project upon obtaining the occupation permits at the end of December 2009. There was also an increase in rental income with the higher occupancy rate enjoyed by Vision Shenzhen Business Park. Provisions for corporate income tax and land appreciation tax were made accordingly.

Subsequent to the balance sheet date, the Group received about HK\$69.6 million, representing approximately 80% of the total land premium rebate receivable (the “Rebate Receivable”) in relation to a disposal of interest in the development site in Beijing pursuant to the Land Development Construction Compensation Agreement entered into by the Group on 15 December 2006. During the financial year ended 30 September 2007, directors made a full provision against the Rebate Receivable in light of the uncertainty. Details of the transaction had been disclosed in the Company’s announcement dated 29 November 2006. Accordingly, this amount of HK\$69.6 million of the Rebate Receivable was written back in the period under review as an adjusting subsequent event in compliance with the relevant accounting standards.

The Group recorded a profit attributed to ordinary equity holders of the parent of HK\$95.5 million for the three months ended 31 December 2009 compared to HK\$2.6 million for the corresponding period in 2008. Earnings per share for the period under review was HK1.4 cents.

The Group’s total assets amounted to HK\$4,295.9 million as at 31 December 2009. The decrease in property under development and advanced receipts, accruals and other payables reflected the revenue recognition by Shanghai Shanshui Four Seasons project. On a per-share basis, the consolidated net asset value of the Group as at 31 December 2009 increased to HK27.8 cents from HK26.4 cents as at 30 September 2009.

By Order of the Board
Frasers Property (China) Limited
Ang Ah Lay

Executive Director and Chief Executive Officer

Hong Kong, 9 February 2010

As at the date hereof, the Board comprises one executive Director, namely Mr. Ang Ah Lay; five non-executive Directors, namely Mr. Lim Ee Seng, Mr. Hui Choon Kit, Mr. Chia Khong Shoong, Mr. Hwang Soo Chin and Ms. Chong Siak Ching (whose alternate is Mr. Chia Nam Toon); and four independent non-executive Directors, namely Mr. Alan Howard Smith, J.P., Mr. Kwong Che Keung, Gordon, Mr. Hui Chiu Chung, J.P. and Mr. Chong Kok Kong.