ANNUAL REPORT 2017

# STRONGER TOGETHER

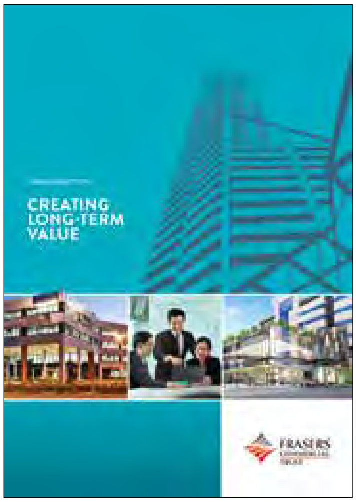
FRASERS CENTREPOINT

*Top: Alexandra Point, Singapore*
*Above left: Artist's impression of Wonderland at Central Park, Sydney, New South Wales, Australia*
*Above right: Watertown, Singapore*

# STRONGER TOGETHER


Beyond providing physical space, a building represents the successful combination of thoughtful design, curated experiences, and respectful stewardship. Like a blueprint, these elements form the foundation of a building. For this year's annual report design, the Frasers Centrepoint group of companies chose to feature line drawings of our key properties – a symbolic representation of our role as designer, curator and steward, not only of our properties, but also of our Group. It represents our continuous efforts to build on solid foundations to transform our blueprints of growth for the Group into reality for our stakeholders.

Frasers Centrepoint Limited (FCL) continued to build business resilience by growing our portfolio in a balanced manner across key markets and property segments. Leveraging our experience and expertise across business segments and markets to move forward as one, we were able to capitalise on complementary strengths to capture growth opportunities. We are well positioned to grow alongside our customers with a portfolio of residential, commercial, retail, hospitality, industrial and logistics, and business park assets across multiple geographies. At FCL, we are future-ready because we are stronger together.







*All figures in this Annual Report are in Singapore dollars unless otherwise specified*

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# OUR UNIFYING IDEA

**EXPERIENCE MATTERS.**

We believe our *customers'* experience matters.

When we focus on our customers' needs we gain valuable insights which guide our products and services. We create memorable and enriching experiences for our customers.

We believe *our* experience matters.

Our legacy is valuable and inspires our future successes. As a multi-national business of scale and diversity, we can bring the right expertise to the table to create value for our customers. We celebrate the diversity of our staff and the expertise they bring, and we commit ourselves to enabling their professional and personal development.

# FCL GROUP STRATEGY

**SUSTAINABLE EARNINGS GROWTH**

Achieve sustainable earnings growth through significant development project pipeline, investment properties and fee income

**BALANCED PORTFOLIO**

Grow asset portfolio in a balanced manner across geographies and property segments

**OPTIMISE CAPITAL PRODUCTIVITY**

Optimise capital productivity through Real Estate Investment Trust (REIT) platforms and active asset management initiatives

**ACHIEVE SUSTAINABLE GROWTH AND DELIVER LONG-TERM SHAREHOLDER VALUE**

# FCL GROUP AT A GLANCE

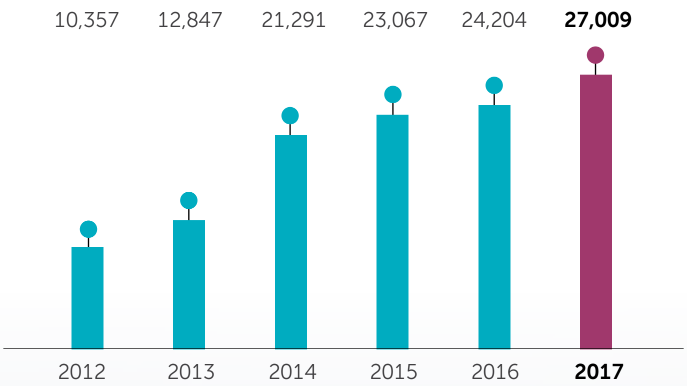
At Frasers Centrepoint Limited, the integrated portfolio and services we provide across the property value chain are unified by our commitment to deliver enriching and memorable experiences for our customers and stakeholders. We have businesses in Singapore, Australia, Southeast Asia, China and Europe, and our well-established hospitality footprint spans over 80 cities across Asia Pacific, Europe, Middle East and North Africa.

Our multi-national businesses operate across five asset classes and have a proven legacy of shaping successful residential, hospitality, retail, commercial, and industrial and logistics properties, with assets totalling $27 billion as at 30 September 2017. We are also a sponsor of four vehicles listed on the SGX-ST, comprising three REITs focused on retail, commercial, and industrial properties, and one stapled trust focused on hospitality properties.

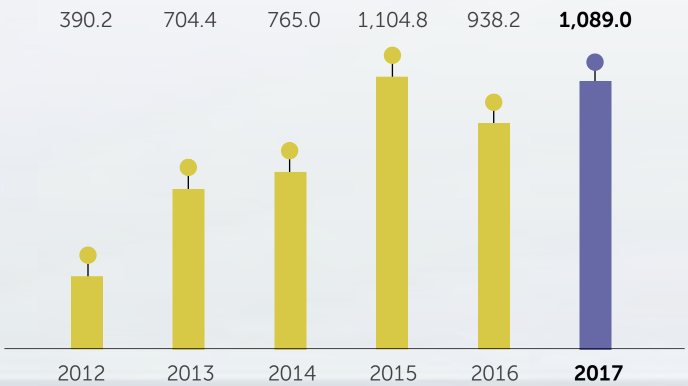
Driven by a belief that *experience matters*, we deliver quality property products and services that meet the ever-evolving needs of businesses and communities. Across all our businesses, an unwavering respect for people, partnerships and collaboration has been the foundation for how we conduct ourselves. We strive to ensure that our products and services are guided by insights into the needs of our customers and create environments that our customers can thrive in.

Our legacy of strong leadership and expertise, commitment to progress, and belief that *experience matters* at every moment, are key to our continued success.

**TOTAL ASSETS ($'M)**




**PROFIT BEFORE INTEREST AND TAXATION ($'M)**



# SINGAPORE

Frasers Centrepoint Singapore comprises the Retail and Commercial as well as the Residential Properties divisions.

The Residential Properties division has built and sold more than 19,000 homes in Singapore, with two residential and a mixed-use project currently under development.

The Retail and Commercial Properties division owns and/or manages 12 shopping malls in Singapore and 10 office and business space properties in Singapore and Australia. SGX-ST-listed Frasers Centrepoint Trust (FCT) and Frasers Commercial Trust (FCOT) hold six of the malls and six of the office and business spaces respectively.

*Artist's Impression of Frasers Tower, Singapore*

# HOSPITALITY

FCL's hospitality business comprises Frasers Hospitality and Frasers Hospitality Trust (FHT).

Frasers Hospitality has interest in and/or manages award-winning serviced residences, hotel residences and lifestyle boutique hotels in over 80 cities across Asia, Australia, Europe, the Middle East and Africa.

Conceived with the lifestyle preferences of today's discerning business and leisure travellers in mind, Frasers Hospitality launched Fraser Suites and Fraser Place in Singapore in 1998. Modena by Fraser, a modern and eco-conscious brand, and Capri by Fraser, a playful and design-led hotel residence, are also part of Frasers Hospitality's brand offerings aimed at busy executives and millennial travellers. In addition, Frasers Hospitality acquired the entire portfolio of 29 upscale properties in the MHDV stable – Malmaison and Hotel du Vin, two leading boutique hotel chains with footprints across key cities in the UK.

Including those in the pipeline, Frasers Hospitality's global portfolio stands at over 24,000 units in 146 properties, and is on track to achieve its target of 30,000 units by 2019.

FHT is the first global hotel and serviced apartment trust to be listed on the SGX-ST. FHT currently has 15 quality properties strategically located across key gateway cities in Asia, Australia, the United Kingdom (UK) and Germany.

*Fraser Suites New Delhi, India*

*Frasers Property Head Office, Rhodes, New South Wales, Australia*

# AUSTRALIA

FCL's businesses in Australia comprise Frasers Property Australia (FPA) and Frasers Logistics & Industrial Trust (FLT).

FPA (incorporating Australand from late 2014) is one of Australia's leading property companies, having been involved in property development since 1924. Its current operations are focused on investment in income-producing commercial, retail and industrial properties; commercial, retail and industrial property development and management; and residential development (including land, housing and apartments).

FPA has offices in Sydney, Melbourne, Brisbane and Perth. It also maintains a residential sales office in Hong Kong, Shanghai and Singapore.

FLT currently owns a portfolio of Australian industrial properties and is listed in Singapore. It has a portfolio comprising 61 industrial properties concentrated within major industrial markets in Australia, predominantly in Melbourne, Sydney and Brisbane. Coupled with properties in Adelaide and Perth, FLT's total portfolio is valued at A$1.91 billion as at 30 September 2017.

*Geneba Industrie Park, Mülheim, Germany*

# INTERNATIONAL BUSINESS

The International Business unit comprises FCL's investments in China, Europe including the UK, Vietnam and Thailand.

China has been an important market for FCL since we built our first residential development – the 452-unit Jingan Four Seasons in Shanghai – in 2001. To date, Frasers Property China, has developed over 9,000 homes in China. We have three projects currently under development – residential projects in Suzhou and Shanghai, and an industrial/logistics park in Chengdu.

We started our investments in the UK in 2000 with the development of Annandale House. Since then, Frasers Property UK has built over 700 homes and marketed various residential and mixed-use developments. We are currently developing three projects in London. In 2017, we made our first foray into business parks in the UK, as well as logistics and light industrial properties in the Netherlands and Germany. These acquisitions demonstrate FCL's strategy to increase recurring income overseas.

In Vietnam, we acquired a 70% stake in G Homes to develop a residential-cum-commercial project on a 1-ha prime site in Ho Chi Minh City. FCL also has a 75% interest in Me Linh Point, a 21-storey retail/office building in District 1, Ho Chi Minh City.

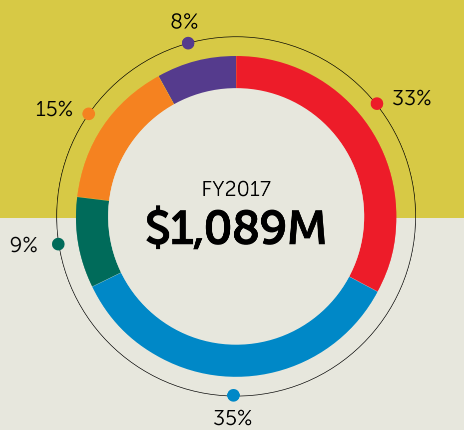
In Thailand, we hold a 39.9% stake in Golden Land Property Development Public Company Limited (Golden Land) and a 41.0% stake in TICON Industrial Connection Public Company Limited (TICON). Both companies are listed on the Stock Exchange of Thailand. Golden Land's portfolio comprises residential and commercial property development, as well as property management and property advisory services. TICON is one of the largest logistics and industrial real estate developers in Thailand. It owns and manages factories and warehouses for rent in 18 industrial estates and 33 logistics locations throughout the country.

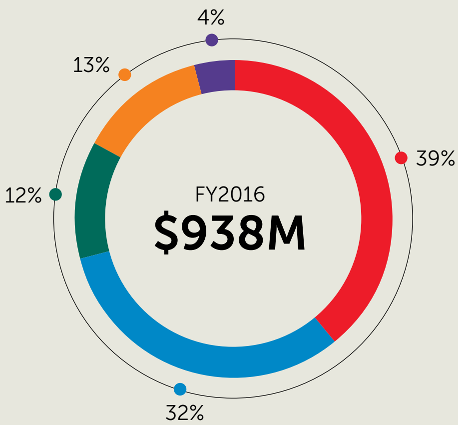
# OUR GLOBAL PRESENCE

**PROFIT BEFORE INTEREST AND TAXATION BREAKDOWN BY GEOGRAPHICAL SEGMENT**

**SINGAPORE**
FY2017 ($'000)
**360,293**
FY2016 ($'000)
367,595

**AUSTRALIA**
FY2017 ($'000)
**375,926**
FY2016 ($'000)
299,700





1 Includes Indonesia, Japan, Malaysia, New Zealand, the Philippines, Thailand and Vietnam
2 Property pending opening

**EUROPE**
FY2017 ($'000)
**104,872**
FY2016 ($'000)
111,320

**CHINA**
FY2017 ($'000)
**158,861**
FY2016 ($'000)
120,296

**OTHERS[1]**
FY2017 ($'000)
**89,093**
FY2016 ($'000)
39,288


# 27 COUNTRIES

# OVER 80 CITIES

**● RESIDENTIAL**
Australia
China
Malaysia
New Zealand
Singapore
Thailand
United Kingdom
Vietnam

**● COMMERCIAL**
Australia
China
Malaysia
Singapore
Thailand
Vietnam

**● INDUSTRIAL/ LOGISTICS**
Australia
China
Germany
Thailand
The Netherlands

**● BUSINESS PARK**
Australia
United Kingdom

**● HOSPITALITY**
Australia
Bahrain
China
France
Germany
Hungary
India
Indonesia
Japan
Malaysia
Myanmar[2]
Nigeria
Philippines
Republic of Congo[2]
Qatar
Saudi Arabia[2]
Singapore
South Korea
Spain
Switzerland
Thailand
Turkey
UAE
United Kingdom
Vietnam

# OUR MILESTONES

**1988**
Centrepoint Properties Limited (CPL) was listed on the Main Board of the Singapore Exchange (SGX-ST)

**1990**
CPL became a subsidiary of Fraser and Neave, Limited (F&NL)

**1992**
Northpoint, Singapore's pioneer suburban retail mall in Yishun; Bridgepoint, a retail mall in Sydney; and Alexandra Point, CPLs' first office project, were launched


*Alexandra Point, Singapore*

**1993**
The Anchorage, CPL's first residential project, was redeveloped from F&N Singapore's old brewery and soft drink plants

**1996**
CPL's first overseas office project, Me Linh Point, a commercial and retail centre in Ho Chi Minh City was developed

**1997**
Alexandra Technopark, CPL's first business space project was developed and launched


*Alexandra Technopark, Singapore*

**1998**
CPL's first two hospitality projects, Fraser Suites and Fraser Place in Singapore, were launched

**2000**
Pavilions on the Bay in Australia and Annandale House in the UK, CPL's first overseas residential projects, were developed

**2001**
Jingan Four Seasons in Shanghai was CPL's first residential project in China

**2002**
CPL launched serviced residences in the UK, South Korea and the Philippines

CPL was delisted from SGX-ST and became a wholly owned subsidiary of F&NL

**2006**
CPL was rebranded Frasers Centrepoint Limited (FCL)

FCL launched its first REIT, Frasers Centrepoint Trust, which is listed on the Main Board of SGX-ST

**2008**
FCL acquired a stake in Allco Commercial REIT (Allco) and the entire stake of Allco's manager, and rebranded the REIT Frasers Commercial Trust (FCOT). FCOT is listed on the Main Board of SGX-ST

**2013**
FCL became a member of TCC Group

**2014**
FCL was listed by way of introduction on the Main Board of SGX-ST

Frasers Hospitality Trust was listed on the Main Board of SGX-ST. It is the first hotel and serviced residence stapled group with a global mandate, except Thailand, to be listed on the SGX-ST

FCL wholly acquired Australand, an Australian property company

**2015**
FCL acquired leading boutique lifestyle hotel brands Malmaison and Hotel du Vin (MHDV) in the UK

Australand was rebranded as Frasers Property Australia

*Hotel du Vin Wimbledon, UK*


**2016**

Frasers Logistics & Industrial Trust was listed on the Main Board of SGX-ST


*1 Burilda Close, Wetherill Park, New South Wales, Australia*

FCL acquired a 35.6% stake in Golden Land Property Development Public Company Limited (Golden Land) which is listed on the Stock Exchange of Thailand

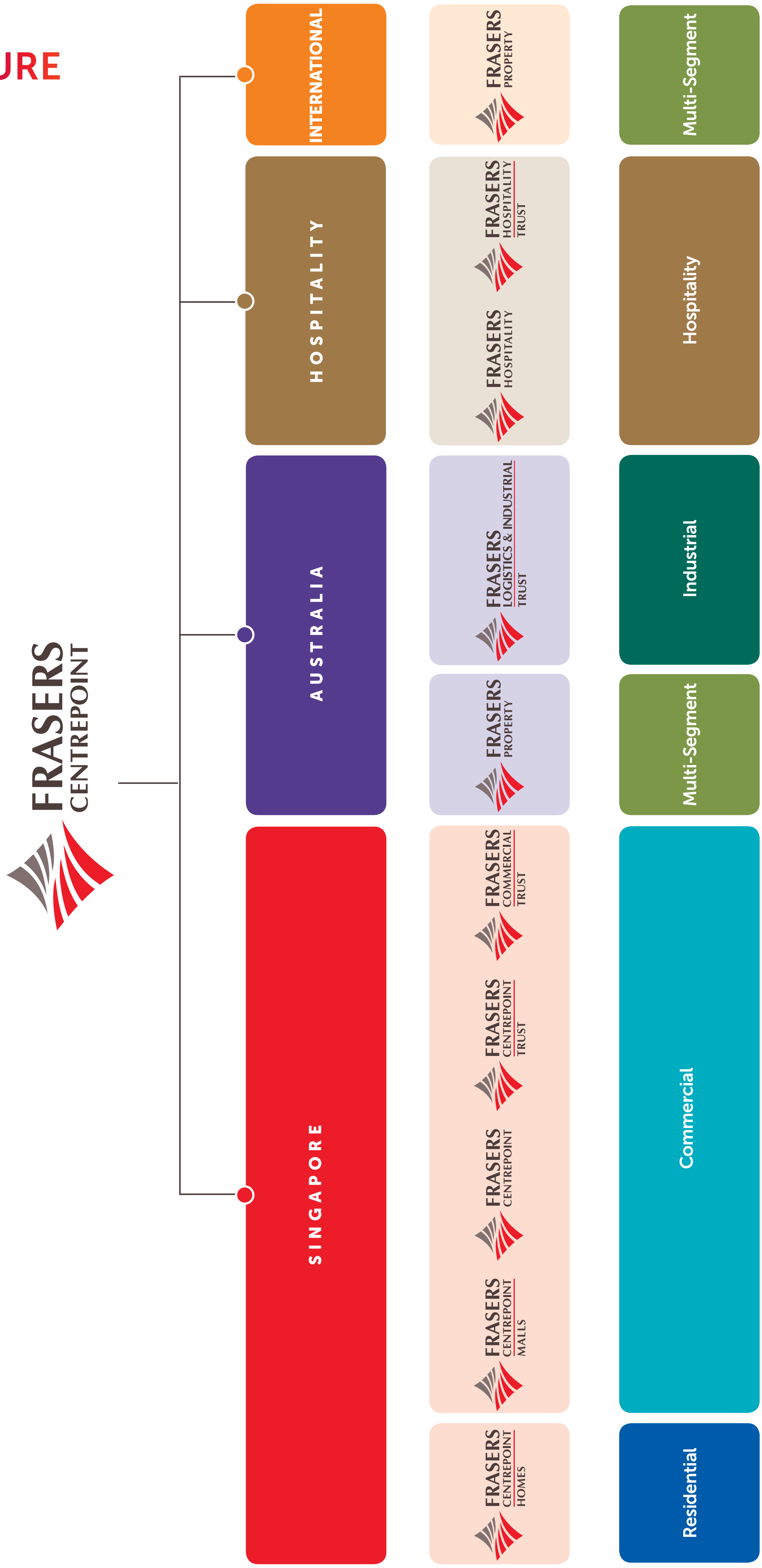
FCL entered into a conditional agreement to acquire a 70% stake in a joint venture with local partners to develop a residential-cum-commercial project in District 2, Ho Chi Minh City, Vietnam. The acquisition was completed in 2017

# 2017

- FCL acquired a 99.5% stake in Geneba Properties N.V (Geneba) in the Netherlands
- FCL entered into a sale and purchase agreement to acquire four high-quality business park assets in the UK
- FCL accquired an additional 4.3% stake in Golden Land and a 41.0% stake in TICON Industrial Connection Public Company Limited in Thailand. FCL also entered into a joint venture with TCC Assets (Thailand) Co., Ltd to develop One Bangkok, the largest private sector property development initiative undertaken in Thailand


*Artist's impression of One Bangkok, Bangkok, Thailand*

# GROUP STRUCTURE



# FINANCIAL HIGHLIGHTS

| | 2013[1] | 2014[1] | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|
| Revenue ($'M) | 1,675 | 2,203 | 3,562 | 3,440 | 4,027 |
| Profit before interest, fair value change on investment properties, taxation and exceptional items ($'M) | 704 | 765 | 1,105 | 938 | 1,089 |
| Profit before taxation ($'M) | | | | | |
| Before fair value change on investment properties and exceptional items | 612 | 721 | 955 | 796 | 968 |
| After fair value change on investment properties and exceptional items | 1,095 | 807 | 1,197 | 960 | 1,248 |
| Attributable profit ($'M) | | | | | |
| Before fair value change and exceptional items | 402 | 470 | 544 | 480 | 488 |
| After fair value change and exceptional items | 722 | 501 | 771 | 597 | 689 |
| Earnings per share (cents)[2] | | | | | |
| Attributable profit before fair value change on investment properties and exceptional items | 53.4 | 19.1 | 17.2 | 14.3 | 14.6 |
| Attributable profit after fair value change on investment properties and exceptional items | 95.9 | 20.4 | 25.0 | 18.4 | 21.5 |
| Dividend per share | | | | | |
| Ordinary shares (cents) | 19.9 | 8.6 | 8.6 | 8.6 | 8.6 |
| Net asset value (share capital & reserves) ($'M) | 5,433 | 6,414 | 6,509 | 6,661 | 7,155 |
| Net asset value per share ($) | 6.32 | 2.22[3] | 2.25 | 2.30 | 2.46 |
| Return on average shareholders' equity (%) | | | | | |
| Attributable profit before fair value change on investment properties and exceptional items | 7.3 | 7.5 | 7.7 | 6.3 | 6.1 |

Notes

1 Certain accounting policies or accounting standards had changed in the financial years ended 30 September 2013 and 2015
Financial information for 2013 and 2014 have been restated to take into account the retrospective adjustments relating to FRS 110 and FRS 111

2 Based on weighted average number of ordinary shares in issue. Prior to the listing of the Company on SGX-ST on 9 January 2014, in 2013, weighted average number of ordinary shares was 753,292,000. In 2014, 2015, 2016 and 2017, weighted average number of shares was 2,457,316,000, 2,893,873,000, 2,898,893,000 and 2,904,157,000, respectively

3 Calculated based on 2,889,813,000 shares in issue after the Company's listing

# BOARD OF DIRECTORS – As at 30 September 2017

CHAROEN SIRIVADHANABHAKDI, 73
Non-Executive and Non-Independent Chairman

Date of appointment as a director:
25 Oct 2013
Length of service as Director:
3 years 11 months
(as at 30 September 2017)

**Board committees served on**
- Board Executive Committee (Chairman)

**Academic & Professional Qualifications**
- Honorary Doctoral Degree in Marketing, Rajamangala University of Technology Isan, Thailand
- Honorary Doctoral Degree in Buddhism (Social Work) from Mahachulalongkornrajavidyalaya, Thailand
- Honorary Doctorate Degree in Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University, Thailand
- Honorary Doctoral Degree in Hospitality Industry and Tourism, Christian University of Thailand, Thailand
- Honorary Doctoral Degree in Sciences and Food Technology, Rajamangala University of Technology Lanna, Thailand
- Honorary Doctoral Degree in International Business Administration, University of the Thai Chamber of Commerce, Thailand
- Honorary Doctoral Degree in Management, Rajamangala University of Technology Suvarnabhumi, Thailand
- Honorary Doctor of Philosophy in Business Administration, Mae Fah Luang University, Thailand
- Honorary Doctoral Degree in Business Administration, Eastern Asia University, Thailand
- Honorary Doctoral Degree in Management, Huachiew Chalermprakiet University, Thailand
- Honorary Doctoral Degree in Industrial Technology, Chandrakasem Rajabhat University, Thailand
- Honorary Doctoral Degree in Agricultural Business Administration, Maejo Institute of Agricultural Technology, Thailand

**Present Directorships in other companies (as at 30 September 2017)**
*Listed companies*
- Berli Jucker Public Company Limited (Chairman)
- Fraser and Neave, Limited (Chairman)
- Thai Beverage Public Company Limited (Chairman)

*Listed REITs/Trusts*
Nil

*Others*
- Beer Thai (1991) Public Company Limited (Chairman)
- Big C Supercenter Public Company Limited (Chairman)
- Red Bull Distillery Group of Companies (Chairman)
- Siriwana Co., Ltd. (Chairman)
- Southeast Group Co., Ltd. (Chairman)
- TCC Asset World Corporation Limited (Chairman)
- TCC Corporation Limited (formerly known as TCC Holding Co., Ltd.) (Chairman)
- TCC Land Co., Ltd. (Chairman)

**Major appointments (other than Directorships)**
Nil

**Past Directorships in listed companies held over the preceding 3 years (from 01 October 2014 to 30 September 2017)**
Nil

**Past Major Appointments**
Nil

**Others**
- Darjah Kebesaran Panglima Setia Mahkota (P.S.M.) which carries the title 'Tan Sri' from Malaysia

**KHUNYING WANNA SIRIVADHANABHAKDI, 74**
Non-Executive and Non-Independent Vice Chairman

Date of appointment as a director: 07 Jan 2014
Length of service as Director:
3 years 8 months
(as at 30 September 2017)

**Board committees served on**
Nil

**Academic & Professional Qualifications**
- Honorary Doctoral Degree (Management), Mahidol University, Thailand
- Honorary Doctorate of Philosophy (Business Management), University of Phayao, Thailand
- Honorary Doctoral Degree from the Faculty of Business Administration and Information Technology, Rajamangala University of Technology Tawan-ok, Thailand
- Honorary Doctor of Philosophy in Social Sciences, Mae Fah Luang University, Thailand
- Honorary Doctoral Degree in Business Administration, Chiang Mai University, Thailand
- Honorary Doctoral Degree in Agricultural Business Administration, Maejo Institute of Agricultural Technology, Thailand
- Honorary Doctoral Degree in Bio-technology, Ramkhamhaeng University, Thailand

**Present Directorships in other companies (as at 30 September 2017)**
*Listed companies*
- Berli Jucker Public Company Limited (Vice Chairman)
- Fraser and Neave, Limited (Vice Chairman)
- Thai Beverage Public Company Limited (Vice Chairman)

*Listed REITs/Trusts*
Nil

*Others*
- Beer Thip Brewery (1991) Co., Ltd. (Chairman)
- Big C Supercenter Public Company Limited (Vice Chairman)
- Sangsom Group of Companies (Chairman)
- Siriwana Co., Ltd. (Vice Chairman)
- TCC Asset World Corporation Limited (Vice Chairman)
- TCC Corporation Limited (formerly known as TCC Holding Co., Ltd.) (Vice Chairman)

**Major appointments (other than Directorships)**
Nil

**Past Directorships in listed companies held over the preceding 3 years (from 01 October 2014 to 30 September 2017)**
Nil

**Past Major Appointments**
Nil

**Others**
Nil

**PANOTE SIRIVADHANABHAKDI, 39**
Group Chief Executive Officer
Executive and Non-Independent Director

Date of appointment as a director: 08 Mar 2013
Length of service as Director:
4 years 6 months
(as at 30 Sep 2017)

**Board committees served on**
- Board Executive Committee
- Risk Management Committee

**Academic & Professional Qualifications**
- Master of Science in Analysis, Design and Management of Information Systems, London School of Economics and Political Science, UK
- Bachelor of Science in Manufacturing Engineering, Boston University, USA
- Certificate in Industrial Engineering and Economics, Massachusetts University, USA

**Present Directorships in other companies (as at 30 Sep 2017)**
*Listed companies*
- TICON Industrial Connection Public Company Limited
- Golden Land Property Development Public Company Limited (Vice Chairman)
- Thai Beverage Public Company Limited
- Berli Jucker Public Company Limited
- Univentures Public Company Limited

*Listed REITs/Trusts*
- Frasers Hospitality Asset Management Pte Ltd, Manager of Frasers Hospitality Real Estate Investment Trust
- Frasers Hospitality Trust Management Pte Ltd, Manager of Frasers Hospitality Business Trust
- Frasers Logistics & Industrial Asset Management Pte Ltd, Manager of Frasers Logistics & Industrial Trust

*Others*
- Frasers Property Australia Pty Limited
- One Bangkok Holdings Co., Ltd.
- Beer Thip Brewery (1991) Co., Ltd.
- Blairmhor Distillers Limited
- Blairmhor Limited
- InterBev (Singapore) Limited
- International Beverage Holdings (China) Limited
- International Beverage Holdings Limited
- International Beverage Holdings (UK) Limited
- Sura Bangyikhan Group of Companies

**Major appointments (other than Directorships)**
- Singapore Management University (Director/Board of Trustees)
- Real Estate Developers' Association of Singapore (REDAS) (Management Committee)

**Past Directorships in listed companies held over the preceding 3 years (from 01 Oct 2014 to 30 Sep 2017)**
Nil

**Past Major Appointments**
- Chief Executive Officer of Univentures Public Company Limited

**Others**
Nil

# BOARD OF DIRECTORS – As at 30 September 2017

CHARLES MAK MING YING, 65
Non-Executive and Lead Independent Director

Date of appointment as a director: 25 Oct 2013
Length of service as Director:
3 years 11 months
(as at 30 Sep 2017)

**Board committees served on**
- Audit Committee (Chairman)
- Board Executive Committee (Vice Chairman)
- Remuneration Committee
- Nominating Committee
- Risk Management Committee

**Academic & Professional Qualifications**
- Master of Business Administration, PACE University, USA
- Bachelor of Business Administration, PACE University, USA

**Present Directorships in other companies (as at 30 Sep 2017)**
*Listed companies*
Nil

*Listed REITs/Trusts*
Nil

*Others*
Nil

**Major appointments (other than Directorships)**
- Morgan Stanley Asia Pacific (Vice Chairman)
- Morgan Stanley International Wealth Management (President)
- Pace University, USA (Board of Trustees)

**Past Directorships in listed companies held over the preceding 3 years (from 01 Oct 2014 to 30 Sep 2017)**
Nil

**Past Major Appointments**
- Chairman and Director of Bank Morgan Stanley AG
- Director in Morgan Stanley Asia Limited and a member of Morgan Stanley's Asia Pacific Executive Committee, the Morgan Stanley Wealth Management Committee and the International Operating Committee
- Managing Director and Head of Morgan Stanley Asia Pacific Private Wealth Management
- Executive Director and Senior Investment Adviser of Morgan Stanley's Private Wealth Management Group

**Others**
- Senior Advisor to Morgan Stanley Asia's Investment Banking Division

CHAN HENG WING, 71
Non-Executive and Independent Director

Date of appointment as a director: 25 Oct 2013
Length of service as Director:
3 years 11 months
(as at 30 Sep 2017)

**Board committees served on**
- Nominating Committee
- Risk Management Committee
- Remuneration Committee

**Academic & Professional Qualifications**
- Master of Science, Columbia Graduate School of Journalism, USA
- Master of Arts, University of Singapore
- Bachelor of Arts (Honours), University of Singapore

**Present Directorships in other companies (as at 30 Sep 2017)**
*Listed companies*
- Banyan Tree Holdings Ltd.

*Listed REITs/Trusts*
- EC World Asset Management Pte Ltd

*Others*
- Fusang Corp (Labuan)[1]
- Fusang Family Office Pte Ltd (S)[1]
- Fusang Family Office Ltd (HK)[1]
- Fusang Investment Office Pte Ltd (S)[1]
- Fusang Investment Office Ltd (HK)[1]
- One Bangkok Holdings Co., Ltd.
- Precious Quay Pte. Ltd.
- Precious Treasures Pte. Ltd.

**Major appointments (other than Directorships)**
- Ministry of Foreign Affairs: Non-resident Ambassador to Austria
- Milken Institute Asia Center (Senior Advisor)

**Past Directorships in listed companies held over the preceding 3 years (from 01 Oct 2014 to 30 Sep 2017)**
Nil

**Past Major Appointments**
- Managing Director, International Relations, Temasek Holdings
- Singapore's Consul General to Hong Kong and Shanghai
- Singapore's Ambassador to Thailand
- Press Secretary to Prime Minister Goh Chok Tong
- Director of the Media Division, Ministry of Communications and Information
- Chief Representative of Temasek International in China

**Others**
Nil

[1] *Appointed Special Advisor with effect from 1 Dec 2017*

## PHILIP ENG HENG NEE, 71
Non-Executive and Independent Director

Date of appointment as a director: 25 Oct 2013
Length of service as Director:
3 years 11 months
(as at 30 Sep 2017)

**Board committees served on**
- Remuneration Committee (Chairman)
- Audit Committee

**Academic & Professional Qualifications:**
- Bachelor of Commerce in Accountancy, University of New South Wales, Australia
- Associate Member, Institute of Chartered Accountants in Australia
- Chartered Accountant (Singapore)

**Present Directorships in other companies (as at 30 Sep 2017)**
*Listed companies*
- Ezra Holdings Limited
- PT Adira Dinamika Multi Finance Tbk (Commissioner)
- The Hour Glass Limited

*Listed REITs/Trusts*
- Frasers Centrepoint Asset Management Ltd, Manager of Frasers Centrepoint Trust

*Others*
- Frasers Property Australia Pty Limited
- Hektar Asset Management Sdn Bhd
- Heliconia Capital Management Pte. Ltd.
- KK Women's and Children's Hospital Pte. Ltd.
- Singapore Health Services Pte. Ltd.
- Vanda 1 Investments Pte. Ltd.

**Major appointments (other than Directorships)**
- Ministry of Foreign Affairs: Singapore's Non-Resident High Commissioner to Canada

**Past Directorships in listed companies held over the preceding 3 years (from 01 Oct 2014 to 30 Sep 2017)**
- MDR Limited (Chairman)

**Past Major Appointments**
- Group Managing Director, Jardine Cycle and Carriage Group

**Others**
Nil

## TAN PHENG HOCK, 60
Non-Executive and Independent Director

Date of appointment as a director: 20 Mar 2017
Length of service as Director:
6 months 10 days
(as at 30 Sep 2017)

**Board committees served on**
Nil

**Academic & Professional Qualifications**
- Master of Science (Management), Stanford University, USA
- Bachelor of Science, Marine Engineering (First Class Honours), University of Surrey, UK

**Present Directorships in other companies (as at 30 Sep 2017)**
*Listed companies*
Nil

*Listed REITs/Trusts*
Nil

*Others*
- Design Education Review Committee (Chairman)
- Learning Gateway Ltd (Chairman)
- Lifelong Learning Endowment Fund Advisory Council (Chairman)
- National Neuroscience Institute (NNI) Fund Committee, SingHealth Fund (member)
- SkillsFuture Singapore Agency (Chairman)
- The Civil Aviation Authority of Singapore (Board member)

**Major appointments (other than Directorships)**
- Advisor of Temasek International

**Past Directorships in listed companies held over the preceding 3 years (from 01 Oct 2014 to 30 Sep 2017)**
Nil

**Past Major Appointments**
- President & CEO of ST Engineering
- Group President of ST Engineering
- Group's President of Corporate Affairs, ST Engineering
- President of Singapore Technologies Automotive Ltd, now known as ST Kinetics

**Others**
- Outstanding CEO of the Year at the Singapore Business Awards 2014
- Asia Business Leader of the Year at the 12th CNBC Asia Business Leaders Award 2013
- Esteemed Honorary Fellowship by the Asean Federation of Engineering Organisations (AFEO)
- The Best CEO (market cap of $1 billion and above), Singapore Corporate Awards 2012
- CNBC Asia Talent Management Award, 2009
- The first Asian Chief Executive to receive the Walter L. Hurd Foundation World Executive Medal by Asia Pacific Quality Organisation

# BOARD OF DIRECTORS – As at 30 September 2017

WEE JOO YEOW, 70
Non-Executive and Independent Director

Date of appointment as a director: 10 Mar 2014
Length of service as Director:
3 years 6 months
(as at 30 Sep 2017)

**Board committees served on**
- Board Executive Committee
- Audit Committee

**Academic & Professional Qualifications**
- Master of Business Administration, New York University, USA
- Bachelor of Business Administration (BBA Honours), University of Singapore

**Present Directorships in other companies (as at 30 Sep 2017)**
*Listed companies*
- PACC Offshore Services Holdings Ltd
- Oversea-Chinese Banking Corporation Limited
- Great Eastern Holdings Limited

*Listed REITs/Trusts*
Mapletree Industrial Trust Management Ltd, Manager of Mapletree Industrial Trust

*Others*
Nil

**Major appointments (other than Directorships)**
Nil

**Past Directorships in listed companies held over the preceding 3 years (from 01 Oct 2014 to 30 Sep 2017)**
Nil

**Past Major Appointments**
- Managing Director and Head of Corporate Banking Singapore, United Overseas Bank Limited

**Others**
Nil

WEERAWONG CHITTMITTRAPAP, 59
Non-Executive and Independent Director

Date of appointment as a director: 25 Oct 2013
Length of service as Director:
3 years 11 months
(as at 30 Sep 2017)

**Board committees served on**
- Nominating Committee (Chairman)
- Risk Management Committee

**Academic & Professional Qualifications**
- Thai Barrister-at-Law and the first Thai lawyer admitted to the New York State Bar
- Master of Law, University of Pennsylvania, USA
- Bachelor of Law, Chulalongkorn University, Thailand

**Present Directorships in other companies (as at 30 Sep 2017)**
*Listed companies*
- Berli Jucker Public Company Limited
- SCB Life Assurance Public Company Limited
- Siam Commercial Bank Public Company Limited
- Bangkok Dusit Medical Services Public Company Limited

*Listed REITs/Trusts*
Nil

*Others*
- Big C Supercenter Public Company Limited

**Major appointments (other than Directorships)**
- Thai Institute of Directors (Special Lecturer)

**Past Directorships in listed companies held over the preceding 3 years (from 01 Oct 2014 to 30 Sep 2017)**
- Minor International Public Company Limited
- Siam Food Public Company Limited
- Nok Airlines Public Company Limited
- Golden Land Property Development Public Company Limited
- GMM Grammy Public Company Limited
- Thai Airways International Public Company Limited
- National Power Supply Public Company Limited

**Past Major Appointments**
- Weerawong, Chinnavat & Peangpanor Limited (Chairman)

**Others**
Nil

## CHOTIPHAT BIJANANDA, 54
Non-Executive and Non-Independent Director

Date of appointment as a director: 08 Mar 2013
Length of service as Director:
4 years 6 months
(as at 30 Sep 2017)

**Board committees served on**
- Risk Management Committee (Chairman)
- Board Executive Committee (Vice Chairman)
- Nominating Committee

**Academic & Professional Qualifications**
- Master of Business Administration, Finance, University of Missouri, USA
- Bachelor of Laws, Thammasat University, Thailand

**Present Directorships in other companies (as at 30 Sep 2017)**
*Listed companies*
- Sermsuk Public Company Limited
- Golden Land Property Development Public Company Limited
- TICON Industrial Connection Public Company Limited
- Fraser and Neave, Limited

*Listed REITs/Trusts*
Nil

*Others*
- Frasers Property Australia Pty Limited
- Southeast Group Co., Ltd. (President)
- Southeast Insurance Public Co., Ltd. (Chairman)
- Southeast Life Insurance Public Co., Ltd. (Chairman)
- Southeast Capital Co., Ltd. (Chairman)
- TCC Assets Limited
- TCC Technology Co., Ltd.
- Big C Supercenter Public Company Limited
- Big C Services Co., Ltd.

**Major appointments (other than Directorships)**
Nil

**Past Directorships in listed companies held over the preceding 3 years (from 01 Oct 2014 to 30 Sep 2017)**
Nil

**Past Major Appointments**
Nil

**Others**
Nil

## SITHICHAI CHAIKRIANGKRAI, 63
Non-Executive and Non-Independent Director

Date of appointment as a director: 07 Aug 2013
Length of service as Director:
4 years 1 month
(as at 30 Sep 2017)

**Board committees served on**
- Board Executive Committee
- Audit Committee
- Risk Management Committee

**Academic & Professional Qualifications**
- Bachelor of Accountancy (First Class Honours), Thammasat University, Thailand
- Diploma in Computer Management, Chulalongkorn University, Thailand
- Certificate of the Mini MBA Leadership Management, Kasetsart University, Thailand

**Present Directorships in other companies (as at 30 Sep 2017)**
*Listed companies*
- Thai Beverage Public Company Limited
- Berli Jucker Public Company Limited
- Golden Land Property Development Public Company Limited
- Oishi Group Public Company Limited
- Siam Food Products Public Company Limited
- Sermsuk Public Company Limited
- Univentures Public Company Limited
- Fraser and Neave, Limited

*Listed REITs/Trusts*
Nil

*Others*
- Big C Supercenter Public Company Limited
- InterBev Investment Limited
- International Beverage Holdings Limited
- Certain Subsidiaries of Thai Beverage Public Company Limited
- Certain Subsidiaries of Berli Jucker Public Company Limited
- Certain Subsidiaries of Oishi Group Public Company Limited
- Certain Subsidiaries of Siam Food Products Public Company Limited
- Certain Subsidiaries of Sermsuk Public Company Limited

**Major appointments (other than Directorships)**
- Thai Beverage Public Company Limited (Chief Financial Officer)

**Past Directorships in listed companies held over the preceding 3 years (from 01 Oct 2014 to 30 Sep 2017)**
Nil

**Past Major Appointments**
Nil

**Others**
Nil

# GROUP MANAGEMENT – As at 30 September 2017

PANOTE SIRIVADHANABHAKDI, 39
Group Chief Executive Officer
Frasers Centrepoint Limited

Mr Sirivadhanabhakdi is responsible for developing and driving the Group's growth strategies and delivering sustainable returns for the business.

He helms the overall development and management of the Group's business, provides leadership to all FCL business divisions and prepares the organisation for further development and expansion.

Date of first appointment:
1 Oct 2016

**Board committees served on**
- Board Executive Committee
- Risk Management Committee

**Academic & Professional Qualifications**
- Master of Science in Analysis, Design and Management of Information Systems, London School of Economics and Political Science, UK
- Bachelor of Science in Manufacturing Engineering, Boston University, USA
- Certificate in Industrial Engineering and Economics, Massachusetts University, USA

**Present Directorships in other companies (as at 30 Sep 2017)**

*Listed companies*
- TICON Industrial Connection Public Company Limited
- Golden Land Property Development Public Company Limited (Vice Chairman)
- Thai Beverage Public Company Limited
- Berli Jucker Public Company Limited
- Univentures Public Company Limited

*Listed REITs/Trusts*
- Frasers Hospitality Asset Management Pte Ltd, Manager of Frasers Hospitality Real Estate Investment Trust
- Frasers Hospitality Trust Management Pte Ltd, Manager of Frasers Hospitality Business Trust
- Frasers Logistics & Industrial Asset Management Pte Ltd, Manager of Frasers Logistics & Industrial Trust

*Others*
- Frasers Property Australia Pty Limited
- One Bangkok Holdings Co., Ltd.
- Beer Thip Brewery (1991) Co., Ltd.
- Blairmhor Distillers Limited
- Blairmhor Limited
- InterBev (Singapore) Limited
- International Beverage Holdings (China) Limited
- International Beverage Holdings Limited
- International Beverage Holdings (UK) Limited
- Sura Bangyikhan Group of Companies

**Major appointments (other than Directorships)**
- Singapore Management University (Director/Board of Trustees)
- Real Estate Developers' Association of Singapore (REDAS) (Management Committee)

**Past Directorships in listed companies held over the preceding 3 years (from 01 Oct 2014 to 30 Sep 2017)**
Nil

**Past Major Appointments**
- Chief Executive Officer of Univentures Public Company Limited

**Others**
Nil

CHIA KHONG SHOONG, 46
Chief Corporate Officer and Chief Financial Officer
Frasers Centrepoint Limited

As Group Chief Corporate Officer and Chief Financial Officer, Mr Chia oversaw several key Group corporate functions as well as FCL's Finance, Accounting, Taxation and Treasury functions. Mr Chia stepped down as Chief Financial Officer on 1 December 2017 to focus on his Chief Corporate Officer responsibilities.

The Group corporate functions that Mr Chia looks after include Group Corporate Secretariat and Legal, Group Business Process Design and Technology Solutions, Sustainability and Corporate Administration. He oversees the development and formulation of Group strategies to streamline business processes, drive synergies and improve profitability. He also assists FCL's Group Chief Executive Officer on overseeing the evaluation, execution and implementation of group-wide projects and strategy initiatives, as well as, the development of the Group's international businesses.

Date of first appointment:
2 Mar 2009

**Academic & Professional Qualifications**
- Master of Philosophy (Management Studies), Cambridge University, UK
- Bachelor of Commerce (Accounting and Finance), University of Western Australia, Australia

**Working Experience**
- Chief Executive Officer, Australia, New Zealand and UK, Frasers Centrepoint Limited
- Director, Investment Banking and Global Banking, The Hongkong & Shanghai Banking Corporation Ltd
- Vice President, Global Investment Banking, Citigroup / Salomon Smith Barney / Schroders

**Present Directorships (as at 30 Sep 2017)**
*Listed companies*
Nil

*Listed REITs/Trusts*
- Frasers Centrepoint Asset Management (Commercial) Limited, Manager of Frasers Commercial Trust

*Others*
Nil

**Major Appointments (other than Directorships)**
Nil

**Past Directorships in listed companies held over the preceding 3 years (from 01 Oct 2014 to 30 Sep 2017)**
- Frasers Centrepoint Asset Management Ltd, Manager of Frasers Centrepoint Trust

**Others**
Nil

LOO CHOO LEONG, 49
Chief Financial Officer (from 1 Dec 2017)
Frasers Centrepoint Limited

Mr Loo is responsible for all aspects of FCL Group's Finance functions. He has direct oversight of the Finance, Accounting, Treasury, Taxation, Risk Management and Group Communications functions.

Date of appointment:
1 Dec 2017

**Academic & Professional Qualifications**
- Master of Business Administration (Distinction), University of Strathclyde, UK
- Fellow of the Association of Chartered Certified Accountants, UK
- Member of the Institute of Singapore Chartered Accountants
- Member of the Singapore Institute of Directors
- Member of the Malaysian Institute of Accountants

**Working Experience**
- Deputy Chief Financial Officer, Frasers Centrepoint Limited
- Chief Financial Officer, Pacific Radiance Limited
- Group Head of Global Shared Services and Head of Regional Finance Office, Sime Darby Group
- Associate, Arthur Andersen & Co

**Present Directorships (as at 30 Sep 2017)**
*Listed companies*
Nil

*Others*
Nil

**Major Appointments (other than Directorships)**
Nil

**Past Directorships in listed companies held over the preceding 3 years (from 01 Oct 2014 to 30 Sep 2017)**
- PT Logindo Samudramakmur, Tbk (listed on the Indonesia Stock Exchange)

**Others**
- Alstonia Offshore Pte Ltd
- Crest Subsea International Pte Ltd
- CrestSA Marine & Offshore Pte Ltd
- CSI Offshore Pte Ltd
- Pacific Crest Pte Ltd
- Pacific Offshore Marine Pte Ltd

# GROUP MANAGEMENT – As at 30 September 2017

CHRISTOPHER TANG KOK KAI, 56
Chief Executive Officer, Singapore
Frasers Centrepoint Limited

Mr Tang is responsible for Frasers Centrepoint Singapore. He oversees the Residential, Retail and Commercial properties in Singapore as well as the two REITs – Frasers Centrepoint Trust and Frasers Commercial Trust.

Date of first appointment:
1 Apr 2001

**Academic & Professional Qualifications**
- Master of Business Administration, National University of Singapore
- Bachelor of Science, National University of Singapore

**Working Experience**
- Chief Executive Officer, Commercial and Greater China, Frasers Centrepoint Limited
- Chief Executive Officer, Frasers Centrepoint Asset Management Ltd
- General Manager, Strategic Planning and Asset Management, Fraser and Neave, Limited
- General Manager, Strategic Planning and Asset Management, Frasers Centrepoint Limited
- Vice President, DBS Bank Ltd
- Senior Manager, Strategic Planning and Asset Management, DBS Land Limited

**Present Directorships (as at 30 Sep 2017)**
*Listed companies*
Nil

*Listed REITs/Trusts*
- Frasers Centrepoint Asset Management Ltd, Manager of Frasers Centrepoint Trust
- Frasers Centrepoint Asset Management (Commercial) Limited, Manager of Frasers Commercial Trust
- Hektar Asset Management Sdn Bhd, Manager of Hektar REIT

*Others*
- Board of Governors, Republic Polytechnic

**Major Appointments (other than Directorships)**
Nil

**Past Directorships in listed companies held over the preceding 3 years (from 01 Oct 2014 to 30 Sep 2017)**
Nil

**Others**
Nil

RODNEY VAUGHAN FEHRING, 58
Chief Executive Officer
Frasers Property Australia

Mr Fehring is responsible for Frasers Property Australia, which develops, builds and manages residential, commercial, industrial and retail property in Australia and New Zealand. He has 35 years of experience in the property development industry, primarily involved in large-scale urban development and urban renewal schemes.

Date of first appointment:
22 Mar 2010[1]

**Academic & Professional Qualifications**
- Bachelor of Applied Science, La Trobe University, Australia
- Graduate Diploma in Sports Administration, La Trobe University, Australia
- Graduate Diploma in Urban & Regional Planning, RMIT University, Australia
- Diploma, Advanced Management Program, The Wharton School, University of Pennsylvania, USA

**Working Experience**
- Executive General Manager, Residential, Australand Property Group
- Managing Director & CEO of Lend Lease Primelife Ltd
- CEO of Delfin Lend Lease Ltd
- Executive General Manager (Vic) of Delfin Group Ltd
- Chief Operating Officer, Urban Land Corporation, Victoria
- General Manager (Property), Australian Defence Industries Ltd

**Present Directorships (as at 30 Sep 2017)**
- Chairman, Green Building Council of Australia
- Member, Property Male Champions of Change

*Others*
- Frasers Property Australia Pty Limited

**Past Directorships of companies held over the preceding 3 years (from 01 Oct 2014 to 30 Sep 2017)**
- Chairman, Australian Housing and Urban Research Institute Ltd
- Director, Mission Australia Housing Pty Ltd

**Others**
Nil

[1] *Appointment to Australand Property Group, which was acquired by FCL in 2014*

CHOE PENG SUM, 57
Chief Executive Officer
Frasers Hospitality

Mr Choe oversees Frasers Hospitality's business from investment, business development, global expansion of the chain of gold-standard serviced residences and hotels worldwide, to trusts and asset management of hotels and serviced residences on a global mandate.

Date of first appointment:
1 Apr 1996

**Academic & Professional Qualification(s)**

- Bachelor of Science with Distinction, Cornell University, New York, USA
- Phi Kappa Phi, Cornell University, New York, USA
- President's Honor Roll, Washington State University, USA
- Executive Development Programme, International College of Hospitality Administration, BRIG, Switzerland

**Working Experience**

- Chief Operating Officer, Frasers Hospitality Pte Ltd
- General Manager of Hospitality, Frasers Centrepoint Limited
- Resident Manager, Portman Shangri-La Hotel, Shanghai
- Executive Assistant Manager, Shangri-La Hotel, Singapore

**Present Directorships (as at 30 Sep 2017)**

*Listed companies*
Nil

*Listed REITs/Trusts*

- Frasers Hospitality Asset Management Pte Ltd, Manager of Frasers Hospitality Real Estate Investment Trust

*Others*
Nil

**Major Appointments (other than Directorships)**

- Chairman of Board of Directors, Crest Secondary School, appointed by Ministry of Education
- Committee member, Committee for Private Education/SkillsFuture Singapore, appointed by Ministry of Education
- Governing Council member of the Singapore Quality Awards, Spring Singapore, appointed by Ministry of Trade and Industry
- SPC Complaints Panel (Laypersons), Singapore Pharmacy Council

**Past Directorships in listed companies held over the preceding 3 years (from 01 Oct 2014 to 30 Sep 2017)**
Nil

**Others**
Nil

UTEN LOHACHITPITAKS, 44
Chief Investment Officer
Frasers Centrepoint Limited

Mr Lohachitpitaks is responsible for FCL Group's capital markets transactions, managing and monitoring the Group's portfolio of assets, devising strategies for acquisitions/divestments and liaising with investment partners. He also provides leadership for the Indochina markets, namely Thailand, Cambodia, Laos, Myanmar and Vietnam.

Date of first appointment:
1 Oct 2013

**Academic & Professional Qualifications**

- Master of Business Administration, Assumption University, Thailand
- Bachelor of Business Administration, Assumption University, Thailand

**Working Experience**

- Managing Director, Strategic Advisory, DBS Bank Ltd
- Director, Investment Banking Division, United Overseas Bank (Thai) Public Company Limited
- Vice President, Corporate & Investment Banking Group, DBS Bank Ltd

**Present Directorships (as at 30 Sep 2017)**

*Listed companies*

- Director, TICON Industrial Connection Public Company Limited

*Others*

- Director, Frasers Property Holding Thailand Co. Ltd.
- Director, Frasers Property Investment (Europe) SARL
- Director, Frasers Property International Pte. Ltd.
- Director, Frasers (Thailand) Pte. Ltd.
- Director, Sinomax International Pte. Ltd.
- Director, TICON Logistics Park Co., Ltd.

**Major Appointments (other than Directorships)**
Nil

**Past Directorships in other listed companies held over the preceding 3 years (from 01 Oct 2014 to 30 Sep 2017)**
Nil

**Others**
Nil

# GROUP MANAGEMENT – As at 30 September 2017

SEBASTIAN TAN, 54
Chief Human Resources Officer
Frasers Centrepoint Limited

Mr Tan has global responsibilities for all aspects of FCL Group's Human Resources. He has direct oversight of the Group's Strategic Talent Management, Rewards and Leadership Development.

Date of first appointment:
17 Aug 2015

**Academic & Professional Qualifications**
- Master of Business Administration (Human Resources), Northern Illinois University, USA
- Bachelor of Science (Human Resources), Northern Illinois University, USA

**Working Experience**
- Group Chief HR Officer, Surbana Corporation
- Advisory Director, Temasek Holdings
- Managing Director, Human Resources, Temasek Holdings
- Director, Human Resources, American Express International

**Present Directorships (as at 30 Sep 2017)**
*Listed companies*
Nil

*Others*
- FCL Management Services Pte. Ltd.

**Major Appointments (other than Directorships)**
- Programme Director, Graduate HR Certification Programme, Singapore Management University
- Adjunct Faculty, Lee Kong Chian School of Business, Singapore Management University
- Member, Professional Practices Committee, Institute for Human Resource Professionals

**Past Directorships in listed companies held over the preceding 3 years (from 01 Oct 2014 to 30 Sep 2017)**
Nil

**Others**
Nil

# CORPORATE INFORMATION

**BOARD OF DIRECTORS**
**Mr Charoen Sirivadhanabhakdi**
Non-Executive and
Non-Independent Chairman

**Khunying Wanna Sirivadhanabhakdi**
Non-Executive and
Non-Independent Vice Chairman

**Mr Panote Sirivadhanabhakdi**
Group Chief Executive Officer
Executive and Non-Independent
Director

**Mr Charles Mak Ming Ying**
Non-Executive and
Lead Independent Director

**Mr Chan Heng Wing**
Non-Executive and
Independent Director

**Mr Philip Eng Heng Nee**
Non-Executive and
Independent Director

**Mr Tan Pheng Hock**
Non-Executive and
Independent Director

**Mr Wee Joo Yeow**
Non-Executive and
Independent Director

**Mr Weerawong Chittmittrapap**
Non-Executive and
Independent Director

**Mr Chotiphat Bijananda**
Non-Executive and
Non-Independent Director

**Mr Sithichai Chaikriangkrai**
Non-Executive and
Non-Independent Director

**BOARD EXECUTIVE COMMITTEE**
**Mr Charoen Sirivadhanabhakdi**
(Chairman)
**Mr Charles Mak Ming Ying**
(Vice Chairman)
**Mr Chotiphat Bijananda**
(Vice Chairman)
**Mr Wee Joo Yeow**
**Mr Panote Sirivadhanabhakdi**
**Mr Sithichai Chaikriangkrai**

**RISK MANAGEMENT COMMITTEE**
**Mr Chotiphat Bijananda** (Chairman)
**Mr Charles Mak Ming Ying**
**Mr Chan Heng Wing**
**Mr Weerawong Chittmittrapap**
**Mr Panote Sirivadhanabhakdi**
**Mr Sithichai Chaikriangkrai**

**AUDIT COMMITTEE**
**Mr Charles Mak Ming Ying**
(Chairman)
**Mr Philip Eng Heng Nee**
**Mr Wee Joo Yeow**
**Mr Sithichai Chaikriangkrai**

**NOMINATING COMMITTEE**
**Mr Weerawong Chittmittrapap**
(Chairman)
**Mr Charles Mak Ming Ying**
**Mr Chan Heng Wing**
**Mr Chotiphat Bijananda**

**REMUNERATION COMMITTEE**
**Mr Philip Eng Heng Nee** (Chairman)
**Mr Charles Mak Ming Ying**
**Mr Chan Heng Wing**

**GROUP MANAGEMENT**
**Mr Panote Sirivadhanabhakdi**
Group Chief Executive Officer

**Mr Chia Khong Shoong**
Chief Corporate Officer
Chief Financial Officer
(until 30 November 2017)

**Mr Loo Choo Leong**
Chief Financial Officer
(from 1 December 2017)

**Mr Christopher Tang Kok Kai**
Chief Executive Officer,
Singapore

**Mr Rodney Vaughan Fehring**
Chief Executive Officer,
Frasers Property Australia

**Mr Choe Peng Sum**
Chief Executive Officer,
Frasers Hospitality

**Mr Uten Lohachitpitaks**
Chief Investment Officer

**Mr Sebastian Tan**
Chief Human Resources Officer

**COMPANY SECRETARY**
**Ms Catherine Yeo**

**REGISTERED OFFICE**
#21-00 Alexandra Point
438 Alexandra Road
Singapore 119958
Tel: (65) 6276 4882
Fax: (65) 6276 6328
www.fraserscentrepoint.com

**SHARE REGISTRAR**
Tricor Barbinder Share
Registration Services
80 Robinson Road
#02-00
Singapore 068898
Tel: (65) 6236 3333
Fax: (65) 6236 3405

**AUDITORS**
KPMG LLP
Partner-in-charge:
Mr Ronald Tay Ser Teck
(Appointed on 29 January 2016)

**PRINCIPAL BANKERS**
Australia and New Zealand Banking
Group Limited
Bangkok Bank Public Company
Limited
Bank of China Limited
DBS Bank Ltd.
Malayan Banking Berhad
Oversea-Chinese Banking
Corporation Limited
Standard Chartered Bank
Sumitomo Mitsui Banking
Corporation
The Bank of Tokyo-Mitsubishi UFJ,
Limited
United Overseas Bank Limited

# CHAIRMAN'S STATEMENT

EXECUTING ON OUR STRATEGIES OF ACHIEVING SUSTAINABLE EARNINGS GROWTH, GROWING OUR ASSET PORTFOLIO IN A BALANCED MANNER, AND OPTIMISING CAPITAL PRODUCTIVITY, THE GROUP HAS MADE CONSISTENT AND NOTABLE PROGRESS YEAR-AFTER-YEAR.

FY2017
**TOTAL DIVIDEND**
**8.6**
cents

Dear Fellow Shareholders,

Consistency and a progressive mindset are core to Frasers Centrepoint Limited's (FCL or the Group) approach to a sustainable business. The Group considers a strong organisational core and a business designed to grow through cycles, a high standard of corporate governance and transparency, as well as sustainable practices within our business operations, as hallmarks of an enduring business.

## PROGRESSING IN LINE WITH STRATEGIES

To build a business designed for the long haul, FCL adopted a three-pronged strategy five years ago to deliver long-term shareholder value. Executing on our strategies of achieving sustainable earnings growth, growing our asset portfolio in a balanced manner, and optimising capital productivity, the Group has made consistent and notable progress year-after-year. The Group's financial performance each year is a clear testament to the effectiveness of our strategies. These efforts have certainly stood FCL in good stead in today's environment of macro uncertainties and heightened geopolitical risks. However, it is critical that FCL's leadership continues to pay close attention to the changing world around us, and keeps working to elevate resilience in the business to support our long-term objectives.

## DELIVERING COMMENDABLE RESULTS

I am pleased that the Group delivered a strong set of full year results in FY2017. Revenue and attributable profit (before fair value change and exceptional items) or core earnings were $4,027 million and $488 million respectively. On the back of FCL's sound financial performance, the Board has proposed a final dividend of 6.2 Singapore cents per share. Including FCL's interim dividend of 2.4 Singapore cents per share, total dividend for FY2017 is 8.6 Singapore cents per share, maintaining the Group's dividend track record since its relisting in 2014.

## ENHANCING OUR PORTFOLIO RESILIENCE

FY2017 marked the first year since we made a series of organisational changes to ensure that the Group is future-ready. A key organisational change was the appointment of Mr Panote Sirivadhanabhakdi as Group CEO of FCL on 1 October 2016. Under the Group CEO's leadership, on top of delivering a solid financial performance, the team continued to take steps to enhance the quality of our earnings.

Over the course of the year, FCL invested in industrial and logistics platforms in Europe and Thailand as well as a portfolio of business parks in the UK. These moves enabled the Group to further diversify our income sources geographically and strengthen our recurring income base. Enhancing scale and depth across markets also means that we are able to reap greater synergies in our operations, while helping to support long-term future growth by better-positioning the Group to capture opportunities through cycles.

## STRONGER ORGANISATIONAL BACKBONE TO SUPPORT LONG-TERM OBJECTIVES

As FCL's leadership continues its efforts to steer the Group towards the long-term objective of delivering sustainable value for shareholders, having a strong organisational backbone to support these efforts is vital. For this reason, unifying FCL's people and businesses under a common set of systems, processes and culture was a key imperative for FCL's leadership during the year. FCL has also been making consistent efforts to raise the bar in sustainable practices within its business operations, and its progress is reported in this year's Sustainability Report. This year's Sustainability Report, as per every year prior, was prepared in accordance to international standards and is an important part of the Group's efforts to share its sustainability approach with stakeholders.

Over the course of the year, the Group's commitment towards building a sustainable business has won FCL a number of awards. The Group was recognised for its outstanding efforts in adhering to exemplary corporate governance practices and disclosure standards, as well as best practices in investor relations in the 2017 Singapore Corporate Awards. The Group's successful efforts in consistently championing sustainable practices within its core operations, particularly in relation to governance, environment, economic and social aspects, was also recognised at the Singapore Apex Corporate Sustainability Awards in 2017.

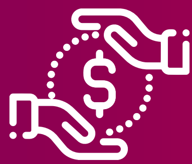
## ACKNOWLEDGEMENTS

FCL will not be where it is today without the support of our many stakeholders. To my esteemed colleagues on the Board, thank you for the wise counsel and valuable guidance. I would like to take this opportunity to extend my warmest welcome to Mr Tan Pheng Hock, who joined the Board in March 2017. Mr Tan brings with him a wealth of experience and we look forward to his contributions to FCL.

Sincere appreciation too, to our customers, business partners, bankers, financial advisers and shareholders, for their unwavering support of FCL. On behalf of the Board, I would also like to thank the Boards of FCT, FCOT, FHT, and FLT, for their stewardship of our listed REITs. Last but not least, I would like to express my deep appreciation to our employees for their dedication and hard work.

**Charoen Sirivadhanabhakdi**
Chairman

# GROUP CEO'S STATEMENT



▲ 17%

FY2017 REVENUE

$4,027 million

Dear Shareholders,

FY2017 has been a fruitful year for FCL. We delivered a set of solid financial results against a backdrop of geopolitical uncertainties and a volatile economic environment. In addition, we made significant strides towards our objective of delivering long-term shareholder value as we further enhanced the defensive nature of our portfolio. On the corporate front, following the new organisational structure put in place last July, we embarked on another important corporate initiative to enhance unity and collaboration among our people.

▲ 2%

FY2017
APBFE

$488 million

IN FY2012, NEARLY 60% OF OUR TOTAL ASSETS WERE IN SINGAPORE, WHILE OUR DEVELOPMENT PORTFOLIO TOTALLED MORE THAN 50% OF OUR ASSETS. TODAY, NEARLY 60% OF OUR TOTAL ASSETS ARE OUTSIDE SINGAPORE, WHILE WE HAVE MORE THAN 80% OF OUR TOTAL ASSETS IN RECURRING INCOME PROPERTY SEGMENTS.

## IMPROVED QUALITY OF EARNINGS

In FY2017, FCL's revenue rose 17% year-on-year to $4,027 million, while our core earnings, or attributable profit before fair value change and exceptional items, was up 2% year-on-year to $488 million. Our financial performance was underpinned by higher contributions, from Australia, China and the UK, which clearly attests to the merits of our strategy.

Diversifying our earnings geographically, strengthening FCL's recurring income base, and improving capital productivity are central to the Group's strategy. Our consistent application of this strategy over the past five years has enabled us to reshape FCL's portfolio by smoothening out earnings lumpiness that is inherent in the property sector. In FY2012, nearly 60% of our total assets were in Singapore, while our development portfolio totalled more than 50% of our assets. Today, nearly 60% of our total assets are outside Singapore, while we have more than 80% of our total assets in recurring income property segments. Meanwhile, our portfolio has also grown exponentially over the same period, as our portfolio more than doubled from $10.4 billion in FY2012 to $27.0 billion, which translates to a compounded annual growth rate of 21% per annum.

## ENHANCED PORTFOLIO RESILIENCE

In an environment of increasing volatility and shortening property cycles, the Group set out to build resilience in the business portfolio via a series of defensive acquisitions this year. They include a 99.5% stake in Geneba Properties N.V., a company that owns and manages a portfolio primarily comprising long-lease logistics and industrial assets in Germany and the Netherlands; and a portfolio of four high-quality, income-producing and well-located business parks in the UK. These acquisitions share a number of notable characteristics that made them compelling investments for FCL.

### Strengthen Recurring Income Base

Extending our business across more markets and investment property segments allows FCL to diversify geographically and more importantly, strengthen our recurring income base. Having a significantly broader tenant base comprising quality corporations, and a higher proportion of leases in our portfolio with weighted average lease expiry of over five years, mean that we have even clearer earnings visibility, which factors highly in our capital allocation considerations.

# GROUP CEO'S STATEMENT

### Leveraging Core Competencies from Across the Group

Growing our asset portfolio in a balanced manner across geographies and property segments is a key aspect to enhancing our portfolio resilience, but we cannot be in all parts of the world and in all property segments. Real estate is a capital and management intensive business where scale and depth matter. Across the Group, we have capabilities in residential, retail, commercial and business parks, industrial and logistics, as well as hospitality sectors. We are focused on leveraging core competencies across the Group to deepen our presence in markets where we already have a foothold, and these acquisitions are a prime example of how we were able to leverage expertise in Singapore and Australia to capture opportunities.

It was also in this spirit that we entered into a joint venture with a member of the TCC Group, FCL's controlling shareholder. The Group has a 19.9% stake in this joint venture, in which we plan to leverage the home-ground advantage of the TCC Group, coupled with FCL's internationally-recognised capabilities in integrated developments, to deliver Thailand's largest integrated district that is set to transform Bangkok's city-centre.

### Reinforce FCL's 'Network Effect' and Grow with Customers Strategy

FCL's businesses are all about providing solutions to the needs of our customers. In the commercial, logistics and industrial space, having a scalable, multi-geographic footprint will benefit our customers and drive value to the business. Along this vein, during the year, we also acquired an approximately 41.0% stake in TICON Industrial Connection Public Company Limited, a leading developer and owner of industrial properties in Thailand.

With our new investments, we have deepened our presence in Europe and Thailand, both markets that the Group has been in for over a decade, and where we see long-term potential. We now have platforms that will allow us to harness our commercial and logistics know-how to benefit from prospects in the ASEAN Economic Community and Europe region. Our multi-geographical presence also opens up more opportunities for cross-marketing to tenants and knowledge sharing.

## STRENGTHENING ORGANISATIONAL BACKBONE

These acquisitions were made possible because FCL has a diversified platform, and an organisational structure that facilitates Group-level strategic planning and our ability to allocate capital dynamically. We could quickly assemble teams from across the Group with the right knowledge to evaluate opportunities, and nimbly allocate capital to fund investments that made sense to the Group.

### Stronger Together

As FCL's drive to scale up in multiple geographies and property segments gains momentum, a strong organisational core becomes even more critical to our enduring success. Unifying all our people and businesses under a clear and authentic corporate culture, across our multi-national and diverse platform, was a logical next step to ready FCL for continued growth.

*Artist's Impression of One Bangkok, Bangkok, Thailand*

During the year, we embarked on a branding initiative that engaged every part of our business in a thorough and considered process. I am pleased to share that today, the Group is unified under a single brand idea – *experience matters*. Why *experience matters*? *Experience matters* means that we believe that our customers experience matters, and we are committed to creating memorable and enriching experiences for our customers. *Experience matters* also means that our experience matters, and as a diverse, multi-national business of scale, we bring the right expertise and value to the table.

### One Multi-National Property Brand

As part of our branding initiative, we also saw a need to consolidate the Group's collective brand equity in a single property brand. We would like to seek the approval of FCL shareholders, at the FCL 2018 Annual General Meeting, to approve the change in our company name to Frasers Property Limited to better reflect our multi-national and diverse business. This will allow us to invest in building one multi-national property brand and one multi-national employer brand – Frasers Property, which will better enable us to enhance brand equity and talent management.

## MAINTAINING FOCUS ON CORPORATE GOVERNANCE AND FINANCIAL DISCIPLINE

To support our growing business, we must maintain financial discipline and continue to uphold the highest level of corporate governance.

### Active Capital Management

We maintained a sound financial position in FY2017. As at 30 September 2017, the Group's net debt-to-equity ratio stood at 70.6%. This is a gearing level that the business is capable of supporting, in view of our strong recurring income base and healthy unrecognised residential presales level of $3.4 billion. Diversifying our funding sources also remained a focus of the Group and we executed on the issuance and redemption of a number of instruments during the year via FCL Treasury Pte. Ltd.

*Artist's Impression of Ed.Square, Edmondson Park, New South Wales, Australia*

# GROUP CEO'S STATEMENT

During the year, the Group's REIT platforms continued to be important contributors to FCL's recurring income base through fee income, as well as providing an avenue to optimise capital productivity. In line with our asset recycling strategy to enhance capital productivity, in FY2017, FCL sold eight industrial assets to Frasers Logistics & Industrial Trust.

**High Standards of Corporate Governance and Sustainability**

Over the course of the year, we are honoured to have received recognition in a number of awards that exemplify the Group's commitment towards corporate governance. At the 2017 Singapore Corporate Awards, FCL was a winner for Best Investor Relations, in the category for listed companies with market capitalisation of $1 billion and above. In November 2017, FCL was named a winner of the Sustainable Business Award, under the large organisations category, at the Singapore Apex Corporate Sustainability Awards, capping a string of sustainability awards received by the Group during the year.

In fact, as part of our ongoing sustainability efforts, and in response to feedback received from shareholders, we have ceased the practice of sending printed copies of FCL's annual report to shareholders. We encourage our shareholders to download a soft copy of our annual report from our corporate website, which serves as a resource centre for shareholders and members of the public to access information about the Group.

## LOOKING AHEAD

We will strive to maintain our market position in our core markets of Singapore and Australia, where the Group already has scale and depth. The progressive opening of Northpoint City (South Wing) from end 2017 and expected completion of Frasers Tower in the first half of 2018 will be a boost for our Singapore business unit, even as we persist with our efforts to bid for sites to replenish our residential landbank. Over in Australia, we plan to release around 2,000 residential units for sale in FY2018, including the first residential stage of Ed.Square, a large-scale development in Sydney that will integrate residential units with a 45,000 sq m retail and commercial precinct. In addition, we are in the planning stages for Wyndham Vale in Melbourne and the Ivanhoe Estate site in Sydney, both large-scale mixed-use developments. We are also working on delivering 12 commercial and industrial facilities over the course of FY2018.

*Geneba Industrie Park, Mülheim, Germany*

Concurrently, we will keep looking at opportunities to deepen our presence in markets that we are familiar with, by leveraging capabilities across our Group. In particular, the UK and Europe will remain geographies of focus as long-term prospects continue to look promising, notwithstanding short-term volatilities. We aim to establish a scalable, strategic platform in the region. For our hospitality business, we will persevere in our efforts to improve our portfolio metrics while building scale for the management business.

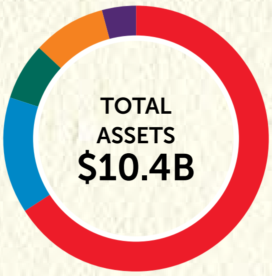
We have taken a number of steps in recent years that are designed to position the Group to deliver long-term shareholder value against a backdrop of an uncertain global environment, tepid growth conditions, and the advent of disruptive technologies. We will persist in our efforts to seek opportunities that will allow us to grow our business in a prudent manner.

**Panote Sirivadhanabhakdi**
Group Chief Executive Officer

Winnersh Triangle, Reading, UK

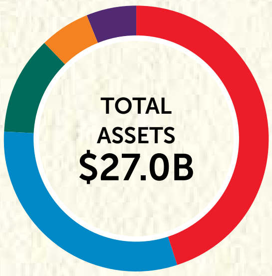
## RESHAPED PORTFOLIO IN 5 YEARS

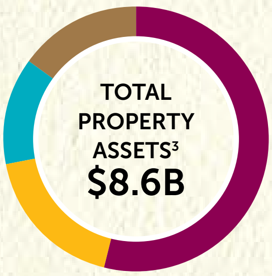
**FY2012** → **FY2017**




From under 40% to over 50% of total assets outside Singapore

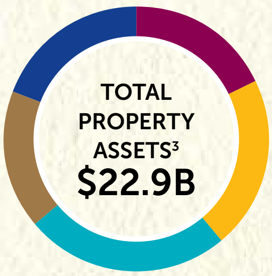
| FY2012 | | FY2017 |
|---|---|---|
| 66% | Singapore | 45% |
| 14% | Australia | 31% |
| 7% | Europe | 12% |
| 9% | China | 6% |
| 4% | Thailand & Others[1,2] | 6% |




From under 50% to over 80% of total property assets in recurring income sources

| FY2012 | | FY2017 |
|---|---|---|
| 54% | Development | 18% |
| 18% | Retail | 21% |
| 13% | Office | 25% |
| 15% | Hospitality | 19% |
| – | Industrial/ Logistic | 17% |




1 For FY2012, Include Vietnam, Malaysia, Philippines, Indonesia and New Zealand
2 For FY2017, Include Vietnam, Malaysia, Japan, Philippines, Indonesia and New Zealand
3 Property assets comprise investment properties, property plant and equipment, investment in joint ventures and associates, and properties held for sale

# SINGAPORE


*Watertown, Singapore*

# BUSINESS REVIEW

## SINGAPORE

The Singapore business comprises the Residential, Retail and Commercial Properties divisions, as well as two listed REITs, namely Frasers Centrepoint Trust (FCT) and Frasers Commercial Trust (FCOT). The Residential Properties division focuses on the development of residential properties for sale. The Retail and Commercial Properties division comprises retail, office, business space and mixed-use developments.

Revenue and PBIT for the Singapore business were $859 million and $408 million, a decrease of 9.2% and 4.7%, respectively from the previous year. These were largely attributable to the lump sum profit contribution of $63 million from Twin Fountains Executive Condominium (EC), in FY2016. Revenue from the sale of a Holland Park Bungalow and higher profit recognition from North Park Residences in the current financial year moderated the decline.

Revenue and PBIT from Retail and Commercial increased by 2.4% and 17.1% to $432 million and $350 million, respectively, underpinned by our proactive asset management and leasing strategies.

In March 2017, the government eased some of the property cooling measures by reducing the Seller's Stamp Duty and relaxing the rules on Total Debt Servicing Ratio. These changes helped to lift the residential market with sales achieving a high of 8,702 units in new private homes (excluding ECs) in the first nine months of 2017. This is 50% more than the same period in 2016. URA also reported the first increase in the private residential Property Price Index in the third quarter of 2017, after 14 straight quarters of declines since the fourth quarter of 2013.

In the retail market, the Group's well-located suburban malls continue to remain resilient amidst the headwinds even as tenants are challenged by the impact of eCommerce, lower domestic and tourist spend, as well as increasing business costs.

In the commercial market, leasing activities remained healthy in the first half of 2017. Overall, there are indications that the office market is turning positive on the back of stronger economic fundamentals and generally more optimistic market sentiment. Many commercial tenants took the opportunity to secure spaces in newer developments at attractive rents, given the lumpy supply in the last two years, resulting in healthy pre-commitment levels in new developments. Rental growth is expected to be modest over the near term as the market absorbs remaining space from new supply over the last two years.

We remain active in seeking out sites to replenish our land bank. In December 2017, we successfully bid for a 99-year leasehold mixed commercial and residential site at Jiak Kim Street, the former site of popular nightspot, Zouk. The prime site, prominently located on the Singapore River bank, will yield approximately 554 residential units.

On the Retail and Commercial business front, the quality recurring income they bring continue to provide earnings stability.

FY2017
**REVENUE FOR SINGAPORE BUSINESS**
**$859** million

FY2017
**PBIT**
**$408** million

*Artist's Impression of North Park Residences, Singapore*

# BUSINESS REVIEW

## RESIDENTIAL PROPERTIES

In April 2017, we launched Seaside Residences, which has an attractive sea-fronting location in the East Coast. The development comprises 843 units, including two commercial shops. It is in close proximity to Changi Airport and the city, and within walking distance of the upcoming Siglap MRT station and the popular East Coast beach. The development is uniquely designed with two pairs of 27-storey towers linked by lush sky terraces and unblocked city and sea views.

We achieved good residential sales of over 900 units in FY2017. Our RiverTrees Residences and eCO projects were fully sold, while North Park Residences, Seaside Residences and Parc Life are approximately 93%, 60% and 42% sold, respectively.

During the year, eCO, RiverTrees Residences and Watertown received their Temporary Occupation Permits. North Park Residences and Parc Life are on schedule for completion in 2018 while Seaside Residences is expected to be completed in 2021. The Waterfront Collection, comprising Waterfront Waves, Waterfront Key, Waterfront Gold and Waterfront Isle, won the World Prix D'Excellence Awards 2017 under the Residential (mid-rise) category, and is a testament to the quality of our products. As at 30 September 2017, we had approximately $0.9 billion of unrecognised residential development revenue.

*Artist's impression of Seaside Residences, Singapore*

### DEVELOPMENT PROJECTS

| Project | Effective interest as at 30 Sep 17 (%) | No. of units | % Sold at 30 Sep 17 | % Completion at 30 Sep 17 | Ave. selling price ($ psf) at 30 Sep 17 | Est. saleable area ('M sq ft) | Land cost ($ psf) | Target completion date |
|---|---|---|---|---|---|---|---|---|
| Soleil @ Sinaran | 100.0 | 417 | 99.8 | 100.0 | 1,446 | 0.5 | 510 | Completed |
| QBay Residences | 33.3 | 632 | 99.8 | 100.0 | 1,031 | 0.6 | 418 | Completed |
| eCO | 33.3 | 750 | 100.0 | 100.0 | 1,260 | 0.7 | 534 | Completed |
| Watertown | 33.3 | 992 | 99.9 | 100.0 | 1,170 | 0.8 | 482 | Completed |
| RiverTrees Residences | 40.0 | 496 | 100.0 | 100.0 | 1,076 | 0.5 | 533 | Completed |
| North Park Residences | 100.0 | 920 | 92.7 | 59.0 | 1,320 | 0.7 | 600 | 4QFY18 |
| Parc Life EC | 80.0 | 628 | 42.0 | 91.7 | 777 | 0.7 | 320 | 2QFY18 |
| Seaside Residences | 40.0 | 843 | 59.8 | 10.1 | 1,715 | 0.7 | 858 | 2QFY21 |

*Artist's impression of Parc Life EC, Singapore*

# BUSINESS REVIEW

## RETAIL PROPERTIES

We manage a portfolio of 12 retail properties totalling a net lettable area (NLA) of 2.4 million sq ft in Singapore.

Northpoint City[1] is set to be the largest mall in Northern Singapore when it progressively opens at the end of 2017. With a combined NLA of over 500,000 sq ft, Northpoint City will have over 400 retailers, providing surrounding residents and customers with community-centric lifestyle, retail, and F&B offerings. The mega development will feature the first Community Club in Singapore to be located within a shopping mall, a public library, and a town plaza the size of 10 basketball courts.

Our average occupancy for the Retail portfolio was above 90% despite the current challenging retail market. Our suburban malls continue to enjoy healthy occupancy and achieved positive rental reversion of 4.0%. Waterway Point, our waterfront retail mall in Punggol, continues to trade well, at almost full occupancy in its second year of operation.


### FRASERS CENTREPOINT TRUST

FCT registered its eleventh consecutive year of distribution per unit (DPU) growth since its listing. DPU for FY2017 rose 1.2% year-on-year to 11.90 cents.

Gross revenue for FY2017 was $181.6 million, a decrease of $2.2 million or 1.2% over the corresponding period last year. This was mainly due to loss of revenue from planned vacancies at Northpoint City North Wing in conjunction with its on-going asset enhancement works. Property expenses for FY2017 was $52.0 million, a decrease of $1.9 million or 3.6% from the corresponding period last year. The decrease was largely due to lower utility tariffs and other property expenses. Net property income was $129.6 million, which was $0.3 million or 0.2% lower than the corresponding period last year.

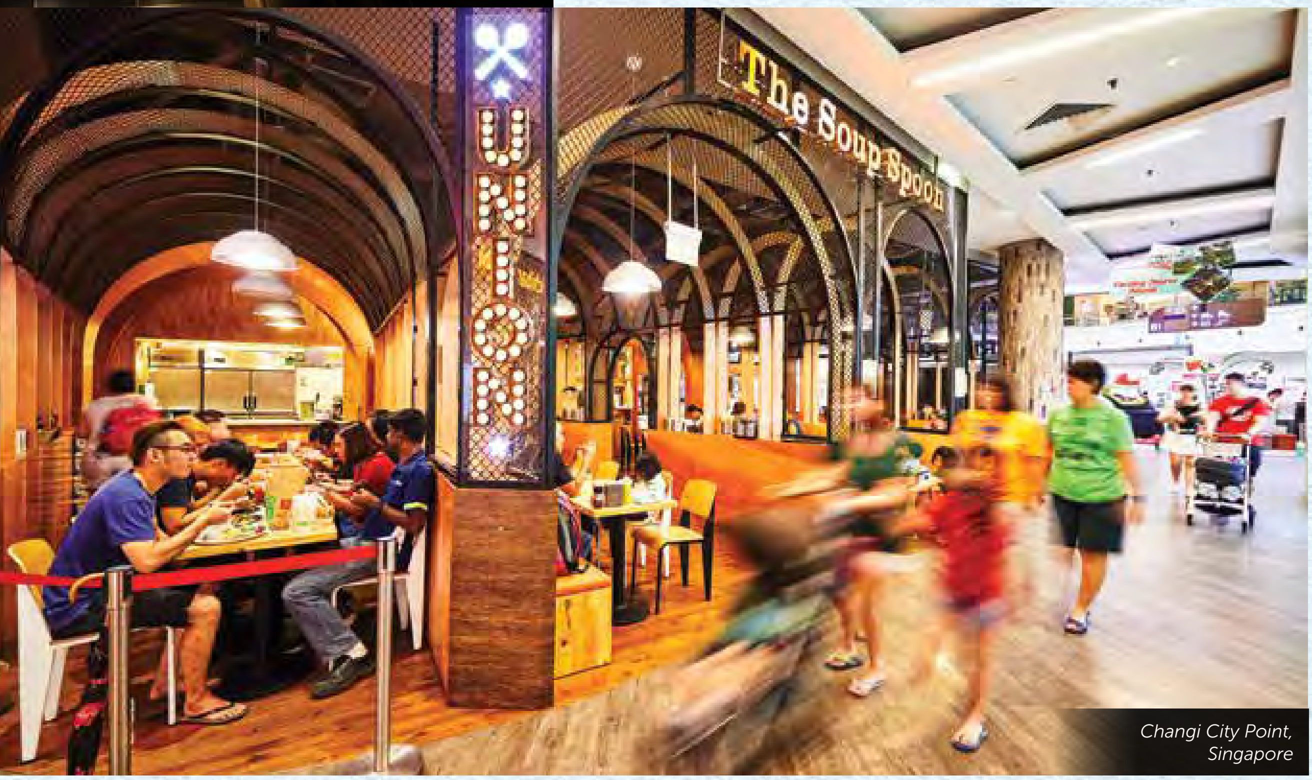
FCT's property portfolio continued to achieve positive rental reversions during the year. Rentals from renewal and replacement leases from the properties commencing during the period showed an average increase of 5.1% over expiring leases. FCT completed the acquisition of the retail podium of Yishun 10 Cinema Complex for $37.75 million on 16 November 2016.

Average portfolio occupancy was 92.0% as at 30 September 2017.

[1] Northpoint City is the enlarged mall integrating the existing Northpoint Shopping Centre (as the North Wing) and the newly developed mall (as the South Wing).

Northpoint City,
Singapore


YewTee Point,
Singapore



Changi City Point,
Singapore

# BUSINESS REVIEW

## COMMERCIAL PROPERTIES

Our commercial property portfolio comprises 10 office and business space properties with a total NLA of 4.3 million sq ft. In Singapore, we have interests in seven commercial spaces and another three office spaces in Australia held by FCOT.

Frasers Tower, our upcoming iconic Grade A office in Cecil Street, will be a prime addition to Singapore's central business district (CBD) when it is completed in the first half of 2018. Catering to companies that value thoughtfully designed space, Frasers Tower will feature four community zones in addition to quality office units. The Park, The Terrace, The Sky and The Oasis are community zones designed to encourage interaction and collaboration among the tower occupants. The development was Building Construction Authority (BCA) Green Mark Platinum-certified in March 2017 for its environment-friendly features, reflecting the Group's conscientious effort to strive towards a sustainable built environment for every asset that we develop.

We embarked on two major asset enhancement initiatives in FY2017 for properties held by FCOT. The first was the $45-million enhancement and repositioning plan to turn Alexandra Technopark into a vibrant, engaging and stimulating business campus. Works commenced in the first quarter of 2017 and are expected to be completed in mid-2018. The second was the plan to upgrade and rejuvenate the retail podium of China Square Central located at 18 Cross Street, of which Provisional Permission has been obtained in September 2017 from the Urban Redevelopment Authority. Estimated to cost $38 million, construction works are expected to start in the first quarter of 2018 and be completed around mid-2019[1]. The enhancement of the retail podium, together with the introduction of a new Capri by Fraser hotel[2] in the development in 2019, will complete the overall revamp of China Square Central[3] and bring about greater vibrancy, market competitiveness and long-term income potential for the asset.

Average occupancy for our Singapore office assets was 80.7%[4] and we achieved positive rental reversions of 2.7% for FY2017.

Artist's impression of Frasers Tower, Singapore

1 Based on provisional scheme and may be subject to change

2 Refer to FCOT's Circular to Unitholders dated 3 June 2015 for further details

3 The asset enhancement for the office tower at 18 Cross Street and the rejuvenation of Nankin Mall were completed in 2013

4 In respect of Alexandra Technopark held by FCOT, Hewlett-Packard Enterprise Singapore Pte Ltd and Hewlett-Packard Singapore Pte Ltd have indicated non-renewal of a portion of their leases. Refer to FCOT Annual Report 2017 for further details

Central Park, Perth, Australia

China Square Central, Singapore

## FRASERS COMMERCIAL TRUST

FCOT delivered a stable set of results for FY2017. Full-year distributable income of $78.6 million was the highest since listing in 2006, while distribution per unit remained stable at 9.82 cents due to the increase in number of units in issue from a year ago.

FY2017 gross revenue of $156.6 million was in line with FY2016, while net property income (NPI) dipped slightly by 1.6% year-on-year to $113.8 million, mainly due to the higher repair and maintenance expenses for Caroline Chisholm Centre and lower occupancy rates at Alexandra Technopark, China Square Central and Central Park. This was not withstanding a higher NPI from the Australian properties which increased 2.5% year-on-year mainly as a result of higher occupancy and passing rents at 357 Collins Street, coupled with the effects of a stronger Australian dollar. NPI on a cash basis, excluding the effects of recognising accounting income on a straight-line basis over the term of the leases, increased by 1.0% year-on-year to $114.9 million in FY2017.

As at 30 September 2017, FCOT's property portfolio achieved a healthy average committed occupancy rate of 85.9%[5], and the weighted average lease term to expiry was 3.4 years. In addition, a positive weighted-average rental reversion of 1.9%[6] was reported in respect of approximately 253,900 sq ft of new and renewed leases (equivalent to 9.7% of portfolio net lettable area) that commenced during FY2017.

5 Adjusted for, among others, space committed by an entity of Rio Tinto Limited on a new 12-year lease commencing in FY2018 and leases constituting 6.8% portfolio gross rental income (GRI) which were not renewed by Hewlett-Packard Enterprise Singapore Pte Ltd upon lease expirations on 30 September 2017 and 30 November 2017 (refer to FCOT's announcement dated 22 September 2017 for further details). On 3 November 2017, FCOT announced that premises constituting a further 1.5% of portfolio GRI would not be renewed by Hewlett-Packard Singapore Pte Ltd upon lease expiration on 30 November 2017

6 Income-weighted average reversion rate for new/renewal leases that commenced in FY2017. Reversions are calculated by comparing the initial rent for a new lease versus the rent at expiry of the previous lease, excluding lease incentives and turnover rents, if any

# BUSINESS REVIEW

## COMMERCIAL PORTFOLIO

| Properties | Effective interest as at 30 Sep 17 (%) | Book value at 30 Sep 17 ($'M) | Net lettable area (sq ft) | Occupancy FY17 (%) | Occupancy FY16 (%) |
|---|---|---|---|---|---|
| **SINGAPORE: REIT (Frasers Centrepoint Trust)** | | | | | |
| Anchorpoint | 41.7 | 104.6 | 70,989 | 96.2 | 96.7 |
| Bedok Point | 41.7 | 105.0 | 82,713 | 85.2 | 95.0 |
| Causeway Point | 41.7 | 1,190.0 | 415,626 | 99.5 | 99.8 |
| Northpoint City North Wing[1] | 41.7 | 772.5[1] | 228,584[1] | 81.6[1] | 70.9[13] |
| YewTee Point | 41.7 | 178.0 | 73,670 | 95.7 | 98.7 |
| Changi City Point | 41.7 | 318.0 | 207,239 | 88.5 | 81.1 |
| **SINGAPORE: Non-REIT retail** | | | | | |
| Robertson Walk | 100.0 | 131.0 | 95,594 | 85.6 | 91.2 |
| The Centrepoint | 100.0 | 561.0 | 337,021[5] | 88.6 | 79.1 |
| Valley Point (Retail) | 100.0 | 57.0 | 43,324 | 89.6 | 100.0 |
| Eastpoint Mall | 0.0 | NA[3] | 207,806 | 93.9 | 94.1 |
| Waterway Point | 33.3 | 1,148.0 | 371,801 | 99.9 | 95.7 |
| Northpoint City South Wing | 100.0 | 1,162.0 | 290,831[6] | NA[8] | NA[8] |
| Total RETAIL | | | 2,425,198 | | |
| **SINGAPORE: REIT (Frasers Commercial Trust)** | | | | | |
| 55 Market Street | 26.8 | 139.0 | 71,796 | 90.0[9] | 92.0 |
| Alexandra Technopark | 26.8 | 508.0[4] | 1,043,891 | 76.2[10,13] | 94.8 |
| China Square Central | 26.8 | 565.0 | 369,824 | 79.8[9,11] | 88.9[14] |
| **OVERSEAS: REIT (Frasers Commercial Trust)** | | | | | |
| Australia, Canberra - Caroline Chisholm Centre | 26.8 | 265.9 | 433,182 | 100.0 | 100.0 |
| Australia, Perth - Central Park[2] | 13.4 | 579.6 | 711,246 | 88.9[12] | 80.2 |
| Australia, Melbourne - 357 Collins Street | 26.8 | 303.1 | 343,616 | 100.0 | 100.0 |
| **SINGAPORE: Non-REIT office** | | | | | |
| Alexandra Point | 100.0 | 278.0 | 199,505 | 95.8 | 86.2 |
| Valley Point Office Tower | 100.0 | 289.0 | 183,139 | 79.4 | 84.0 |
| 51 Cuppage Road | 100.0 | 416.0 | 273,588 | 86.5 | 84.4 |
| Frasers Tower | 100.0 | 1,416.0 | 686,140[7] | NA[8] | NA[8] |
| Total OFFICE | | | 4,315,927 | | |
| Total COMMERCIAL PROPERTIES | | | 6,741,125 | | |

1 Includes Yishun 10 Retail Podium which was acquired on 16 November 2016
2 FCOT has 50% indirect interest in the asset
3 Managed Asset
4 Book value as reported by FCOT. The Group adjusted the book value to reflect its freehold interest in the property
5 NLA reflects FCL's strata area. It excludes leased area from MCST
6 NLA subject to change
7 Currently under development. NLA subject to change
8 Under development
9 Committed occupancy as at 30 September 2017
10 Adjusted to reflect 17.1% which was not renewed by Hewlett-Packard Enterprise Pte Ltd upon lease expirations on 30 September 2017 and 30 November 2017. Actual occupancy as at 30 September 2017 was 90.8%. A further 3.6% was not renewed by Hewlett-Packard Singapore Pte Ltd upon lease expiration on 30 November 2017
11 Planned vacancies for certain units affected by the construction works for the Hotel and Commercial Project. Affected units are mainly retail units at 18 Cross Street and certain units at the shophouses at 20 and 22 Cross Street
12 Adjusted for the space committed by an entity of Rio Tinto Limited on a new 12-year lease from FY2018 to FY2030, among others. Actual occupancy as at 30 September 2017 was 69.6%
13 Undergoing asset enhancement
14 Committed occupancy as at 30 September 2016. Planned vacancies for certain units affected by the construction works for the Hotel and Commercial Project. Affected units are mainly retail units at 18 Cross Street and certain units at the shophouses at 20 and 22 Cross Street

# AUSTRALIA

*Ed.Square, Edmondson Park, New South Wales, Australia*

# BUSINESS REVIEW

## AUSTRALIA

FY2017
**REVENUE FOR AUSTRALIA BUSINESS**
**$1,642** million

FY2017
**PBIT**
**$290** million

Frasers Property Australia (FPA) is one of Australia's leading diversified property groups with a presence in all major markets, operating across the residential, industrial, commercial and retail sectors. FY2017 is the third full year of trading for the consolidated Australian business. FY2017 was characterised by the acquisition of several major Residential projects, continued leasing success across our Commercial & Industrial portfolio, strong investment property performance, further growth of the Retail business and FPA's strategic exit from the New Zealand market.

Revenue and PBIT for the Australia business increased by 13% and 33% to $1,642 million and $290 million, respectively. The increase was largely driven by completions and settlements of residential projects – Hamilton project in Brisbane, Queensland, Clemton Park, Discovery Point, Fairwater and Connor at Central Park projects in Sydney, New South Wales, as well as Parkville project in Melbourne, Victoria. The sale and settlement of two student accommodation components at Central Park further contributed to the results.

*Connor, Central Park,*
*Sydney, New South Wales, Australia*

## RESIDENTIAL PROPERTIES

Residential property continues to perform strongly in Australia, despite the fundamentals differing across major markets. Sales activity in Sydney remains positive although evidence of easing demand has begun to emerge. In Melbourne, demand is robust, especially for vacant land lots in growth areas while demand in Brisbane remains steady. The Perth market remains subdued in all sectors. The investor market faces headwinds with increased taxes on foreign purchasers, tighter bank lending policies and higher interest rates. These factors are contributing to slowing demand especially in Sydney where house price escalation has begun to trend down.

The Residential division released over 1,650 units for sale in FY2017 and sold 2,234 units. The division completed and settled 2,540 units in FY2017 and, at 30 September 2017, reported $2.2 billion in unrecognised revenue. Visibility of future earnings remains high moving into FY2018. Two student accommodation buildings at Sydney's Central Park were sold.

FY2017 was notable for several major acquisitions and new project appointments. In October 2016, FPA exchanged contracts to acquire a 115-ha mixed-use site in Wyndham Vale, Victoria, with the capacity to deliver 1,170 units and generate an estimated gross development value (GDV) of $308 million. The site also has planning for a 25,000 sq m town centre.

In August 2017, the New South Wales Government announced FPA as the lead developer in conjunction with Citta Property Group and Mission Australia Housing for the $2.163 billion masterplanned re-development of the Ivanhoe Estate in Macquarie Park, Sydney. The project comprises approximately 2,260 private dwellings, 128 affordable housing dwellings and at least 950 social housing dwellings, plus a vertical high school, residential aged care facility, childcare centres and a retail hub.

FPA was also selected as the preferred proponent to commence negotiations with Penrith City Council for the development of approximately 1,600 units near the Penrith CBD in Sydney. Major projects nearing completion include Discovery Point and Putney Hill in Sydney, with the final stage of 22 homes recently released at Putney Hill. Elsewhere in Sydney, FPA's Clemton Park Village development reached completion in FY2017.

Yungaba in Queensland is also drawing to a close with the release in FY2017 of The Residences, which comprises 10 landmark homes in a carefully restored 130-year-old heritage building. Six of these unique dwellings remain to be sold.

In New Zealand, FPA reached practical completion of the Coast Papamoa Beach project in Tauranga and sold land holdings in Queenstown for NZ$3.6 million. This marked our strategic exit from the New Zealand market despite still having a few land lots on Papamoa.

At the close of FY2017, the Residential division has a secured development pipeline of 17,450 units, representing a GDV of $9.3 billion.

*Port Coogee, North Coogee, Western Australia, Australia,*

## RESIDENTIAL - DEVELOPMENT PROJECTS

| Site[1] | Effective interest as at 30 Sep 17 (%) | Est. total no. of units[2] | % Sold at 30 Sep 17 | Target completion date | Ave. selling price ($'M) | Est. saleable area ('M sq ft) | Total GDV ($'M) |
|---|---|---|---|---|---|---|---|
| Cockburn Central (Cockburn Living, Kingston Stage 4) - H/MD, WA | 100.0 | 60 | 91.7 | Completed | 0.5 | 0.1 | 30.1 |
| Cockburn Central (Cockburn Living, Vicinity Stage 1) - H/MD, WA | 100.0 | 96 | 63.5 | Completed | 0.5 | 0.1 | 43.8 |
| Cockburn Central (Cockburn Living, Kingston Stage 3) - H/MD, WA | 100.0 | 38 | 94.7 | Completed | 0.5 | 0.0 | 18.2 |
| Cockburn Central (Cockburn Living, Vicinity Retail) - H/MD, WA | 100.0 | 10 | 90.0 | Completed | 0.7 | 0.0 | 6.7 |
| Cockburn Central (Cockburn Living, Kingston Retail) - H/MD, WA | 100.0 | 8 | 62.5 | Completed | 0.6 | 0.0 | 4.9 |
| Kangaroo Point (Yungaba, Affinity) - HD, QLD | 100.0 | 44 | 93.2 | Completed | 0.7 | 0.0 | 30.3 |
| Hamilton (Hamilton Reach, Newport) - H/MD, QLD | 100.0 | 34 | 94.1 | Completed | 1.4 | 0.0 | 46.5 |
| Parkville (Parkside Parkville, Thrive) - H/MD, VIC | 50.0 | 134 | 98.5 | Completed | 0.5 | 0.0 | 72.4 |
| Hamilton (Hamilton Reach, Atria North) - H/MD, QLD | 100.0 | 81 | 85.2 | Completed | 0.7 | 0.1 | 53.5 |
| Wolli Creek (Discovery Point) - Retail, NSW | 100.0 | 16 | 75.0 | Completed | 1.0 | NA | 16.1 |
| Kangaroo Point (Yungaba House/Other) - HD, QLD | 100.0 | 18 | 44.4 | Completed | 2.3 | NA | 40.7 |
| East Perth (Queens Riverside, QIII) - HD, WA | 100.0 | 267 | 90.3 | Completed | 0.8 | 0.2 | 210.2 |
| East Perth (Queens Riverside, QII) - HD, WA | 100.0 | 107 | 72.0 | Completed | 0.7 | 0.1 | 72.2 |
| East Perth (Queens Riverside, Lily) - HD, WA | 100.0 | 125 | 29.6 | Completed | 0.6 | 0.1 | 78.4 |
| Carlton (APT) - H/MD, VIC | 65.0 | 143 | 91.6 | Completed | 0.5 | 0.1 | 75.2 |
| Parkville (Parkside Parkville, Flourish) - H/MD, VIC | 50.0 | 81 | 90.1 | Completed | 0.5 | 0.1 | 44.0 |
| Ryde (Putney Hill Stage 2, Canopy) - H/MD, NSW | 100.0 | 131 | 98.5 | Completed | 0.9 | 0.1 | 120.8 |
| Botany (Tailor's Walk, Building E) - H/MD, NSW | PDA | 59 | 100.0 | Completed | 0.9 | 0.0 | 52.7 |
| Kangaroo Point (Yungaba, Linc) - HD, QLD | 100.0 | 45 | 97.8 | Completed | 0.6 | 0.0 | 24.9 |
| Coorparoo (Coorparoo Square, Central Tower) - H/MD, QLD | 50.0 | 96 | 100.0 | 1Q FY18 | 0.5 | 0.1 | 52.2 |
| Coorparoo (Coorparoo Square, North Tower) - H/MD, QLD | 50.0 | 155 | 96.1 | 1Q FY18 | 0.6 | 0.1 | 91.6 |
| Coorparoo (Coorparoo Square, Retail & Mgt Rights) - H/MD, QLD | 50.0 | 4 | 100.0 | 1Q FY18 | 14.7 | 0.0 | 58.7 |
| Coorparoo (Coorparoo Square, South Tower) - H/MD, QLD | 50.0 | 115 | 99.1 | 1Q FY18 | 0.6 | 0.1 | 67.0 |
| Cranbourne West (Casiana Grove) - $L^3$, VIC | 100.0 | 729 | 100.0 | 2Q FY18 | 0.2 | NA | 166.2 |
| North Ryde (Centrale, Stage 1) - H/MD, NSW | 50.0 | 197 | 97.0 | 2Q FY18 | 0.8 | 0.1 | 160.8 |
| Botany (Tailor's Walk, Building D) - H/MD, NSW | PDA | 173 | 97.7 | 2Q FY18 | 1.0 | 0.2 | 164.5 |
| North Ryde (Centrale, Stage 2) - H/MD, NSW | 50.0 | 186 | 97.3 | 2Q FY18 | 0.9 | 0.1 | 158.3 |
| Papamoa (Coast Papamoa Beach) - $L^3$, NZ | 75.0 | 316 | 94.3 | 3Q FY18 | 0.4 | NA | 121.5 |
| Ryde (Putney Hill Stage 2, Peak) - H/MD, NSW | 100.0 | 174 | 96.0 | 3Q FY18 | 1.1 | 0.2 | 185.5 |
| Botany (Tailor's Walk, Building B) - H/MD, NSW | PDA | 185 | 48.6 | 3Q FY18 | 0.9 | 0.2 | 170.7 |
| Chippendale (Central Park, Duo) - HD, NSW | 50.0 | 313 | 82.1 | 4Q FY18 | 1.2 | 0.2 | 383.3 |
| Wolli Creek (Discovery Point, Marq) - HD, NSW | 100.0 | 231 | 96.1 | 4Q FY18 | 0.9 | 0.2 | 196.6 |

## RESIDENTIAL - DEVELOPMENT PROJECTS (Cont'd)

| Site[1] | Effective interest as at 30 Sep 17 (%) | Est. total no. of units[2] | % Sold at 30 Sep 17 | Target completion date | Ave. selling price ($'M) | Est. saleable area ('M sq ft) | Total GDV ($'M) |
|---|---|---|---|---|---|---|---|
| Parkville (Parkside Parkville, Prosper) - H/MD, VIC | 50.0 | 172 | 94.8 | 4Q FY18 | 0.6 | 0.1 | 97.5 |
| North Coogee (Port Coogee JV1) - L[3], WA | 50.0 | 357 | 98.3 | 4Q FY18 | 0.6 | NA | 228.3 |
| Sunbury (Sunbury Fields) - L[3], VIC | PDA | 391 | 94.1 | 4Q FY18 | 0.3 | NA | 98.8 |
| Park Ridge (The Rise) - L[3], QLD | 100.0 | 379 | 89.7 | 4Q FY18 | 0.2 | NA | 70.9 |
| Chippendale (Central Park, Wonderland) - HD, NSW | 100.0 | 294 | 86.4 | 1Q FY19 | 1.2 | 0.2 | 353.2 |
| Chippendale (Central Park, Hotel) - HD, NSW | 100.0 | 1 | 100.0 | 1Q FY19 | 4.1 | 0.0 | 4.1 |
| Greenvale (Greenvale Gardens) - L[3], VIC | 100.0 | 626 | 98.1 | 1Q FY19 | 0.3 | NA | 172.8 |
| Ryde (Putney Hill Stage 2, Absolute) - H/MD, NSW | 100.0 | 22 | 90.9 | 1Q FY19 | 3.0 | 0.2 | 65.8 |
| Hamilton (Hamilton Reach, Riverlight East) - H/MD, VIC | 100.0 | 155 | 67.1 | 1Q FY19 | 0.6 | 0.1 | 97.6 |
| Hamilton (Hamilton Reach, Riverlight North) - H/MD, VIC | 100.0 | 85 | 29.4 | 1Q FY19 | 0.6 | 0.1 | 52.4 |
| Wolli Creek (Discovery Point, Icon) - HD, NSW | 100.0 | 234 | 82.1 | 1Q FY19 | 0.9 | 0.2 | 206.2 |
| Avondale Heights (Avondale) - H, VIC | PDA | 135 | 100.0 | 2Q FY19 | 0.7 | NA | 96.6 |
| Carlton (Found) - H/MD, VIC | 65.0 | 69 | 79.7 | 2Q FY19 | 0.6 | 0.1 | 43.9 |
| Lidcombe (The Gallery) - H/MD, NSW | 100.0 | 241 | 85.1 | 3Q FY19 | 0.7 | NA | 180.3 |
| Westmeadows (Valley Park) - H/MD, VIC | PDA | 211 | 82.9 | 3Q FY19 | 0.5 | NA | 99.1 |
| Chippendale (Central Park) - Retail, NSW | 100.0 | 6 | 16.7 | 3Q FY19 | 1.6 | 0.0 | 9.7 |
| North Coogee (Seaspray Island) - L[3], WA | 50.0 | 19 | 84.2 | 4Q FY19 | 1.5 | NA | 29.4 |
| Hope Island (Cova) – H/MD, QLD | 100.0 | 545 | 69.9 | 4Q FY19 | 0.4 | NA | 244.0 |
| Carlton (Encompass) - H/MD, VIC | 65.0 | 114 | 6.1 | 1Q FY20 | 0.7 | 0.1 | 74.1 |
| Parkville (Parkside Parkville, Embrace) - H/MD, VIC | 50.0 | 136 | 34.6 | 2Q FY20 | 0.6 | 0.1 | 81.9 |
| Blacktown (Fairwater) - H/MD, NSW | 100.0 | 959 | 45.6 | 3Q FY20 | 0.8 | NA | 735.7 |
| Point Cook (Life, Point Cook) - L[3], VIC | 50.0 | 547 | 64.7 | 3Q FY20 | 0.4 | NA | 205.0 |
| Mandurah (Frasers Landing) - L[3], WA | 75.0 | 624 | 26.1 | 2022 | 0.2 | NA | 116.6 |
| Baldivis (Baldivis Grove) - L[3], WA | 100.0 | 368 | 23.4 | 2022 | 0.2 | NA | 75.5 |
| Bahrs Scrub (Brookhaven) - L[3], QLD | 100.0 | 1,551 | 10.5 | 2024 | 0.2 | NA | 353.2 |
| Clyde North (Berwick Waters) - L[3], VIC | 50.0/PDA | 2,109 | 52.0 | 2024 | 0.4 | NA | 785.2 |
| Yanchep (Jindowie) - L[3], WA | Mgt rights | 1,158 | 29.2 | 2025 | 0.2 | NA | 275.9 |
| Shell Cove (The Waterfront) - L[3], NSW | PDA | 2,917 | 73.9 | 2025 | 0.4 | NA | 1,050.6 |
| Baldivis (Baldivis Parks) - L[3], WA | 50.0 | 1,037 | 25.5 | 2026 | 0.1 | NA | 75.5 |
| North Coogee (Port Coogee) - L[3], WA | 100.0 | 691 | 4.1 | 2026 | 0.9 | NA | 624.4 |
| Wallan (Wallara Waters) - L[3], VIC | 50.0 | 1,946 | 28.1 | 2026 | 0.2 | NA | 355.9 |

Note:
- Profit is recognised on completion basis except for Land which is on unconditional exchange. All references to units include apartments, houses and land lots
- Most of the NA is related to land projects but also includes housing / medium density

1 L – Land, H/MD – Housing / Medium density, HD – High density
2 Includes 100% of joint arrangements (Joint operation-JO and Joint venture-JV) and Project development agreement (PDA)
3 There are a number of land lots; profit is recognised when land lots are sold. Target completion date is the target date for the sale of the last land lot

# BUSINESS REVIEW


The Steps, Central Park, Sydney, New South Wales, Australia


Clemton Park Village, Campsie, New South Wales, Australia

Hamilton Reach, Brisbane, Queensland, Australia


*Artist's impression of Putney Hill, Ryde, New South Wales, Australia*

## RESIDENTIAL – LAND BANK

| Site[1] | Effective interest as at 30 Sep 17 (%) | Est. total no. of units[2] | Est. total saleable area ('M sq ft) | Total GDV ($'M) |
|---|---|---|---|---|
| Macquarie Park - HD, NSW | PDA | 2,268 | 1.9 | 2,140.9 |
| Edmondson Park - H/MD, NSW | 100.0 | 1,810 | 1.7 | 1,447.2 |
| Burwood East (Burwood Brickworks) - H/MD, VIC | 100.0 | 713 | 0.9 | 497.3 |
| Wyndham Vale - L, VIC | 100.0 | 1,170 | NA | 305.1 |
| Hamilton (Hamilton Reach) - H/MD, QLD | 100.0 | 290 | 0.7 | 299.5 |
| Deebing Heights - L, QLD | 100.0 | 966 | NA | 194.3 |
| Cockburn Central (Cockburn Living) - H/MD, WA | 100.0 | 346 | 0.3 | 169.9 |
| Parkville (Parkside Parkville) - H/MD, VIC | 50.0 | 291 | 0.2 | 154.0 |
| Greenwood - H/MD, WA | PDA | 138 | 0.1 | 68.9 |
| North Coogee (Port Coogee) - L, WA | 50.0 | 1 | 0.0 | 32.2 |
| Wolli Creek (Discovery Point) - HD, NSW | 100.0 | 1 | 0.2 | 30.1 |
| Warriewood - L, NSW | 100.0 | 1 | 0.0 | 9.0 |
| Ryde (Putney Hill Stage 2) - H/MD, NSW | 100.0 | 1 | 0.0 | 2.8 |
| Botany (Tailor's Walk) - H/MD, NSW | PDA | 1 | 0.0 | 1.0 |

Note:
- All references to units include apartments, houses and land lots
- NA relates to land projects

1 L – Land, H/MD – Housing / Medium density, HD – High density
2 Includes 100% of joint arrangements [(Joint operation-JO and Joint venture-JV) and Project development agreement (PDA)]

# BUSINESS REVIEW

## INVESTMENT PROPERTIES

Following last year's successful Initial Public Offering (IPO) of Frasers Logistics & Industrial Trust (FLT), initially comprising 51 industrial and logistics properties, the Investment Property division continues to provide property management services to FLT. In FY2017, 172,193 sq m of new leases and lease renewals have been executed.

In FY2017, several major industrial leases were secured, including Silk Contract Logistics, which has committed to a 20,337-sq-m food storage and distribution facility at West Park Industrial Estate in Melbourne for six years, and Ecolab[1], which has taken 10,078 sq m in the same estate on a 10-year lease.

In the office sector, several key Government leases were struck in FPA's office holdings in the Central train station precinct in Sydney's CBD. At 20 Lee Street, the New South Wales Government renewed its 9,112-sq-m lease for a further five years. At the adjacent 26 Lee Street, FPA secured the Department of Immigration and Border Protection for a 10-year lease extension covering 10,478 sq m. The Department of Foreign Affairs and Trade renewed within the same building for a further five-year term for 1,834 sq m.

FPA remains committed to delivering asset enhancement initiatives across key assets in the portfolio to maximise value and occupancy levels. At 2 Southbank Boulevard in Melbourne, the division is investing $30 million to reposition and enhance the ground floor plane and several office floors, focused on taking advantage of strong office fundamentals to re-lease 23,000 sq m. Currently 3,700 sq m have been leased with a further 9,192 sq m under heads of agreement to lease.

Also in Melbourne, FPA continues to work with FCOT to improve operational efficiencies and manage lease expiries at 357 Collins Street, which was divested to FCOT in 2015.

*357 Collins Street, Melbourne, Victoria, Australia*

FPA's investment portfolio is currently valued at $1.2 billion, comprising $0.4 billion in industrial assets and $0.8 billion in office assets. Occupancy (by income) is 89.6% with a portfolio weighted average lease expiry (WALE) of 4.8 years (by income) which are improvements on the prior year.

The Australian commercial office market continues to demonstrate attractive fundamentals with falling vacancy, lower incentives and effective rental growth leading to strong levels of investor demand. Prime grade office yields in Sydney and Melbourne remain in the 5% to 5.75% range, while rental growth is also evident in secondary and fringe CBD stock.

[1] Property was subsequently acquired by FLT in August 2017

Rhodes Corporate Park, Rhodes, New South Wales, Australia,

## INVESTMENT PROPERTY ASSETS

| Property Address | State | Effective interest as at 30 Sep 17 (%) | Book value as at 30 Sep 17 ($'M) | Lettable area (sq ft) | Occupancy FY17 (%) | Occupancy FY16 (%) |
|---|---|---|---|---|---|---|
| **INDUSTRIAL** | | | | | | |
| 10 Butu Wargun Drive, Greystanes | NSW | 100.0 | 40.9 | 276,686 | 100.0 | 100.0 |
| 8 Stanton Road, Seven Hills | NSW | NA[1] | NA[1] | NA[1] | NA[1] | 100.0 |
| 2 Wonderland Drive, Eastern Creek | NSW | 100.0 | 44.1 | 312,659 | 100.0 | 100.0 |
| 227 Walters Road, Arndell Park | NSW | 100.0 | 29.8 | 190,876 | 100.0 | 100.0 |
| Lot 1, 2 Burilda Close, Wetheril Park | NSW | NA[1] | NA[1] | NA[1] | NA[1] | 41.5 |
| 18 Muir Street, Chullora | NSW | 100.0 | 51.1 | 986,943 | 100.0 | NA[2] |
| 4 Burlida Close, Wetheril Park | NSW | 100.0 | 29.5 | 202,039 | 100.0 | NA[2] |
| 3 Burlida Close, Wetheril Park | NSW | 100.0 | 30.8 | 214,632 | 100.0 | NA[2] |
| 44 Cambridge Street, Rocklea | QLD | 100.0 | 18.1 | 117,617 | 100.0 | 100.0 |
| Lot 101 Wayne Goss Drive, Berrinba | QLD | 100.0 | 22.4 | 166,206 | 32.5 | NA[2] |
| Lot 102 Wayne Goss Drive, Berrinba | QLD | 100.0 | 29.2 | 209,380 | 100.0 | NA[2] |
| 23 Scanlon Drive, Epping | VIC | 100.0 | 11.7 | 133,053 | 100.0 | 100.0 |
| 1 West Park Drive, Derrimut | VIC | 100.0 | 10.0 | 108,479 | 100.0 | 0.0 |
| 64 West Park Drive, Derrimut | VIC | 100.0 | 21.8 | 218,906 | 100.0 | 0.0 |
| 57 Efficient Drive | VIC | 100.0 | 22.9 | 245,848 | 100.0 | 0.0 |
| 8 Hudson Court, Keysborough | VIC | 100.0 | 35.4 | 277,300 | 100.0 | NA[2] |
| Total INDUSTRIAL | | | 397.7 | 3,660,624 | | |
| **OFFICE** | | | | | | |
| 20 Lee Street, Henry Deane Building, Sydney | NSW | 100.0 | 73.5 | 98,078 | 100.0 | 100.0 |
| 26-30 Lee Street, Gateway Building, Sydney | NSW | 100.0 | 129.3 | 135,641 | 100.0 | 100.0 |
| 1B Homebush Bay Drive, Rhodes | NSW | 100.0 | 74.5 | 137,768 | 100.0 | 100.0 |
| 1F Homebush Bay Drive, Rhodes | NSW | 100.0 | 113.0 | 189,923 | 97.2 | 93.7 |
| 1D Homebush Bay Drive, Rhodes | NSW | 100.0 | 123.4 | 185,548 | 100.0 | 100.0 |
| 1E Homebush Bay Drive, Rhodes | NSW | 100.0 | 11.2 | 14,456 | 100.0 | 100.0 |
| 2 Southbank Boulevard, Southbank | VIC | 50.0 | 249.9 | 590,973 | 58.3 | 98.5 |
| Freshwater Place, Public Car Park, Southbank | VIC | 100.0 | 16.5 | 127,251 | 100.0 | 100.0 |
| Total OFFICE | | | 791.3 | 1,479,638 | | |
| Total INVESTMENT PROPERTIES | | | 1,189.0 | 5,140,262 | | |

1 Asset was sold to FLT
2 New asset

# BUSINESS REVIEW

### FRASERS LOGISTICS & INDUSTRIAL TRUST

For the period from FLT's listing on 20 June 2016 to 30 September 2017, FLT delivered distributable income of A$127.9 million and DPU was 8.85 Singapore cents, 6.2% and 6.1% above the IPO forecast[1], respectively.

The FLT portfolio continued to perform well, with portfolio occupancy increasing to 99.4% as at 30 September 2017 (from 98.3% at IPO), supported by a WALE of 6.75 years and minimal lease expiries of just 2.5% (by gross rental income) for FY2018. The REIT manager's efforts to proactively engage tenants well before the expiry of leases also enabled FLT to renew and sign on new tenants for 172,193 sq m or 13.1% of its total portfolio gross leasable area (GLA) in the financial period[2]. Tenant retention for the period was also high at 94.4%. During the financial period, FLT acquired 10 quality industrial properties from FPA for A$296.8 million. As at 30 September 2017, FLT's portfolio was valued at approximately A$1.91 billion.

1 Please refer to Note 1 in Paragraph 9 of FLT's Financial Statements Announcement dated 2 November 2017 for details on the forecast figures for the financial period from 30 November 2015 (the date of constitution of FLT) to 30 September 2017

2 Includes the Beaulieu Facility (which achieved practical completion on 13 October 2017) and excludes the two development properties in FLT's portfolio.

*8 Stanton Road, Seven Hills, New South Wales, Australia*

*Lot 1, 2 Burilda Close, Wetherill Park, New South Wales, Australia*

## INDUSTRIAL PROPERTY ASSETS

| Property | State | Effective interest as at 30 Sep 17 (%) | Book value as at 30 Sep 17 (A$'M) | Lettable area (sq ft) | Occupancy FY17 (%) | Occupancy FY16 (%) |
|---|---|---|---|---|---|---|
| 8 Stanton Road, Seven Hills | NSW | 19.9 | 16.7 | 115,260 | 100.0 | NA[2] |
| Lot 1, 2 Burilda Close, Wetherill Park | NSW | 19.9 | 23.2 | 154,279 | 100.0 | NA[2] |
| 4-8 Kangaroo Avenue, Eastern Creek | NSW | 19.9 | 76.1 | 436,401 | 100.0 | 100.0 |
| 17 Kangaroo Avenue, Eastern Creek | NSW | 19.9 | 42.3 | 248,775 | 100.0 | 100.0 |
| 21 Kangaroo Avenue, Eastern Creek | NSW | 19.9 | 66.5 | 445,636 | 100.0 | 100.0 |
| 7 Eucalyptus Place, Eastern Creek | NSW | 19.9 | 29.3 | 173,019 | 100.0 | 100.0 |
| 6 Reconciliation Rise, Pemulwuy | NSW | 19.9 | 33.4 | 206,861 | 100.0 | 100.0 |
| 8-8A Reconciliation Rise, Pemulwuy | NSW | 19.9 | 39.0 | 242,306 | 100.0 | 100.0 |
| Lot 104 & 105 Springhill Road, Port Kembla | NSW | 19.9 | 24.5 | 975,866 | 100.0 | 100.0 |
| 8 Distribution Place, Seven Hills | NSW | 19.9 | 24.3 | 132,600 | 100.0 | 100.0 |
| 10 Stanton Road, Seven Hills | NSW | 19.9 | 13.0 | 76,047 | 100.0 | 100.0 |
| 99 Station Road, Seven Hills | NSW | 19.9 | 19.2 | 115,949 | 100.0 | 100.0 |
| 80 Hartley Street, Smeaton Grange | NSW | 19.9 | 64.5 | 659,623 | 100.0 | 100.0 |
| 1 Burilda Close, Wetherill Park | NSW | 19.9 | 63.5 | 202,878 | 100.0 | NA[2] |
| 11 Gibbon Road, Winston Hills | NSW | 19.9 | 41.5 | 178,950 | 100.0 | 100.0 |
| 55-59 Boundary Road, Carole Park | QLD | 19.9 | 16.3 | 142,622 | 100.0 | 100.0 |
| 57-71 Platinum Street, Crestmead | QLD | 19.9 | 33.3 | 207,733 | 100.0 | 100.0 |
| 166 Pearson Road, Yatala[1] | QLD | 19.9 | 34.0 | 249,916 | 100.0 | NA[2] |
| 51 Stradbroke Street, Heathwood | QLD | 19.9 | 24.0 | 160,554 | 100.0 | 100.0 |
| 30 Flint Street, Inala | QLD | 19.9 | 25.2 | 162,013 | 100.0 | 100.0 |
| 143 Pearson Road, Yatala | QLD | 19.9 | 37.3 | 329,569 | 100.0 | 100.0 |
| 286 Queensport Road, North Murarrie | QLD | 19.9 | 37.3 | 231,758 | 100.0 | 100.0 |
| 350 Earnshaw Road, Northgate | QLD | 19.9 | 55.0 | 331,302 | 100.0 | 100.0 |
| 99 Sandstone Place, Parkinson | QLD | 19.9 | 243.0 | 583,888 | 100.0 | 100.0 |
| 99 Shettleston Street, Rocklea | QLD | 19.9 | 22.8 | 163,461 | 100.0 | 100.0 |
| 10 Siltstone Place, Berrinba | QLD | 19.9 | 13.7 | 105,454 | 100.0 | 100.0 |
| 5 Butler Boulevard, Adelaide Airport | SA | 19.9 | 8.8 | 88,527 | 100.0 | 100.0 |
| 20-22 Butler Boulevard, Adelaide Airport | SA | 19.9 | 10.5 | 120,523 | 100.0 | 100.0 |
| 18-20 Butler Boulevard, Adelaide Airport | SA | 19.9 | 8.0 | 75,255 | 100.0 | 100.0 |
| Lot 102 Coghlan Road, Outer Harbor | SA | 19.9 | 6.4 | 71,317 | 100.0 | 100.0 |
| 18-34 Aylesbury Drive, Altona | VIC | 19.9 | 24.3 | 231,349 | 100.0 | 100.0 |
| 610-638 Heatherton Road, Clayton South | VIC | 19.9 | 18.0 | 90,277 | 100.0 | 100.0 |
| 21-33 South Park Drive, Dandenong South | VIC | 19.9 | 24.5 | 237,947 | 100.0 | 100.0 |
| 89-103 South Park Drive, Dandenong South | VIC | 19.9 | 13.0 | 112,214 | 100.0 | NA[2] |
| 43 Efficient Drive, Truganina | VIC | 19.9 | 25.5 | 248,517 | 100.0 | NA[2] |
| 16-32 South Park Drive, Dandenong South | VIC | 19.9 | 14.0 | 137,014 | 100.0 | 100.0 |
| 22-26 Bam Wine Court, Dandenong South | VIC | 19.9 | 23.0 | 189,509 | 100.0 | 100.0 |
| 63-79 South Park Drive, Dandenong South | VIC | 19.9 | 15.3 | 150,296 | 100.0 | 100.0 |
| 98-126 South Park Drive, Dandenong South | VIC | 19.9 | 35.0 | 302,057 | 100.0 | 100.0 |
| 1-13 and 15-27 Sunline Drive, Truganina | VIC | 19.9 | 30.0 | 281,508 | 100.0 | 100.0 |
| 468 Boundary Road, Derrimut | VIC | 19.9 | 25.0 | 266,207 | 100.0 | 100.0 |
| 2-22 Efficient Drive, Truganina | VIC | 19.9 | 44.0 | 412,634 | 100.0 | 100.0 |
| 49-75 Pacific Drive, Keysborough | VIC | 19.9 | 30.0 | 270,852 | 100.0 | 100.0 |
| 17 Pacific Drive & 170-172 Atlantic Drive, Keysborough | VIC | 19.9 | 36.3 | 322,960 | 100.0 | 100.0 |
| 78 & 88 Atlantic Drive, Keysborough | VIC | 19.9 | 16.8 | 145,259 | 100.0 | 100.0 |

## INDUSTRIAL PROPERTY ASSETS (Cont'd)

| Property | State | Effective interest as at 30 Sep 17 (%) | Book value as at 30 Sep 17 (A$'M) | Lettable area (sq ft) | Occupancy FY17 (%) | Occupancy FY16 (%) |
|---|---|---|---|---|---|---|
| 150-168 Atlantic Drive, Keysborough | VIC | 19.9 | 36.0 | 293,553 | 100.0 | 100.0 |
| 77 Atlantic Drive, Keysborough | VIC | 19.9 | 19.3 | 162,481 | 100.0 | 100.0 |
| 111 Indian Drive, Keysborough | VIC | 19.9 | 33.2 | 233,146 | 100.0 | 100.0 |
| 1 Doriemus Drive, Truganina | VIC | 19.9 | 85.0 | 802,406 | 100.0 | 100.0 |
| 211A Wellington Road, Mulgrave | VIC | 19.9 | 38.8 | 77,231 | 100.0 | 100.0 |
| 2-46 Douglas Street, Port Melbourne | VIC | 19.9 | 22.6 | 234,685 | 100.0 | 100.0 |
| 25-29 Jets Court, Melbourne Airport | VIC | 19.9 | 11.1 | 167,314 | 100.0 | 100.0 |
| 17-23 Jets Court, Melbourne Airport | VIC | 19.9 | 8.2 | 106,229 | 100.0 | 100.0 |
| 28-32 Sky Road East, Melbourne Airport | VIC | 19.9 | 9.4 | 130,092 | 100.0 | 100.0 |
| 38-52 Sky Road East, Melbourne Airport | VIC | 19.9 | 27.5 | 497,626 | 100.0 | 100.0 |
| 96-106 Link Road, Melbourne Airport | VIC | 19.9 | 26.3 | 200,198 | 100.0 | 100.0 |
| 115-121 South Centre Road, Melbourne Airport | VIC | 19.9 | 4.7 | 33,207 | 100.0 | 100.0 |
| 42 Sunline Drive, Truganina | VIC | 19.9 | 16.8 | 157,540 | 100.0 | 100.0 |
| 29 Indian Drive, Keysborough | VIC | 19.9 | 18.8 | NA[3] | NA[3] | NA[3] |
| 17 Hudson Court, Keysborough | VIC | 19.9 | 9.6 | NA[3] | NA[3] | NA[3] |
| 60 Paltridge Road, Perth Airport | WA | 19.9 | 17.0 | 216,817 | 52.6 | 52.6 |
| Total | | | 1,911.6 | 14,099,467 | | |

[1] Achieved Practical Completion on 13 October 2017
[2] Acquired from FPA after 30 September 2016
[3] Under construction as at 30 September 2017

*8 Distribution Place, Seven Hills, New South Wales, Australia*


*42 Sunline Drive, Truganina, Victoria, Australia*

## COMMERCIAL & INDUSTRIAL PROPERTIES

FPA's Commercial & Industrial (C&I) division delivered nine facilities in FY2017, comprising three facilities sold externally to third-party owner occupiers with a GDV of $98 million and six facilities retained on balance sheet with an investment value of $183 million.

In Sydney, FPA secured several high-profile tenants to fully commit the 6 Star Green Star Horsley Drive Business Park. Nick Scali entered a 10-year lease for a 12,700-sq-m facility; Fantastic Furniture and Steinhoff Asia Pacific leased an 18,914-sq-m facility and Vivin Imports signed a seven-year lease for a purpose-built 26,055-sq-m office, showroom and warehouse facility.

At the Keysborough Industrial Estate in Melbourne, a 16,033-sq-m facility was completed and sold to ARB with GDV of $20.8 million, and a 25,586-sq-m pre-lease and speculative facility reached completion with commitments to DANA Australia, Licensing Essentials and Pinnacle Diversity. The development has an investment value of $35.4 million.

In Queensland, the Yatala Central Estate performed strongly with key commitments secured for Beaulieu Australia[1] for 23,133 sq m and OJI Fibre Solutions for 24,486 sq m. In addition, the National Tiles facility in South West 1 Industrial Estate in Berrinba reached completion. The 13,161-sq-m facility is part of a dual tenancy with Paccar Australia and has an investment value of $32.2 million.

45-ha of land was traded through FY2017 and the national land bank now totals 90-ha excluding conditional sites. Acquisitions were a key focus of FY2017, notable acquisitions included a 4.7-ha suburban office site in Melbourne's south-eastern suburbs adjacent to the recently completed Mazda/BMW office complex in Wellington Road. 4.5-ha in Berrinba, Brisbane, and a further 20.9-ha of industrial land were acquired at Braeside in Victoria. These land parcels will be converted to earnings in the near term.

The C&I division's capital recycling plan continues to focus on selective asset sales and small lot sales in core markets with deep buyer demand. FPA sold eight major industrial assets it developed on the eastern seaboard, including one call option property, to FLT for A$228 million. This transaction continues to add scale to FLT on accretive terms.

The committed forward workload for the C&I division as at September 2017 is 228,000 sq m. Three projects with a GDV of approximately $102 million are to be sold to FLT; three projects with a GDV of approximately $72 million are to be sold externally to third parties; and six projects with an investment value on delivery of approximately $305 million are to be retained.

In the industrial market, significant infrastructure works and state planning frameworks have supported both tenant and investor demand for prime assets across Sydney, Melbourne and Brisbane. Prime grade asset yields in Sydney and Melbourne continue to stabilise in the 5.5% to 6.5% range.

[1] Property was subsequently acquired by FLT in August 2017

*Horsley Drive Business Park, Wetherill Park, New South Wales, Australia*

# BUSINESS REVIEW

## COMMERCIAL & INDUSTRIAL – DEVELOPMENT PROJECTS

| Site | Effective interest as at 30 Sep 17 (%) | Revenue to go (%) | Target completion date | Total GDV ($'M) |
|---|---|---|---|---|
| **DEVELOPMENT FOR INTERNAL PIPELINE** | | | | |
| Truganina (CEVA - Alliance), VIC | 100.0 | 100.0 | 1Q FY18 | 43.7 |
| Truganina (National Tiles & Spec), VIC | 100.0 | 100.0 | 1Q FY18 | 34.3 |
| Eastern Creek (Rhino & Spec), NSW | 100.0 | 100.0 | 3Q FY18 | 49.8 |
| Horsley Park (Vivin), NSW | PDA[1] | 100.0 | 3Q FY18 | 41.1 |
| Keysborough (Spec 6 - Silvan), VIC | 100.0 | 100.0 | 3Q FY18 | 43.0 |
| Chullora (PFD), NSW | 100.0 | 100.0 | 3Q FY18 | 90.2 |
| **DEVELOPMENT FOR THIRD PARTY SALE** | | | | |
| Yatala (OJI)[2], QLD | 100.0 | 8.0 | 1Q FY18 | 33.1 |
| Derrimut (Primewest)[2], VIC | 100.0 | 38.0 | 1Q FY18 | 25.4 |
| Keysborough (Stanley Black & Decker)[3], VIC | NA[3] | 52.0 | 1Q FY18 | 33.0 |
| Yatala (Beaulieu Carpets)[3], QLD | NA[3] | 62.0 | 1Q FY18 | 36.1 |
| Keysborough (CH2)[3], VIC | NA[3] | 68.0 | 3Q FY18 | 31.7 |
| Yatala (Schutz Australia), QLD | 100.0 | 100.0 | 3Q FY18 | 12.9 |

Note:
- Profit on sold sites is recognised on percentage of completion basis

1 PDA: Project development agreement
2 Sold site
3 Sold to FLT

## COMMERCIAL & INDUSTRIAL – LAND BANK

| Site | Effective interest as at 30 Sep 17 (%) | Type | Est. total saleable area ('M sq ft) | Total GDV ($'M) |
|---|---|---|---|---|
| Macquarie Park, NSW | 50.0 | Office | 0.2 | 420.9 |
| Mulgrave, VIC | 50.0 | Office | 0.5 | 227.9 |
| Braeside, VIC | 100.0 | Industrial | 2.3 | 113.6 |
| Yatala, QLD | 100.0 | Industrial | 1.6 | 111.8 |
| Truganina, VIC | 100.0 | Industrial | 2.2 | 71.1 |
| Eastern Creek, NSW | 100.0 | Industrial | 0.7 | 64.4 |
| Keysborough, VIC | 100.0 | Industrial | 0.9 | 43.9 |
| Berrinba, QLD | 100.0 | Industrial | 0.8 | 37.1 |
| Richlands, QLD | 100.0 | Industrial | 0.2 | 21.1 |
| Eastern Creek, NSW | 50.0 | Industrial | 0.2 | 12.0 |
| Gillman, SA | 50.0 | Industrial | 0.2 | 2.8 |

## RETAIL PROPERTIES

In the Australian retail sector, non-discretionary categories continue to outperform discretionary retail expenditure.

FPA's Retail division focuses on non-discretionary retail incorporating food and entertainment uses, to create bespoke neighbourhood shopping centres tailored to the local catchment in undersupplied markets.

In FY2017, the division was awarded the exclusive development management rights from the Western Sydney Parklands Trust to deliver a major new retail centre of up to 50,000 sq m on a 15.8-ha site in Eastern Creek. The new centre, located in a key growth area of western Sydney, will be delivered in four stages over five years.

In Brisbane, FPA is preparing to launch the Coorparoo Square shopping centre in November 2017. The centre will be anchored by a Dendy Cinema complex and ALDI supermarket, and is currently over 80% leased. FPA acquired the joint-venture partner's share of Coorparoo Square shopping centre, to consolidate 100% ownership of the centre and to contribute to passive earnings in the medium to long term.

Clemton Park Shopping Village in Sydney's inner west, which was completed in FY2017, opened in March 2017 and was sold on a fund-through arrangement.

The current Retail development pipeline has a GDV of $0.7 billion.

The Retail division is working closely with the Residential division to progress neighbourhood centres integrated with new residential communities in Wyndham Vale and Burwood in Victoria, and at Shell Cove and Edmondson Square in New South Wales.

At Burwood Brickworks, FPA is aiming to create the first retail centre in the world to achieve Living Building Challenge certification, the world's most rigorous sustainable development standard.

*Artist's impression of Burwood Brickworks Shopping Centre, Victoria, Australia*

### RETAIL – COMPLETED PROPERTY

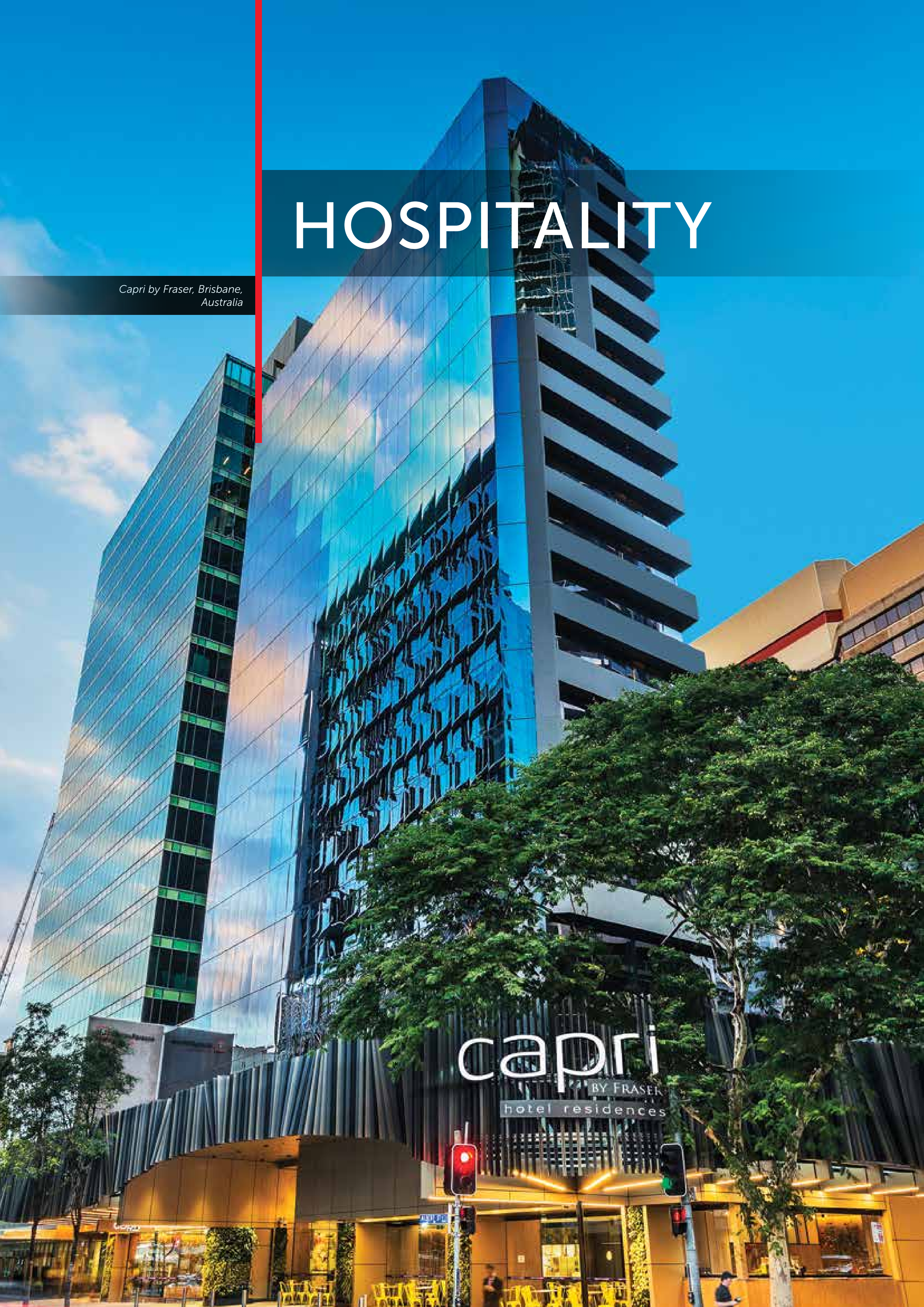
| Site | Effective interest as at 30 Sep 17 (%) | Est. total saleable area ('M sq ft) | Total GDV ($'M) | Occupancy FY17 (%) | Occupancy FY16 (%) |
|---|---|---|---|---|---|
| Central Park (Retail), 28 Broadway, Chippendale, NSW | 50.0 | 0.1 | 144.3 | 96.0 | 74.0 |

### RETAIL – LAND BANK

| Site | Effective interest as at 30 Sep 17 (%) | Type | Est. total saleable area ('M sq ft) | Total GDV ($'M) |
|---|---|---|---|---|
| Edmondson Park, NSW | 100.0 | Retail | 0.3 | 231.9 |
| Horsley Park (WSPT Retail), NSW | PDA[1] | Retail | 1.7 | 175.5 |
| Wyndham Vale, VIC | 100.0 | Retail | 0.4 | 166.3 |
| Burwood East (Burwood Brickworks), VIC | 100.0 | Retail | 0.3 | 125.5 |

[1] PDA: Project development agreement

# HOSPITALITY




*Capri by Fraser, Brisbane, Australia*

# BUSINESS REVIEW

## HOSPITALITY

Frasers Hospitality is an integrated serviced residence and hotel owner-operator with a footprint that spans Europe, the Middle East, Asia, Australia and Africa. Its business portfolio consists of serviced residences and hotels held by FHT as well as our non-REIT hospitality assets.

Revenue from Frasers Hospitality rose $18 million year-on-year to $807 million. The boost in revenue was mainly attributable to FHT's addition of Novotel Melbourne on Collins (NMOC), Australia and the opening of Capri by Fraser, Berlin, Germany.

Frasers Hospitality's PBIT increased by $19 million year-on-year, reaching $154 million. The growth in PBIT was in part due to the additional contributions from NMOC and Maritim Dresden, Germany as well as realised mark-to-market gains on cross currency swaps. The increase was partially offset by realised exchange losses in foreign currency loan and lower contributions from the UK portfolio due to depreciation of the Sterling Pound.

Although Singapore's hotel market has seen a continued downturn in performance in FY2017 due to an increase in supply, the pressure is expected to ease in the coming year as supply growth is expected to slow down.

Over in Australia, Sydney's strong performance is expected to continue, with underlying strong corporate demand and a busy events calendar. Melbourne's hotel occupancy growth is predicted to remain subdued as new supply continues to penetrate the market. Nonetheless, the market outlook is positive with both occupancy and rate expected to remain stable.

China achieved a strong 6.9% growth in the first half of 2017, and this growth trend is expected to continue. With the relaxation of visa policies and various One Belt One Road activities, growth in inbound tourism is expected to continue.

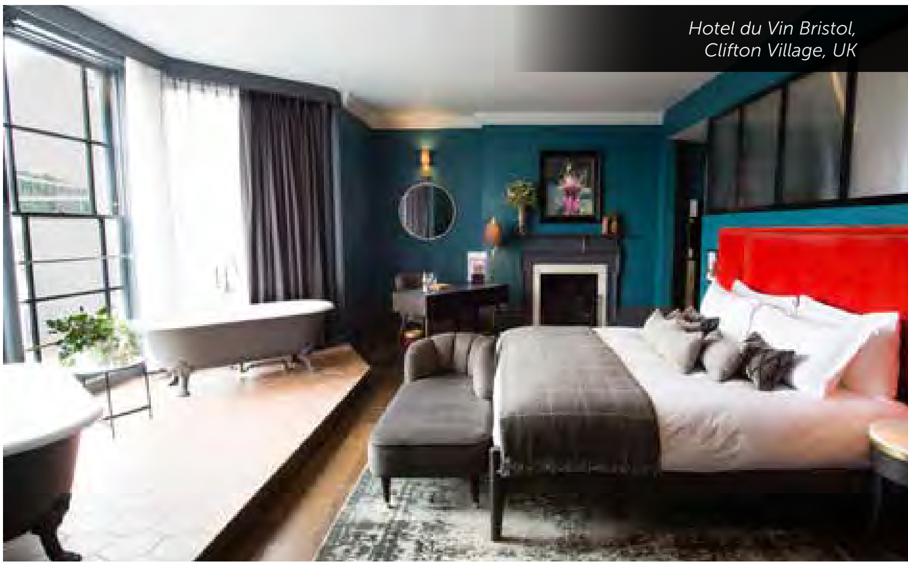
In Europe, tourism in the UK has been boosted by the recovery of the global economy and the weaker Sterling Pound. While these factors are expected to continue to bode well for the hotel industry in the near future, the uncertainties arising from Brexit remain and could put a dampener on consumers' discretionary spending. The hotel markets in Europe are expected to benefit from the recovery of the various European economies, but the political unrest surrounding Catalunya's independence referendum may inhibit growth prospects in Spain.

### NON-REIT AND MANAGEMENT BUSINESS

During the financial year, Frasers Hospitality commenced extensive renovations for Fraser Suites Hamburg, Germany on the site of Hamburg's former 110-year-old heritage tax office, in the heart of the country's second largest city, as well as Fraser Suites Akasaka in Tokyo, Japan. At the same time, Hotel du Vin Stratford-Upon-Avon, and Hotel du Vin Bristol, Clifton Village, UK also began renovation works. Other properties under development include Fraser Suites Dalian, China; and Capri by Fraser, China Place, Singapore.

FY2017
**REVENUE FOR HOSPITALITY BUSINESS**
**$807** million

FY2017
**PBIT**
**$154** million



*Hotel du Vin Bristol, Clifton Village, UK*

# BUSINESS REVIEW

In total, nine properties were added to the portfolio through management contracts and Memoranda of Understanding (MOUs), four of which are in new cities - Yangon, Myanmar; Phnom Penh, Cambodia; Kuwait; and Leipzig, Germany.

Frasers Hospitality launched seven properties this financial year, extending our footprint into the African continent for the first time with the opening of Fraser Suites Abuja. The opening of the 396-unit Fraser Suites West Bay Doha, our second property in the city, further strengthened Frasers Hospitality's presence in the Middle East.

Capri by Fraser, Berlin, Germany – the brand's third property in Europe – opened in May on the back of the recent openings of Capri by Fraser, Frankfurt, Germany and Capri by Fraser, Barcelona, Spain.

Capri by Fraser was also launched in China with the opening of Capri by Fraser, Shenzhen, a 184-unit property featuring the city's first rooftop infinity pool. Two other properties were also launched in China - Modena by Fraser Changsha and Fraser Place Binhai Tianjin, located in a different district from Fraser Place Tianjin in the vast and dynamic second tier city that is a mere half-an-hour train-ride from the capital, Beijing.

North Park Place, a 105-unit property located in Bangkok's premier Rajpruek Golf Course, also opened in January 2017.

In Australia, Fraser Suites Sydney celebrated its 10th anniversary while Modena by Fraser Bangkok, Thailand and Fraser Place Setiabudi, Indonesia both commemorated their first anniversaries respectively.

As part of the Frasers Hospitality brand's direct strategy, Fraser World, Frasers Hospitality's loyalty programme was relaunched in September. Fraser World members will now be able to redeem points for complimentary stays, early check-ins and late check-outs, or redeem lifestyle e-shopping vouchers. The new Fraser World also allows for easier points accumulation and points qualification for different membership tiers.

*Capri by Fraser, Berlin, Germany*

## SERVICED RESIDENCES – PROPERTIES IN OPERATION

### OWNED PROPERTIES

| Country | Property | Effective interest at 30 Sep 17 (%) | No. of units | Occupancy FY17 (%) | Occupancy FY16 (%) | Average daily rate FY17 | Average daily rate FY16 | Book value at 30 Sep 17 ('M) |
|---|---|---|---|---|---|---|---|---|
| Australia | Fraser Suites Perth | 100.0 | 236 | 88.4 | 86.8 | A$266.9 | A$295.9 | A$113.3 |
| | Fraser Place Melbourne | 100.0 | 112 | 87.5 | 88.0 | A$153.9 | A$145.8 | A$31.0 |
| | Capri by Fraser, Brisbane | 100.0 | 239 | 82.6 | 74.8 | A$199.3 | A$205.5 | A$90.8 |
| China | Fraser Suites Beijing | 100.0 | 357 | 85.7 | 84.6 | RMB818.1 | RMB839.3 | RMB1,215.0 |
| Indonesia | Fraser Residence Sudirman Jakarta | 100.0 | 108 | 85.9 | 84.8 | US$121.9 | US$132.6 | US$34.3 |
| UK | Fraser Suites Kensington | 100.0 | 70 | 81.6 | 75.8 | £257.5 | £272.8 | £115.0 |
| Philippines | Fraser Place Manila | 100.0 | 89 | 68.2 | 79.0 | PHP6,349.3 | PHP6,914.7 | PHP1,655.8 |
| Spain | Capri by Fraser, Barcelona | 100.0 | 97 | 87.9 | 83.0 | €138.1 | €119.3 | €20.8 |
| Singapore | Capri by Fraser, Changi City | 100.0 | 313 | 85.4 | 83.2 | $241.30 | $258.90 | $203.8 |
| | Fraser Place Robertson Walk, Singapore | 100.0 | 164 | 83.9 | 84.1 | $331.70 | $339.8 | $214.0 |
| Germany | Capri by Fraser, Frankfurt | 100.0 | 153 | 73.0 | 70.5 | €143.60 | €135.2 | €34.6 |
| | Capri by Fraser, Berlin | 100.0 | 143 | 83.9 | NA[1] | €92.40 | NA | €36.2 |
| Total no. of rooms owned | | | 2,081 | | | | | |

[1] New property which commenced operation in FY17

*Rooftop infinity pool at Capri by Fraser, Shenzhen, China*

*Fraser Suites West Bay Doha, Qatar*

# BUSINESS REVIEW

## MANAGED PROPERTIES

| Country | Property | No. of units | Occupancy FY17 (%) | Occupancy FY16 (%) |
|---|---|---|---|---|
| Bahrain | Fraser Suites Seef, Bahrain | 90 | 69.3 | 73.5 |
| | Fraser Suites Diplomatic Area Bahrain | 114 | 61.3 | 60.9 |
| China | Fraser Place Shekou, Shenzhen | 232 | 93.9 | 92.8 |
| | Fraser Residence Shanghai | 324 | 88.3 | 87.8 |
| | Fraser Suites Top Glory, Shanghai | 187 | 86.7 | 79.4 |
| | Fraser Suites Nanjing | 210 | 85.5 | 82.7 |
| | Modena by Fraser Shanghai Putuo | 348 | 84.0 | 80.4 |
| | Fraser Suites Chengdu | 360 | 73.3 | 60.7 |
| | Fraser Suites Guangzhou | 332 | 82.1 | 88.9 |
| | Modena by Fraser Wuxi New District | 120 | 85.2 | 73.2 |
| | Modena by Fraser Zhuankou Wuhan | 172 | 75.4 | 69.8 |
| | Fraser Place Tianjin | 192 | 89.3 | 46.5 |
| | Fraser Place Binhai Tianjin | 224 | 7.1 | NA[1] |
| | Modena by Fraser Changsha | 353 | 36.8 | NA[2] |
| | Capri by Fraser, Shenzhen | 184 | 29.2 | NA[2] |
| France | Fraser Suites Harmonie, Paris | 134 | 68.4 | 39.1 |
| | Fraser Suites Le Claridge, Paris | 114 | 76.7 | 70.5 |
| Hungary | Fraser Residence Budapest | 51 | 94.4 | 94.8 |
| Indonesia | Fraser Residence Menteng Jakarta | 128 | 87.0 | 74.0 |
| | Fraser Place Setiabudi | 151 | 71.7 | 48.2 |
| India | Fraser Suites New Delhi | 92 | 67.5 | 68.7 |
| Japan | Fraser Residence Nankai Osaka | 114 | 80.4 | 77.3 |
| UK | Fraser Residence Prince of Wales Terrace | 18 | 78.0 | 78.3 |
| | Fraser Residence Bishopgate | 26 | 89.2 | 83.1 |
| | Fraser Residence Blackfriars | 12 | 89.0 | 78.7 |
| | Fraser Residence Monument | 14 | 89.2 | 81.5 |
| | Fraser Residence City | 22 | 89.6 | 83.7 |
| Malaysia | Fraser Place Kuala Lumpur | 289 | 63.7 | 64.0 |
| | Capri by Fraser, Kuala Lumpur | 240 | 76.7 | 75.2 |
| | Fraser Residence Kuala Lumpur | 337 | 64.2 | 57.9 |
| Nigeria | Fraser Suites Abuja | 126 | 34.0 | NA[2] |
| Qatar | Fraser Suites Doha | 138 | 61.8 | 62.9 |
| | Fraser Suites West Bay Doha | 396 | 72.6 | NA2 |
| Singapore | Fraser Residence Orchard | 72 | 59.4 | 73.6 |
| South Korea | Fraser Place Central, Seoul | 271 | 84.1 | 79.1 |
| | Fraser Place Namdaemum | 252 | 78.2 | 76.6 |
| Switzerland | Fraser Suites Geneva | 67 | 78.5 | 65.5 |
| Thailand | Fraser Suites Sukhumvit, Bangkok | 163 | 70.9 | 84.0 |
| | Modena by Fraser Bangkok | 239 | 47.0 | 7.7 |
| | North Park Place | 105 | 23.3 | NA[2] |
| Turkey | Fraser Place Anthill Istanbul | 116 | 73.3 | 60.6 |
| | Fraser Place Antasya Istanbul | 80 | 90.0 | 55.7 |
| UAE | Fraser Suites Dubai | 268 | 69.4 | 61.4 |
| Vietnam | Fraser Suites Hanoi | 185 | 94.0 | 88.2 |
| | Capri by Fraser, Ho Chi Minh City | 175 | 73.4 | 74.8 |
| Total no. of rooms (under management) | | 7,837 | | |

[1] New property which commenced operation in September 2017
[2] New property which commenced operation during the financial year

*Fraser Suites Hamburg, Germany*

*Modena by Fraser, Bangkok, Thailand*

## PROPERTIES PENDING/UNDER DEVELOPMENT

| Country | Property | Effective interest as at 30 Sep 17 (%) | Est. no. of units | Book value ('M) | Target opening |
|---|---|---|---|---|---|
| Germany | Fraser Suites Hamburg | 100.0 | 147 | €49.6[2] | Nov 2018 |
| China | Fraser Suites Dalian | 100.0 | 259 | RMB481.3[1] | Feb 2018 |
| Singapore | Capri by Fraser, China Place | 100.0 | 306 | $192.9[2] | Apr 2019 |
| UK | Hotel du Vin Aberdeen | 100.0 | 144 | £3.9[2] | 2022 |
| | Hotel du Vin Stratford-upon-Avon | 100.0 | 46 | £3[2] | Feb 2018 |
| Total no. of units | | | 902 | | |

[1] Total acquisition cost. Recorded as RMB372.8M in prepaid land and development costs as at 30 Sep 17

[2] Total book value of the project as at 30 Sep 17

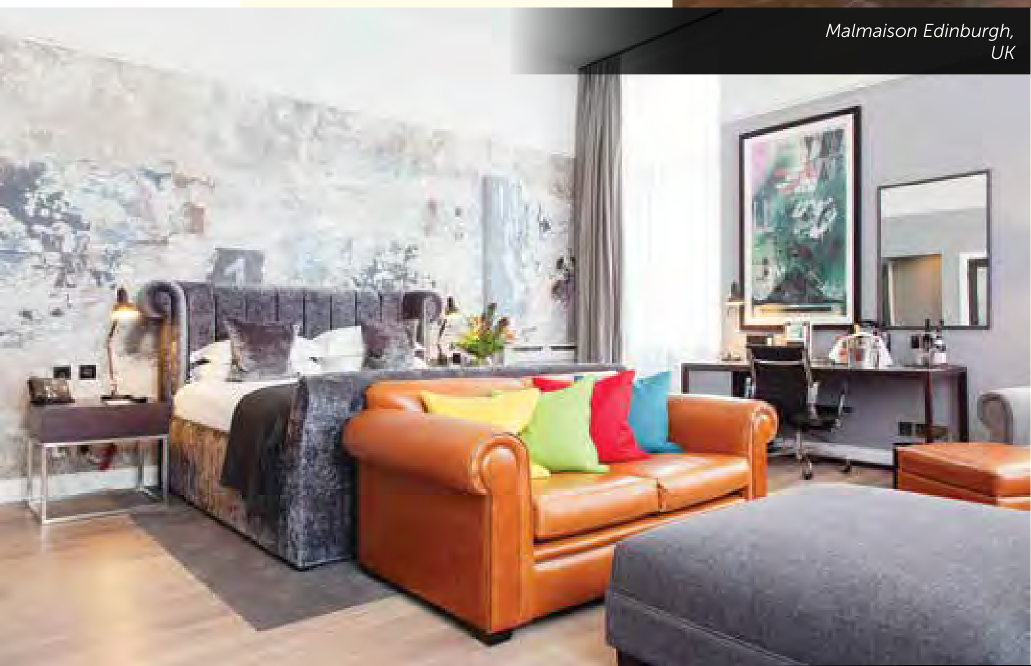
# BUSINESS REVIEW

## MHDV GROUP OF HOTELS

| Country | Property | Effective interest as at 30 Sep 17 (%) | No of units | Occupancy FY17 (%) | Occupancy FY16 (%) | Average daily rate FY17 | Average daily rate FY16 | Book value at 30 Sep 17 ('M) |
|---|---|---|---|---|---|---|---|---|
| UK | Malmaison Aberdeen | Master leased | 79 | 70.4 | 69.3 | £97.1 | £96.9 | £0.3[1] |
| UK | Malmaison Belfast | 100.0 | 64 | 91.3 | 87.2 | £104.4 | £96.3 | £7.3 |
| UK | Malmaison Birmingham | Master leased | 192 | 88.4 | 85.2 | £96.7 | £93.4 | £0.8[1] |
| UK | Malmaison Dundee | Master leased | 91 | 80.3 | 76.2 | £72.1 | £73.4 | £0.8[1] |
| UK | Malmaison Edinburgh | 100.0 | 100 | 84.4 | 81.7 | £102.1 | £93.0 | £14.8 |
| UK | Malmaison Glasgow | 100.0 | 72 | 82.6 | 79.4 | £89.8 | £92.9 | £10.6 |
| UK | Malmaison Leeds | 100.0 | 100 | 81.3 | 81.9 | £92.6 | £92.6 | £14.1 |
| UK | Malmaison Liverpool | 100.0 | 130 | 79.7 | 80.7 | £89.3 | £83.1 | £13.7 |
| UK | Malmaison London (Formerly known as London Charterhouse) | Master leased | 97 | 86.8 | 87.7 | £173.5 | £164.9 | £2.8[1] |
| UK | Malmaison Manchester | Master leased | 167 | 88.1 | 87.1 | £102.4 | £104.8 | £1.6[1] |
| UK | Malmaison Newcastle | Master leased | 122 | 88.1 | 85.0 | £93.9 | £96.2 | £1.2[1] |
| UK | Malmaison Oxford | Master leased | 95 | 89.9 | 88.6 | £170.7 | £164.8 | £0.2[1] |
| UK | Malmaison Reading | 100.0 | 75 | 77.4 | 79.4 | £108.6 | £106.3 | £13.1 |
| UK | Malmaison Brighton | Master leased | 71 | 72.5 | 71.5 | £107.6 | £103.7 | £0.0 |
| UK | Malmaison Cheltenham | 100.0 | 61 | 77.0 | 71.6 | £115.1 | £120.5 | £11.7 |
| UK | Hotel du Vin Birmingham | 100.0 | 66 | 86.3 | 87.5 | £107.0 | £102.1 | £10.1 |
| UK | Hotel du Vin Brighton | 100.0 | 49 | 86.1 | 87.2 | £145.7 | £145.8 | £18.4 |
| UK | Hotel du Vin Bristol | 100.0 | 40 | 88.1 | 87.5 | £133.4 | £131.7 | £12.4 |
| UK | Hotel du Vin Cambridge | 100.0 | 41 | 86.7 | 85.4 | £172.5 | £168.9 | £15.2 |
| UK | Hotel du Vin Cheltenham | 100.0 | 49 | 86.0 | 82.4 | £114.6 | £114.6 | £9.0 |
| UK | Hotel du Vin Edinburgh | 100.0 | 47 | 87.3 | 86.5 | £139.5 | £126.5 | £12.2 |
| UK | Hotel du Vin Glasgow | 100.0 | 49 | 83.1 | 82.3 | £128.8 | £130.4 | £11.6 |
| UK | Hotel du Vin Harrogate | 100.0 | 48 | 84.0 | 81.1 | £109.5 | £110.8 | £7.3 |
| UK | Hotel du Vin Henley | 100.0 | 43 | 83.3 | 83.0 | £130.8 | £132.3 | £9.4 |
| UK | Hotel du Vin Newcastle | 100.0 | 42 | 80.8 | 75.7 | £93.3 | £102.5 | £4.7 |
| UK | Hotel du Vin Poole | 100.0 | 38 | 81.6 | 83.9 | £117.1 | £115.4 | £4.1 |
| UK | Hotel du Vin St Andrews | 100.0 | 40 | 79.4 | 70.3 | £148.7 | £145.1 | £6.4 |
| UK | Hotel du Vin Tunbridge Wells | 100.0 | 34 | 77.9 | 84.0 | £125.2 | £124.1 | £9.1 |
| UK | Hotel du Vin Wimbledon | 100.0 | 48 | 84.9 | 77.5 | £137.2 | £141.7 | £18.2 |
| UK | Hotel du Vin Winchester | 100.0 | 24 | 84.5 | 83.9 | £136.8 | £140.4 | £8.0 |
| UK | Hotel du Vin York | 100.0 | 44 | 80.1 | 81.7 | £107.1 | £111.6 | £10.2 |
| UK | Hotel du Vin Avon Gorge Bristol | 100.0 | 75 | 59.1 | 80.2 | £95.1 | £88.9 | £12.4 |
| UK | Hotel du Vin Exeter | 100.0 | 59 | 83.8 | 80.6 | £107.8 | £109.1 | £10.6 |
| Total no. of rooms (owned and leased) | | | 2,352 | | | | | |

[1] Net book value of fittings & fixtures

*Hotel du Vin Wimbledon, UK*



*Malmaison Edinburgh, UK*


*Hotel du Vin Cambridge, UK*

# BUSINESS REVIEW

## FRASERS HOSPITALITY TRUST

For FY2017, FHT's gross revenue and net property income increased by 28.4% and 15.3% year-on-year to $158.7 million and $120.2 million respectively, lifted by the addition of Novotel Melbourne on Collins and Maritim Hotel Dresden which was acquired in June 2016. Coupled with the better overall portfolio performance, FHT's distribution income consequently improved by 10.0% year-on-year to $93.5 million. Its distribution per stapled security was 5.05 cents, down 3.5% year-on-year due to an enlarged stapled security base following its rights issue.

In October 2016, FHT completed the acquisition of the 380-room Novotel Melbourne on Collins for a purchase consideration of A$237.0 million. The acquisition was wholly funded through its 32-for-100 rights issue which was oversubscribed at 141.3%. The addition of the Melbourne hotel has enabled FHT to further diversify its earnings base across geographies, particularly in key gateway cities with strong, growing hospitality markets.

As at 30 September 2017, FHT had a portfolio of 15 quality hotels and serviced residences that are in prime locations of key cities across Asia, Australia and Europe. Its total portfolio value was $2.44 billion, up 18.5% compared to last year. The healthy growth was attributed to the addition of Novotel Melbourne on Collins as well as higher valuations (in local currencies) achieved across its portfolio in Australia, the UK, Japan, Malaysia and Germany, save for Singapore which remained unchanged over the financial period. Excluding Novotel Melbourne on Collins, FHT's portfolio value grew by 5.5% year-on-year, reflecting the quality of the assets in its portfolio.

## HELD THROUGH FRASERS HOSPITALITY TRUST

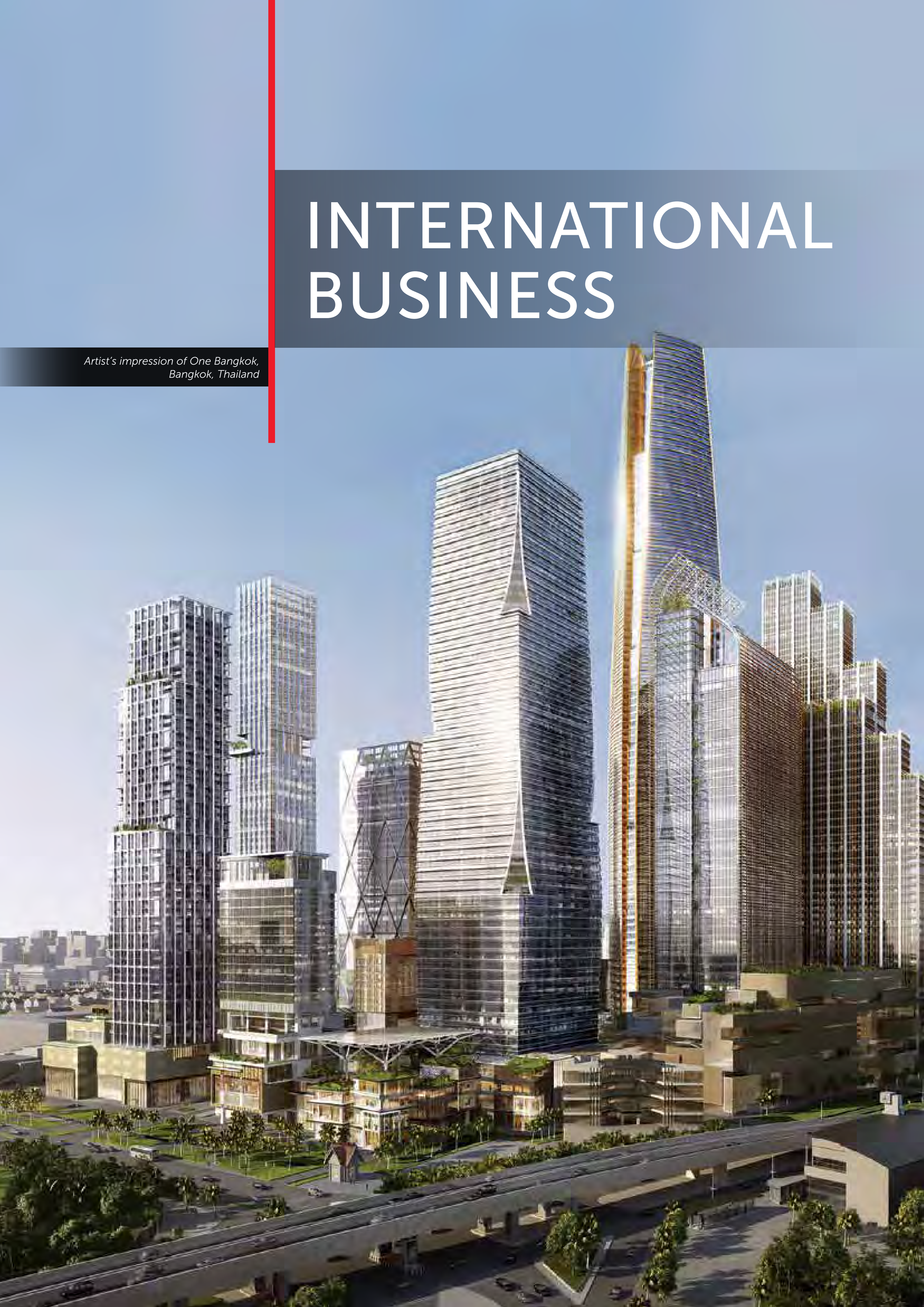
| Country | Property | FCL's effective interest as at 30 Sep 17 (%) | No. of units | Book value at 30 Sep 17[1] ('M) |
|---|---|---|---|---|
| Singapore | InterContinental Singapore[2] | 22.6 | 406 | $535.0 |
| | Fraser Suites Singapore[3] | 22.6 | 255 | $305.0 |
| Kuala Lumpur | The Westin Kuala Lumpur[2] | 22.6 | 443 | RM430.0 |
| Kobe | ANA Crowne Plaza Kobe[2] | 22.6 | 593 | ¥15,700.0 |
| Sydney | Fraser Suites Sydney[3] | 22.6 | 201 | A$128.5 |
| | Novotel Rockford Darling Harbour[2] | 22.6 | 230 | A$104.8 |
| | Sofitel Sydney Wentworth[2] | 22.6 | 436 | A$307.7 |
| Melbourne | Novotel Melbourne on Collins[2] | 22.6 | 380 | A$251.3 |
| Glasgow | Fraser Suites Glasgow[3] | 22.6 | 98 | £10.0 |
| Edinburgh | Fraser Suites Edinburgh[3] | 22.6 | 75 | £14.6 |
| London | Fraser Suites Queens Gate London[3] | 22.6 | 105 | £58.5 |
| | Best Western Cromwell London[2] | 22.6 | 85 | £17.9 |
| | Park International London[2] | 22.6 | 171 | £41.1 |
| | Fraser Place Canary Wharf London[3] | 22.6 | 108 | £39.8 |
| Germany | Maritim Dresden | 22.6 | 328 | € 61.2 |
| Total no. of rooms owned | | | 3,914 | |

1 Book value as reported by FHT
2 As the Group consolidates FHT and the operating entities, these properties are reclassified as property, plant and equipment and are stated at cost less accumulated depreciation and any impairment
3 As the Group consolidates FHT, the carrying values of these properties have been adjusted to reflect the Group's freehold interest in the properties

*Fraser Suites Queens Gate, London, UK*

*The Westin Kuala Lumpur, Malaysia*

# INTERNATIONAL BUSINESS



*Artist's impression of One Bangkok, Bangkok, Thailand*

# BUSINESS REVIEW

Our International Business comprises FCL's investments in China, Europe including the UK, Vietnam and Thailand. Revenue and PBIT for International Business increased by 183% and 48% to $717 million and $274 million, respectively. Excluding the share of associates' fair value changes, PBIT increased by 33% to $248 million.

## CHINA

In China, we have built over 9,000 homes so far with three projects still under development.

For FY2017, revenue and PBIT increased by 261% to $347 million and by 31% to $154 million, respectively. The strong profit contributions came mainly from sales settlements at Phase 3C1 of Baitang One in Suzhou. Over in Shanghai, sales settlements at Gemdale MegaCity Phases 3A and 3B also contributed to the results.

A total of 611 units were sold while 1,648 units were completed and settled during the financial year. Baitang One saw sales of 33 units while 52 office and 9 retail units were sold at the Chengdu Logistics Hub. Meanwhile, Gemdale MegaCity sold 517 residential units and 12 retail units. Handovers for Phases 3B and Phase 3A were carried out in May 2017 and September 2017 respectively.

Looking ahead, we have a landbank of about 2,200 units remaining. The residential market continues to be challenging in Suzhou and Shanghai due to property price cooling measures. However, many Chinese cities will potentially benefit from China's One Belt One Road initiative through further development and enhancement of their business environments, transportation system and infrastructure. This will lead to new opportunities in real estate development and investment in these cities.

FY2017
**REVENUE FOR INTERNATIONAL BUSINESS**
**$717** million

FY2017
**PBIT**
**$274** million

*Baitang One, Suzhou, China*

# BUSINESS REVIEW

## DEVELOPMENT PROJECTS

| Projects | Location | Effective interest as at 30 Sep 17 (%) | No. of units | % Sold at 30 Sep 17 | % Completion at 30 Sep 17 | Ave. selling price (RMB psf) | Est. saleable area ('M sq ft) | Land cost[1] (RMB psf) | Target completion date |
|---|---|---|---|---|---|---|---|---|---|
| Baitang One (P1B) | Suzhou | 100.0 | 542 | 100.0 | 100.0 | 1,265 | 0.7 | 236 | Completed |
| Baitang One (P2A) | Suzhou | 100.0 | 538 | 99.8 | 100.0 | 1,125 | 0.8 | 238 | Completed |
| Baitang One (P2B) | Suzhou | 100.0 | 360 | 98.9 | 100.0 | 1,437 | 0.8 | 237 | Completed |
| Baitang One (P3A) | Suzhou | 100.0 | 706 | 99.9 | 100.0 | 1,310 | 0.8 | 237 | Completed |
| Baitang One (P3C1) | Suzhou | 100.0 | 706 | 100.0 | 100.0 | 1,836 | 0.8 | 238 | Completed |
| Chengdu Logistics Hub (P2) | Chengdu | 80.0 | 163 | 84.0 | 100.0 | 803 | 0.7 | 26 | Completed |
| Chengdu Logistics Hub (P4) | Chengdu | 80.0 | 358 | 20.9 | 100.0 | 669 | 1.8 | 32 | Completed |
| Gemdale MegaCity (P2A)[2] | Shanghai | 45.2 | 1,065 | 99.8 | 100.0 | 1,579 | 1.5 | 148 | Completed |
| Gemdale MegaCity (P2B)[2] | Shanghai | 45.2 | 1,134 | 99.9 | 100.0 | 1,790 | 1.2 | 159 | Completed |
| Gemdale MegaCity (P3C)[2] | Shanghai | 45.2 | 1,446 | 99.9 | 100.0 | 2,161 | 1.4 | 146 | Completed |
| Gemdale MegaCity (P3A)[2] | Shanghai | 45.2 | 278 | 100.0 | 100.0 | 3,482 | 0.3 | 151 | Completed |
| Gemdale MegaCity (P3B)[2] | Shanghai | 45.2 | 575 | 99.5 | 100.0 | 2,469 | 0.6 | 147 | Completed |
| Baitang One (P3B) | Suzhou | 100.0 | 380 | 15.0 | 89.2 | 3,329 | 0.6 | 238 | 1QFY18 |
| Gemdale MegaCity (P4F)[2] | Shanghai | 45.2 | 536 | 89.6 | 81.0 | 4,155 | 0.7 | 191 | 4QFY18 |

## INDUSTRIAL PORTFOLIO

| Properties | Effective interest as at 30 Sep 17 (%) | Book value at 30 Sep 17 ($'M) | Net lettable area (sq ft) | Occupancy FY17 (%) | Occupancy FY16 (%) |
|---|---|---|---|---|---|
| China, Chengdu - Chengdu Logistics Park phase 1 ambient warehouse (classified as held for sale) | 80.0 | 41.3 | 507,468 | 100.0 | 100.0 |

## LAND BANK

| Sites | Location | Effective interest as at 30 Sep 17 (%) | Est. no. of units | Est. saleable area ('M sq ft) | Land cost[1] (RMB psf) |
|---|---|---|---|---|---|
| Baitang One (3C2) | Suzhou | 100.0 | 377 | 0.5 | 238 |
| Gemdale MegaCity (P4-6)[2] | Shanghai | 45.2 | 1,656 | 2.1 | 207 |
| Residential sub-total | | | 2,033 | 2.6 | |
| Chengdu Logistic Park (P2A) | Chengdu | 80.0 | 179 | 1.0 | 29 |
| Commercial sub-total | | | 179 | 1.0 | |
| TOTAL | | | 2,212 | 3.6 | |

1 Land cost includes land use tax
2 Gemdale MegaCity was accounted as an associate

## EUROPE

In Europe, we have built more than 700 homes in the UK to date. In our investment portfolio, we also have business parks in the UK and logistics and light industrial properties in the Netherlands and Germany.

## UNITED KINGDOM

In the UK, revenue and PBIT increased to $341 million and $45 million respectively, driven by the completions and settlements at the Vauxhall Sky Gardens and Camberwell Green projects.

### DEVELOPMENT PROPERTIES

During the year, we successfully completed two developments delivering 338 units available for sale in the UK. The successful completion and sale of 196 units at Sky Gardens contributed significantly to achieving profits before tax of over £22.8 million on total sales of £135 million.

At Riverside Quarter, the final building, Nine Eastfields, has been granted Planning Permission. Basement car park works have commenced and are close to completion. This striking signature building will comprise a total of 172 apartments (54% shared ownership) over 14 floors, ground floor commercial space, and residents' facilities including a lap pool and gym. When completed in the first quarter of 2020, it will also finish the Thames riverside walk around the estate. Sales of available ground floor commercial space at Riverside Quarter is also almost concluded. Seven Eastfields, completed in late 2016, provided a further 51 apartments. The nine residential buildings delivered so far at Riverside Quarter, comprise over 500 apartments.

Camberwell on the Green in south-east London and the award winning 35-storey Sky Gardens, a landmark building in the Nine Elms, Vauxhall regeneration zone were both completed in 2017.

The London new homes market continues to be slow, affected by recent changes to Stamp Duty impacting purchasers. The continuing Brexit uncertainty has depressed both values and turnover, particularly for London.

On the commercial front, we are working with Sterling Prize-winning international architects AHMM on developing an iconic 300,000 sq ft office scheme on the site of Central House in Aldgate East on the edge of the City of London.

*Vauxhall Sky Gardens, London, UK*

*Camberwell on the Green, London, UK*

## RESIDENTIAL DEVELOPMENTS

| Projects | Location | Effective interest[2] as at 30 Sep 17 (%) | No. of units[1] | % Sold at 30 Sep 17 | % completion as at 30 Sep 17 | Ave. selling price (£ psf) | Est. saleablearea ('M sq ft) | Land cost (£ psf) | Target completion date |
|---|---|---|---|---|---|---|---|---|---|
| Five Riverside Quarter | London | 80.0 | 149 | 86.0 | 100.0 | 949.0 | 0.1 | 150 | Completed |
| Seven Riverside Quarter | London | 80.0 | 87 | 59.0 | 100.0 | 1,013.0 | 0.1 | 68 | Completed |
| Camberwell on the Green | London | 80.0 | 101 | 53.0 | 100.0 | 745.0 | 0.1 | 51 | Completed |
| Vauxhall Sky Gardens | London | 80.0 | 237 | 100.0 | 100.0 | 923.0 | 0.2 | 62 | Completed |

## LAND BANK

| Site | Location | Effective interest as at 30 Sep 17 (%) | Est. no. of units[1] | Est. saleable area ('M sq ft) | Land cost (£ psf) |
|---|---|---|---|---|---|
| Nine Riverside Quarter | London | 80.0[2] | 172 | 0.2 | 73 |
| Central House (Commercial development) | London | 100.0 | NA | 0.2 to 0.3[3] | 211 |

1 Includes affordable units
2 On 2 October 2017, FCL acquired the joint-venture partner's interests and increased the effective share to 100%
3 Subject to planning approval

## INVESTMENT PROPERTIES

In September 2017, we entered into sale and purchase agreements to acquire four business parks in the UK for an aggregate purchase consideration of approximately $1,215 million. The four business parks, Winnersh Triangle in Reading, Chineham Park in Basingstoke, Watchmoor Park in Camberley and Hillington Park in Glasgow, comprise lettable area of 4.9 million sq ft with more than 400 tenants, average occupancy of 86% and WALE of 5.7 years as at 30 September 2017. In addition, there is potential for future development of 1.4 million sq ft of built area. The acquisition, completed on 8 November 2017, enhances the Group's overseas presence and recurring income in the UK.

We also entered into a conditional sale and purchase agreement to acquire Maxis, a 199,000-sq-ft business park, in Bracknell. The deal is subject to a number of conditions including meeting certain net operating yield and occupancy thresholds.

*Winnersh Triangle, Reading, UK*

# BUSINESS REVIEW

## THE NETHERLANDS

### INVESTMENT PROPERTIES

We acquired an 86.6% stake in Geneba Properties N.V. (Geneba) from Catalyst RE Coöperatief U.A., the largest shareholder of Geneba, for $495 million in July 2017. Headquartered in Amsterdam, Geneba is a real estate investment company which owns and manages a portfolio of 25 logistics, light industrial and other assets in the Netherlands and Germany as at 30 September 2017.

In August 2017, we launched a one-time all-cash offer for all the remaining depositary receipts in Geneba at a price of EUR 3.74 per depositary receipt and successfully acquired 99.5% of Geneba as at 30 September 2017. Subsequently, we have proceeded with the compulsory acquisition of the remaining 0.5% stake in Geneba. The transaction is expected to be completed by December 2017.

The acquisition of Geneba is in line with the Group's strategy to hold a portfolio of high-quality logistics and light industrial properties to create a platform with immediate scale in Europe. This acquisition widens our logistics and industrial footprint across multiple geographies - Australia, Europe and Thailand - enabling the Group to create a network effect and grow alongside our customers.

## GERMANY

### INVESTMENT PROPERTIES

We further expanded our logistics and light industrial portfolio in Europe in October 2017. Through our wholly owned subsidiary, Frasers Property Investments (Europe) B.V., we entered into a conditional sale and purchase agreement to acquire a freehold industrial property in Germany with a lettable area of 781,008 sq ft leased to a leading German car manufacturer.


*Johann-Esche-Straße 2, Chemnitz, Germany*


*Brede Steeg 1, s-Heerenberg, The Netherlands*

## INDUSTRIAL PROPERTY ASSETS

| Property Address | Town | Country | Effective interest as at 30 Sep 17 (%) | Book value as at 30 Sep 17 (€'M) | Net lettable area (sq ft) | Occupancy FY17 (%) | Occupancy FY16 (%) |
|---|---|---|---|---|---|---|---|
| Otto-Hahn-Straße 10 | Vaihingen | Germany | 93.5 | 49.5 | 470,990 | 100.0 | 100.0 |
| Eiselauer Weg 2 | Ulm | Germany | 94.4 | 42.8 | 263,987 | 100.0 | 100.0 |
| Saalhoffer Straße 211 | Rheinberg | Germany | 94.4 | 28.3 | 343,985 | 100.0 | 100.0 |
| Koperstrasse 10 | Nuremberg | Germany | 93.5 | 18.6 | 231,383 | 100.0 | 100.0 |
| Johann-Esche-Straße 2 | Chemnitz | Germany | 94.4 | 17.3 | 194,322 | 100.0 | 100.0 |
| Am Krainhop 10 | Isenbuettel | Germany | 94.3 | 16.7 | 167,795 | 100.0 | 100.0 |
| Elbestraße 1-3 | Marl | Germany | 94.4 | 13.8 | 181,169 | 100.0 | 100.0 |
| Ambros-Nehren-Strasse 1 | Achern | Germany | 93.5 | 13.7 | 132,440 | 100.0 | 100.0 |
| Am Exer 9 | Leipzig | Germany | 94.4 | 12.8 | 124,184 | 100.0 | 100.0 |
| Mellinghofer Strasse 55 | Mülheim | Germany | 94.4 | 75.5 | 1,319,574 | 92.9 | 93.1 |
| Industriepark 309 | Gottmadingen | Germany | 92.9 | 44.7 | 521,053 | 100.0 | 100.0 |
| Industriestraße 19 | Haßmersheim | Germany | 94.4 | 28.6 | 337,936 | 100.0 | 100.0 |
| Am Autobahnkreuz 14 | Rastede | Germany | 94.4 | 18.6 | 123,688 | 100.0 | 100.0 |
| Industriepark 1 | Mamming | Germany | 94.4 | 15.7 | 152,773 | 100.0 | 100.0 |
| Gustav-Stresemann-Weg 1 | Münster | Germany | 94.4 | 14.7 | 139,501 | 100.0 | 100.0 |
| Keffelker Straße 66 | Brilon | Germany | 94.4 | 10.3 | 143,721 | 100.0 | 100.0 |
| Jubatus-Allee 3 | Ebermannsdorf | Germany | 99.5 | 7.3 | 101,063 | 100.0 | 100.0 |
| Binnerheide 26 | Schwerte | Germany | 94.4 | 3.7 | 57,910 | 100.0 | 100.0 |
| Brede Steeg 1 | s-Heerenberg | The Netherlands | 99.5 | 65.8 | 912,852 | 100.0 | 100.0 |
| Heierhoevenweg 17 | Venlo | The Netherlands | 99.5 | 25.9 | 351,356 | 100.0 | 100.0 |
| Belle van Zuylenstraat 5 | Tilburg | The Netherlands | 99.5 | 14.8 | 195,054 | 100.0 | NA[1] |
| Handelsweg 26 | Zeewolde | The Netherlands | 99.5 | 39.4 | 556,531 | 100.0 | NA[1] |
| Wolfraamweg 2 | Wolvega | The Netherlands | 99.5 | 9.4 | 187,487 | 100.0 | 100.0 |
| Benthemplein 10 | Rotterdam | The Netherlands | 99.5 | 19.7 | 81,645 | 100.0 | 100.0 |
| Energieweg 9 | Rotterdam | The Netherlands | 99.5 | 9.4 | 33,368 | 100.0 | 100.0 |
| Total | | | | 617.0 | 7,325,767 | | |

*Industriepark 309, Gottmadingen, Germany*

[1] Property acquired in 2017

# BUSINESS REVIEW

## VIETNAM

In FY2017, we completed the acquisition of a 70% stake in G Homes House Development Joint Stock Company to develop a residential-cum-commercial development on a 1-ha prime site in District 2 of Ho Chi Minh City. Branded Q2 Thao Dien, the project will offer panoramic views of the Saigon River with amenities in the vicinity, including numerous international schools and the future An Phu Metro Station on the first Metro line in Ho Chi Minh City. The sales launch for the 315-unit residential tower is scheduled for the first quarter of FY2018.

We also have a 75% interest in Me Linh Point, a 21-storey retail/office building in District 1, the Ho Chi Minh City's CBD.

*Q2 Thao Dien, Ho Chi Minh City, Vietnam*

### OFFICE PORTFOLIO

| Property | Effective interest as at 30 Sep 17 (%) | Book value as at 30 Sep 17 (US$'M) | Net lettable area (sq ft) | Occupancy FY17 (%) | Occupancy FY16 (%) |
|---|---|---|---|---|---|
| Me Linh Point | 75.0 | 40.7 | 188,250 | 100.0 | 98.7 |

### LAND BANK

| Site | Location | Effective interest as at 30 Sep 17 (%) | Est. no. of units | Est. saleable area ('M sq ft) | Land cost (US$ psf) | Est. launch ready date |
|---|---|---|---|---|---|---|
| Q2 Thao Dien (Mixed-use development) | Ho Chi Minh City | 70.0 | 315 | 0.5 | 217 | 1QFY18 |

## THAILAND

In Thailand, the Group holds a 39.9% stake in Golden Land Property Development Public Company Limited (Golden Land) and 41.0% stake in TICON Industrial Connection Public Company Limited (TICON). Both companies are listed on the Stock Exchange of Thailand.

Golden Land is one of Thailand's leading real estate developers engaged in landed residential and integrated mixed-use commercial property development. Golden Land also holds a stake of 22.6% in Golden Ventures Leasehold Real Estate Investment Trust, which is an office REIT listed on the Stock Exchange of Thailand with a total lettable space of 99,495 sq m, and combined assets under management of approximately THB10.6 billion (approximately $393.3 million). As at 30 September 2017, Golden Land reported revenue and net profit after tax of THB12.1 billion and THB1.2 billion respectively.

TICON is one of the largest logistics and industrial real estate developers in Thailand. It owns and manages factories and warehouses for rent in 18 industrial estates and 33 logistics locations throughout the country. The total lettable space in its portfolio amounts to over 2.5 million sq m. TICON is also the manager/sponsor of three listed property funds and a listed REIT in Thailand, with combined assets under management of approximately THB32.4 billion (approximately $1.3 billion). TICON posted 9-month net profit of THB246.7 million as at 30 September 2017. With its strong balance sheet and gearing of 0.53x, it is well positioned to tap the growing demand for logistics and industrial assets in the region.

We also hold a 19.9% stake in a mixed-use development project, called "One Bangkok". Located in central Bangkok at the intersection of Wireless Road, Rama IV Road and Sathorn Road, the project is envisaged to include a retail component, office towers, residences, hotels and serviced apartments with an expected total gross floor area of approximately 1.83 million sq m. The Group serves as Development Manager of the project.

Our investments in Thailand are in line with the Group's strategy to grow income from overseas and recurring sources.

# INVESTOR RELATIONS

## OVERVIEW

FCL's investor relations (IR) team is focused on proactively engaging the financial community and the media to generate awareness and understanding of FCL's business model, competitive strengths, growth strategy, and investment merits; as well as garner feedback for consideration.

The senior management and IR teams regularly engage these stakeholders through multiple platforms. These include one-on-one meetings, results calls and briefings, post-results luncheons, property tours, non-deal roadshows (NDRs), and conferences. During the financial year, the teams attended NDRs and conferences in Kuala Lumpur, Bangkok, Hong Kong, London, Edinburgh, Amsterdam, Sydney, and the USA. In addition, we included property tours to help stakeholders better understand the scale of our developments.

## PROACTIVE AND REGULAR ENGAGEMENT

As part of our ongoing regular updates on our business, we announce our financial performance on SGXNET every quarter, along with a media release and presentation. We also host quarterly conference calls, during which members of our senior management team present highlights of our financial results and answer questions posed by analysts and institutional investors. We also host in-person briefings of our half-year and full-year results, which are attended by analysts, institutional investors and the media. A concurrent dial-in facility is also offered for those who wish to attend the briefing, but are unable to do so in person.

All the materials related to FCL's quarterly announcements of our financial performance, as well as webcasts of the FY2017 half-year and full-year results presentations, are publicly available via FCL's corporate website (fraserscentrepoint.com). The website serves as a resource centre from which the public can access information about FCL. In addition to the aforementioned resources, the website also contains fact sheets about FCL, soft copies of our annual reports since listing, and provides more insights into our business and properties.

Over the course of the year, FCL participated in 248 meetings with analysts and institutional investors to facilitate understanding of our developments and growth plans. In addition, we organised property tours for analysts and institutional investors to visit our residential and commercial properties in Sydney, as well as our residential and commercial show suites in Singapore.

## COMMITTED TO BEST PRACTICES IN INVESTOR RELATIONS AND CORPORATE GOVERNANCE

This year, FCL was recognised for its outstanding efforts in adhering to best practices in investor relations and corporate governance. FCL won the Bronze award for Best Investor Relations at the Singapore Corporate Awards 2017, in the category for listed companies with market capitalisation of $1 billion and above.

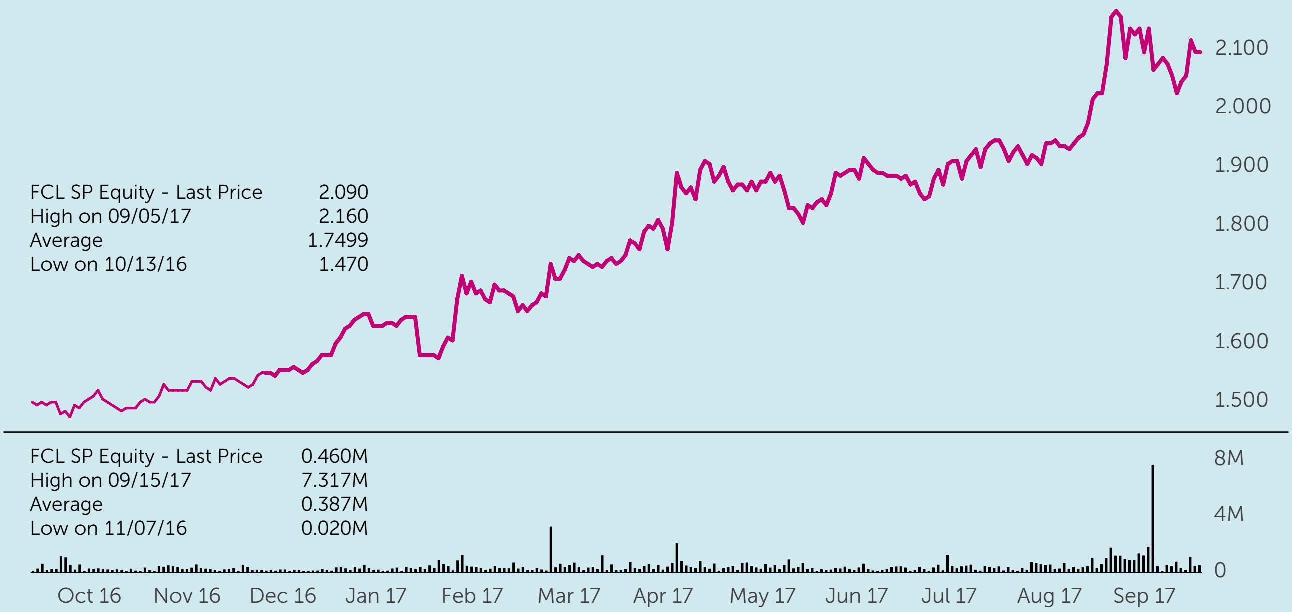
In addition, FCL was awarded 2nd place in the Best Annual Report category of the IR Magazine Awards – South East Asia 2017 in December. The recipients of the IR Magazine Awards were determined by a judging panel of experienced professionals from the industry.

Our award wins serve as strong motivation as we strive towards further excellence in corporate governance and investor relations.

For enquiries on Frasers Centrepoint Limited, please contact:

**Ms Gerry Wong**
Head, Group Communications
Tel: (65) 6276 4882
Email: ir@fraserscentrepoint.com

## FCL'S CLOSING PRICE AND TRADING VOLUME IN FY2017




## BROKERAGES COVERING FCL (As of 30 September 2017)

- Bank of America-Merrill Lynch
- CIMB Research
- CLSA
- Daiwa Capital Markets
- DBS Bank
- HSBC
- JP Morgan
- Macquarie Securities Group

## FY2017 INVESTOR RELATIONS CALENDAR

### 2016

**NOVEMBER**

9 FY2016 results briefing

17 Morgan Stanley Fifteenth Annual Asia Pacific Summit

### 2017

**JANUARY**

4 DBS Pulse of Asia Conference

24 FCL AGM

**FEBRUARY**

10 1QFY17 Earnings Call

27 Investor meetings in Kuala Lumpur

**MARCH**

6-9 Investor meetings in Europe

**MAY**

11 1HFY17 Results Briefing

15 dbAccess Asia Conference

16 SCB Asian Investor Forum

19 Investor meetings in Bangkok

**JUNE**

28-29 Investor meetings in Hong Kong

**JULY**

12 Investor meetings in Australia

**AUGUST**

8 3QFY17 Earnings Call

24 Citi C-Suite Singapore REITS & Sponsors Corporate Day

**SEPTEMBER**

12-13 BoAML 2017 Global Real Estate Conference in New York

14-15 Investor meetings in the USA

# TREASURY HIGHLIGHTS

The Group manages its financial structure prudently to ensure that it will be able to access adequate financing and capital at favourable terms. Our multi-national businesses which operate across five asset classes – residential, hospitality, retail, commercial, and industrial and logistics properties, together with the asset management of the three REITs listed on the SGX-ST, Frasers Centrepoint Trust (FCT), Frasers Commercial Trust (FCOT) and Frasers Logistics & Industrial Trust (FLT), as well as the stapled trust listed on the SGX-ST, Frasers Hospitality Trust (FHT) generate cash flows for the Group in Singapore and over 80 cities around the world. Management monitors the Group's cash flow position, debt maturity profile, funding cost, interest rate and foreign exchange exposures and overall liquidity position on a continuous basis. To ensure that the Group has adequate overall liquidity to finance its operations and investment requirements, the Group maintains available banking facilities with a large number of banks globally.

The Group also taps the debt capital markets through its Multicurrency Medium Term Notes (MTN) programmes. In FY2017, FCL Treasury Pte Ltd (FCL Treasury) raised $500 million 10-year bonds and $308 million perpetual securities. The Group's sponsored REITs as well as its stapled trust also raised the following: $100 million three-year bonds, $50 million four-year bonds and $80 million five-year bonds (FCOT), $90 million three-year bonds and $30 million five-year bonds (FCT), and $120 million five-year bonds (FHT).

In FY2017, the Group improved its capital position (net worth increased 10% to $13,049 million) and its cash balance (increased 11% to $2,409 million). The capital position was improved due to the issuance of perpetual securities by FCL Treasury in 2017 and retained earnings for the year. Net Group Borrowings had increased from $7.6 billion to $9.2 billion mainly due to the acquisition of a Netherlands subsidiary, Geneba Properties N.V., Thailand associates TICON and Golden Land and development expenditure on investment properties. The increased cash balance is due to cash collection from the strong pipeline of pre-sold development projects in Singapore, China, the UK and Australia, and stable cash flow generated from investment properties.

## SOURCE OF FUNDING

Besides cash flow from our businesses, the Group also relies on the debt capital markets, equity capital markets and syndicated and bilateral banking facilities for its funding. As at 30 September 2017, the Group had about $2 billion in unutilised banking facilities that may be used to meet the funding requirements of the Group.

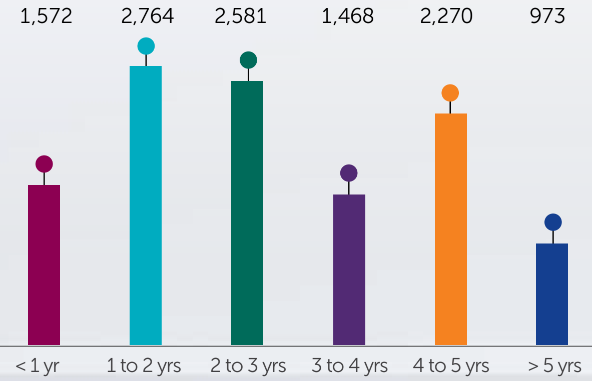
The Group maintains an active relationship with a network of more than 50 banks globally, located in various countries where the Group operates. Our principal bankers include Australia and New Zealand Banking Group Limited, Bangkok Bank Public Company Limited, Bank of China Limited, DBS Bank Ltd., Malayan Banking Berhad, Oversea-Chinese Banking Corporation Limited, Standard Chartered Bank, Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Limited and United Overseas Bank Limited.

The Group continues to adopt the philosophy of engaging the banks as our core business partners and continues to receive very strong support from our relationship banks across all segments of the Group's businesses. All banking relationships for the Group are maintained by Group Treasury in Singapore.

## DEBT CAPITAL MARKETS

The Group has various MTN programmes in place to tap the debt capital market. FCL Treasury has a $3 billion MTN (issued: $2,145 million) and new $5 billion EMTN (issued: $808 million) programmes. The Group's sponsored REITs, FCT, FCOT and FLT, as well as its stapled trust, FHT, each have their respective MTN programmes: FCT: $1 billion MTN (issued: $360 million) and $3 billion EMTN (issued: nil) FCOT: $1 billion MTN (issued: $330 million) FLT: $1 billion EMTN (issued: nil) and FHT: $1 billion EMTN (issued: $220 million).

## DEBT MATURITY PROFILE – FCL GROUP WITH FCT, FCOT, FLT AND FHT ($'M)




## INTEREST RATE PROFILE AND DERIVATIVES

The Group manages its interest cost by maintaining a prudent mix of fixed and floating rate borrowings. On a portfolio basis, 67% of the Group's borrowings are in fixed rates (including floating rate borrowings that have been fixed with interest rate swaps). The average tenor of the loans is 3 years as at 30 September 2017. The floating rate loan portfolio allows the Group to maintain a flexible maturity profile to support divestments and cash inflows from sales of development property in order that debt can be reduced quickly.

In managing the interest rate profile, the Group takes into account the interest rate outlook, expected cash flow generated from its business operations, holding period of long-term investments and any acquisition and divestments plans.

The Group makes use of interest rate derivatives for the purpose of hedging interest rate risks and managing its portfolio of fixed and floating rate borrowings. The Group does not engage in trading of interest rate derivatives. The Group's total interest rate derivatives and the mark-to-market values as at 30 September 2017 are disclosed in the financial statements in Note 21.

## GEARING AND INTEREST COVER

The Group aims to keep the Group's net gearing to equity ratio between 80% and 100%. As at 30 September 2017, this ratio was 70.6%. Net interest expense for the year amounted to $121 million, which includes $33 million that was capitalised as cost of development properties held for sale. The net interest[1] cover[2] was at 9 times.

## FOREIGN EXCHANGE RISKS AND DERIVATIVES

The Group has exposure to foreign exchange risk arising from normal development and investment activities. Where exposures are certain, it is the Group's policy to hedge these risks as they arise. The Group uses foreign currency forward contracts and certain currency derivatives to manage these foreign exchange risks.

The Group does not engage in trading of foreign exchange and foreign exchange derivatives.

The Group uses foreign exchange contracts and derivatives solely for hedging actual underlying foreign exchange requirements in accordance with hedging limits set by the Audit Committee and the Board under the Group's Treasury Policy. These policies are reviewed regularly by the Audit and Executive Committees to ensure that the Group's policies and guidelines are in line with the Group's foreign exchange risk management objectives.

The Group's foreign exchange contracts and derivatives and the mark-to-market values as at 30 September 2017 are disclosed in the financial statements in Note 21.

[1] Net Interest in the profit statement excluding mark to market adjustments on interest rate derivatives and capitalised interest
[2] Net interest cover = Net interest expense / profit before interest and taxation

# SUSTAINABILITY REPORT

SUSTAINABILITY BEYOND BOUNDARIES

# OUR REPORT

## ABOUT THIS REPORT

In this sustainability report, our third, we share detailed information about our material issues, our societal and environmental impacts and our key sustainability initiatives for the period 1 October 2016 to 30 September 2017 (FY2017). This report has been prepared in accordance with Global Reporting Initiative (GRI) Standards "Core", which supersede GRI G4 Guidelines, and include GRI's Construction and Real Estate Sector supplements.

## REPORT SCOPE

We have included our key business divisions[1] and our listed REITs. This report covers our significant locations of operations which are Singapore, Australia and China. This year, we have included activities in Frasers Logistics & Industrial Trust, which was listed on the SGX in June 2016.

Data disclosed covers the above scope, unless otherwise stated, for assets that we own and/or manage, over which we have operational control. As we consider ourselves to have significant influence over our Singapore development sites, we have included health and safety data of our principal contractors' employees working at these sites.

**Feedback and Suggestions**
We seek to continuously improve our sustainability performance and your feedback is vital to us. Please write to:

Dr Pang Chin Hong,
Assistant General Manager, Corporate Planning &
Chairman, FCL Sustainability Working Committee
Frasers Centrepoint Limited
Email: sustainability@fraserscentrepoint.com

1 Frasers Centrepoint Singapore, Frasers Hospitality, Frasers Property Australia, Frasers Property China, Frasers Centrepoint Asset Management Ltd, Frasers Centrepoint Asset Management (Commercial) Ltd, Frasers Hospitality Asset Management Pte. Ltd, Frasers Logistics & Industrial Asset Management Pte Ltd.

# SETTING THE TONE FROM THE TOP

I BELIEVE SUSTAINABILITY PROVIDES NUMEROUS OPPORTUNITIES TO FURTHER DEVELOP OUR EMPLOYEES' WORKING EXPERIENCES. EMBRACING SUSTAINABILITY CHALLENGES US TO THINK OUTSIDE OF THE BOX AND FIND NEW AND UNIQUE SOLUTIONS. I WANT TO SEE SUSTAINABILITY BEING INCREASINGLY INTEGRATED INTO THE WAY WE DO BUSINESS TO SET NEW STANDARDS IN SUSTAINABLE LIVING.

For our Group CEO, Panote Sirivadhanabhakdi, innovation is at the very heart of how FCL approaches its business. This is demonstrated through our early foray into international business as well as the setting up of REITs for all its asset classes. Sustainability can certainly be viewed as a driver for innovation, so we sat with Mr Sirivadhanabhakdi to get his views on sustainability at FCL.

**Sustainability is a growing priority for businesses globally. What would you like FCL to achieve in regard to sustainability in the near future?**

Sustainability is a key contributor to our success and our unifying idea is at the core of all we do. FCL's unifying idea is *experience matters*, that both our customers' experience and our experience matter. I would thus like FCL to leverage opportunities provided by sustainability to enhance the experiences of both our customers and our employees.

I believe customer experience and sustainability go hand in hand; by focusing on our customers' needs, we gain valuable insights that guide our products and services. This enables us to then create memorable and enriching experiences for our customers. This is especially so as our customers are increasingly making sustainability a priority, from assessing the eco-efficiency of a new home they are looking to purchase, seeking out more 'green' experiences when visiting our hospitality properties, to demanding office environments that provide spaces for moments of tranquility or for reflection in the midst of a busy work day.

Similarly, our employees' experience is a valuable legacy that inspires our future successes. As a multi-national of scale and diversity, we have the right expertise to create value for our customers. We also celebrate the diversity of our staff and the expertise they bring, and commit to enabling their professional and personal development.

On this front, I believe sustainability provides numerous opportunities to further develop our employees' working experiences. Embracing sustainability challenges us to think outside of the box and find new and unique solutions. I want to see sustainability being increasingly integrated into the way we do business to set new standards in sustainable living.

**Why do you feel the need to engage the community and what are some initiatives that you've introduced where you have employed FCL's unique expertise?**

While sustainability is driven on a number of fronts within our businesses, we are always mindful of our stakeholders' concerns. And we make it a point to listen to our stakeholders. We understand that our business is not just about selling, managing or developing a property, but also about building a community.

This understanding drives us to go beyond merely carrying out business-related operations to focusing on how we can enhance lives and communities where we operate. To this end we have implemented a number of initiatives including putting in place community development officers at our new developments. These officers work on the 'softer' aspects of the residential developments that transform a cluster of people living together into a contented, safe and cohesive community.

We have also rolled out community-centric designs in our new developments including One Bangkok, Bangkok, Northpoint City, Singapore, and Central Park, Sydney, where we have provided open spaces for community interaction and activities. Additionally, we have created areas for tenants who focus on providing community services. Our social housing caters to specific stakeholder needs too. We are integrating social housing dwellings, affordable homes, a school, care facilities, conveniences and sports facilities in our development in Ivanhoe, Sydney.

Through our community investment efforts, we continue to develop and nurture close relationships with local communities in proximity to our operations. By doing so, we are also able to identify how we can contribute to their needs and collaborate with them.

**FCL has been practising sustainability for some time now. What is the greatest impact and value that sustainability has created for both the business and the communities where you operate?**

Sustainability has been a key driver of innovation for FCL, especially in the area of energy management. This is evident from Central Park, a project often cited as an urban rejuvenation and high density project that is done right, and has since developed into Sydney's new downtown destination. Designed to be Australia's greenest and most self-sufficient mixed-use urban development, sustainability is a way of life at Central Park with an on-site central thermal tri-generation plant and an on-site water recycling plant. Central Park was also where the project team identified the opportunity to implement precinct-wide energy infrastructure - an unprecedented initiative in Australia - which resulted in the launch of FCL's new embedded energy network business in Australia.

More importantly, our advancement of sustainable living solutions has also helped benefit the communities at large by reducing GHG emissions and air pollution, conserving water, creating safer, more convenient housing and working environments, and enhancing access to day-to-day amenities for more vulnerable individuals.

In addition to enhancing our corporate profile through several sustainability firsts and accolades that we have garnered over the years, our approach of emphasising the wellbeing and happiness of our staff has also enabled us to recruit, retain and develop a productive and skilled team that is committed to advancing sustainability.

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**Mr Sirivadhanabhakdi is clearly committed to an innovative and sustainable approach as a way of life at FCL. With *experience matters* at the heart of all that we do, we aspire to be a leader and set industry benchmarks in building sustainable communities. We will continue to embrace a progressive mindset and collaborate with our stakeholders on a holistic sustainability journey towards fulfilling our aspirations.**

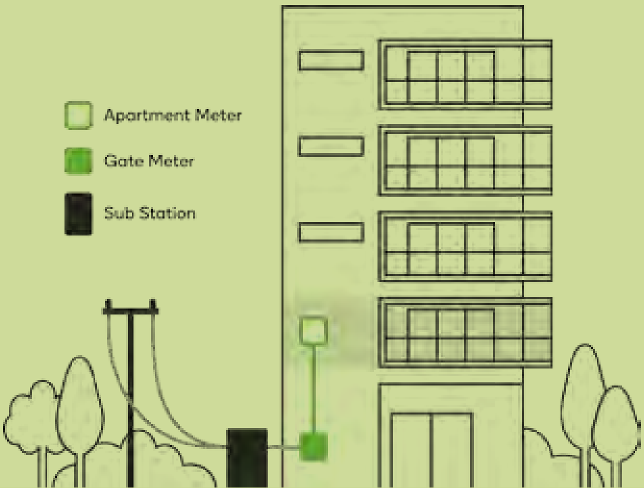
# THE YEAR AT A GLANCE

## STEERING THE GREEN BUILDING MOVEMENT

We are proud to have Rod Fehring, FPA and Pang Chin Hong, FCL elected to guide the green building industry as Chairman of the Green Building Council of Australia and Board Member of the Singapore Green Building Council respectively.

## ENABLING OCCUPANTS TO GO GREEN

In Australia, FPA set up an energy company, Real Utilities to provide a cheaper and greener source of energy to occupants of buildings we develop. In Singapore, all our malls and offices are now equipped with electronic waste (e-waste) bins to encourage visitors and tenants to dispose their e-waste responsibly.



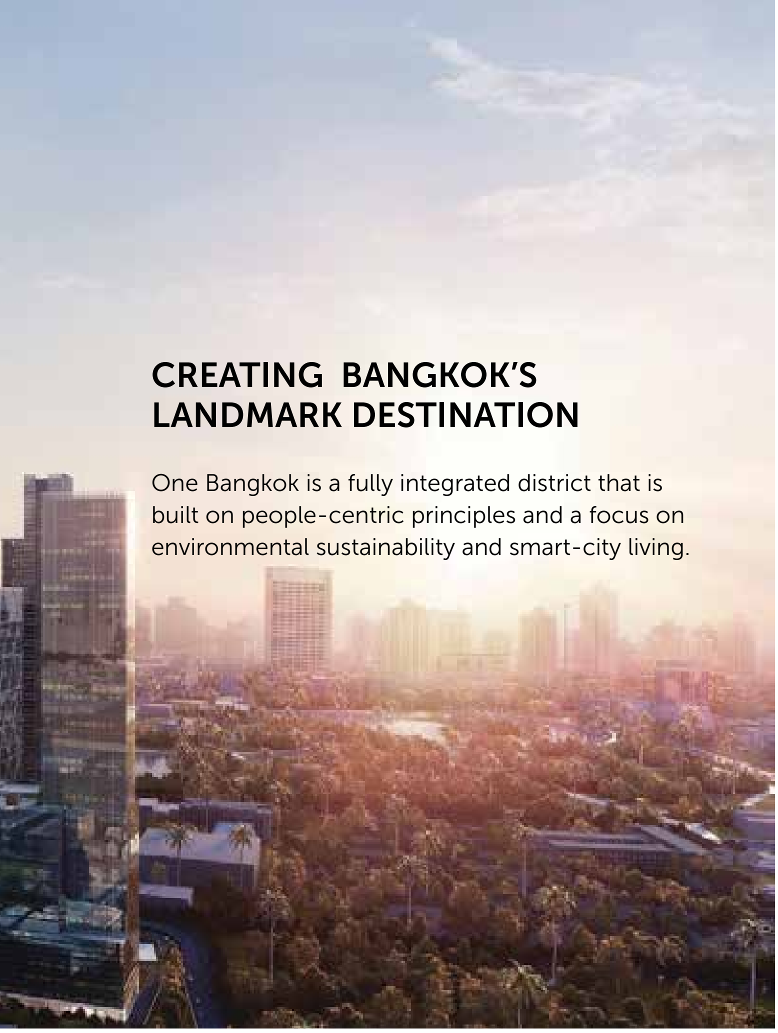

## FPA IS NOW CARBON NEUTRAL

FPA's investments in carbon-efficient workplaces, careful waste and energy management on their construction sites, and purchase of carbon offsets have helped it achieve carbon neutral status under the Australian National Carbon Offset Standard.

## RECOGNISED FOR OUR EFFORTS

As a result of our consistent efforts in implementing sustainable practices, FCL has clinched a string of sustainability accolades this year, including:

- Singapore Apex Corporate Sustainability Awards by Global Compact Network Singapore (GCNS)
- Top Green Companies in Asia Award at the Asia Corporate Excellence & Sustainability Awards
- FLT recognised as Industrial Regional Sector Leader in GRESB 2017
- SGBC-BCA Sustainability Leadership Awards for Alexandra Point



## CREATING BANGKOK'S LANDMARK DESTINATION

One Bangkok is a fully integrated district that is built on people-centric principles and a focus on environmental sustainability and smart-city living.

## PLAY FOR A GOOD CAUSE

Our year-long charity ball pool event, 'Play It Forward' encourages shoppers to do good while having fun. We are delighted to have raised more than $100,000 for Community Chest beneficiaries.

## CELEBRATING OUR FIRST ENVIRONMENT MONTH

Around the world, employees conducted environmental initiatives in March to remind themselves that no contribution is too small in safekeeping our planet. Activities included staff education sessions and community volunteering.

## VALUING OUR EMPLOYEES

In Singapore and Australia, the Group has implemented flexible work arrangements for employees to support them in balancing their responsibilities at work and at home.

# MANAGING SUSTAINABILITY

Our business needs to continually grow and evolve and we believe that this applies to more than just the physical aspects of our properties. We adapt to the ever-changing dynamics of the corporate world as well as sentiments within our communities. What we do goes beyond constructing, selling and managing properties to building and contributing to communities. That is what sustainability means to us.

## MANAGEMENT STRUCTURE

Our Sustainability Steering Committee (SSC) provides guidance and drives our corporate sustainability agenda. The committee is chaired by our group CEO, Mr Panote Sirivadhanabhakdi, and comprises top management - the CEOs of all our business units, our Chief Corporate Officer and Chief Financial Officer, as well as our Chief Human Resources (HR) Officer. To ensure that the progression of our sustainability efforts is on the right track, the SSC meets to review performance against our sustainability objectives.

Supporting the SSC is the Sustainability Working Committee (SWC), which consists of members from the middle and senior management of various business units and departments such as Finance, Risk, HR and Group Communications. The SWC's main task is to monitor our sustainability performance against our key performance indicators (KPIs), implement action plans, and communicate and report to our stakeholders.

## STAKEHOLDER AND VALUE CHAIN

As an international real estate company, we have an extensive value chain of activities. At each stage of the value chain, a mix of stakeholders e.g. suppliers, customers, business partners are involved. FCL takes proactive steps to engage them with the aim of creating more positive collaborative experiences, as well as in jointly improving our sustainability processes.


We communicate with our stakeholders regularly through various modes. Some common forms of engagement across many stakeholder groups include bilateral interaction, briefings and consultations, project meetings and site visits. We also address sustainability-related topics such as occupational health and safety, community needs and customer satisfaction through a suite of engagement methods.

## MATERIALITY

We conducted our first materiality assessment in 2015 based on GRI and AA1000 principles to determine the relevant key sustainability topics in relation to our business and our stakeholders. To validate this assessment, this year, we conducted a survey amongst our employees, suppliers and contractors to gather their feedback on the sustainability issues most important to them.

We noted that the results of the survey were mostly in line with our existing material factors. Hence, we deem our material factors still relevant and they will remain unchanged. We will continue to assess these material factors on a regular basis to ensure their relevance.

As a signatory to the United Nations Global Compact (UNGC), we support the United Nations' adoption of the 2030 Agenda for Sustainable Development. We have mapped the Sustainable Development Goals on our business operations for alignment.

| THEME | MATERIAL FACTORS | RELEVANT SDGs |
|---|---|---|
| Economic | • Economic performance[2] | 8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure |
| Upholding Good Corporate Citizenship | • Environmental compliance<br>• Anti-corruption<br>• Ethical marketing | 17 Partnerships for the Goals |
| Transforming the way we look at Natural Resources | • Energy management<br>• Water management | 7 Affordable and Clean Energy; 9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities |
| Investing in a workforce of the future | • Staff retention and development<br>• Labour/ management relations<br>• Health and safety | 3 Good Health and Well-Being; 8 Decent Work and Economic Growth; 10 Reduced Inequalities |
| Creating Strong and Integrated Communities | • Health and safety<br>• Local communities | 3 Good Health and Well-Being; 11 Sustainable Cities and Communities |
| Giving Back to Society | • Local communities | 17 Partnerships for the Goals |

[2] Not covered in this section. Please refer to our annual report for further details.

## SUSTAINABILITY-RELATED COMMUNICATION

| KEY STAKEHOLDERS | MODE OF ENGAGEMENT | KEY SUSTAINABILITY TOPICS |
|---|---|---|
| Contractors/ Consultants/ Suppliers | • Safety briefings, exercises and declarations | • Occupational health & safety<br>• Performance |
| Customers | • Customer service counters<br>• Surveys and feedback channels | • Customer satisfaction<br>• Quality of services and facilities |
| Employees | • Team building and annual activities<br>• Training programmes<br>• Environmental, health & safety awareness activities | • Staff bonding<br>• Career development<br>• Occupational health & safety<br>• Environmental awareness |
| Investment Community | • Results briefings<br>• Annual General Meeting<br>• Investor conferences | • Financial results<br>• Business performance and outlook |
| Local Community | • Feedback channels<br>• Staff involvement in local community<br>• Educational exhibitions | • Community needs<br>• Environmental awareness |
| Regulators/Non-Governmental Organisation (NGO) | • Participation in NGOs<br>• Surveys and focus groups | • Regulatory/industry trends and standards |

# UPHOLDING GOOD CORPORATE CITIZENSHIP

Being respectful of laws, regulations and needs of society are key to being a good corporate citizen. Good corporate governance drives good business and sets the tone from the top. We recognise the benefits that clear policies and good management bring to our business and we strive to maintain high standards of integrity, accountability and responsible governance. FCL is a signatory to the Corporate Governance Statement of Support since 2015, and a signatory to the UNGC, the world's largest corporate sustainability initiative, since 2016.

A signatory to the
**United Nations Global Compact**

## CORPORATE PRACTICE

Good corporate practice dictates that anti-corruption, fraud prevention and ethical marketing be placed high on a company's agenda. These factors are relevant for the locations in which we operate, and we recognise the benefits that clear policies, good management and an untarnished reputation bring to our business.

FCL has a zero-tolerance approach towards corruption and fraud. In the marketing of our products and services, we ensure that our communications and marketing practices are responsible, clear, timely and accurate. We adhere to the Singapore Code of Corporate Governance 2012, the Code of Advertising, Singapore's Urban Redevelopment Authority's developer rules, and all other applicable laws and regulations in the regions in which we operate.

In order to enhance compliance performance and to have a structured approach to drive the Environment, Health & Safety (EHS) practices, we have progressively implemented ISO 14001 Environment Management System across our key business units. We have also expanded the coverage of OHSAS 18001 (Occupational Health & Safety) Management System to a wider scope of operations, and put in place policies, procedures and controls.

## COMPLIANCE PERFORMANCE

We take compliance seriously, and to the best of our knowledge, we did not have any major cases of non-compliance reported in FY2017. Specifically, there were:

- No substantiated cases with regard to bribery and corruption were reported.
- No case was substantiated following eight complaints received through whistleblowing channels.
- No incidents of non-compliance with regulations and industry codes concerning marketing communications for which fines were issued.
- No direct breach of environmental and safety compliance. However, there were cases where the contractors working at our development sites had been fined a total of $36,500, due largely to incidents such as excessive noise levels and safety breaches.

We strive for zero incidence of non-compliance with all laws and regulations, and work together with our contractors to make sure extra precautions are taken down our value chain to maintain compliance.

To safeguard the independence of the internal audit function, our Group Internal Audit Head reports directly to the Chairman of the Audit Committee. Independent internal audits are designed to, inter alia, evaluate and improve the effectiveness of risk management, control and governance processes. For further details, please refer to pages 137-169 on Corporate Governance.

## CORPORATE POLICIES

We take pride in our reputation for upholding the highest standards, and expect our employees to abide by them. We believe that our reputation is built by dealing fairly and ethically. We have established the following corporate policies:

| CORPORATE POLICIES | GUIDANCE |
|---|---|
| Code of Business Conduct | Company ethics and conduct in relation to:<br>• Compliance monitoring • Record keeping • Information confidentiality<br>• Conflicts of interest • Insider trading • Relations with key stakeholder |
| Whistle-Blowing Policy | Provision of a channel for reporting of any concerns, including:<br>• Improprieties in financial reporting • Professional misconduct<br>• Irregularities or non-compliance with laws and regulations<br>(Available at: http://investor.fraserscentrepoint.com/misc/Whistle-blowing-Policy.pdf) |
| Anti-Bribery Policy | Prevention and management of bribery and corruption |
| Policy for Disclosure and Approval of Purchase of Property Projects | Declaration and approval requirements for any interested persons, directors and employees of FCL, when purchasing property developed by FCL |
| Competition Act Compliance Manual | Compliance with the Competition Act to protect and promote healthy competitive markets in Singapore |
| Personal Data Protection Act Policy | Compliance with the Personal Data Protection Act 2012 relating to the handling and processing personal data, and complaint handling procedures (Available at: www.fraserscentrepoint.com/html/protection.php) |
| Environment, Health & Safety Policy | Safeguarding the health and safety of all stakeholders and providing a safe environment for them to work in or to conduct their business |

## AFFILIATION WITH INDUSTRY BODIES

As a key stakeholder in the real estate sector, FCL has been actively engaging with various industry bodies. With our representation in partnerships and affiliations with industry bodies, we believe we can drive and play a role in encouraging the sector's sustainability initiatives.

| INDUSTRY BODY | REPRESENTATIVE FROM FCL |
|---|---|
| Better Buildings Partnership | Paolo Bevilacqua, Leadership Panel Member |
| Green Building Council of Australia | Rod Fehring, Chairman of Board<br>Paolo Bevilacqua, Chairman, Green Star Industry Advisory Group |
| Global Real Estate Sustainability Benchmark (GRESB) | Paolo Bevilacqua & Marine Calmettes, Member of Australia Real Estate Benchmark Committee |
| Livable Housing Australia | Simone Dyer, Advisory Board Member |
| Living Future Institute of Australia | Paolo Bevilacqua, Chairman of Board |
| Property Concil of Australia | Paolo Bevilacqua, National Sustainability Roundtable member |
| Real Estate Developers' Association of Singapore (REDAS) | Panote Sirivadhanabhakdi, Management Committee |
| Real Estate Investment Trust Association of Singapore | Low Chee Wah, Vice President<br>Eu Chin Fen, Member of Regulatory Subcommittee |
| Singapore Green Building Council | Pang Chin Hong, Board Member |
| Singapore Hotel Association | Eu Chin Fen, Board Member |
| Singapore Quality Award, Spring Singapore | Choe Peng Sum, Governing Council Member |
| Urban Development Institute of Australia | Cameron Jackson, Councillor, NSW Council<br>Jill Lim, Councillor, Victoria Council<br>Justin Crooks, Councillor, Western Australia Council |
| Workplace Safety and Health Council, Singapore | Cheang Kok Kheong, Deputy Chairman of Construction & Landscape Industry Subcommittee |

# CHANGING THE WAY WE LOOK AT NATURAL RESOURCES

7 AFFORDABLE AND CLEAN ENERGY

11 SUSTAINABLE CITIES AND COMMUNITIES

## ENERGY MANAGEMENT

We have set a 10-year target to reduce our energy intensity by

**15%**

by FY2025, from FY2015's baseline

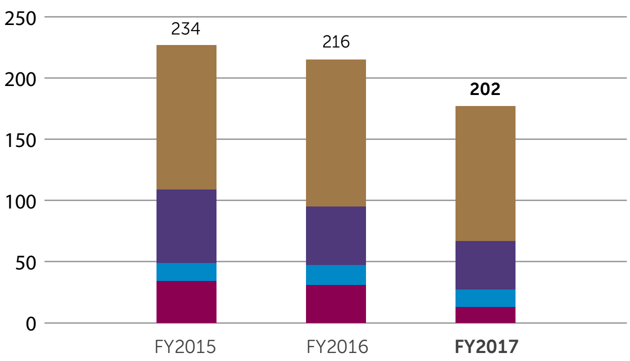
We hold ourselves to a high standard by continually looking for opportunities to reduce our consumption of the earth's limited resources and preserve resources for the next generation. We have increased our efforts to achieve an energy-efficient portfolio by implementing changes to our properties, increasing awareness and embracing technology.

The Group's overall energy intensity reduced to 110 kWh/m$^2$ in FY2017, as compared to a year ago. We saw a more material reduction across our Singapore office portfolio, but this was offset by higher occupancy rates in our hospitality portfolio this year. In tandem, the Group's carbon footprint (greenhouse gas (GHG) intensity) decreased by 2.7 % year-on-year to 110 tonnes of $CO_2$ equivalent.

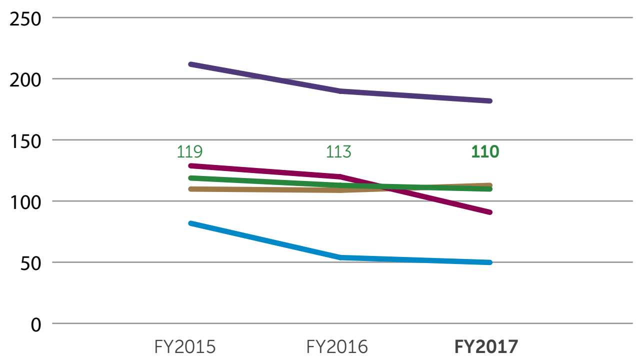
In the past year, we have upgraded many of our retail properties with the installation of LED lighting and motion sensors, especially in bathrooms and car parks. At Alexandra Point, we replaced the chilled water system and air handling units.

We continue to take proactive steps across our portfolio to reduce electricity usage, and to refit buildings with energy efficient equipment.

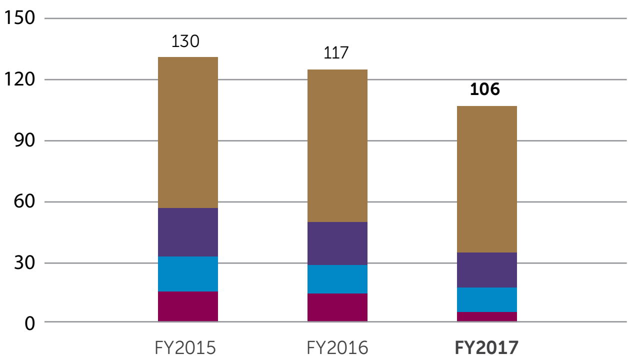
### ELECTRICITY CONSUMPTION (GWh)



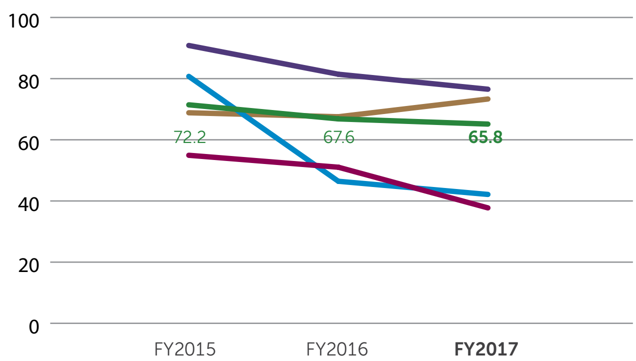

### GHG EMISSIONS ('000 tonnes)




### ENERGY INTENSITY (kWh/m$^2$)




### GHG INTENSITY (kg/m$^2$)




Singapore Office Australia Office Singapore Retail Hospitality Group

Refer to Notes, page 123 for energy reporting scope

## FCL WINS PRESTIGIOUS ACCOLADE AT THE SINGAPORE APEX CORPORATE SUSTAINABILITY AWARDS

FCL was named as one of the three winners of the Sustainable Business Award, under the large organisations category, at the Singapore Apex Corporate Sustainability Awards 2017. Organised by the GCNS, the Awards series is the most prestigious corporate sustainability accolade for companies in Singapore. FCL was recognised for its successful efforts in determining and managing the sustainability issues that are key to its business and stakeholders across the governance, environmental, economic, and social categories.

## FRASERS LOGISTICS & INDUSTRIAL TRUST RECOGNISED AS GRESB AUSTRALIA/NEW ZEALAND REGIONAL SECTOR LEADER FOR INDUSTRIAL PROPERTY

GRESB is the global standard for environmental, social and governance benchmarking and reporting for listed property companies, private property funds, developers and investors. FLT has emerged as the 2017 Regional Sector Leader based on its outstanding performance in seven sustainability aspects, including energy, GHG emissions, water and waste. FLT also topped GRESB's Health & Well-being category worldwide in the industrial sector with an overall score of 93%.

## GOING CARBON NEUTRAL IN AUSTRALIA

FPA has been certified as a carbon neutral organisation under the Australian Government's National Carbon Offset Standard (NCOS). Carbon neutral certification at FPA was achieved by first reducing emissions from the business through measures such as the purchase of 100% Green Power where possible, the upgrading of video conferencing systems to reduce interstate flights, and engaging with employees to reduce their environmental impact at work. The remaining emissions were then compensated using carbon offsets from the countries where FCL operates, with projects that have a focus on renewable energy.

## FCL ONE OF THE TOP GREEN COMPANIES IN ASIA

The Group was named as one of the winners of the "Top Green Companies in Asia" award, under the sustainability category, at the Asia Corporate Excellence & Sustainability Awards held in October 2017. The ACES award recognised the steps that FCL has taken to ensure that its activities are environmentally friendly, and that environmental factors are considered in the development of its processes and products.

# CHANGING THE WAY WE LOOK AT NATURAL RESOURCES

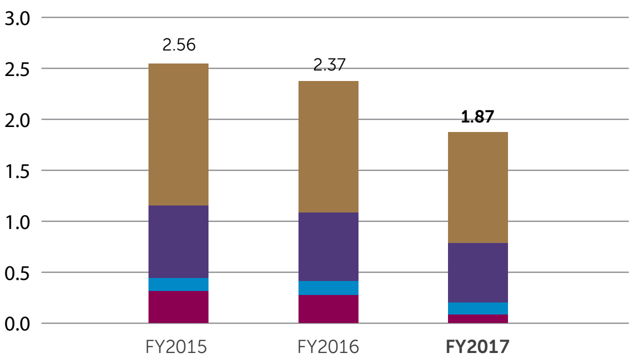
## WATER MANAGEMENT

We have set a 10-year target to reduce our water intensity by **15%** by FY2025, from FY2015's baseline

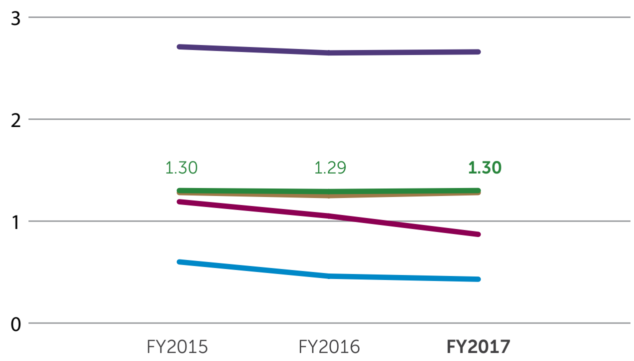
Water is a scarce resource in both Singapore and Australia, and we continue to improve our efforts to better manage our water use.

Overall, we note an overall increase in water intensity across our asset portfolio by 1.3 % year-on-year in FY2017. This was mainly due to an increase of water use in our hospitality portfolio, which experienced higher occupancy rates. Concerted efforts have been put in place for many of our properties to be fitted with water-saving features such as tap-flow restrictors/regulators, low-flush water system, waterless urinal system, and the use of NEWater and AHU condensate for non-portable purposes. Over 85% of our commercial properties in Singapore have achieved the Public Utilities Board's (PUB) Water Efficient Building Certification.

**BUILDING WATER CONSUMPTION (mil $m^3$)**




**BUILDING WATER INTENSITY ($m^3/m^2$)**




Singapore Office Australia Office Singapore Retail Hospitality Group

Refer to Notes, page 123 for water reporting scope

We strive towards using recycled water for non-potable applications such as irrigation, washing, water features and cooling towers across our portfolio. In our cooling towers, we use water treatment systems that can achieve at least seven cycles of concentration. In Australia, rainwater is collected at most development projects and connected to irrigation and toilet flushing systems for reuse. To conserve water, North Park Residences features certified water-efficient fittings and appliances, and an efficient irrigation system with rain sensors to keep the development lush and green.

# WASTE MANAGEMENT

Waste generation and disposal remain one of the top environmental issues due to its pollutive impacts on land, in our waterways and the air. As a major property owner and manager, we recognise that our commercial buildings produce a significant amount of waste and we attempt to manage that through infrastructural support and education.

In FY2017, a total waste of 20,241 tonnes were generated from 15 and 17 of our commercial properties in Singapore and Australia respectively. This translates to a waste intensity of 29.6 kg/m$^2$, which is an increase from last year as our waste collection methods have become more comprehensive.

In addition to reducing waste production in our day-to-day operations, we also make a conscious effort to do so at the development stage. In FY2017, at least 90% of our construction waste, across all Australian projects, was recycled.

## REDUCE, REUSE, RECYCLE

In the office setting, we encourage our employees to reduce the amount of paper used through default setting all printers to double-sided printing and discouraging printing. This year, a total of 4,981 reams of A4 paper and equivalent were used. All paper procured are certified with the FSC (Forest Stewardship Certification), PEFC (Programme for the Endorsement of Forest Certification) or SGLS (Singapore Green Label Scheme). We provide bins at our properties to encourage guests and tenants to recycle their waste.

Our shopping mall, Causeway Point was recently awarded the Good Effort Certificate at the 3R Awards for Shopping Malls, the first waste reduction and recycling award for mall operators in Singapore.


## PROVISION OF ELECTRONIC WASTE BINS IN ALL MALLS AND OFFICES

To encourage our tenants and visitors to recycle electronic waste (e-waste), we placed e-waste bins in all our malls and offices this year. This is implemented in partnership with Starhub as part of their Recycling Nation's Electronic Waste environmental programme. The registered collector is notified when the bins are almost full. Thereafter, the disposed materials are broken down into smaller pieces, where the metals are extracted and melted down for other uses.
To date, 3,114 kg of e-waste has been collected from 12 commercial properties over six months.

# CHANGING THE WAY WE LOOK AT NATURAL RESOURCES

## SUSTAINABLE DESIGN

We believe that the design of a building directly affects its performance and indirectly encourages sustainable behaviour in its inhabitants. FCL therefore pursues sustainability beginning at the development stage. We employ innovative methods and techniques to create positive and enabling spaces.

### BRINGING GREENERY TO OUR PROPERTIES

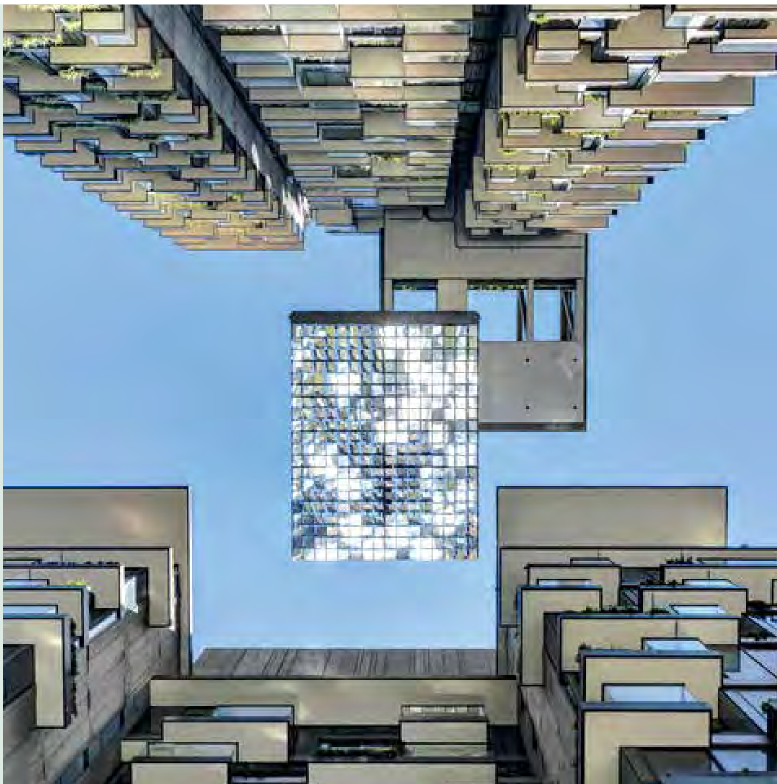
Greenery helps reduce heat transfer into a building through shading and evapotranspiration. This reduces the need for air-conditioning which leads to energy savings. It also lowers ambient temperatures since plants absorb heat instead of reflecting them, unlike regular windows and building surfaces. Several of our properties have installed green walls on their facades to achieve these benefits.

Our development project One Central Park in Sydney, Australia prides itself in having the largest green façade ever undertaken on a residential tower in Australia. The building comprises over 1,000 sq m of vertical gardens. Altogether, the project has 21 panels of vertical greenery made up of 35,200 plants from over 380 species. One standout feature of the vertical greenery is the hydroponics technology that allows plants to grow all around the periphery of the building at all levels.

To create an uplifting and refreshing interior environment, green spaces are also being built into more of our properties. At Capri by Fraser, Brisbane, hotel guests are greeted with a green wall as they enter the lobby. Frasers Tower in Singapore, will feature a roof garden at its three-storey podium while its communal breakout spaces are also integrated with flora to inspire creativity in a relaxed ambience.

### HELIOSTAT INSTALLATION AT CENTRAL PARK SYDNEY

The eastern tower of One Central Park in Sydney features a hovering heliostat system at the twenty-eighth floor. It is a platform of 320 reflectors and 40 sun-tracking heliostats designed to redirect sunlight into the mass of the building and onto overshadowed parklands. Sunlight falling onto the West tower reflector panels is bounced upward to the East tower reflector panels, then redirected into the retail atrium and landscaped plaza. This installation is the first of its kind in a residential structure and the largest of its kind in the world used in an urban environment. One Central Park has been declared the Best Tall Building worldwide by the Council on Tall Buildings and Urban Habitat. One Central Park has also achieved a 5-star Green Star Design Rating.



## ALEXANDRA POINT WINS SGBC-BCA SUSTAINABILITY LEADERSHIP AWARDS 2017 FOR SUSTAINABLE PERFORMANCE & DESIGN (COMMERCIAL)

The Leadership in Sustainable Design and Performance Award is for outstanding green building projects that go beyond simply minimising their impact by considering factors that lead to positive outcomes for both the environment and for the people. Through this award, Alexandra Point has been recognised as one of the pioneering green building projects in Singapore that deliver a range of benefits through a holistic approach to sustainability. Alexandra Point will represent Singapore in the World Green Building Council Asia Pacific Leadership Awards in Green Building.

## LIVING BUILDING CHALLENGE TO CREATE THE WORLD'S MOST SUSTAINABLE RETAIL CENTRE

In an effort to redevelop and regenerate the former Burwood Brickworks site in Melbourne, we have dedicated a new retail project at the site targeting the Living Building Challenge (LBC) standard, one of the most stringent green building certifications in the world. It measures a development's performance in these areas – place, water, energy, health and happiness, materials, equity and beauty. The project has now committed to achieving full certification and is progressing with design development.

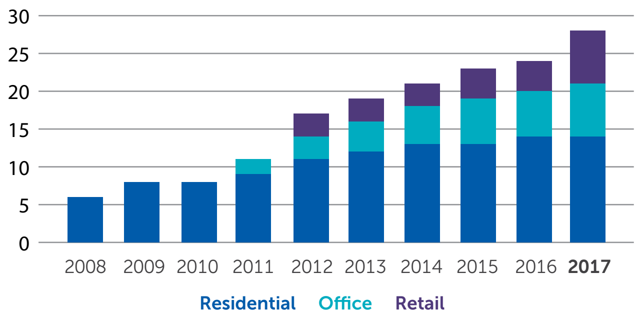
# CHANGING THE WAY WE LOOK AT NATURAL RESOURCES

## SUSTAINABLE TECHNOLOGIES

Technology plays a big role in sustainable development. At FCL, we largely adopt technologies in the energy sector to help us meet current energy challenges quickly.

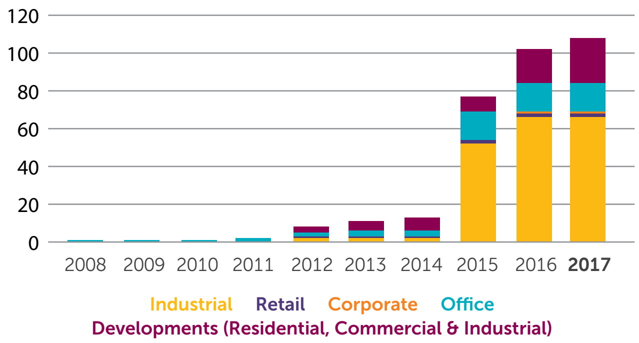
In Singapore, FCL has received a total of 28 Green Mark awards, of which three are Platinum, six are Gold$^{PLUS}$, 14 are Gold, and five are Certified. Our latest project, Frasers Tower has garnered the Platinum award.

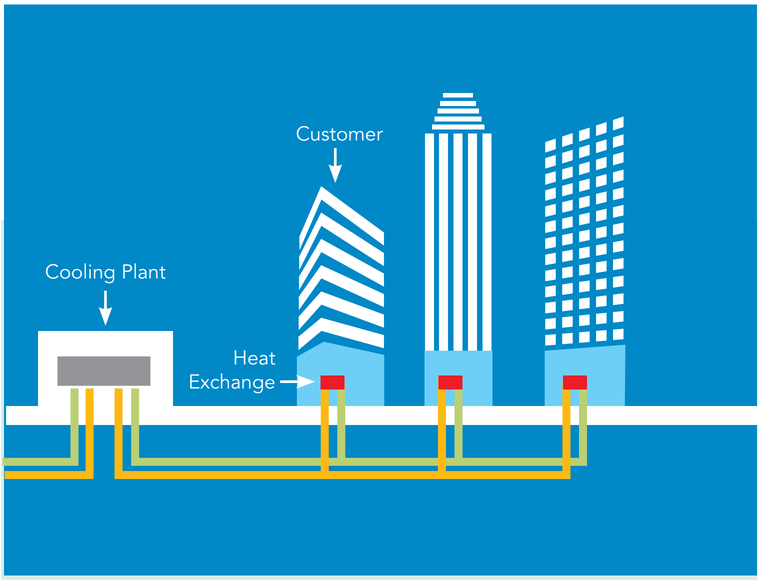
### NUMBER OF GREEN MARK AWARDS




In Australia, we have the highest rated Industrial Green Star Performance Portfolio with 64 Green Star-rated Industrial properties. We have set the requirement for all our new office, retail and industrial developments to achieve a minimum 5-Star Green Star Design & As Built rating, representing excellence in sustainable design. This year, our supersite in Victoria's Truganina suburb received a 6-Star Green Star As Built rating It is the first industrial project in Australia ever to achieve this rating.

### NUMBER OF GREEN STAR RATINGS

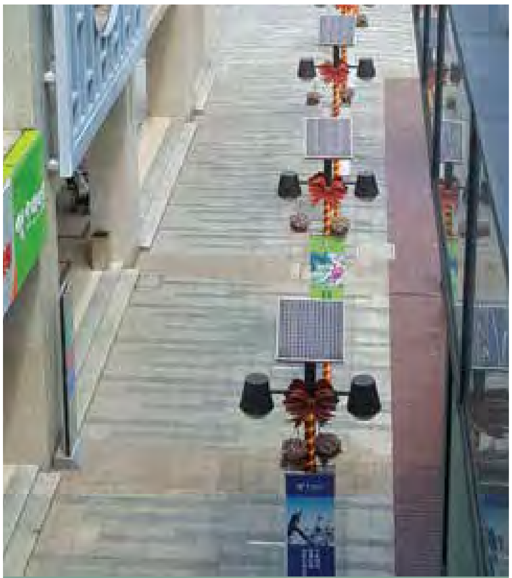



## DISTRICT COOLING

Our upcoming project, One Bangkok promises to become a new global landmark, with sustainability as one of their top priorities. It will be the first district in Thailand to be developed using sustainability standards such as WELL and LEED for Neighbourhood Development. Smart common infrastructure is being planned to enable One Bangkok to meet these standards, and this includes implementing district cooling for the estate.

District cooling is an efficient system to cool buildings, such as factories, industrial spaces, offices, retail malls, and community spaces. Not only can our tenants reduce their carbon footprints and energy bills, they can fully utilise space usually taken up by cooling equipment while still obtaining improved efficiency and resiliency in their cooling requirements. District heating and cooling systems are the future in designing energy efficient and sustainable large-scale developments. It is estimated that when the project is completed by 2025, the district cooling system will serve approximately 1.83 million sqm of gross floor area comprising offices, residential towers, retail spaces and hotels.



## SOLAR ENERGY

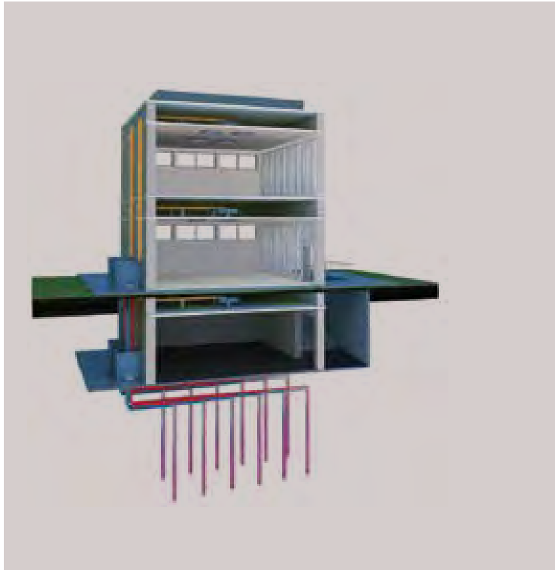
Solar power systems derive clean and renewable energy from the sun, reducing GHG emissions from our buildings.

In China, solar panels have been installed to power street lamps in Suzhou Baitang One, a residential development, and Parkville Point, its riverside street-mall.

In Australia, we target to incorporate solar power as a minimum standard across all our commercial and industrial portfolio by 2018. To date, we have installed 2,732 kW of solar across our developments there.

## TRI-GENERATION POWER PLANT

Central Park Sydney is Australia's greenest urban village, housing its own on-site tri-generation low-carbon natural gas power plant. This energy source supplies thermal energy, providing heating and cooling for 3,000 residences, 65,000 sqm of retail and commercial space in 14 buildings at Central Park. Electricity is also being supplied to two neighbouring buildings – the heritage Country Clare Hotel and mixed-use Brewery Yard building. A tri-generation plant is twice as energy efficient as a coal-fired power plant, and it has been forecast that this plant could reduce as much as 190,000 tonnes of greenhouse gas emissions over the 25-year design life of the plant. This has the same effect of removing 2,500 cars off the roads every year for 25 years.



## GEOTHERMAL ENERGY

In Western Sydney, Fairwater is Australia's first masterplanned residential community to include large-scale geothermal technology, and the largest in the Southern Hemisphere. Geothermal is a sustainable and clean technology that reduces dependence on fossil fuel. Using the constant 22-degree temperature below the earth, refrigerant is pumped through this subterranean environment (where it naturally cools in summer and heats in winter) and back into homes via copper pipes. The heating and cooling systems therefore have much less work to do, and can result in energy savings of as much as 60% compared with regular air-conditioning. The peak air heating and cooling times also align well with base household energy demand, making geothermal a great solution for the community.

# CHANGING THE WAY WE LOOK AT NATURAL RESOURCES

## CREATING AWARENESS

To achieve our resource usage reduction goals, FCL has adopted a two-pronged approach – greening the hardware (buildings) and software (mindsets). Beyond greening the hardware, FCL also recognises the behaviours and habits of building users also contribute to the environment. It is therefore imperative that we educate and raise awareness of environmentally friendly habits that we can all adopt. We aim to raise awareness both internally - our staff, business partners and supply chain - as well as externally with our peers and other real estate players.

### FRASERS ENVIRONMENT MONTH

The inaugural Frasers Environmental Month was held in March, when FCL demonstrated its commitment to promoting environmental awareness. Under the theme 'Live Green, Waste Less', a series of activities were organised for staff, tenants and members of the public to inspire and empower them to lead more sustainable lives both at the workplace and at home. All SBUs also carried out environment-related activities.


### DAILY ENVIRONMENTAL REMINDERS

In the corporate workspaces, posters have been put up to remind employees to switch off their lights and use less water where possible. Additionally, environmental messages are also disseminated through interesting desktop wallpapers to all corporate office staff.

### SUPPORTING SINGAPORE WORLD WATER DAY

Each of the six office properties in Singapore supported the Singapore World Water Day. 51 Cuppage Road put up fun mirror stickers in the bathrooms to remind users to use less water, while China Square Central displayed exhibitions on water conservation in its lobby for all to view.


## SUPPORTING EARTH HOUR

FCL has continued its support of World Wildlife Fund's global climate change movement, Earth Hour this year. Working collectively with our tenants and internal teams, lights at our office, retail and hospitality buildings were switched off for an hour on 25 March. At many of our hospitality properties, guests were also invited to join the staff in engaging activities such as upcycling workshops and concerts in the dark.


## RE-PURPOSING THROUGH UPCYCLING

Beyond focusing on paper use in the office, we have also organised upcycling workshops to teach employees how to create new products using discarded materials. This year, the Singapore Environment Council was engaged to conduct classes on creating tote bags from used clothing and planters from plastic bottles.

## REDUCING CARBON FOOTPRINT

Many global properties encouraged their employees to reduce their carbon footprint while travelling to and from work in March. Employees chose to either walk, cycle, car-pool or take public transportation instead of driving their own cars.

## GROWING GREEN

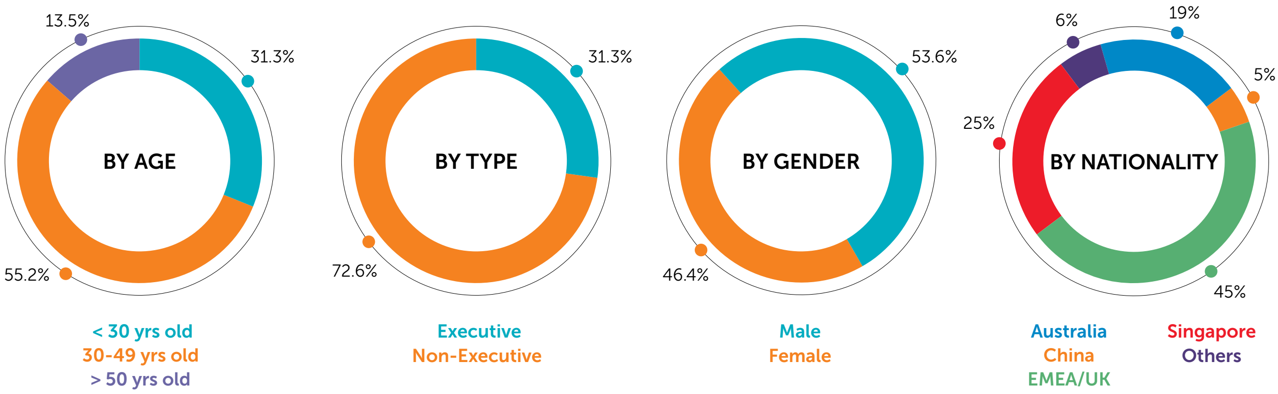
Another popular activity involved the planting of trees, herbs and even mangroves. The three serviced apartments in Jakarta came together to plant mangroves. Several hospitality properties planted herbs on their property rooftops for use in their restaurants.

# INVESTING IN A WORKFORCE OF THE FUTURE

# KNOWING OUR PEOPLE

Human capital is a critical element of the Group's business model. FCL emphasises the career development, welfare, health and safety of each employee. Being a multi-national company, we value the diverse experiences, expertise and cultures contributed by our people across 27 countries and over 80 cities where we have operations.

## DIVERSE FAMILY AT FCL

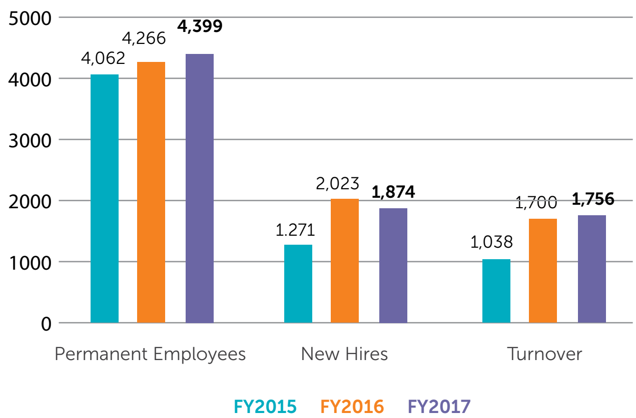



We pride ourselves on having a diverse workforce in terms of age, gender, skill-sets and nationality. Our gender balance stands at a male to female ratio of 54:46. Our workforce is relatively young, with about half of our staff in the 30-49 age range. Being in a labour-intensive industry, non-executive staff make up about 73% of the headcount. As laid out in our Code of Business Conduct, FCL is committed to providing equal employment opportunities based on meritocracy, with the elimination of discrimination.

## JOB CREATION

As at 30 September 2017, we have a total of 4,399 permanent employees globally. Our headcount grew by about 3% across the Group, due to our continued expansion into secondary markets such as Vietnam, Thailand and the UK/Europe. Our hiring rate of 43.3% is slightly higher than the turnover rate of 40.5%. Due to the labour-intensive hotel/serviced apartment industry that we are in, as well as the large number of non-executive staff, the level movement was significant. The hiring and turnover rates were much lower for our Singapore operations at 26.1% and 22.1% respectively. So far as is reasonably practicable, we hire people from the local community where we operate. FCL is a signatory to the Tripartite Guidelines on Fair Employment Practices (TAFEP) in Singapore and is committed to adopting fair employment practices and principles as guided by TAFEP. We also draw guidance on good practices from the Singapore National Employer Federation, of which FCL is a member.

### NUMBER OF EMPLOYEES, NEW HIRES AND TURNOVER



## OUR VALUES

Our staff aim to embody these values in the workplace and in their interactions with our stakeholders.

### COLLABORATIVE
We believe in teamwork and take ownership together. We help each other. We partner with out colleagues, customers and stakeholders to create shared value. And we stand stronger together.

### RESPECTFUL
We put our customers at the heart of everything we do. We listen. We believe in each other's expertise. Our legacy inspires us.

### PROGRESSIVE
We are curious and actively seek opportunities to innovate. We are responsive and purposeful. We are pro-active, not reactive. Naturally, change is our friend.

### REAL
We are authentic in our dealings. We celebrate diversity. You can rely on us to do what's right and we take your trust seriously. We are what we do.

# INVESTING IN A WORKFORCE OF THE FUTURE

## NURTURING TALENT

We are committed to building capabilities and enhancing competencies of our employees. We continue to dedicate 2% of our payroll costs to employee learning and development. We also target for each employee to achieve an average of at least 40 training hours per year.

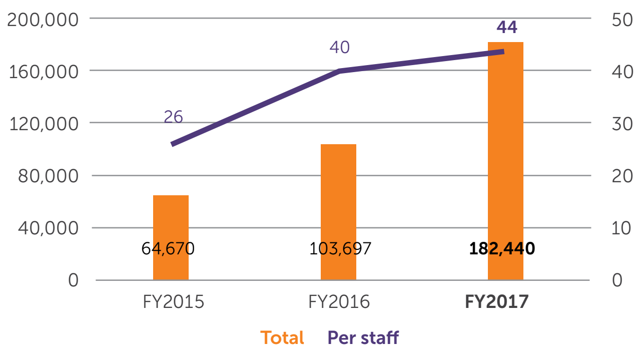
We have an in-house training team that creates and provides a range of training and courses for all employees. The employees also have the option to initiate requests for specific training.

As part of our commitment to make training as inclusive as possible, we introduced new videoconferencing technologies and platforms to allow greater employee participation in courses that are held in-house. These include WebEx's Training Center, which allows employees who are located outside of the training venue, and even overseas, to participate in the training.

In support of Singapore's national SkillsFuture initiative, which encourages Singaporeans to adopt a mindset of lifelong learning and skills upgrading, we have made available SkillsFuture Learning Leave to all Singaporean employees. This provides two days of paid leave for eligible employees to attend relevant SkillsFuture programmes.

We continue to achieve this target with employees clocking an average of 44 training hours each globally, compared to 40 hours a year ago. Approximately 29.5% of total training hours were recorded by executive employees while non-executives accounted for 70.5%.

### TRAINING HOURS




### LEADERSHIP EDUCATION

In anticipation of the rapid changes facing the global economy and the potential disruption to the real estate industry, a series of Leadership Education Talks have been organised to provide an informal platform for our senior management to be kept apprised of the latest industry trends and business practices. In the year under review, we organised five such talks, where industry leaders were invited to discuss a diverse range of contemporary topics such as change management and counter terrorism.

## STAYING VIGILANT

In light of the new security environment that businesses globally now operate in, we have enhanced the readiness of our employees at all levels to handle security situations. We are implementing an 18-month programme to address these threats through risk assessment, risk audit, review of safety enhancement methods and security trainings and workshops. This includes a Counter-Terrorism Workshop organised to equip managers with the skills to help the organisation manage a terrorist event. We also collaborated with the Security Industry Institute to train our in-house security officers how to identify and respond to potential terrorist threats, as well as first-responder skills such as first aid. To date, seven such workshops have been organised, and more than 93% of our in-house security officers have received certification.

A number of our employees attended the Orchard Road Business Safety and Security Watch programme initiated by the Singapore Police Force (SPF) where employees were educated on spotting signs of terrorism planning occurring at their premises. We are also working with SPF to confirm that our buildings are equipped appropriately.

More than 50 of our properties across the world conducted first aid courses, emergency preparedness workshops and counter-terrorism training during Frasers Health & Safety Month.

## SUSTAINABILITY AWARENESS

FPA has set a target for all staff to be trained in sustainability. We have started with providing training to the most relevant roles such as design, project managers, property managers, building managers, development managers and asset managers. The sustainability training is largely done in-house and is focused on the requirements of our sustainability strategy. Training includes structured training (such as on rating tools we use) as well as sustainability specific presentations to staff. Close to 80% of relevant staff have undergone such training to date, and these programmes will be extended to all staff eventually.

# INVESTING IN A WORKFORCE OF THE FUTURE

## HEALTH AND WELL-BEING

We encourage our employees to balance their work and other life priorities because we believe that people will perform well when their working environment and lives are stimulating. The Corporate Wellness Committee, together with the Sustainability Working Committee plan several team-building, personal development and health-related activities throughout the year.

Besides competitive remuneration packages, we offer a range of health and wellbeing benefits, leave and welfare schemes to our employees that are aligned to the industry. Every year, our employees are appraised on their performance through an open review process.

### STAFF ENGAGEMENT

Spending time with loved ones is an important part of maintaining our wellbeing. Every year, the group organises various activities for staff such as Family Day and the Annual Dinner and Dance. The group also supports Eat With Your Family Day. This year, FCL organised an outing to Universal Studios Singapore as a part of our yearly Family Day event, with the aim of promoting family bonds. A total of 2,609 employees and their families were treated to a day of thrills and delights, enjoying the exhilarating rides around the park.



### NATIONAL STEPS CHALLENGE

In Singapore, we also took part in the National Steps Challenge, an initiative by the Health Promotion Board. Employees are encouraged to clock 10,000 steps a day as part of the challenge. With all these activities, we hope to nurture an active lifestyle among our employees year-round.

### FLEXI WORKING ARRANGEMENTS

In both Singapore and Australia, employees are given the choice of flexible working arrangements such as working from home, flexible hours and family care leave. This allows the employees, especially those with young children or elderly parents, to balance their work and responsibilities at home.

## FRASERS HEALTH & SAFETY MONTH

We held our Health & Safety Month in August for the second year running. The theme, Health and Safety: Core to Our Culture, encouraged staff to embrace not only safety, but also healthy living both at work and in their personal lives. The month was eventful with activities organised at various offices, on both on a local and global scale. Each business unit and property also organised activities related to an aspect of health or safety that they were particularly enthusiastic about.

## ACTIVE & HEALTHY LIVING ACROSS THE GLOBE

It was an especially active month in August for Frasers colleagues – from hiking in the Nanshan Mountains in Shenzhen, China; taking a nature walk around Arthurs Seat, Australia; biking in Bangkajao, Thailand; to signing up for Move to Lose, an eight-week weight loss challenge in Central Park Perth.

Globally, staff continued to support The Frasers Global Running Challenge. The challenge saw participants clocking their runs in their own free time. This year, 152 staff clocked a combined distance of 6,497 km in a month, a huge leap from 4,139 km clocked the year before.

## HEALTH CHECK-UPS

Recognising that regular check-ups are key to maintaining a healthy life, all staff in Singapore were offered a free health screening package. In Australia, where skin cancer is a prevalent risk, employees were offered free skin cancer checks in all four of our state offices. Injections and inoculations were also made available to staff.

## HEALTH TALKS & CARNIVAL

- The "Healthy Eating: Can it Prevent Cancer?" talk by SATA
- "Sending the EHS Message Right" talk by ESHCO
- Frasers Health & Safety Carnival, which showcased a range of health products as well as a free spinal check-up, free body fat measurement and exercise and nutrition consultation.

# INVESTING IN A WORKFORCE OF THE FUTURE

## SAFETY FIRST

Our fundamental focus is to ensure that each employee has a safe work environment. We are mindful that our business operations may be vulnerable to safety incidents right from the onset of the development cycle, due to the nature of the work which involves the handling of heavy and dangerous equipment, and commitment to meeting deadlines. Hence, we implemented workplace safety management systems across key business operations to identify and control hazards, monitor performance and identify areas for improvement.

For the completed properties that FCL manages, we are proud to record a year-on-year reduction in the lost-time injury rate and severity rate across all our strategic business units. Nevertheless, we continue to work on improving our safety processes across various business units.

We are glad that in FY2017, our construction sites in Singapore recorded zero fatalities. The total lost-time injury rate was 0.85 incidents per million man-hours and the severity rate was 15.6 lost-days per million man-hours. In Australia, our construction operations experienced a lost-time injury rate of 3.4 per million man-hours and severity rate of 143.6 per million man-hours.

| Completed Buildings FY2017 | Corporate Office | Singapore | China | Australia | Hospitality |
|---|---|---|---|---|---|
| No. of fatalities | 0 | 0 | 0 | 0 | 0 |
| No. of lost-time injuries | 1 | 1 | 0 | 0 | 27 |
| No. of lost-days | 65 | 14 | 0 | 0 | 616 |
| Lost-time injury rate (per million man hours) | 0.2 | 0.4 | 0.0 | 0.0 | 5.67 |
| Severity rate (per million man hours) | 14.8 | 5.6 | 0.0 | 0.0 | 129.3 |

### SAFETY CERTIFICATION

Our commercial and retail operations in Singapore, as well as our office and project development operations in Australia are all certified OHSAS 18001. We were also awarded bizSAFE Star certification for all our commercial and retail properties in Singapore.

### LEADERSHIP IN SAFETY

Frasers Centrepoint Singapore's key management came together for an interactive three-hour Safety Leadership Workshop. The workshop explored the relationship between leadership, organisational culture, management systems and injuries. It was also an opportunity to discuss effective safety leadership beyond management systems.

## SAFETY ACROSS OUR VALUE CHAIN

### DESIGN

Carry out risk assessment using a Design for Safety procedure. The risk assessment covers design, structure, mechanical and electrical (M&E) function and landscape.

### TENDER

Require building contractors tendering for jobs to have safety standards certification (i.e. OHSAS 18001 standard or its equivalent) in order to qualify for consideration.

### CONSTRUCTION

Conduct a joint monthly safety committee meeting with our main building contractors, where health and safety issues are discussed. On a quarterly basis, our management carries out safety inspection tours.

### PRE-OPERATION FOR PROPERTIES UNDER MANAGEMENT

Carry out risk assessment for daily facilities management activities. Prior to attaining the Temporary Occupation Permit, the main contractor and specialised contractors (e.g. M&E) jointly inspect and train the Facilities Manager (FM) in maintenance procedures.

### OPERATION (FOR PROPERTIES UNDER MANAGEMENT)

Conduct risk assessment and review risk areas annually. Appoint term contractors are required to submit risk assessment prior to commencing work.

## CHAMPIONING DESIGN FOR SAFETY

Our Development & Projects (D&P) Team in Singapore champions Design for Safety (DfS) processes in project management. DfS is the focus at the three levels of Planning, Programme and People, where the party creating the risk must address the issue at source. The guideline in DfS helps reduce accidents and fatalities by addressing risks from design development through construction, to usage and maintenance. Our Head of D&P, Mr Cheang Kok Kheong frequently shares his experience with industry stakeholders on this topic at workshops organized by REDAS, IES and BCA.

## WORKING WITH OUR TENANTS AND CONTRACTORS

As landlords, we work with our tenants on a regular basis and include them in our various safety initiatives where possible. We are also supporting them to obtain their bizSAFE Level 1 certification at no cost, in collaboration with the Workplace Safety and Health Council. To date, 24 tenants have successfully attained the certification. As developers, we recognise that safety is a joint responsibility and we work closely with our main contractors to ensure that construction sites are safe for workers and the public where applicable.

# CREATING STRONG AND INTEGRATED COMMUNITIES

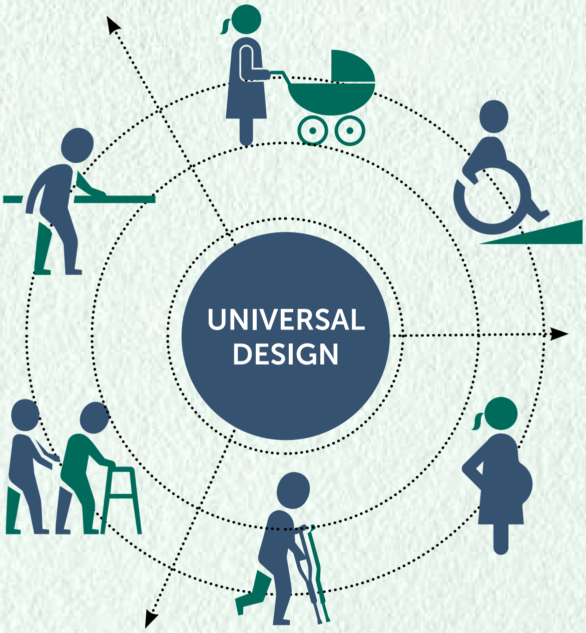
## FOSTERING A SENSE OF BELONGING

### UNIVERSAL DESIGN

Designing and constructing buildings that are able to welcome people from all walks of life with varying physical abilities is one of FCL's aspirations. Through Universal Design (UD), we ensure that our developments cater to the users' diverse needs. Some examples where we have used this concept are:

- Seamless connectivity to transport infrastructure and neighbouring developments (e.g. streets, walkways, buildings and parks)
- Intuitive way-finding and enhanced accessibility of amenities and features for users with diverse abilities and mobility
- Reserved and larger parking bays for wheelchair users and families
- Additional ground level rooms with larger doors in our hotels for those that need them. We aim to equip 30 more rooms in our Singapore hotels to be disability-friendly.

These have been demonstrated in our projects such as Watertown and Causeway Point, which both achieved BCA UD Mark Gold$^{PLUS}$ (Design) Award.




### INTEGRATING PRIVATE HOUSING WITH SOCIAL HOUSING

Together with our partners, FCL has been appointed by the New South Wales government to redevelop and transform the 8.2-ha estate in Sydney's Macquarie Park. The redevelopment will integrate private housing, with at least 950 social housing dwellings and 128 affordable homes. The project will also integrate a new high school, residential aged-care facility with a seniors' wellness centre, two childcare centres, a supermarket, cafes and specialty retail shops, jogging track, nature-based playgrounds and exercise stations, basketball court, open green spaces and community gardens. We also aim for the development to be carbon neutral in operation with the incorporation of a range of energy efficiency measures, a 1.5-MW photovoltaic system on site and carbon offsetting for all residual emissions.

Our properties provide spaces for people to live, work and interact and we look for opportunities to enhance community spirit and encourage communal activities throughout our design, development and management operations. Our communal spaces encourage people to come together to communicate and enjoy each other's company. The inclusion of gyms, green spaces and childcare rooms, encourage healthier lifestyles and increase convenience. We regularly assess the needs of our communities through surveys as well as our daily interactions to ensure that all our operations incorporate initiatives that address the needs of our communities.

## REMAKING YISHUN'S HEARTLAND

Through Yishun's Remaking Our Heartland Programme, we aim to contribute to the revitalisation of Yishun Centre with the development of Northpoint City. We believe that Northpoint City will bring new-found vibrancy to the area, just like our landmark Northpoint Shopping Centre did when it was built 25 years ago. Northpoint City is expected to serve as a lifestyle, recreation and integrated transport hub for over half a million residents from Singapore's northern region. We have catered open spaces for community interaction and activities and created additional space for community-centric tenants who focus on providing community services.

As a symbolic milestone to signal that FCL places our communities at the forefront of our work, Northpoint City recently organised a collaborative 'Paint Party' over two weekends in September. Almost 400 individuals and families, comprising 145 teams, creatively expressed what 'Happiness' means to them by painting on large, square canvas panels that will make up Northpoint City's community mural wall. The assembled panels form a collage portraying Yishun, while each individual community-contributed panel is in itself an art piece. Through collaborations with Nee Soon Central Community Club and The Little Arts Academy, Northpoint City's community mural wall will be a larger-than-life representation of the community spirit.

## COMMUNITY DEVELOPMENT MANAGER PROGRAMME

Community Development Managers are being introduced across all residential projects in Australia. They are providing exceptional value to new communities. Their role includes helping to bring new communities together so that they not only integrate within themselves, but also with surrounding communities. Their approach is tailored to each new development so that they can specifically meet the needs of that community and some of their activities include preparing community development plans, organising community events and collaborating with government and associations on community initiatives. We also take feedback from residents after they have moved into a new community and use this to influence subsequent newer stages particularly when developing residential communities in new growth corridors.

# CREATING STRONG AND INTEGRATED COMMUNITIES

# FOSTERING A SENSE OF BELONGING

## BUILDING CUSTOMER CONFIDENCE

Our brand is encapsulated by our unifying idea *Experience matters,* which applies to everything within our business: our people, our products and our services. It means that we believe that our customers' experience matters. It means that when we focus on our customers' needs, we gain valuable insights which guide our products and services. It means that we are committed to creating memorable and enriching experiences for our customers. Our unifying idea enables our business to remain relevant throughout constantly changing times. We now live in the age of experience, where customers are prioritising experiences over ownership. Increasingly, people are making purchase decisions because of the experience that a product or service can provide: what can be done with it, what it says about them, and what they can say about it. The experience economy is a phenomenon that is disrupting every sector, including ours.

### AFFIRMATION OF OUR DEDICATION TO EXCEPTIONAL CUSTOMER EXPERIENCE

128 employees in Singapore received the Excellent Service Award by SPRING Singapore

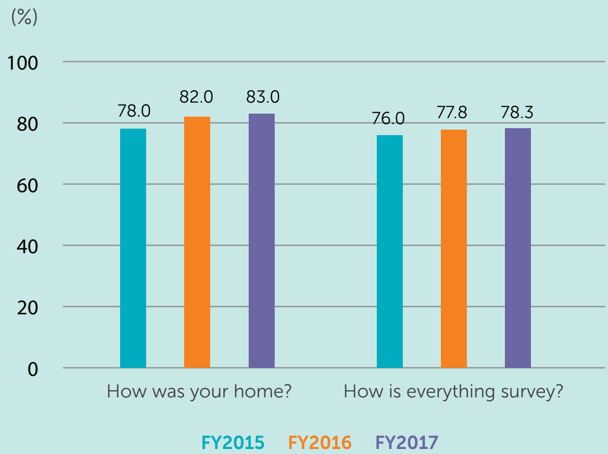
Won the Singapore FM Building Owner/Occupier Service Excellence Award 2017 by the International Facility Management Association

Clinched ICSC Asia Pacific Shopping Centre Award (Gold) for Frasers Tribal Quest, an in-app game that promises a fun and immersive shopper experience

## HOMEBUYERS' EXPERIENCE

To engage our customers and understand their needs and concerns, we conduct two surveys. The first survey – "How was your home collection experience?" – is carried out annually to measure our customers' overall first impression of Frasers Centrepoint's homes, including aspects such as staff service levels, quality of homes and common facilities. The second survey – "How is everything?" – is carried out quarterly to obtain home owners' overall impression of their home, both on a macro level, and through individual categories – quality workmanship and customer service recovery services carried out by our contractor.

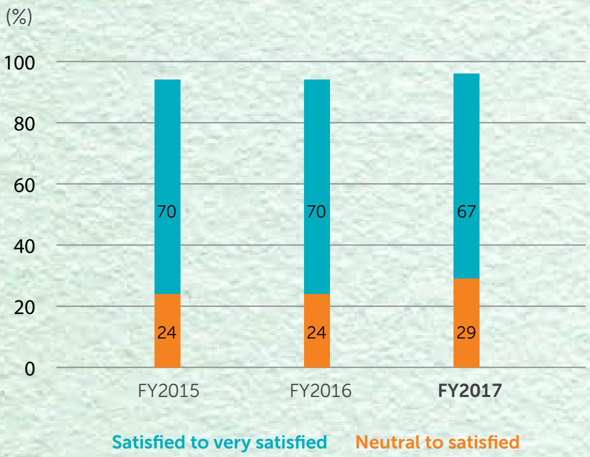
Most of our homeowners had a positive home collection experience with an average rating of 83.0%, while the living-in experience achieved an improved rating of 78.3% in FY2017 surveys. We are proud to be able to provide a consistently high standard of service to our home buyers through our dedicated CARE Team.




## TENANTS' EXPERIENCE

In Singapore, customer satisfaction surveys are conducted annually with tenants of FCL's office and business space properties. The survey findings are important to us as we strive to continuously monitor and improve the customer experience for our tenants.

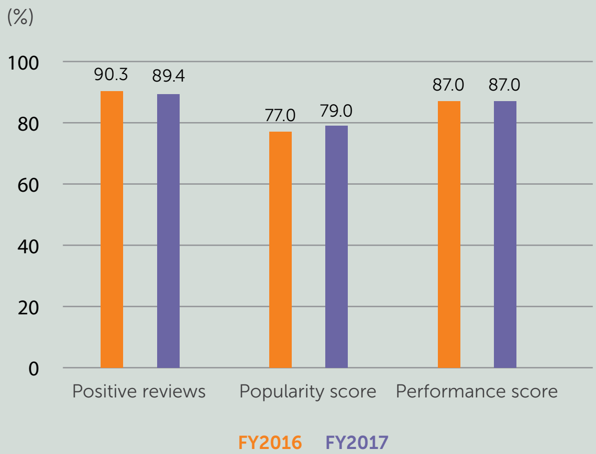
Tenants' satisfaction level has been consistently high and was a commendable 96% in FY2017, as compared to 94% in FY2016. Overall, our tenants were pleased with the asset upgrading and security enhancements that were carried out to improve customers' experience.




## GUESTS' EXPERIENCE

Globally, we track and monitor our hospitality properties' performance by collating guest ratings and reviews on several travel service platforms. We rank the popularity of our properties within a city or destination - how our hotels rank amongst other hotels in the area. We also look at the number of positive or negative reviews we receive.

The scores have been consistent over the past two years. Individual property scores are communicated to the General Manager of each property on a monthly basis to ensure they have oversight on the performance in a number of areas including cleanliness, service and food quality. This allows the management to act promptly on specific feedback provided by the guests.



# GIVING BACK TO SOCIETY

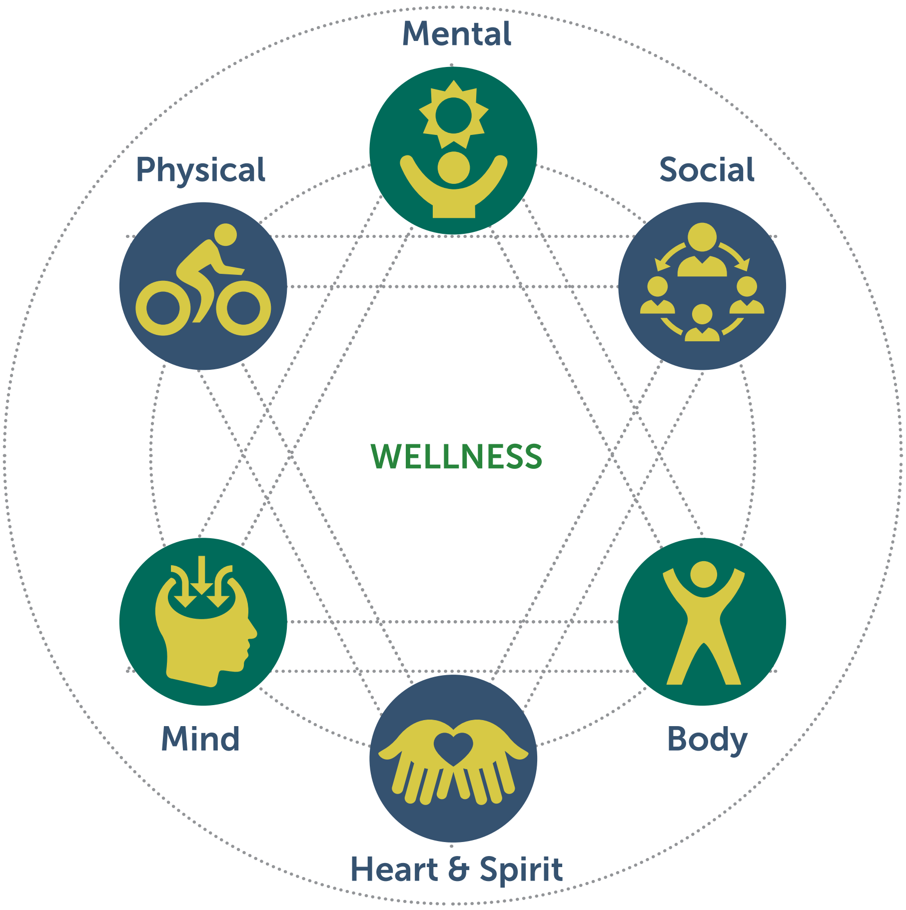
17 PARTNERSHIPS FOR THE GOALS

## SHARING OUR RESOURCES

As a company with a presence in over 80 cities, FCL holds an immense potential to create positive impact in the communities where we operate. Our sustained interactions with local communities across various segments provide precious opportunities for us to understand their social needs and challenges, allowing us to deliver appropriate support to bridge gaps.

We endeavour to give back to our communities through our Community Investment (CI) efforts. Over the past two years, our CI focus has been around the theme of 'Wellness'. Through this theme, we aim to enhance the mental, physical and social well-being of our beneficiaries. Our forms of giving include contributing space for fundraising and awareness-building events, volunteering time with our beneficiaries, giving financially to support worthy causes and sharing our experiences to empower the industry to solve societal challenges more effectively.

FCL carried out over 150 CI activities throughout the group globally in FY2017. More than $1 million has been donated in cash and in-kind. Our employees have also made an impact by volunteering a total of more than 2,300 man-hours in various CI activities.



# SHARING THROUGH SPACE

We shape spaces with the understanding that they are where people gather, where they exchange ideas and where cultures intermingle. With this belief, we design our commercial buildings with communal spaces and offer these spaces for complimentary use to host events for good causes. These include raising funds for underprivileged families, building awareness and inspiring conversations around health issues, and championing the arts.

## COLOURS OF OUR COUNTRY

Since the launch of Colours of Our Country (Australia) in 2006, more than 2,303 artworks have been sold, generating A$2.39 million for participating artists, their art groups, and local communities. This event creates opportunities for the featured artists, and supports the on-going sustainability efforts of art groups and artists, providing an outlet for cultural expression. The 12th annual Colours of Our Country art exhibition was held at the lobby of Central Park this year, showcasing more than 300 paintings and artefacts by Western Australia's Pilbara-based Aboriginal artists. Sales of 188 artworks generated A$189,000 for the Pilbara-based artists, art groups and communities.

## PLAY IT FORWARD

FCL was recognised as Contributing Partner at Community Chest Charity in the Park 2017 on 18 February, after raising more than $100,000 for Family Services Centres (FSCs). FSCs provide social support for families in Singapore facing difficulties. The funds were raised through the initiative, 'Play It Forward', Singapore's Largest Charity Ball Pool event which was held at six Frasers Centrepoint Malls. For a minimum donation of $5, shoppers at our malls were offered a chance to dive-in, unwind and play in a colourful sea of 100,000 balls while Frasers Centrepoint Malls matched the donations dollar-for-dollar. The year-long charity drive also won the 'Special Events Silver Award' at the annual Community Chest Awards.

## CHARITY EDITION OF FRASERS WORD DASH

Frasers Centrepoint Malls invited beneficiaries and bloggers to Waterway Point to play two rounds of Frasers Word Dash, a take on Wheel of Fortune. The total amount won during the two charity rounds was donated to Society of the Physically Disabled (SPD), a charity organisation in Singapore working with people with disabilities and Mobility Aids Services & Training Centre (MASTC) under Kampung Senang.

# GIVING BACK TO SOCIETY

# SHARING THROUGH TIME

## GETTING OUR HANDS DIRTY FOR THE EARTH

### SCHOOL'S TREE DAY

100 FPA volunteers got their hands dirty for Planet Ark's annual initiative, School's Tree Day. Planet Ark is an Australian not-for-profit organisation with a vision of a world where people live in balance with nature. Three schools now have beautiful reinvented spaces to connect the children with nature. This is our 9th year in participation of Australia's largest community tree-planting and nature care event.

### TIDYING UP OUR SHORES

A total of 30 FCL staff volunteered their time to clean-up the shores of Singapore's popular East Coast Park beach in March. The two-hour beach clean-up operation in the afternoon resulted in a total of almost 10kg worth of waste collected by the hardworking crew.


## INSPIRING CHILDREN, SHAPING OUR FUTURE

The Commercial Properties team in Singapore volunteered one of their Saturdays to spend time with the children at the Children's Aid Society's Melrose Home which offers shelter to disadvantaged children and teenagers between the ages of 3 and 18 years. The team has been supporting the home since 2012, focusing on helping and inspiring these children to develop into positive and effective individuals. This year, the team spent some time with children aged 6 to 12 doing art and craft activities.

Leading her team in this activity was Alison Wong, General Manager, Commercial Properties, who said, "Through play and art, we hope to help these kids to not only learn and develop skills, but also to encourage them to express themselves and collaborate with others. It was a joy to spend time with them today. Children are our future, and how we treat children is a reflection of us as a community."

Beyond sharing our space, FCL also encourages employees to be directly involved in interacting with members of our community. This not only fosters staff bonding and collaboration, but also opens our eyes to community needs around us and the opportunities in which we can contribute to. This year, our employees volunteered more than 2,300 man-hours.

Volunteerism activities included spending time with the elderly and the young, joining races to raise funds for various charities, cleaning up our public areas and distributing food to the underprivileged.


## TOUCHED BY GRACIOUSNESS AND KINDNESS

The Frasers Commercial Trust team visited St Luke's Eldercare at Telok Blangah in September to show care and support to the aged community. It was a fun-filled morning with the team joining more than 70 seniors in games and karaoke, and handing out goodie bags to them. After the activities at the centre, a group of the elderly was brought to China Square Central for a hearty lunch. "It was great for the team to go out and connect with the larger community around us. We did something meaningful together, which is excellent for team bonding as well," said Jack Lam, CEO of Frasers Centrepoint Asset Management (Commercial) Ltd.

## SGX BULL CHARGE CHARITY RUN

Every year, the SGX rallies the financial community and its listed companies to support the needs of underprivileged children and families, persons with disabilities, and the elderly. FCL is a keen supporter of this cause and continued to sponsor and participate in the SGX Bull Charge this year, a charity run to raise funds for five adopted beneficiaries, namely the AWWA Ltd., Autism Association (Singapore), Fei Yue Community Services, Shared Services for Charities and Community Chest.

## SERVING NUTRITIOUS MEALS TO PEOPLE IN NEED

FPA colleagues helped out The Big Umbrella with their payitforward campaign in Melbourne in February by distributing surplus food to people in need on the streets via pop-up soup stations. The Big Umbrella is a charity organisation in Australia that commits to addressing issues impacting marginalised people.

# GIVING BACK TO SOCIETY

## SHARING THROUGH GIFTS

FCL gives financially towards social causes either through cash donations or in-kind gifts such as food, hampers and vouchers. This year, FCL contributed more than $1 million to various charities and community groups. In Australia, our charitable and philanthropic donations are channelled through the Frasers Property Foundation, which has benefited 23 charities this year in a combination of corporate donations and matching funds raised by staff members.

### GRAB A RIDE AND DO GOOD

Beginning in May this year, Frasers Centrepoint Malls partnered with Grab, the transportation service, to improve mobility for the elderly and disabled. Grab gives $2 off the first 5,000 rides to any of our 12 malls. The malls then donate the value of the fare to beneficiaries of SPD and MASTC under Kampung Senang. The proceeds will be used to refurbish and purchase mobility aids for them.

### FOOD DONATIONS TO UNDERPRIVILEGED RESIDENTS AMONGST US

YewTee Point kicked off the Lunar New Year this year with the 'Prosperity Charity Rice Bucket Challenge'. For every rice bucket redeemed, YewTee Point donated 2kg of rice to Shan You Counselling Centre, a non-profit Voluntary Welfare Organisation that serves daily meals to the elderly in Singapore who are vulnerable and at risk of not having daily meals. This initiative saw about 800 kg of rice donated to the Centre.


### LIVE LIFE GET ACTIVE CONTINUES

In the second year of our national rollout of the free Live Life Get Active outdoor fitness camps in FY2017, we funded 21 camps across Australia. The rollout included the first ever Live Life Get Active fitness camp in an industrial estate, at Bossley Park in New South Wales. Live Life Get Active supports the health and wellbeing of the neighbourhoods we develop, with important flow-on effects such as enhanced social cohesion in our communities. To date, the combined membership of the fitness camps that we sponsor total 3,512 participants, which is worth more than A$300,000.

## DAFFODIL DAY

For the eleventh consecutive year, Central Park Perth hosted the sale of daffodils on Daffodil Day in support of the Cancer Council of Western Australia. With the overwhelming support from tenants and the public, Central Park Perth was able to raise A$40,000 at this event to support cancer research, run education programmes and provide support for families affected by cancer.

## SUPPORTING THE YOUNGER GENERATION'S EDUCATION

We offer the Frasers Centrepoint Bursary Award to children of colleagues in Singapore. It is our way of extending a helping hand to improve the well-being of our staff and their families, and investing in their future.


## FRASERS CENTREPOINT WELLNESS AWARDS

FCL provided seed funding to Singapore University of Technology and Design (SUTD) to support two of their student-driven community projects – RUN@SUTD 2017 and Project EMMA @ Frasers.

### RUN@SUTD 2017

For the second year running, the Rotaract Club at SUTD organised RUN@SUTD with support from FCL. RUN@SUTD is a fund-raising run with the objective of raising awareness and funds for its beneficiary which, for 2017, was Special Olympics Singapore (SOSG). A total of 266 runners including 34 SOSG athletes took part in the run that was held on 30 September 2017. In the run-up to the event, the organisers were provided space at four Frasers Centrepoint Malls - Changi City Point, Eastpoint Mall, The Centrepoint and Waterway Point to promote the event and also raise awareness for SOSG. The event raised $6,180 for SOSG which will be used to partially fund its athletes for the upcoming Special Olympics World Summer Games in 2019 as well as other outreach projects.

### PROJECT EMMA @ FRASERS

Project EMMA @ Frasers involves the implementation of five units of EMMA devices at three Frasers Centrepoint Malls - Waterway Point, Northpoint City and Causeway Point. EMMA is a simple power add-on device which can be fitted onto existing wheelchairs at our malls. Designed and made by the team of SUTD students, EMMA is easy to use and compact which makes it ideal to be lent out at malls. Wheelchair users can now enjoy a better shopping experience by borrowing motorised wheelchairs instead of having to use manual ones.

# GIVING BACK TO SOCIETY

# SHARING THROUGH EXPERIENCES

Experiences are highly valuable. Learning is best done through hearing from another, seeing someone in action and seeking opinions from forerunners. At FCL, we pride ourselves on creating positive changes in the industry and regularly share our knowledge with the public and industry players.

## FCL GROUP CEO SHARING AT TWO GLOBAL FORUMS

This year, Group CEO, Panote Sirivadhabhakdi joined well-respected corporate leaders in panel discussions at two global forums. He shared his experience in investment opportunities in Asia at the ICD Global Investment Forum in Dubai and talked about future-proofing our properties and the future of real estate at the Forbes Global CEO Conference 2017 in Hong Kong.

## SPEAKING AT GRESB RESULTS LAUNCH ASIA 2017

At the GRESB 2017 Results Launch Asia in Singapore, Paolo Bevilacqua, General Manager of Sustainability & Embedded Networks at FPA, shared about how GRESB has helped drive change in our organisation to become one that is more holistic across environmental, social and governance aspects. He also contributed to a panel discussion around sustainability best practices within the industry, as well as what investors consider to be material for the environment, social and governance aspects in real asset investments.

## SERVING IN THE ASSESSMENT FOR THE URA ARCHITECTURAL HERITAGE AWARDS

Cheang Kok Kheong, Head of D&P in FCL Singapore, has been contributing to the Singapore national monuments and buildings conservation efforts as one of the judges in assessing the URA Architectural Heritage Awards.


## PRESENTING AT INTERNATIONAL GREEN BUILDING CONFERENCE 2017

Rory Martin, Sustainability Manager for Residential at FPA, presented on "Sustainability – Having Those Difficult Conversations" in this year's International Green Building Conference in Singapore. He shared on how to think broadly about sustainability, how to engage stakeholders on this topic, and how to get from a starter's conversation to producing genuine sustainable outcomes.


## BUILDING A HOME FOR YOUTHS AT RISK

In August 2017, the Property Industry Foundation (PIF) House in Blacktown, Sydney, was officially opened. The House was a collaboration between FPA (a founding member of PIF), PIF and Marist180. Established in 2008, the Foundation's mission is to make a tangible difference to the serious and persistent problem of youth homelessness. This is achieved by partnering with respected charities to build safe environments and support charity-managed initiatives focused on education, employment and wellbeing. For PIF House, FPA provided voluntary design services, construction expertise and project management for the A$520,000 project, which will safely accommodate five at-risk young people, in a six-bedroom home with a live-in carer.

# GRI CONTENT INDEX

The report is prepared in accordance to the guidelines laid out by the Global Reporting Initiative (GRI) Standards "Core".

| GRI Code | GRI Standards Disclosure Requirement | Notes/Page number |
|---|---|---|
| **ORGANISATIONAL PROFILE** | | |
| 102-1 | Name of the organisation | Frasers Centrepoint Limited |
| 102-2 | Activities, brands, products, and services | Report Scope, pg. 81; FCL Group at a Glance pgs. 3-5; Our Global Presence, pgs. 6-7 |
| 102-3 | Location of headquarters | Corporate Information, pg. 23 |
| 102-4 | Location of operations | Report Scope, pg. 81; FCL Group at a Glance, pgs. 3-5; Our Global Presence, pgs. 6-7 |
| 102-5 | Ownership and legal form | Group Structure, pg. 10; Notes to the Financial Statements, pg. 189-309 |
| 102-6 | Markets served | Report Scope, pg. 81; FCL Group at a Glance, pgs. 3-5; Our Global Presence, pgs. 6-7 |
| 102-7 | Scale of the organisation | Knowing Our People, pg. 100; FCL Group at a Glance, pgs. 3-5; Financial Highlights, pg. 11 |
| 102-8 | Information on employees and other workers | Knowing Our People, pg. 100 Majority of activities are carried out by employees of FCL. |
| 102-9 | Supply chain | Stakeholder and Value Chain, pg. 868; Materiality, pg. 87 |
| 102-10 | Significant changes to organisation and its supply chain | No significant changes |
| 102-11 | Precautionary principle or approach | FCL does not specifically refer to the precautionary approach when managing risk; however, our management approach is risk-based, and underpinned by our internal audit framework. |
| 102-12 | External initiatives | Materiality, pg. 87 |
| 102-13 | Membership of associations | Affiliation with Industry Bodies, pg. 89 |
| **STRATEGY** | | |
| 102-14 | Statement from senior decision-maker | Setting the Tone from the Top, pgs. 82-83 |
| **ETHICS AND INTEGRITY** | | |
| 102-16 | Values, principles, standards, and norms of behaviour | Setting the Tone from the Top, pgs. 82-83; Corporate Practice, pg. 88 |
| **GOVERNANCE** | | |
| 102-18 | Governance structure | Management Structure, pg. 86; Corporate Governance, pgs. 133-141 |

| GRI Code | GRI Standards Disclosure Requirement | Notes/Page number |
|---|---|---|
| **STAKEHOLDER ENGAGEMENT** | | |
| 102-40 | List of stakeholder groups | Stakeholder and Value Chain, ps. 86 |
| 102-41 | Collective bargaining agreements | There are no collective bargaining agreements in place. |
| 102-42 | Identifying and selecting stakeholders | Stakeholder and Value Chain, pgs. 86<br>We have selected these stakeholders based on their interests in our business. |
| 102-43 | Approach to stakeholder engagement | Stakeholder and Value Chain, pgs. 86 |
| 102-44 | Key topics and concerns raised | Stakeholder and Value Chain, pgs. 86 |
| **MANAGEMENT PRACTICES** | | |
| 103-1 | Explanation of the material topic and its Boundary | Setting the Tone from the Top, pgs. 82-83; Materiality, pg. 87<br>The boundaries of all our material topics are internal, except for customer health & safety and local communities which are both internal and external. |
| 103-2 | The management approach and its components | Setting the Tone from the Top, pgs. 82-83; Materiality, pg. 87 |
| 103-3 | Evaluation of the management approach | Setting the Tone from the Top, pgs. 82-83; Materiality, pg. 87; Management Structure, pg. 86 |
| **REPORTING PRACTICE** | | |
| 102-45 | Entities included in the consolidated financial statements | Notes to the Financial Statements, pgs. 298-303 |
| 102-46 | Defining report content and topic Boundaries | About This Report, pg. 81; Report Scope, pg. 81 |
| 102-47 | List of material topics | Materiality, pg. 87 |
| 102-48 | Restatements of information | No restatements |
| 102-49 | Changes in reporting | Inclusion of Frasers Logistics & Industrial Trust |
| 102-50 | Reporting period | About This Report, pg. 81 |
| 102-51 | Date of most recent report | FY2016 |
| 102-52 | Reporting cycle | Annual |
| 102-53 | Contact point for questions regarding the report | Feedback and Suggestions, pg. 81 |
| 102-54 | Claims of reporting in accordance with GRI Standards | About This Report, pg. 81 |
| 102-55 | GRI content index | GRI Index, pgs. 120-123 |
| 102-56 | External assurance | We have not sought external assurance on this data, however we intend to review this stance in the future. |

# GRI CONTENT INDEX

| GRI Code | GRI Standards Disclosure Requirement | Notes/Page number |
|---|---|---|
| **ECONOMIC PERFORMANCE** | | |
| 201-1 | Direct economic value generated and distributed | Financial Statements, pgs. 179-188 |
| **ANTI-CORRUPTION** | | |
| 205-3 | Confirmed incidents of corruption and actions taken | Compliance Performance, pg. 88 |
| **ENERGY** | | |
| 302-1 | Energy consumption within the organisation | Energy Management, pg. 90<br>All energy consumed is in the form of purchased electricity |
| 302-3 | Energy intensity | Energy Management, pg. 90 |
| 302-4 | Reduction of energy consumption | Energy Management, pg. 90 |
| G4-CRE1 | Building energy intensity | Energy Management, pg. 90 |
| **WATER** | | |
| 303-1 | Water withdrawal by source | Water Management, pg. 92<br>All water consumed is from purchased utilities |
| G4-CRE2 | Building water intensity | Water Management, pg. 92 |
| **EMISSIONS** | | |
| 305-2 | Energy indirect (Scope 2) GHG emissions | Energy Management, pg. 90 |
| 305-4 | GHG emissions intensity | Energy Management, pg. 90 |
| 305-5 | Reduction of GHG emissions | Energy Management, pg. 90 |
| G4-CRE3 | Greenhouse gas (GHG) emissions intensity from buildings | Energy Management, pg. 90 |
| **ENVIRONMENTAL COMPLIANCE** | | |
| 307-1 | Non-compliance with environmental laws and regulations | Compliance Performance, pg. 88 |
| **EMPLOYMENT** | | |
| 401-1 | New employee hires and employee turnover | Knowing Our People, pg. 100 |

| GRI Code | GRI Standards Disclosure Requirement | Notes/Page number |
|---|---|---|
| **LABOR/MANAGEMENT RELATIONS** | | |
| 402-1 | Minimum notice periods regarding operational changes | This is currently not covered in groupwide collective agreements. The notice period varies. |
| | | This is currently not covered in groupwide collective agreements. The notice period varies. |
| **OCCUPATIONAL HEALTH AND SAFETY** | | |
| 403-1 | Workers representation in formal joint management–worker health and safety committees | FCL has a Health and Safety senior management committee |
| 403-2 | Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender | Safety First, pg. 106 |
| G4-CRE6 | Percentage of the organisation operating in verified compliance with an internationally recognised health and safety management system | Safety First, pg. 106 |
| **TRAINING AND EDUCATION** | | |
| 404-1 | Average hours of training per year per employee | Nurturing Talent, pg. 102 |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | Nurturing Talent, pg. 102 |
| **LOCAL COMMUNITIES** | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | Stakeholder and Value Chain, pg. 86; Fostering A Sense of Belonging; pg. 110; Sharing Our Resources, pgs. 112-119 |
| **MARKETING AND LABELLING** | | |
| 417-3 | Incidents of non-compliance concerning marketing communications | Compliance Performance, pg. 88 |

Notes
- Energy and water consumption are reported for landlord area for commercial properties and total area for serviced residences and hotels.
- Energy, GHG and water data currently cover more than 70% of completed buildings that we own and/or manage with operational control, except the MHDV portfolio, properties that we acquired and/or began managing less than one year ago, and those undergoing asset enhancement works.
- Grid GHG emission factors are from Singapore Energy Statistics 2017, Australia National Greenhouse Gas accounts, Covenant of Mayors for Climate & Energy for Europe , Climate Change division of National Development and Reform Commission of People's Republic of China, Malaysia's Sustainable Energy Development Authority, Department of Energy of the Philippines, Thailand Voluntary Emission Reduction Program, India's Central Electricity Authority , Indonesia's Joint Crediting Mechanism, Vietnam's Ministry of Natural Resources and Environment, Qatar General Electricity and Water Corporation, and the United Kingdom's Department for Environment, Food and Rural Affairs (DEFRA) for Singapore, Australia, Hungary, France, China, Malaysia, the Philippines, Thailand, India, Indonesia, Vietnam, Qatar and the UK respectively. For all other countries, emission factors are determined from trend analysis based on DEFRA results for the previous two years.

# AWARDS AND ACCOLADES

## CORPORATE

Singapore Corporate Awards 2017 – Best Investor Relations, Listed Companies With Market Capitalisation Of S$1 Billion And Above Category – Bronze
Frasers Centrepoint Limited

Asia Corporate Excellence & Sustainability Awards 2017 – Sustainability Category – Top Green Companies in Asia
Frasers Centrepoint Limited

Singapore Apex Corporate Sustainability Awards 2017 – Sustainable Business Award
Frasers Centrepoint Limited

IR Magazine Awards – South East Asia 2017 – Best Annual Report Category – 2nd Place
Frasers Centrepoint Limited

## RESIDENTIAL

BCA Building Information Modelling (BIM) Awards 2017 – Project Category - Gold$^{PLUS}$
Northpoint City

BCA Awards 2016 – Construction Excellence – Merit
Eight Courtyards

BCA Awards 2016 – Green Mark Gold$^{PLUS}$
North Park Residences

BCA Awards 2016 – Green Mark Certified
QBay Residences

BCA Awards 2016 – Construction Excellence – Merit
Waterfront Gold

FIABCI Singapore Property Awards 2016 – Winner – Residential, Mid Rise Category
The Waterfront Collection

FIABCI World Prix D'Excellence Awards 2017 – Winner – Residential, Mid Rise Category
The Waterfront Collection

## COMMERCIAL

Special Event Silver Award by Community Chest – Play it Forward – Singapore's Largest Charity Ball Pool
Frasers Centrepoint Malls

Technology Award by International Council of Shopping Centers (ICSC) Emerging Digital – Gold
Frasers Centrepoint Malls

Pinnacle Awards 2016 – Best Sustainable Growth REIT in Asia at the Fortune Times REITs
Frasers Centrepoint Trust

Asia Pacific Best of Breed REITs Awards 2017 – Gold Award for Retail REIT (Singapore)
Frasers Centrepoint Trust

Asia's Best First Time Sustainability Report 2016 – Finalist
Frasers Commercial Trust

Singapore Corporate Awards (SCA) 2017 - 'Best Annual Report' (REITS and Business Trusts Category) – Gold
Frasers Commercial Trust

Global Good Governance Awards - Best Governed and Most Transparent Company Category – Gold
Frasers Commercial Trust

Global Good Governance Awards - Best Corporate Communications and Investor Relations Category – Gold
Frasers Commercial Trust

Outstanding Company Emergency Response Team ("CERT") Award 2016 by Singapore Civil Defence Force ("SCDF")
Causeway Point

Best Dressed Building Contest 2016 - Voters' Choice by Orchard Road Business Association ("ORBA")
The Centrepoint

BCA Awards – Green Mark Certification
YewTee Point

BCA Awards – Green Mark Gold
Northpoint Shopping Centre

BCA Awards – Green Mark Platinum
Causeway Point

BCA Awards – Green Mark for Office Interior Gold$^{PLUS}$
FCL Offices at Alexandra Point #15-01/04, #16-01/04, #21-01/04 (2017-2021)

Occupation Health & Safety Management System Standard SS506 Part 1:2009/ BS OHSAS 18001:2007 – Provision of Centre and Associated Facility Management Services

- Frasers Centrepoint Property Management Services Pte. Ltd. – Retail Properties Department
- Anchorpoint
- Bedok Point
- Changi City Point
- Causeway Point
- Northpoint City (North Wing)
- YewTee Point
- Eastpoint Mall
- The Centrepoint
- Waterway Point

Good Effort Certificate for the 3R Awards for Shopping Malls 2017 by National Environment Agency ("NEA") and supported by the REIT Association of Singapore (REITAS)
Causeway Point

Singapore Green Building Council (SGBC)-Building and Construction Authority (BCA) Sustainability Leadership Awards – Leadership in Design & Performance Award (Commercial)
Alexandra Point

Singapore Facility Management (FM) Building Owner/Occupier Award Service Excellence 2017 – Category of Singapore best FM Building Owner/ Facility Occupier of the Year
- Alexandra Technopark
- China Square Central
- 55 Market Street
- Alexandra Point
- Valley Point Office Tower/ Shopping Centre
- 51 Cuppage Road
- Robertson Walk

Biz Safe Enterprise Level Star Award by Workplace Safety and Health Council
- Frasers Centrepoint Property Management Services Pte. Ltd.
- Alexandra Technopark Blk A&B
- Alexandra Point
- Valley Point Office Tower/ Shopping Centre
- 51 Cuppage Road
- Robertson Walk
- China Square Central
- 55 Market Street
- Anchorpoint
- Bedok Point
- Causeway Point
- Changi City Point
- Eastpoint Mall
- Northpoint City (North Wing)
- The Centrepoint
- Waterway Point
- YewTee Point

Biz Safe Partner Award by Workplace Safety and Health Council
- Alexandra Technopark Blk A&B
- Alexandra Point
- Valley Point Office Tower/ Shopping Centre
- 51 Cuppage Road
- Robertson Walk
- China Square Central
- 55 Market Street

ISO 14001:2015
- 51 Cuppage Road
- 55 Market Street
- Alexandra Point
- Alexandra Technopark
- China Square Central
- Robertson Walk
- Valley Point

ISO 50001:2011
- Alexandra Technopark Blk A&B
- China Square Central
- 55 Market Street
- Alexandra Point
- Valley Point Office Tower/ Shopping Centre
- 51 Cuppage Road
- Robertson Walk

OHSAS 18001 Re-Certification & SS506 Part 1
- Alexandra Technopark Blk A&B
- China Square Central
- 55 Market Street
- Alexandra Point
- Valley Point Office Tower/ Shopping Centre
- 51 Cuppage Road
- Robertson Walk

OHSAS 18001 Certification & SS 506 Part 1
- Alexandra Technopark Blk A&B
- China Square Central
- 55 Market Street
- Alexandra Point
- Valley Point Office Tower/ Shopping Centre
- 51 Cuppage Road
- Robertson Walk

IR Magazine Awards – South East Asia 2017 – Best Overall Investor Relations Category
Frasers Centrepoint Trust

IR Magazine Awards – South East Asia 2017 – Best IR by a senior management team Category
Frasers Centrepoint Trust

IR Magazine Awards – South East Asia 2017 – Best investor relations officer (small to mid-cap) Category
Frasers Centrepoint Trust

IR Magazine Awards – South East Asia 2017 – Best in Country – Singapore
Frasers Centrepoint Trust

IR Magazine Awards – South East Asia 2017 – Best in Sector – Real Estate
Frasers Centrepoint Trust

Western Australia Property Awards – Western Australia Commercial Property of the Year, 2017
Central Park, Perth

Western Australia Property Awards – Commercial Community Engagement Award: CBD Property, 2017
Central Park, Perth

WOW! Awards 2017 – Location of the Year
Central Park, Perth

# AWARDS AND ACCOLADES

## AUSTRALIA

### FRASERS PROPERTY AUSTRALIA

Victorian Signatory of the Year (over 2000sqm) by CitySwitch, Victoria
Frasers Property Australia

National Signatory of the Year by CitySwitch, National
Frasers Property Australia

Australian Interior Design Awards 2017 – Workplace Design
Frasers Property Australia Head Office

PCA Innovation & Excellence Awards – Shopping Centre Development
The Ponds Shopping Centre

UDIA NSW Awards for Excellence 2017 – Excellence in Commercial & Industrial Development
Martin Brower

Gold Coast Housing & Construction Awards 2017 – Industrial Facilities Award
O-I Glass by De Luca

2017 Sydney Design Awards – Marketing - Branded Experience – Gold Winner
Wonderland, Central Park

2017 Sydney Design Awards – Graphic Design – Publication – Silver Winner
Absolute, Putney Hill

UDIA NSW Awards for Excellence 2017 – Excellence in Medium-Density Development (Masterplanned)
Putney Hill terraces and houses

UDIA NSW Awards for Excellence 2017 – Excellence in Masterplanned Communities
Fairwater

UDIA NSW Awards for Excellence 2017 – Excellence in Mixed-use Development – Commendation
Clemton Park Village

UDIA NSW Awards for Excellence 2017 – Excellence in Urban Renewal/Adaptive Reuse – Commendation
The Gallery at Botanica

UDIA NSW Awards for Excellence 2017 – Excellence in High-Density Development
Connor Central Park

Urban Taskforce Awards 2017 – Mixed Uses Development Award
Clemton Park Village

Queensland Master Builders Awards 2017 – Residential Building (high-rise over 3 storey) $20 million – $50 million
Newport Apartments at Hamilton Reach by Tomkins Commercial & Industrial Builders Pty Ltd

Queensland Master Builders Awards 2017 – Refurbishment/Renovation over $2 million
Yungaba House by Hutchinson Builders

2017 NSW Architecture Awards – Sustainable Architecture Award
Central Park by Tzannes and Cox Richardson and Foster + Partners

2017 NSW Architecture Awards – The Lloyd Rees Award for Urban Design
Central Park by Tzannes and Cox Richardson and Foster + Partners

2017 Queensland Architecture Awards – Residential Architecture – Multiple Housing – Commendation
Atria at Hamilton Reach by Arkhefield

Brisbane Regional Architecture Awards – Residential Architecture – Houses (Multiple Housing)
Atria at Hamilton Reach

UDIA National Awards for Excellence 2017 – Residential Development
Fairwater

Inaugural Planning Awards for Great New Place to Live and/or Work by Greater Sydney Commission
Central Park

### FRASERS INDUSTRIAL & LOGISTICS TRUST

Fortune Times REITs Pinnacle Awards 2017 - Most Promising REIT in Asia
Frasers Industrial & Logistics Trust

The Asset Triple A Country Awards 2016 – Southeast Asia category Won Best IPO
Frasers Industrial & Logistics Trust

GRESB Real Estate Assessment 2017 - Regional Sector Leader for Industrial (Australia / New Zealand)
Frasers Industrial & Logistics Trust

## HOSPITALITY

### FRASERS HOSPITALITY

Trophy of Excellence 2018 by Most Valuable Companies in Hong Kong Awards
Frasers Hospitality Pte Ltd

Best Luxury Serviced Residence Brand in China 2017 by Business Traveller China
Frasers Hospitality Pte Ltd

Best Serviced Apartments Company 2017 by Business Traveller Middle East
Frasers Hospitality Pte Ltd

World Travel Awards – World's Leading Serviced Apartment Brand 2014 – 2017
Frasers Hospitality Pte Ltd

World Travel Awards – World's Leading Serviced Apartments 2017
Fraser Suites Le Claridge Champs-Élysées

World Travel Awards – Australasia's Leading Serviced Apartments Brand 2016 - 2017
Frasers Hospitality Pte Ltd

World Travel Awards – China's Leading Serviced Apartment Brand 2013 - 2017
Frasers Hospitality Pte Ltd

World Travel Awards – England's Leading Serviced Apartment Brand 2014 – 2017
Frasers Hospitality Pte Ltd

World Travel Awards – Hungary's Leading Serviced Apartment Brand 2013 – 2017
Frasers Hospitality Pte Ltd

World Travel Awards – Indonesia's Leading Serviced Apartment Brand 2017
Frasers Hospitality Pte Ltd

World Travel Awards – South Korea's Leading Serviced Apartment Brand 2014, 2016 & 2017
Frasers Hospitality Pte Ltd

Best Serviced Residence Operator 2013 - 2017 by Travel Trade Gazette (TTG)
Frasers Hospitality Pte Ltd

Golden Horse Awards – Best Serviced Apartment Operator of China 2017
Frasers Hospitality Pte Ltd

12th China Hotel Starlight Awards, The Centre of Asia Hotel Forum – Best Serviced Apartment Brand of China 2017
Frasers Hospitality Pte Ltd

Friends of the Arts Award 2017 by Patron of The Arts Awards
Frasers Hospitality Pte Ltd

Singapore Service Class Award (S-Class) by Spring Singapore Business Excellence Awards
Fraser Suites Singapore
Fraser Place Robertson Walk, Singapore

Travel & Leisure Annual Travel Awards 2016 – Best Serviced Apartments
Frasers Hospitality Pte Ltd

World Travel Awards – Philippines' Leading Serviced Apartment Brand 2016
Frasers Hospitality Pte Ltd

World Travel Awards – Japan's Leading Serviced Apartment Brand 2015 & 2016
Frasers Hospitality Pte Ltd

World Travel Awards – Singapore's Leading Serviced Apartment Brand 2016
Frasers Hospitality Pte Ltd

Human Resource Vendors of the Year Awards – Best Serviced Apartment Company 2016
Frasers Hospitality Pte Ltd

Business Traveller Asia-Pacific Awards – Best Luxury Serviced Residence Brand 2016
Frasers Hospitality Pte Ltd

Expatriate Management and Mobility Awards – Corporate Housing Provider of the Year 2016 – Runner up
Frasers Hospitality Pte Ltd

China Travel & Meetings Industry Awards – Serviced Apartment Provider of the Year 2016
Frasers Hospitality Pte Ltd

HRM Asia Readers Choice Awards – Best Serviced Apartment Group
Frasers Hospitality Pte Ltd

Outstanding Serviced Apartment Group by That's Beijing
Frasers Hospitality Pte Ltd

Australian Hotels Association Awards – Best Apartment/Suite Accommodation Hotel of the Year 2016 – 2017
Fraser Suites Perth

World Travel Awards – Australasia's Leading Serviced Apartments 2013 - 2017
Fraser Suites Sydney

World Travel Awards – Bahrain's Leading Serviced Apartments 2013 - 2017
Fraser Suites Seef, Bahrain

World Travel Awards – England's Leading Serviced Apartments 2016 – 2017
Fraser Suites Kensington, London

World Travel Awards – France's Leading Serviced Apartments 2017
Fraser Suites Le Claridge Champs-Élysées

# AWARDS AND ACCOLADES

World Travel Awards – Hungary's Leading Serviced Apartments 2013 – 2017
Fraser Residence Budapest

World Travel Awards – Indonesia's Leading Serviced Apartments 2017
Fraser Place Setiabudi Jakarta

World Travel Awards – Scotland's Leading Serviced Apartments 2017
Fraser Suites Edinburgh

World Travel Awards – Singapore's Leading Serviced Apartments 2016 & 2017
Fraser Suites Singapore

World Travel Awards – Switzerland's Leading Serviced Apartments 2017
Fraser Suites Geneva

2nd Largest Serviced Residence 2017 by Singapore Business Review Business Ranking Awards
Fraser Suites Singapore

12th Largest Serviced Residence 2017 by Singapore Business Review Business Ranking Awards
Fraser Place Robertson Walk, Singapore

37th Largest Serviced Residence 2017 by Singapore Business Review Business Ranking Awards
Fraser Residence Orchard, Singapore

Indonesia's Leading Serviced Apartment Brand 2016 – 2017 by Indonesia Travel Tourism Industry
Frasers Hospitality Pte Ltd

Indonesia's Leading Service Apartment & Suites 2014 - 2017 by Indonesia Travel Tourism Industry
Fraser Residence Menteng, Jakarta

Indonesia's Brand New Serviced Apartment of the Year 2017 by Indonesia Travel Tourism Industry
Fraser Place Setiabudi, Jakarta

5-STAR Property by Ministry of Tourism and Culture Malaysia
Fraser Residence Kuala Lumpur

Golden Horse Awards – Best Serviced Apartment of China 2017
Fraser Suites Top Glory Shanghai

Experts' Choice Award 2016 – 2017 By TripExpert
Fraser Place Kuala Lumpur

Luxury Travel Guide Awards – Luxury City Hotel of the Year
Capri by Fraser, Kuala Lumpur / Malaysia

Top 25 Hotels by Trip Advisor
- Fraser Residence Nankai Osaka
- Fraser Residence Budapest

Top 25 hotels for service by Trip Advisor
- Fraser Residence Nankai Osaka
- Fraser Residence Budapest

Travellers' Choice 2017 by Trip Advisor
- Fraser Place Kuala Lumpur
- Fraser Residence Budapest
- Fraser Residence Kuala Lumpur
- Fraser Residence Sudirman Jakarta
- Fraser Residence Nankai Osaka

Certificate of Excellence 2017 by TripAdvisor
- Fraser Suites Singapore
- Fraser Place Robertson Walk, Singapore
- Fraser Suites Guangzhou

Guest Review Award 2016 by Booking.com
Fraser Suites Sydney

Best of Malaysia Awards – Best Serviced Residence 2016
Fraser Residence Kuala Lumpur

Best of Malaysia Awards – Excellence Award 2016
Fraser Place Kuala Lumpur

World Travel Awards – World's Leading Serviced Apartments 2016
Fraser Suites Kensington, London

World Travel Awards –Asia's Leading Serviced Apartments 2014 - 2016
Fraser Suites Singapore

World Travel Awards – China's Leading Serviced Apartments 2013 - 2016
Fraser Suites Chengdu

World Travel Awards – Japan's Leading Serviced Apartments 2015 & 2016
Fraser Residence Nankai, Osaka

World Travel Awards – Malaysia's Leading Serviced Apartments 2015 & 2016
Fraser Residence Kuala Lumpur

World Travel Awards – South Korea's Leading Serviced Apartments 2016
Fraser Place Central Seoul

Haute Grandeur Global Hotel Awards – Best Apartment Hotel in Europe 2016
Fraser Place Anthill Istanbul

Business Traveller Awards – Best Smaller Hotel Chain 2016
Hotel du Vin

2016 Experts' Choice Award by TripExpert
Fraser Place Kuala Lumpur

Luxury Apartment of the Year for the World by Luxury Travel Guide
Fraser Suites Suzhou

Golden Pillow Award of China's Hotels – China's Best Serviced Residence 2016
Modena by Fraser Putuo Shanghai

Haute Grandeur Award – Best Apartment Hotel - Continent Europe 2016
Fraser Place Anthill Istanbul

World Travel Awards – Europe's Leading Serviced Apartments 2016
Fraser Suites Kensington, London

HRM Asia Readers Choice Awards – Best Business Hotel
Capri by Fraser, Changi City / Singapore

Best Apartment/Suite Hotel of the Year 2016 by Tourism Accommodation Australia
Fraser Suites Sydney

Outstanding Experience for Best Host Award Year 2015 – 2016 by TravelGuru.com
Fraser Suites New Delhi

Luxury Travel Guide Awards – Luxury Apartments of the Year
Fraser Suites New Delhi

Certificate of Excellence 2016 by Trip Advisor
- Fraser Suites Sydney
- Fraser Suites Perth
- Fraser Suites Singapore
- Fraser Suites Sukhumvit
- Fraser Suites Chengdu
- Fraser Suites Guangzhou
- Fraser Suites Top Glory Shanghai
- Fraser Suites Insadong, Seoul
- Fraser Suites CBD Beijing
- Fraser Suites Seef Bahrain
- Fraser Suites Diplomatic Area Bahrain
- Fraser Suites Dubai
- Fraser Suites Queens Gate
- Fraser Suites Edinburgh
- Fraser Suites Glasgow
- Fraser Suites Harmonie Paris La Defense
- Fraser Suites Le Claridge Champs-Elysees
- Fraser Place Robertson Walk, Singapore
- Fraser Place Kuala Lumpur
- Fraser Place Manila
- Fraser Place Shekou, Shenzhen
- Fraser Place Namdaemun, Seoul
- Fraser Place Central Seoul
- Fraser Place Anthill Istanbul
- Fraser Place Canary Wharf
- Fraser Residence Kuala Lumpur
- Fraser Residence Sudirman Jakarta
- Fraser Residence Menteng Jakarta
- Fraser Residence CBD East Beijing
- Fraser Residence Shanghai
- Fraser Residence Budapest
- Modena by Fraser Zhuankou Wuhan
- Modena by Fraser Putuo Shanghai
- Capri by Fraser, Brisbane / Australia
- Capri by Fraser, Changi City / Singapore
- Capri by Fraser, Kuala Lumpur / Malaysia
- Capri by Fraser, Ho Chi Minh City / Vietnam
- Capri by Fraser, Barcelona / Spain

Travellers' Choice 2016 by Trip Advisor
- Fraser Suites Singapore
- Fraser Suites Chengdu
- Fraser Place Kuala Lumpur
- Fraser Residence Nankai Osaka
- Fraser Residence Budapest
- Capri by Fraser, Kuala Lumpur / Malaysia

## FRASERS HOSPITALITY TRUST

Asia Pacific Best of The Breeds REITs Awards 2017 – Best Hospitality REIT - silver
Frasers Hospitality Trust

## INTERNATIONAL

## EUROPE

Geneba Properties N.V.
Property Investor Europe - Multi Manager of the Year 2017
Geneba Properties N.V.

## THAILAND

One Bangkok
10th IFLA Asia-Pac Landscape Architecture Awards 2017
One Bangkok

TICON Industrial Connection
EDGE (Excellence in Design for Greater Efficiencies) Certificate 2017
TPARK Bangplee 4

Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) Certificate 2017

# ENTERPRISE-WIDE RISK MANAGEMENT (ERM)

Enterprise-wide Risk Management (ERM) is an essential part of the business strategy of FCL and its subsidiaries (collectively, the Group). The Group maintains a risk management system to proactively manage risks both at the strategic and operational level to support the achievement of its business objectives and corporate strategies. Through active risk management at all levels, the management of the Company (the Management) creates and preserves value for the Group.

The Board of Directors (Board) is responsible for the governance of risks across the Group and ensuring that the Management maintains a sound system of risk management and internal controls. It is assisted by the Risk Management Committee (RMC) to oversee the Group's ERM framework, determine the risk appetite, assess the Group's risk profile, material risks, and mitigation plans, as well as to ensure the adequacy and effectiveness of risk management policies and procedures. The RMC comprises members of the Board who meet quarterly to review material risk issues and the mitigating strategies. All material risks and risk issues are reported to the RMC for review.

The RMC, on behalf of the Board, approves the Group's risk tolerance statements, which set out the nature and extent of the significant risks that the Group is willing to take in achieving its strategic objectives. The risk tolerance statements are supported by the risk thresholds which have been developed by the Management. These thresholds set the risk boundaries in various strategic and operational areas and serve as a guide for the Management in their decision making. The risk tolerance status is reviewed and monitored closely by the Management. Any risk that has escalated beyond its threshold will be highlighted and addressed, and together with its associated action plan, will be reported to the RMC.

## RISK MANAGEMENT PROCESS

To facilitate a consistent and cohesive approach to ERM, a risk management framework and process have been developed. FCL adopts a robust risk management framework to maintain a high level of corporate discipline and governance. The risk management process is implemented by Management for the identification and management of risks of the Group. The process consists of risk identification, risk assessment and evaluation, risk treatment, risk monitoring and reporting.

The ERM framework links the Company's risk management process with the Group's strategic objectives and operations. Risks are identified and assessed, and mitigating measures developed to address and manage those risks. The ERM framework and process are summarised in an ERM policy for employees.

The risk management process is integrated and coordinated across the businesses of the Group. The ERM framework and processes apply to all business units in the Group. The risk ownership lies with the heads of the respective business units who consistently review risks and ensure the control measures are effective. They are responsible for the development, implementation and practice of ERM within the business unit. Emerging risks that have a material impact on the business units are identified and assessed. The risk exposures and potential mitigating measures are tracked in a risk register maintained in a web-based Corporate Risk Scorecard system. Where applicable, Key Risk Indicators are established to provide an early warning signal to monitor risks. Key material risks and their associated mitigating measures are consolidated at the Group level and reported to the RMC.

The Group proactively manages risks at its operational level. Control self-assessment, which promotes accountability and risk ownership, is implemented for several key business processes. The Group also has in place a Comfort Matrix framework, which provides an overview of the mitigating strategies, and assurance processes of key financial, operational, compliance and information technology risks.

An ERM validation is held at the Management level annually. The heads of business units provide assurance to the Group Chief Executive Officer and Chief Financial Officer that key risks at the business unit levels have been identified and the mitigating measures are effective and adequate. The result of the ERM validation for the financial year ended 30 September 2017 was reported and presented to the RMC. At this annual ERM validation, the Management provided assurances that the risk management system implemented in the Group is adequate and effective to address risks that are considered relevant and material to the Group's operations.

The Group enhances its risk management culture through various risk management activities. Risk awareness briefings are conducted for all levels during staff orientation. Refresher sessions are also organised for existing staff when required. Periodic discussions of risk and risk issues are held at the business unit level where emerging risks are identified and managed.

FCL seeks to improve its risk management processes on an ongoing basis. The Group's risk management system is benchmarked against the market practice. During the financial year, the Group improved its business continuity management capability by enhancing its Crisis Management Plan at the FCL Corporate level. Business continuity plans for the corporate departments were also developed to guide the departments in the event of a business interruption. The business continuity effort is overseen by the Business Continuity Management Committee comprising members from the key heads of department.

## KEY RISKS

The Management has been actively monitoring the key material risks that affect the Group. Some material risks include:

### Country Risks (Economic, Political and Regulatory Risks)

With diversified worldwide operations, FCL is exposed to developments in major economies and key financial and property markets. The risk of adverse changes in the global economy can reduce profits, result in revaluation losses and affect the Group's ability to sell its residential development stock.

Inconsistent and frequent changes in regulatory policies as well as security threats may also result in higher operating and investment costs, loss in productivity and disruptions to business operations.

The Group adopts a prudent approach in selecting locations for its investment to mitigate these risks. Measures are in place to monitor the markets closely, such as through maintaining good working relationships and engaging with local authorities, business associations and local contacts, and reviewing expert opinions and market indicators, keeping abreast of economic, political and regulatory changes as well as stepping up the crisis preparedness of FCL's properties. Emphasis is placed on regulatory compliance in the Group's operations.

### Financial Risk

FCL has global operations and has exposure to financial risks such as foreign exchange risk, interest rate risk and liquidity risk. The Group uses derivatives, a mix of fixed and floating rate debt with varying tenors as well as other financial instruments to hedge against foreign exchange and interest rate exposure. Policies and processes are in place to facilitate the monitoring and management of these risks in a timely manner.

To manage liquidity risk, the Group monitors cash flow and maintains sufficient cash or cash equivalents as well as secures funding through multiple sources to ensure that financing, funding and repayment of debt obligation are fulfilled. The Group's financial risk management is discussed in more detail in the notes to the financial statements on pages 273 to 280.

### Human Capital Risk

The Group views its human capital as a key factor for driving growth. As such, talent management, employee engagement, the retention of key personnel and maintenance of a conducive work environment are important to the Group. In view of these considerations, the Human Resources team has developed and implemented effective reward schemes, succession planning, corporate wellness programs and staff development programs. Details on the various programs and initiatives can be found in the Sustainability Report section of the Annual Report on pages 102 to 105.

### Fraud and Corruption Risk

The Group does not condone any acts of fraud, corruption or bribery by employees in the course of its business activities. The Group has put in place various policies and guidelines, including a Code of Business Conduct and an Anti-Bribery Policy to guide the employees on business practices, standards and conduct expected while in their employment with the Group. A Whistle-Blowing Policy has also been put in place to provide a clearly defined process and independent feedback channel for employees to report any suspected improprieties in confidence and in good faith, without fear of reprisal. The Audit Committee reviews and ensures that independent investigations and appropriate follow-up actions are carried out. More details can be found in the Corporate Governance Section on pages 149 to 151.

# ENTERPRISE-WIDE RISK MANAGEMENT (ERM)

### Information Technology (IT) Risk

The Group places a high priority on information availability, IT governance and IT security. It has put in place group-wide IT policies and procedures to address evolving IT security threats, such as hacking, malware, mobile threats and data-loss. Disaster recovery plans and incident management procedures are developed and tested annually. Measures and considerations have also been taken to safeguard against loss of information, data security, and prolonged service unavailability of critical IT systems. Periodic training is also conducted for new and existing employees to raise IT security awareness. External professional services are engaged to conduct independent vulnerability assessment and penetration tests to further strengthen the IT systems.

### Environmental, Health & Safety (EHS) Risks

FCL places importance in managing EHS risks in its international operations. It has put in place an EHS policy and EHS Management Systems in key operation areas to manage the risks. The Group has achieved OHSAS 18001 and ISO14001 certification for some of its key operations. During the financial year, the Singapore Retail Mall Management has been certified OHSAS 18001, while the Singapore Office Building Management has achieved the ISO14001 (Environment) and ISO50001 (Energy) certification. The Group will continue to extend the coverage of EHS Management Systems to a wider scope of operations in the future.

FCL manages the environment risks by setting targets in reducing greenhouse gas emission, energy usage and water consumption within its investment portfolio. More details can be found in the Sustainability Report section of the Annual Report on pages 80 to 119.

# CORPORATE GOVERNANCE

Good corporate governance is essential to the success of Frasers Centrepoint Limited's ("**FCL**" or the "**Company**") business and performance. FCL is firmly committed to setting and maintaining high standards of corporate governance and corporate transparency, and adheres to sound corporate policies, business practices and system of internal controls. Operating within such a framework allows FCL to safeguard the assets of FCL and its subsidiaries (the "**Group**") and interests of shareholders of the Company (the "**Shareholders**") whilst pursuing sustainable growth and enhancement of corporate performance and value for Shareholders.

Listed on 9 January 2014 on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Company adheres closely to the principles, guidelines and recommendations under the Code of Corporate Governance 2012 (the "**Code 2012**").

## A. BOARD MATTERS

### Principle 1: The Board's Conduct of Affairs

The board of directors of the Company (the "**Board**") is entrusted with oversight of the business performance and affairs of FCL, and is responsible for the Group's overall entrepreneurial leadership, strategic direction, risk appetite, performance objectives and long-term success. The Board is also responsible for aligning the interests of the Board and the management of the Company (the "**Management**") with that of Shareholders as well as setting good principles of ethics and values.

The Board also (a) reviews annual budgets, financial plans, major acquisitions and divestments, funding and investment proposals, (b) monitors the financial performance of the Group and the Management's performance, (c) oversees processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance, (d) assumes responsibility for corporate governance, (e) considers sustainability issues such as environmental and social factors as part of its strategic formulation and (f) ensures compliance by the Group with relevant laws and regulations.

### Delegation of Authority on certain Board Matters

In order for the Board to efficiently discharge its oversight function of FCL, it delegates specific areas of responsibilities to five board committees (the "**Board Committees**") namely, the Board Executive Committee ("**EXCO**"), the Audit Committee ("**AC**"), the Nominating Committee ("**NC**"), the Remuneration Committee ("**RC**") and the Risk Management Committee ("**RMC**"). Each Board Committee is governed by clear terms of reference (the "**Terms of Reference**") which have been approved by the Board. Minutes of all Board Committee meetings are circulated to the Board so that directors of the Company (the "**Directors**") are aware of and kept updated as to the proceedings and matters discussed during such meetings.

### Corporate Authorisations

The Company adopts a framework of delegated authorisations in its Manual of Authority ("**MOA**"). The MOA defines the procedures and levels of authorisation required for specified transactions. It also sets out approval limits for operating and capital expenditure as well as acquisitions and disposals of assets and investments. The MOA also contains a schedule of matters specifically reserved for approval by the Board. These include approval of annual budgets, financial plans, business strategies and material transactions, such as major acquisitions, divestments, funding and investment proposals. The MOA authorises the EXCO to approve certain transactions up to specified limits, beyond which the approval of the Board needs to be obtained. Below the Board and EXCO levels, there are appropriate delegation of authority and approval sub-limits at the Management level, to facilitate operational efficiency.

Under the MOA, the following matters are specifically reserved for the approval of the Board:

(1) acquisition of land and properties, redevelopment of existing assets, refurbishment of existing assets, disposal of land and properties and the incurring of unbudgeted capital and development expenditure, where these exceed a value of $1 billion;
(2) new equity investments, increase in equity participation, and disposal or reduction of equity participation, where these exceed a value of $600 million;
(3) approval of the annual capital budget, annual operating budget and staff costs budget; and
(4) the sale or disposal of the whole or substantially the whole of the undertaking or assets of the Company.

Further, the establishment of Board Committees or Board sub-committees and the determination, amendment or alteration of the Terms of Reference of any Board Committee or Board sub-committee are also matters reserved for the Board's approval.

### Conflicts of Interest

To address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, the Company has put in place appropriate procedures including (i) requiring any Director to declare any conflict of interest on a transaction or proposed transaction with the Group as soon as practicable after the relevant facts have come to his knowledge; and (ii) requiring such Directors to refrain from participating in meetings or discussions (or relevant segments thereof), in addition to abstaining from voting, on any matter in which they are so interested or conflicted. For purchases of property in FCL property projects, there is also a policy which sets out the process and procedure for disclosing, reporting and obtaining of relevant approvals for property purchases made by any Director, the Chief Executive Offer ("**CEO**") or any other interested persons (as defined in the Listing Manual of the SGX-ST (the "**Listing Manual**")) and employees of the Group.

### Meetings of the Board and Board Committees

The Board and its various Board Committees meet regularly, and also as required by business needs or if their members deem it necessary or appropriate to do so. For the financial year ended 30 September 2017 ("**FY2017**"), the Board met 6 times. During Board meetings, the Directors actively participate, discuss, deliberate and appraise matters requiring their attention and decision. Time is set aside, where appropriate, after scheduled Board meetings for discussions amongst the Directors without the presence of the Management, so as to facilitate a more effective check on the Management.

The Directors are also given direct access to the management team of the Group's business divisions through presentations at Board and Board Committee meetings. Where required or requested by Board members, site visits and meetings with personnel from the Group's business divisions are also arranged for Directors to have an intimate understanding of the key business operations of each division and to promote active engagement with the Group's key Management. The Company's Constitution provide for Board members who are unable to attend physical meetings to participate through telephone conference, video conference or any other forms of electronic or instantaneous communication facilities.

The number of Board meetings and Board Committee meetings held in FY2017 and the attendance of Directors at these meetings are as follows:

| | Board | Board EXCO | Audit Committee | Risk Management Committee | Remuneration Committee | Nominating Committee |
|---|---|---|---|---|---|---|
| **Meetings held for FY2017** | **6** | **6** | **5** | **4** | **1** | **-**[(1)] |
| Mr Charoen Sirivadhanabhakdi | 6 | 3 | - | - | - | - |
| Khunying Wanna Sirivadhanabhakdi | 6 | - | - | - | - | - |
| Mr Charles Mak Ming Ying | 5 | 6 | 5 | 3 | 1 | - |
| Mr Chan Heng Wing | 5 | - | - | 4 | 1 | - |
| Mr Philip Eng Heng Nee | 6 | - | - | - | 1 | - |
| Mr Tan Pheng Hock | 3 | - | - | - | - | - |
| Mr Wee Joo Yeow | 6 | 6 | 5 | - | - | - |
| Mr Weerawong Chittmittrapap | 6 | - | - | 3 | - | - |
| Mr Chotiphat Bijananda | 6 | - | - | 4 | - | - |
| Mr Panote Sirivadhanabhakdi | 6 | - | - | - | - | - |
| Mr Sithichai Chaikriangkrai | 6 | - | 5 | - | - | - |

Note:

(1) Decisions of the NC during FY2017 were made by way of written resolutions.

### Director Orientation and Training

Upon appointment, each new Director is issued a formal letter of appointment setting out his or her duties and obligations, including his or her responsibilities as fiduciaries, and where appropriate, how to deal with possible conflicts of interest that may arise. A comprehensive orientation programme is also conducted to familiarise new appointees with the business activities, strategic directions, policies, key business risks, the regulatory environment in which the Group operates, corporate governance practices of the Group, as well as their statutory and other duties and responsibilities as directors. This programme allows new Directors to get acquainted with senior Management, and fosters better rapport and facilitates communication with the Management.

The Directors are kept continually and regularly updated on the Group's businesses and the regulatory and industry-specific environments in which the entities of the Group operate. Updates on relevant legal, regulatory and technical developments may be in writing or disseminated by way of presentations and/or handouts. The Board is also regularly updated on the latest key changes to any applicable legislation and changes to the rules of the SGX-ST (the "**Listing Rules**") as well as developments in accounting standards, by way of briefings held by the Company's lawyers and auditors. To ensure the Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment. In addition, the Directors are also encouraged to be members of the Singapore Institute of Directors ("**SID**") and for them to receive updates and training from SID to stay abreast of relevant developments in financial, legal and regulatory requirements, and the business trends. During FY2017, the Board was updated on electronic communication and changes to the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") and the Listing Manual, as well as the disclosure regime for Directors under the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**").

### Principle 2: Board Composition and Guidance

### Board Composition

As of 30 September 2017, the Board comprised 10 non-executive Directors and one executive Director[1]. No alternate directors have been appointed on the Board for FY2017. The current composition of the Board provides an appropriate balance and mix of skills, experience and knowledge relevant to the Group, and is well-diversified in terms of age group, gender and nationality. The Directors of the Company are:

Mr Charoen Sirivadhanabhakdi (Chairman)
Khunying Wanna Sirivadhanabhakdi (Vice-Chairman)
Mr Charles Mak Ming Ying[2]
Mr Chan Heng Wing [3]
Mr Philip Eng Heng Nee[2]
Mr Tan Pheng Hock [1]
Mr Wee Joo Yeow
Mr Weerawong Chittmittrapap
Mr Chotiphat Bijananda
Mr Panote Sirivadhanabhakdi[1] [3]
Mr Sithichai Chaikriangkrai[2]

Notes:

(1) With effect from 1 October 2016, Mr Panote Sirivadhanabhakdi was appointed as the Group Chief Executive Officer, resulting in the composition of the Board of Directors to comprise nine non-executive Directors and one executive Director as of 1 October 2016. Mr Tan Pheng Hock was appointed as a non-executive and independent Director of the Company on 20 March 2017, resulting in the composition of the Board of Directors to comprise 10 non-executive Directors and one executive Director as of 30 September 2017.

(2) Mr Charles Mak Ming Ying, Mr Philip Eng Heng Nee, Mr Wee Joo Yeow and Mr Sithichai Chaikriangkrai were re-appointed to the Board at the annual general meeting held on 24 January 2017.

(3) With effect from 1 October 2016, Mr Panote Sirivadhanabhakdi stepped down as a member of the RC of the Company and Mr Chan Heng Wing, a non-executive Independent Director of the Company, was appointed as a member of the RC in his place.

The current Board comprises six independent directors (the "**Independent Directors**"), namely, Mr Charles Mak Ming Ying, Mr Chan Heng Wing, Mr Philip Eng Heng Nee, Mr Tan Pheng Hock, Mr Wee Joo Yeow and Mr Weerawong Chittmittrapap. Based on declarations of independence made by each of these Independent Directors, none of them has any relationship with the Company, its related corporations[1], the Group's 10% Shareholders[2] or FCL's officers that could interfere, or reasonably be perceived to interfere, with the exercise of each of their independent business judgment with a view to the best interests of the Company. These six Independent Directors will help to uphold good corporate governance at the Board level and their presence will facilitate the exercise of independent and objective judgment on corporate affairs. Their participation and input will also ensure that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, and takes into account the long-term interests of FCL and its Shareholders. As of 30 September 2017, none of the Independent Directors have been on the Board for more than nine years.

Notes:

(1) The Code 2012 defines "related corporations" as having the same meaning under the Companies Act i.e. a corporation that is the company's holding company, subsidiary or fellow subsidiary.

(2) The Code 2012 defines a ten percent (10%) shareholder as a person who has an interest or interests in one or more voting shares in the company and the total votes attached to that share, or those shares, is not less than ten percent (10%) of the total votes attached to all the voting shares in the company.

The NC is of the view that the current size and composition of the Board is appropriate for the scope and nature of the Group's operations, and facilitates effective decision-making. In line with the Code 2012, taking into account the requirements of the Group's businesses and the need to avoid undue disruption from changes to the composition of the Board and the Board Committees, the NC is of the view that the current size of the Board is not so large as to be unwieldy, or as would interfere with efficient decision-making. No individual or group dominates the Board's decision-making process.

The Directors are provided with accurate, complete and timely information and have direct and unrestricted access to Management. This gives the Board and the Board Committees sufficient time to critically evaluate and consider issues relevant to the Company and its businesses and operations, and also allows the Directors to effectively carry out their duties and discharge their oversight function.

As of 1 October 2016, Mr Panote Sirivadhanabhakdi was appointed as the Group Chief Executive Officer of the Company (the "**Group CEO**"). Mr Panote Sirivadhanabhakdi is an immediate family member of the Chairman of the Board. The Company notes that it is in compliance with Guideline 2.2 of the Code 2012, as its Independent Directors make up half of the Board when the Chairman and the Group CEO are immediate family members.

### Board Executive Committee (or EXCO)

The current EXCO is made up of the following members:

| | |
|---|---|
| Mr Charoen Sirivadhanabhakdi(1) | Chairman |
| Mr Charles Mak Ming Ying(1) | Vice-Chairman |
| Mr Chotiphat Bijananda(1) | Vice-Chairman |
| Mr Wee Joo Yeow(2) | Member |
| Mr Panote Sirivadhanabhakdi(1) | Member |
| Mr Sithichai Chaikriangkrai(1) | Member |

Notes:

(1) Mr Charoen Sirivadhanabhakdi, Mr Charles Mak Ming Ying, Mr Chotiphat Bijananda, Mr Panote Sirivadhanabhakdi and Mr Sithichai Chaikriangkrai were appointed to the EXCO on 25 October 2013.

(2) Mr Wee Joo Yeow was appointed to the EXCO on 10 March 2014.

The EXCO provides overall direction as well as oversees the general management of the Company and the Group. The EXCO formulates the Group's strategic development initiatives, provides direction for new investments and material financial and non-financial matters to ensure that the Group achieves its desired performance objectives and enhances long-term shareholder value, and oversees the Company's and the Group's conduct of business and corporate governance structure. It assists the Board in enhancing its business strategies and contributes towards the strengthening of core competencies of the Group.

The EXCO is also empowered to take all possible measures to protect the interests of the Group, review and approve major transactions subject to any specified limits, review and approve corporate values, corporate strategy and corporate objectives, review and approve policies for financial and human resource management, and review both the financial and non-financial performance of the Company and the Group. The EXCO reviews and provides recommendations on matters requiring Board approval, such as country or business strategic matters, business plans, the annual budget, capital structure, investments and divestments. The powers delegated to the EXCO facilitates the decision-making process and allows for quicker response time.

The activities and responsibilities of other Board Committees are described in the following sections of this report.

### Board Diversity

The Board views diversity at the Board level as an essential element for driving value in decision-making and proactively seeks, as part of its diversity policy, to maintain an appropriate balance of expertise, skills and attributes among the Directors. This is reflected in the diversity of backgrounds and competencies of the Directors, whose competencies range from banking, finance, accounting and legal to relevant industry knowledge, entrepreneurial and management experience, and familiarity with regulatory requirements and risk management. This is beneficial to the Company and the Management as decisions by, and discussions with, the Board would be enriched by the broad range of views and perspectives and the breadth of experience of the Directors. The NC is of the view that there is an appropriate balance of expertise and skills amongst the Directors as they collectively bring with them a broad range of complementary competencies and experience.

### Principle 3: Chairman and Chief Executive Officer

As of 1 October 2016, Mr Panote Sirivadhanabhakdi was appointed as the Group CEO. Mr Panote Sirivadhanabhakdi is an immediate family member of the Chairman of the Board. The Company notes that it is in compliance with Guideline 3.3 of the Code 2012 with the appointment of the Lead Independent Director as described below. None of the CEOs of the Group's business divisions and the Group CEO are related to each other, and neither is there any other business relationship between or among them.

The Chairman leads the Board and ensures its effectiveness by, among other things, steering effective, productive and comprehensive discussions amongst Board members and the Management team on strategic, business and other key issues pertinent to the business and operations of the Group. In addition, the Chairman promotes a culture of openness and debate at the Board and ensures, with the support of the company secretary of FCL (the "**Company Secretary**"), that Directors are provided with clear, complete and timely information in order to make sound, informed decisions.

The Chairman encourages active and effective engagement, participation by and contribution from all Directors, and facilitates constructive relations among and between them and the Management. With the full support of the Board, the Company Secretary and the Management, the Chairman supports the Company in its bid to promote, attain and maintain highest standards of corporate governance and transparency. The Chairman also sees to it that there is overall effective communication to and with Shareholders on the performance of the Group. In turn, the CEOs of the Group's business divisions are responsible for executing the Group's strategies and policies, and are accountable to the Board for the conduct and performance of the respective business operations under their charge.

### Lead Independent Director

Mr Charles Mak Ming Ying, who has been an Independent Director of the Company since 25 October 2013, was appointed as Lead Independent Director on 8 May 2015. The Lead Independent Director is available to Shareholders if they have concerns for which contact through the normal channels of the Chairman, the Group CEO and the chief financial officer of the Company (the "**CFO**") is not available.

The Lead Independent Director represents the Independent Directors in responding to Shareholders' questions that are directed to the Independent Directors as a group, and has the authority to call for meetings of the Independent Directors, where necessary and appropriate, and to provide feedback to the Chairman after such meetings.

### Principle 4: Board Membership

### Nominating Committee

The Nominating Committee (or NC) is made up of the following Directors:

| | |
|---|---|
| Mr Weerawong Chittmittrapap | Chairman |
| Mr Charles Mak Ming Ying | Member |
| Mr Chan Heng Wing | Member |
| Mr Chotiphat Bijananda | Member |

A majority of the members of this Board Committee, including the Chairman, are independent non-executive Directors. The Lead Independent Director, Mr Charles Mak Ming Ying, is a member of the NC.

The NC is guided by written Terms of Reference approved by the Board which set out the duties and responsibilities of the NC. The NC's responsibilities include reviewing the structure, size and composition of the Board, identifying the balance of skills, knowledge and experience required for the Board to discharge its responsibilities effectively, and reviews nominations for appointments to the Board of the Company and its subsidiaries.

The NC will assess from time to time the independence of each Director, the performance of the Board as a whole, and the contribution of each Director to the effectiveness of the Board. The NC is also required to determine whether Directors who hold multiple board representations are able to and have been devoting sufficient time to discharge their responsibilities adequately.

### Annual Review of Directors' Time Commitments

The Code 2012 requires listed companies to fix the maximum number of board representations on other listed companies that their directors may hold and to disclose this in their annual report. Details of such directorships and other principal commitments of the Directors may be found on pages 12 to 17.

The NC determines annually whether a Director with other listed company board representations and/or other principal commitments is able to and has been adequately carrying out his duties as a director of the Company. In determining whether each Director is able to devote sufficient time and attention to discharge his or her duties, the NC has taken cognizance of the Code 2012 requirement, but is of the view that its assessment should not be restricted to the number of board representations of each Director – and their respective principal commitments – per se. Holistically, the contributions by the Directors to and during meetings of the Board and relevant Board Committees, the value the Directors bring to the Company when they are involved in other boards, the personal capabilities of the Directors, as well as their attendance at such meetings are also taken into account. The NC is of the view that based on the attendance of Board and Board Committee meetings during the year, all the Directors were able to participate in at least a substantial number of such meetings to carry out their duties. The NC was therefore satisfied that in FY2017, where a Director had other listed company board representations and/or other principal commitments, the Director was able to carry out and had been adequately carrying out his duties as a Director of the Company.

### Process and Criteria for Appointment of New Directors

The NC takes the lead in identifying, evaluating and selecting suitable candidates for new directorships. In its search and selection process, the NC considers factors such as the ability of the prospective candidate to contribute to discussions, deliberations and activities of the Board and Board Committees. It also reviews the composition of the Board – including the mix of expertise, skills and attributes of the Directors – so as to identify needed and/or desired competencies to supplement the Board's existing attributes. Where it deems necessary or appropriate, the NC may tap on its network of contacts and/or engage external professional headhunters to assist with identifying and shortlisting candidates.

### Re-nomination of Directors

The NC also reviews all nominations for appointments and re-appointments to the Board and to the Board Committees, and submits its recommendations for approval by the Board taking into account an appropriate mix of core competencies for the Board to fulfill its roles and responsibilities.

The Company's Constitution provides that at least one-third of its Directors shall retire from office and are subject to re-election at every annual general meeting of the Company ("**AGM**"). All Directors are required to retire from office at least once every three years. The NC will assess and evaluate whether Directors retiring at each AGM are properly qualified for reappointment by virtue of their skills, experience and contributions. Newly-appointed Directors during the year must also submit themselves for retirement and re-election at the next AGM immediately following their appointment. The Shareholders approve the appointment or re-appointment of Board members at the AGM.

### Independence

The NC determines the independence of each Director annually based on the definitions and guidelines of independence set out in the Code 2012. A Director is considered independent if he has no relationship with the Group or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of FCL. The Board takes into account the existence of relationships or circumstances, including those identified by the Code 2012, that are relevant in its determination as to whether a Director is independent. Such relationships or circumstances include the employment of a Director by the Company or any of its related corporations during the financial year in question or in any of the previous three financial years; the acceptance by a Director of any significant compensation from the Company or any of its related corporations for the provision of services during the financial year in question or the previous financial year, other than compensation for board service; and a Director being related to any organisation from which FCL or any of its subsidiaries received significant payments or material services during the financial year in question or the previous financial year.

For FY2017, the NC has performed a review of the independence of the Directors as at 30 September 2017 and following its assessment, has determined the status of each Director as follows:

| | |
|---|---|
| Mr Charoen Sirivadhanabhakdi[(1)] | Non-Independent |
| Khunying Wanna Sirivadhanabhakdi[(1)] | Non-Independent |
| Mr Charles Mak Ming Ying | Independent |
| Mr Chan Heng Wing | Independent |
| Mr Philip Eng Heng Nee | Independent |
| Mr Tan Pheng Hock[(2)] | Independent |
| Mr Wee Joo Yeow | Independent |
| Mr Weerawong Chittmittrapap | Independent |
| Mr Chotiphat Bijananda[(3)] | Non-Independent |
| Mr Panote Sirivadhanabhakdi[(4)] | Non-Independent |
| Mr Sithichai Chaikriangkrai[(5)] | Non-Independent |

Notes:

(1) Each of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi are directly or indirectly interested in not less than ten percent (10%) of the total voting shares in the Company through their interests in TCC Assets Limited ("**TCCA**") and Thai Beverage Public Company Limited ("**ThaiBev**"). TCCA has a direct interest of 59.07% in the Company and ThaiBev, through its indirect wholly-owned subsidiary InterBev Investment Limited, holds 28.39% interest in the Company. Mr Charoen Sirivadhanabhakdi is married to Khunying Wanna Sirivadhanabhakdi

(2) Mr Tan Pheng Hock was appointed as a non-executive and independent Director of the Company on 20 March 2017.

(3) Mr Chotiphat Bijananda is the son-in-law of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi and a director of TCCA.

(4) Mr Panote Sirivadhanabhakdi being a son of Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is an immediate family member of a ten percent (10%) shareholder of the Company.

(5) Mr Sithichai Chaikriangkrai is a director, the senior executive vice president and the chief financial officer of ThaiBev.

### Key Information regarding Directors

Key information on the Directors is set out on pages 12 to 17.

### Principle 5: Board Performance

The effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board is assessed annually.

All Directors are required to assess the performance of the Board and the Board Committees. The assessment covers areas such as Board processes, managing the Company's performance, effectiveness of the Board and Board Committees, and Director development.

The Board has implemented formal processes for assessing the effectiveness of the Board and its Board Committees, the contribution by each individual Director to the effectiveness of the Board, as well as the effectiveness of the Chairman of the Board. To ensure that the assessments are done fairly, the Board appoints an independent third party to facilitate the process of conducting a Board assessment survey from time to time. Ernst & Young Advisory Pte. Ltd. has been appointed this year. The Board assessment survey is designed to provide an evaluation of current effectiveness of the Board and to support the Chairman and the Board to proactively consider what can enhance the readiness of the Board to address emerging strategic priorities for the Group. As part of the survey, the Directors would be requested to complete an evaluation questionnaire which includes questions on (1) how the Board plays an effective role and adds value on critical issues, (2) how the Board operates to deliver impact and value, and (3) the evaluation of Board Committees. In particular, the survey will look at the Board's performance in shaping and adapting strategy, risk and crisis management, overseeing the Group's performance, CEO performance and succession management and stakeholder communications, as well as areas such as strategic plans and directions, Board composition and structure, the Board's partnership with the Management and efficiency of Board processes.

In addition to the survey, the contributions and performance of each Director would be assessed by the NC as part of its periodic reviews of the composition of the Board and the various Board Committees. In the process, the NC will identify areas for improving the effectiveness of the Board and the Board Committees. Based on the NC's review, the Board and the various Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

### Principle 6: Access to Information

FCL recognises the importance of providing the Board with accurate and relevant information on a timely basis. The Management provides the Board with detailed Board papers specifying relevant information and commercial rationale for each proposal for which Board approval is sought. Such information includes relevant financial forecasts, risk analyses and assessments, mitigation strategies, feasibility studies and key commercial issues for the Board's attention and consideration. Reports on major operational matters, business development activities, financial performance, potential investment opportunities and budgets are circulated to the Board periodically.

A calendar of activities is scheduled for the Board a year in advance, with Board papers and agenda items dispatched to the Directors about a week before scheduled meetings as far as possible. This is to give Directors sufficient time to review and consider the matters being tabled and/or discussed so that discussions can be more meaningful and productive. Senior Management from the Company's business divisions is requested to attend meetings of the Board and the Board Committees in order to provide input and insight into matters being discussed, and to respond to any queries that the Directors may have. The Board also has separate and independent access to the Company's senior Management and the Company Secretary.

The Company Secretary is responsible for, among other things, ensuring that Board procedures, the Company's Constitution and relevant rules and regulations, including requirements of the SFA, Companies Act and the SGX-ST Listing Manual are complied with. The Company Secretary attends all Board meetings, and provides advice and guidance on corporate governance, practices and processes with a view to enhancing long-term shareholder value.

The Company Secretary also facilitates and acts as a channel of communication for the smooth flow of information to and within the Board and its various Board Committees, as well as between and with senior Management. Additionally, the Company Secretary solicits and consolidates Directors' feedback and evaluation from time to time, and arranges for and facilitates orientation programmes for new Directors and assists with their professional development as required. The Company Secretary is the Company's primary channel of communication with SGX-ST. The appointment and removal of the Company Secretary is subject to the approval of the Board.

Where it is necessary for the efficacious discharge of their duties, the Directors may seek and obtain independent professional advice at the Company's expense.

## B. REMUNERATION MATTERS

### Principle 7: Procedures for Developing Remuneration Policies

### Remuneration Committee

As at 30 September 2017, the Remuneration Committee (or RC) is made up of non-executive Directors, all of whom, including the Chairman, are Independent Directors. It comprises the following members:

| | |
|---|---|
| Mr Philip Eng Heng Nee | Chairman |
| Mr Charles Mak Ming Ying | Member |
| Mr Chan Heng Wing [1] | Member |

Note:

[1] With effect from 1 October 2016, Mr Panote Sirivadhanabhakdi stepped down as a member of the RC of the Company and Mr Chan Heng Wing, a non-executive Independent Director of the Company, was appointed as a member of the RC in his place.

The RC's main responsibility is to assist the Board in establishing a formal and transparent process for developing policies on executive remuneration and development. The RC reviews the remuneration framework for the non-executive Directors, the Group CEO, key management executives (such as the CEOs of the strategic business units ("**SBUs**") of the Company) (the "**Key Management Executives**") and other management personnel of the Company. The RC also reviews and makes recommendations on the specific packages and service terms for Group CEO and Key Management Executives for endorsement by the Board.

### Remuneration Framework

The RC reviews, for endorsement by the Board, the remuneration framework which covers all aspects of remuneration including salaries, allowances, performance bonuses, grant of share awards and incentives for the Group CEO and the Key Management Executives of the Company and fees for the non-executive Directors. When conducting such reviews, the RC takes into account the performance of the Company and individuals, where applicable. The RC also reviews the level and mix of remuneration and benefits, policies and practices (where appropriate) of the Company.

No Director is involved in deciding his/her remuneration. Non-executive Directors do not receive options, share-based incentives or bonuses. Mr Panote Sirivadhanabhakdi, the Group CEO and an executive Director, does not receive any fee for serving on the Board and Board Committees. As he is also an associate of a substantial shareholder, he does not participate in the Group's share-based Restricted Share Plan ("**RSP**") and Performance Share Plan ("**PSP**"). The Group CEO's long term incentive is based on similar performance targets, performance periods and achievement factors to the RSP and the PSP. Non-independent Directors will also abstain from any decisions relating to the Group CEO's remuneration.

The RC aligns the Group CEO's leadership, through appropriate remuneration and benefits policies, with the Company's strategic objectives and key challenges. Performance targets will also be set for the Group CEO and his performance evaluated yearly.

In the process of reviewing the remuneration framework, the RC also takes into consideration the Group's Compensation Philosophy and Principles.

### Compensation Philosophy

The Group seeks to incentivise and reward consistent and sustained performance through market competitive, internally equitable, performance-orientated and shareholder-aligned compensation programmes. This compensation philosophy serves as the foundation for the Group's remuneration framework, and guides the Group's remuneration framework and strategies. In addition, the Group's compensation philosophy seeks to align the aspirations and interests of its employees with the interests of the Group and its shareholders, resulting in the sharing of rewards for both employees and shareholders on a sustained basis.

The Group's comprehensive human capital strategy serves to attract, motivate and retain employees. The Group aims to connect employees' desire to develop and fulfil their aspirations with the growth opportunities afforded by the Group's ambitious vision and corporate initiatives.

### Compensation Principles

All compensation programme design, determination and administration are guided by the following principles:

#### (a) Pay for Performance

The Group's Pay-for-Performance principle encourages excellence, in a manner consistent with the Group's core values. The Group takes a total compensation approach, which recognises the value and responsibility of each role, and differentiates and rewards performance through its incentive plans.

#### (b) Shareholder Returns

Performance measures for incentives are established to drive initiatives and activities that are aligned with both short-term value creation and long-term shareholder wealth creation, thus ensuring a focus on delivering superior shareholder returns.

#### (c) Sustainable Performance

The Group believes sustained success depends on the balanced pursuit and consistent achievement of short and long-term goals. Hence, variable incentives incorporate a significant pay-at-risk element to align employees with sustainable performance for the Group.

(d) **Market Competitiveness**

The Group aims to be market competitive by benchmarking its compensation levels with relevant comparators accordingly.

However, the Group embraces a holistic view of employee engagement that extends beyond monetary rewards. Recognising each individual as unique, the Group seeks to motivate and develop employees through all the levers available to the Group through its comprehensive human capital platform, including learning and development and career advancement through vertical, lateral and diagonal moves within the Group.

The RC may from time to time, and where necessary or required, engage external consultants in framing the remuneration policy and determining the level and mix of remuneration for Directors and the Management. Among other things, this helps the Company to stay competitive in its remuneration packages. During FY2017, Hay Group was appointed as the Company's remuneration consultant. The Company does not have any relationship with the remuneration consultant which would affect their independence and objectivity.

### Principle 8: Level and Mix of Remuneration

The Company's remuneration framework comprises fixed and variable components, which include short-term and long-term incentives. The Company links executive remuneration to company and individual performance. Company performance is measured based on pre-set financial and non-financial indicators. Individual performance is measured via employee's annual appraisal based on indicators such as core values, competencies and key result areas. The potential of the employee is also taken into consideration.

### Fixed Component

The fixed component in the Company's remuneration framework is structured to reward employees for their role performed, and is benchmarked against relevant industry market data.

It comprises base salary, fixed allowances and any statutory contribution.

### Variable Component

The variable component in the Company's remuneration framework is structured to incentivise sustained performance in both the short and long term. The variable incentives are measured based on quantitative and qualitative targets and overall performance will be determined at the end of the year and approved by the RC.

1. **Short Term Incentive Plans**

The short term incentive plans ("**STI Plans**") aim to incentivise excellence in performance in the short term.

All Key Management Executives are assessed using a balanced scorecard with pre-agreed financial and non-financial Key Performance Indicators ("**KPIs**"). The financial KPIs consist of Group and, where applicable, SBU targets. Each financial KPI has 3 levels of targets, namely threshold, target and stretch. Non-financial KPIs may include measures on People, Corporate Governance, etc. These targets are established prior to each financial year.

At the end of the financial year, the achievements are measured against the pre-agreed targets and the final short term incentives of each Key Management Executive are determined.

The RC has absolute discretion to decide on the final short term incentives that are awarded, taking into consideration any other relevant circumstances.

### 2. Long Term Incentive Plans

The RC administers the Company's long term incentive plans ("**LTI Plans**"), namely, the RSP and the PSP[1].

Note:

(1) The RSP and PSP were approved by the Board and adopted on 25 October 2013.

Through the LTI Plans, the Company seeks to foster a greater ownership culture within the Group by aligning more directly the interests of Group CEO, Key Management Executives and senior executives with the interest of the Shareholders, and for such employees to participate and share in the Group's growth and success.

The RSP is available to a broader base of senior executives compared to the PSP. Its objectives are to increase the Company's flexibility and effectiveness in its continuing efforts to attract, motivate and retain talented senior executives and to reward these executives for the future performance of the Company. The PSP applies to senior Management in key positions who shoulder the responsibility of the Company's future performance and who are able to drive the growth of the Company through superior performance. They serve as further motivation to the participants in striving for excellence and delivering long-term shareholder value.

Under the RSP and the PSP, the Company grants share-based awards ("**Base Awards**") with pre-determined performance targets being set over the relevant performance period. The performance period for the RSP and PSP are two years and three years respectively. For the RSP, the pre-set targets are Attributable Profit Before Fair Value Adjustment and Exceptional Items and Return on Capital Employed. For the PSP, the pre-set targets are Return on Invested Capital, Total Shareholders' Return Relative to FTSE ST Real Estate Index and Absolute Shareholders' Return as a multiple of Cost of Equity.

The RSP and PSP awards represent the right to receive fully paid shares, their equivalent cash value or a combination thereof, free of charge, provided certain prescribed performance conditions are met. The final number of shares to be released ("**Final Awards**") will depend on the achievement of the pre-determined targets at the end of the performance period. If such targets are exceeded, more shares than the Base Awards can be delivered, subject to a maximum multiplier of the Base Awards.

The maximum number of Company shares which can be released, when aggregated with the number of new shares issued pursuant to the vesting of awards under the RSP and the PSP will not exceed ten percent (10%) in aggregate of the issued share capital of the Company over the life of the RSP and the PSP of ten years respectively.

Participants holding key positions are required to hold a minimum number of the shares released to them under the RSP and PSP to maintain a beneficial ownership stake in the Company for the duration of their employment or tenure with the Company.

The RC has absolute discretion to decide on the Final Awards, taking into consideration any other relevant circumstances.

### Policy in Respect of Non-Executive Directors' Remuneration

The remuneration of non-executive Directors takes into account their level of contribution and their respective responsibilities, being their attendance at Board meetings and Board Committee meetings. No Director decides his own fees. The Company engages consultants to review Directors' fees for benchmarking such fees against the amounts paid by listed industry peers. Each non-executive Director's remuneration comprises a basic fee, attendance fee and, if the Director is required to travel out of his/her country of residence to attend meetings or events or for any other purpose of the Company, travel allowance. In addition, non-executive Directors who perform additional services in Board Committees are paid an additional fee for such services. The Chairman of each Board Committee is also paid a higher fee compared with the members of the respective Board Committees in view of the greater responsibility carried by that office.

The aggregate Directors' fees for non-executive Directors is subject to Shareholders' approval at the AGM. The Chairman and the non-executive Directors will abstain from voting, and will procure their respective associates to abstain from voting in respect of this resolution.

### Remuneration Policy in Respect of Executive Directors and Other Key Management Executives

The Company advocates a performance-based remuneration system that is highly flexible and responsive to the market, which also takes into account the Company's performance and that of its employees. In designing the compensation structure, the RC seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between current versus long-term compensation and between cash versus equity incentive compensation. Executives who have a greater ability to influence Group outcomes have a greater proportion of overall reward at risk. The RC exercises broad discretion and independent judgment in ensuring that the amount and mix of compensation are aligned with the interests of the Shareholders and promote the long-term success of the Company.

### Performance Indicators for Key Management Executives

As set out above, the Company's variable remuneration comprises short-term and long-term incentives, taking into account both individual and Company's performance. In determining the short-term incentives, both Group and SBU's financial and non-financial performance as per the balanced scorecard are taken into consideration. This is to ensure employees' remuneration are linked to performance.

In relation to long term incentives, the Company has implemented the RSP and the PSP as set out above. The release of long term incentive awards to the Key Management Executives are conditional upon performance targets being met. The performance targets of Attributable Profit Before Fair Value Adjustment and Exceptional Items and Return on Capital Employed (in the case of the RSP) and Return on Invested Capital, Total Shareholders' Return Relative to FTSE ST Real Estate Index and Absolute Shareholders' Return as a multiple of Cost of Equity (in the case of the PSP) align the interests of the Key Management Executives with the long-term growth and performance of the Company. For FY2017, all of the pre-determined target performance levels for the RSP and the PSP grants were met.

Currently, the Company does not have claw-back provisions which allow it to reclaim incentive components of remuneration from its Key Management Executives in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss.

### Principle 9: Disclosure on Remuneration

### Remuneration of Directors and Top Five Key Management Executives

Information on the remuneration of Directors of the Company and Key Management Executives of the Group for FY2017 are set out below.

| Directors of the Company | Remuneration $ |
|---|---|
| Mr Charoen Sirivadhanabhakdi | -[1] |
| Khunying Wanna Sirivadhanabhakdi | -[1] |
| Mr Charles Mak Ming Ying | 273,500 |
| Mr Chan Heng Wing | 151,500 |
| Mr Philip Eng Heng Nee | 161,000[2] |
| Mr Tan Pheng Hock | 44,419[3] |
| Mr Wee Joo Yeow | 159,500 |
| Mr Weerawong Chittmittrapap | 143,500 |
| Mr Chotiphat Bijananda | 187,500 |
| Mr Panote Sirivadhanabhakdi | -[4] |
| Mr Sithichai Chaikriangkrai | 184,500 |

Notes:

[1] Mr Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi waived payment of Directors' fees due to them.

[2] Excludes $119,000 and $105,217 being payment of directors' fees from FCL's subsidiaries, Frasers Centrepoint Asset Management Ltd and Frasers Property Australia Pty Ltd respectively.

[3] Mr Tan Pheng Hock was appointed as a non-executive and independent Director of the Company on 20 March 2017.

[4] Mr Panote Sirivadhanabhakdi, the Group CEO, who is an executive Director, is not paid Director's fees.

| Remuneration of Group CEO for FY2017 | Remuneration ($) | Salary % | Bonus % | Allowances & Benefits % | Long Term Incentives[1] % | Total % |
|---|---|---|---|---|---|---|
| Mr Panote Sirivadhanabhakdi | 3,178,583 | 29 | 35 | 10 | 26[2] | 100 |

| Remuneration of Key Management Executives for FY2017 | Salary % | Bonus % | Allowances & Benefits % | Long Term Incentives[1] % | Total % |
|---|---|---|---|---|---|
| Between $3,000,001 and $3,250,000 | | | | | |
| Mr Rodney Fehring | 38 | 42 | 3 | 17 | 100 |
| Between $1,250,001 and $1,500,000 | | | | | |
| Mr Christopher Tang Kok Kai | 44 | 29 | 5 | 22 | 100 |
| Mr Chia Khong Shoong | 42 | 27 | 5 | 26 | 100 |
| Between $1,000,001 and $1,250,000 | | | | | |
| Mr Choe Peng Sum | 46 | 21 | 6 | 27 | 100 |
| Mr Uten Lohachitpitaks | 41 | 30 | 4 | 25 | 100 |
| **Aggregate Total Remuneration:** | | | | | **$8,134,459** |

Notes:

[1] The value of Long Term Incentives was calculated based on the closing share price of $1.55 on 21 December 2016.

[2] The Long Term Incentives for Mr Panote Sirivadhanabhakdi will be paid in the form of cash based on similar performance targets, performance periods and achievement factors to the RSP and the PSP.

There are no existing or proposed service agreements entered into or to be entered into by the Company or any of its subsidiaries with Directors, the Group CEO or other Key Management Executives which provide for compensation in the form of stock options, or pension, retirement or other similar benefits, or other benefits, upon termination of employment.

The Company has not disclosed exact details of the remuneration of each Key Management Executive due to the highly competitive human resource environment and the confidential nature of staff remuneration matters.

As at 30 September 2017, save for Mr Panote Sirivadhanabhakdi, the Group CEO, there are no employees within the Group who is an immediate family member of a Director or the Group CEO, and whose remuneration exceeds $50,000 during the year. Mr Panote Sirivadhanabhakdi is an immediate family member of the Chairman of the Board.

### Directors' Fees

The Company's Board fee structure for FY2017 is as set out below.

| | Basic Fee ($) | Attendance Fee (for physical attendance in Singapore or home country of Director) ($) | Attendance Fee (for physical attendance outside Singapore (excluding home country of Director)) ($) | Attendance Fee (for attendance via tele / video conference) ($) |
|---|---|---|---|---|
| **Board** | | | | |
| - Chairman | 150,000 | 3,000 | 4,500 per trip | 1,000 |
| - Lead Independent Director | 95,000 | 1,500 | 4,500 per trip | 1,000 |
| - Member | 75,000 | 1,500 | 4,500 per trip | 1,000 |
| **Audit Committee and Board EXCO** | | | | |
| - Chairman | 55,000 | 3,000 | 4,500 per trip | 1,000 |
| - Member | 30,000 | 1,500 | 4,500 per trip | 1,000 |
| **Nominating Committee, Remuneration Committee and Risk Management Committee** | | | | |
| - Chairman | 35,000 | 3,000 | 4,500 per trip | 1,000 |
| - Member | 20,000 | 1,500 | 4,500 per trip | 1,000 |

Shareholders' approval has been obtained at the AGM of the Company on 24 January 2017, for the payment of the Directors' fees for FY2017 amounting up to $2,000,0000.

## C. ACCOUNTABILITY AND AUDIT

### Principle 10: Accountability

The Board is responsible for providing a balanced and understandable assessment of the Company's and Group's performance, position and prospects, including interim and other price sensitive public reports, and reports to regulators (if required).

The Company prepares its financial statements in accordance with the Singapore Financial Reporting Standards prescribed by the Accounting Standards Council. The Board provides Shareholders with quarterly and annual financial reports, and releases its quarterly and full year financial results, other price sensitive information and material corporate developments through announcements to the SGX-ST and, where appropriate, press releases, the Company's website and media and analysts' briefings. In communicating and disseminating its results, the Company aims to present a balanced and clear assessment of the Group's performance, position and prospects.

In order to enable the Board to obtain a timely and informed assessment of the Company's position, the Board has assessed and requested that the Management furnish accounts to it on a quarterly basis, with monthly management accounts to be provided as the Board may request from time to time. Such reports keep the Board members informed of the Company's and the Group's performance, position and prospects.

### Principle 11: Risk Management and Internal Controls

The Board is responsible for governing risks and ensuring that the Management maintains a sound system of risk management and internal controls. The Company maintains a sound system of risk management and internal controls with a view to safeguard its assets and Shareholders' interests.

The AC, with the assistance of internal and external auditors, reviews and reports to the Board on the adequacy and effectiveness of the Company's system of controls, including financial, operational and compliance controls and information technology, established by the Management. In assessing the effectiveness of internal controls, the AC ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

The importance and emphasis placed by the Group on internal controls is underpinned by the fact that the key performance indicators for the Management's performance takes into account the findings of the internal auditors and the number of unresolved or outstanding issues raised in the process.

### Risk Management Committee

The Board, through the RMC, reviews the adequacy and effectiveness of the Group's risk management framework and systems to ensure that robust risk management and mitigating controls are in place.

The RMC oversees the risk management framework and policies of the Group. It is responsible for, among other things, reviewing the Group's risk management strategy, policies, enterprise-wide risk management framework, processes and procedures for identifying, measuring, reporting and mitigating key risks in the Group's businesses and operations. In this regard, key risks and the associated mitigating controls are reported to the Board. Together with the AC, the RMC helps to ensure that the Management maintains a sound system of risk management and internal controls to safeguard the interests of Shareholders and the assets of the Group. Through guidance to and discussions with the Management, it assists the Board in its determination of the nature and extent of significant risks which the Board is willing to take in achieving the Group's strategic objectives. The meetings of the RMC are attended by the senior Management of the Group. The meetings serve as a forum to review and discuss material risks and exposures of the Group's businesses and strategies to mitigate risks.

The RMC comprises the following members:

| | |
|---|---|
| Mr Chotiphat Bijananda | Chairman |
| Mr Charles Mak Ming Ying | Member |
| Mr Chan Heng Wing | Member |
| Mr Weerawong Chittmittrapap | Member |
| Mr Panote Sirivadhanabhakdi[1] | Member |
| Mr Sithichai Chaikriangkrai | Member |

Note:

(1) As of 1 October 2016, Mr Panote Sirivadhanabhakdi was appointed as the Group CEO, resulting in the composition of the RMC to comprise five non-executive Directors and one executive Director as of 1 October 2016.

As of 30 September 2017, five out of the six members of the RMC are non-executive Directors, and the RMC comprises three Independent Directors.

### Risk Management, Risk Tolerance and Internal Controls

Assisted by the RMC, the Board determines the risk appetite, assesses the Group's risk profile, material risks, and mitigation plan, and provides valuable advice to the Management in formulating the risk management framework, policies and guidelines, and oversees the Management in the implementation of the risk management and internal control systems.

The Company has adopted an enterprise-wide risk management framework ("**ERM Framework**") to enhance its risk management capabilities. The Board is assisted by the RMC to oversee the Group's ERM Framework. Key risks, mitigating measures and management actions are continually identified, reviewed and monitored as part of the ERM Framework. Where applicable, financial and operational key risk indicators are put in place to track key risk exposures. Apart from the ERM Framework, key business risks are thoroughly assessed by the Management and each significant transaction is comprehensively analysed so that Management understands the risks involved before it is embarked upon. An outline of the Group's ERM Framework is set out on pages 130 to 132.

Periodic updates are provided to the RMC on the Group's risk profile. These updates include assessments of the Group's key risks by major business units, risk categories, and the risk status and changes in plans undertaken by the Management to manage key risks, as well as risk tolerance status.

The Group's risk tolerance statements have been developed by the Management, and approved by the RMC on behalf of the Board. The risk tolerance statements set out the nature and extent of the significant risks that the Group is willing to take in achieving its strategic objectives. The accompanying risk tolerance thresholds, which set the risk boundaries in various strategic and operational areas, are reviewed and monitored closely by the Management, and reported to the RMC.

To assist the Company to ascertain the adequacy and effectiveness of the Group's internal controls, the Management implements a control self-assessment exercise and maps out key risks with the existing assurance processes in a comfort matrix every year. The Management carries out control self-assessment in key areas of their respective businesses and operations to evaluate their internal controls status. Using a comfort matrix of key risks, the material financial, compliance and operational (including information technology) risks of the Company have been documented by the business and operational units and presented against strategies, policies, people, processes, systems, mechanisms and reporting processes that have been put in place.

The heads of business units are required to provide the Company with written assurances as to the adequacy and effectiveness of their system of internal controls and risk management. Assurances are also sought from the Company's internal auditors based on their independent assessments.

The Board has received assurance from the Group CEO and the CFO of the Company that as at 30 September 2017, (a) the financial records of the Group have been properly maintained and the financial statements for FY2017 give a true and fair view of the Group's operations and finances; (b) the system of internal controls in place for the Group is adequate and effective as at 30 September 2017 to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations; and (c) the risk management system in place for the Group is adequate and effective as at 30 September 2017 to address risks which the Group considers relevant and material to its operations.

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, reviews performed by the Management and various Board Committees and assurance from the Group CEO and the CFO, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls were adequate and effective as at 30 September 2017 to address financial, operational, compliance and information technology risks, which the Group considers relevant and material to its operations.

Based on the risk management framework established and assurance from the Group CEO and the CFO, the Board is of the view that the Group's risk management system was adequate and effective as at 30 September 2017 to address risks which the Group considers relevant and material to its operations.

The Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

### Principle 12: Audit Committee

#### Audit Committee

The AC, on behalf of the Board, undertakes the monitoring and review of the system of internal controls. Its main responsibilities are to assist the Board in the discharge of its oversight responsibilities in the areas of internal controls, financial and accounting practices, operational and compliance controls. Significant findings are reported to the Board.

The AC is guided by written Terms of Reference endorsed by the Board and which set out its duties and responsibilities. It is duly authorised to investigate any matter within such Terms of Reference, and has full access to and the co-operation of the Management, as well as the full discretion to invite any Director or executive officer to attend its meetings. Under the Terms of Reference of the AC, a former partner or director of the Company's existing auditing firm or auditing corporation shall not act as a member of the AC (a) within a period of 12 months commencing on the date of his ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case (b) for so long as he has any financial interest in the auditing firm or auditing corporation.

The AC comprises the following members:

| | |
|---|---|
| Mr Charles Mak Ming Ying | Chairman |
| Mr Philip Eng Heng Nee | Member |
| Mr Wee Joo Yeow | Member |
| Mr Sithichai Chaikriangkrai | Member |

The AC is made up of non-executive Directors, the majority of whom, including the Chairman, are Independent Directors. The members of the AC are appropriately qualified. Mr Philip Eng Heng Nee and Mr Sithichai Chaikriangkrai have recent and relevant accounting and related financial management expertise, and Mr Wee Joo Yeow has in-depth knowledge of the responsibilities of the AC and practical experience and knowledge of the issues and considerations affecting the AC. Their collective wealth of experience and expertise enables them to discharge their responsibilities competently. The Company also has committed reasonable resources to enable the AC to discharge its functions effectively.

During the year, the key activities of the AC included the following:

- reviewing the quarterly and full-year financial results and related SGX-ST announcements, including the independent auditors' report, significant financial reporting issues and assessments, to safeguard the integrity in financial reporting, and to ensure compliance with the requirements of the Singapore Financial Reporting Standards;
- recommending, for the approval of the Board, the quarterly and annual financial results and related SGX-ST announcements;
- reviewing and evaluating with internal and external auditors, the adequacy and effectiveness of internal control systems, including financial, operational, information technology and compliance controls;
- reviewing and approving the internal and external audit plans to ensure the adequacy of the audit scope;

- reviewing with internal and external auditors, the audit reports and their recommendations, and monitoring the timely and proper implementation of any required corrective or improvement measures;
- reviewing the adequacy and effectiveness of the Group's internal audit function, including the adequacy of internal audit resources and its appropriate standing within the Group; and
- reviewing whistle-blowing investigations within the Group and ensuring appropriate follow-up actions, if required.

The AC also meets with internal and external auditors without the presence of the Management at least once a year to obtain feedback on the competency and adequacy of the finance function and to ascertain if there are any material weaknesses or control deficiencies in the Group's financial reporting and operational systems, and at least one of these meetings was conducted without the presence of the Management. In addition, periodic updates on changes in accounting standards and treatment are prepared by external auditors and circulated to members of the AC so that they are kept abreast of such changes and its corresponding impact on the financial statements, if any.

In the review of the financial statements for FY2017, the AC have discussed the following key audit matters identified by the external auditors with Management:

| **Key audit matter** | **Review by the AC** |
|---|---|
| Valuation of development properties for sale | The AC considered the methodology applied to the valuation of development properties held for sale, focusing on development projects in markets faced with challenging conditions or, with slower than expected sales. Where appropriate, the AC had inquired of the Management on its basis and its strategy to sell the unsold units.<br><br>The AC has also considered the findings of the external auditors on the Management's assessment of the net realisable value of these development projects.<br><br>The AC was satisfied with the approach and assessment adopted by the Management in arriving at the net realisable value of the development projects as at 30 September 2017. |
| Valuation of investment properties | The AC considered the methodologies and key assumptions applied by the valuers in arriving at the valuation of the properties.<br><br>The AC reviewed the outputs from the year-end valuation process of the Group's investment properties and discussed the details of the valuation with the Management, focusing on significant changes in fair value measurements and key drivers of the changes.<br><br>The AC considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies and the underlying key assumptions applied in the valuation of investment properties.<br><br>The AC was satisfied with the valuation process, the methodologies used and the valuation for investment properties as adopted as at 30 September 2017. |

| Key audit matter | Review by the AC |
|---|---|
| Recoverability of intangible assets | The AC considered the methodologies and key assumptions applied by the Management for its annual impairment tests of the Group's intangible assets.<br><br>The AC also considered the external auditors' findings on the Management's estimates of the recoverable amounts supporting the intangible assets, the methodologies applied and key assumptions used. Where applicable, the AC was briefed on the sensitivity of the key assumptions on the available headroom.<br><br>The AC was satisfied with the methodologies and key assumptions used in supporting the Management's assessment of the carrying value of the intangible assets as at 30 September 2017. |
| Significant business acquisitions | The AC considered the Management's use of independent valuation specialists to assist the Management in arriving at its purchase price allocation ("**PPA**") assessments. The PPA assessments involved the use of valuation methodologies and certain assumptions to derive the fair value estimates of identified assets and liabilities and the resulting goodwill, if any.<br><br>The AC also considered the findings of the external auditors on the PPA assessments performed by the Management.<br><br>The AC was satisfied that the PPA exercise was conducted appropriately and the methodologies used and the amounts adopted in the financial statements were appropriate. |

### External Auditors

The AC makes recommendations to the Board for approval by Shareholders, the appointment and re-appointment and removal of the Company's external auditors. The external auditors hold office until their removal or resignation. The AC assesses the external auditors based on factors such as the performance and quality of its audit and the independence of the auditors, and recommends its appointment to the Board. In the AGM held on 24 January 2017, KPMG LLP was reappointed by Shareholders as the external auditors of the Company for FY2017. Pursuant to the requirements of the SGX-ST, an audit partner may only be in charge of a maximum of five consecutive annual audits and may then return after two years. KPMG LLP has met this requirement, and the current KPMG LLP audit partner for the Group has been appointed since the AGM held on 29 January 2016.

None of the members of the AC were previous partners or directors of the Company's auditors KPMG LLP and none of the members of the AC hold any financial interest in the Company's auditors, KPMG LLP.

During the year, the AC conducted a review of the scope and results of audit by the external auditors and its cost effectiveness, as well as the independence and objectivity of the auditors. It also reviewed all non-audit services provided by the external auditors, and the aggregate amount of audit fees paid to them. For details of fees payable to the external auditors in respect of audit and non-audit services for FY2017, please refer to Note 4 of the Notes to the Financial Statements on page 215. The AC is satisfied that neither their independence nor their objectivity is put at risk, and that they are still able to meet the audit requirements and statutory obligations of the Company. It is also satisfied with the aggregate amount of audit fees paid to the external auditors.

The Company has complied with Rule 712 of the Listing Manual which requires, amongst others, that a suitable auditing firm should be appointed by the Company having regard to these factors. The Company has also complied with Rule 715 of the Listing Manual which requires that the same auditing firm of the Company based in Singapore audits its Singapore-incorporated subsidiaries and significant associated companies, and that a suitable auditing firm be engaged for its significant foreign-incorporated subsidiaries and associated companies.

### Whistle-Blowing Policy

In line with the Company's commitment to high standards of integrity, transparency and accountability to safeguard shareholders' interests and the Company's assets and reputation, the Company has in place a Whistle-Blowing Policy. This Policy provides an independent feedback channel through which matters of concern about possible improprieties in matters of financial reporting, suspected fraud and corruption or other matters may be raised by employees and any other persons in confidence and in good faith, without fear of reprisal. The improprieties that are reportable under the Whistle-Blowing Policy include:

(a) financial or professional misconduct;
(b) improper conduct, dishonest or unethical behaviour, or violence at the workplace;
(c) any irregularity or non-compliance with laws/regulations, and/or internal control;
(d) conflicts of interest;
(e) health/ safety of any individual; and
(f) any other improprieties or matters that may adversely affect Shareholders' interest in, and assets of, the Company and its reputation.

The Whistle-Blowing Policy is covered during staff training and periodic communication. All whistle-blowing complaints which are raised are independently investigated and appropriate actions taken by an independent investigation committee as appropriate, and the outcome of each investigation is reported to the AC. The AC reviews and ensures that independent investigations and any appropriate follow-up actions are carried out.

### Principle 13: Internal Audit

The FCL Group Internal Audit ("**IA**") Department is responsible for conducting objective and independent assessments on the adequacy and quality of the Group's system of internal controls, risk management and governance practices. For FY2017, the Head of the FCL Group IA reports directly to the Chairman of the AC and administratively, to the Group CEO.

For FY2017, in performing IA services, the FCL Group IA adopted and complied with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors, Inc. FCL Group IA comprises 20 professional staff. The Head of the FCL Group IA and the Singapore-based FCL Group IA staff are members of The Institute of Internal Auditors, Singapore. To ensure that the internal audit activities are effectively performed, the FCL Group IA recruits and employs suitably qualified staff with the requisite skills and experience. Such staff are given relevant training and development opportunities to update their technical knowledge and auditing skills. All staff members of the FCL Group IA also received relevant technical training and attended seminars organised by The Institute of Internal Auditors, Singapore or other professional bodies.

The FCL Group IA operates within the framework stated in a set of terms of reference as contained in the Internal Audit Charter approved by the AC. The AC is responsible for the hiring, removal, evaluation and compensation of the head of the IA function. The IA function adopted a risk-based audit methodology to develop its audit plans, and its activities were aligned to key risks of the Group. The results of the risk assessments determined the level of focus and the review intervals for the various activities audited.

During FY2017, the FCL Group IA conducted its audit reviews based on internal audit plans approved by the AC. The FCL Group IA has unfettered access to all the Group companies' documents, records, properties and personnel, including the AC members. All audit reports detailing audit findings and recommendations are provided to the Management who would respond on the actions to be taken.

Each quarter, the FCL Group IA would submit quarterly reports to the AC on the status of the audit plans and on audit findings and actions taken by the Management on such findings. Key findings are highlighted at AC meetings for discussion and follow-up action. The AC monitors the timely and proper implementation of the appropriate follow-up measures to be undertaken by the Management.

The AC is satisfied that the FCL Group IA has adequate resources and appropriate standing within the Group to perform its functions effectively.

## D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

### Principle 14: Shareholder Rights

FCL believes in treating all Shareholders fairly and equitably. It is committed to keeping all Shareholders and other stakeholders and analysts in Singapore and beyond, informed of its corporate activities, including changes (if any) in the Company or its businesses which are likely to materially affect the price or value of its shares, in a timely and consistent manner.

Shareholders of FCL will be given the opportunity to participate effectively and vote at general meetings of the Company, where relevant rules and procedures governing such meetings (for instance, how to vote) will be clearly communicated.

### Principle 15: Communication with Shareholders

The Company prides itself on its high standards of disclosure and corporate transparency. At the Singapore Corporate Awards held on 18 July 2017, FCL was presented a bronze award for Best Investor Relations in the category for listed companies with market capitalisation of $1 billion and above. FCL aims to provide fair, relevant, comprehensive and timely information regarding the Group's performance and progress to Shareholders and the investment community to enable them to make informed investment decisions. The Group's dedicated Investor Relations ("**IR**") team is tasked with and focuses on facilitating communications between the Company and its Shareholders, as well as with the investment community.

The IR team communicates regularly with Shareholders, as well as with the investment community, through timely disclosures of material and other pertinent information to the SGX-ST, and quarterly results briefings and conference calls. The IR team also conducts roadshows (together with senior Management), and participates in investor seminars and conferences to keep the market and investors apprised of the Group's corporate developments and financial performance. During the year, the IR team, together with senior Management, engaged with Singapore and foreign investors at conferences, briefings and calls, non-deal roadshows as well as one-on-one and group meetings. The aim of such engagements is to provide Shareholders and investors with prompt disclosure of relevant information, to enable them to have a better understanding of the Company's businesses and performance. The Company makes available all its briefing materials to analysts and the media, webcasts of its half-year and full-year results briefings, its financial information, its annual reports, and all announcements to the SGX-ST on its website at www.fraserscentrepoint.com, with contact details of the IR team for investors to channel their comments and queries.

Further details on IR's activities and responsibilities during the year can be found in the Investor Relations section of the Annual Report on pages 76 to 77.

As previously disclosed in the Introductory Document, the Company intends to recommend dividends of up to 75% of its net profit after tax after considering factors such as its level of cash and reserves, results of operations, business prospects, capital requirements and surplus, general financial condition, contractual restrictions, the absence of any circumstances which might reduce the amount of reserves available to pay dividends and other factors relevant to the Board (including the expected financial performance of FCL).

### Principle 16: Conduct of Shareholder Meetings

The Board supports and encourages active shareholder participation at AGMs as it believes that general meetings serve as an opportune forum for Shareholders to meet the Board and senior Management, and to interact with them.

The Company's Constitution allows (a) each Shareholder who is not a relevant intermediary (as defined in the Companies Act, Chapter 50) the right to appoint up to two proxies and (b) each Shareholder who is a relevant intermediary to appoint more than two proxies to attend and vote on their behalf in Shareholders' meetings. A copy of each of the Annual Report and Notice of AGM are sent to all Shareholders. At general meetings, the Company sets out separate resolutions on each substantially separate issue and Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed. Board members and senior Management are present at each Shareholders' meeting to respond to any questions from Shareholders. The Company's external auditors are also present to address queries about the conduct of audit and the preparation and content of the auditors' report.

For greater transparency, FCL has implemented electronic poll voting at AGMs. This entails Shareholders being invited to vote on each of the resolutions by poll, using an electronic voting system (instead of voting by hands), thereby allowing all Shareholders present or represented at the meeting to vote on a one share, one vote basis. The voting results of all votes cast for, or against, each resolution is then screened at the meeting and announced to the SGX-ST after the meeting. FCL will continue to use the electronic poll voting system at the forthcoming AGM.

The Company is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved. The minutes of Shareholders' meetings which captures the matters approved by shareholders and voting results are prepared by the Company.

### Listing Rule 1207 sub-Rule (19) on Dealings in Securities

The Company has established a procedure for dealings in the securities of the Company, which sets out the implications of insider trading and guidance on such dealings, including the prohibition on dealings with the Company's securities on short-term considerations. In compliance with Listing Rule 1207(19) of the Listing Manual on best practices on dealing in securities, the Group issues quarterly reminders to its Directors, officers and employees on the restrictions in dealings in listed securities of the Group during the period commencing (i) two weeks prior to the announcement of financial results of each of the first three quarters of the financial year, and (ii) one month before the announcement of full year results, and ending on the date of such announcements. Directors, officers and employees are also reminded not to trade in listed securities of the Group at any time while in possession of unpublished price sensitive information and to refrain from dealing in the Group's securities on short-term considerations. Directors and CEOs are also required to report their dealings in the Company's securities within two business days.

# CORPORATE GOVERNANCE

## GUIDELINES FOR DISCLOSURE

| Guideline | Questions | How has the Company complied? |
|---|---|---|
| General | (a) Has the Company compiled with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code. | (a) Frasers Centrepoint Limited ("**FCL**" or the "**Company**") has complied in all material respects with the principles and guidelines set out in the Code. |
| | (b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code? | (b) See above. |
| **Board Responsibility** | | |
| Guideline 1.5 | What are the types of material transactions which require approval from the Board? | The Company has a Manual of Authority ("**MOA**") which contains a schedule of matters specifically reserved to the Board for approval. In addition to matters such as annual budgets, financial plans and business strategies, Board approval is required for material transactions, such as major acquisitions, divestments, funding and investment proposals. The MOA authorises the Board Executive Committee to approve certain transactions up to specified limits beyond which the approval of the Board needs to be obtained. |
| **Members of the Board** | | |
| Guideline 2.6 | (a) What is the Board's policy with regard to diversity in identifying director nominees? | (a) The Board proactively seeks to maintain an appropriate balance of expertise, skills and attributes among Directors. This is reflected in the diversity of backgrounds and competencies of its Directors. |
| | (b) Please state whether the current composition of the Board provides diversity of each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate. | (b) The current competencies of the Board range from banking, finance, accounting and legal to relevant industry knowledge, entrepreneurial and management experience, and familiarity with regulatory requirements and risk management. Please refer to pages 12 to 17 (write-up on Directors) and pages 136 to 137 of this Annual Report. |

| Guideline | Questions | How has the Company complied? |
| --- | --- | --- |
| | (c) What steps has the Board taken to achieve the balance and diversity necessary to maximize its effectiveness? | (c) The Board has delegated the Nominating Committee (the "**NC**") to annually review the size and composition of the Board with a view to maintaining an appropriate balance of expertise, skills and attributes taking into account the needs of FCL and its subsidiaries (the "**Group**"). Please also refer to Guideline 4.6 below on the process for Board succession planning. Please refer to page 138 of this Annual Report. |
| Guideline 4.6 | Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors | (i) The NC takes the lead in identifying, evaluating and selecting suitable candidates, factoring in the ability of the prospective candidate to contribute to the Board, as well as taking into account the existing mix of expertise, skills and attributes of the Directors to identify needed and/or desired competencies.<br><br>(ii) The NC will assess whether Directors are properly qualified for re-appointment by virtue of their skills, experience and contributions. Please also refer to pages 139 to 140 of this Annual Report. |
| Guideline 1.6 | (a) Are new directors given formal training? If not, please explain why. | (a) Yes. Please also refer to page 135 of this Annual Report. |
| | (b) What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date? | (b) (i) New Directors are given a letter of appointment setting out, among other things, a Director's duties and obligations including their responsibilities as fiduciaries and, how to deal with conflicts of interest that may arise. A comprehensive orientation programme is also conducted to familiarise new appointees with the business activities, strategic directions, policies, key business risks, the regulatory enviroment in which the Group operates, corporate governance practices of the Group, as well as their statutory and other duties and responsibilities as Directors. Please also refer to page 135 of this Annual Report. |

| Guideline | Questions | How has the Company complied? |
| --- | --- | --- |
| | | (b) (ii) Directors are regularly updated on the Group's businesses and the regulatory and industry-specific environments in which the entities of the Group operate. Updates on relevant legal, regulatory and technical developments may be in writing or disseminated by way of briefings, presentations and/or handouts. Directors are also encouraged to be members of the Singapore Institute of Directors ("**SID**") and to receive journal updates and training from SID in order to stay abreast of relevant developments in financial, legal and regulatory requirements. Please also refer to page 135 of this Annual Report. |
| Guideline 4.4 | (a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number? | (a) The Company has not prescribed a maximum number of listed company board representations that a Director may hold. Please also refer to page 139 of this Annual Report. |
| | (b) If a maximum number has not been determined, what are the reasons? | (b) The NC is tasked with determining whether each Director is able to adequately devote sufficient time to discharging their responsibilities to the Company. The NC has taken cognizance of the recommendations of the Code requirement but is of the view that its assessment of a Director's ability to devote sufficient time to the discharge of his or her duties should not entail a restriction on the number of other board commitments or their other principal commitments. Please also refer to page 139 of this Annual Report. |
| | (c) What are the specific considerations in deciding on the capacity of directors? | (c) The contributions by Directors to and during meetings of the Board and relevant Board Committees as well as their attendance at such meetings are holistically assessed and taken into account by the NC. Please also refer to page 139 of this Annual Report. |

# CORPORATE GOVERNANCE

| Guideline | Questions | How has the Company complied? |
|---|---|---|
| **Board Evaluation** | | |
| Guideline 5.1 | (a) What was the process upon which the Board reached the conclusion on its performance for the financial year? | (a) All Directors will be required to assess the performance of the Board and the Board Committees. The assessment cover areas such as Board processes, managing the Company's performance, effectiveness of the Board and Board Committees, and Director development. Please also refer to page 141 of this Annual Report. |
| | (b) Has the Board met its performance objectives? | (b) Based on the NC's review, the Board and the various Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board. |
| **Independence of Directors** | | |
| Guideline 2.1 | Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company. | As of 1 October 2016, Mr Panote Sirivadhanabhakdi was appointed as the Group CEO. Mr Panote Sirivadhanabhakdi is an immediate family member of the Chairman of the Board. The Company notes that it is in compliance with Guideline 2.2 of the Code, as its Independent Directors make up half of the Board when the Chairman and the Group CEO are immediate family members. Please also refer to page 137 of this Annual Report. |
| Guideline 2.3 | (a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship. | (a) No. Please also refer to page 137 of this Annual Report. |
| | (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation. | (b) Not applicable. |
| Guideline 2.4 | Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent. | No. |

| Guideline | Questions | How has the Company complied? |
| --- | --- | --- |
| **Disclosure on Remuneration** | | |
| Guideline 9.2 | Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance related income/ bonuses, benefits-in-kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so? | Yes. Please refer to pages 147 to 148 of this Annual Report. |
| Guideline 9.3 | (a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits-in-kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so? | (a) Yes. Please refer to pages 147 to 148 of this Annual Report. |
| | (b) Please disclose the aggregate remuneration paid to the top key management personnel (who are not directors or the CEO). | (b) The Company has disclosed the aggregate remuneration paid to the top five key management personnel. Please refer to page 147 of this Annual Report. |
| Guideline 9.4 | Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO. | As at 30 September 2017, save for Mr Panote Sirivadhanabhakdi, the Group CEO, there is no employee within the Group who is an immediate family member of a Director or Group CEO, and whose remuneration exceeds S$50,000 during the year. Mr Panote Sirivadhanabhakdi is an immediate family member of the Chairman of the Board. |
| Guideline 9.6 | (a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria. | (a) Please refer to pages 144 to 146 of this Annual Report. |
| | (b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes? | (b) Please refer to pages 144 to 146 of this Annual Report. |
| | (c) Were all of these performance conditions met? If not, what were the reasons? | (c) Please refer to pages 144 to 146 of this Annual Report. |

| Guideline | Questions | How has the Company complied? |
|---|---|---|
| **Risk Management and Internal Controls** | | |
| Guideline 6.1 | What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided? | The Management provides the Board with detailed Board papers specifying relevant information and commercial rationale for each proposal for which Board approval is sought. Such information includes relevant financial forecasts, risk analyses and assessments, mitigation strategies, feasibility studies and key commercial issues for the Board's attention and consideration. Reports on major operational matters, business development activities, financial performance, potential investment opportunities and budgets are circulated to the Board periodically. A calendar of activities is scheduled for the Board a year in advance, with Board papers and agenda items dispatched to the Directors about a week before scheduled meetings as far as possible. This is to give Directors sufficient time to review and consider the matters being tabled and/or discussed so that discussions can be more meaningful and productive. Please refer to pages 141 to 142 of this Annual Report. |
| Guideline 13.1 | Does the Company have an internal audit function? If not, please explain why. | Yes. Please refer to pages 154 to 155 of this Annual Report. |
| Guideline 11.3 | (a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems. | Please refer to pages 150 to 151 of this Annual Report. |

| Guideline | Questions | How has the Company complied? |
|---|---|---|
| | (b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that: (i) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above? | The Board has received assurance from the Group CEO and the CFO of the Company that as at 30 September 2017, (a) the financial records of the Group have been properly maintained and the financial statements for FY2017 give a true and fair view of the Group's operations and finances; (b) the system of internal controls in place for the Group is adequate and effective as at 30 September 2017 to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations; and (c) the risk management system in place for the Group is adequate and effective as at 30 September 2017 to address risks which the Group considers relevant and material to its operations.<br><br>Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, reviews performed by the Management and various Board Committees and assurance from the Group CEO and the CFO, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls were adequate and effective as at 30 September 2017 to address financial, operational, compliance and information technology risks, which the Group considers relevant and material to its operations.<br><br>Based on the risk management framework established and assurance from the Group CEO and the CFO, the Board is of the view that the Group's risk management system was adequate and effective as at 30 September 2017 to address risks which the Group considers relevant and material to its operations. Please also refer to pages 154 to 155 of this Annual Report. |

| Guideline | Questions | How has the Company complied? |
|---|---|---|
| Guideline 12.6 | (a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year. | (a) Please refer to Note 4 of the Notes to the Financial Statements on page 215 of this Annual Report. |
| | (b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors. | (b) During the year, the Audit Committee (the "**AC**") conducted a review of the scope and results of audit by the external auditors and its cost effectiveness, as well as the independence and objectivity of the auditors. It also reviewed all non-audit services provided by the external auditors, and the aggregate amount of audit fees paid to them. For details of fees payable to the external auditors in respect of audit and non-audit services for the year ended 30 September 2017, please refer to Note 4 of the Notes to the Financial Statements on page 215. The AC is satisfied that neither their independence nor their objectivity is put at risk, and that they are still able to meet the audit requirements and statutory obligations of the Company. It is also satisfied with the aggregate amount of audit fees paid to the external auditors. |
| Guideline 15.4 | (a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors? | (a) The Company, through its Investor Relations (the "**IR**") team communicates regularly with shareholders and the investment community, with timely disclosures of material and other pertinent information, through regular dialogues and announcements to SGX-ST. Please refer to page 155 of this Annual Report. |
| | (b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role? | (b) Yes. Please refer to page 155 of this Annual Report. |
| | (c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report? | (c) The IR team together with senior management participates in investor seminars, conferences, and one-on-one and group meetings. Please refer to page 155 of this Annual Report. |
| Guideline 15.5 | If the Company is not paying any dividends for the financial year, please explain why. | Not applicable. |

# FINANCIAL STATEMENTS CONTENTS

# DIRECTORS' STATEMENT

The Directors have pleasure in presenting their statement together with the audited financial statements of Frasers Centrepoint Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 30 September 2017.

## 1. OPINION OF THE DIRECTORS

In the opinion of the Directors,

(i) the consolidated financial statements of the Group set out in pages 179 to 309 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2017 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended 30 September 2017; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 2. DIRECTORS

The Directors of the Company in office at the date of this statement are:

| | |
|---|---|
| Mr Charoen Sirivadhanabhakdi | (Chairman) |
| Khunying Wanna Sirivadhanabhakdi | (Vice Chairman) |
| Mr Panote Sirivadhanabhakdi | |
| Mr Charles Mak Ming Ying | |
| Mr Chan Heng Wing | |
| Mr Philip Eng Heng Nee | |
| Mr Tan Pheng Hock | (Appointed on 20 March 2017) |
| Mr Wee Joo Yeow | |
| Mr Weerawong Chittmittrapap | |
| Mr Chotiphat Bijananda | |
| Mr Sithichai Chaikriangkrai | |

## 3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of, nor at any time during, the financial year was the Company a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of an acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed in this statement.

## 4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

(a) The following Directors who held office at the end of the financial year had, according to the register of Directors' shareholdings, required to be kept under Section 164 of the Companies Act of Singapore (Chapter 50), an interest in the shares in or debentures of the Company and its related corporations (other than wholly-owned subsidiaries) as stated below:

| | Direct Interest | | Deemed Interest | |
|---|---|---|---|---|
| Name of Director | As at 1 Oct 2016 | As at 30 Sep 2017 | As at 1 Oct 2016 | As at 30 Sep 2017 |
| **Charoen Sirivadhanabhakdi** | | | | |
| – ***Frasers Centrepoint Limited*** | | | | |
| • Ordinary Shares | – | – | 2,541,007,768 (1) | 2,541,007,768 (1) |
| – ***FCL Treasury Pte. Ltd.*** | | | | |
| • S$600,000,000 4.88% Subordinated Perpetual Securities (Series 3) | – | – | S$250,000,000 (2) | S$250,000,000 (2) |
| • S$700,000,000 5.00% Subordinated Perpetual Securities (Series 5) | – | – | S$300,000,000 (3) | S$300,000,000 (3) |
| – ***Fraser and Neave, Limited*** | | | | |
| • Ordinary Shares | – | – | 1,270,503,884 (4) | 1,270,503,884 (4) |
| – ***Fraser & Neave Holdings Bhd*** | | | | |
| • Ordinary Shares | – | – | 203,470,910 (5) | 203,470,910 (5) |
| – ***TCC Assets Limited*** | | | | |
| • Ordinary Shares | 25,000 | 25,000 | – | – |
| **Khunying Wanna Sirivadhanabhakdi** | | | | |
| – ***Frasers Centrepoint Limited*** | | | | |
| • Ordinary Shares | – | – | 2,541,007,768 (1) | 2,541,007,768 (1) |
| – ***FCL Treasury Pte. Ltd.*** | | | | |
| • S$600,000,000 4.88% Subordinated Perpetual Securities (Series 3) | – | – | S$250,000,000 (2) | S$250,000,000 (2) |
| • S$700,000,000 5.00% Subordinated Perpetual Securities (Series 5) | – | – | S$300,000,000 (3) | S$300,000,000 (3) |
| – ***Fraser and Neave, Limited*** | | | | |
| • Ordinary Shares | – | – | 1,270,503,884 (4) | 1,270,503,884 (4) |
| – ***Fraser & Neave Holdings Bhd*** | | | | |
| • Ordinary Shares | – | – | 203,470,910 (5) | 203,470,910 (5) |
| – ***TCC Assets Limited*** | | | | |
| • Ordinary Shares | 25,000 | 25,000 | – | – |

(1) As of 30 September 2017, Charoen Sirivadhanabhakdi and his spouse, Khunying Wanna Sirivadhanabhakdi are deemed to be interested in an aggregate of 2,541,007,768 shares in the Company.

Each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi owns 50% of the issued and paid-up share capital of TCC Assets Limited ("TCCA"), and is therefore deemed to be interested in all of the 1,716,160,124 shares in the Company in which TCCA has an interest.

Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi also jointly hold a 51% direct interest in Siriwana Company Limited ("Siriwana"), which in turn holds an aggregate of approximately 45.27% direct interest in Thai Beverage Public Company Limited ("ThaiBev"). This comprises a direct interest of 43.68% and an indirect interest of 1.59% held through Sirisopha Company Limited ("Sirisopha"). Siriwana holds an approximate 99.98% direct interest in Sirisopha which in turn holds an approximate 1.59% direct interest in ThaiBev.

Further, Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi also jointly hold a 100% direct interest in MM Group Limited ("MM Group"). MM Group holds a 100% direct interest in each of Maxtop Management Corp. ("Maxtop"), Risen Mark Enterprise Ltd. ("RM") and Golden Capital (Singapore) Limited ("GC"). Maxtop holds a 17.23% direct interest in ThaiBev; RM holds a 3.32% direct interest in ThaiBev; and GC holds a 0.06% direct interest in ThaiBev.

ThaiBev holds a 100% direct interest in International Beverage Holdings Limited, which in turn holds a 100% direct interest in InterBev Investment Limited ("IBIL"). Each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is therefore deemed to be interested in all of the 824,847,644 shares in the Company in which IBIL has an interest.

## 4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

(2) As at 30 September 2017, TCC Prosperity Limited ("TCCP") holds an aggregate of S$250 million perpetual securities issued by FCL Treasury Pte. Ltd. on 24 September 2014. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi own all the shares in TCCP in equal shares, and therefore are deemed to be interested in the perpetual securities in which TCCP has an interest.

(3) As at 30 September 2017, TCCP holds an aggregate of S$300 million perpetual securities issued by FCL Treasury Pte. Ltd. on 9 March 2015. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi own all the shares in TCCP in equal shares, and therefore are deemed to be interested in the perpetual securities in which TCCP has an interest.

(4) As at 30 September 2017:
- TCCA holds 858,080,062 shares in Fraser and Neave, Limited ("F&N"); and
- IBIL holds 412,423,822 shares in F&N.

Each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is therefore deemed to be interested in all of the shares in F&N in which TCCA and IBIL have an interest.

(5) As at 30 September 2017, F&N holds 203,470,910 shares in Fraser & Neave Holdings Bhd.

Therefore, each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi has a deemed interest in all of the shares in Fraser & Neave Holdings Bhd in which F&N has an interest.

(b) There was no change in any of the abovementioned interests in the Company between the end of the financial year and 21 October 2017, other than as disclosed in this statement.

(c) By virtue of Section 4 of the Singapore Securities and Futures Act, Chapter 289, each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is deemed to have interests in the shares of the subsidiaries held by the Company and in the shares of the subsidiaries held by F&N.

(d) Except as disclosed in this statement, no director who held office at the end of the financial year had any interest in shares in, or debentures of, the Company, or its related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

## 5. SHARE OPTIONS AND SHARE PLANS

### *(a) Share Options*

The Company does not have any share option scheme or plans in place, or such scheme of plans that entitled holders to participate, by virtue of the scheme or plans, in any share issue of any other corporation.

### *(b) Share Plans*

On 25 October 2013, F&N, which was then the sole shareholder of the Company, approved the adoption of the FCL Restricted Share Plan ("RSP") and FCL Performance Share Plan ("PSP", and together with the RSP, the "Share Plans").

The RSP and PSP are administered by the Remuneration Committee which, as at the date of this statement, comprises the following three non-executive directors who do not participate in the Share Plans:

Mr Philip Eng Heng Nee (Chairman)
Mr Charles Mak Ming Ying
Mr Chan Heng Wing

## 5. SHARE OPTIONS AND SHARE PLANS (CONT'D)

### *(c) Share Grants under RSP and PSP*

Under the RSP and PSP, the Company grants awards to eligible participants annually, referred to herein as "RSP Awards" and "PSP Awards", respectively. The grant ("Base Award") represents the right to receive fully paid shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed performance conditions are met. The Remuneration Committee that administers this scheme has absolute discretion in the granting of awards under the RSP and PSP. The vesting of the RSP Base Award and the PSP Base Award are conditional on the achievement of pre-determined targets set for a two-year performance period and a three-year performance period, respectively. An achievement factor will be determined based on the level of achievement of the pre-determined targets at the end of the respective performance period. The achievement factor will be applied to the relevant Base Award to determine the final number of shares to vest under the RSP Awards and PSP Awards (as the case may be, the "Final Award"). The achievement factor ranges from 0% to 150% for RSP and from 0% to 200% for PSP.

At the end of the performance period and after the achievement factor is determined, 50% of the RSP Final Awards will be released upon vesting and the balance will be released in equal number of shares over the subsequent two years upon the fulfilment of service requirements. All PSP Final Awards will be released to the participants at the end of the three-year performance period upon vesting. Pre-determined targets are set by the Remuneration Committee at their absolute discretion for the performance conditions to be met over the performance period. For the RSP, the targets set are the achievement of Attributable Profit Before Fair Value Adjustment and Exceptional Items (APBFE) and Return on Capital Employed (ROCE). For the PSP, the pre-set targets are based on Return on Invested Capital (ROIC), Total Shareholders' Return Relative to FTSE ST Real Estate Index and Absolute Shareholders' Return as a multiple of Cost of Equity.

Senior management participants are required to hold a minimum number of the shares released to them under the RSP and PSP to maintain a beneficial ownership stake in the Company for the duration of their employment or tenure with the Company.

No awards have been granted to controlling shareholders or their associates, or parent group directors and employees under the RSP and PSP.

No awards have been granted to directors of the Company.

## 5. SHARE OPTIONS AND SHARE PLANS (CONT'D)

### *(c) Share Grants under RSP and PSP (cont'd)*

No employee other than Mr Lim Ee Seng, the former Group Chief Executive Officer who retired on 30 September 2016, and Mr Rod Fehring, Chief Executive Officer of Frasers Property Australia, have each received 5% or more of the total number of shares available/delivered for the financial year ended 30 September 2017, pursuant to grants under the RSP and PSP. Details of conditional awards available to Mr Lim and Mr Fehring under the RSP and PSP are as follows:

| LIM EE SENG | Grant Date | Balance as at 1.10.2016 or Grant Date if later | Additional Awards/ (Awards Reduced) due to Achievement Factor | Vested | Balance as at 30.9.2017 |
|---|---|---|---|---|---|
| **RSP Awards** | | | | | |
| – Replacement FCL Awards * | 03.10.2014 | 149,125 | – | (149,125) | – |
| – Year 1 | 03.10.2014 | 356,250 | – | (178,125) | 178,125 |
| – Year 2 | 19.08.2015 | 603,538 | 120,662 | (362,100) | 362,100 |
| – Year 3 | 22.12.2015 | 684,171 | – | – | 684,171 |
| | **Sub-Total** | 1,793,084 | 120,662 | (689,350) | 1,224,396 |
| **PSP Awards** | | | | | |
| – Year 1 | 03.10.2014 | 354,839 | (170,339) | (184,500) | – |
| – Year 2 | 19.08.2015 | 258,659 | – | – | 258,659 |
| – Year 3 | 22.12.2015 | 293,216 | – | – | 293,216 |
| | **Sub-Total** | 906,714 | (170,339) | (184,500) | 551,875 |
| | **Total** | 2,699,798 | (49,677) | (873,850) | 1,776,271 |

* The Replacement FCL Awards were granted to replace the 270,246 Outstanding F&N Awards.

| ROD FEHRING | Grant Date | Balance as at 1.10.2016 or Grant Date if later | Additional Awards/ (Awards Reduced) due to Achievement Factor | Vested | Balance as at 30.9.2017 |
|---|---|---|---|---|---|
| **RSP Awards** | | | | | |
| – Year 2 | 19.08.2015 | 245,000 | (63,700) | (90,650) | 90,650 |
| – Year 3 | 22.12.2015 | 534,000 | – | – | 534,000 |
| – Year 4 | 21.12.2016 | 606,500 | – | – | 606,500 |
| | **Total** | 1,385,500 | (63,700) | (90,650) | 1,231,150 |

## 6. AUDIT COMMITTEE

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act of Singapore (Chapter 50), which include, *inter alia*, the following:

(i) reviewed the quarterly and full-year financial statements of the Company and of the Group for the financial year and the independent auditors' report for the full-year prior to approval by the Board;

(ii) reviewed the internal and external audit plans to ensure the adequacy of the audit scope;

(iii) reviewed the adequacy and effectiveness of the Group and the Company's internal controls, including financial, operational, information technology and compliance controls and risk management;

(iv) reviewed with internal and external auditors, the respective audit reports and their recommendations, and monitoring the timely and proper implementation of any required corrective or improvement measures;

(v) reviewed the adequacy and effectiveness of the Group's internal audit function, including the adequacy of internal audit resources and its appropriate standing within the Group;

(vi) met with the external and internal auditors, in each case without the presence of the Company's management to review various audit matters as well as the assistance given by the Company's management to the external and internal auditors;

(vii) reviewed the cost effectiveness, the independence and the objectivity of external auditors, including the nature and extent of non-audit services provided by the external auditors;

(viii) recommended to the Board the appointment, re-appointment and removal of the external auditors, and reviewed and approved the remuneration and terms of engagement of the external auditors; and

(ix) reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

Further details regarding the Audit Committee are disclosed in the Corporate Governance Report.

Having reviewed the non-audit services provided by the external auditors to the Group, the Audit Committee is satisfied that the nature and extent of such services would not affect the independence of external auditors, and has recommended to the Board of Directors the re-appointment of KPMG LLP as auditors of the Company at the forthcoming Annual General Meeting.

# DIRECTORS' STATEMENT

## 7. AUDITORS

The auditors, KPMG LLP, have expressed their willingness to accept re-appointment as auditors.

**On behalf of the Board**

**Charles Mak Ming Ying**
**Director**

**Sithichai Chaikriangkrai**
**Director**

Singapore
23 November 2017

# INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY

FRASERS CENTREPOINT LIMITED

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### *Opinion*

We have audited the accompanying financial statements of Frasers Centrepoint Limited (the "Company") and its subsidiaries (the "Group"), which comprise the balance sheets of the Group and the Company as at 30 September 2017, the profit statements, statements of comprehensive income, statements of changes in equity of the Group and Company and the cash flow statements of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 179 to 309.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 and the Singapore Financial Reporting Standards ("FRSs") to give a true and fair view of the financial position of the Group and the Company as at 30 September 2017 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

### *Basis for opinion*

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code"), together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Valuation of investment properties**
(Refer to Note 11 to the financial statements)

**Risk:**

The Group owns a portfolio of investment properties (including investment properties under construction) comprising serviced residences, commercial and industrial properties that are leased to third parties under operating leases, located mainly in Australia, Germany, Singapore and United Kingdom. Investment properties represent the largest category of assets on the balance sheet, at $15.82 billion as at 30 September 2017.

These investment properties are stated at their fair values based on independent external valuations except for certain overseas properties whereby valuations are performed internally. In addition, investment properties under construction are stated at their fair values as determined by valuers which involves estimating the fair value of the completed investment property and then deducting from that amount the estimated costs to complete the construction and a reasonable profit margin on the construction and development.

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are sensitive to key assumptions applied in deriving future cash flows, the capitalisation rates, discount rates and terminal yield rates; where a change in the assumptions can have a significant impact to the valuation.

**Our response:**

We evaluated the qualifications and competence of the valuers and held discussions with the valuers to understand their valuation methods and assumptions and basis used, where appropriate.

We considered the valuation methodologies used against those applied by valuers for similar property types. We tested the integrity of inputs of the projected cash flows used in the valuation to supporting leases and other documents. We evaluated the appropriateness of the discount, capitalisation and terminal yield rates used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers. In addition, for investment properties under construction, we evaluated the estimated cost to complete by comparing the cost incurred to date to management budgets and, where the works were contracted to third parties, agreed to the contracts. We have also tested significant items of the cost components to source documents to ascertain the existence and accuracy of those cost components.

**Our findings:**

We found the valuers to be objective and competent. The valuers are members of generally-recognised professional bodies for valuers. The valuation methodologies used are in line with generally accepted market practices and the key assumptions used are within the range of market data. For investment properties under construction, the estimated cost to complete were found to be supported.

**Recoverability of intangible assets**
(Refer to Note 16 to the financial statements)

**Risk:**

The Group has goodwill and other intangible assets comprising brands, favorable leases and software and others with an aggregate carrying value of $763.14 million as at 30 September 2017. These assets are impaired when their individual carrying value or the carrying value of the cash generating unit ("CGU") of which the goodwill or intangible asset is allocated to, exceeds their recoverable amount. The recoverable amount is the higher of their fair value less costs of disposal and its value in use. Estimating the recoverable amount involves significant judgement in determining an appropriate model and the underlying assumptions to be applied; coupled with the inherent estimation uncertainties that arise when estimating and discounting future cash flows and estimating multiples. The recoverable amount is sensitive to inputs and assumptions underlying the models used. Some of the key inputs and assumptions relate to expectations of future cash flows, growth rates used for extrapolation purposes, discount rates and earnings multiples.

**Our response:**

We evaluated the Group's methodology and identification of CGU and assessed indicators of impairment for intangible assets where appropriate.

For goodwill, intangible assets with infinite useful life and intangible assets with indicators of impairment, we evaluated the cash flows used in the model against the understanding we obtained about the business through our audit and assess if these cash flows were reasonable. We challenged the appropriateness of key assumptions used by the Group in its impairment testing comprising the discount rate, growth rate and multiples by comparing these to externally available market data for reasonableness. We also assessed whether or not the assumptions showed any evidence of management bias with a particular focus on the risk that the forecasted cash flows may not support the carrying value of the intangible assets.

**Our findings:**

The methodology and model used by the Group is supported by generally accepted market practices and we found that the assumptions and resulting estimates were balanced.

**Valuation of development properties held for sale**
(Refer to Note 20 to the financial statements)

**Risk:**

The Group has significant residential, industrial and commercial properties held for sale located primarily in Australia, China, Singapore and United Kingdom. These properties have a carrying value of $3.45 billion as at 30 September 2017 and are stated at the lower of their cost and their net realisable values. In arriving at estimates of net realisable values, the Group considered comparable properties and the recent selling prices less the estimated costs of completion and the estimated costs necessary to make the sale. The determination of the estimated net realisable value of these properties is critically dependent upon the Group's expectations of future selling prices.

The amount of unsold residential properties for sale in Singapore is not significant. However, weak demand and the consequential oversupply of properties for sale, arising from a challenging economic environment in certain states in China and Australia, might exert downward pressure on transaction volumes and properties prices in these markets. There is therefore a risk that the estimates of net realisable values may exceed future selling prices, resulting in more losses when properties are sold.

**Our response:**

We compared the Group's forecast selling prices to recently transacted prices and prices of comparable properties located in the same vicinity as the development or completed project. We focused our work on projects with slower-than-expected sales or with low or negative margins. For projects with units which are expected to sell below costs, we checked the computations of the foreseeable losses.

**Our findings:**

In estimating future selling price for the purpose of management's assessment, the Group takes into account macroeconomic and real estate price trend information and planned capital management considerations. Management has applied its knowledge of the business in its regular review of these estimates. We found that reasonable estimates were made in the determination of net realisable values and allowance for foreseeable losses.

# INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY

FRASERS CENTREPOINT LIMITED

**Accounting for business acquisitions**
(Refer to Note 13(b) to the financial statements)

**Risk:**

The Group makes acquisitions as part of its business strategy. For the financial year ended 30 September 2017, the significant acquisitions were the acquisition of TICON Industrial Connection Public Company Limited ("TICON") for an aggregate consideration of $549.41 million and the acquisition of Geneba Properties N.V. ("Geneba") for an aggregate consideration of $504.91 million.

Such transactions can be complex and judgement is involved in determining whether each transaction is a business combination or an acquisition of an asset, with different accounting treatment applicable. In accounting for a business combination, judgements are applied and there exist inherent uncertainty in estimating the fair value of the identified assets and liabilities that make up the acquisition; and allocating the overall purchase price to those identified assets and liabilities, with any excess or shortfall being recognised as goodwill on the balance sheet or a bargain purchase in the income statement respectively (the "Purchase Price Allocation"). In relation to the acquisitions, independent professional firms were engaged to assist the Group in arriving at its purchase price allocation assessments.

**Our response:**

We have assessed the accounting of the acquisitions by examining legal and contractual documents to determine whether these acquisitions are business combinations or the acquisition of assets.

We read the purchase price allocation reports and assessed the allocation of the purchase price to significant identified assets and liabilities acquired. We compared the methodologies and key assumptions used in deriving the significant allocated values to generally accepted market practices and market data.

**Our findings:**

The judgements applied by the Group in determining whether the significant acquisitions are business combinations or acquisitions of assets were balanced. The methods and assumptions used in estimating the fair values of significant identified assets and liabilities and the resulting allocation in the purchase price were appropriate.

*Other information*

Management is responsible for the other information. The other information comprises: Unifying Idea, FCL Group Strategies, FCL Group at a Glance, Our Global Presence, Our Milestones, Group Structure, Financial Highlights, Board of Directors, Group Management, Corporate Information, Chairman's Statement, Group CEO's Statement, Business Review, Investor Relations, Treasury Highlights, Sustainability Report, Awards and Accolades, Enterprise-wide Risk Management, Corporate Governance Report, Directors' Statement, Particulars of Group Properties, Interested Person Transactions and FCL Fact Sheet but does not include the financial statements and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and Shareholding Statistics (the "Reports"), which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information made available to us after the date of this report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate actions in accordance with SSAs.

***Responsibilities of management and directors for the financial statements***

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Ronald Tay Ser Teck.

**KPMG LLP**
*Public Accountants and*
*Chartered Accountants*

**Singapore**
23 November 2017

# CONSOLIDATED PROFIT STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

| | Note | Group 2017 $'000 | 2016 $'000 |
|---|---|---|---|
| **REVENUE** | 3 | **4,026,638** | 3,439,592 |
| Cost of sales | 4a | **(2,842,908)** | (2,406,856) |
| **GROSS PROFIT** | | **1,183,730** | 1,032,736 |
| Other income/(losses) | 4b | **8,871** | (6,527) |
| Administrative expenses | 4c | **(288,785)** | (259,387) |
| **TRADING PROFIT** | 4 | **903,816** | 766,822 |
| Share of results of joint ventures and associates, net of tax | 14 | **185,229** | 171,377 |
| **PROFIT BEFORE INTEREST, FAIR VALUE CHANGE, TAXATION AND EXCEPTIONAL ITEMS** | | **1,089,045** | 938,199 |
| Interest income | 5 | **32,495** | 25,296 |
| Interest expense | 6 | **(153,519)** | (167,504) |
| **NET INTEREST EXPENSE** | | **(121,024)** | (142,208) |
| **PROFIT BEFORE FAIR VALUE CHANGE, TAXATION AND EXCEPTIONAL ITEMS** | | **968,021** | 795,991 |
| Fair value change on investment properties | 11 | **294,976** | 159,711 |
| **PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS** | | **1,262,997** | 955,702 |
| Exceptional items | 7 | **(14,974)** | 4,641 |
| **PROFIT BEFORE TAXATION** | | **1,248,023** | 960,343 |
| Taxation | 8 | **(215,732)** | (194,197) |
| **PROFIT FOR THE YEAR** | | **1,032,291** | 766,146 |
| **ATTRIBUTABLE PROFIT:** | | | |
| – before fair value change and exceptional items | | **488,245** | 479,863 |
| – fair value change | | **215,275** | 106,250 |
| – exceptional items | | **(14,397)** | 11,106 |
| | | **689,123** | 597,219 |
| Non-controlling interests | | **343,168** | 168,927 |
| **PROFIT FOR THE YEAR** | | **1,032,291** | 766,146 |
| **EARNINGS PER SHARE** | 9 | | |
| Basic earnings per share | | **21.5¢** | 18.4¢ |
| Diluted earnings per share | | **21.3¢** | 18.2¢ |

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2017

| | Group | |
|---|---|---|
| | **2017** | 2016 |
| | **$'000** | $'000 |
| **PROFIT FOR THE YEAR** | **1,032,291** | 766,146 |
| **OTHER COMPREHENSIVE INCOME** | | |
| ***Items that may be reclassified subsequently to profit statement:*** | | |
| Net fair value change of cash flow hedges | **38,499** | (123,726) |
| Foreign currency translation | **116,270** | 21,143 |
| Share of other comprehensive income of joint ventures and associates | **(1,685)** | (56) |
| Other comprehensive income for the year, net of tax | **153,084** | (102,639) |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | **1,185,375** | 663,507 |
| **ATTRIBUTABLE TO:** | | |
| – shareholders of the Company | **729,514** | 427,323 |
| – holders of perpetual securities | **68,730** | 64,456 |
| – non-controlling interests (Note 13a) | **387,131** | 171,728 |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | **1,185,375** | 663,507 |

The accompanying notes form an integral part of the financial statements.

# BALANCE SHEETS

AS AT 30 SEPTEMBER 2017

| | Note | Group 30 September 2017 $'000 | Group 30 September 2016 $'000 | Company 30 September 2017 $'000 | Company 30 September 2016 $'000 |
|---|---|---|---|---|---|
| **NON-CURRENT ASSETS** | | | | | |
| Investment properties | 11 | **15,817,282** | 13,494,019 | **1,500** | 1,600 |
| Property, plant and equipment | 12 | **2,240,724** | 1,972,282 | **1** | 1 |
| Investments in: | | | | | |
| – subsidiaries | 13 | **–** | – | **1,799,896** | 1,799,896 |
| – joint ventures | 14 | **265,561** | 240,213 | **500** | 500 |
| – associates | 14 | **1,166,096** | 552,800 | **–** | – |
| Financial assets | 15 | **2,162** | 2,162 | **2,148** | 2,148 |
| Intangible assets | 16 | **763,140** | 681,736 | **–** | – |
| Prepayments | 17 | **3,963** | 3,074 | **–** | – |
| Other receivables | 18 | **238,692** | 228,644 | **3,175,075** | 1,414,431 |
| Deferred tax assets | 19 | **34,842** | 55,160 | **–** | – |
| Derivative financial instruments | 21 | **4,279** | 2,136 | **73** | 225 |
| | | **20,536,741** | 17,232,226 | **4,979,193** | 3,218,801 |
| **CURRENT ASSETS** | | | | | |
| Inventory | | **5,491** | 5,679 | **–** | – |
| Properties held for sale | 20 | **3,452,219** | 3,997,551 | **–** | – |
| Prepaid land and development costs | 17 | **76,038** | 60,455 | **–** | – |
| Other prepayments | 17 | **50,217** | 52,602 | **153** | 51 |
| Trade and other receivables | 18 | **478,582** | 677,821 | **219,583** | 1,960,927 |
| Derivative financial instruments | 21 | **604** | 9,361 | **90** | – |
| Bank deposits | 22 | **272,205** | 437,337 | **–** | – |
| Cash and cash equivalents | 22 | **2,137,275** | 1,731,343 | **45,432** | 67,516 |
| | | **6,472,631** | 6,972,149 | **265,258** | 2,028,494 |
| **TOTAL ASSETS** | | **27,009,372** | 24,204,375 | **5,244,451** | 5,247,295 |
| **CURRENT LIABILITIES** | | | | | |
| Trade and other payables | 23 | **1,611,206** | 1,694,961 | **205,498** | 196,222 |
| Derivative financial instruments | 21 | **15,051** | 46,924 | **2,090** | 263 |
| Provision for taxation | | **159,656** | 236,971 | **11,405** | 14,905 |
| Loans and borrowings | 24 | **1,571,718** | 1,470,116 | **–** | – |
| | | **3,357,631** | 3,448,972 | **218,993** | 211,390 |
| **NET CURRENT ASSETS** | | **3,115,000** | 3,523,177 | **46,265** | 1,817,104 |
| | | **23,651,741** | 20,755,403 | **5,025,458** | 5,035,905 |
| **NON-CURRENT LIABILITIES** | | | | | |
| Other payables | 23 | **130,910** | 290,426 | **985** | 1,308 |
| Derivative financial instruments | 21 | **87,703** | 89,994 | **36,726** | 32,484 |
| Deferred tax liabilities | 19 | **327,803** | 206,078 | **–** | – |
| Loans and borrowings | 24 | **10,056,126** | 8,325,421 | **–** | – |
| | | **10,602,542** | 8,911,919 | **37,711** | 33,792 |
| **NET ASSETS** | | **13,049,199** | 11,843,484 | **4,987,747** | 5,002,113 |
| **SHARE CAPITAL AND RESERVES** | | | | | |
| Share capital | 25 | **1,774,771** | 1,766,800 | **1,774,771** | 1,766,800 |
| Retained earnings | | **5,590,746** | 5,222,073 | **3,014,352** | 3,033,213 |
| Other reserves | 26 | **(210,839)** | (327,733) | **198,624** | 202,100 |
| **Equity attributable to Owners of the Company** | | **7,154,678** | 6,661,140 | **4,987,747** | 5,002,113 |
| **NON-CONTROLLING INTERESTS – PERPETUAL SECURITIES** | 28 | **1,698,093** | 1,391,783 | **–** | – |
| | | **8,852,771** | 8,052,923 | **4,987,747** | 5,002,113 |
| **NON-CONTROLLING INTERESTS – OTHERS** | | **4,196,428** | 3,790,561 | **–** | – |
| **TOTAL EQUITY** | | **13,049,199** | 11,843,484 | **4,987,747** | 5,002,113 |

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2017

| | Share Capital (Note 25) $'000 | Retained Earnings $'000 | Other Reserves (Note 26) $'000 | Equity Attributable to Owners of the Company, Total $'000 | Non-Controlling Interests – Perpetual Securities (Note 28) $'000 | Total $'000 | Non-Controlling Interests – Others $'000 | Total Equity $'000 |
|---|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | | |
| **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 |
| Other comprehensive income | | | | | | | | |
| 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 |
| Contributions by and distributions to owners | | | | | | | | |
| Ordinary shares issued | 7,971 | – | (7,971) | – | – | – | – | – |
| Employee share-based expense | – | – | 7,865 | 7,865 | – | 7,865 | – | 7,865 |
| Dividend paid (Note 29) | – | (70,058) | (179,800) | (249,858) | – | (249,858) | (294,942) | (544,800) |
| Dividend proposed (Note 29) | – | (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) |
| Changes in ownership interests in subsidiaries | | | | | | | | |
| 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) |
| Contributions by and distributions to perpetual securities holders | | | | | | | | |
| 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 |

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2017 (CONT'D)

| | Share Capital (Note 25) $'000 | Retained Earnings $'000 | Other Reserves (Note 26) $'000 | Equity Attributable to Owners of the Company, Total $'000 | Non-Controlling Interests – Perpetual Securities (Note 28) $'000 | Total $'000 | Non-Controlling Interests – Others $'000 | Total Equity $'000 |
|---|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | | |
| **2016** | | | | | | | | |
| **Opening balance at 1 October 2015** | 1,759,858 | 4,995,420 | (245,798) | 6,509,480 | 1,293,254 | 7,802,734 | 2,848,219 | 10,650,953 |
| Profit for the year | – | 532,763 | – | 532,763 | 64,456 | 597,219 | 168,927 | 766,146 |
| Other comprehensive income | | | | | | | | |
| Net fair value change of cash flow hedges | – | – | (103,204) | (103,204) | – | (103,204) | (20,522) | (123,726) |
| Foreign currency translation | – | – | (2,180) | (2,180) | – | (2,180) | 23,323 | 21,143 |
| Share of other comprehensive income of joint ventures and associates | – | (20,588) | 20,532 | (56) | – | (56) | – | (56) |
| **Other comprehensive income for the year** | – | (20,588) | (84,852) | (105,440) | – | (105,440) | 2,801 | (102,639) |
| **Total comprehensive income for the year** | – | 512,175 | (84,852) | 427,323 | 64,456 | 491,779 | 171,728 | 663,507 |
| Contributions by and distributions to owners | | | | | | | | |
| Ordinary shares issued | 6,942 | – | (6,942) | – | – | – | – | – |
| Employee share-based expense | – | – | 10,189 | 10,189 | – | 10,189 | – | 10,189 |
| Dividend paid (Note 29) | – | (69,909) | (179,491) | (249,400) | – | (249,400) | (206,821) | (456,221) |
| Dividend proposed (Note 29) | – | (179,800) | 179,800 | – | – | – | – | – |
| **Total contributions by and distributions to owners** | 6,942 | (249,709) | 3,556 | (239,211) | – | (239,211) | (206,821) | (446,032) |
| Changes in ownership interests in subsidiaries | | | | | | | | |
| Units issued to non-controlling interests | – | – | – | – | – | – | 1,000,475 | 1,000,475 |
| Acquisition of non-controlling interests in subsidiaries without change in control | – | (42,173) | – | (42,173) | – | (42,173) | 411 | (41,762) |
| Change in interests in subsidiaries without change in control | – | 16,544 | (639) | 15,905 | – | 15,905 | (4,658) | 11,247 |
| Issuance costs incurred by subsidiaries | – | (10,184) | – | (10,184) | – | (10,184) | (18,793) | (28,977) |
| **Total changes in ownership interests in subsidiaries** | – | (35,813) | (639) | (36,452) | – | (36,452) | 977,435 | 940,983 |
| **Total transactions with owners in their capacity as owners** | 6,942 | (285,522) | 2,917 | (275,663) | – | (275,663) | 770,614 | 494,951 |
| Contributions by and distributions to perpetual securities holders | | | | | | | | |
| Issue of perpetual securities, net of costs | – | – | – | – | 98,529 | 98,529 | – | 98,529 |
| Distributions to perpetual securities holders | – | – | – | – | (64,456) | (64,456) | – | (64,456) |
| **Total contributions by and distributions to perpetual securities holders** | – | – | – | – | 34,073 | 34,073 | – | 34,073 |
| **Closing balance at 30 September 2016** | 1,766,800 | 5,222,073 | (327,733) | 6,661,140 | 1,391,783 | 8,052,923 | 3,790,561 | 11,843,484 |

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2017 (CONT'D)

| | Share Capital (Note 25) $'000 | Retained Earnings $'000 | Other Reserves (Note 26) $'000 | 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 |
| Other comprehensive income | | | | | | | |
| 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 |
| Contributions by and distributions to owners | | | | | | | |
| Ordinary shares issued | 7,971 | – | (7,971) | – | (7,971) | – | – |
| Employee share-based expense | – | – | 7,865 | – | 7,865 | – | 7,865 |
| Dividend paid (Note 29) | – | (70,058) | (179,800) | – | – | (179,800) | (249,858) |
| Dividend proposed (Note 29) | – | (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 |

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2017 (CONT'D)

| | Share Capital (Note 25) $'000 | Retained Earnings $'000 | Other Reserves (Note 26) $'000 | Hedging Reserve $'000 | Share-based Compensation Reserve $'000 | Dividend Reserve $'000 | Total Equity $'000 |
|---|---|---|---|---|---|---|---|
| **Company** | | | | | | | |
| **2016** | | | | | | | |
| **Opening balance at 1 October 2015** | 1,759,858 | 2,490,922 | 198,030 | 3,217 | 15,322 | 179,491 | 4,448,810 |
| Profit for the year | – | 792,000 | – | – | – | – | 792,000 |
| Other comprehensive income | | | | | | | |
| Net fair value change of cash flow hedges | – | – | 483 | 483 | – | – | 483 |
| **Total comprehensive income for the year** | – | 792,000 | 483 | 483 | – | – | 792,483 |
| Contributions by and distributions to owners | | | | | | | |
| Ordinary shares issued | 6,942 | – | (6,942) | – | (6,942) | – | – |
| Employee share-based expense | – | – | 10,220 | – | 10,220 | – | 10,220 |
| Dividend paid (Note 29) | – | (69,909) | (179,491) | – | – | (179,491) | (249,400) |
| Dividend proposed (Note 29) | – | (179,800) | 179,800 | – | – | 179,800 | – |
| **Total contributions by and distributions to owners** | 6,942 | (249,709) | 3,587 | – | 3,278 | 309 | (239,180) |
| **Closing balance at 30 September 2016** | 1,766,800 | 3,033,213 | 202,100 | 3,700 | 18,600 | 179,800 | 5,002,113 |

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

| | Note | Group 2017 $'000 | Group 2016 $'000 |
|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Profit after taxation | | **1,032,291** | 766,146 |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | 12 | **56,908** | 52,877 |
| Fair value change on investment properties | 11 | **(294,976)** | (159,711) |
| Share of results of joint ventures and associates, net of tax | 14 | **(185,229)** | (171,377) |
| Amortisation of intangible assets | 16 | **1,630** | 1,646 |
| Loss on disposal of property, plant and equipment | 4b | **544** | 849 |
| (Write-back of)/allowance for doubtful trade receivables | 4a | **(531)** | 2,504 |
| Bad debts written off | | **44** | 103 |
| Write-down to net realisable value of properties held for sale | 4a | **–** | 47,110 |
| Employee share-based expense | 4c | **17,297** | 10,189 |
| Goodwill on acquisition of subsidiaries written off | 7 | **–** | 1,129 |
| Gain on acquisitions of associates | 7 | **(6,575)** | (954) |
| Gain on disposal of a joint venture and an associate | 7 | **–** | (15,483) |
| Net fair value change on derivative financial instruments | 4b | **(659)** | (13,960) |
| Interest income | 5 | **(32,495)** | (25,296) |
| Interest expense | 6 | **153,519** | 167,504 |
| Tax expense | 8 | **215,732** | 194,197 |
| Exchange difference | | **16,110** | 29,835 |
| Operating profit before working capital changes | | **973,610** | 887,308 |
| Change in trade and other receivables | | **41,911** | 156,698 |
| Change in trade and other payables | | **(350,466)** | 424,654 |
| Change in properties held for sale | | **447,140** | (241,446) |
| Change in inventory | | **233** | 4,172 |
| Cash generated from operations | | **1,112,428** | 1,231,386 |
| Income taxes paid | | **(167,867)** | (134,407) |
| **Net cash generated from operating activities** | | **944,561** | 1,096,979 |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Acquisition of/development expenditure on investment properties | | **(830,325)** | (717,619) |
| Purchase of property, plant and equipment | 12 | **(52,350)** | (62,269) |
| Proceeds from disposal of investment properties | 11 | **–** | 452,141 |
| Proceeds from disposal of property, plant and equipment | | **2,373** | 88 |
| Net investments in/loans to joint ventures and associates | | **(543,466)** | (374,725) |
| Repayments of loans from joint ventures and associates | | **127,403** | 40,223 |
| Dividends from joint ventures and associates | | **160,074** | 196,535 |
| Settlement of hedging instruments | | **19,989** | 31,176 |
| Purchase of intangible assets | | **(11,083)** | – |
| Interest received | | **46,010** | 17,547 |
| Acquisition of subsidiaries, net of cash acquired | 13b | **(736,358)** | (77,010) |
| Acquisition of non-controlling interests | | **(75,188)** | – |
| Disposal of a subsidiary, net of cash disposed of | | **–** | 78,933 |
| Proceeds from disposal of an associate | | **–** | 17,875 |
| Proceeds from disposal of assets held for sale | | **–** | 112,746 |
| Uplift/(placement) of structured deposits | | **164,135** | (437,337) |
| **Net cash used in investing activities** | | **(1,728,786)** | (721,696) |

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2017 (CONT'D)

| | Note | Group 2017 $'000 | 2016 $'000 |
|---|---|---|---|
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Proceeds from issue of shares by a subsidiary to non-controlling interests | | **1,159** | – |
| Contributions from non-controlling interests of subsidiaries without change in control | | **301,650** | 1,000,475 |
| Dividends paid to non-controlling interests | | **(294,053)** | (206,821) |
| Dividends paid to shareholders | | **(249,858)** | (249,400) |
| Proceeds from bank borrowings | | **2,471,068** | 2,335,102 |
| Repayment of bank borrowings | | **(2,100,491)** | (3,275,214) |
| Proceeds from issue of bonds, net of costs | | **966,644** | 521,401 |
| Proceeds from issue of perpetual securities, net of costs | | **306,310** | 98,529 |
| Distributions to perpetual securities holders | | **(68,730)** | (64,456) |
| Interest paid | | **(150,317)** | (165,687) |
| Issuance costs | | **(3,723)** | (23,665) |
| Repayment of amounts due to non-controlling interests | | **–** | (26,487) |
| **Net cash generated from/(used in) financing activities** | | **1,179,659** | (56,223) |
| **Net change in cash and cash equivalents** | | **395,434** | 319,060 |
| Cash and cash equivalents at beginning of year | | **1,728,197** | 1,367,505 |
| Effects of exchange rate on opening cash | | **12,114** | 41,632 |
| **Cash and cash equivalents at end of year** | | **2,135,745** | 1,728,197 |
| Cash and cash equivalents at end of period: | | | |
| Fixed deposits, current | | **804,074** | 587,768 |
| Cash and bank balances | | **1,333,201** | 1,143,575 |
| | 22 | **2,137,275** | 1,731,343 |
| Bank overdraft, unsecured | 24 | **(1,530)** | (3,146) |
| **Cash and cash equivalents at end of year** | | **2,135,745** | 1,728,197 |

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2017 (CONT'D)

| | Note | Group 2017 $'000 | Group 2016 $'000 |
|---|---|---|---|
| **<u>Analysis of Acquisitions of Subsidiaries</u>** | | | |
| **Net assets acquired:** | | | |
| Investment properties | | **990,979** | 76,126 |
| Property, plant and equipment | | **247,380** | – |
| Intangible assets | | **433** | – |
| Properties held for sale | | **25,322** | – |
| Inventories | | **45** | 2,378 |
| Trade and other receivables | | **12,957** | – |
| Trade and other payables | | **(38,139)** | (2,647) |
| Provision for taxation | | **–** | (66) |
| Loans and borrowings | | **(434,923)** | – |
| Deferred tax liabilities (net) | | **(16,098)** | – |
| Cash and cash equivalents | | **24,315** | 1,388 |
| Fair value of net assets | | **812,271** | 77,179 |
| Less: Non-controlling interests | | **(97,798)** | – |
| Less: Deposits paid | | **(24,691)** | – |
| Add: Acquisition-related costs capitalised | | **14,130** | – |
| Goodwill on acquisition of subsidiaries | | **56,761** | 1,129 |
| Exchange difference | | **–** | 90 |
| Consideration paid in cash | | **760,673** | 78,398 |
| Cash and cash equivalents of subsidiaries acquired | | **(24,315)** | (1,388) |
| Cash flow on acquisition, net of cash and cash equivalents acquired | 13b | **736,358** | 77,010 |

The accompanying notes form an integral part of the financial statements.

These notes form an integral part of the financial statements.

The financial statements for the financial year ended 30 September 2017 were authorised for issue in accordance with a resolution of the Directors on 23 November 2017.

## 1. CORPORATE INFORMATION

Frasers Centrepoint Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore. On 9 January 2014, the Company commenced trading on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). TCC Assets Limited, incorporated in the British Virgin Islands, is the immediate and ultimate holding company.

The registered office and principal place of business of the Company is located at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958.

The principal activity of the Company is investment holding.

The principal activities of the significant subsidiaries, joint arrangements and associates are set out in Note 39.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation

The complete set of 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 2017 are prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("$" or "S$"). All financial information presented in Singapore Dollars has been rounded to the nearest thousand, unless otherwise stated.

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 financial year and are consistent with those used in the previous financial year.

### 2.2 Significant Accounting Judgements and Estimates

The preparation of the Group's consolidated financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities at the reporting date. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities and which are not readily apparent from other sources.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 Significant Accounting Judgements and Estimates (cont'd)

Estimates and underlying assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

#### *(a) Key Sources of Estimation Uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Revenue Recognition and Estimation of Total Development Costs

For Singapore property development projects under progressive payment scheme, the Group recognises revenue and cost of sales from development properties held for sale based on the percentage of completion method. The stage of completion is measured in accordance with the accounting policy stated in Note 2.18. Estimates are required in determining the total estimated development costs which will affect the stage of completion. In making these assumptions, the Group relies on references to information such as current offers and/or recent contracts with contractors and suppliers, estimation of construction and material costs based on historical experience, and the work of professional surveyors and architects. Revenue from development properties held for sale is disclosed in Note 3.

(ii) Valuation of Completed Investment Properties

The Group's completed investment properties are stated at their fair values, which are determined annually. The fair values are based on independent professional valuations conducted annually, except for certain overseas properties whereby valuations are performed internally every year and at least once every two years; independent professional valuations are obtained for cross-checking purposes. The fair value of completed investment properties is determined using a combination of the market comparison method, discounted cash flow method and capitalisation method. These estimated market values may differ from the prices at which the Group's completed investment properties could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates require an assessment of factors not within the directors' control, such as overall market conditions. As a result, actual results of operations and realisation of these completed investment properties could differ from the estimates set forth in these financial statements, and the difference could be significant. The carrying amount of completed investment properties is disclosed in Note 11.

The Group's valuation policies and procedures are disclosed in Notes 11 and 33.

(iii) Valuation of Investment Properties under Construction ("IPUC")

IPUC are measured at fair value if they can be reliably determined. If fair values cannot be reliably determined, then IPUC are recorded at cost. The fair values of IPUC are determined using a combination of market comparison method, discounted cash flow method and residual land value method which considers the significant risks which are relevant to the development process, including but not limited to construction and letting risks.

The Group's valuation policies and procedures are disclosed in Notes 11 and 33.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 Significant Accounting Judgements and Estimates (cont'd)

#### *(a) Key Sources of Estimation Uncertainty (cont'd)*

(iv) Net Realisable Value of Properties Held for Sale

Properties held for sale are carried at lower of cost and net realisable value.

A write-down to net realisable value is made for properties held for sale when the net realisable value has fallen below cost. In arriving at estimates of net realisable values, management considers factors such as current market conditions, recent selling prices of the development properties and comparable development properties less the estimated costs of completion and the estimated costs necessary to make the sale.

The carrying amounts of properties held for sale is disclosed in Note 20.

(v) Impairment of Intangible Assets – Goodwill and Brands

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for the next five to ten years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in Note 16.

The valuations of the goodwill arising from business combinations and Brands are disclosed in Notes 13(b) and 16.

(vi) Income Taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant assumptions are required in determining the group-wide provision for income taxes. The ultimate tax determination of taxability of income and deductibility of expenses from certain transactions are uncertain during the ordinary course of business. The tax computations of newly created tax consolidated groups arising from business combinations would also be subject to uncertainty and formal assessment by tax authorities. The Group recognises the liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of provision for taxation, deferred tax assets and liabilities are as disclosed in the Group's balance sheet.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 Significant Accounting Judgements and Estimates (cont'd)

#### *(a) Key Sources of Estimation Uncertainty (cont'd)*

(vii) Land Appreciation Tax

Under the Provisional Regulations on Land Appreciation Tax ("LAT") implemented upon the issuance of the Provisional Regulations of the People's Republic of China on 27 January 1995, all gains arising from the transfer of real estate property in China effective from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditure including amortisation of land use rights, borrowing costs and all property development expenditure.

The subsidiaries of the Group engaging in property development business in China are subject to land appreciation tax. However, the implementation of this tax varies amongst China cities and the Group has not finalised its land appreciation tax returns with various tax authorities. Accordingly, significant judgement is required in determining the amount of land appreciation and related taxes. The ultimate tax determination is uncertain during the ordinary course of business. The Group recognises these liabilities based on management's best estimates. When the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the provisions for land appreciation tax and consequently, corporate income tax in the period in which such determination is made.

#### *(b) Critical Judgements made in Applying Accounting Policies*

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have significant effects on the amounts recognised in the consolidated financial statements:

(i) Operating Lease Commitments – Group as Lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

(ii) Classification of Property

In determining whether a property is classified as investment property or property, plant and equipment, the Group determines the business model and how much space is allocated to ancillary services. The Group further analyses whether the quantum of other income derived from ancillary services rendered is significant as compared to total revenue and other qualitative factors such as the accommodation and amenities offerings.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 Significant Accounting Judgements and Estimates (cont'd)

#### *(b) Critical Judgements made in Applying Accounting Policies (cont'd)*

(iii) Business Combinations

The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired and, in particular, the extent of services provided by the subsidiary (e.g. maintenance, cleaning, security, bookkeeping, hotel services). For example, the Group assessed the acquisitions of the subsidiaries as disclosed in Note 13(b) as purchases of businesses because of the strategic management function and associated processes purchased along with the investment and development properties.

When the acquisition of a subsidiary does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

### 2.3 Basis of Consolidation and Business Combinations

#### *(a) Basis of Consolidation*

The financial year of the Company and all its subsidiaries ends on 30 September unless otherwise stated. The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to 30 September. The financial statements of subsidiaries are prepared using consistent accounting policies. Adjustments are made to any dissimilar material accounting policies to conform to the Group's significant accounting policies. A list of the Group's significant subsidiaries is disclosed in Note 39.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest ("NCI") even if that results in a deficit balance.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 Basis of Consolidation and Business Combinations (cont'd)

#### *(b) Business Combinations*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs, other than those associated with the issue of debt or equity securities, incurred in connection with a business combination are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. Subsequent changes to the fair value of the contingent consideration is recognised in the profit statement. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in the profit statement.

The Group elects for each individual business combination, whether NCI in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the NCI's proportionate share of the acquiree's identifiable net assets. Other components of NCI are measured on their acquisition date at fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of NCI in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is disclosed in Note 2.9(a). When the excess is negative, a bargain purchase is recognised in the profit statement on the acquisition date.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit statement.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 Basis of Consolidation and Business Combinations (cont'd)

#### *(b) Business Combinations (cont'd)*

Transactions with NCI

NCI represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated profit statement and consolidated statement of comprehensive income, and within equity in the consolidated balance sheet, separately from the equity attributable to owners of the Company. Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the NCI is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the Company.

Loss of Control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any NCI and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit statement. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

#### *(c) Property Acquisitions and Business Combinations*

Where property is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business. The basis of the judgement is set out in Note 2.2(b)(iii).

Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. In such cases, the acquirer shall identify and recognise the individual identifiable asset acquired and liabilities assumed. The cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Such a transaction or event does not give rise to goodwill.

### 2.4 Investments in Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less impairment losses.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 Joint Arrangements and Associates

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

#### *(a) Joint Operations*

The Group recognises in relation to its interest in a joint operation, its:

- assets, including its share of any assets held jointly;
- liabilities, including its share of any liabilities incurred jointly;
- revenue from the sale of its share of the output arising from the joint operation;
- share of the revenue from the sale of the output by the joint operation; and
- expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interests in a joint operation in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses.

#### *(b) Joint Ventures and Associates*

An associate is an entity over which the Group has significant influence over the financial and operating policy decisions of the investee but does not have control or joint control of those policies. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's or joint venture's profit or loss in the period in which the investment is acquired.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 Joint Arrangements and Associates (cont'd)

#### *(b) Joint Ventures and Associates (cont'd)*

Under the equity method, the investments in associates or joint ventures are carried on the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit statement reflects the share of results of the operations of the associates or joint ventures. Distributions received from associates or joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income ("OCI") by the associates or joint ventures, the Group recognises its share of such changes in OCI. Unrealised gains and losses resulting from transactions between the Group and associates or joint ventures are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in associates or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in the profit statement.

Goodwill that forms part of the carrying amount of an investment in an associate or a joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or a joint venture may be impaired.

The financial statements of joint ventures and associates are prepared at the same reporting date as the Group. Where the accounting period of the joint ventures and associates is not co-terminous with that of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the accounting period. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, interests in joint ventures and associates are carried at cost less impairment losses.

### 2.6 Investment Properties

#### *(a) Completed Investment Properties*

Completed investment properties are held either to earn rental income or for capital appreciation or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or for sale in the ordinary course of business and are treated as non-current assets.

Completed investment properties are measured at cost on initial recognition. Costs include expenditure that is directly attributable to the acquisition of investment properties. Subsequent to recognition, completed investment properties are measured at fair value and gains or losses arising from changes in the fair value of completed investment properties are included in the profit statement in the year in which they arise.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.6 Investment Properties (cont'd)

#### *(a) Completed Investment Properties (cont'd)*

Completed investment properties are derecognised when either they have been disposed of or when the completed investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of a completed investment property are recognised in the profit statement in the year of retirement or disposal. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Transfers are made to or from completed investment properties only when there is a change in use. For a transfer from completed investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to completed investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment up to the date of change in use.

#### *(b) Investment Properties under Construction*

IPUC are initially stated at cost, which includes cost of land and construction, related overhead expenditure and financing charges incurred during the period of construction and up to the completion of construction.

IPUC are subsequently measured at fair value annually and on completion, with changes in fair values being recognised in the profit statement when fair value can be measured reliably.

When completed, IPUC are transferred to completed investment properties.

IPUC for which fair value cannot be determined reliably is measured at cost less impairment.

### 2.7 Properties Held for Sale

#### *(a) Development Properties Held for Sale*

Development properties held for sale are properties acquired or being constructed for sale in the ordinary course of business, rather than being held for the Group's own use, rental or capital appreciation.

Development properties held for sale are held as inventories and are measured at the lower of cost and net realisable value.

The costs of development properties held for sale include:

- freehold and leasehold rights for land;
- amounts paid to contractors for construction; and
- borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.7 Properties Held for Sale (cont'd)

#### *(a) Development Properties Held for Sale (cont'd)*

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when incurred.

Net realisable value of development properties held for sale is the estimated selling price in the ordinary course of business, based on market prices at the end of the reporting period and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

Development properties held for sale are stated at cost plus attributable profits less progress billings if their revenue is recognised based on percentage of completion method (see accounting policy for revenue recognition disclosed in Note 2.18).

Where revenue is recognised upon completion, development properties held for sale are stated at cost and payments received from purchasers prior to completion are included in "trade and other payables" as "progress billings received in advance".

Progress billings not yet paid by customers are included within "trade and other receivables".

The costs of development properties recognised in the profit statement on disposal are determined with reference to the specific costs incurred on the property sold.

When completed, development properties held for sale are transferred to completed properties held for sale.

#### *(b) Completed Properties Held for Sale*

Completed properties held for sale are stated at the lower of cost and net realisable value. Costs include cost of land and construction, related overhead expenditure, and financing charges and other related costs incurred during the period of development.

A write-down to net realisable value is made when it is anticipated that the net realisable value has fallen below cost.

### 2.8 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use and estimate of the costs of dismantling and removing the items and restoring the site on which they are located when the Group has an obligation to remove the asset or restore the site. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repair are charged to the profit statement. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. When assets are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit statement.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.8 Property, Plant and Equipment (cont'd)

Property, plant and equipment except freehold lands, leasehold lands of more than 100 years and assets under construction, are depreciated on the straight line method so as to write-off the cost of the assets over their estimated useful lives. No depreciation is provided on freehold lands, leasehold lands of more than 100 years and assets under construction. The estimated useful lives of the Group's property, plant and equipment are as follows:

| | |
|---|---|
| Leasehold lands (less than 100 years) | Lease term |
| Buildings | 50 years |
| Equipment, furniture and fittings | 2 to 10 years |
| Others[1] | 5 to 10 years |

[1] Others include motor vehicles.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, depreciation method and residual values are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Assets under construction are stated at cost and are not depreciated. Expenditure relating to assets under construction (including borrowing costs) are capitalised when incurred. Depreciation will commence when the development is completed.

Reclassification to Investment Property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on remeasurement is recognised in the profit statement to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve in equity. Any loss is recognised immediately in the profit statement. When the property is sold, the related amount in the revaluation reserve is transferred to retained earnings.

### 2.9 Intangible Assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the profit statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.9 Intangible Assets (cont'd)

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in the profit statement in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit statement when the asset is derecognised.

#### *(a) Goodwill*

Goodwill acquired in a business combination is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

Goodwill is reviewed for impairment, at least annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

#### *(b) Brands*

The brands were acquired in business combinations. The useful lives of the brands are estimated to be indefinite because based on the current market share of the brands, management believes there is no foreseeable limit to the period over which the brands are expected to generate net cash inflows for the Group.

#### *(c) Favourable Leases*

Favourable leases acquired in a business combination are initially measured at cost and are amortised on a straight line basis over the lease term of 35 to 70 years.

#### *(d) Software*

Software are initially capitalised at cost, which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use.

Subsequent to initial recognition, software are amortised to profit or loss on a straight line basis over their estimated useful lives of 3 to 10 years.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.10 Non-Derivative Financial Assets

#### *(a) Initial Recognition and Measurement*

Non-derivative financial assets within the scope of FRS 39 are classified as either non-derivative financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. Non-derivative financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When non-derivative financial assets are recognised initially, they are measured at fair value, plus, in the case of non-derivative financial assets not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its non-derivative financial assets at initial recognition.

#### *(b) Subsequent Measurement*

The subsequent measurement of non-derivative financial assets depends on their classification as follows:

(i) Loans and Receivables

Non-derivative financial assets with fixed or determinable payment that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the profit statement when the loans and receivables are derecognised or impaired, and through the amortisation process.

(ii) Available-for-Sale Financial Assets

Available-for-sale financial assets are those that are not classified in any of the other categories. After initial recognition, available-for-sale financial assets are measured at fair value, with any resultant gain or loss recognised in OCI, except that impairment losses, foreign exchange gains and losses on debt instruments and interest calculated using the effective interest method are recognised in the profit statement. The cumulative gain or loss previously recognised in OCI is reclassified from equity to the profit statement as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

#### *(c) Derecognition*

A non-derivative financial asset is derecognised when the contractual rights to receive cash flows from the asset have expired, or it transfers the rights to receive the contractual cash flows on the non-derivative financial asset in a transaction in which substantially all the risks and rewards of ownership of the non-derivative financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred non-derivative financial assets that is created or retained by the Group is recognised as a separate asset or liability.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.10 Non-Derivative Financial Assets (cont'd)

#### *(c) Derecognition (cont'd)*

On derecognition of a non-derivative financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that has been recognised in OCI is recognised in the profit statement.

Non-derivative financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 2.11 Cash and Cash Equivalents

Cash on hand and in banks and fixed deposits which are held to maturity are classified and accounted for as loans and receivables under FRS 39. The accounting policy is stated in Note 2.10.

### 2.12 Non-Derivative Financial Liabilities

#### *(a) Initial Recognition and Measurement*

Non-derivative financial liabilities within the scope of FRS 39 are classified as other financial liabilities. The non-derivative financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Non-derivative financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

#### *(b) Subsequent Measurement*

Subsequent to initial recognition, non-derivative financial liabilities are measured at amortised cost using the effective interest method.

#### *(c) Derecognition*

A non-derivative financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired.

Where an existing non-derivative financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit statement.

Non-derivative financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.13 Derivative Financial Instruments

The Group uses derivative financial instruments to hedge against risks associated with foreign currency and interest rate fluctuations. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through the profit statement.

Foreign exchange forward contracts are used to hedge its risks associated primarily with foreign currency fluctuations. Interest rate swap contracts are used to hedge its risks associated with interest rate fluctuations. Cross currency interest rate swaps and cross currency swaps are also used to hedge its risks associated with foreign currency and interest rate fluctuations. It is the Group's policy not to trade in derivative financial instruments.

Derivatives are initially recognised at fair value; any attributable transaction costs are recognised in the profit statement on the date a derivative contract is entered into. Subsequent to initial recognition, derivatives are measured at their fair value. The changes in fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the profit statement.

The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting. For the purpose of hedge accounting, these hedges are classified as cash flow hedges. On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be 'highly effective' in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80% to 125%.

#### *Cash Flow Hedges*

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in OCI in hedging reserve, while any ineffective portion is recognised immediately in the profit statement. Amounts recognised in OCI are transferred to the profit statement when the hedged transaction affects the profit statement, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

Where the hedged item is a non-financial asset or non-financial liability, the amounts accumulated in equity is retained in OCI and reclassified to the profit statement in the same period or periods during which the non-financial item affects the profit statement.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, amounts previously recognised in shareholders' equity are transferred to the profit statement.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.13 Derivative Financial Instruments (cont'd)

***Hedge of Net Investment in a Foreign Operation***

The Group applies hedge accounting to foreign currency differences arising between the functional currency of the foreign operation and the parent's functional currency, regardless of whether the net investment is held directly or through an intermediate parent.

In the entities' financial statements, foreign currency differences arising from the re-translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in the profit statement. On consolidation, such differences are recognised in OCI and presented in the foreign currency translation reserve in the shareholders' equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in the profit statement. When the hedged net investment is disposed, the cumulative amount in OCI is transferred to the profit statement.

### 2.14 Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 2.15 Impairment

***(a) Impairment of Non-Financial Assets***

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount.

An impairment loss is recognised if the carrying amount of an asset or its related CGU exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.15 Impairment (cont'd)

#### *(a) Impairment of Non-Financial Assets (cont'd)*

Impairment losses of continuing operations are recognised in the profit statement, except for assets that are previously revalued where the revaluation was taken to OCI. In this case, the impairment is also recognised in OCI up to the amount of any previous revaluation. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversal of an impairment loss is recognised in the profit statement unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The Group does not reverse in a subsequent period, any impairment loss recognised for goodwill.

#### *(b) Impairment of Financial Assets*

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(i) Financial Assets Carried at Amortised Cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than that suggested by historical trends.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.15 Impairment (cont'd)

#### *(b) Impairment of Financial Assets (cont'd)*

(i) Financial Assets Carried at Amortised Cost (cont'd)

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the profit statement.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the profit statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Available-for-Sale Financial Assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the profit statement, is transferred from equity to the profit statement. Reversals in respect of equity instruments classified as available-for-sale are not recognised in the profit statement. Increase in the fair value after impairment are recognised directly in OCI. Reversals of impairment losses on debt instruments are reversed through the profit statement, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in the profit statement.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.16 Income Taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in the profit statement except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

– temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### 2.17 Borrowing Costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur using the effective interest method. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.18 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

#### *(a) Properties Held for Sale*

(i) Sale of Completed Properties

Revenue from completed properties is recognised when the risks and rewards of ownership have been transferred to the purchaser either through the transfer of legal title or equitable interest in the properties, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

(ii) Sale of Properties under Development

The Group recognises revenue on properties under development when the significant risks and rewards of ownership have been transferred to the purchasers. For residential development projects under progressive payment scheme in Singapore, whereby the legal terms in the sales contracts result in continuous transfer of work-in-progress to the purchasers, revenue is recognised based on the percentage of completion method. Under the percentage of completion method, profit is brought into the profit statement only in respect of finalised sales contracts and to the extent that such profit relates to the progress of construction work. The progress of construction work is measured by the proportion of the construction and related costs incurred to date to the estimated total construction and related costs for each project.

For executive condominium projects in Singapore, residential development projects under deferred payment scheme in Singapore and overseas development projects, revenue will be recognised upon the transfer of significant risks and rewards of ownership, which generally coincides with the time the development units are delivered to the purchasers.

#### *(b) Rental Income*

Rental and related income from completed investment properties are recognised on a straight line basis over the lease term commencing on the date from which the lessee is entitled to exercise its right to use the leased asset.

#### *(c) Hotel Income*

Revenue from hotel operations is recognised on an accrual basis, upon rendering of the relevant services.

#### *(d) Dividends*

Dividend income is recognised when the Group's right to receive the payment is established.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.18 Revenue Recognition (cont'd)

#### *(e) Interest Income*

Interest income is recognised using the effective interest method.

#### *(f) Management Fees*

Management fee is recognised on an accrual basis.

### 2.19 Foreign Currencies

#### *(a) Functional Currency*

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity (the "functional currency"). The consolidated financial statements and financial statements of the Company are presented in Singapore Dollars, the functional currency of the Company.

#### *(b) Foreign Currency Transactions*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries at rates of exchange approximating those ruling at transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates ruling at the initial transaction dates. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Foreign currency differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in the profit statement except for:

(i) available for sale equity instruments (except impairment in which case foreign currency differences that have been recognised in OCI are reclassified to the profit statement);

(ii) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective;

(iii) qualifying cash flow hedges to the extent the hedges are effective.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.19 Foreign Currencies (cont'd)

#### *(c) Foreign Currency Translation*

The results and financial position of foreign operations are translated into Singapore Dollars using the following procedures:

- assets and liabilities are translated at the closing rate ruling at that reporting date; and

- income and expenses are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions.

All resulting exchange differences are taken directly to OCI and accumulated in the foreign currency translation reserve in equity.

However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the profit statement as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the profit statement as part of the gain or loss on disposal.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI and are accumulated in the foreign currency translation reserve in equity.

### 2.20 Employee Benefits

#### *(a) Defined Contribution Plan*

As required by law, the Group makes contributions to state pension schemes in accordance with local regulatory requirements. The pension contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

#### *(b) Employee Leave Entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the reporting date.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.20 Employee Benefits (cont'd)

#### *(c) Share Plans*

For equity-settled share-based payment transactions, the fair value of the services received is recognised as an expense with a corresponding increase in equity over the vesting period during which the employees become unconditionally entitled to the equity instrument. The fair value of the services received is determined by reference to the fair value of the equity instrument granted at the grant date. At each reporting date, the number of equity instruments that are expected to be vested are estimated. The impact of the revision of the original estimates is recognised as an expense and as a corresponding adjustment to equity over the remaining vesting period, unless the revision to the original estimates is due to market conditions. No adjustment is made if the revision or actual outcome differs from the original estimates due to market conditions.

For cash-settled share-based payment transactions, the fair value of the goods or services received is recognised as an expense with a corresponding increase in liability. The fair value of the services received is determined by reference to the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised for the period.

The proceeds received from the exercise of the equity instruments, net of any directly attributable transaction costs, are credited to share capital when the equity instruments are exercised.

### 2.21 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

#### *(a) As Lessee*

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the profit statement. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the profit statement on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.21 Leases (cont'd)

#### *(b) As Lessor*

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is stated in Note 2.18. Contingent rents are recognised as revenue in the period in which they are earned.

### 2.22 Exceptional Items

Exceptional items are one-off items of income and expense of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group and the Company for the year arising from non-recurring and non-operating transactions.

### 2.23 Share Capital, Perpetual Securities and Issuance Expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity and incidental costs directly attributable to the issuance of such shares are deducted against share capital. Proceeds from issuance of perpetual securities are recognised in equity and incidental costs directly attributable to the issuance of perpetual securities are deducted against the proceeds from the issue.

### 2.24 Contingencies

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and the Company; or

- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the balance sheet of the Group and the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

## 3. REVENUE

| | Group 2017 $'000 | Group 2016 $'000 |
|---|---|---|
| Properties held for sale: | | |
| – recognised on completed contract method | **2,085,301** | 1,800,307 |
| – recognised on percentage of completion method | **382,040** | 152,076 |
| | **2,467,341** | 1,952,383 |
| Rent and related income | **904,378** | 865,949 |
| Hotel income | **597,377** | 581,102 |
| Fee income and others | **57,542** | 40,158 |
| | **4,026,638** | 3,439,592 |

## 4. TRADING PROFIT

Trading profit includes the following:

| | Note | Group 2017 $'000 | Group 2016 $'000 |
|---|---|---|---|
| ***(a) Cost of Sales includes:*** | | | |
| Cost of properties held for sale | | **(1,974,479)** | (1,606,411) |
| Write-down to net realisable value of properties held for sale | 20 | **–** | (47,110) |
| Operating costs of investment properties that generated rental income | | **(331,342)** | (308,181) |
| Operating costs of hotels | | **(307,271)** | (318,115) |
| Depreciation of property, plant and equipment | 12 | **(45,981)** | (43,044) |
| Staff costs | | **(254,666)** | (225,778) |
| Defined contribution plans | | **(15,979)** | (13,957) |
| Allowance for doubtful trade receivables | 18 | **(2,111)** | (3,190) |
| Write-back of allowance for doubtful trade receivables | 18 | **2,642** | 686 |
| ***(b) Other Income/(Losses) includes:*** | | | |
| Net fair value change on derivative financial instruments | | **659** | 13,960 |
| Foreign exchange gain/(loss) | | **4,815** | (26,466) |
| Loss on disposal of property, plant and equipment | | **(544)** | (849) |
| Others | | **3,941** | 6,828 |
| | | **8,871** | (6,527) |

## 4. TRADING PROFIT (CONT'D)

| | Note | Group 2017 $'000 | Group 2016 $'000 |
|---|---|---|---|
| ***(c) Administrative Expenses includes:*** | | | |
| Depreciation of property, plant and equipment | 12 | **(10,927)** | (9,833) |
| Amortisation of intangible assets | 16 | **(1,630)** | (1,646) |
| Audit fees paid to: | | | |
| – auditors of the Company | | **(1,234)** | (1,272) |
| – other auditors | | **(2,729)** | (2,309) |
| Non-audit fees paid to: | | | |
| – auditors of the Company | | **(1,083)** | (557) |
| – other auditors | | **(792)** | (1,044) |
| Directors of the Company: | | | |
| – Fee | | **(858)** | (955) |
| – Remuneration of members of Board Committees | | **(672)** | (783) |
| Key executive officers: | | | |
| – Remuneration | | **(8,633)** | (8,123) |
| – Provident fund contribution | | **(96)** | (104) |
| – Employee share-based expense | | **(2,447)** | (2,930) |
| Staff costs | | **(145,492)** | (128,288) |
| Defined contribution plans | | **(9,063)** | (9,098) |
| Employee share-based expense | | **(14,850)** | (7,259) |

## 5. INTEREST INCOME

| | Group 2017 $'000 | Group 2016 $'000 |
|---|---|---|
| Interest income from loans and receivables: | | |
| – Related companies | **7,846** | 10,235 |
| – Fixed deposits and bank balances | **18,894** | 15,061 |
| | **26,740** | 25,296 |
| Interest rate swaps: | | |
| – Unrealised | **1,983** | – |
| – Realised | **3,772** | – |
| | **32,495** | 25,296 |

## 6. INTEREST EXPENSE

| | Group 2017 $'000 | Group 2016 $'000 |
|---|---|---|
| Interest expense: | | |
| – Loans and borrowings | **(152,877)** | (157,867) |
| – Related parties | **–** | (78) |
| | **(152,877)** | (157,945) |
| Interest rate swaps: | | |
| – Unrealised | **(96)** | (1,852) |
| – Realised | **(546)** | (7,707) |
| | **(153,519)** | (167,504) |

## 7. EXCEPTIONAL ITEMS

| | Group 2017 $'000 | Group 2016 $'000 |
|---|---|---|
| Gain on acquisitions of associates (Note 14(a) and (b)) | **6,575** | 954 |
| Gain on disposal of a joint venture and an associate | **–** | 15,483 |
| Transaction costs on acquisition of subsidiaries and an associate | **(20,801)** | (2,228) |
| (Non-capitalisable expenses)/write-back of non-capitalisable expenses in relation to the acquisitions of hotels | **(748)** | 145 |
| Transaction costs on transfer of investment properties to a REIT | **–** | (8,584) |
| Goodwill on acquisition of subsidiaries written off | **–** | (1,129) |
| | **(14,974)** | 4,641 |

## 8. TAXATION

### (a) *Components of Income Tax Expense*

The components of income tax expense for the years ended 30 September are:

| | Group | |
|---|---|---|
| | **2017** | 2016 |
| | **$'000** | $'000 |
| Based on profit for the year: | | |
| – Current taxation | **(122,252)** | (139,711) |
| – Withholding tax | **(22,103)** | (28,842) |
| – Deferred taxation | **(80,637)** | (48,458) |
| | **(224,992)** | (217,011) |
| Over/(under) provision in prior years: | | |
| – Current taxation | **65,704** | 5,618 |
| – Deferred taxation | **(56,444)** | 17,196 |
| | **9,260** | 22,814 |
| | **(215,732)** | (194,197) |

### (b) *Tax Recognised in OCI*

| | **2017** | | | 2016 | | |
|---|---|---|---|---|---|---|
| | **Before tax** | **Tax expense** | **Net of tax** | Before tax | Tax expense | Net of tax |
| | **$'000** | **$'000** | **$'000** | $'000 | $'000 | $'000 |
| **Group** | | | | | | |
| Net fair value change of cash flow hedges | **38,499** | **–** | **38,499** | (123,726) | – | (123,726) |
| Foreign currency translation | **116,270** | **–** | **116,270** | 21,143 | – | 21,143 |
| Share of other comprehensive income of joint ventures and associates | **(1,685)** | **–** | **(1,685)** | (56) | – | (56) |
| | **153,084** | **–** | **153,084** | (102,639) | – | (102,639) |

### (c) *Reconciliation between Tax Expense and Accounting Profit*

| | Group | |
|---|---|---|
| | **2017** | 2016 |
| | **$'000** | $'000 |
| Profit before taxation | **1,248,023** | 960,343 |
| Less: Share of results of joint ventures and associates, net of tax | **(185,229)** | (171,377) |
| Profit before share of results of joint ventures and associates and taxation | **1,062,794** | 788,966 |

## 8. TAXATION (CONT'D)

### (c) Reconciliation between Tax Expense and Accounting Profit (cont'd)

A reconciliation of the statutory tax rate to the Group's effective tax rate applicable to profit before taxation and share of results of joint ventures and associates for the years ended 30 September are as follows:

| | Group | |
|---|---|---|
| | **2017** | 2016 |
| | **%** | % |
| Singapore statutory rate | **17.0** | 17.0 |
| Effect of different tax rates of other countries | **5.8** | 6.3 |
| Income not subject to tax | **(5.0)** | (2.6) |
| Expenses not deductible for tax purposes | **2.8** | 1.1 |
| Losses not allowed to be set off against future taxable profits | **1.8** | 2.0 |
| Utilisation of previously unrecognised tax losses | **(0.9)** | (2.9) |
| Overprovision in prior years | **(0.7)** | (1.4) |
| Tax benefits on current losses not recognised | **0.4** | 0.2 |
| Tax effect of fair value change on investment properties | **(2.0)** | 1.6 |
| Withholding tax | **2.1** | 2.5 |
| Tax effect arising from the formation of Australia tax consolidated group | **(0.1)** | 2.4 |
| Tax effect of distributions to perpetual securities holders | **(1.0)** | (1.4) |
| Others | **0.1** | (0.2) |
| Effective tax rate | **20.3** | 24.6 |

During the current year, certain subsidiaries in Singapore have transferred losses of $6,874,000 (Year of Assessment ("YA") 2016: $8,252,000) arising from YA 2017 to set off against the taxable income of other companies in the Group. Of the tax losses transferred to date under the Singapore group relief system, tax benefits of $1,401,000 (2016: $894,000) have been recognised during the financial year 2017. Potential tax benefits of $11,228,000 (2016: $10,038,000) in respect of the remaining tax losses have not been recognised as they are subject to compliance with the relevant tax legislation governing group relief and agreement of the Inland Revenue Authority of Singapore.

As at 30 September 2017, certain subsidiaries have unutilised tax losses of approximately $173,337,000 (2016: $183,776,000) and unabsorbed capital allowances of $192,251,000 (2016: $156,432,000) available for set off against future taxable profits. Deferred tax assets of $73,061,000 (2016: $68,692,000) in respect of these losses and capital allowances have not been recognised due to uncertainty of their recoverability. The utilisation of tax losses and capital allowances is subject to the agreement of the respective tax authorities and compliance with certain provisions of the tax legislations of the respective jurisdictions in which the Group operates. Tax losses amounting to $10,746,000 (2016: Nil) can be carried forward for 9 years subsequent to the year of the loss, while the remaining tax losses have no expiry dates.

## 9. EARNINGS PER SHARE

Earnings per share is computed by dividing the Group's attributable profit (after adjusting for distributions to perpetual securities holders of $65,287,000 (2016: $64,456,000), net of distributions of $3,443,000 (2016: Nil) to perpetual securities holders borne by non-controlling interests) by the weighted average number of ordinary shares in issue during the financial year. In respect of diluted earnings per share, the denominator is adjusted for the effects of dilutive potential ordinary shares, which comprise share awards granted to employees. The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 30 September:

| | Group | |
|---|---|---|
| | **2017** | 2016 |
| | **$'000** | $'000 |
| Attributable profit to shareholders of the Company after adjusting for distributions to perpetual securities holders: | | |
| – before fair value change and exceptional items | **422,958** | 415,407 |
| – after fair value change and exceptional items | **623,836** | 532,763 |
| | **No. of Shares** | |
| | **'000** | '000 |
| Weighted average number of ordinary shares in issue | **2,904,157** | 2,898,893 |
| Effects of dilution – share plans | **26,053** | 21,409 |
| Weighted average number of ordinary shares for diluted earnings per share computation | **2,930,210** | 2,920,302 |
| <u>Earnings Per Share ("EPS")</u> | | |
| (a) Basic earnings per share: | | |
| – before fair value change and exceptional items | **14.6¢** | 14.3¢ |
| – after fair value change and exceptional items | **21.5¢** | 18.4¢ |
| (b) On a fully diluted basis: | | |
| – before fair value change and exceptional items | **14.4¢** | 14.2¢ |
| – after fair value change and exceptional items | **21.3¢** | 18.2¢ |

## 10. SEGMENT INFORMATION

Management determines the business segments based on the reports reviewed and used by the Group CEO (the chief operating decision maker) for strategic decision making and resources allocation.

The Group's reportable operating segments comprise of the following strategic business units ("SBU"):

(i) Singapore SBU, which encompasses the development, ownership, management and operation of residential, retail and commercial properties held by Frasers Centrepoint Trust ("FCT"), Frasers Commercial Trust ("FCOT") and non-REIT entities in Singapore.

(ii) Australia SBU, which encompasses the development, ownership, management and operation of residential, commercial and industrial properties held by non-REIT entities and Frasers Logistics and Industrial Trust ("FLT") in Australia and New Zealand.

(iii) Hospitality SBU, which encompasses the Group's hospitality operations and the ownership/management and operation of hotels and serviced apartments held by Frasers Hospitality Trust ("FHT") and non-REIT entities.

(iv) International Business Unit ("BU"), which comprises development activities and/or ownership and management of investment properties in China, Europe, Vietnam and Thailand.

The SBUs are organised based on their products, services and geography. The Group CEO reviews internal management reports of each SBU at least quarterly.

Geographically, management reviews the performance of the businesses in Singapore, Australia, Europe, China and Others. Geographical segment revenue is based on the geographical location of the customers. Geographical segment assets are based on the geographical location of the assets.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before interest, fair value change, taxation and exceptional items ("PBIT"), as included in the internal management reports that are reviewed by the Group CEO. Segment PBIT is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments. Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on arm's length basis.

## 10. SEGMENT INFORMATION (CONT'D)

### Year ended 30 September 2017

The following table presents financial information regarding business segments:

| Business Segment | Singapore SBU $'000 | Australia SBU $'000 | Hospitality SBU $'000 | International BU $'000 | Corporate and 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/(transfer to other 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[1] | 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 |

## 10. SEGMENT INFORMATION (CONT'D)

### Year ended 30 September 2017 (cont'd)

The following table presents financial information regarding geographical segments:

| Geographical Segment | Singapore $'000 | Australia $'000 | Europe $'000 | China $'000 | Others[(2)] $'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/(transfer to other 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) |

(1) The attributable profit disclosed includes inter-segment interest income and expense, in order to reflect the cost of financing of the Group's internal funds between segments.

(2) Others – Japan, Thailand, New Zealand, Vietnam, the Philippines, Indonesia and Malaysia.

## 10. SEGMENT INFORMATION (CONT'D)

### Year ended 30 September 2016

The following table presents financial information regarding business segments:

| Business Segment | Singapore SBU $'000 | Australia SBU $'000 | Hospitality SBU $'000 | International BU $'000 | Corporate and Others $'000 | Group $'000 |
|---|---|---|---|---|---|---|
| **Revenue** | 946,152 | 1,449,354 | 789,477 | 253,368 | 1,241 | 3,439,592 |
| Subsidiaries | 360,880 | 217,678 | 134,307 | 82,456 | (28,499) | 766,822 |
| Joint ventures and associates | 67,360 | 79 | 703 | 103,235 | – | 171,377 |
| **PBIT** | 428,240 | 217,757 | 135,010 | 185,691 | (28,499) | 938,199 |
| Interest income | | | | | | 25,296 |
| Interest expense | | | | | | (167,504) |
| **Profit before fair value change, taxation and exceptional items** | | | | | | 795,991 |
| Fair value change on investment properties | (30,535) | 200,279 | (10,207) | 174 | – | 159,711 |
| **Profit before taxation and exceptional items** | | | | | | 955,702 |
| Exceptional items | 14,860 | (7,961) | (2,638) | 380 | – | 4,641 |
| **Profit before taxation** | | | | | | 960,343 |
| Taxation | | | | | | (194,197) |
| **Profit for the year** | | | | | | 766,146 |
| Non-current assets | 8,741,698 | 3,283,127 | 4,266,992 | 69,778 | 22,458 | 16,384,053 |
| Current assets | 1,181,141 | 2,375,457 | 162,021 | 1,068,100 | 16,750 | 4,803,469 |
| Investments in joint ventures and associates | 248,602 | 51,546 | 113 | 492,752 | – | 793,013 |
| Tax assets | | | | | | 55,160 |
| Bank deposits | | | | | | 437,337 |
| Cash and cash equivalents | | | | | | 1,731,343 |
| **Total assets** | | | | | | 24,204,375 |
| Liabilities | 376,521 | 526,657 | 221,892 | 877,942 | 119,293 | 2,122,305 |
| Loans and borrowings | | | | | | 9,795,537 |
| Tax liabilities | | | | | | 443,049 |
| **Total liabilities** | | | | | | 12,360,891 |
| ***Other segment information*** | | | | | | |
| Additions to non-current assets | 278,512 | 351,971 | 135,199 | 567 | 13,639 | 779,888 |
| Depreciation | 1,126 | 9,321 | 42,364 | 73 | – | 52,884 |
| Amortisation | 89 | – | 1,067 | 490 | – | 1,646 |
| Write-down to net realisable value of properties held for sale | – | 47,110 | – | – | – | 47,110 |
| Attributable profit before fair value change and exceptional items[1] | 177,916 | 77,276 | 24,662 | 147,871 | 52,138 | 479,863 |
| Fair value change | (41,721) | 162,544 | (14,677) | 104 | – | 106,250 |
| Exceptional items | 14,860 | (1,323) | (2,811) | 380 | – | 11,106 |
| **Attributable profit** | 151,055 | 238,497 | 7,174 | 148,355 | 52,138 | 597,219 |

## 10. SEGMENT INFORMATION (CONT'D)

### Year ended 30 September 2016 (cont'd)

The following table presents financial information regarding geographical segments:

| Geographical Segment | Singapore $'000 | Australia $'000 | Europe $'000 | China $'000 | Others[2] $'000 | Group $'000 |
|---|---|---|---|---|---|---|
| **Revenue** | 1,029,923 | 1,630,785 | 509,601 | 116,770 | 152,513 | 3,439,592 |
| **PBIT** | 367,595 | 299,700 | 111,320 | 120,296 | 39,288 | 938,199 |
| Non-current assets | 9,363,764 | 4,723,421 | 1,520,991 | 264,679 | 511,198 | 16,384,053 |
| Current assets | 1,221,237 | 2,354,240 | 654,293 | 511,915 | 61,784 | 4,803,469 |
| Investments in joint ventures and associates | 248,267 | 51,546 | – | 248,394 | 244,806 | 793,013 |
| Tax assets | | | | | | 55,160 |
| Bank deposits | | | | | | 437,337 |
| Cash and cash equivalents | | | | | | 1,731,343 |
| **Total assets** | | | | | | 24,204,375 |
| Liabilities | 469,708 | 568,515 | 337,896 | 679,369 | 66,817 | 2,122,305 |
| Loans and borrowings | | | | | | 9,795,537 |
| Tax liabilities | | | | | | 443,049 |
| **Total liabilities** | | | | | | 12,360,891 |
| ***Other segment information*** | | | | | | |
| Additions to non-current assets | 295,394 | 355,539 | 125,638 | 695 | 2,622 | 779,888 |
| Depreciation | 10,103 | 19,469 | 18,732 | 1,464 | 3,116 | 52,884 |
| Amortisation | 89 | – | 1,557 | – | – | 1,646 |
| Write-down to net realisable value of properties held for sale | – | 45,128 | – | – | 1,982 | 47,110 |
| Exceptional items | 14,845 | (7,945) | (2,638) | – | 379 | 4,641 |

(1) The attributable profit disclosed includes inter-segment interest income and expense, in order to reflect the cost of financing of the Group's internal funds between segments.

(2) Others – Japan, Thailand, New Zealand, Vietnam, the Philippines, Indonesia and Malaysia.

## 11. INVESTMENT PROPERTIES

| | Completed Investment Properties $'000 | Investment Properties Under Construction $'000 | Total Investment Properties $'000 |
|---|---|---|---|
| **Group** | | | |
| **Balance Sheet** | | | |
| At 1 October 2015 | 10,663,870 | 2,287,322 | 12,951,192 |
| Currency re-alignment | 26,029 | 165 | 26,194 |
| Reclassification from properties held for sale | – | 78,886 | 78,886 |
| Transfer upon completion | 353,604 | (353,604) | – |
| Additions | 229,776 | 487,843 | 717,619 |
| Disposals | (452,141) | – | (452,141) |
| Fair value change | 165,086 | 7,183 | 172,269 |
| At 30 September 2016 and 1 October 2016 | 10,986,224 | 2,507,795 | 13,494,019 |
| Currency re-alignment | 94,252 | 2,722 | 96,974 |
| Reclassification from properties held for sale | – | 107,954 | 107,954 |
| Transfer upon completion | 1,285,774 | (1,285,774) | – |
| Additions | 265,659 | 566,721 | 832,380 |
| Fair value change | 331,805 | (36,829) | 294,976 |
| Acquisitions of subsidiaries | 984,526 | 6,453 | 990,979 |
| **At 30 September 2017** | **13,948,240** | **1,869,042** | **15,817,282** |

| | **2017 $'000** | 2016 $'000 |
|---|---|---|
| **Profit Statement** | | |
| Rental income from completed investment properties: | | |
| – Minimum lease payments | **890,567** | 852,255 |
| – Contingent rent based on tenants' turnover | **13,811** | 13,694 |
| | **904,378** | 865,949 |

| | Completed Investment Properties $'000 |
|---|---|
| **Company** | |
| **Balance Sheet** | |
| At 1 October 2015, 30 September 2016 and 1 October 2016 | 1,600 |
| Fair value change | (100) |
| **At 30 September 2017** | **1,500** |

## 11. INVESTMENT PROPERTIES (CONT'D)

### *(a) Completed Investment Properties*

Completed investment properties comprise serviced residences, retail, commercial and industrial properties that are leased mainly to third parties under operating leases (Note 36).

Completed investment properties are stated at fair value which has been determined based on valuations performed by valuers at the reporting date.

Investment properties amounting to approximately $3,226,318,000 (2016: $622,534,000) have been mortgaged to certain financial institutions as securities for credit facilities.

### *(b) Investment Properties under Construction*

IPUC are valued annually by valuers by estimating the fair values of the completed investment properties and then deducting from those amounts the estimated costs to complete the construction and a reasonable profit margin on construction and development. The estimated cost to complete is determined based on the construction cost per square metre in the pertinent area.

IPUC amounting to approximately $1,416,000,000 (2016: $2,255,000,000) have been mortgaged to certain financial institutions as securities for credit facilities.

## 12. PROPERTY, PLANT AND EQUIPMENT

| | Freehold Lands $'000 | Leasehold Lands $'000 | Buildings $'000 | Assets under Construction $'000 | Equipment, Furniture and Fittings $'000 | Others $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | |
| **Cost** | | | | | | | |
| At 1 October 2015 | 318,880 | 384,177 | 1,215,640 | 8,786 | 144,527 | 3,490 | 2,075,500 |
| Currency re-alignment | (9,465) | (10,944) | (73,920) | (1,105) | (16,875) | (77) | (112,386) |
| Acquisition of subsidiaries | 22,838 | – | 50,623 | – | 2,665 | – | 76,126 |
| Additions | – | – | 8,854 | 21,409 | 31,851 | 155 | 62,269 |
| Disposals/write-offs | – | – | (61) | – | (2,199) | (132) | (2,392) |
| Reclassification | – | – | – | (2,567) | 4,741 | (2,174) | – |
| Transfer upon completion | – | – | – | (3,331) | 3,331 | – | – |
| At 30 September 2016 and 1 October 2016 | 332,253 | 373,233 | 1,201,136 | 23,192 | 168,041 | 1,262 | 2,099,117 |
| Currency re-alignment | (4,544) | 1,881 | 23,358 | 679 | (16,377) | (16) | 4,981 |
| Acquisition of subsidiaries | 83,901 | – | 171,215 | – | 6,394 | – | 261,510 |
| Additions | – | – | 14,400 | 31,025 | 6,779 | 146 | 52,350 |
| Disposals/write-offs | – | – | (17) | – | (12,826) | – | (12,843) |
| Reclassification | – | – | 244 | – | (244) | – | – |
| Transfer upon completion | – | – | 7,182 | (7,374) | 192 | – | – |
| At 30 September 2017 | 411,610 | 375,114 | 1,417,518 | 47,522 | 151,959 | 1,392 | 2,405,115 |
| **Accumulated Depreciation** | | | | | | | |
| At 1 October 2015 | – | 5,428 | 25,733 | – | 51,928 | 1,397 | 84,486 |
| Currency re-alignment | – | (36) | (664) | – | (8,310) | (70) | (9,080) |
| Charge for the year 2016 | – | 4,590 | 24,317 | – | 23,927 | 50 | 52,884 |
| Disposals/write-offs | – | – | – | – | (1,357) | (98) | (1,455) |
| Reclassification | – | – | – | – | 255 | (255) | – |
| At 30 September 2016 and 1 October 2016 | – | 9,982 | 49,386 | – | 66,443 | 1,024 | 126,835 |
| Currency re-alignment | – | 36 | (17) | – | (9,452) | (16) | (9,449) |
| Charge for the year 2017 | – | 4,597 | 27,570 | – | 24,719 | 45 | 56,931 |
| Disposals/write-offs | – | – | (2) | – | (9,924) | – | (9,926) |
| Reclassification | – | – | 5 | – | (5) | – | – |
| At 30 September 2017 | – | 14,615 | 76,942 | – | 71,781 | 1,053 | 164,391 |
| **Net Book Value** | | | | | | | |
| **At 30 September 2017** | **411,610** | **360,499** | **1,340,576** | **47,522** | **80,178** | **339** | **2,240,724** |
| At 30 September 2016 | 332,253 | 363,251 | 1,151,750 | 23,192 | 101,598 | 238 | 1,972,282 |

## 12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| | Equipment, Furniture and Fittings $'000 |
|---|---|
| **Company** | |
| **Cost** | |
| At 1 October 2015 | 53 |
| Additions | 1 |
| Fully depreciated | (53) |
| At 30 September 2016, 1 October 2016 and 30 September 2017 | 1 |
| **Accumulated Depreciation** | |
| At 1 October 2015 | 53 |
| Fully depreciated | (53) |
| Charge for the year 2016 | –* |
| At 30 September 2016 and 1 October 2016 | –* |
| Charge for the year 2017 | –* |
| At 30 September 2017 | –* |
| **Net Book Value** | |
| **At 30 September 2017** | **1** |
| At 30 September 2016 | 1 |

* Denotes amounts less than $1,000.

The depreciation charge for the year is included in the financial statements as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2017 $'000** | 2016 $'000 | **2017 $'000** | 2016 $'000 |
| Charged to profit statement (Note 4) | **56,908** | 52,877 | **–** | – |
| Capitalised in properties held for sale | **23** | 7 | **–** | – |
| | **56,931** | 52,884 | **–** | – |

Included in property, plant and equipment are certain hotel properties of the Group with carrying amount of $262,762,000 (2016: $267,187,000) which are pledged to certain financial institutions to secure credit facilities.

## 13. INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES

| | Note | Company 2017 $'000 | Company 2016 $'000 |
|---|---|---|---|
| **Investments in subsidiaries** | | | |
| Shares, at cost | | **1,880,386** | 1,880,386 |
| Less: Allowance for impairment | | **(80,490)** | (80,490) |
| | | **1,799,896** | 1,799,896 |
| **Balances with subsidiaries** | | | |
| Amounts due from subsidiaries: | | | |
| – Interest-free | | **1,433,489** | 1,399,656 |
| – Interest-bearing | | **1,958,699** | 1,973,289 |
| | 18 | **3,392,188** | 3,372,945 |
| Amounts due to subsidiaries: | | | |
| – Interest-free | | **(195,638)** | (188,743) |
| | 23 | **(195,638)** | (188,743) |
| Net balances with subsidiaries | | **3,196,550** | 3,184,202 |
| Amounts due from subsidiaries: | | | |
| – Current | | **217,113** | 1,958,514 |
| – Non-current | | **3,175,075** | 1,414,431 |
| | 18 | **3,392,188** | 3,372,945 |
| Amounts due to subsidiaries: | | | |
| – Current | | **(194,653)** | (187,435) |
| – Non-current | | **(985)** | (1,308) |
| | 23 | **(195,638)** | (188,743) |
| Net balances with subsidiaries | | **3,196,550** | 3,184,202 |

Amounts due from subsidiaries are non-trade related, unsecured and payable in cash. In respect of interest-bearing amounts, interest of between 0.2% to 4.0% (2016: 0.2% to 4.0%) per annum was charged.

Amounts due to subsidiaries are non-trade related, interest-free, unsecured and payable in cash.

Balances with subsidiaries which are payable on demand have been classified as current, while balances with no fixed terms of repayment and not expected to be repaid within the next 12 months have been classified as non-current. The non-current loans due from subsidiaries form part of the Company's net investments in subsidiaries where settlements are neither planned nor likely to occur in the foreseeable future.

Details of significant subsidiaries are included in Note 39.

## 13. INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES (CONT'D)

### *(a) Interest in Subsidiaries with Material NCI*

The following subsidiaries have NCI that are material to the Group:

| Name | Principal Place of Business/ Country of Incorporation | Ownership Interest held by NCI 2017 | 2016 |
|---|---|---|---|
| Frasers Centrepoint Trust | Singapore | **58.3%** | 58.5% |
| Frasers Commercial Trust | Singapore | **73.2%** | 72.9% |
| Frasers Hospitality Trust | Singapore | **77.4%** | 78.4% |
| Frasers Logistics & Industrial Trust | Singapore | **80.1%** | 79.5% |

The Group assessed that it controls FCT, FCOT, FHT and FLT, although the Group owns less than half of the ownership interest and voting power of FCT, FCOT, FHT and FLT. The activities of FCT, FCOT, FHT and FLT are managed by the Group's wholly-owned subsidiaries, namely, Frasers Centrepoint Asset Management Ltd. ("FCAM"), Frasers Centrepoint Asset Management (Commercial) Ltd. ("FCAMC"), Frasers Hospitality Asset Management Pte. Ltd. ("FHAM") and Frasers Logistics & Industrial Asset Management Pte. Ltd. ("FLIAM"), respectively (collectively, the "REIT Managers"). The REIT Managers have decision-making authority over FCT, FCOT, FHT and FLT, subject to oversight by the trustees of the respective REITs. The Group's overall exposure to variable returns, both from the REIT Managers' remuneration and their interests in the REITs, is significant and any decisions made by the REIT Managers affect the Group's overall exposure.

## 13. INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES (CONT'D)

### *(a) Interest in Subsidiaries with Material NCI (cont'd)*

For the subsidiaries with material NCI, financial information are before inter-company eliminations.

| | FCT $'000 | FCOT $'000 | FHT $'000 | FLT $'000 | Other Subsidiaries with Individually Immaterial NCI $'000 | Total $'000 |
|---|---|---|---|---|---|---|
| **2017** | | | | | | |
| Revenue | 181,595 | 156,551 | 158,724 | 173,301 | | |
| Profit for the year | 193,904 | 111,444 | 71,037 | 103,902 | | |
| Total comprehensive income | 192,488 | 125,396 | 81,458 | 138,106 | | |
| Attributable to NCI | | | | | | |
| – Profit for the year[2] | 113,085 | 81,566 | 54,954 | 83,246 | 6,874 | 339,725 |
| – Total comprehensive income | 112,259 | 91,777 | 63,016 | 110,651 | 9,428 | 387,131 |
| Current assets | 17,804 | 87,665 | 93,381 | 66,233 | | |
| Non-current assets | 2,733,061 | 2,071,277 | 2,159,948 | 2,035,785 | | |
| Current liabilities | (202,016) | (224,551) | (158,344) | (48,937) | | |
| Non-current liabilities | (676,646) | (645,042) | (738,895) | (630,499) | | |
| Net assets | 1,872,203 | 1,289,349 | 1,356,090 | 1,422,582 | | |
| Net assets attributable to NCI | 1,088,376 | 943,696 | 993,521 | 1,132,691 | 38,144 | 4,196,428 |
| Cash flows from/(used in): | | | | | | |
| – operating activities | 122,202 | 96,823 | 113,412 | 33,625 | | |
| – investing activities | (68,204) | (5,438) | (247,260) | (127,149) | | |
| – financing activities[1] | (59,159) | (88,356) | 151,994 | 99,622 | | |
| Net increase in cash and cash equivalents | (5,161) | 3,029 | 18,146 | 6,098 | | |
| [1] Includes dividends paid to NCI | 63,114 | 57,592 | 69,318 | 86,829 | | |

[2] Net of distributions to perpetual securities holders borne by non-controlling interests amounting to $3,443,000 (2016: Nil).

## 13. INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES (CONT'D)

### (a) *Interest in Subsidiaries with Material NCI (cont'd)*

| | FCT $'000 | FCOT $'000 | FHT $'000 | FLT $'000 | Other Subsidiaries with Individually Immaterial NCI $'000 | Total $'000 |
|---|---|---|---|---|---|---|
| **2016** | | | | | | |
| Revenue | 183,815 | 156,497 | 126,543 | 43,658 | | |
| Profit for the year | 123,447 | 71,241 | 22,421 | 3,918 | | |
| Total comprehensive income | 124,565 | 77,894 | (33,542) | 63,254 | | |
| Attributable to NCI: | | | | | | |
| – Profit for the year | 72,229 | 51,899 | 17,576 | 3,115 | 24,108 | 168,927 |
| – Total comprehensive income | 72,883 | 56,746 | (26,294) | 50,287 | 18,106 | 171,728 |
| Current assets | 25,508 | 79,642 | 100,578 | 102,522 | | |
| Non-current assets | 2,568,970 | 1,989,716 | 1,876,892 | 1,751,320 | | |
| Current liabilities | (278,800) | (219,301) | (155,841) | (29,385) | | |
| Non-current liabilities | (540,032) | (621,641) | (744,943) | (526,297) | | |
| Net assets | 1,775,646 | 1,228,416 | 1,076,686 | 1,298,160 | | |
| Net assets attributable to NCI | 1,034,265 | 899,898 | 801,162 | 1,032,037 | 23,199 | 3,790,561 |
| Cash flows from/(used in): | | | | | | |
| – operating activities | 125,987 | 101,751 | 107,779 | 33,468 | | |
| – investing activities | (13,180) | (3,284) | (127,008) | (1,452,758) | | |
| – financing activities[1] | (110,296) | (89,397) | 30,271 | 1,498,220 | | |
| Net increase in cash and cash equivalents | 2,511 | 9,070 | 11,042 | 78,930 | | |
| [1] Includes dividends paid to NCI | 63,437 | 51,513 | 49,854 | – | | |

## 13. INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES (CONT'D)

### *(a) Interest in Subsidiaries with Material NCI (cont'd)*

(i) FCT

*Payment of Management Fees/Base Fee Component of Management Fees by Way of Units in FCT*

The Group, through its subsidiary, FCAM as the manager of FCT, received the following units in FCT in payment of 20% to 50% of its management fees for the relevant period from 1 July 2016 to 30 September 2016 and 70% of the base fee component of its management fees for the year from 1 October 2016 to 30 September 2017:

| Relevant Period | Date Received | No. of Units Received | Issued Price $ | Value of Units Received $ | Aggregate of Units held by FCAM | Aggregate of Units held by the Group |
|---|---|---|---|---|---|---|
| 1 July 2016 to 30 September 2016 | 24 October 2016 | 828,989 | 2.1316 | 1,767,073 | 32,568,330 | 382,239,330 |
| 1 October 2016 to 31 December 2016 | 24 January 2017 | 738,767 | 1.8956 | 1,400,407 | 33,307,097 | 382,978,097 |
| 1 January 2017 to 31 March 2017 | 27 April 2017 | 665,121 | 2.0533 | 1,365,693 | 33,972,218 | 383,643,218 |
| 1 April 2017 to 30 June 2017 | 26 July 2017 | 656,436 | 2.1173 | 1,389,872 | 34,628,654 | 384,299,654 |
| | | | | 5,923,045 | | |

The payment of such management fees in the form of units is provided for in the trust deed constituting FCT dated 5 June 2006, as amended. The issued price is the volume weighted average price of the units traded on the SGX-ST for the last ten business days of the relevant period.

*Payment of Acquisition Fees by Way of Units in FCT*

On 21 November 2016, the Group, through FCAM, received 189,631 units in FCT at a price of $1.9907 per unit, in payment of acquisition fees of $377,500 in respect of the acquisition by FCT of all the strata lots comprised in the ground floor retail podium of Yishun 10 Cinema Complex.

With the above payments of management fees and acquisition fees by way of units in FCT, the Group and FCAM hold an aggregate of 384,489,285 units and 34,818,285 units in FCT, representing 41.7% and 3.8% of the total issued units in FCT, respectively.

## 13. INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES (CONT'D)

### (a) *Interest in Subsidiaries with Material NCI (cont'd)*

(ii) FCOT

*Payment of Management Fees by Way of Units in FCOT*

The Group, through its subsidiary, FCAMC as the manager of FCOT, received the following units in FCOT in payment of approximately 12% of its management fees for the year from 1 October 2016 to 30 September 2017:

| Relevant Period | Date Received | No. of Units Received | Issued Price $ | Value of Units Received $ | Aggregate of Units held by FCAMC | Aggregate of Units held by the Group |
|---|---|---|---|---|---|---|
| 1 April 2017 to 30 June 2017 | 26 July 2017 | 287,384 | 1.4111 | 405,528 | 91,445,840 | 215,930,819 |

The management fees for the other three quarters were paid in cash.

The payment of such management fees in the form of units is provided for in the trust deed constituting FCOT dated 12 September 2005, as amended. The issued price is the volume weighted average price of the units traded on the SGX-ST for the last ten business days of the relevant period.

With the above payments of management fees by way of units in FCOT, the Group and FCAMC hold an aggregate of 215,930,819 units and 91,445,840 units in FCOT, representing 26.8% and 11.4% of the total issued units in FCOT, respectively.

(iii) FHT

*Rights Issue*

On 17 October 2016, FHT issued 441,549,281 new Rights Stapled Securities at an issue price of $0.6030. The Group, through its subsidiaries, FCL Investments Pte. Ltd. ("FCLI"), FHAM and Frasers Hospitality Pte. Ltd. ("FHPL"), fully subscribed for their respective allotted Rights Stapled Securities of 95,432,277 in aggregate, representing 21.6% of the total number of Rights Stapled Securities issued, amounting to $57,546,000.

*Payment of Management Fees by Way of Stapled Securities in FHT*

The Group, through its subsidiaries, FHAM, FHT Asset Management Pty Ltd, Frasers Hospitality Trust Management Pte. Ltd., FHPL and Frasers Hospitality UK Ltd. as the managers of FHT (the "FHT managers"), received stapled securities in FHT in payment of 100% of their management fees for the year from 1 October 2016 to 30 September 2017.

On 5 May 2016, nomination agreements were signed between the FHT managers and FCLI where the FHT managers may nominate FCLI to receive such FHT stapled securities issued to them pursuant to payment of management fees, in exchange for a cash consideration ("Nomination Agreements").

## 13. INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES (CONT'D)

### *(a) Interest in Subsidiaries with Material NCI (cont'd)*

(iii) FHT (cont'd)

*Payment of Management Fees by Way of Stapled Securities in FHT (cont'd)*

FCLI was nominated to receive all stapled securities in place of the FHT managers during the year:

| Relevant Period | Date Received | No. of Units Received | Issued Price $ | Value of Units Received $ | Aggregate of Stapled Securities held by the FHT managers | Aggregate of Stapled Securities held by FCLI | Aggregate of Stapled Securities held by the Group |
|---|---|---|---|---|---|---|---|
| 1 April 2016 to 30 September 2016 | 2 November 2016 | 10,923,238 | 0.6919 to 0.7712 | 7,854,463 | 31,723,226 | 376,860,552[1] | 408,583,778[1] |
| 1 October 2016 to 31 March 2017 | 5 May 2017 | 9,211,084 | 0.6491 to 0.6947 | 6,178,922 | 31,723,226 | 386,118,263 | 417,841,489 |
| | | | | 14,033,385 | | | |

(1) Aggregate of units has taken into account the Stapled Securities from the Rights Issue and the payment of Acquisition Fees by way of Stapled Securities in FHT.

The payment of such management fees in the form of stapled securities is provided for in the trust deed constituting FHT dated 12 June 2014. The issued price is the volume weighted average price of the units traded on the SGX-ST for the last ten business days of the relevant period.

*Payment of Acquisition Fees by Way of Stapled Securities in FHT*

On 24 October 2016 and 30 December 2016, the Group, through FHAM, received 4,001,979 and 46,627 stapled securities in FHT at a price of $0.6030 and $0.7260 per stapled security, respectively, in payment of acquisition fees of $2,447,000 in respect of the acquisition by FHT of Novotel Melbourne on Collins in Australia. FHAM nominated these units to be received and held by FCLI in accordance with the Nomination Agreements.

With the above rights issue and payments of management fees and acquisition fees by way of stapled securities in FHT, the Group, FCLI and the FHT managers hold an aggregate of 417,841,489 stapled securities, 386,118,263 stapled securities and 31,723,226 stapled securities in FHT, representing 22.6%, 20.9% and 1.7% of the total issued stapled securities in FHT, respectively.

## 13. INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES (CONT'D)

### (a) Interest in Subsidiaries with Material NCI (cont'd)

(iv) FLT

*Payment of Management Fees by Way of Units in FLT*

The Group, through its subsidiaries, Frasers Logistics & Industrial Asset Management Pte. Ltd. ("FLIAM") and FLT Australia Management Pty Ltd ("FAMPL"), as the managers of FLT ("FLT managers"), received units in FLT in payment of 100% of their management fees.

On 24 October 2016 and 7 November 2016, nomination agreements were signed by FCL Investments (Industrial) Pte. Ltd. ("FCLII") with FLIAM and FAMPL, respectively, where the FLT managers may nominate FCLII to receive such units in FLT issued to them pursuant to payment of management fees, in exchange for a cash consideration.

FCLII was nominated to receive all such units in place of the FLT managers during the year:

| Relevant Period | Date Received | No. of Units Received | Issued Price $ | Value of Units Received $ | Aggregate of Units held by FCLII | Aggregate of Units held by the Group |
|---|---|---|---|---|---|---|
| 20 June 2016 (listing date of FLT) to 30 September 2016 | 8 November 2016 | 2,100,636 | 0.9756 | 2,049,380 | 2,100,636 | 294,255,636 |
| 1 October 2016 to 31 December 2016 | 10 February 2017 | 2,091,902 | 0.9217 | 1,928,106 | 4,192,538 | 296,347,538 |
| 1 January 2017 to 31 March 2017 | 15 May 2017 | 2,017,308 | 0.9665 | 1,949,728 | 6,209,846 | 298,364,846 |
| 1 April 2017 to 30 June 2017 | 4 August 2017 | 1,743,633 | 1.0541 | 1,837,964 | 7,953,479 | 300,108,479 |
| | | | | 7,765,178 | | |

The payment of such management fees in the form of units is provided for in the prospectus of FLT dated 10 June 2016 and the trust deed constituting FLT dated 30 November 2015. The issued price is the volume weighted average price of the units traded on the SGX-ST for the last ten business days of the relevant period.

*Payment of Acquisition Fees by Way of Units in FLT*

The Group, through FLIAM, received 373,983 units in FLT at a price of $1.0838 per unit, in payment of acquisition fees of $405,000 in respect of the acquisition by FLT of five properties in Australia.

With the above payments of management fees and acquisition fees by way of units in FLT, the Group, FCLII, Australand Property Limited[1] ("APL"), and FLIAM hold an aggregate of 300,482,462 units, 7,953,479 units, 292,155,000 units and 373,983 units in FLT, representing 19.9%, 0.5%, 19.3% and 0.02% of the total issued units in FLT, respectively.

[1] On the listing of FLT, APL, a wholly-owned subsidiary of the Group, was issued 292,155,000 units in FLT, representing 19.3% of the total number of units in issue as at 30 September 2017.

## 13. INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES (CONT'D)

### *(b) Acquisitions of Subsidiaries*

(i) On 20 October 2016, FHT acquired the land and building known as Novotel Melbourne on Collins Hotel (the "Hotel") with the associated car park (the "Property") and the hotel assets, including but not limited to the business intellectual property and equipment, furniture and fittings relating to the Hotel (collectively, the "Hotel Assets") (collectively, "the Acquisition of Hotel Business"). The Acquisition of Hotel Business was accounted for as a business combination as FHT had acquired various operational processes, together with the Property and the Hotel Assets.

Acquisition-related costs

FHT incurred transaction costs of S$14,130,000 on stamp duties, solicitor fees, and other professional fees incurred directly due to the acquisition transaction. These costs are capitalised as part of the costs of the property, plant and equipment.

Impact of the acquisition on profit statement

From the acquisition date, the Hotel Business has contributed revenue of S$34,433,000 and profit for the period of S$14,097,000 to the Group. If the business combination had taken place at the beginning of the financial year, the Hotel Business' contribution to the Group's revenue and profit would have been S$36,266,000 and S$14,880,000, respectively.

Finalised accounting of the Acquisition of Hotel Business

The fair value of the identifiable net assets and liabilities of the Hotel Business as at the acquisition were:

| | **Fair Value Recognised on Acquisition $'000** |
|---|---|
| Property, plant and equipment | 247,380 |
| Inventories | 45 |
| Trade and other receivables | 1,003 |
| Cash and cash equivalents | 18 |
| | 248,446 |
| Trade and other payables | (3,742) |
| Total identifiable net assets at fair value | 244,704 |
| Less: Deposits paid | (24,691) |
| Add: Acquisition-related costs capitalised in property, plant and equipment | 14,130 |
| Consideration paid in cash | 234,143 |
| Less: Cash and cash equivalents of Hotel Business acquired | (18) |
| Net cash outflow on acquisition | 234,125 |

## 13. INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES (CONT'D)

### *(b) Acquisitions of Subsidiaries (cont'd)*

(ii) On 5 April 2017, FCL Imperial Pte. Ltd. ("FCL Imperial"), a wholly-owned subsidiary of the Company, completed the acquisition of 35,000,000 ordinary shares, representing 70% of the issued and paid-up share capital of G Homes House Development Joint Stock Company ("G Homes"), a company incorporated in Vietnam, for a consideration of VND 350,000,000,000 (approximately S$21,625,000). The principal activity of G Homes is that of property development.

The fair value of the identifiable assets and liabilities of G Homes as at the acquisition were:

| | **Fair Value Recognised on Acquisition $'000** |
|---|---|
| Investment properties | 6,453 |
| Properties held for sale | 25,322 |
| Trade and other receivables | 97 |
| Cash and cash equivalents | 8 |
| | 31,880 |
| Trade and other payables | (987) |
| Total identifiable net assets at fair value | 30,893 |
| Less: Non-controlling interest at fair value | (9,268) |
| Consideration paid in cash | 21,625 |
| Less: Cash and cash equivalents of subsidiary acquired | (8) |
| Net cash outflow on acquisition | 21,617 |

(iii) On 5 July 2017, Frasers Property Investments (Holland) B.V. ("FPI (Holland)"), a wholly-owned subsidiary of the Company, completed the acquisition of 84,143,602 depositary receipts ("DR"), representing 86.6% of the ordinary shares in the share capital of Geneba, a company incorporated in the Netherlands, for a consideration of S$504,905,000 (approximately EUR 314,759,000). Geneba operates and leases logistic, light-industrial and office properties located in Germany and the Netherlands.

On 4 August 2017, FPI (Holland) launched a one-time all-cash offer for all the remaining issued and outstanding DR of Geneba (the "Offer"), at a price of EUR 3.74 per DR. The Offer closed in accordance to the statement dated 8 September 2017.

As at 30 September 2017, together with on-market purchases, the Group acquired 99.5% shareholdings in Geneba. The Group was entitled to mandatorily purchase the remaining 0.5%. As at 30 September 2017, the Group accrued for the cost of the remaining 0.5% and consolidated Geneba as a wholly-owned subsidiary.

<u>Transaction costs</u>

Transaction costs related to the acquisition of S$4,632,000 (approximately EUR 3,000,000) have been recognised in "Exceptional Items" in the Group's profit statement for the year ended 30 September 2017.

<u>Trade and other receivables acquired</u>

Included in current assets are trade and other receivables of S$4,595,000 (approximately EUR 2,864,000). Management expects the full amounts to be collectible.

## 13. INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES (CONT'D)

### *(b) Acquisitions of Subsidiaries (cont'd)*

Goodwill arising from acquisition

The Group has engaged an independent firm to perform Purchase Price Allocation ("PPA") for the acquisition of Geneba. Based on the PPA, part of the consideration paid for the net assets acquired has been identified and provisionally allocated to investment properties, deferred tax assets and liabilities, and the residual excess of consideration paid over the fair values of identifiable net assets have been recorded as goodwill amounting to S$56,761,000 (approximately EUR 35,385,000) (Note 16).

Impact of the acquisition on the profit statement

From the acquisition date, Geneba has contributed revenue of S$17,269,000 (approximately EUR 11,185,000) and profit for the period of S$9,482,000 (approximately EUR 6,141,000) to the Group. Geneba has a financial year end of 31 December. If the business combination had taken place at the beginning of Geneba's financial year, Geneba's contribution to the Group's revenue and profit for the year would have been S$45,213,000 (approximately EUR 29,285,000) and S$17,233,000 (approximately EUR 11,162,000), respectively.

Provisional accounting of the acquisition of Geneba

The fair value of investment properties of S$984,526,000 (approximately EUR 613,756,000), deferred tax assets of S$2,469,000 (approximately EUR 1,539,000), deferred tax liabilities of S$18,567,000 (approximately EUR 11,575,000) and goodwill of S$56,761,000 (approximately EUR 35,385,000) as at the acquisition date have been determined on a provisional basis as the final results of the PPA have not been received by the date the financial statements was authorised for issue. Goodwill arising from this acquisition, the carrying amounts of the investment properties, intangible assets, long term borrowings, deferred tax assets and liabilities will be adjusted accordingly on a retrospective basis when the PPA is finalised.

The fair value of the identifiable assets and liabilities of Geneba as at the acquisition were:

| | **Fair Value Recognised on Acquisition $'000** |
|---|---|
| Investment properties | 984,526 |
| Intangible assets | 433 |
| Trade and other receivables | 11,857 |
| Cash and cash equivalents | 24,289 |
| | 1,021,105 |
| Borrowings | (434,923) |
| Deferred tax liabilities (net) | (16,098) |
| Trade and other payables | (33,410) |
| Total identifiable net assets at fair value | 536,674 |
| Less: Non-controlling interest at fair value | (88,530) |
| Goodwill arising from acquisition | 56,761 |
| Consideration paid in cash | 504,905 |
| Less: Cash and cash equivalents of subsidiary acquired | (24,289) |
| Net cash outflow on acquisition | 480,616 |

## 14. INVESTMENTS IN AND BALANCES WITH JOINT VENTURES AND ASSOCIATES

| | Note | Group 2017 $'000 | Group 2016 $'000 | Company 2017 $'000 | Company 2016 $'000 |
|---|---|---|---|---|---|
| **Investments in joint ventures** | | | | | |
| Investments, at cost | | **84,106** | 74,669 | **500** | 500 |
| Share of post-acquisition reserves | | **181,455** | 165,544 | **–** | – |
| | | **265,561** | 240,213 | **500** | 500 |
| **Investments in associates** | | | | | |
| Investments, at cost | | **997,665** | 398,733 | **–** | – |
| Share of post-acquisition reserves | | **168,431** | 154,067 | **–** | – |
| | | **1,166,096** | 552,800 | **–** | – |
| Total investments in joint ventures and associates | | **1,431,657** | 793,013 | **500** | 500 |
| **Balances with joint ventures** | | | | | |
| Loans to joint ventures: | 18 | | | | |
| – Non-current | | **171,426** | 165,965 | **–** | – |
| – Current | | **162,987** | 280,487 | **–** | – |
| Amounts due from joint ventures | 18 | **15,689** | 4,715 | **138** | – |
| Loan from a joint venture: | 23 | | | | |
| – Current | | **(54,000)** | – | **–** | – |
| Amounts due to joint ventures | 23 | **(5)** | (109) | | |
| | | **296,097** | 451,058 | **138** | – |
| **Balances with associates** | | | | | |
| Loan to an associate: | 18 | | | | |
| – Non-current | | **14,368** | 14,500 | **–** | – |
| Loan from an associate: | 23 | | | | |
| – Current | | **(91,865)** | (85,947) | **–** | – |
| | | **(77,497)** | (71,447) | **–** | – |

Loans to joint ventures bear interest at 1.8% to 4.4% (2016: 1.0% to 4.7%) per annum, are unsecured, payable in cash and have no fixed repayment terms.

Loan from a joint venture is interest-free, unsecured and repayable in cash within the next 12 months.

Amounts due from joint ventures are interest-free, unsecured and repayable in cash on demand.

Amounts due to joint ventures are interest-free, unsecured and repayable in cash on demand.

Non-current loan to an associate is interest-free, unsecured, repayable in cash and has no fixed repayment terms.

Loan from an associate bears interest at 4.4% (2016: 5.3%) per annum, is unsecured and repayable in cash within the next 12 months.

## 14. INVESTMENTS IN AND BALANCES WITH JOINT VENTURES AND ASSOCIATES (CONT'D)

### *(a) Acquisitions of Additional Interests in an Associate*

In November 2016, Frasers Property Holdings (Thailand) Co., Ltd. ("FPHT"), an indirect wholly-owned subsidiary of FCL, completed open-market purchases of 99,941,933 additional shares in Golden Land Property Development Public Company Limited ("Gold") at average prices ranging from approximately S$0.24 to S$0.25 (THB 6.10 to THB 6.15) per share, increasing FPHT's interest in Gold from approximately 35.6% to approximately 39.9%. The total aggregate consideration for the additional shares is approximately S$25,076,000 (THB 614,600,000). The excess of fair values of the identifiable assets over consideration is recorded as a gain on acquisition of Gold of S$5,717,000 under "Exceptional Items" in the profit statement (Note 7).

The market value of the Group's interest in Gold as at 30 September 2017 is S$355,770,000 (2016: S$193,980,000).

### *(b) Acquisition of an Associate*

In January 2017, FPHT completed the acquisition of 735,000,000 new ordinary shares (the "Initial Acquisition") in TICON, representing 40.1% shareholding interest in TICON. The consideration was approximately S$539,784,000 (THB 13,230,000,000), at a subscription price of approximately S$0.73 (THB 18.00) per share.

Subsequent to the Initial Acquisition, FPHT made further open-market purchases of additional shares in TICON:

| Months of Acquisitions | No. of Shares | Average Prices of Shares | | Aggregate Consideration | |
|---|---|---|---|---|---|
| | | THB | S$ | THB'000 | S$'000 |
| May 2017 | 2,455,600 | 12.91 to 14.00 | 0.52 to 0.57 | 32,329 | 1,319 |
| August 2017 | 7,428,400 | 13.96 to 14.95 | 0.57 to 0.61 | 106,518 | 4,346 |
| September 2017 | 6,120,000 | 15.88 | 0.65 | 97,180 | 3,965 |
| | 16,004,000 | | | 236,027 | 9,630 |

Pursuant to the above acquisitions, FPHT held 751,004,000 ordinary shares in TICON and its interest in TICON increased to 41.0%.

The Group has engaged an independent firm to perform PPA for TICON. Based on the finalised PPA, part of the consideration paid for the net assets has been identified and allocated to investment properties, investment in associates, intangible assets, debentures and deferred tax assets and liabilities.

The excess of fair values of the identifiable assets over the total consideration is recorded as a gain on acquisition of TICON of S$858,000 under "Exceptional Items" in the profit statement (Note 7).

The market value of the Group's interest in TICON as at 30 September 2017 is S$493,319,000.

## 14. INVESTMENTS IN AND BALANCES WITH JOINT VENTURES AND ASSOCIATES (CONT'D)

### *(c) Incorporation of a Joint Venture*

In March 2017, FPHT entered into a joint venture agreement with TCC Assets (Thailand) Co., Ltd. ("TCCAT"), an interested party, to establish a new joint venture company, One Bangkok Holdings Co., Ltd. ("OBH") in Thailand. FPHT and TCCAT each have an effective shareholding interest of 19.9% and 80.1%, respectively. OBH is incorporated for the purposes of, among others, leasing and/or subleasing the leasehold rights of land in respect of a proposed mixed-use development project located in central Bangkok at the intersection of Wireless Road, Rama IV Road and Sathorn Road, Bangkok, Thailand.

Material Joint Ventures and Associates

Except for Gold, TICON and Supreme Asia Investments Limited and its subsidiary ("SAI group"), the Group's joint ventures and associates are individually immaterial.

No disclosure of fair value is made for material joint ventures as they are not quoted on any market.

The following table analyses, in aggregate, the carrying amount and share of profit and OCI of the joint ventures:

| | Group | |
|---|---|---|
| | **2017** | 2016 |
| | **\$'000** | \$'000 |
| **Group's interest in net assets at beginning of the year** | **240,213** | 334,928 |
| Group's share of: | | |
| – Profit after taxation | **57,508** | 69,845 |
| – OCI | **(968)** | (228) |
| Total comprehensive income | **56,540** | 69,617 |
| Addition during the year | **10,152** | 22,952 |
| Return of capital during the year | **(1,926)** | – |
| Dividends received during the year | **(45,343)** | (188,125) |
| Currency re-alignment | **5,925** | 841 |
| **Carrying amount of interest at end of the year** | **265,561** | 240,213 |

## 14. INVESTMENTS IN AND BALANCES WITH JOINT VENTURES AND ASSOCIATES (CONT'D)

The following table summarises the financial information of each of the Group's material associates based on their consolidated financial information prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The table also analyses, in aggregate, the carrying amount and share of profit and OCI of the remaining individually immaterial associates.

| | Gold $'000 | TICON $'000 | SAI group $'000 | Immaterial Associates $'000 | Total $'000 |
|---|---|---|---|---|---|
| **2017** | | | | | |
| Revenue | 491,063 | 58,418 | 485,750 | | |
| Profit after taxation | 112,339 | 33,524 | 153,735 | | |
| OCI | – | (1,789) | – | | |
| Total comprehensive income | 112,339 | 31,735 | 153,735 | | |
| Attributable to: | | | | | |
| – NCI | (361) | 74 | 6,774 | | |
| – Investee's shareholders | 112,700 | 31,661 | 146,961 | | |
| Current assets | 680,531 | 145,664 | 1,201,972 | | |
| Non-current assets | 835,478 | 1,987,928 | 166,615 | | |
| Current liabilities | (123,136) | (196,227) | (890,175) | | |
| Non-current liabilities | (592,465) | (565,445) | – | | |
| Net assets | 800,408 | 1,371,920 | 478,412 | | |
| Attributable to: | | | | | |
| – NCI | (8,049) | 1,065 | 18,320 | | |
| – Investee's shareholders | 808,457 | 1,370,855 | 460,092 | | |
| **Group's interest in net assets at beginning of the year** | 244,358 | – | 248,394 | 60,048 | 552,800 |
| Group's share of: | | | | | |
| – Profit after taxation | 44,742 | 13,403 | 65,749 | 3,827 | 127,721 |
| – OCI | – | (717) | – | – | (717) |
| Total comprehensive income | 44,742 | 12,686 | 65,749 | 3,827 | 127,004 |
| Additions during the year | 25,129 | 550,094 | – | 6,777 | 582,000 |
| Dividends received during the year | (8,701) | (2,399) | (99,459) | (4,172) | (114,731) |
| Goodwill | 5,717 | 858 | – | – | 6,575 |
| Currency re-alignment | 11,330 | 126 | 2,434 | (1,442) | 12,448 |
| **Carrying amount of interest at end of the year** | 322,575 | 561,365 | 217,118 | 65,038 | 1,166,096 |

## 14. INVESTMENTS IN AND BALANCES WITH JOINT VENTURES AND ASSOCIATES (CONT'D)

| | Gold $'000 | SAI group $'000 | Immaterial Associates $'000 | Total $'000 |
|---|---|---|---|---|
| **2016** | | | | |
| Revenue | 313,261 | 719,178 | | |
| Profit after taxation | 41,208 | 208,881 | | |
| OCI | – | – | | |
| Total comprehensive income | 41,208 | 208,881 | | |
| Attributable to: | | | | |
| – NCI | (269) | 7,224 | | |
| – Investee's shareholders | 41,477 | 201,657 | | |
| Current assets | 515,958 | 1,139,264 | | |
| Non-current assets | 724,473 | 214,342 | | |
| Current liabilities | (123,632) | (811,668) | | |
| Non-current liabilities | (438,143) | – | | |
| Net assets | 678,656 | 541,938 | | |
| Attributable to: | | | | |
| – NCI | (7,357) | 16,969 | | |
| – Investee's shareholders | 686,013 | 524,969 | | |
| **Group's interest in net assets at beginning of the year** | – | 182,375 | 68,085 | 250,460 |
| Group's share of: | | | | |
| – Profit/(loss) after taxation | 14,774 | 88,461 | (1,703) | 101,532 |
| – OCI | – | – | 172 | 172 |
| Total comprehensive income | 14,774 | 88,461 | (1,531) | 101,704 |
| Additions during the year | 231,200 | – | – | 231,200 |
| Disposals during the year | – | – | (3,628) | (3,628) |
| Dividends received during the year | (1,616) | (2,788) | (4,006) | (8,410) |
| Currency re-alignment | – | (19,654) | 1,128 | (18,526) |
| **Carrying amount of interest at end of the year** | 244,358 | 248,394 | 60,048 | 552,800 |

## 15. FINANCIAL ASSETS

| | Group | | Company | |
|---|---|---|---|---|
| | **2017** | 2016 | **2017** | 2016 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Available-for-sale financial assets: | | | | |
| Unquoted | | | | |
| Equity investments, at cost | **3,303** | 3,303 | **3,303** | 3,303 |
| Allowance for impairment | **(1,155)** | (1,155) | **(1,155)** | (1,155) |
| | **2,148** | 2,148 | **2,148** | 2,148 |
| Quoted | | | | |
| Equity investments | **14** | 14 | **–** | – |
| Total available-for-sale financial assets | **2,162** | 2,162 | **2,148** | 2,148 |

The unquoted equity investments are measured at cost less impairment losses as there are no active markets for these investments (Note 33(e)).

## 16. INTANGIBLE ASSETS

| | Goodwill $'000 | Brands $'000 | Favourable Leases $'000 | Software and Others $'000 | Total $'000 |
|---|---|---|---|---|---|
| **At Cost** | | | | | |
| At 1 October 2015 | 505,953 | 162,192 | 46,869 | 10,397 | 725,411 |
| Currency re-alignment | 4,531 | (28,804) | (8,246) | – | (32,519) |
| Adjustments on finalisation of PPA | 403 | – | (487) | – | (84) |
| Write-off against reserves | – | – | – | (5,312) | (5,312) |
| At 30 September 2016 and 1 October 2016 | 510,887 | 133,388 | 38,136 | 5,085 | 687,496 |
| Currency re-alignment | 9,803 | 3,898 | 1,114 | – | 14,815 |
| Additions | – | – | – | 11,083 | 11,083 |
| Acquisition of subsidiaries (Note 13(b)(iii)) | 56,761 | – | – | 433 | 57,194 |
| At 30 September 2017 | 577,451 | 137,286 | 39,250 | 16,601 | 770,588 |
| **Accumulated Amortisation** | | | | | |
| At 1 October 2015 | – | – | 170 | 4,077 | 4,247 |
| Currency re-alignment | – | – | (133) | – | (133) |
| Amortisation | – | – | 1,067 | 579 | 1,646 |
| At 30 September 2016 and 1 October 2016 | – | – | 1,104 | 4,656 | 5,760 |
| Currency re-alignment | – | – | 57 | 1 | 58 |
| Amortisation (Note 4(c)) | – | – | 854 | 776 | 1,630 |
| At 30 September 2017 | – | – | 2,015 | 5,433 | 7,448 |
| **Net Book Value** | | | | | |
| **At 30 September 2017** | **577,451** | **137,286** | **37,235** | **11,168** | **763,140** |
| At 30 September 2016 | 510,887 | 133,388 | 37,032 | 429 | 681,736 |

## 16. INTANGIBLE ASSETS (CONT'D)

### *(a) Goodwill*

The Group's goodwill is denominated in the respective functional currencies of the acquired subsidiaries and is subject to currency fluctuations.

The carrying value was assessed for impairment based on CGUs during the financial year.

| | **2017 $'000** | 2016 $'000 |
|---|---|---|
| Carrying value of capitalised goodwill in the following business segments: | | |
| – Australia SBU | **405,653** | 397,339 |
| – Singapore SBU | **62,601** | 62,601 |
| – Hospitality SBU | **52,436** | 50,947 |
| – International BU | **56,761** | – |
| | **577,451** | 510,887 |

(i) Australia SBU

The Group recorded the goodwill upon the acquisition of Frasers Property Limited ("FPL").

The recoverable amount of the CGU of FPL is estimated using a combination of valuation assumptions across FPL's different business units. These approaches include EBIT multiple for the Commercial and Industrial division, Asset multiple for the Residential division and book value for the Investment Property division. The assumptions used take into consideration market participants' multiples used in mergers and acquisitions, market trading ranges and research reports. Management believes the assumptions applied are appropriate and sustainable considering current and anticipated business conditions.

The recoverable amount yields sufficient head room at the reporting date which indicates no impairment required.

As at 30 September 2017, the carrying value of goodwill is Australian Dollar ("A$") A$381,396,000 (2016: A$381,396,000).

(ii) Singapore SBU

The Group recorded the goodwill upon the acquisition of FCOT and FCAMC. For the purposes of impairment testing, the goodwill is allocated to FCAMC which holds the management contracts for FCOT.

The recoverable amount has been determined based on value in use calculations using a projection of the net management fee income covering a 10-year period. The pre-tax discount applied to the projections is 10% (2016: 10%) and the forecast growth rate used beyond the 10-year period is 2% (2016: 2%). Based on the recoverable amount, no impairment is necessary.

As at 30 September 2017, the carrying value of goodwill is S$62,601,000 (2016: S$62,601,000).

## 16. INTANGIBLE ASSETS (CONT'D)

### *(a) Goodwill (cont'd)*

(iii) Hospitality SBU

The Group recorded the goodwill upon the acquisition of MHDV Holdings (UK) Limited ("MHDV"). As at 30 September 2017, the carrying value of goodwill is GBP 28,800,000 (2016: GBP 28,800,000). For the purposes of impairment assessment, the carrying amount of goodwill is allocated to the net assets of the Malmaison hotels and Hotel du Vin hotels as a single CGU.

The recoverable amount is determined by discounting the projected cash flows over 7 years to be generated from continuing use. Cash flows beyond these periods are extrapolated using the estimated terminal growth rates of 2.0% to 2.5% (2016: 2.0% to 3.0%) which are within management's expectation of the long term average growth rates of the industry and cities in which MHDV operates. The projected cash flows are discounted at the rate of 7.5% (2016: 7.0%).

The recoverable amount yields sufficient headroom at the reporting date which indicates no impairment required.

Management has assessed that a reasonably possible reduction in the discount rate by 25 basis points could cause the carrying amount to exceed the recoverable amount by GBP 12,400,000. An increase in the discount rate by 11 basis points would cause the carrying amount to be equal to the recoverable amount.

(iv) International BU

Goodwill on the acquisition of Geneba is provisionally determined at EUR 35,385,000 (2016: Nil) (Note 13(b)(iii)).

### *(b) Brands*

Brands relate to the "Malmaison" and "Hotel du Vin" brand names that the Group acquired. As the brands are determined to have indefinite useful lives, no amortisation has been charged for the year.

The methodology and key assumptions used in the estimation of the recoverable amounts of Malmaison and Hotel du Vin CGUs are as follows:

| | **Malmaison CGU** | | **Hotel du Vin CGU** | |
|---|---|---|---|---|
| | **2017** | 2016 | **2017** | 2016 |
| | **%** | % | **%** | % |
| Discount rate | **7.5** | 7.0 | **7.5** | 7.0 |
| Terminal value growth rate | **2.0 to 2.5** | 2.0 to 3.0 | **2.0** | 3.0 |

### *(c) Favourable Leases*

Favourable leases relate to certain Malmaison hotels. Amortisation of $854,000 (2016: $1,067,000) was charged to the profit statement.

The methodology and key assumptions used in the estimation of the recoverable amount of the Malmaison CGU are set out in Note 16(b).

## 17. PREPAYMENTS

| | Group | | Company | |
|---|---|---|---|---|
| | **2017** | 2016 | **2017** | 2016 |
| | **$'000** | $'000 | **$'000** | $'000 |
| **Non-current** | | | | |
| Prepayments | **3,963** | 3,074 | **–** | – |
| **Current** | | | | |
| Prepaid land and development costs | **76,038** | 60,455 | **–** | – |
| Other prepayments | **50,217** | 52,602 | **153** | 51 |
| | **126,255** | 113,057 | **153** | 51 |
| Total prepayments | **130,218** | 116,131 | **153** | 51 |

Prepaid land and development costs relate to tender deposits and related costs paid in respect of tender of Changjiang Road, Dalian, China for the development of serviced residences.

## 18. TRADE AND OTHER RECEIVABLES

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **2017** | 2016 | **2017** | 2016 |
| | **Note** | **$'000** | $'000 | **$'000** | $'000 |
| **Other receivables (non-current)** | | | | | |
| Amounts due from subsidiaries | 13 | **–** | – | **3,175,075** | 1,414,431 |
| Loans to joint ventures | 14 | **171,426** | 165,965 | **–** | – |
| Loan to an associate | 14 | **14,368** | 14,500 | **–** | – |
| Receivables from joint development agreements | | **48,483** | 43,804 | **–** | – |
| Sundry debtors | | **4,415** | 4,375 | **–** | – |
| | | **238,692** | 228,644 | **3,175,075** | 1,414,431 |
| **Trade receivables (current)** | | | | | |
| Trade receivables | | **87,191** | 65,030 | **–** | 1,238 |
| Sales proceeds and progress billing receivables | | **50,012** | 159,544 | **–** | – |
| | | **137,203** | 224,574 | **–** | 1,238 |
| **Other receivables (current)** | | | | | |
| Tax recoverable | | **17,068** | 11,033 | **1,128** | 1,103 |
| Accrued interest income | | **1,573** | 15,088 | **–** | – |
| Staff loans and advances | | **483** | 702 | **–** | – |
| Other deposits | | **36,578** | 36,659 | **–** | – |
| Receivables from joint development agreements | | **26,943** | 33,791 | **–** | – |
| Recoverable development costs | | **19,153** | 12,506 | **–** | – |
| Amounts due from subsidiaries | 13 | **–** | – | **217,113** | 1,958,514 |
| Amounts due from related companies | | **1,782** | 321 | **1,092** | – |
| Loans to joint ventures | 14 | **162,987** | 280,487 | **–** | – |
| Amounts due from joint ventures | 14 | **15,689** | 4,715 | **138** | – |
| Loan to a non-controlling interest | | **7,450** | – | **–** | – |
| Sundry debtors | | **51,673** | 57,945 | **112** | 72 |
| | | **341,379** | 453,247 | **219,583** | 1,959,689 |
| Total trade and other receivables (current) | | **478,582** | 677,821 | **219,583** | 1,960,927 |
| Total trade and other receivables (current and non-current) | | **717,274** | 906,465 | **3,394,658** | 3,375,358 |

## 18. TRADE AND OTHER RECEIVABLES (CONT'D)

Trade Receivables

Trade receivables comprise mainly rental receivables, are non-interest bearing and are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Sales Proceeds and Progress Billing Receivables

Sales proceeds receivables relate to the balance of sales proceeds from completed properties held for sale which will be received upon issue of notice of vacant possession, certificate of statutory completion, expiry of defect liability period and/or title subdivision.

Progress billing receivables relate to the outstanding balance of progress billings which are due after the purchasers receive the notices to make payments.

Receivables from Joint Development Agreements

The timing of expected receipts of cash flows associated with current and non-current receivables from joint development agreements are based on cash flow forecast carried out in conjunction with detailed reviews of the project feasibility studies.

Amounts due from Related Companies

Amounts due from related companies are non-trade related, interest-free, unsecured and repayable on demand in cash.

Loan to a Non-Controlling Interest

The loan to a non-controlling interest is non-trade related, bears interest at a fixed rate of 6% (2016: Nil) per annum, unsecured and is due within the next 12 months in cash.

There is no concentration of credit risk with respect to the trade receivables of the Group as they consist of a large number of customers that are geographically dispersed. The Group does not have any significant credit risk exposure to a single customer or group of customers. The Group generally holds collateral in the form of bank deposits, bank guarantees or mortgages over assets until completion.

The credit risk associated with receivables from joint ventures is monitored through management's review of project feasibilities and the Group's ongoing involvement in the operations of these entities.

## 18. TRADE AND OTHER RECEIVABLES (CONT'D)

### *(a) Credit Risk by Strategic Business Units*

The maximum exposure to credit risk for trade receivables and sales proceeds receivable at the reporting date by strategic business units is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2017** | 2016 | **2017** | 2016 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Singapore SBU | **51,966** | 82,296 | **–** | – |
| Australia SBU | **38,455** | 96,379 | **–** | – |
| Hospitality SBU | **31,756** | 38,829 | **–** | – |
| International BU | **1,553** | 3,324 | **–** | – |
| Corporate and Others | **13,473** | 3,746 | **–** | 1,238 |
| | **137,203** | 224,574 | **–** | 1,238 |

### *(b) Trade Receivables that are Past Due but Not Impaired*

The Group had trade receivables amounting to $29,093,000 (2016: $21,063,000) that are past due at reporting date but not impaired. These receivables are unsecured and the aging analysis at the reporting date is as follows:

| | Group | |
|---|---|---|
| | **2017** | 2016 |
| | **$'000** | $'000 |
| Trade receivables past due: | | |
| 1 to 30 days | **15,735** | 16,068 |
| 31 to 60 days | **4,671** | 2,618 |
| 61 to 90 days | **1,204** | 1,215 |
| More than 90 days | **7,483** | 1,162 |
| | **29,093** | 21,063 |

## 18. TRADE AND OTHER RECEIVABLES (CONT'D)

### *(c) Trade Receivables that are Impaired*

The Group's trade receivables that are impaired at the reporting date and the movements of the allowance account used to record the impairment are as follows:

| | Group | | | |
|---|---|---|---|---|
| | Collectively Impaired | | Individually Impaired | |
| | **2017** | 2016 | **2017** | 2016 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Trade receivables – nominal amounts | **5,703** | 4,434 | **3,395** | 4,326 |
| Allowance for impairment | **(2,503)** | (2,096) | **(3,395)** | (4,326) |
| | **3,200** | 2,338 | **–** | – |
| Movements in allowance account: | | | | |
| At 1 October | **2,096** | 2,013 | **4,326** | 1,908 |
| Currency re-alignment | **48** | 83 | **(36)** | (57) |
| Allowance for the year (Note 4(a)) | **370** | 11 | **1,741** | 3,179 |
| Write-back of allowance (Note 4(a)) | **(11)** | (11) | **(2,631)** | (675) |
| Written off | **–** | – | **(5)** | (29) |
| At 30 September | **2,503** | 2,096 | **3,395** | 4,326 |

Trade and other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Based on the Group's historical experience in the collection of receivables, management believes that no additional credit risk beyond that provided for is inherent in the Group's trade and other receivables.

## 19. DEFERRED TAX ASSETS AND LIABILITIES

The deferred tax assets and liabilities prior to offsetting of balances within the same jurisdiction are as follows:

| | Group | | | |
|---|---|---|---|---|
| | Balance Sheet | | (Charged)/credited to Profit Statement | |
| | **2017** | 2016 | **2017** | 2016 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Deferred tax assets | | | | |
| Fair value adjustments | **7,967** | – | **2,523** | – |
| Provisions and accruals | **60,421** | 23,220 | **16,686** | (196) |
| Employee benefits | **7,300** | 6,260 | **1,207** | 1,233 |
| Unabsorbed losses and capital allowances | **90,134** | 99,013 | **(3,670)** | (3,488) |
| Others | **35,095** | 23,905 | **11,185** | (27,588) |
| Gross deferred tax assets | **200,917** | 152,398 | **27,931** | (30,039) |
| Deferred tax liabilities | | | | |
| Fair value adjustments | **(277,769)** | (171,540) | **(88,071)** | (10,599) |
| Provisions and accruals | **(153,638)** | (99,004) | **(35,412)** | (16,540) |
| Differences in depreciation | **(25,289)** | (12,466) | **(15,477)** | 216 |
| Others | **(37,182)** | (20,306) | **(26,052)** | 25,700 |
| Gross deferred tax liabilities | **(493,878)** | (303,316) | **(165,012)** | (1,223) |

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax jurisdiction. The amounts, determined after appropriate offsetting, are shown on the balance sheet.

| | Group | |
|---|---|---|
| | **2017** | 2016 |
| | **$'000** | $'000 |
| Deferred tax assets | **34,842** | 55,160 |
| Deferred tax liabilities | **(327,803)** | (206,078) |
| | **(292,961)** | (150,918) |

## 20. PROPERTIES HELD FOR SALE

| | Group 2017 $'000 | Group 2016 $'000 |
|---|---|---|
| **Development properties held for sale** | | |
| Properties in the course of development, at cost | **3,325,886** | 3,331,291 |
| Write-down to net realisable value | **(87,227)** | (94,165) |
| | **3,238,659** | 3,237,126 |
| Development profit | **81,267** | 117,806 |
| | **3,319,926** | 3,354,932 |
| Progress payments received and receivable | **(409,181)** | (206,356) |
| | **2,910,745** | 3,148,576 |
| **Completed properties held for sale** | | |
| Completed units, at cost | **592,334** | 899,902 |
| Write-down to net realisable value | **(50,860)** | (50,927) |
| | **541,474** | 848,975 |
| **Total properties held for sale** | **3,452,219** | 3,997,551 |

Movements in write-down to net realisable value are as follows:

| | Group 2017 $'000 | Group 2016 $'000 |
|---|---|---|
| **Development properties held for sale** | | |
| At 1 October | **(94,165)** | (110,437) |
| Currency re-alignment | **(1,937)** | 1,174 |
| Charge for the year (Note 4(a)) | **–** | (27,842) |
| Sold during the year | **8,875** | 31,099 |
| Transfer to completed properties held for sale | **–** | 11,841 |
| At 30 September | **(87,227)** | (94,165) |
| **Completed properties held for sale** | | |
| At 1 October | **(50,927)** | (21,338) |
| Currency re-alignment | **(371)** | 906 |
| Charge for the year (Note 4(a)) | **–** | (19,268) |
| Sold during the year | **438** | 614 |
| Transfer from development properties held for sale | **–** | (11,841) |
| At 30 September | **(50,860)** | (50,927) |

(a) During the year, net interest expense of $32,981,000 (2016: $39,140,000) arising from borrowings obtained specifically for the projects was capitalised as cost of development properties held for sale.

The borrowing costs of loans used to finance the projects have been capitalised at interest rates of between 2.0% and 4.4% (2016: 1.8% and 4.4%) per annum.

## 20. PROPERTIES HELD FOR SALE (CONT'D)

(b) The following table provides information about agreements that are in progress at the reporting date where revenue is recognised on a percentage of completion basis:

| | Group 2017 $'000 | Group 2016 $'000 |
|---|---|---|
| Aggregate costs incurred and recognised to date | **823,348** | 648,731 |
| Less: Progress billings | **(409,181)** | (206,356) |
| | **414,167** | 442,375 |

(c) Included in development properties held for sale are projects of approximately $1,254,144,000 (2016: $652,667,000) which are expected to be completed within the next twelve months.

(d) Included in development properties held for sale are the following significant transactions between the Group and related parties which took place during the year at terms agreed between the parties:

| | Group 2017 $'000 | Group 2016 $'000 |
|---|---|---|
| Interest expense | | |
| – Paid to related parties | **631** | 650 |
| Development costs | | |
| – Paid to related parties | **154,259** | 112,181 |

(e) Certain subsidiaries have granted fixed and floating charges over their properties held for sale totalling $1,006,636,000 (2016: $1,596,259,000) to financial institutions as securities for credit facilities.

## 21. DERIVATIVE FINANCIAL INSTRUMENTS

| | Group | | Company | |
|---|---|---|---|---|
| | **2017** | 2016 | **2017** | 2016 |
| | **$'000** | $'000 | **$'000** | $'000 |
| **Assets** | | | | |
| Cross currency swaps/cross currency interest rate swaps | **1,006** | 4,689 | **73** | 225 |
| Interest rate swaps | **3,273** | 1,446 | **–** | – |
| Foreign currency forward contracts | **604** | 5,362 | **90** | – |
| | **4,883** | 11,497 | **163** | 225 |
| Comprise: | | | | |
| – Current | **604** | 9,361 | **90** | – |
| – Non-current | **4,279** | 2,136 | **73** | 225 |
| | **4,883** | 11,497 | **163** | 225 |
| **Liabilities** | | | | |
| Cross currency swaps/cross currency interest rate swaps | **39,708** | 19,328 | **19,867** | – |
| Interest rate swaps | **54,401** | 107,541 | **16,859** | 32,557 |
| Foreign currency forward contracts | **8,645** | 10,049 | **2,090** | 190 |
| | **102,754** | 136,918 | **38,816** | 32,747 |
| Comprise: | | | | |
| – Current | **15,051** | 46,924 | **2,090** | 263 |
| – Non-current | **87,703** | 89,994 | **36,726** | 32,484 |
| | **102,754** | 136,918 | **38,816** | 32,747 |

### *(a) Cross Currency Swaps/Cross Currency Interest Rate Swaps*

The Group enters into cross currency swaps and cross currency interest rate swaps to hedge its exposure to interest rate risks associated with movements in interest rates which impact the borrowing costs of the Group and also to hedge exposure to exchange rate risks on foreign currency borrowings.

The Group and the Company have cross currency swap and cross currency interest rate swap arrangements in place for the following amounts:

| | Group | | Company | |
|---|---|---|---|---|
| | **2017** | 2016 | **2017** | 2016 |
| | **$'000** | $'000 | **$'000** | $'000 |
| **Notional amounts** | | | | |
| Within one year | **100,000** | 112,744 | **–** | – |
| Between one to three years | **799,990** | 218,193 | **526,730** | – |
| After three years | **591,310** | 421,600 | **33,765** | 34,075 |
| | **1,491,300** | 752,537 | **560,495** | 34,075 |

Cross currency swaps with a carrying amount of $6,376,000 (2016: $705,000) were designated as hedge instruments for net investment hedges to hedge foreign exchange risks arising from the Group's net investments. There was no ineffectiveness recognised from these hedges.

## 21. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

### *(b) Interest Rate Swaps*

Interest rate swaps are used by the Group to hedge exposure to interest rate risks associated with movements in interest rates on the borrowings of the Group.

The Group and the Company have interest rate swap arrangements in place for the following amounts:

| | Group | | Company | |
|---|---|---|---|---|
| | **2017** | 2016 | **2017** | 2016 |
| | **$'000** | $'000 | **$'000** | $'000 |
| **Notional amounts** | | | | |
| Within one year | **647,083** | 2,031,979 | **–** | 88,595 |
| Between one to three years | **3,680,193** | 2,750,665 | **1,229,140** | 1,000,000 |
| After three years | **596,760** | 2,006,033 | **130,000** | 518,800 |
| | **4,924,036** | 6,788,677 | **1,359,140** | 1,607,395 |

As at 30 September 2017, the fixed interest rates of the outstanding interest rate swap contracts ranged between 0.4% to 3.5% (2016: 0.4% to 4.5%) per annum.

Interest rate swaps with a carrying amount of $50,133,000 (2016: $105,494,000) were designated as hedge instruments for cash flow hedges to hedge interest rate risks arising from variable rate borrowings. There was no ineffectiveness recognised from these hedges.

### *(c) Foreign Currency Forward Contracts*

Foreign currency forward contracts are used by the Group to hedge exposure to exchange rate risks on foreign currency receivables and payables, cash and cash equivalents and borrowings. The carrying amounts of the foreign currency forward contracts are accounted for at fair value through the profit statement.

The Group and the Company have foreign currency forward contract arrangements in place for the following amounts:

| | Group | | Company | |
|---|---|---|---|---|
| | **2017** | 2016 | **2017** | 2016 |
| | **$'000** | $'000 | **$'000** | $'000 |
| **Notional amounts** | | | | |
| Within one year | **546,393** | 794,294 | **175,584** | 102,000 |
| Between one to three years | **–** | 46,881 | **–** | – |
| | **546,393** | 841,175 | **175,584** | 102,000 |

A foreign currency forward contract with a carrying amount of $1,300,000 (2016: Nil) was designated as hedge instrument for net investment hedge to hedge foreign exchange risk arising from the Group's net investment. There was no ineffectiveness recognised from this hedge.

## 22. BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

| | Group | | Company | |
|---|---|---|---|---|
| | **2017** | 2016 | **2017** | 2016 |
| | **$'000** | $'000 | **$'000** | $'000 |
| **Bank deposits** | | | | |
| Structured deposits | **272,205** | 437,337 | **–** | – |
| **Cash and cash equivalents** | | | | |
| Fixed deposits | **782,074** | 522,545 | **–** | 20,000 |
| Cash in banks and in hand | **1,307,656** | 1,117,713 | **45,432** | 47,516 |
| Amounts held under "Project Account Rules – 1997 Ed": | | | | |
| – Fixed deposits | **22,000** | 65,223 | **–** | – |
| – Cash in banks | **25,545** | 25,862 | **–** | – |
| | **47,545** | 91,085 | **–** | – |
| Total cash and cash equivalents | **2,137,275** | 1,731,343 | **45,432** | 67,516 |
| Total bank deposits and cash and cash equivalents | **2,409,480** | 2,168,680 | **45,432** | 67,516 |

(a) Bank deposits comprise the following Chinese Renminbi ("RMB") structured deposits:

**Group**

| **2017** | **$'000** | **RMB'000** | **Interest Rate %** | **Maturity** |
|---|---|---|---|---|
| **Principal protected deposits** | | | | |
| Linked to United States Dollar (US$)/S$ | **101,950** | **500,000** | **4.1** | **5 January 2018** |
| Linked to US$ LIBOR | **85,637** | **420,000** | **3.8** | **19 October 2017** |
| Linked to US$ LIBOR | **84,618** | **415,000** | **3.9** | **8 November 2017** |
| Total principal protected deposits[(1)] | **272,205** | **1,335,000** | | |
| Total structured deposits | **272,205** | **1,335,000** | | |

## 22. BANK DEPOSITS AND CASH AND CASH EQUIVALENTS (CONT'D)

(a) Bank deposits comprise the following Chinese Renminbi ("RMB") structured deposits (cont'd):

**Group**

| **2016** | **\$'000** | **RMB'000** | **Interest Rate %** | **Maturity** |
|---|---|---|---|---|
| **Principal protected deposits** | | | | |
| Linked to US\$/S\$ | 61,309 | 300,000 | 2.7 | 18 October 2016 |
| Linked to US\$/S\$ | 81,746 | 400,000 | 2.7 | 17 October 2016 |
| Linked to US\$/S\$ | 20,436 | 100,000 | 2.8 | 25 November 2016 |
| Total principal protected deposits[1] | 163,491 | 800,000 | | |
| **Credit-linked deposits** | | | | |
| Linked to US\$ LIBOR | 6,131 | 30,000 | 2.8 | 3 March 2017 |
| Linked to US\$ LIBOR | 102,183 | 500,000 | 3.1 | 3 March 2017 |
| | 108,314 | 530,000 | | |
| Other deposits | 46,714 | 228,580 | 3.0 | 13 January 2017 |
| Other deposits | 118,818 | 581,400 | 3.0 | 1 March 2017 |
| | 165,532 | 809,980 | | |
| Total credit-linked deposits[2] | 273,846 | 1,339,980 | | |
| Total structured deposits | 437,337 | 2,139,980 | | |

(1) Principal protected at maturity.
(2) Credit-linked deposits are linked to certain financing obtained by FCL Treasury Pte. Ltd. ("FCLT"), a wholly-owned subsidiary of the Company (Note 24).

(b) Cash in banks earns interest at floating rates based on daily bank deposit rates. The tenure of short-term deposits vary between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

(c) The withdrawals from amounts held under "Project Account Rules – 1997 Ed" are restricted to payments for development expenditure incurred on properties developed for sale.

(d) For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the reporting date:

| | **Note** | **Group 2017 \$'000** | **Group 2016 \$'000** |
|---|---|---|---|
| Fixed deposits and cash in banks and in hand | | **2,137,275** | 1,731,343 |
| Bank overdrafts | 24 | **(1,530)** | (3,146) |
| Cash and cash equivalents in the consolidated cash flow statement | | **2,135,745** | 1,728,197 |

## 23. TRADE AND OTHER PAYABLES

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 2017 | 2016 | 2017 | 2016 |
| | Note | $'000 | $'000 | $'000 | $'000 |
| **Trade payables** | | **490,378** | 472,436 | **1,083** | 1,074 |
| **Other payables (current)** | | | | | |
| Amounts due to non-controlling interests | | **10,181** | 4,156 | **–** | – |
| Interest payable | | **48,499** | 45,297 | **–** | – |
| Accrued operating expenses and sundry creditors | | **474,185** | 407,498 | **9,756** | 7,713 |
| Land vendor liabilities | | **234,317** | 66,461 | **–** | – |
| Rental deposits | | **38,472** | 56,130 | **–** | – |
| Deposits | | **19,122** | 67,327 | **–** | – |
| Amounts due to subsidiaries | 13 | **–** | – | **194,653** | 187,435 |
| Amounts due to related companies | | **721** | 669 | **6** | – |
| Loan from an associate | 14 | **91,865** | 85,947 | **–** | – |
| Loan from a joint venture | 14 | **54,000** | – | **–** | – |
| Amounts due to joint ventures | 14 | **5** | 109 | **–** | – |
| Progress billings received in advance | | **149,461** | 488,931 | **–** | – |
| | | **1,120,828** | 1,222,525 | **204,415** | 195,148 |
| Total trade and other payables (current) | | **1,611,206** | 1,694,961 | **205,498** | 196,222 |
| **Other payables (non-current)** | | | | | |
| Sundry creditors | | **30,289** | 67,504 | **–** | – |
| Land vendor liabilities | | **2,955** | 146,844 | **–** | – |
| Rental deposits | | **57,639** | 33,192 | **–** | – |
| Amounts due to subsidiaries | 13 | **–** | – | **985** | 1,308 |
| Amounts due to non-controlling interests | | **40,027** | 42,886 | **–** | – |
| | | **130,910** | 290,426 | **985** | 1,308 |
| Total trade and other payables (current and non-current) | | **1,742,116** | 1,985,387 | **206,483** | 197,530 |

Trade Payables

Trade payables are non-interest bearing and are generally settled on 30 to 60 days term.

Amounts due to Non-Controlling Interests

Current amounts due to non-controlling interests are interest-free, non-trade in nature, unsecured and repayable in cash on demand.

Included in non-current amounts due to non-controlling interests are $35,289,000 (2016: $28,932,000) which bear interest at a range between 1.9% and 2.1% (2016: 1.9% and 2.8%), are non-trade in nature, unsecured and with no fixed term of repayment.

Sundry Creditors

Included in non-current sundry creditors are unfavourable leases of $11,491,000 (2016: $11,537,000) relating to a lease liability for effects of unfavourable leases recognised on the acquisition of MHDV and is amortised over the lease terms of the hotel properties.

## 23. TRADE AND OTHER PAYABLES (CONT'D)

Amounts due to Related Companies

Amounts due to related companies are interest-free, non-trade in nature, unsecured and repayable in cash on demand.

Land Vendor Liabilities

When a subsidiary enters into unconditional contracts with land vendors to purchase properties for future development that contain deferred payment terms, these liabilities are disclosed at their present value.

The amounts owing to land vendors of $210,256,000 (2016: $146,844,000) are secured over the properties until the balances of the purchase monies have been paid or settlements of the acquisition have occurred.

## 24. LOANS AND BORROWINGS

| | Weighted Average Effective Interest Rate | | Group | | Company | |
|---|---|---|---|---|---|---|
| | **2017** | 2016 | **2017** | 2016 | **2017** | 2016 |
| | **%** | % | **$'000** | $'000 | **$'000** | $'000 |
| **Repayable within one year:** | | | | | | |
| Unsecured | | | | | | |
| Bank loans | **2.5** | 2.2 | **531,889** | 1,052,700 | **–** | – |
| Medium Term Notes | **2.5** | 2.9 | **60,000** | 30,000 | **–** | – |
| Bank overdrafts | **–** | – | **1,530** | 3,146 | **–** | – |
| Secured | | | | | | |
| Bank loans | **2.5** | 3.1 | **978,299** | 384,270 | **–** | – |
| | | | **1,571,718** | 1,470,116 | **–** | – |
| **Repayable after one year:** | | | | | | |
| Unsecured | | | | | | |
| Bank loans | **2.3** | 2.5 | **5,370,243** | 4,587,183 | **–** | – |
| Medium Term Notes | **3.4** | 3.4 | **2,086,620** | 1,081,541 | **–** | – |
| Other bonds | **3.5** | 3.4 | **526,572** | 529,268 | **–** | – |
| Secured | | | | | | |
| Bank loans | **2.1** | 1.9 | **2,042,181** | 2,096,135 | **–** | – |
| Other bonds | **4.9** | 4.9 | **30,510** | 31,294 | **–** | – |
| | | | **10,056,126** | 8,325,421 | **–** | – |
| Total loans and borrowings | | | **11,627,844** | 9,795,537 | **–** | – |

## 24. LOANS AND BORROWINGS (CONT'D)

(a) The secured bank loans and other bonds are secured by certain subsidiaries by way of fixed and floating charges over certain assets and mortgages on freehold and leasehold land under development as disclosed in Notes 11, 12 and 20.

(b) Maturity of non-current loans and borrowings is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2017** | 2016 | **2017** | 2016 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Between 1 and 2 years | **2,764,181** | 1,119,011 | **–** | – |
| Between 3 and 5 years | **6,319,105** | 6,190,504 | **–** | – |
| After 5 years | **972,840** | 1,015,906 | **–** | – |
| At 30 September | **10,056,126** | 8,325,421 | **–** | – |

(c) As at 30 September 2017, the Group and the Company had interest rate swaps in place, which have the economic effect of converting borrowings from variable rates to fixed rates. The fair values and the terms of these interest rate swaps are discussed in Notes 21 and 33.

(d) FCLT has a S$3,000,000,000 Multicurrency Medium Term Note Programme and a S$5,000,000,000 Multicurrency Debt Issuance Programme, which are unconditionally and irrevocably guaranteed by the Company.

(e) The Group, through its subsidiary, FCT, established a S$1,000,000,000 Multicurrency Medium Term Note and a $3,000,000,000 Multicurrency Debt Issuance Programme.

(f) The Group, through its subsidiary, FCOT, established a S$1,000,000,000 Multicurrency Medium Term Note Programme.

(g) The Group, through its subsidiary, FHT, established a S$1,000,000,000 Multicurrency Debt Issuance Programme.

(h) The Group, through its subsidiary, FLT, established a S$1,000,000,000 Multicurrency Debt Issuance Programme.

(i) Included in other bonds are:

Unsecured

(i) Retail bonds of S$498,261,000 (2016: S$497,886,000) issued by FCLT. The bonds mature 7 years from 22 May 2015, are unsecured and are unconditionally and irrevocably guaranteed by the Company.

(ii) Bonds of S$28,311,000 (JPY 2.35 billion) (2016: S$31,382,000 (JPY 2.35 billion)) issued by FHT. The Japanese Yen denominated bonds mature 5 years from 14 July 2014 and are unsecured.

Secured

(iii) Senior bonds of S$30,510,000 (MYR 94,927,000) (2016: S$31,294,000 (MYR 94,886,000)) issued by FHT. The Malaysian Ringgit denominated bonds mature 5 years from 14 July 2014 and are secured by the Westin Kuala Lumpur.

## 25. SHARE CAPITAL

| | Group and Company | | | |
|---|---|---|---|---|
| | **2017** | | 2016 | |
| | **No. of Shares** | **$'000** | No. of Shares | $'000 |
| Issued and fully paid: | | | | |
| Ordinary shares | | | | |
| At 1 October | **2,899,996,444** | **1,766,800** | 2,895,009,863 | 1,759,858 |
| Issued during the year: | | | | |
| – pursuant to the vesting of shares awarded under the share plans | **5,328,250** | **7,971** | 4,986,581 | 6,942 |
| At 30 September | **2,905,324,694** | **1,774,771** | 2,899,996,444 | 1,766,800 |

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All shares carry one vote per share without restriction.

The ordinary shares have no par value.

## 26. OTHER RESERVES

| | Group | | Company | |
|---|---|---|---|---|
| | **2017** | 2016 | **2017** | 2016 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Hedging reserve | **(48,005)** | (75,374) | **–** | 3,700 |
| Foreign currency translation reserve | **(394,294)** | (471,347) | **–** | – |
| Share-based compensation reserve | **18,494** | 18,600 | **18,494** | 18,600 |
| Dividend reserve | **180,130** | 179,800 | **180,130** | 179,800 |
| Other reserves | **32,836** | 20,588 | **–** | – |
| | **(210,839)** | (327,733) | **198,624** | 202,100 |

## 26. OTHER RESERVES (CONT'D)

The movement of other reserves is as follows:

| | Hedging Reserve $'000 | Foreign Currency Translation Reserve $'000 | Share-based Compensation Reserve $'000 | Dividend Reserve $'000 | Other Reserves $'000 | Total $'000 |
|---|---|---|---|---|---|---|
| **Group** | | | | | | |
| **2017** | | | | | | |
| **Opening balance at 1 October 2016** | (75,374) | (471,347) | 18,600 | 179,800 | 20,588 | (327,733) |
| Other comprehensive income | | | | | | |
| Net fair value change of cash flow hedges | 28,337 | – | – | – | – | 28,337 |
| Foreign currency translation | – | 79,026 | – | – | – | 79,026 |
| Share of other comprehensive income of joint ventures and associates | (968) | (717) | – | – | – | (1,685) |
| **Other comprehensive income for the year** | 27,369 | 78,309 | – | – | – | 105,678 |
| Contributions by and distributions to owners | | | | | | |
| Ordinary shares issued | – | – | (7,971) | – | – | (7,971) |
| Employee share-based expense | – | – | 7,865 | – | – | 7,865 |
| Dividend paid (Note 29) | – | – | – | (179,800) | – | (179,800) |
| Dividend proposed (Note 29) | – | – | – | 180,130 | – | 180,130 |
| Transfer to retained earnings | – | – | – | – | 12,248 | 12,248 |
| **Total contributions by and distributions to owners** | – | – | (106) | 330 | 12,248 | 12,472 |
| Changes in ownership interests in subsidiaries | | | | | | |
| Change in interests in subsidiaries without change in control | – | (1,256) | – | – | – | (1,256) |
| **Total change in ownership interests in subsidiaries** | – | (1,256) | – | – | – | (1,256) |
| **Closing balance at 30 September 2017** | (48,005) | (394,294) | 18,494 | 180,130 | 32,836 | (210,839) |

## 26. OTHER RESERVES (CONT'D)

| | Hedging Reserve $'000 | Foreign Currency Translation Reserve $'000 | Share-based Compensation Reserve $'000 | Dividend Reserve $'000 | Other Reserves $'000 | Total $'000 |
|---|---|---|---|---|---|---|
| **Group** | | | | | | |
| **2016** | | | | | | |
| **Opening balance at 1 October 2015** | 27,804 | (468,446) | 15,353 | 179,491 | – | (245,798) |
| Other comprehensive income | | | | | | |
| Net fair value change of cash flow hedges | (103,204) | – | – | – | – | (103,204) |
| Foreign currency translation | – | (2,180) | – | – | – | (2,180) |
| Share of other comprehensive income of joint ventures and associates | (56) | – | – | – | 20,588 | 20,532 |
| **Other comprehensive income for the year** | (103,260) | (2,180) | – | – | 20,588 | (84,852) |
| Contributions by and distributions to owners | | | | | | |
| Ordinary shares issued | – | – | (6,942) | – | – | (6,942) |
| Employee share-based expense | – | – | 10,189 | – | – | 10,189 |
| Dividend paid (Note 29) | – | – | – | (179,491) | – | (179,491) |
| Dividend proposed (Note 29) | – | – | – | 179,800 | – | 179,800 |
| **Total contributions by and distributions to owners** | – | – | 3,247 | 309 | – | 3,556 |
| Changes in ownership interests in subsidiaries | | | | | | |
| Change in interests in subsidiaries without change in control | 82 | (721) | – | – | – | (639) |
| **Total change in ownership interests in subsidiaries** | 82 | (721) | – | – | – | (639) |
| **Closing balance at 30 September 2016** | (75,374) | (471,347) | 18,600 | 179,800 | 20,588 | (327,733) |

### (a) *Hedging Reserve*

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments related to hedged transactions that have not yet occurred.

### (b) *Foreign Currency Translation Reserve*

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the effect of hedging net investment in foreign operations and translating foreign currency loans which form part of the Group's net investment in foreign operations.

### (c) *Share-based Compensation Reserve*

The share-based compensation reserve comprises the cumulative value of employee services received for the issue of the shares under the share plans of the Company (Note 27).

## 26. OTHER RESERVES (CONT'D)

### *(d) Dividend Reserve*

Dividend reserve relates to proposed final dividend of 6.2 cents (2016: 6.2 cents) per share (Note 29).

### *(e) Other Reserves*

Included in other reserves are statutory reserves which relate to appropriation of funds from the net profit of subsidiaries and associates in China and Thailand, respectively, in accordance with the local laws.

## 27. SHARE PLANS

### *(a) FCL Restricted Share Plan ("RSP")*

The RSP is a share-based incentive plan for senior executives and key senior management, which was approved by shareholders of the Company at an Extraordinary General Meeting held on 25 October 2013.

Information regarding the RSP are as follows:

(i) Depending on the achievement of pre-determined targets over a 2-year period, the final number of RSP awards could range between 0% to 150% of the initial grant of the RSP awards.

(ii) 50% of the final RSP awards will vest at the end of the 2-year performance period. The balance will vest equally over the subsequent two years with fulfilment of service requirements.

The expense recognised in the profit statement for awards granted under the RSP during the financial year is $16,587,000 (2016: $9,662,000).

The estimated fair value of each RSP award granted during the year ranges from $1.26 to $1.40 (2016: $1.42 to $1.54). The fair value is determined using Monte Carlo Valuation Model, which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility of returns. The inputs to the model used are as follows:

| | **2017** | 2016 |
|---|---|---|
| Dividend yield (%) | **5.18** | 3.96 |
| Expected volatility (%) | **16.96** | 19.33 |
| Risk-free interest rate (%) | **1.76 to 2.26** | 1.95 to 2.32 |
| Expected life (years) | **2.03 to 4.03** | 2.03 to 4.03 |
| Share price at date of grant ($) | **1.55** | 1.67 |

Cash-settled awards of shares are measured at their current fair values at the balance sheet date.

## 27. SHARE PLANS (CONT'D)

### (b) *FCL Performance Share Plan ("PSP")*

The PSP is a share-based incentive plan for senior executives and key senior management, which was approved by shareholders of the Company at an Extraordinary General Meeting held on 25 October 2013.

Information regarding the PSP are as follows:

(i) Depending on the achievement of pre-determined targets over a 3-year period, the final number of PSP awards could range between 0% to 200% of the initial grant of the PSP awards.

(ii) 100% of the final PSP awards will vest at the end of the 3-year performance period.

The expense recognised in the profit statement for awards granted under the PSP during the financial year is $228,000 (2016: $558,000).

The estimated fair value of each PSP award granted during the year is $1.01 (2016: $1.04). The fair value is determined using Monte Carlo Valuation Model, which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility of returns. The inputs to the model used are as follows:

| | **2017** | 2016 |
|---|---|---|
| Dividend yield (%) | **5.18** | 3.96 |
| Expected volatility (%) | **16.96** | 19.33 |
| Cost of equity (%) | **6.40** | 7.20 |
| Risk-free interest rate (%) | **2.03** | 2.15 |
| Expected life (years) | **3.03** | 3.03 |
| Share price at date of grant ($) | **1.55** | 1.67 |

#### *RSP and PSP Awards Granted*

The fourth grant of RSP and PSP awards ("Year 4") was made on 21 December 2016. The details of the awards granted under the RSP and PSP in aggregate are as follows:

| RSP Awards | Grant Date | Balance as at 1 October 2016 or Grant Date if Later | Cancelled | Achievement Factor | Vested | Balance as at 30 September 2017 Equity-settled | Cash-settled | Total |
|---|---|---|---|---|---|---|---|---|
| Replacement FCL Awards* | 3 October 2014 | 1,003,500 | – | – | (1,003,500) | – | – | – |
| Year 1 | 3 October 2014 | 2,390,450 | – | – | (1,195,225) | 1,189,650 | 5,575 | 1,195,225 |
| Year 2 | 19 August 2015 | 6,955,138 | (112,575) | 222,762 | (3,575,450) | 2,780,400 | 709,475 | 3,489,875 |
| Year 3 | 22 December 2015 | 9,399,771 | (310,000) | – | – | 6,350,771 | 2,739,000 | 9,089,771 |
| Year 4 | 21 December 2016 | 11,368,660 | (302,900) | – | – | 8,070,860 | 2,994,900 | 11,065,760 |
| | | 31,117,519 | (725,475) | 222,762 | (5,774,175) | 18,391,681 | 6,448,950 | 24,840,631 |

* The Replacement FCL Awards were granted to replace the 1,844,401 Outstanding F&N Awards.

## 27. SHARE PLANS (CONT'D)

### *RSP and PSP Awards Granted (cont'd)*

During the year, certain employees working in foreign locations were offered the option to elect for cash settlement of their share awards. As a result, 6,448,950 share awards were classified as cash-settled awards during the year and the fair value was re-measured at the balance sheet date, using valuation method which involves using the market share price at balance sheet date and adjusting for projection of future outcomes. The incremental fair value recognised was $6,012,000.

| PSP Awards | Grant Date | Balance as at 1 October 2016 or Grant Date if Later | Cancelled | Achievement Factor | Vested | Balance as at 30 September 2017 Equity-settled | Cash-settled | Total |
|---|---|---|---|---|---|---|---|---|
| Year 1 | 3 October 2014 | 667,839 | – | (341,339) | (326,500) | – | – | – |
| Year 2 | 19 August 2015 | 469,059 | – | – | – | 469,059 | – | 469,059 |
| Year 3 | 22 December 2015 | 523,616 | – | – | – | 523,616 | – | 523,616 |
| Year 4 | 21 December 2016 | 219,540 | – | – | – | 219,540 | – | 219,540 |
| | | 1,880,054 | – | (341,339) | (326,500) | 1,212,215 | – | 1,212,215 |

The first grant of RSP and PSP awards for FY2014 ("Year 1") was made on 3 October 2014. The second grant of RSP and PSP awards ("Year 2") was made on 19 August 2015. The third grant of RSP and PSP awards ("Year 3") was made on 22 December 2015. The details of the awards granted under the RSP and PSP in aggregate are as follows:

| RSP Shares | Grant Date | Balance as at 1 October 2015 or Grant Date if Later | Cancelled | Achievement Factor | Vested | Balance as at 30 September 2016 or Grant Date if Later |
|---|---|---|---|---|---|---|
| Replacement FCL Awards* | 3 October 2014 | 3,015,881 | (25,650) | – | (1,986,731) | 1,003,500 |
| Year 1 | 3 October 2014 | 4,009,127 | (49,600) | 870,973 | (2,440,050) | 2,390,450 |
| Year 2 | 19 August 2015 | 7,592,138 | (637,000) | – | – | 6,955,138 |
| Year 3 | 22 December 2015 | 10,127,771 | (728,000) | – | – | 9,399,771 |
| | | 24,744,917 | (1,440,250) | 870,973 | (4,426,781) | 19,748,859 |

* The Replacement FCL Awards were granted to replace the 1,844,401 Outstanding F&N Awards.

| PSP Shares | Grant Date | Balance as at 1 October 2015 or Grant Date if Later | Cancelled | Achievement Factor | Vested | Balance as at 30 September 2016 or Grant Date if Later |
|---|---|---|---|---|---|---|
| Replacement FCL Awards** | 3 October 2014 | 598,655 | – | (38,855) | (559,800) | – |
| Year 1 | 3 October 2014 | 667,839 | – | – | – | 667,839 |
| Year 2 | 19 August 2015 | 469,059 | – | – | – | 469,059 |
| Year 3 | 22 December 2015 | 523,616 | – | – | – | 523,616 |
| | | 2,259,169 | – | (38,855) | (559,800) | 1,660,514 |

** The Replacement FCL Awards were granted to replace the 370,246 Outstanding F&N Awards.

## 28. PERPETUAL SECURITIES

The Group's perpetual securities comprise perpetual securities issued by its subsidiaries, FCLT and FHT (the "Issuers").

| | Issue Date | Principal Amount |
|---|---|---|
| Issued under FCLT's S$3,000,000,000 Medium Term Note Programme: | | |
| – 4.88% subordinated perpetual securities | 24 September 2014 | $600,000,000 |
| – 5.00% subordinated perpetual securities | 9 March 2015 | $700,000,000 |
| Issued under FHT's S$1,000,000,000 Multicurrency Debt Issuance Programme: | | |
| – 4.45% subordinated perpetual securities | 12 May 2016 | $100,000,000 |
| Issued under FCLT's S$5,000,000,000 Multicurrency Debt Issuance Programme: | | |
| – 3.95% subordinated perpetual securities | 21 September 2017 | $308,000,000 |

On 21 September 2017, the Group, through its wholly-owned subsidiary, FCLT, issued $308,000,000 in aggregate principal amount of perpetual securities. Issuance costs of $1,710,000 was recognised in equity as a deduction from proceeds.

Distributions are payable semi-annually in arrears. The rates of distribution are subject to revision in accordance with the terms and conditions of the securities. Subject to such conditions, the Issuers may elect to defer making distributions on the perpetual securities, and is not subject to any limits as to the number of times a distribution can be deferred.

As the perpetual securities have no fixed maturity date and the payment of distributions is at the discretion of the Issuers, the Issuers are considered to have no contractual obligations to repay the principal or to pay any distributions, and the perpetual securities do not meet the definition for classification as a financial liability under FRS 32 *Financial Instruments: Disclosure and Presentation*. The whole instrument is presented within equity, and distributions are treated as dividends.

The perpetual securities constitute direct, unconditional, subordinated and unsecured obligations of the Issuers and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations (as defined in the Conditions) of the Issuers. The securities may be redeemed at the option of the Issuers on any distribution payment date as specified in the Conditions and otherwise upon the occurrence of certain redemption events as specified in the Conditions.

## 29. DIVIDENDS

| | Company | |
|---|---|---|
| | **2017** | 2016 |
| | **$'000** | $'000 |
| **Dividends on Ordinary Shares:** | | |
| Interim paid | | |
| 2.4 cents (2016: 2.4 cents) per share, tax exempt | **70,058** | 69,909 |
| Final proposed | | |
| 6.2 cents (2016: 6.2 cents) per share, tax exempt | **180,130** | 179,800 |
| | **250,188** | 249,709 |

The final dividends are proposed by the Directors after the reporting date and subject to the approval of shareholders at the next annual general meeting of the Company.

## 30. FINANCIAL REPORTING STANDARDS ("FRS") AND INTERPRETATIONS OF FRS ("INT FRS")

A number of new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted; however, the Group has not early applied the following new or amended standards in preparing these statements.

For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Group in future financial periods, the Group is assessing the transition options and the potential impact on its financial statements.

An initial assessment of the new standards that are relevant to the Group is set out below:

### Applicable to financial statements for the year ending 30 September 2019

### FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.

FRS 115 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. FRS 115 offers a range of transition options including full retrospective adoption where an entity can choose to apply the standard to its historical transactions and retrospectively adjust each comparative period presented in its 2019 financial statements. When applying the full retrospective method, an entity may also elect to use a series of practical expedients to ease transition.

*Potential impact on the financial statements*

During the financial year, the Group completed its initial assessment of the impact on the Group's financial statements. Based on its initial assessment, the Group does not expect significant changes to the recognition criteria for most of its existing revenue arrangements (refer to Note 2.18).

The Group is currently performing a detailed contracts review on how the requirements of FRS 115 may impact the timing of recognition of revenue from Properties Held for Sale in different regions where the Group operates. Subject to the conclusion of the detailed contracts review, the Group will adopt an appropriate Group policy for its subsidiaries and assess the impact to Group's financial statements.

The Group plans to adopt the standard when it becomes effective for the Group on 1 October 2018 using the full retrospective approach.

## 30. FINANCIAL REPORTING STANDARDS ("FRS") AND INTERPRETATIONS OF FRS ("INT FRS") (CONT'D)

### FRS 109 *Financial instruments*

FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 October 2018.

*Potential impact on the financial statements*

The Group does not expect a significant change to the measurement basis arising from the new classification and measurement model under FRS 109.

Loans and receivables currently accounted for at amortised cost will continue to be accounted for using the amortised cost model under FRS 109.

For financial assets and liabilities currently held at fair value, the Group expects to continue measuring these assets at fair value under FRS 109.

The Group is evaluating the approach to adopt in respect of recording expected impairment losses on trade receivables, which involves the Group reviewing its impairment loss estimation methodology to quantify the impact on the financial statements. Based on preliminary assessment, the Group does not expect a significant increase to the impairment allowance.

The Group expects that all existing hedges that are designated in effective hedging relationships will continue to qualify for hedge accounting under FRS 109.

The Group plans to adopt the standard when it becomes effective for the Group as at 1 October 2018 without restating comparative information.

### Convergence with International Financial Reporting Standards (IFRS)

In addition, the Accounting Standards Council (ASC) announced on 29 May 2014 that Singapore-incorporated companies listed on the Singapore Exchange (SGX) will apply a new financial reporting framework identical to the International Financial Reporting Standards (referred to as SG-IFRS in these financial statements) for annual periods beginning 1 January 2018.

The Group has performed a preliminary assessment of the impact of SG-IFRS 1 *First-time adoption of International Financial Reporting Standards* for the transition to the new reporting framework. Based on the Group's preliminary assessment, the Group expects that the impact on adoption of SG-IFRS 15 *Revenue from Contracts with Customers* and SG-IFRS 9 *Financial Instruments* will be similar to adopting FRS 115 and FRS 109 as described in this Note.

Other than arising from the adoption of new and revised standards, the Group does not expect to change its existing accounting policies on adoption of the new framework.

## 30. FINANCIAL REPORTING STANDARDS ("FRS") AND INTERPRETATIONS OF FRS ("INT FRS") (CONT'D)

### Convergence with International Financial Reporting Standards (IFRS) (cont'd)

The Group is currently performing a detailed analysis of the available policy choices, transitional optional exemptions and transitional mandatory exceptions under SG-IFRS 1 and the preliminary assessment may be subject to changes arising from the detailed analyses.

### Applicable to financial statements for the year ending 30 September 2020

### FRS 116 *Leases*

FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use ("ROU") assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor.

When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives*, and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

*Potential impact on the financial statements*

The Group has performed a preliminary high-level assessment of the new standard on its existing operating lease arrangements as a lessee (refer to Note 36(b)). Based on the preliminary assessment, the Group expects these operating leases to be recognised as ROU assets with corresponding lease liabilities under the new standard. Assuming no additional new operating leases in future years until the effective date, the Group expects the amount of ROU asset and lease liability to be lower due to discounting and as the lease terms run down.

The Group continues to assess the possibility of early adopting or plans to adopt the standard when it becomes effective for the Group as at 1 October 2019. The Group will perform a detailed analysis of the standard, including the transition options and practical expedients in the coming financial year.

The Group expects that the impact on adoption of IFRS 16 *Leases* to be similar to adopting SG-FRS 116, after the transition to SG-IFRS as at 1 October 2018 as described above.

## 31. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or significant influence. Related parties may be individuals or other entities.

The Group considers the Directors of the Company, and Key Executive Officers comprising the Group CEO, key management officers of the corporate office and CEOs of the strategic business units, to be key management personnel in accordance with FRS 24 *Related Party Disclosures*.

## 31. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

### *Sale and Purchase of Goods and Services*

In addition to those related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place during the period at terms agreed between the parties:

| | Group | |
|---|---|---|
| | **2017** | 2016 |
| | **$'000** | $'000 |
| Rental and service charge income | | |
| – received from related companies | **(2,076)** | (2,843) |
| Hotel and other income | | |
| – received from related companies | **(616)** | (240) |
| Management fees | | |
| – received from joint ventures | **(13,481)** | (12,011) |
| – paid to a related party | **240** | 180 |
| Purchases | | |
| – paid to related companies | **536** | 502 |
| Interest (income)/expense | | |
| – received from related parties | **(7,846)** | (10,235) |
| – paid to related parties | **631** | 728 |
| Development costs | | |
| – paid to related companies | **154,259** | 112,181 |
| Marketing fees | | |
| – received from joint ventures | **(17,113)** | (3,822) |
| Accounting and secretarial fees | | |
| – received from joint ventures | **(630)** | (662) |

## 32. FINANCIAL RISK MANAGEMENT

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Group has risk management policies and guidelines governing all investments, which set out its overall business strategies, its tolerance for risk and its general risk management philosophy and has established processes to monitor and control hedging transactions in a timely and accurate manner. All investment opportunities are reviewed regularly by the Executive Committee of the Board to ensure that the Group's policy guidelines are adhered to.

### *(a) Credit Risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

As at the reporting date, the Group's and the Company's maximum exposure to credit risk in the event that the counterparties fail to perform their obligations is represented by the carrying amount of each class of financial assets recognised in the balance sheets, including derivatives with positive fair values.

As at 30 September 2017, 100% (2016: 100%) of the Company's receivables are due from subsidiaries. There is no significant credit risk as these companies are of good credit standing.

The Group has guidelines governing the monitoring of credit risk. Contractual deposits are collected and scheduled progress payments are received from the buyers of development properties held for sale when due. Titles to development properties held for sale are only transferred upon full settlement. Rental deposits are collected from tenants and debts are monitored regularly to minimise risk of non-payment.

Cash and fixed deposits are placed with reputable financial institutions. Information regarding financial assets that are either past due or impaired and the aging analysis of trade receivables is disclosed in Note 18.

With respect to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Group's maximum credit risk exposure for cross currency interest rate swaps, cross currency swaps, foreign currency swap contracts and interest rate swap contracts are limited to the fair value adjustments of these contracts. It is the Group's and the Company's policy to enter into financial instruments with a diversity of credit worthy counterparties. The Group and the Company do not expect to incur material credit losses on their financial assets or other financial instruments.

## 32. FINANCIAL RISK MANAGEMENT (CONT'D)

### *(b) Liquidity Risk*

Liquidity risk is the risk that the Group and Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group adopts a prudent approach to managing its liquidity risk. The Group always maintains sufficient cash and has available funding through a diverse source of uncommitted credit facilities from various banks and a related company. Surplus cash from subsidiaries are transferred to the Company in accordance with its group policy for management of liquidity of the companies in the Group.

The following are the expected contractual undiscounted cash flows of financial liabilities and derivative financial instruments, including interest payments and excluding the impact of netting agreements:

| | | Contractual Cash Flows | | | |
|---|---|---|---|---|---|
| | Carrying amount $'000 | Total $'000 | 1 year or less $'000 | 1 to 5 years $'000 | Over 5 years $'000 |
| **Group** | | | | | |
| **2017** | | | | | |
| **Financial liabilities, at amortised cost** | | | | | |
| Loans and borrowings | (11,627,844) | (12,738,710) | (1,858,088) | (9,752,514) | (1,128,108) |
| Trade and other payables# | (1,583,256) | (1,587,994) | (1,465,778) | (104,576) | (17,640) |
| | (13,211,100) | (14,326,704) | (3,323,866) | (9,857,090) | (1,145,748) |
| **Derivative financial assets/(liabilities), at fair value** | | | | | |
| Interest rate swaps (net-settled) | (51,128) | (51,874) | (34,896) | (16,978) | – |
| Forward foreign exchange contracts (gross-settled) | (8,041) | | | | |
| – outflow | | (546,615) | (546,615) | – | – |
| – inflow | | 538,673 | 538,673 | – | – |
| Cross currency swaps (gross-settled) | (38,702) | | | | |
| – outflow | | (1,597,563) | (120,659) | (1,476,904) | – |
| – inflow | | 1,558,762 | 128,555 | 1,430,207 | – |
| | (97,871) | (98,617) | (34,942) | (63,675) | – |
| | (13,308,971) | (14,425,321) | (3,358,808) | (9,920,765) | (1,145,748) |

## 32. FINANCIAL RISK MANAGEMENT (CONT'D)

### *(b) Liquidity Risk (cont'd)*

| | | Contractual Cash Flows | | | |
|---|---|---|---|---|---|
| | **Carrying amount $'000** | **Total $'000** | **1 year or less $'000** | **1 to 5 years $'000** | **Over 5 years $'000** |
| **Group** | | | | | |
| **2016** | | | | | |
| **Financial liabilities, at amortised cost** | | | | | |
| Loans and borrowings | (9,795,537) | (10,567,405) | (1,690,805) | (7,797,752) | (1,078,848) |
| Trade and other payables# | (1,496,456) | (1,496,456) | (1,206,030) | (221,663) | (68,763) |
| | (11,291,993) | (12,063,861) | (2,896,835) | (8,019,415) | (1,147,611) |
| **Derivative financial assets/(liabilities), at fair value** | | | | | |
| Interest rate swaps (net-settled) | (106,095) | (107,705) | (35,755) | (71,950) | – |
| Forward foreign exchange contracts (gross-settled) | (4,687) | | | | |
| – outflow | | (827,710) | (827,710) | – | – |
| – inflow | | 821,901 | 821,901 | – | – |
| Cross currency swaps/cross currency interest rate swaps (gross-settled) | (14,639) | | | | |
| – outflow | | (817,119) | (128,767) | (688,352) | – |
| – inflow | | 802,826 | 128,693 | 674,133 | – |
| | (125,421) | (127,807) | (41,638) | (86,169) | – |
| | (11,417,414) | (12,191,668) | (2,938,473) | (8,105,584) | (1,147,611) |

# Exclude progress billings received in advance and provisions.

The table below indicates the periods in which the cash flows associated with the cash flow hedges are expected to occur:

| | Group | |
|---|---|---|
| | **2017 $'000** | 2016 $'000 |
| 1 year or less | **(37,707)** | (50,585) |
| 1 to 5 years | **(27,454)** | (57,581) |
| | **(65,161)** | (108,166) |

## 32. FINANCIAL RISK MANAGEMENT (CONT'D)

### *(b) Liquidity Risk (cont'd)*

| | Carrying amount $'000 | Contractual Cash Flows Total $'000 | 1 year or less $'000 | 1 to 5 years $'000 | Over 5 years $'000 |
|---|---|---|---|---|---|
| **Company** | | | | | |
| **2017** | | | | | |
| **Financial liabilities, at amortised cost** | | | | | |
| Trade and other payables | **(10,845)** | **(10,845)** | **(10,845)** | **–** | **–** |
| Amounts due to subsidiaries | **(195,638)** | **(195,638)** | **(194,653)** | **(985)** | **–** |
| Recognised liabilities | **(206,483)** | **(206,483)** | **(205,498)** | **(985)** | **–** |
| Corporate guarantees | **–** | **(12,913,731)** | **(12,913,731)** | **–** | **–** |
| | **(206,483)** | **(13,120,214)** | **(13,119,229)** | **(985)** | **–** |
| **Derivative financial assets/(liabilities), at fair value** | | | | | |
| Interest rate swaps (net-settled) | **(16,859)** | **(17,026)** | **(10,030)** | **(6,996)** | **–** |
| Forward foreign exchange contracts (gross-settled) | **(2,000)** | | | | |
| – outflow | | **(175,687)** | **(175,687)** | **–** | **–** |
| – inflow | | **173,634** | **173,634** | **–** | **–** |
| Cross currency swaps (gross-settled) | **(19,794)** | | | | |
| – outflow | | **(587,334)** | **(2,588)** | **(584,746)** | **–** |
| – inflow | | **567,740** | **10,909** | **556,831** | **–** |
| | **(38,653)** | **(38,673)** | **(3,762)** | **(34,911)** | **–** |
| | **(245,136)** | **(13,158,887)** | **(13,122,991)** | **(35,896)** | **–** |
| **2016** | | | | | |
| **Financial liabilities, at amortised cost** | | | | | |
| Trade and other payables | (8,787) | (8,787) | (8,787) | – | – |
| Amounts due to subsidiaries | (188,743) | (188,743) | (187,435) | (1,308) | – |
| Recognised liabilities | (197,530) | (197,530) | (196,222) | (1,308) | – |
| Corporate guarantees | – | (6,974,672) | (6,974,672) | – | – |
| | (197,530) | (7,172,202) | (7,170,894) | (1,308) | – |
| **Derivative financial assets/(liabilities), at fair value** | | | | | |
| Interest rate swaps (net-settled) | (32,557) | (32,716) | (73) | (32,643) | – |
| Forward foreign exchange contracts (gross-settled) | (190) | | | | |
| – outflow | | (102,663) | (102,663) | – | – |
| – inflow | | 102,417 | 102,417 | – | – |
| Cross currency swaps (gross-settled) | 225 | | | | |
| – outflow | | (38,332) | (870) | (37,462) | – |
| – inflow | | 38,436 | 780 | 37,656 | – |
| | (32,522) | (32,858) | (409) | (32,449) | – |
| | (230,052) | (7,205,060) | (7,171,303) | (33,757) | – |

## 32. FINANCIAL RISK MANAGEMENT (CONT'D)

### *(b) Liquidity Risk (cont'd)*

The maturity analyses show the contractual undiscounted cash flows of the Group's and the Company's financial liabilities on the basis of their earliest possible contractual maturity. The cash inflows/(outflows) disclosed relate to those instruments held for risk management purposes and which are usually not closed out prior to contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement e.g. forward exchange contracts. Net-settled derivative financial assets are included in the maturity analyses as they are held to hedge the cash flow variability of the Group's floating rate loans.

### *(c) Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk is in respect of debt obligations and deposits with related companies and financial institutions.

The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate debts with varying tenors. To manage this mix in a cost-efficient manner, the Group uses hedging instruments such as interest rate swaps and cross currency interest rate swaps to minimise its exposure to interest rate volatility.

<u>Sensitivity Analysis for Interest Rate Risk</u>

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

| | Profit before tax | | Equity | |
|---|---|---|---|---|
| | 100 bp Increase $'000 | 100 bp Decrease $'000 | 100 bp Increase $'000 | 100 bp Decrease $'000 |
| **Group** | | | | |
| **2017** | | | | |
| Variable rate instruments not hedged | **(37,920)** | **37,920** | **–** | **–** |
| Interest rate swaps/cross currency interest rate swaps | **15,317** | **(15,376)** | **89,678** | **(93,638)** |
| Cash flow sensitivity (net) | **(22,603)** | **22,544** | **89,678** | **(93,638)** |
| **2016** | | | | |
| Variable rate instruments not hedged | (13,251) | 13,251 | – | – |
| Interest rate swaps/cross currency interest rate swaps | 5,135 | (5,135) | 134,556 | (134,556) |
| Cash flow sensitivity (net) | (8,116) | 8,116 | 134,556 | (134,556) |

## 32. FINANCIAL RISK MANAGEMENT (CONT'D)

### (d) *Foreign Currency Risk*

The purpose of the Group's and the Company's foreign currency hedging activities is to protect against the volatility associated with future cash flow arising from investments in and loans granted to foreign subsidiaries. The Group and the Company primarily utilise foreign currency forward contracts and cross currency swaps to hedge foreign currency denominated investments and loans to foreign subsidiaries. Under this programme, increases or decreases in the Company's foreign currency denominated investments and loans are partially offset by gains and losses on the hedging instruments. The Company does not use foreign currency forward contracts or other hedging instruments for trading purposes.

In addition to transactional exposures, the Group is also exposed to foreign exchange movements on its net investment in foreign subsidiaries. The Group uses foreign currency borrowings as a natural hedge against the activities of the foreign subsidiaries.

The Group's exposure to foreign currencies as at 30 September 2017 and 30 September 2016, after taking into account foreign currency forward contracts and cross currency swaps, is as follows:

| | Singapore Dollar $'000 | Australian Dollar $'000 | Chinese Renminbi $'000 | Sterling Pound $'000 | United States Dollar $'000 |
|---|---|---|---|---|---|
| **Group** | | | | | |
| **2017** | | | | | |
| **Financial Assets** | | | | | |
| Trade and other receivables | **4,159** | **–** | **1,077** | **–** | **15,784** |
| Cash and cash equivalents | **37,845** | **31,534** | **5** | **1,570** | **6,778** |
| **Financial Liabilities** | | | | | |
| Trade and other payables | **(38,249)** | **(23)** | **(29)** | **(104)** | **(8,731)** |
| Loans and borrowings | **(226,569)** | **–** | **–** | **–** | **(969,210)** |
| Net statement of financial position exposure | **(222,814)** | **31,511** | **1,053** | **1,466** | **(955,379)** |
| Less: | | | | | |
| Foreign currency forward contracts/ cross currency swaps | **226,568** | **–** | **–** | **–** | **970,523** |
| Net currency exposure | **3,754** | **31,511** | **1,053** | **1,466** | **15,144** |
| **2016** | | | | | |
| **Financial Assets** | | | | | |
| Trade and other receivables | 135 | 216,789 | 56,877 | 320,820 | 50,630 |
| Cash and cash equivalents | 72,085 | 24,773 | 3 | 20,579 | 1,499 |
| **Financial Liabilities** | | | | | |
| Trade and other payables | (20,238) | (13,930) | (54,928) | (279) | (44,070) |
| Loans and borrowings | (219,361) | – | (167,520) | (83,986) | (356,996) |
| Net statement of financial position exposure | (167,379) | 227,632 | (165,568) | 257,134 | (348,937) |
| Less: | | | | | |
| Foreign currency forward contracts/ cross currency swaps | 219,000 | (136,711) | 115,315 | (254,518) | 336,658 |
| Net currency exposure | 51,621 | 90,921 | (50,253) | 2,616 | (12,279) |

## 32. FINANCIAL RISK MANAGEMENT (CONT'D)

### (d) *Foreign Currency Risk (cont'd)*

The Group has the following outstanding foreign currency forward contracts and cross currency swaps to hedge future receipts of distribution, net of anticipated payments in foreign currencies:

| | Group | |
|---|---|---|
| | **2017** | 2016 |
| | **$'000** | $'000 |
| **Notional amounts** | | |
| Singapore Dollar | **10,743** | 142,744 |
| Australian Dollar | **225,980** | 129,494 |
| Sterling Pound | **190,498** | 10,478 |
| Euro | **34,487** | 2,417 |
| Others | **1,504** | 1,715 |
| | **463,212** | 286,848 |

The Company's exposure to foreign currencies as at 30 September 2017 and 30 September 2016, after taking into account foreign currency forward contracts, is as follows:

| | **Australian Dollar $'000** | **United States Dollar $'000** |
|---|---|---|
| **Company** | | |
| **2017** | | |
| **Financial Assets** | | |
| Trade and other receivables | **50,389** | **9,586** |
| Cash and cash equivalents | **2,416** | **2,829** |
| Currency exposure | **52,805** | **12,415** |
| **2016** | | |
| **Financial Assets** | | |
| Trade and other receivables | 48,980 | 9,573 |
| Cash and cash equivalents | 27 | 162 |
| Currency exposure | 49,007 | 9,735 |

## 32. FINANCIAL RISK MANAGEMENT (CONT'D)

### *(d) Foreign Currency Risk (cont'd)*

Sensitivity Analysis for Foreign Currency Risk

The following table demonstrates the sensitivity analysis of the Group's exposure to foreign currency risk on its financial assets and liabilities as at the end of the financial year by a reasonably possible change in the S$, A$, RMB, GBP and US$ against the respective functional currencies of the Group entities, with all other variables held constant:

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | Profit before Taxation $'000 | Equity $'000 | Profit before Taxation $'000 | Equity $'000 |
| **30 September 2017** | | | | | |
| S$ | – Strengthened 1% | **38** | **–** | **–** | **–** |
| | – Weakened 1% | **(38)** | **–** | **–** | **–** |
| A$ | – Strengthened 1% | **315** | **1,125** | **528** | **–** |
| | – Weakened 1% | **(315)** | **(1,122)** | **(528)** | **–** |
| RMB | – Strengthened 1% | **11** | **–** | **–** | **–** |
| | – Weakened 1% | **(11)** | **–** | **–** | **–** |
| GBP | – Strengthened 1% | **15** | **1,961** | **–** | **–** |
| | – Weakened 1% | **(15)** | **(1,957)** | **–** | **–** |
| US$ | – Strengthened 1% | **151** | **–** | **124** | **–** |
| | – Weakened 1% | **(151)** | **–** | **(124)** | **–** |
| **30 September 2016** | | | | | |
| S$ | – Strengthened 1% | 516 | – | – | – |
| | – Weakened 1% | (516) | – | – | – |
| A$ | – Strengthened 1% | 909 | – | 490 | – |
| | – Weakened 1% | (909) | – | (490) | – |
| RMB | – Strengthened 1% | (503) | – | – | – |
| | – Weakened 1% | 503 | – | – | – |
| GBP | – Strengthened 1% | 26 | 1,127 | – | – |
| | – Weakened 1% | (26) | (1,127) | – | – |
| US$ | – Strengthened 1% | (123) | – | 97 | – |
| | – Weakened 1% | 123 | – | (97) | – |

## 33. FAIR VALUE OF ASSETS AND LIABILITIES

### *(a) Fair Value Hierarchy*

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

## 33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### *(b) Classifications and Fair Values*

The following tables show the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. They do not include fair value information for short term trade and other receivables, cash and cash equivalents, trade and other payables and short-term bank borrowings as their carrying amounts are reasonable approximation of fair values:

| | | Fair Value | | | | Carrying Amount |
|---|---|---|---|---|---|---|
| | Note | Level 1 $'000 | Level 2 $'000 | Level 3 $'000 | Total $'000 | Total $'000 |
| **Group** | | | | | | |
| **2017** | | | | | | |
| **Assets and Liabilities measured at Fair Value:** | | | | | | |
| **Financial Assets** | | | | | | |
| Available-for-sale financial assets: | | | | | | |
| – Quoted investments | 15 | 14 | – | – | 14 | 14 |
| Derivative financial assets: | | | | | | |
| – Cross currency swaps/cross currency interest rate swaps | 21 | – | 1,006 | – | 1,006 | 1,006 |
| – Interest rate swaps | 21 | – | 3,273 | – | 3,273 | 3,273 |
| – Foreign currency forward contracts | 21 | – | 604 | – | 604 | 604 |
| **Non-Financial Assets** | | | | | | |
| Investment properties | 11 | – | – | 15,817,282 | 15,817,282 | 15,817,282 |
| | | 14 | 4,883 | 15,817,282 | 15,822,179 | 15,822,179 |
| **Financial Liabilities** | | | | | | |
| Derivative financial liabilities: | | | | | | |
| – Cross currency swaps/cross currency interest rate swaps | 21 | – | 39,708 | – | 39,708 | 39,708 |
| – Interest rate swaps | 21 | – | 54,401 | – | 54,401 | 54,401 |
| – Foreign currency forward contracts | 21 | – | 8,645 | – | 8,645 | 8,645 |
| | | – | 102,754 | – | 102,754 | 102,754 |
| **Liabilities not carried at Fair Value but for which Fair Value are disclosed:** | | | | | | |
| **Financial Liabilities** | | | | | | |
| Bank borrowings (non-current) | 24 | 2,365,960 | 7,741,652 | – | 10,107,612 | 10,056,126 |

## 33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### *(b) Classifications and Fair Values (cont'd)*

| | | Fair Value | | | | Carrying Amount |
|---|---|---|---|---|---|---|
| | Note | Level 1 $'000 | Level 2 $'000 | Level 3 $'000 | Total $'000 | Total $'000 |
| **Group** | | | | | | |
| **2016** | | | | | | |
| **Assets and Liabilities measured at Fair Value:** | | | | | | |
| **Financial Assets** | | | | | | |
| Available-for-sale financial assets: | | | | | | |
| – Quoted investments | 15 | 14 | – | – | 14 | 14 |
| Derivative financial assets: | | | | | | |
| – Cross currency interest rate swaps/ cross currency swaps | 21 | – | 4,689 | – | 4,689 | 4,689 |
| – Interest rate swaps | 21 | – | 1,446 | – | 1,446 | 1,446 |
| – Foreign currency forward contracts | 21 | – | 5,362 | – | 5,362 | 5,362 |
| **Non-Financial Assets** | | | | | | |
| Investment properties | 11 | – | – | 13,494,019 | 13,494,019 | 13,494,019 |
| | | 14 | 11,497 | 13,494,019 | 13,505,530 | 13,505,530 |
| **Financial Liabilities** | | | | | | |
| Derivative financial liabilities: | | | | | | |
| – Cross currency interest rate swaps/ cross currency swaps | 21 | – | 19,328 | – | 19,328 | 19,328 |
| – Interest rate swaps | 21 | – | 107,541 | – | 107,541 | 107,541 |
| – Foreign currency forward contracts | 21 | – | 10,049 | – | 10,049 | 10,049 |
| | | – | 136,918 | – | 136,918 | 136,918 |
| **Liabilities not carried at Fair Value but for which Fair Value are disclosed:** | | | | | | |
| **Financial Liabilities** | | | | | | |
| Bank borrowings (non-current) | 24 | 1,714,599 | 6,683,319 | – | 8,397,918 | 8,325,421 |

## 33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### *(b) Classifications and Fair Values (cont'd)*

| | | Fair Value | | | | Carrying Amount |
|---|---|---|---|---|---|---|
| | Note | Level 1 $'000 | Level 2 $'000 | Level 3 $'000 | Total $'000 | Total $'000 |
| **Company** | | | | | | |
| **2017** | | | | | | |
| **Assets and Liabilities measured at Fair Value:** | | | | | | |
| **Financial Assets** | | | | | | |
| Derivative financial assets: | | | | | | |
| – Cross currency swaps | 21 | **–** | **73** | **–** | **73** | **73** |
| – Foreign currency forward contracts | 21 | **–** | **90** | **–** | **90** | **90** |
| **Non-Financial Asset** | | | | | | |
| Investment property | 11 | **–** | **–** | **1,500** | **1,500** | **1,500** |
| | | **–** | **163** | **1,500** | **1,663** | **1,663** |
| **Financial Liabilities** | | | | | | |
| Derivative financial liabilities: | | | | | | |
| – Cross currency swaps | 21 | **–** | **19,867** | **–** | **19,867** | **19,867** |
| – Interest rate swaps | 21 | **–** | **16,859** | **–** | **16,859** | **16,859** |
| – Foreign currency forward contracts | 21 | **–** | **2,090** | **–** | **2,090** | **2,090** |
| | | **–** | **38,816** | **–** | **38,816** | **38,816** |
| **2016** | | | | | | |
| **Assets and Liabilities measured at Fair Value:** | | | | | | |
| **Financial Assets** | | | | | | |
| Derivative financial assets: | | | | | | |
| – Cross currency swaps | 21 | – | 225 | – | 225 | 225 |
| **Non-Financial Asset** | | | | | | |
| Investment property | 11 | – | – | 1,600 | 1,600 | 1,600 |
| | | – | 225 | 1,600 | 1,825 | 1,825 |
| **Financial Liabilities** | | | | | | |
| Derivative financial liabilities: | | | | | | |
| – Interest rate swaps | 21 | – | 32,557 | – | 32,557 | 32,557 |
| – Foreign currency forward contracts | 21 | – | 190 | – | 190 | 190 |
| | | – | 32,747 | – | 32,747 | 32,747 |

## 33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### *(c) Determination of Fair Value*

The following valuation methods and assumptions are used to estimate the fair values of the following significant classes of assets and liabilities:

(i) Derivatives

Foreign currency forward contracts, cross currency interest rate swaps, cross currency swaps and interest rate swaps are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present valuation calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate and forward rate curves.

(ii) Non-Derivative Financial Liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted using the market rate of interest at the reporting date.

(iii) Other Financial Assets and Liabilities

The fair value of quoted securities is their quoted bid price at the reporting date. The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument in the balance sheet.

## 33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### *(c) Determination of Fair Value (cont'd)*

(iv) Investment Properties

The Group's investment property portfolio is mostly valued by external and independent valuers at least once every two years. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion. The valuers have considered valuation techniques including market comparison method, capitalisation method and discounted cash flow method in arriving at the open market value as at the reporting date. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation rate, terminal yield and discount rate.

IPUC are stated at fair value which has been determined based on valuations performed at reporting date. Valuations are performed by accredited independent valuers with recognised and relevant professional qualification or internal valuers with recent experience in the location and category of the properties being valued. The fair values of IPUC are determined using a combination of capitalisation method, discounted cash flow method and residual land value method, where appropriate.

The valuations are based on open market values on the highest and best use basis.

The market comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties.

The capitalisation method capitalises the estimated net income of the property for perpetuity or the balance term of the lease tenure at a capitalisation rate that is appropriate for the type of use, tenure and reflective of the quality of the investment. Capital adjustments are then made to derive the capital value of the property.

The discounted cash flow method involves the estimation and projection of net cash flows over a period and discounting the stream of net cash flow (including estimated terminal net cash flow) at an estimated required rate of return to arrive at the net present value.

In the residual land value method of valuation, the value of the property in its existing partially completed state of construction taking into account the cost of work done is arrived at by deducting estimated cost to complete and other relevant costs from the gross development value of the proposed development, assuming satisfactory completion.

In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

## 33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### *(d) Level 3 Fair Value Measurements*

(i) Information about Significant Unobservable Inputs used in Level 3 Fair Value Measurements

The following table shows the valuation techniques used in measuring significant Level 3 fair values, as well as the significant unobservable inputs used:

Recurring Fair Value Measurements

| Description | Fair Value as at 30 September 2017 $'000 | Valuation Techniques | Key Unobservable Inputs | Inter-relationship Between Key Unobservable Inputs and Fair Value Measurement |
|---|---|---|---|---|
| **Investment Properties** | | | | |
| **Singapore SBU** | | | | |
| – Singapore | 6,890,600<br>(2016: 5,502,100) | – Capitalisation method | – Capitalisation rate: 3.3% to 5.3% (2016: 3.8% to 6.0%) | The estimated fair value varies inversely against the capitalisation rate |
| | | – Discounted cash flow method | – Discount rate: 7.0% to 8.0% (2016: 6.5% to 8.0%)<br>– Terminal yield rate: 3.5% to 5.8% (2016: 3.8% to 6.0%) | The estimated fair value varies inversely against the discount rate and terminal yield rate |
| – Australia | 858,857<br>(2016: 779,788) | – Capitalisation method | – Capitalisation rate: 5.3% to 7.3% (2016: 5.6% to 7.5%) | The estimated fair value varies inversely against the capitalisation rate |
| | | – Discounted cash flow method | – Discount rate: 6.8% to 7.7% (2016: 7.0% to 7.8%)<br>– Terminal yield rate: 5.5% to 7.3% (2016: 5.9% to 7.8%) | The estimated fair value varies inversely against the discount rate and terminal yield rate |

## 33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### (d) *Level 3 Fair Value Measurements (cont'd)*

(i) Information about Significant Unobservable Inputs used in Level 3 Fair Value Measurements (cont'd)

Recurring Fair Value Measurements (cont'd)

| Description | Fair Value as at 30 September 2017 $'000 | Valuation Techniques | Key Unobservable Inputs | Inter-relationship Between Key Unobservable Inputs and Fair Value Measurement |
|---|---|---|---|---|
| **Investment Properties under Construction** | | | | |
| **Singapore SBU** | | | | |
| – Singapore | 1,416,000 (2016: 2,255,000) | – Capitalisation method | – Capitalisation rate: 3.7% (2016: 3.8% to 4.9%) | The estimated fair value varies inversely against the capitalisation rate |
| | | – Residual land value method | – Total gross development values: $1,715,000,000 (2016: $3,074,700,000)<br>– Total estimated construction cost to completion: $156,469,000 (2016: $461,981,000) | The estimated fair value would increase with higher gross development value and decrease with higher cost to completion |
| **Investment Properties** | | | | |
| **Hospitality SBU** | | | | |
| – Singapore | 773,300 (2016: 759,400) | – Capitalisation method | – Capitalisation rate: 3.3% to 5.3% (2016: 3.8% to 5.4%) | The estimated fair value varies inversely against the capitalisation rate |
| | | – Discounted cash flow method | – Discount rate: 4.5% to 7.3% (2016: 6.0% to 7.5%)<br>– Terminal yield rate: 3.3% to 5.6% (2016: 3.8% to 5.6%) | The estimated fair value varies inversely against the discount rate and terminal yield rate |
| – Australia | 187,619 (2016: 179,240) | – Capitalisation method | – Capitalisation rate: 6.8% (2016: 7.0%) | The estimated fair value varies inversely against the capitalisation rate |
| | | – Discounted cash flow method | – Discount rate: 8.3% to 8.5% (2016: 8.8%)<br>– Terminal yield rate: 6.8% to 7.0% (2016: 7.0%) | The estimated fair value varies inversely against the discount rate and terminal yield rate |
| | | – Market comparison method | – Transacted price of comparable properties[1]: $772 psf to $1,886 psf (2016: $651 psf to $1,422 psf) | The estimated fair value varies with different adjustment factors used |

## 33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### *(d) Level 3 Fair Value Measurements (cont'd)*

(i) Information about Significant Unobservable Inputs used in Level 3 Fair Value Measurements (cont'd)

Recurring Fair Value Measurements (cont'd)

| Description | Fair Value as at 30 September 2017 $'000 | Valuation Techniques | Key Unobservable Inputs | Inter-relationship Between Key Unobservable Inputs and Fair Value Measurement |
|---|---|---|---|---|
| **Investment Properties** | | | | |
| **Hospitality SBU** (cont'd) | | | | |
| – Europe | 706,344 (2016: 608,666) | – Capitalisation method | – Capitalisation rate: 5.8% to 6.3% (2016: 6.3% to 6.5%) | The estimated fair value varies inversely against the capitalisation rate |
| | | – Discounted cash flow method | – Discount rate: 7.3% to 9.5% (2016: 7.3% to 11.1%) | The estimated fair value varies inversely against the discount rate and terminal yield rate |
| | | | – Terminal yield rate: 5.3% to 7.5% (2016: 5.5% to 9.1%) | |
| | | – Market comparison method | – Transacted price of comparable properties[1]: $2,283 psf to $3,534 psf (2016: $1,742 psf to $3,715 psf) | The estimated fair value varies with different adjustment factors used |
| – China | 247,732 (2016: 245,232) | – Capitalisation method | – Capitalisation rate: 2.4% (2016: 2.4%) | The estimated fair value varies inversely against the capitalisation rate |
| | | – Discounted cash flow method | – Discount rate: 5.4% (2016: 5.4%) | The estimated fair value varies inversely against the discount rate and terminal yield rate |
| | | | – Terminal yield rate: 2.4% (2016: 2.4%) | |
| – Others | 90,424 (2016: 92,196) | – Discounted cash flow method | – Capitalisation rate: 8.4% (2016: 9.2%) | The estimated fair value varies inversely against the capitalisation rate |
| | | | – Discount rate: 7.5% (2016: 7.5%) | The estimated fair value varies inversely against the discount rate and terminal yield rate |
| | | | – Terminal yield rate: 8.4% (2016: 9.2%) | |
| | | – Market comparison method | – Transacted price of comparable properties[1]: $205 psf to $234 psf (2016: $219 psf to $238 psf) | The estimated fair value varies with different adjustment factors used |

## 33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### *(d) Level 3 Fair Value Measurements (cont'd)*

(i) Information about Significant Unobservable Inputs used in Level 3 Fair Value Measurements (cont'd)

Recurring Fair Value Measurements (cont'd)

| Description | Fair Value as at 30 September 2017 $'000 | Valuation Techniques | Key Unobservable Inputs | Inter-relationship Between Key Unobservable Inputs and Fair Value Measurement |
|---|---|---|---|---|
| **Investment Properties under Construction Hospitality SBU** | | | | |
| – Singapore | 192,884 (2016: 173,122) | – Capitalisation method | – Capitalisation rate: 4.8% (2016: 5.0%) | The estimated fair value varies inversely against the capitalisation rate |
| | | – Residual land value method | – Total gross development values: $297,000,000 (2016: $294,000,000)<br>– Total estimated construction cost to completion: $72,291,000 (2016: $85,990,000) | The estimated fair value would increase with higher gross development value and decrease with higher cost to completion |
| – Europe | 79,563 (2016: 49,281) | – Capitalisation method | – Capitalisation rate: 5.5% (2016: 5.8%) | The estimated fair value varies inversely against the capitalisation rate |
| | | – Discounted cash flow method | – Discount rate: 7.5% (2016: 7.8%) | The estimated fair value varies inversely against the discount rate |
| **Investment Properties Australia SBU** | | | | |
| – Frasers Property Australia | 1,189,000 (2016: 1,016,624) | – Capitalisation method | – Capitalisation rate: 5.5% to 7.5% (2016: 6.3% to 8.0%) | The estimated fair value varies inversely against the capitalisation rate |
| | | – Discounted cash flow method | – Discount rate: 7.0% to 8.5% (2016: 7.5% to 9.0%)<br>– Terminal yield rate: 5.8% to 7.5% (2016: 6.5% to 8.5%) | The estimated fair value varies inversely against the discount rate and terminal yield rate |
| – FLT | 1,959,776 (2016: 1,747,776) | – Capitalisation method | – Capitalisation rate: 5.8% to 11.4% (2016: 6.0% to 11.8%) | The estimated fair value varies inversely against the capitalisation rate |
| | | – Discounted cash flow method | – Discount rate: 7.1% to 9.5% (2016: 7.3% to 9.5%)<br>– Terminal yield rate: 6.0% to 22.8% (2016: 6.3% to 22.8%) | The estimated fair value varies inversely against the discount rate and terminal yield rate |

## 33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### *(d) Level 3 Fair Value Measurements (cont'd)*

(i) Information about Significant Unobservable Inputs used in Level 3 Fair Value Measurements (cont'd)

Recurring Fair Value Measurements (cont'd)

| Description | Fair Value as at 30 September 2017 $'000 | Valuation Techniques | Key Unobservable Inputs | Inter-relationship Between Key Unobservable Inputs and Fair Value Measurement |
|---|---|---|---|---|
| **Investment Properties under Construction Australia SBU** | | | | |
| – Frasers Property Australia | Nil (2016: 30,370) | – Capitalisation method | – Capitalisation rate: Nil (2016: 6.3% to 7.0%) | The estimated fair value varies inversely against the capitalisation rate |
| | | – Discounted cash flow method | – Discount rate: Nil (2016: 7.3%) | The estimated fair value varies inversely against the discount rate and terminal yield rate |
| | | | – Terminal yield rate: Nil (2016: 6.8% to 7.3%) | |
| – FLT | 66,369 (2016: Nil) | – Capitalisation method | – Capitalisation rate: 6.0% to 6.3% (2016: Nil) | The estimated fair value varies inversely against the capitalisation rate |
| | | – Discounted cash flow method | – Discount rate: 7.3% (2016: Nil) | The estimated fair value varies inversely against the discount rate and terminal yield rate |
| | | | – Terminal yield rate: 6.3% to 7.0% (2016: Nil) | |
| **Investment Properties International BU** | | | | |
| – Vietnam | 54,969 (2016: 55,202) | – Discounted cash flow method | – Discount rate: 12.0% (2016: 12.0%) | The estimated fair value varies inversely against the discount rate and terminal yield rate |
| | | | – Terminal yield rate: 10.0% (2016: 10.0%) | |
| – Europe | 989,619 (2016: Nil) | – Discounted cash flow method | – Capitalisation rate: 5.0% to 12.0% (2016: Nil) | The estimated fair value varies inversely against the capitalisation rate |
| | | | – Discount rate: 5.0% to 9.0% (2016: Nil) | The estimated fair value varies inversely against the discount rate |

## 33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### *(d) Level 3 Fair Value Measurements (cont'd)*

(i) Information about Significant Unobservable Inputs used in Level 3 Fair Value Measurements (cont'd)

Recurring Fair Value Measurements (cont'd)

| Description | Fair Value as at 30 September 2017 $'000 | Valuation Techniques | Key Unobservable Inputs | Inter-relationship Between Key Unobservable Inputs and Fair Value Measurement |
|---|---|---|---|---|
| **Investment Properties under Construction International BU** | | | | |
| – Europe | 107,954 (2016: Nil) | – Market comparison method | – Transacted price of comparable properties[1] $310 psf to $1,180 psf (2016: Nil) | The estimated fair value varies with different adjustment factors used |
| – Vietnam | 6,272 (2016: Nil) | – Discounted cash flow method | – Capitalisation rate: 11.0% (2016: Nil) | The estimated fair value varies inversely against the capitalisation rate |
| | | | – Discount rate: 16.0% (2016: Nil) | The estimated fair value varies inversely against the discount rate |
| | | – Market comparison method | – Transacted price of comparable properties[1] $315 psf to $344 psf (2016: Nil) | The estimated fair value varies with different adjustment factors used |

[1] Adjustments are made for any difference in the location, tenure, size and condition of the specific property.

Key unobservable inputs correspond to:

- Capitalisation rate corresponds to a rate of return on a property based on the income that the property is expected to generate.
- Discount rate represents the required rate of return, adjusted for a risk premium that reflects the risks relevant to an asset.
- Terminal yield rate reflects an exit capitalisation rate applied to a projected terminal cash flow.

## 33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### *(d) Level 3 Fair Value Measurements (cont'd)*

(ii) Movements in Level 3 Assets Measured at Fair Value

The movements of financial and non-financial assets, classified under Level 3 and measured at fair value have been disclosed in Note 11.

(iii) Valuation Policies and Procedures

The significant non-financial asset of the Group categorised within Level 3 of the fair value hierarchy is investment properties. Generally, the fair values of investment properties are determined at least once every two years by independent professional valuers. Investment properties that are not independently valued are carried at fair value determined by directors' valuation.

Frasers Property Australia's investment properties division includes a valuation team (the "FPA Valuation Team") where each member of this team is professionally qualified and is an accredited property valuer. The FPA Valuation Team performs the underlying valuations that support the directors' valuation.

The independent professional valuers and FPA Valuation Team (the "Valuers") are experts who possess the relevant credentials and knowledge on the subject of property valuation, valuation methodologies and FRS 113 fair value measurement guidance to perform the valuation. For valuations performed by the Valuers, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, the Valuers are required to recalibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information is reasonably available. For valuations that are sensitive to the unobservable inputs used, the Valuers are required, to the extent practicable, to use a minimum of two valuation approaches to allow for cross-checks.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

In accordance with the Group's reporting policies, the valuation process and the results of the independent valuations and directors' valuation are reviewed at least once a year by the Executive Committee of the Board and the Audit Committee before the results are presented to the Board of Directors for approval.

## 33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### *(e) Fair Value of Financial Instruments by Classes that are not Carried at Fair Value and whose Carrying Amounts are not Reasonable Approximation of Fair Value*

(i) Other Receivables (Non-Current) and Other Payables (Non-Current)

No disclosure of fair value is made for non-current other receivables and other payables as it is not practicable to determine their fair values with sufficient reliability since the balances have no fixed terms of repayment. The Group and the Company do not anticipate that the carrying amounts recorded at the end of the financial year would be significantly different from the values that would eventually be received or settled.

(ii) Available-for-Sale Financial Assets – Unquoted Equity Investments, at Cost

Unquoted equity investments represent ordinary shares that are not quoted on any market and do not have any comparable industry peer that is listed. Fair value information has not been disclosed for these investments carried at cost less impairment because fair value cannot be measured reliably. The Group does not intend to dispose of these investments in the foreseeable future.

(iii) Rental Deposits Payables (Non-Current)

No disclosure of fair value is made for rental deposits payables as the Group does not anticipate that the carrying amounts recorded at the end of the financial year would be significantly different from the values that would eventually be received or settled.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

## 34. CLASSIFICATION OF FINANCIAL INSTRUMENTS

Set out below is a comparison by category of carrying amounts of all the Group's and the Company's financial instruments that are carried in the financial statements.

| | Loans and Receivables $'000 | Derivatives used for Hedging $'000 | Fair Value through Profit or Loss $'000 | Available-for-Sale $'000 | Liabilities at Amortised Cost $'000 |
|---|---|---|---|---|---|
| **Group** | | | | | |
| **2017** | | | | | |
| **Assets** | | | | | |
| Financial assets | – | – | – | 2,162 | – |
| Trade and other receivables# | 700,206 | – | – | – | – |
| Derivative financial instruments | – | 3,273 | 1,610 | – | – |
| Bank deposits and cash and cash equivalents | 2,409,480 | – | – | – | – |
| | 3,109,686 | 3,273 | 1,610 | 2,162 | – |
| **Liabilities** | | | | | |
| Trade and other payables* | – | – | – | – | 1,583,256 |
| Derivative financial instruments | – | 74,831 | 27,923 | – | – |
| Loans and borrowings | – | – | – | – | 11,627,844 |
| | – | 74,831 | 27,923 | – | 13,211,100 |
| **2016** | | | | | |
| **Assets** | | | | | |
| Financial assets | – | – | – | 2,162 | – |
| Trade and other receivables# | 895,432 | – | – | – | – |
| Derivative financial instruments | – | 319 | 11,178 | – | – |
| Bank deposits and cash and cash equivalents | 2,168,680 | – | – | – | – |
| | 3,064,112 | 319 | 11,178 | 2,162 | – |
| **Liabilities** | | | | | |
| Trade and other payables* | – | – | – | – | 1,496,456 |
| Derivative financial instruments | – | 106,940 | 29,978 | – | – |
| Loans and borrowings | – | – | – | – | 9,795,537 |
| | – | 106,940 | 29,978 | – | 11,291,993 |

## 34. CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

| | Loans and Receivables $'000 | Derivatives used for Hedging $'000 | Fair Value through Profit or Loss $'000 | Available-for-Sale $'000 | Liabilities at Amortised Cost $'000 |
|---|---|---|---|---|---|
| **Company** | | | | | |
| **2017** | | | | | |
| **Assets** | | | | | |
| Financial assets | **–** | **–** | **–** | **2,148** | **–** |
| Trade and other receivables# | **3,393,530** | **–** | **–** | **–** | **–** |
| Cash and cash equivalents | **45,432** | **–** | **–** | **–** | **–** |
| Derivative financial instruments | **–** | **–** | **163** | **–** | **–** |
| | **3,438,962** | **–** | **163** | **2,148** | **–** |
| **Liabilities** | | | | | |
| Trade and other payables | **–** | **–** | **–** | **–** | **206,483** |
| Derivative financial instruments | **–** | **18,436** | **20,470** | **–** | **–** |
| | **–** | **18,436** | **20,470** | **–** | **206,483** |
| **2016** | | | | | |
| **Assets** | | | | | |
| Financial assets | – | – | – | 2,148 | – |
| Trade and other receivables# | 3,374,255 | – | – | – | – |
| Cash and cash equivalents | 67,516 | – | – | – | – |
| Derivative financial instruments | – | 225 | – | – | – |
| | 3,441,771 | 225 | – | 2,148 | – |
| **Liabilities** | | | | | |
| Trade and other payables | – | – | – | – | 197,530 |
| Derivative financial instruments | – | 32,557 | 190 | – | – |
| | – | 32,557 | 190 | – | 197,530 |

# Exclude tax recoverable.
* Exclude progress billings received in advance and provisions.

## 35. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the years ended 30 September 2017 and 30 September 2016.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity, as follows:

| | Group | |
|---|---|---|
| | **2017** | 2016 |
| | **$'000** | $'000 |
| Bank deposits | **272,205** | 437,337 |
| Cash and cash equivalents | **2,137,275** | 1,731,343 |
| Loans and borrowings | **(11,627,844)** | (9,795,537) |
| Net borrowings | **(9,218,364)** | (7,626,857) |
| Total equity | **13,049,199** | 11,843,484 |
| Net borrowings over total equity ratio | **0.71** | 0.64 |

Certain entities in the Group are required to comply with certain externally imposed capital requirements in respect of some of their external borrowings, and these have been complied with during the year.

## 36. COMMITMENTS

### (a) *Capital Commitments*

Capital and development expenditures contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

| | Group | |
|---|---|---|
| | **2017** | 2016 |
| | **$'000** | $'000 |
| Commitments in respect of contracts placed for: | | |
| – estimated development costs for properties held for sale | **429,938** | 829,155 |
| – capital expenditure costs for investment properties | **247,605** | 587,728 |
| – share of joint ventures' capital and development expenditure | **109,562** | 98,010 |
| – equity investments | **1,499,320** | 21,460 |
| – others | **48,128** | 53,161 |
| | **2,334,553** | 1,589,514 |

Equity Investments

On 11 September 2017, Frasers Property International Pte. Ltd., a wholly-owned subsidiary of FCL, entered into four sale and purchase agreements for the acquisition of four business parks located in the United Kingdom by way of acquisition of 100% interest in each of the entities which owns 100% interest in each of the business parks (the "Acquisition"). The aggregate consideration for the Acquisition is approximately GBP 686,000,000 (approximately S$1,204,000,000). A deposit of GBP 17,500,000 (approximately S$31,395,000) was placed. The Acquisition was completed on 8 November 2017.

### (b) *Operating Lease Commitments – as Lessee*

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2017** | 2016 | **2017** | 2016 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Within 1 year | **28,200** | 37,124 | **–** | – |
| From 1 year to 5 years | **115,506** | 133,156 | **–** | – |
| After 5 years | **954,725** | 637,852 | **–** | – |
| | **1,098,431** | 808,132 | **–** | – |

The Group leases land and buildings from non-related parties under operating leases. These leases have varying terms, escalation clauses and renewal rights. Some leases provide for additional rent payments that are based on changes in a local price index.

Rental expense recognised in the profit statement is as follows:

| | Group | |
|---|---|---|
| | **2017** | 2016 |
| | **$'000** | $'000 |
| Minimum lease payments | **32,482** | 39,871 |

## 36. COMMITMENTS (CONT'D)

### *(c) Operating Lease Commitments – as Lessor*

The Group has entered into commercial property leases on its investment properties and certain properties held for sale. These non-cancellable leases have remaining non-cancellable lease terms of between 2 to 8 years. Future minimum rental receivable under non-cancellable operating leases at the end of the reporting period is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2017** | 2016 | **2017** | 2016 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Within 1 year | **550,419** | 498,276 | **–** | – |
| From 1 year to 5 years | **1,263,088** | 1,052,686 | **–** | – |
| After 5 years | **796,000** | 601,638 | **–** | – |
| | **2,609,507** | 2,152,600 | **–** | – |

Rental income from investment properties is disclosed in Note 11.

## 37. GUARANTEE CONTRACTS

(i) As at 30 September 2017, the Company has provided unconditional and irrevocable corporate guarantees for up to $12,913,731,000 (2016: $6,974,672,000) for loans and borrowings and perpetual securities issued by certain subsidiaries. As at 30 September 2017, the total amount of utilised borrowing facilities was $7,663,803,000 (2016: $6,071,494,000).

(ii) As at 30 September 2017, the Company has provided bankers' guarantees of $39,920,000 (2016: $38,170,000) to unrelated parties in respect of performance contracts on behalf of certain subsidiaries and joint ventures. No liability is expected to arise.

(iii) Certain subsidiaries of the Group have provided bankers' guarantees of A$61,584,000 (2016: A$59,089,000) to unrelated parties in Australia, in respect of performance contracts. No liability is expected to arise.

(iv) A wholly-owned subsidiary of the Group has provided RMB 29,980,000 (2016: RMB 202,977,000) corporate guarantees to banks in China in connection with loans provided by the banks to the subsidiary's property buyers, covering the period from loan contract date to the property delivery date.

## 38. SUBSEQUENT EVENTS

1. On 2 October 2017, the Company entered into an agreement (the "Agreement") to acquire 25% of the issued and paid-up share capital of Frasers (UK) Pte. Ltd. ("Frasers UK") from SQ International Pte. Ltd. (the "Vendor") for the consideration of GBP 5.6 million (approximately S$9.9 million[1]) (the "Acquisition"). As part of the Acquisition, the shareholder's loan of approximately S$9.2 million owing by Frasers UK to the Vendor (the "Shareholder's Loan") has been assigned to the Company at a consideration of GBP 5.2 million (being the agreed equivalent amount of the Shareholder's Loan in GBP based on an agreed exchange rate in accordance with the terms of the Agreement).

2. On 3 October 2017, FCL Treasury Pte. Ltd., a wholly-owned subsidiary of the Company, issued S$42 million in aggregate principal amount of fixed rate subordinated perpetual securities (consolidated to form a single series with the S$308 million in aggregate principal amount of fixed rate subordinated perpetual securities issued on 21 September 2017) under its $5.0 billion Multicurrency Debt Issuance Programme.

3. On 5 October 2017, FCL Treasury Pte. Ltd., pursuant to a consent solicitation and tender offer exercise in respect of the S$75,000,000 3.70 per cent. notes due 2019 comprised in Series 001 (the "Series 001 Notes") and S$50,000,000 3.80 per cent. notes due 2022 comprised in Series 002 (the "Series 002 Notes") issued pursuant to its S$3.0 billion Multicurrency Medium Term Note Programme ("Invitation"), gave notice of its intention to redeem all of the Series 001 Notes and Series 002 Notes (other than the Series 001 Notes and the Series 002 Notes which have already been accepted for purchase by it pursuant to the Invitation). The purchase of the Series 001 Notes and Series 002 Notes at the purchase price of (in respect of the Series 001 Notes) 102.85 per cent. of the principal amount of the Series 001 Notes, being S$257,125 for each S$250,000 in principal amount of the Series 001 Notes and (in respect of the Series 002 Notes) 104.60 per cent. of the principal amount of the Series 002 Notes, being S$261,500 for each S$250,000 in principal amount of the Series 002 Notes, which have been accepted for purchase by FCL Treasury Pte. Ltd. pursuant to the Invitation, was completed on 11 October 2017. On 20 October 2017, FCL Treasury Pte. Ltd. redeemed all of the Series 001 Notes and Series 002 Notes (other than Notes which have already been accepted for purchase by it pursuant to the Invitation). There are currently no outstanding Series 001 Notes and Series 002 Notes.

4. On 10 October 2017, Frasers Property Investments (Europe) B.V. ("FPIE"), an indirect subsidiary of the Group, has, through its wholly-owned subsidiaries FPE Investments RE1 B.V., FPE Investments RE2 B.V. and FPE Investments RE3 B.V. (collectively, the "FPIE Subsidiaries"), entered into a conditional sale and purchase agreement to acquire the share capital of each of three companies incorporated in Germany, namely Logipark Moosthenning GmbH, H. Jäger Ges. Für Projektentwicklung von Immobilien mbH and Simblafis GmbH (collectively, the "Acquisition Entities") for an aggregate consideration of EUR 42.4 million (approximately S$67.83 million[2]). The percentages of share capital of the Acquisition Entities acquired are 94.8%, 94.8% and 100%, respectively.

### 38. SUBSEQUENT EVENTS (CONT'D)

5. On 12 October 2017, FCL Treasury Pte. Ltd. issued S$30 million in aggregate principal amount of 4.25 per cent. fixed rate notes due 2026 (consolidated to form a single series with the S$250 million 4.25% fixed rate notes due 2026 issued on 21 April 2016) under its S$3.0 billion Multicurrency Medium Term Note Programme.

6. On 11 September 2017, FCL announced the entry into agreements (the "Agreements") to acquire 100% interest in each of:

   (a) Winnersh Investments S.à.r.l., Winnersh Midco S.à.r.l. and Winnersh Holdings S.à.r.l., which own 100% of Winnersh Triangle, Reading;

   (b) Aviemore Chineham Park Unit Trust, which owns 100% of Chineham Park, Basingstoke, and Aviemore Chineham Park GP Limited;

   (c) Watchmoor S.à.r.l., which owns 100% of Watchmoor Park, Camberley; and

   (d) Aviemore Hillington Park Unit Trust, which owns 100% of Hillington Park, Glasgow, Aviemore Hillington GP Limited and Aviemore Hillington 2013 GP Limited,

   for a consideration of GBP 686 million (S$1,204 million[3]) subject to adjustments in accordance with the Agreements (the "Business Parks Acquisition").

   On 8 November 2017, FCL has, through its indirect wholly-owned subsidiaries, Winnersh Triangle S.à.r.l., Chineham Park S.à.r.l., Watchmoor Park S.à.r.l. and Hillington Park S.à.r.l., completed the Business Parks Acquisition.

7. On 8 November 2017, FH-REIT Treasury Pte. Ltd., a wholly-owned subsidiary of Perpetual (Asia) Limited (in its capacity as trustee of Frasers Hospitality Real Estate Investment Trust), issued S$120 million in aggregate principal amount of 3.08 per cent. fixed rate notes due 2024, under its S$1.0 billion Multicurrency Debt Issuance Programme.

8. On 8 November 2017, FCT MTN Pte. Ltd., a wholly-owned subsidiary of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Frasers Centrepoint Trust), issued S$70 million in aggregate principal amount of 2.77 per cent. fixed rate notes due 2024, under its S$1.0 billion Multicurrency Medium Term Note Programme.

[1] Based on an exchange rate of GBP 1 : S$1.7700 as at 2 October 2017.
[2] Based on an exchange rate of EUR 1 : S$1.5988 as at 10 October 2017.
[3] Based on an exchange rate of GBP 1 : S$1.7553 as at 8 September 2017.

## 39. SIGNIFICANT SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES

| | | Principal Activities | Effective Shareholding 2017 % | Effective Shareholding 2016 % |
|---|---|---|---|---|
| | **Subsidiaries of the Company** | | | |
| | Country of Incorporation and Place of Business: Singapore | | | |
| (a) | FCL (China) Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) | FCL (Fraser) Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) | FCL Amber Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) | FCL Aquamarine Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) | FCL Assets Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) | FCL Centrepoint Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) | FCL China Development Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) | FCL Emerald (1) Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) | FCL Emerald (2) Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) | FCL Imperial Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) | FCL Investments Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) | FCL Tampines Court Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) | FCL Topaz Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) | FCL Trust Holdings (Commercial) Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) | FCL Trust Holdings Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) | Fraser Suites Jakarta Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) | Frasers (Australia) Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) | Frasers (NZ) Pte. Ltd. | Investment holding | **75.0** | 75.0 |
| (a) | Frasers (Thailand) Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) | Frasers (UK) Pte. Ltd. | Investment holding | **75.0** | 75.0 |
| (a) | Frasers Amethyst Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) | Frasers Centrepoint Asset Management (Malaysia) Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) | Frasers Hospitality Asset Management Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) | Frasers Hospitality Changi Investments Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) | Frasers Hospitality Dalian Holding Pte. Ltd. | Investment holding | **100.0** | 100.0 |

## 39. SIGNIFICANT SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES (CONT'D)

| | Principal Activities | Effective Shareholding 2017 % | Effective Shareholding 2016 % |
|---|---|---|---|
| **<u>Subsidiaries of the Company</u>** (cont'd) | | | |
| <u>Country of Incorporation and Place of Business: Singapore</u> (cont'd) | | | |
| (a) Frasers Hospitality Holdings Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) Frasers Hospitality Investment Holding (Philippines) Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) Frasers Hospitality Investments China Square Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) Frasers Hospitality Investments Melbourne Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) Frasers Hospitality ML Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) Frasers Hospitality Pte. Ltd. | Investment holding and management services | **100.0** | 100.0 |
| (a) Frasers Land Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) Opal Star Pte. Ltd. | Investment holding | **100.0** | 100.0 |
| (a) River Valley Properties Pte. Ltd. | Investment holding and property development | **100.0** | 100.0 |
| (a) Riverside Property Pte. Ltd. | Property investment | **100.0** | 100.0 |
| (a) FCL Property Investments Pte. Ltd. | Property investment | **100.0** | 100.0 |
| (a) FCL Enterprises Pte. Ltd. | Property investment | **100.0** | 100.0 |
| (a) FCL Crystal Pte. Ltd. | Property investment | **100.0** | 100.0 |
| (a) FCL Alexandra Point Pte. Ltd. | Property investment | **100.0** | 100.0 |
| (a) FCL Management Services Pte. Ltd. | Management services | **100.0** | 100.0 |
| (a) Frasers Centrepoint Asset Management (Commercial) Ltd. | Management services | **100.0** | 100.0 |
| (a) Frasers Centrepoint Asset Management Ltd. | Management services | **100.0** | 100.0 |
| (a) Frasers Centrepoint Property Management Services Pte. Ltd. | Management services | **100.0** | 100.0 |
| (a) Frasers Hospitality Group Pte. Ltd. | Management services | **100.0** | 100.0 |
| (a) Frasers Hospitality Trust Management Pte. Ltd. | Management services | **100.0** | 100.0 |

## 39. SIGNIFICANT SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES (CONT'D)

| | | Principal Activities | Effective Shareholding 2017 % | Effective Shareholding 2016 % |
|---|---|---|---|---|
| | **Subsidiaries of the Company** (cont'd) | | | |
| | Country of Incorporation and Place of Business: Singapore (cont'd) | | | |
| (a) | Frasers Logistics & Industrial Asset Management Pte. Ltd. | Management services | **100.0** | 100.0 |
| (a) | FCL Investments (Industrial) Pte. Ltd. | Financial services | **100.0** | 100.0 |
| (a) | FCL Treasury Pte. Ltd. | Financial services | **100.0** | 100.0 |
| | Country of Incorporation and Place of Business: Hong Kong | | | |
| (a) | Excellent Esteem Limited | Investment holding | **100.0** | 100.0 |
| | **Subsidiaries of the Group** | | | |
| | Country of Incorporation and Place of Business: Singapore | | | |
| (a) | Frasers Property (Europe) Holdings Pte. Ltd. | Investment holding | **80.0** | 80.0 |
| (a) | Singapore Logistics Investments Pte. Ltd. | Investment holding | **80.0** | 80.0 |
| (a) | River Valley Apartments Pte. Ltd. | Property investment | **100.0** | 100.0 |
| (a) | River Valley Tower Pte. Ltd. | Property investment | **100.0** | 100.0 |
| (a) | Aquamarine Star Trust | Property investment and development | **100.0** | 100.0 |
| (a) | North Gem Trust | Property investment and development | **100.0** | 100.0 |
| (a) | North Gem Development Pte. Ltd. | Property development | **100.0** | 100.0 |
| (a) | Sembawang Residences Pte. Ltd. | Property development | **80.0** | 80.0 |
| (a) | FCOT Treasury Pte. Ltd. | Treasury | **26.8** | 27.2 |
| (a) | FH-REIT Treasury Pte. Ltd. | Treasury | **22.6** | 21.6 |
| (a) | Frasers Hospitality Changi Trust | Real estate investment trust | **100.0** | 100.0 |
| (a) | Frasers Commercial Trust | Real estate investment trust | **26.8** | 27.2 |
| (a) | Frasers Centrepoint Trust | Real estate investment trust | **41.7** | 41.5 |
| (a) | Frasers Hospitality China Square Trust | Real estate investment trust | **100.0** | 100.0 |
| (a) | Frasers Hospitality Trust | Stapled trust | **22.6** | 21.6 |
| (a) | Frasers Logistics & Industrial Trust | Real estate investment trust | **19.9** | 20.5 |

## 39. SIGNIFICANT SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES (CONT'D)

| | | Principal Activities | Effective Shareholding 2017 % | Effective Shareholding 2016 % |
|---|---|---|---|---|
| | **Subsidiaries of the Group** (cont'd) | | | |
| | Country of Incorporation and Place of Business: Australia | | | |
| (a) | Australand Industrial No. 139 Pty Limited | Investment holding | **100.0** | 100.0 |
| (a) | Australand Industrial Pty Limited | Investment holding | **100.0** | 100.0 |
| (a) | Australand Northshore Pty Limited | Investment holding | **100.0** | 100.0 |
| (a) | Australand Residential No. 156 Pty Limited | Investment holding | **100.0** | 100.0 |
| (a) | Australand W9 & 10 Stage 4B Pty Limited | Investment holding | **100.0** | 100.0 |
| (a) | Caloundra Apartments Pty Ltd | Investment holding | **100.0** | 100.0 |
| (a) | Frasers (FPA) Pty Limited | Investment holding | **100.0** | 100.0 |
| (a) | Frasers Central Park Equity No. 2 Pty Ltd | Investment holding | **100.0** | 100.0 |
| (a) | Frasers Central Park Holdings No. 1 Pty Ltd | Investment holding | **100.0** | 100.0 |
| (a) | Frasers Property Australia Pty Limited | Investment holding | **100.0** | 100.0 |
| (a) | Frasers Property Queensland Constructions Pty Limited | Investment holding | **100.0** | 100.0 |
| (a) | Frasers Property Limited | Investment holding and property development | **100.0** | 100.0 |
| (a) | Frasers Queens Pty Ltd | Investment holding and property development | **100.0** | 100.0 |
| (a) | Frasers AHL Pty Ltd | Investment holding and trustee-manager | **100.0** | 100.0 |
| (a) | Australand Investments Limited | Management services | **100.0** | 100.0 |
| (a) | Frasers Property (APG) Pty Limited | Management services | **100.0** | 100.0 |
| (a) | Frasers Property Funds Management Limited | Management services | **100.0** | 100.0 |
| (a) | Australand Industrial No. 72 Pty Limited | Property development | **100.0** | 100.0 |
| (a) | Australand Industrial No. 113 Pty Limited | Property development | **100.0** | 100.0 |
| (a) | Australand Industrial No. 76 Pty Limited | Property development | **100.0** | 100.0 |
| (a) | Australand Residential Botany Pty Limited | Property development | **100.0** | 100.0 |

## 39. SIGNIFICANT SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES (CONT'D)

| | | Principal Activities | Effective Shareholding 2017 % | 2016 % |
|---|---|---|---|---|
| | **Subsidiaries of the Group** (cont'd) | | | |
| | Country of Incorporation and Place of Business: Australia (cont'd) | | | |
| (a) | Australand Residential Edmondson Park Pty Limited | Property development | **100.0** | 100.0 |
| (a) | Australand Residential No. 143 Pty Limited | Property development | **100.0** | 100.0 |
| (a) | Australand Residential No. 166 Pty Limited | Property development | **100.0** | 100.0 |
| (a) | Bayslore Pty Limited | Property development | **100.0** | 100.0 |
| (a) | Clemton Park Development No. 1 Pty Limited | Property development | **100.0** | 100.0 |
| (a) | Croydon Developments Pty Limited | Property development | **100.0** | 100.0 |
| (a) | Frasers Broadway Pty Ltd | Property development | **100.0** | 100.0 |
| (a) | Frasers Kensington Land Pty Ltd | Property development | **100.0** | 100.0 |
| (a) | Frasers Mandurah Pty Ltd | Property development | **75.0** | 75.0 |
| (a) | Frasers Papamoa Limited | Property development | **75.0** | 75.0 |
| (a) | Frasers Property Bahrs Scrub Pty Limited | Property development | **100.0** | 100.0 |
| (a) | Frasers Putney Pty Limited | Property development | **100.0** | 100.0 |
| (a) | Port Catherine Developments Pty Ltd | Property development | **100.0** | 100.0 |
| (a) | Frasers Property Management Services Pty Limited | Property management | **100.0** | 100.0 |
| (a) | Australand Finance Pty Limited | Treasury | **100.0** | 100.0 |
| (a) | Australand Holdings Custodian Pty Limited | Trustee | **100.0** | 100.0 |
| (a) | Australand Property Pty Limited | Trustee | **100.0** | 100.0 |
| (a) | Freshwater No. 6 Pty Limited | Trustee | **100.0** | 100.0 |
| | Country of Incorporation and Place of Business: New Zealand | | | |
| (a) | Frasers Papamoa Limited | Property development | **75.0** | 75.0 |

## 39. SIGNIFICANT SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES (CONT'D)

| | | Principal Activities | Effective Shareholding 2017 % | Effective Shareholding 2016 % |
|---|---|---|---|---|
| | **Subsidiaries of the Group** (cont'd) | | | |
| | Country of Incorporation and Place of Business: United Kingdom | | | |
| (a) | Frasers Hospitality SPC 1 Limited | Investment holding | **100.0** | 100.0 |
| (a) | Frasers Hospitality UK Holdings Limited | Investment holding | **100.0** | 100.0 |
| (a) | Frasers Property (UK) Limited | Investment holding | **80.0** | 80.0 |
| (a) | Malmaison and Hotel du Vin Property Holdings Limited | Investment holding | **100.0** | 100.0 |
| (a) | Malmaison and Hotel du Vin Holdings Limited | Investment holding | **100.0** | 100.0 |
| (a) | Malmaison Hotels Limited | Investment holding | **100.0** | 100.0 |
| (a) | Malmaison Resources Limited | Investment holding | **100.0** | 100.0 |
| (c) | Frasers Residential Investment Partnership LP | Property investment | **100.0** | 100.0 |
| (a) | Malmaison Trading Limited | Property investment | **100.0** | 100.0 |
| (a) | Frasers (Central House) Limited | Property development | **100.0** | 100.0 |
| (a) | Frasers (Riverside Quarter) Ltd | Property development | **80.0** | 80.0 |
| (a) | Frasers Projects Ltd | Property development | **80.0** | 80.0 |
| (a) | Hotel du Vin Trading Limited | Hotel Trading Company | **100.0** | 100.0 |
| | Country of Incorporation and Place of Business: China | | | |
| (1) (a) | Beijing Fraser Suites Real Estate Management Co., Ltd. | Property investment | **100.0** | 100.0 |
| (1) (a) | Chengdu Sino-Singapore Southwest Logistics Co., Ltd | Property development | **80.0** | 80.0 |
| (1) (a) | Singlong Property Development (Suzhou) Co., Ltd | Property development | **100.0** | 100.0 |
| | Country of Incorporation and Place of Business: Hong Kong | | | |
| (a) | Ace Goal Limited | Investment holding | **100.0** | 100.0 |
| (a) | Superway Logistics Investments (Hong Kong) Limited | Investment holding | **80.0** | 80.0 |
| | Country of Incorporation and Place of Business: Thailand | | | |
| (a) | Frasers Property Holdings (Thailand) Co., Ltd. | Investment holding | **100.0** | 100.0 |

## 39. SIGNIFICANT SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES (CONT'D)

| | | | Principal Activities | Effective Shareholding 2017 % | Effective Shareholding 2016 % |
|---|---|---|---|---|---|
| | | **Subsidiaries of the Group** (cont'd) | | | |
| | | Country of Incorporation and Place of Business: Luxembourg | | | |
| | (c) | Frasers Property Investments (Europe) S.à.r.l. | Investment holding | **100.0** | – |
| | | Country of Incorporation and Place of Business: The Netherlands | | | |
| | (c) | Frasers Property Investments (Holland) B.V. | Investment holding | **100.0** | – |
| (1) | (c) | Geneba Properties N.V. | Commercial real estate investment | **99.5** | – |
| (1) | (c) | Geneba RE 1 B.V. | Investment holding | **94.4** | – |
| (1) | (c) | Geneba RE 3 B.V. | Investment holding | **99.5** | – |
| (1) | (c) | Geneba RE 6 B.V. | Investment holding | **99.5** | – |
| (1) | (c) | Geneba RE 7 B.V. | Investment holding | **99.5** | – |
| (1) | (c) | Geneba RE 9 B.V. | Property investment | **94.4** | – |
| (1) | (c) | Geneba RE 10 B.V. | Investment holding | **94.4** | |
| (1) | (c) | Geneba RE 16 B.V. | Investment holding | **99.5** | – |
| (1) | (c) | Geneba RE 17 B.V. | Investment holding | **99.5** | – |
| (1) | (c) | Geneba RE 18 B.V. | Investment holding | **99.5** | – |
| (1) | (c) | Geneba RE 19 B.V. | Investment holding | **99.5** | – |
| | | Country of Incorporation and Place of Business: Germany | | | |
| (1) | (c) | Greenfield Logistikpark Vaihingen-Ost GmbH | Property investment | **93.5** | – |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

## 39. SIGNIFICANT SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES (CONT'D)

| | | Principal Activities | Effective Shareholding 2017 % | Effective Shareholding 2016 % |
|---|---|---|---|---|
| | **Associates of the Group** | | | |
| | Country of Incorporation and Place of Business: British Virgin Islands | | | |
| | (b) Supreme Asia Investments Limited | Investment holding | **43.3** | 43.3 |
| | Country of Incorporation and Place of Business: China | | | |
| | (c) Shanghai Zhong Jun Property Real Estate Development Co., Ltd | Property development | **45.2** | 45.2 |
| | Country of Incorporation and Place of Business: Thailand | | | |
| | (a) Golden Land Property Development Public Company Limited | Investment holding | **39.9** | 35.6 |
| (1) | (c) TICON Industrial Connection Public Company Limited | Investment holding | **41.0** | – |

**Joint Arrangements of the Group**

The joint ventures and joint operations are individually immaterial to the Group.

(a) Audited by KPMG in the respective countries.
(b) Not required to be audited under laws of the country of incorporation.
(c) Audited by other firms.
Note (1) Accounting year end is 31 December.

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## COMPLETED INVESTMENT PROPERTIES

| | | Book Value $'000 |
|---|---|---|
| **Singapore** | | |
| Alexandra Point | A 24-storey office building at 438 Alexandra Road.<br>Freehold, lettable area – 18,535 sqm | 278,000 |
| Robertson Walk & Fraser Place Robertson Walk | A 10-storey commercial-cum-serviced apartment complex with a 2-storey basement carpark, a 2-storey retail podium and 164 serviced apartment units at Robertson Walk Shopping Centre and Fraser Place Robertson Walk, 11 Unity Street.<br>Leasehold (lease expires year 2840)<br>Lettable area :<br>Retail – Robertson Walk 8,881 sqm<br>Serviced Apartments – Fraser Place Robertson Walk 17,694 sqm<br>26,575 sqm | 345,000 |
| The Centrepoint | A 7-storey shopping-cum-residential complex with 2 basement floors at The Centrepoint, 176 Orchard Road.<br>Freehold and leasehold (lease expires year 2078), lettable area – 32,899 sqm | 561,000 |
| Valley Point | A 20-storey commercial-cum-serviced apartment complex with a 5-storey covered carpark, a 5-storey podium block and a 2-storey retail podium at Valley Point Shopping Centre/Office Tower, 491/B, River Valley Road.<br>Leasehold (lease expires year 2876)<br>Lettable area :<br>Retail – Valley Point 4,025 sqm<br>Office – River Valley Tower 17,014 sqm<br>21,039 sqm | 346,000 |
| 51 Cuppage Road | A 10-storey commercial building at 51 Cuppage Road.<br>Leasehold (lease expires year 2095), lettable area – 25,417 sqm | 416,000 |
| Centrepoint Apartment | An apartment unit at The Centrepoint, 176A Orchard Road.<br>Leasehold (lease expires year 2078), lettable area – 81 sqm | 1,500 |
| Capri by Fraser, Changi City | 313 units of hotel residences at Changi Business Park Central 1.<br>Leasehold (lease expires year 2069), lettable area – 10,583 sqm | 203,800 |
| North Point City South Wing | A mixed commercial and residential development integrated with bus interchange and community club at Yishun Avenue 2/Yishun Central.<br>Leasehold (lease expires year 2114), lettable area – approximately 27,019 sqm | 1,162,000 |
| **Australia** | | |
| Fraser Place Melbourne | 112 serviced apartment units in 2 blocks of high rise buildings at 19 Exploration Lane, Melbourne, Victoria 3000.<br>Freehold, lettable area – 3,801 sqm | 32,972 |

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## COMPLETED INVESTMENT PROPERTIES (CONT'D)

| | | Book Value $'000 |
|---|---|---|
| **Australia (cont'd)** | | |
| Frasers Property Australia Group's Completed Investment Properties | A car park comprising 267 public car parking spaces at Freshwater Place, Public Car Park, Southbank, Victoria.<br>Freehold, lettable area – 11,822 sqm | 16,486 |
| | A property comprising a warehouse and a single-storey office at 64 West Park Drive, West Park, Derrimut, Victoria.<br>Freehold, lettable area – 20,337 sqm | 21,804 |
| | A property comprising a warehouse and distribution facility at 44 Cambridge Street, Rocklea, Queensland.<br>Freehold, lettable area – 10,927 sqm | 18,081 |
| | A property comprising a warehouse facility and a single-level office at 1 West Park Drive, Derrimut, Victoria.<br>Freehold, lettable area – 10,078 sqm | 9,945 |
| | A property comprising common facilities including a café, childcare centre, car wash, gym, pool and common parking areas at Rhodes Corporate Park, 1E Homebush Bay Drive, Rhodes, New South Wales.<br>Freehold, lettable area – 1,343 sqm | 11,168 |
| | A property comprising office accommodation at 1F Homebush Bay Drive, Rhodes Corporate Park, Rhodes, New South Wales.<br>Freehold, lettable area – 17,644 sqm | 113,008 |
| | An 8-storey office building at 20 Lee Street, Henry Deane Building, Railway Square, Sydney, New South Wales.<br>Leasehold, lettable area – 9,112 sqm | 73,548 |
| | A property comprising a warehouse and an attached 2-storey office at 23 Scanlon Drive, Epping, Victoria.<br>Freehold, lettable area – 12,361 sqm | 11,700 |
| | A property comprising a warehouse and a 2-storey office component at 227 Walters Road, Arndell Park, New South Wales.<br>Freehold, lettable area – 17,733 sqm | 29,781 |
| | An 8-storey building with a terrace area on level 7 at 26-30 Lee Street, Gateway Building, Sydney, New South Wales.<br>Leasehold, lettable area – 12,601 sqm | 129,227 |
| | A property comprising an industrial facility with full vehicular access and a single-level office at 10 Reconciliation Rise, Dremulwuy, New South Wales.<br>Freehold, lettable area – 25,705 sqm | 40,949 |

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## COMPLETED INVESTMENT PROPERTIES (CONT'D)

| | | Book Value $'000 |
|---|---|---|
| **Australia (cont'd)** | | |
| Frasers Property Australia Group's Completed Investment Properties (cont'd) | A 6-level office accommodation and a café at 1B Homebush Bay Drive, Rhodes Corporate Park, Rhodes, New South Wales.<br>Freehold, lettable area – 12,799 sqm | 74,452 |
| | A commercial office building with a 5-level office accommodation at 1D Homebush Bay Drive, Rhodes Corporate Park, Rhodes, New South Wales.<br>Freehold, lettable area – 17,238 sqm | 123,378 |
| | An office tower with retail, food and amenity at Freshwater Place Office Tower, 2 Southbank Boulevard, Southbank, Victoria.<br>Freehold, lettable area – 54,915 sqm | 249,946 |
| | A property comprising a 3-level office and warehouse at 2 Wonderland Drive, Eastern Creek, New South Wales.<br>Freehold, lettable area – 29,047 sqm | 44,139 |
| | A property comprising 2 warehouses at 57 Efficient Drive, Truganinga, Victoria.<br>Freehold, lettable area- 22,840 sqm | 22,867 |
| | A property comprising 3 warehouses at 8 Hudson Court, Keysborough, Victoria.<br>Freehold, lettable area – 25,762 sqm | 35,418 |
| | A property comprising a warehouse at 15 Muir Road, Chullora, New South Wales.<br>Freehold, lettable area – 91,690 sqm | 51,053 |
| | A property comprising 2 warehouses at Lot 101 Wayne Drive, Berrinba, Queensland.<br>Freehold, lettable area – 15,453 sqm | 22,442 |
| | A property comprising 2 warehouses at 3 Burilda Close, Wetherill Park, New South Wales.<br>Leasehold, lettable area – 20,078 sqm | 30,844 |
| | A property comprising 2 warehouses at 4 Burilda Close, Wetherill Park, New South Wales.<br>Leasehold, lettable area – 18,869 sqm | 29,515 |
| | A property comprising 2 warehouses at Lot 102 Wayne Goss Drive, Berrinba, Queensland.<br>Freehold, lettable area – 19,455 sqm | 29,249 |

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## COMPLETED INVESTMENT PROPERTIES (CONT'D)

| | | Book Value $'000 |
|---|---|---|
| **Europe** | | |
| Fraser Suites Kensington | 70 residential apartments at Fraser Suites Kensington, 75 Stanhope Gardens London SW7 5RN, United Kingdom.<br>Freehold, lettable area – 6,743 sqm | 209,381 |
| Capri by Fraser, Barcelona | 97 serviced apartments at Sancho de Avila, 32-34 Barcelona, Spain.<br>Freehold, lettable area – 3,626 sqm | 33,365 |
| Capri by Fraser, Frankfurt | 153 serviced apartments at 42 Europa-allee, 60327, Frankfurt am Maine, Germany.<br>Freehold, lettable area – 5,688 sqm | 55,502 |
| Capri by Fraser, Berlin | 143 serviced apartments at Scharrenstraße 22, 10178 Berlin, Germany.<br>Freehold, lettable area – 4,103 sqm | 58,068 |
| Flat 3 at Queens Gate Gardens | An apartment unit at 39A Queens Gate Gardens, London SW7 5RR, United Kingdom.<br>Freehold, lettable area – 74 sqm | 2,057 |
| Geneba Properties Group's Completed Investment Properties | A light industrial facility at Wolvega-Wolfraamweg 2, Wolvega, The Netherlands.<br>Freehold, lettable area – 17,418 sqm | 15,079 |
| | A light industrial facility at Haßmersheim-Industriestraße, Haßmersheim, Germany.<br>Freehold, lettable area – 31,395 sqm | 45,877 |
| | A logistics facility at Marl-Elbestraße 1-3, Marl, Germany.<br>Freehold, lettable area – 16,831 sqm | 22,169 |
| | A light industrial facility at Schwerte-Binnerheide 26, Schwerte, Germany.<br>Freehold, lettable area – 5,380 sqm | 5,855 |
| | A leisure facility at Rotterdam-Benthemplein 10, Rotterdam, The Netherlands.<br>Leasehold, lettable area – 7,586 sqm | 31,601 |
| | A leisure facility at Rotterdam-Energieweg, Rotterdam, The Netherlands.<br>Leasehold, lettable area – 3,100 sqm | 15,079 |
| | A light industrial facility at Isenbüttel-Am Krainhop 10, Isenbüttel, Germany.<br>Freehold, lettable area – 15,589 sqm | 26,721 |
| | A logistics facility at Vaihingen-Otto-Hahn-Straße 10, Vaihingen an der Enz, Germany.<br>Freehold, lettable area – 43,756 sqm | 79,403 |

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## COMPLETED INVESTMENT PROPERTIES (CONT'D)

| | | Book Value $'000 |
|---|---|---|
| **Europe (cont'd)** | | |
| Geneba Properties Group's Completed Investment Properties (cont'd) | A logistics facility at Ulm-Eiselauer Weg 2, Ulm, Germany.<br>Freehold, lettable area – 24,525 sqm | 68,575 |
| | A business park at Mülheim-Mellinghofer Strasse 55 (Technopark), Mülheim an der Ruhr, Germany.<br>Freehold, lettable area – 122,591 sqm | 121,104 |
| | A light industrial facility at Gottmadingen-Industriepark 309, Gottmadingen, Germany.<br>Freehold, lettable area – 51,507 sqm | 71,751 |
| | A light industrial facility at Mamming-Industriepark 1, Mamming, Germany.<br>Freehold, lettable area – 14,193 sqm | 25,226 |
| | A logistics facility at Leipzig-Am Exer 9, Leipzig, Germany.<br>Freehold, lettable area – 11,537 sqm | 20,532 |
| | A logistics facility at Chemnitz-Johann-Esche-Straße 2, Chemnitz, Germany.<br>Freehold, lettable area – 18,053 sqm | 27,768 |
| | A light industrial facility at Amberg-Jubatus-Allee 3, Amberg/ Ebermannsdorf, Germany.<br>Freehold, lettable area – 9,389 sqm | 11,710 |
| | A logistics facility at s-Heerenberg-Brede Steeg 1, s-Heerenberg, The Netherlands.<br>Freehold, lettable area – 84,806 sqm | 105,550 |
| | A logistics facility at Nürnberg-Koperstrasse 10, Nürnberg, Germany.<br>Freehold, lettable area – 21,496 sqm | 29,807 |
| | A logistics facility at Achern-Ambros-Nehren-Strasse 1, Achern, Germany.<br>Freehold, lettable area – 12,304 sqm | 21,976 |
| | A logistics facility at Rheinberg-Saalhoffer Straße 211, Rheinberg, Germany.<br>Freehold, lettable area – 31,957 sqm | 45,410 |
| | A light industrial facility at Münster-Gustav-Stresemann-Weg 1, Münster, Germany.<br>Freehold, lettable area – 12,960 sqm | 23,580 |
| | A light industrial facility at Brilon-Keffelker Straße 66, Brilon, Germany.<br>Freehold, lettable area – 13,352 sqm | 16,522 |

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## COMPLETED INVESTMENT PROPERTIES (CONT'D)

| | | Book Value<br>$'000 |
|---|---|---|
| **Europe (cont'd)** | | |
| Geneba Properties Group's Completed Investment Properties (cont'd) | A light industrial facility at Rastede-Am Autobahnkreuz 14, Rastede, Germany.<br>Freehold, lettable area – 11,491 sqm | 29,836 |
| | A logistics facility at Tilburg-Belle van Zuylenstraat 5, Tilburg, The Netherlands.<br>Freehold, lettable area – 18,121 sqm | 23,741 |
| | A logistics facility at Zeewolde-Handelsweg 26, Zeewolde, The Netherlands.<br>Freehold, lettable area – 51,703 sqm | 63,202 |
| | A logistics facility at Venlo-Heierhoevenweg 17, Venlo, The Netherlands.<br>Freehold, lettable area – 32,642 sqm | 41,545 |
| **Vietnam** | | |
| Me Linh Point | A 21-storey retail/office building with 2 basements at Me Linh Point Tower, 2 Ngo Duc Ke Street, District 1, Ho Chi Minh City.<br>Leasehold (lease expires year 2045), lettable area – 17,489 sqm | 54,969 |
| **China** | | |
| Fraser Suites Beijing | A building comprising residential apartments (3rd to 23rd level) and clubhouse (2nd level) at 12 Jin Tong Xi Road, Chaoyang District, Beijing.<br>Leasehold : Residential (lease expires year 2073)<br>Clubhouse (lease expires year 2043)<br>Lettable area – 28,448 sqm | 247,732 |
| **Philippines** | | |
| Fraser Place Manila | 89 serviced apartment units with 116 car park lots in the East Tower of Fraser Place Forbes Tower, Valero Street, Salcedo Village, Makati City, Manila.<br>Freehold, lettable area – 17,046 sqm | 44,044 |
| **Indonesia** | | |
| Fraser Residence Sudirman | 108 serviced apartment units in Fraser Tower of Fraser Residence Sudirman Jakarta at Jalan Setiabudi Raya No. 9, Setiabudi District, Jakarta.<br>Freehold, lettable area – 11,324 sqm | 46,380 |

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## COMPLETED INVESTMENT PROPERTIES (CONT'D)

| | | Book Value $'000 |
|---|---|---|
| **HELD THROUGH FRASERS CENTREPOINT TRUST** | | |
| **Singapore** | | |
| Causeway Point | A 7-storey retail mall (including 1 basement level) and a 7-level carpark (B2, B3 and 2nd-6th levels) at 1 Woodlands Square.<br>Leasehold (lease expires year 2094), lettable area – 38,612 sqm | 1,190,000 |
| Northpoint City North Wing | A 6-storey retail mall (including 2 basement levels) and a 3-level carpark (B1-B3) at 930 Yishun Avenue 2.<br>Leasehold (lease expires year 2089), lettable area – 20,269 sqm | 733,000 |
| Changi City Point | A 3-storey retail mall (including 1 basement level) at 5 Changi Business Park Central 1.<br>Leasehold (lease expires year 2069), lettable area – 19,253 sqm | 318,000 |
| Bedok Point | A 5-storey retail mall (including 1 basement level) and 1 basement carpark at 799 New Upper Changi Road.<br>Leasehold (lease expires year 2077), lettable area – 7,684 sqm | 105,000 |
| YewTee Point | A 2-storey retail mall (including 1 basement level) and 1 basement carpark at 21 Choa Chu Kang North 6.<br>Leasehold (lease expires year 2105), lettable area – 6,844 sqm | 178,000 |
| Anchorpoint | A 2-storey retail mall (including 1 basement level) and adjacent 2-storey restaurant building at 368 and 370 Alexandra Road.<br>Freehold, lettable area – 6,595 sqm | 104,600 |
| Yishun 10 Retail Podium | 10 strata-titled retail units.<br>Leasehold (lease expires year 2089) , lettable area – 967 sqm | 39,500 |
| **HELD THROUGH FRASERS COMMERCIAL TRUST** | | |
| **Singapore** | | |
| China Square Central | 15-storey office and retail tower with basement carpark and heritage shophouses at 18, 20 & 22 Cross Street, China Square Central.<br>Leasehold (lease expires year 2096), lettable area – 34,357 sqm | 565,000 |
| Alexandra Technopark[1] | High-tech business space development comprising 2 air-conditioned buildings of 8 and 9 storeys with basement carpark at 438A and 438B Alexandra Road.<br>Freehold, lettable area – 96,980 sqm | 623,000 |
| 55 Market Street | 16-storey office and retail building at 55 Market Street.<br>Leasehold (lease expires year 2825), lettable area – 6,670 sqm | 139,000 |

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## COMPLETED INVESTMENT PROPERTIES (CONT'D)

| | | Book Value $'000 |
|---|---|---|
| **Australia** | | |
| Central Park | 47-storey office tower at 152-158 St Georges Terrace, Perth. Freehold, lettable area – 33,038 sqm | 289,831 |
| Caroline Chisholm Centre | 5-storey office complex at Block 4 Section 13, Tuggeranong. Leasehold (lease expires year 2101), lettable area – 40,244 sqm | 265,900 |
| 357 Collins Street | 25-storey office and retail building at 357 Collins Street, Melbourne. Freehold, lettable area – 31,923 sqm | 303,126 |
| **HELD THROUGH FRASERS HOSPITALITY TRUST** | | |
| **Singapore** | | |
| Fraser Suites Singapore(1) | 255 serviced apartment units at 491A River Valley Road, Singapore 248372. Freehold, lettable area – 22,214 sqm | 355,500 |
| **Australia** | | |
| Fraser Suites Sydney(1) | 201 serviced apartment units at Fraser Suites Sydney, 488 Kent Street, Sydney NSW 2000. Freehold, lettable area – 10,007 sqm | 154,647 |
| **United Kingdom** | | |
| Fraser Place Canary Wharf(1) | 2 buildings of 108 residential apartments at 80 Boardwalk Place, London E14 5SF, United Kingdom. Freehold, lettable area – 4,460 sqm | 85,755 |
| Fraser Suites Glasgow(1) | A 4-storey building of 98 serviced apartments at 1-19 Albion Street, Glasgow G1 1LH, Scotland, United Kingdom. Freehold, lettable area – 4,964 sqm | 18,753 |
| Fraser Suites Edinburgh(1) | A 8-storey building of 75 residential apartments at 12-26 St Giles Street, Edinburgh EH1 1PT, Scotland, United Kingdom. Freehold, lettable area – 2,333 sqm | 28,585 |
| Fraser Suites Queens Gate(1) | 105 residential apartments at 39B Queens Gate Gardens, London SW7 5RR, United Kingdom. Freehold, lettable area – 4,188 sqm | 116,707 |
| **Germany** | | |
| Maritim Dresden | 328 hotel rooms at Ostra-Ufer 2, 01067 Dresden, Germany. Freehold, lettable area – 25,916 sqm | 98,171 |

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## COMPLETED INVESTMENT PROPERTIES (CONT'D)

| | | Book Value $'000 |
|---|---|---|
| **HELD THROUGH FRASERS LOGISTICS & INDUSTRIAL TRUST** | | |
| **Australia** | | |
| Aylesbury Drive Trust A | 2 adjoining office and warehouse facilities, located at 18-34 Aylesbury Drive, Altona, Victoria.<br>Freehold, lettable area – 21,493 sqm | 25,569 |
| Heatherton Road Trust A | A warehouse facility and a free-standing 2-level office, located at 610-638 Heatherton Road, Clayton South, Victoria.<br>Freehold, lettable area – 8,387 sqm | 19,145 |
| Pacific Drive Trust A | A large industrial warehouse and an attached 2-level office building, located at 49-75 Pacific Drive, Keysborough, Victoria.<br>Freehold, lettable area – 25,163 sqm | 31,908 |
| South Centre Road Trust A | An industrial facility, a substantial 2-level office and a ground floor café, located at 115-121 South Centre Road, Melbourne Airport, Victoria.<br>Leasehold (lease expires year 2047), lettable area – 3,085 sqm | 4,946 |
| Link Road Trust A | A 3-level office attached by a 1st floor walkway to the warehouse, located at 96-106 Link Road, Melbourne Airport, Victoria.<br>Leasehold (lease expires year 2047), lettable area – 18,599 sqm | 27,920 |
| Jets Court Trust A | 2 warehouse and distribution facilities with associated office accommodation, located at 17-23 Jets Court, Melbourne Airport, Victoria.<br>Leasehold (lease expires year 2047), lettable area – 9,869 sqm | 8,722 |
| Jets Court Trust B | 2 adjoining warehouse facilities, each with front office accommodation, located at 25-29 Jets Court, Melbourne Airport, Victoria.<br>Leasehold (lease expires year 2047), lettable area – 15,544 sqm | 11,806 |
| Sky Road East Trust A | A warehouse distribution facility and a 2-level office, located at 28-32 Sky Road East, Melbourne Airport, Victoria.<br>Leasehold (lease expires year 2047), lettable area – 12,086 sqm | 9,998 |
| Sky Road East Trust B | A warehouse and distribution facility with a single-level office, located at 38-52 Sky Road East, Melbourne Airport, Victoria.<br>Leasehold (lease expires year 2047), lettable area – 46,231 sqm | 29,249 |
| Douglas Street Trust A | 2 freestanding industrial facilities with a 2-level office attached to a warehouse with car parking for approximately 311 vehicles, located at 2-46 Douglas Street, Port Melbourne, Victoria.<br>Leasehold (lease expires year 2053), lettable area – 21,803 sqm | 24,037 |
| South Park Drive Trust A | A warehouse facility, 2-level office and showroom, located at 21-33 South Park Drive, Dandenong South, Victoria.<br>Freehold, lettable area – 22,106 sqm | 24,187 |

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## COMPLETED INVESTMENT PROPERTIES (CONT'D)

| | | Book Value $'000 |
|---|---|---|
| **HELD THROUGH FRASERS LOGISTICS & INDUSTRIAL TRUST (CONT'D)** | | |
| **Australia (cont'd)** | | |
| Bam Wine Court Trust A | A single-level office and temperature-controlled warehouse, located at 22-26 Bam Wine Court, Dandenong South, Victoria.<br>Freehold, lettable area – 17,606 sqm | 24,463 |
| South Park Drive Trust D | A storage and distribution facility, with associated office area, canopy, hardstand and 69 parking lots, located at 16-32 South Park Drive, Dandenong South, Victoria.<br>Freehold, lettable area – 12,729 sqm | 14,226 |
| South Park Drive Trust B | A warehouse facility with 2-level office, located at 63-79 South Park Drive, Dandenong South, Victoria.<br>Freehold, lettable area – 13,963 sqm | 16,220 |
| South Park Drive Trust C | Industrial office and warehouse facility, located at 98-126 South Park Drive, Dandenong South, Victoria.<br>Freehold, lettable area – 28,062 sqm | 37,226 |
| Atlantic Drive Trust D | A warehouse and attached 2-storey office/display centre, located at 77 Atlantic Drive, Keysborough, Victoria.<br>Freehold, lettable area – 15,095 sqm | 20,527 |
| Pacific & Atlantic Drive Trust A | 2 warehouse and office facilities under 1 roofline, located at 17 Pacific Drive and 170-172 Atlantic Drive, Keysborough, Victoria.<br>Freehold, lettable area – 30,004 sqm | 38,511 |
| Atlantic Drive Trust B | 2 adjoining distribution facilities with associated mezzanine level office areas, located at 78 & 88 Atlantic Drive, Keysborough, Victoria.<br>Freehold, lettable area – 13,495 sqm | 17,786 |
| Atlantic Drive Trust C | 2 adjoining distribution facilities with associated mezzanine level office areas, located at 150-168 Atlantic Drive, Keysborough, Victoria.<br>Freehold, lettable area – 27,272 sqm | 38,290 |
| Sunline Drive Trust A | 2 attached warehouses, each with internal office accommodation, located at 1-13 and 15-27 Sunline Drive, Truganina, Victoria.<br>Freehold, lettable area – 26,153 sqm | 31,908 |
| Boundary Road Trust A | A distribution facility and incorporate a single-level office which is attached to a large warehouse, located at 468 Boundary Road, Derrimut, Victoria.<br>Freehold, lettable area – 24,732 sqm | 26,590 |
| Sunline Drive Trust B | 1 office and warehouse, located at 42 Sunline Drive, Truganina, Victoria.<br>Freehold, lettable area – 14,636 sqm | 17,815 |

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## COMPLETED INVESTMENT PROPERTIES (CONT'D)

| | | Book Value $'000 |
|---|---|---|
| **HELD THROUGH FRASERS LOGISTICS & INDUSTRIAL TRUST (CONT'D)** | | |
| **Australia (cont'd)** | | |
| Efficient Drive Trust A | 3 office and warehouse accommodations, located at 2-22 Efficient Drive, Truganina, Victoria.<br>Freehold, lettable area – 38,335 sqm | 46,798 |
| Wellington Road Trust A | 1 office/showroom development and 330 car parking bays, located at 211A Wellington Road, Mulgrave, Victoria.<br>Freehold, lettable area – 7,175 sqm | 41,268 |
| Doriemus Drive Trust A | Office warehouse, located at 1 Doriemus Drive, Truganina, Victoria.<br>Freehold, lettable area – 74,546 sqm | 90,406 |
| Kangaroo Avenue Trust C | 1 office/warehouse distribution centre, located at 21 Kangaroo Avenue, Eastern Creek, New South Wales.<br>Freehold, lettable area – 41,401 sqm | 70,729 |
| Kangaroo Avenue Trust B | 2 adjoining office and warehouse, located at 17 Kangaroo Avenue, Eastern Creek, New South Wales.<br>Freehold, lettable area – 23,112 sqm | 44,937 |
| Eucalyptus Place Trust A | Office/warehouse facility, located at 7 Eucalyptus Place, Eastern Creek, New South Wales.<br>Freehold, lettable area – 16,074 sqm | 31,110 |
| Reconciliation Rise Trust A | A warehouse and office, located at 6 Reconciliation Rise, Pemulwuy, New South Wales.<br>Freehold, lettable area – 19,218 sqm | 35,471 |
| Reconciliation Rise Trust B | Industrial distribution facility, located at 8-8A Reconciliation Rise, Pemulwuy, New South Wales.<br>Freehold, lettable area – 22,511 sqm | 40,984 |
| Springhill Road Trust A | A port related automotive vehicle storage and distribution facility, located at Lot 104 & 105 Springhill Road, Port Kembla, New South Wales.<br>Leasehold (lease expires year 2049), lettable area – 90,661 sqm | 26,058 |
| Distribution Place Trust A | 2-storey office and warehouse facility, located at 8 Distribution Place, Seven Hills, New South Wales.<br>Freehold, lettable area – 12,319 sqm | 25,792 |
| Stanton Road Trust A | 2-level office accommodation, undercover parking and a warehouse, located at 10 Stanton Road, Seven Hills, New South Wales.<br>Freehold, lettable area – 7,065 sqm | 13,827 |
| Station Road Trust A | Warehouse and associated offices, located at 99 Station Road, Seven Hills, New South Wales.<br>Freehold, lettable area – 10,772 sqm | 20,421 |

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## COMPLETED INVESTMENT PROPERTIES (CONT'D)

| | | Book Value $'000 |
|---|---|---|
| **HELD THROUGH FRASERS LOGISTICS & INDUSTRIAL TRUST (CONT'D)** | | |
| **Australia (cont'd)** | | |
| Hartley Street Trust A | Distribution facility with warehouse, located at 80 Hartley Street, Smeaton Grange, New South Wales.<br>Freehold, lettable area – 61,281 sqm | 68,602 |
| Gibbon Road Trust A | 2 adjoining office and warehouse units, located at 11 Gibbon Road, Winston Hills, New South Wales.<br>Freehold, lettable area – 16,625 sqm | 44,139 |
| Kangaroo Avenue Trust A | 2 separate standalone distribution facilities, located at 4-8 Kangaroo Avenue, Eastern Creek, New South Wales.<br>Freehold, lettable area – 40,543 sqm | 80,804 |
| Siltstone Place Trust A | Office/warehouse distribution centre, located at 10 Siltstone Place, Berrinba, Queensland.<br>Leasehold (lease expires year 2115), lettable area – 9,797 sqm | 14,598 |
| Boundary Road Trust B | Warehouse with ancillary office spaces, located at 55-59 Boundary Road, Carole Park, Queensland.<br>Leasehold (lease expires year 2115), lettable area – 13,250 sqm | 17,337 |
| Platinum Street Trust A | Warehouse and manufacturing facility, located at 57-71 Platinum Street, Crestmead, Queensland.<br>Leasehold (lease expires year 2115), lettable area – 19,299 sqm | 35,418 |
| Stradbroke Street Trust A | Warehouse and production facility with associated office accommodation, located at 51 Stradbroke Street, Heathwood, Queensland.<br>Leasehold (lease expires year 2115), lettable area – 14,916 sqm | 25,526 |
| Flint Street Trust A | Warehouse and office facility, located at 30 Flint Street, Inala, Queensland.<br>Leasehold (lease expires year 2115), lettable area – 15,052 sqm | 26,803 |
| Queensport Road Trust A | Warehouse and manufacturing facility, with a detached 2-level office building, located at 286 Queensport Road, North Murarrie, Queensland.<br>Leasehold (lease expires year 2115), lettable area – 21,531 sqm | 39,619 |
| Earnshaw Road Trust A | 2-level office and warehouse, located at 350 Earnshaw Road, Northgate, Queensland.<br>Leasehold (lease expires year 2115), lettable area – 30,779 sqm | 58,498 |
| Sandstone Place Trust A | Warehouse and distribution centre, together with a 2-storey office, located at 99 Sandstone Place, Parkinson, Queensland.<br>Leasehold (lease expires year 2115), lettable area – 54,245 sqm | 258,455 |
| Shettleston Street Trust A | Warehouse and distribution facility with a single-level office, located at 99 Shettleston Street, Rocklea, Queensland.<br>Leasehold (lease expires year 2115), lettable area – 15,186 sqm | 24,250 |

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## COMPLETED INVESTMENT PROPERTIES (CONT'D)

| | | Book Value $'000 |
|---|---|---|
| **HELD THROUGH FRASERS LOGISTICS & INDUSTRIAL TRUST (CONT'D)** | | |
| **Australia (cont'd)** | | |
| Butler Boulevard Trust B | 4 various-sized industrial units with associated offices, located at 5 Butler Boulevard, Adelaide Airport, South Australia.<br>Leasehold (lease expires year 2097), lettable area – 8,224 sqm | 9,180 |
| Butler Boulevard Trust C | Office and warehouse facility, located at 20-22 Butler Boulevard, Adelaide Airport, South Australia.<br>Leasehold (lease expires year 2097), lettable area – 11,197 sqm | 11,168 |
| Butler Boulevard Trust A | Office and warehouse facility, located at 18-20 Butler Boulevard, Adelaide Airport, South Australia.<br>Leasehold (lease expires year 2097), lettable area – 6,991 sqm | 8,509 |
| Coghlan Road Trust A | Office and warehouse facility, located at Lot 102 Coghlan Road, Outer Harbor, South Australia.<br>Freehold, lettable area – 6,626 sqm | 6,807 |
| Paltridge Road Trust A | A complex comprising an office warehouse building, located at 60 Paltridge Road, Perth Airport, Western Australia.<br>Leasehold (lease expires year 2033), lettable area – 20,143 sqm | 18,081 |
| Pearson Road Trust A | Office and warehouse facility, located at 143 Pearson Rd, Yatala, Queensland.<br>Leasehold (lease expires year 2115), lettable area – 30,618 sqm | 39,619 |
| Indian Drive Trust A | Office/warehouse development, located at 111 Indian Drive, Truganina, Victoria.<br>Freehold, lettable area – 21,660 sqm | 35,312 |
| Horsley Drive Trust A | Specialised temperature-controlled warehouse and 2-level office, located at 1 Burilda Close, Wetherill Park, New South Wales.<br>Leasehold (lease expires year 2106), lettable area – 18,848 sqm | 65,932 |
| Horsley Drive Trust B | A standalone high-clearance warehouse, sub-divided into 2 tenancy areas, located at Lot 1, 2 Burilda Close, Wetherill Park, New South Wales.<br>Leasehold (lease expires year 2106), lettable area – 14,333 sqm | 24,675 |
| Stanton Road Trust B | A 2-level office and high-clearance warehouse facility, located at 8 Stanton Road, Seven Hills, New South Wales.<br>Freehold, lettable area – 10,708 sqm | 17,762 |
| Efficient Drive Trust B | A single-level office and high-clearance warehouse facility, located at 43 Efficient Drive, Truganina, Victoria.<br>Freehold, lettable area – 23,088 sqm | 27,122 |
| South Park Drive Trust E | A single-level office and high-clearance warehouse facility, located at 89-103 South Park Drive, Dandenong South, Victoria.<br>Freehold, lettable area – 10,425 sqm | 12,710 |
| **TOTAL COMPLETED INVESTMENT PROPERTIES** | | **13,948,240** |

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## INVESTMENT PROPERITIES UNDER CONSTRUCTION

| | | Book Value $'000 |
|---|---|---|
| **Singapore** | | |
| Frasers Tower | A commercial development at Cecil Street/Telok Ayer Street.<br>Leasehold (lease expires year 2112), gross floor area – 77,162 sqm | 1,416,000 |
| Capri by Fraser, China Place | 306 units of hotel residences at 181 South Bridge Road.<br>Leasehold (lease expires year 2096), gross floor area – 16,000 sqm | 192,884 |
| **Europe** | | |
| Fraser Suites Hamburg | 147 serviced apartment units at Rodingsmarkt 2, Hamburg, Germany.<br>Freehold, lettable area – 5,273 sqm | 79,563 |
| Central House | Freehold land of approximately 9,012 sqm situated in Aldgate, London, United Kingdom. | 107,954 |
| **Vietnam** | | |
| G Homes | Serviced apartment located at Thao Dien ward, District 2, Ho Chi Minh City. | 6,272 |
| **HELD THROUGH FRASERS LOGISTICS & INDUSTRIAL TRUST** | | |
| **Australia** | | |
| Indian Drive Trust B | A single-level office and high-clearance warehouse facility, located at 29 Indian Drive, Keysborough, Victoria<br>Freehold, lettable area – 21,854 sqm | 19,996 |
| Pearson Road Trust B | A single-level office and high-clearance warehouse facility, located at 166 Pearson Road, Yatala, Queensland<br>Freehold, lettable area – 23,218 sqm | 36,162 |
| Hudson Court Trust A | A 2-level office and high-clearance temperature-controlled warehouse, located at 17 Hudson Court, Keysborough, Victoria<br>Freehold, lettable area – 21,200 sqm | 10,211 |
| **TOTAL INVESTMENT PROPERTIES UNDER CONSTRUCTION** | | **1,869,042** |
| **TOTAL PROPERTIES (CLASSIFIED AS INVESTMENT PROPERTIES)** | | **15,817,282** |

[1] As the Group consolidates the REITs, the carrying values of these properties have been adjusted to reflect the Group's freehold interest in the properties.

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## PROPERTY, PLANT AND EQUIPMENT

| | | Book Value $'000 |
|---|---|---|
| **Australia** | | |
| Capri by Fraser, Brisbane | 239 units of hotel residences at 80 Albert St, Brisbane QLD 4000. Freehold, gross floor area – 14,217 sqm | 93,020 |
| Fraser Suites Perth | 236 apartments and suites at 10 Adelaide Terrace, East Perth WA 6004. Freehold, gross floor area – 27,447 sqm | 120,453 |
| **United Kingdom** | | |
| Malmaison Belfast | A boutique hotel situated at 34-38 Victoria Street, Belfast, BT1 3GH, Northern Ireland. The property provides a 64 bedroom boutique hotel, a 60 cover restaurant, bar, gym and meeting rooms for a total capacity of 40. Freehold, gross floor area – 3,600 sqm | 13,249 |
| Malmaison Edinburgh | A boutique hotel situated at 1 Tower Place, Edinburgh, EH6 7BZ, Scotland. The property provides a 100 bedroom boutique hotel, a 53 cover restaurant, bar, gym and meeting rooms for a total capacity of 70. Freehold, gross floor area – 6,340 sqm | 26,823 |
| Malmaison Glasgow | A boutique hotel situated at 278 West George Street, Glasgow, G2 4LL, Scotland. The property provides a 72 bedroom boutique hotel, a 106 cover restaurant, 2 bars, gym and meeting rooms for a total capacity of 45. Freehold, gross floor area – 4,408 sqm | 18,859 |
| Malmaison Leeds | A boutique hotel situated at 1 Swinegate, Leeds, LS1 4AG, England. The property provides a 100 bedroom boutique hotel, a 96 cover restaurant, bar, gym and meeting rooms for a total capacity of 45. Freehold, gross floor area – 7,920 sqm | 25,555 |
| Malmaison Liverpool | A boutique hotel situated at 7 William Jessop Way, Liverpool, L3 1QZ, England. Occupying floors ground to sixth, the boutique hotel provides 130 bedrooms, a 65 cover Brasserie restaurant, 2 private dining rooms (Kitchen & Boudoir with 18 covers), a 70 seat Mal Bar, a small gym and 4 meeting rooms with a maximum capacity of 100. Leasehold (lease expires year 2146), gross floor area – 8,250 sqm | 24,888 |
| Malmaison Reading | A boutique hotel situated at 18-20 Station Road, Reading, RG1 1JX, England. The property provides a 75 bedroom boutique hotel, a 76 cover restaurant, bar, gym and meeting rooms for a total capacity of 25. Leasehold (lease expires year 2894), gross floor area – 1,804 sqm | 23,638 |
| Hotel du Vin Birmingham | A boutique hotel situated at Church Street, Birmingham, B3 2NR, England. The property provides a 66 bedroom boutique hotel, a 85 cover restaurant, bar, gym and meeting rooms for a total capacity of 90. Leasehold (lease expires year 2150), gross floor area – 4,510 sqm | 18,196 |

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| | | Book Value $'000 |
|---|---|---|
| **United Kingdom (cont'd)** | | |
| Hotel du Vin Brighton | A boutique hotel situated at Ship Street, Brighton, BN1 1AD, England. The property provides a 49 bedroom boutique hotel, a 80 cover restaurant, bar, and meeting rooms for a total capacity of 110.<br>Freehold, gross floor area – 5,693 sqm | 33,263 |
| Hotel du Vin Bristol | A boutique hotel situated at The Sugar House, Narrow Lewins Mead, Bristol, BS1 2NU, England. The property provides a 40 bedroom boutique hotel, a 80 cover restaurant, bar and 3 meeting rooms for a maximum capacity of 72.<br>Freehold, gross floor area – 3,272 sqm | 22,570 |
| Hotel du Vin Cambridge | A boutique hotel situated at 15-19 Trumpington Street, Cambridge, CB2 1QA, England. The property provides a 41 bedroom boutique hotel, a 82 cover restaurant, bar and 2 meeting rooms for a maximum capacity of 24.<br>Leasehold (lease expires year 2105), gross floor area – 4,320 sqm | 27,615 |
| Hotel du Vin Cheltenham | A boutique hotel situated at Parabola Road, Cheltenham, Gloucestershire, GL50 3AQ, England. The property provides a 49 bedroom boutique hotel, a 110 cover restaurant, bar and meeting rooms for a total capacity of 40.<br>Freehold, gross floor area – 3,625 sqm | 16,238 |
| Hotel du Vin Edinburgh | A boutique hotel situated at 11 Bistro Place, Edinburgh, EH1 1EZ, Scotland. The property provides a 47 bedroom boutique hotel, a 80 cover restaurant, bar and meeting rooms with capacity of 36.<br>Freehold, gross floor area – 4,126 sqm | 22,068 |
| Hotel du Vin Glasgow | A boutique hotel situated at Devonshire Gardens, Glasgow, G12 0UX, Scotland. The property provides a 49 bedroom boutique hotel, a 80 cover restaurant, bar, gym and meeting rooms for a maximum capacity of 50.<br>Freehold, gross floor area – 5,280 sqm | 20,632 |
| Hotel du Vin Harrogate | A boutique hotel situated at Prospect Place, Harrogate, North Yorkshire, HG1 1LB, England. The property provides a 48 bedroom boutique hotel, a 90 cover restaurant, bar and meeting rooms for a total capacity of 60.<br>Freehold, gross floor area – 7,552 sqm | 13,229 |
| Hotel du Vin Henley-on-Thames | A boutique hotel situated at New Street, Henley-on-Thames, Oxfordshire, RG9 2BP, England. The property provides a 43 bedroom boutique hotel, a 80 cover restaurant, bar and meeting rooms for a total capacity of 56.<br>Freehold, gross floor area – 5,260 sqm | 16,928 |
| Hotel du Vin Newcastle | A boutique hotel situated at Allan House, City Road, Newcastle-upon-Tyne, NE1 2BE, England. The property provides a 42 bedroom boutique hotel, a 84 cover restaurant, bar and meeting rooms for a maximum capacity of 36.<br>Freehold, gross floor area – 3,491 sqm | 8,479 |

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| | | Book Value $'000 |
|---|---|---|
| **United Kingdom (cont'd)** | | |
| Hotel du Vin Poole | A boutique hotel situated at The Quay, Thames Street, Poole, BH15 1JN, England. The property provides a 38 bedroom boutique hotel, a 85 cover restaurant, bar and meeting rooms for a total capacity of 30. Freehold and leasehold (lease expires year 2078), gross floor area – 2,610 sqm | 7,213 |
| Hotel du Vin St Andrews | A boutique hotel situated at 40 The Scores, St Andrews, KY16 9AS, Scotland. The property provides a 40 bedroom boutique hotel, a 56 cover restaurant, bar and meeting rooms for a total capacity of 120. Freehold, gross floor area – 3,974 sqm | 11,649 |
| Hotel du Vin Tunbridge Wells | A boutique hotel situated at Crescent Road, Tunbridge Wells, TN1 2LY, England. The property provides a 34 bedroom boutique hotel, a 88 cover restaurant, bar and meeting rooms with a maximum capacity of 80. Freehold, gross floor area – 2,916 sqm | 16,369 |
| Hotel du Vin Wimbledon | A boutique hotel situated at Cannizaro House, West Side Common, London, SW19 4 UE, England. The property provides a 48 bedroom boutique hotel, a 60 cover restaurant, bar and meeting rooms for a total capacity of 120. Leasehold (lease expires year 2111), gross floor area – 4,531 sqm | 31,172 |
| Hotel du Vin Winchester | A boutique hotel situated at 14 Southgate Street, Winchester, Hampshire, SO23 9EF, England. The property provides a 24 bedroom boutique hotel, a 60 cover restaurant, bar and meeting rooms for a total capacity of 50. Freehold, gross floor area – 2,225 sqm | 14,415 |
| Hotel du Vin York | A boutique hotel situated at 89 The Mount, York, YO24 1AX, England. The property provides a 44 bedroom boutique hotel, a 70 cover restaurant, bar and meeting rooms for a total capacity of 30. Freehold, gross floor area – 4,210 sqm | 18,516 |
| Malmaison Cheltenham | A boutique hotel situated on Bayshill Road, Cheltenham, Gloucestershire, GL50 3AS, England. The property provides a 61 bedroom hotel, a 74 cover restaurant, bar and meeting rooms for a total capacity of 38. Freehold, gross floor area – 3,226 sqm | 21,033 |
| Hotel du Vin Avon Gorge | A boutique hotel situated on Sion Hill, Clifton, Bristol, BS8 4LD, England. The property provides a 75 bedroom hotel, a 50 cover restaurant, bar and meeting rooms for a total capacity of 80. Freehold, gross floor area – 5,219 sqm | 22,061 |
| Hotel du Vin Exeter | A boutique hotel situated on Magdalen Street, Exeter, Devon, EX2 4HY, England. The property provides a 59 bedroom boutique hotel, a 80 cover restaurant, bar and meeting rooms for a total capacity of 24. Freehold, gross floor area – 2,293 sqm | 18,632 |
| Hotel du Vin Aberdeen | An unoccupied building to be redeveloped at Clarke Building, Schoolhill, Aberdeen, AB10 1JQ. | 7,182 |

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| | | Book Value $'000 |
|---|---|---|
| **HELD THROUGH FRASERS HOSPITALITY TRUST** | | |
| **Singapore** | | |
| InterContinental Singapore[(2)] | 406 hotel rooms at 80 Middle Road, Singapore 188966. Leasehold (lease expires year 2089), gross floor area – 49,987 sqm | 490,267 |
| **Malaysia** | | |
| The Westin Kuala Lumpur[(2)] | 443 hotel rooms at 199 Jalan Bukit Bintang, Kuala Lumpur, 55100. Freehold, gross floor area – 79,593 sqm | 142,309 |
| **Japan** | | |
| ANA Crown Plaza Kobe[(2)] | 593 hotel rooms at 1-Chome, Kitano-Cho, Chuo-Ku, Kobe, 650-0002. Freehold, gross floor area – 136,657 sqm | 135,278 |
| **Australia** | | |
| Novotel Rockford Darling Harbour[(2)] | 230 hotel rooms at Novotel Rockford Darling Harbour, 17 Little Pier Street, Darling Harbour, NSW 2000. Leasehold (lease expires year 2098), gross floor area – 12,128 sqm | 79,409 |
| Sofitel Sydney Wentworth[(2)] | 436 hotel rooms at 61-101 Phillip Street, Sydney, NSW 2000. Freehold, gross floor area – 33,589 sqm | 200,376 |
| Novotel Melbourne on Collins[(2)] | 380 hotel rooms at 270 Collins Street, Melbourne, VIC 3000. Freehold, gross floor area – 20,860 sqm | 260,883 |
| **United Kingdom** | | |
| Park International London[(2)] | 171 hotel rooms at 117-129 Cromwell Road, South Kensington, London, SW7 4DS. Leasehold (lease expires year 2089), gross floor area – 6,825 sqm | 67,167 |
| Best Western Cromwell London[(2)] | 85 hotel rooms at 108, 110 and 112 Cromwell Road, London, SW7 4ES. Leasehold (lease expires year 2089), gross floor area – 2,512 sqm | 29,115 |
| LAND AND BUILDING – HOTELS | | 2,118,749 |
| OTHER EQUIPMENT, FURNITURE AND FITTINGS | | 121,975 |
| **TOTAL PROPERTY, PLANT AND EQUIPMENT** | | **2,240,724** |

(2) To align to the Group's accounting policy, the property, plant and equipment held under FHT are stated at cost less accumulated depreciation and any impairment.

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## COMPLETED PROPERTIES HELD FOR SALE

| | | Effective Group Interest % |
|---|---|---|
| **Singapore** | | |
| Soleil @ Sinaran | Leasehold land of approximately 12,468 sqm situated at Sinaran Drive. The development has a gross floor area of 44,878 sqm and consists of 417 condominium units. | 100.0 |
| **Australia** | | |
| Lumiere | Freehold land of approximately 3,966 sqm situated at former Regent Theatre, Frontages on George Street, Bathurst & Kent Street, Sydney, New South Wales. The development has a gross floor area of 61,146 sqm and consists of 1 retail podium, 456 residential units, 201 serviced apartments, 3 retail units and 19 commercial suites. | 100.0 |
| Central Park | Freehold land of approximately 48,000 sqm situated at Broadway, Sydney, New South Wales for a proposed mixed development of approximately 2,069 residential apartment units of approximately 107,287 sqm of gross floor area for sale and commercial space of approximately 21,715 sqm of gross floor area for sale. | 50.0 |
| Putney Hill | Freehold land of approximately 113,500 sqm situated at Putney, Sydney, New South Wales for a proposed development comprising 145 apartments and 16 houses of approximately 15,321 sqm of gross floor area for sale. | 100.0 |
| Queens Riverside | Freehold land of approximately 11,895 sqm situated at East Perth for a proposed mixed development comprising approximately 500 private apartment units and 12 commercial space of a total of approximately 41,287 sqm of gross floor area for sale. | 100.0 |
| **China** | | |
| Chengdu Logistics Hub | Leasehold land of approximately 195,846 sqm situated at Chengdu. Phase 1 of the development has a gross floor area of 161,288 sqm and consists of 136 office units, 27 warehouses and 766 car park lots. Phase 2 has a gross floor area of 154,049 sqm and consists of 149 office units, 14 retail units and 119 carpark lots. Phase 4 consists of 270 office units and 88 retail units. | 80.0 |
| Baitang One | Leasehold land of approximately 314,501 sqm situated at Gongye Yuan District, Nan Shi Jie Dong, Suzhou. Phase 1 of the development has a gross floor area of 132,520 sqm and consists of 968 apartment units. Phase 2 has a gross floor area of 154,049 sqm and consists of 898 apartment units. Phase 3A has a gross floor area of 77,711 sqm and consists of 706 apartment units. | 100.0 |
| **United Kingdom** | | |
| Wandsworth Riverside Quarter | Freehold land of approximately 20,531 sqm situated at south bank of River Thames, London for a proposed residential and commercial development of 510 residential units and ancillary office and retail space of a total of approximately 32,236 sqm of gross floor area for sale. | 80.0 |
| Camberwell Green | Freehold land of approximately 2,310 sqm situated at 1-6 Camberwell Green and 307-311 Camberwell New Road SE5, London. The development consists of 92 private apartments, 9 shared ownership units and 8 commercial units. | 80.0 |

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## DEVELOPMENT PROPERTIES HELD FOR SALE

| | | Stage of Completion % | Estimated Date of Completion | Effective Group Interest % |
|---|---|---|---|---|
| **Singapore** | | | | |
| Parc Life | Leasehold land (lease expires year 2113) of approximately 22,190 sqm at Sembawang Crescent (Sembawang Planning Area) for the development of 628 executive condominium units consisting 7 blocks of 16-storey and 4 blocks of 15-storey residential units with e-deck, swimming pool, ancillary facilities and a basement carpark of approximately 62,066 sqm gross floor area for sale. | 92 | 2nd Quarter 2018 | 80.0 |
| North Park Residences | Leasehold land (lease expires year 2114) of approximately 41,085 sqm at Yishun Avenue 2/Yishun Central for a proposed 3-storey podium block consisting of 173 shops & 94 restaurants, childcare, community club and bus interchange as well as 920 condominium units of approximately 77,335 sqm gross floor area for sale. | 59 | 4th Quarter 2018 | 100.0 |
| **Australia** | | | | |
| Frasers Landing | A residential development comprising 464 land lots to go. | 25 | 2nd Quarter 2022 | 75.0 |
| Central Park – JVs | A residential development comprising 575 apartment lots to go. | 81 | 4th Quarter 2019 | 50.0 |
| Central Park – Broadway | A residential development comprising 294 apartments and 8 non-residential lots to go. | 2 | 3rd Quarter 2019 | 100.0 |
| Putney Hill | A residential development comprising 199 apartment lots to go. | 75 | 1st Quarter 2019 | 100.0 |
| Port Coogee | A residential development comprising 669 apartment and land lots to go. | 3 | 2nd Quarter 2027 | 100.0 |
| Discovery Point Shared Works | A residential development comprising 466 apartment lots to go. | 43 | 2nd Quarter 2020 | 100.0 |
| Cockburn Living | A residential development comprising 399 apartment lots to go. | 54 | 4th Quarter 2025 | 100.0 |
| Fairwater | A residential development comprising 650 apartment, house and land lots to go. | 32 | 3rd Quarter 2020 | 100.0 |
| Cova – Hope Island | A residential development comprising 197 MD housing, house and land lots to go. | 64 | 4th Quarter 2019 | 100.0 |
| Yungaba | A residential development comprising 10 apartment lots to go. | 95 | 2nd Quarter 2018 | 100.0 |
| Northshore – Hamilton | A residential development comprising 545 apartment, MD housing, house and land lots to go. | 39 | 4th Quarter 2022 | 100.0 |

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## DEVELOPMENT PROPERTIES HELD FOR SALE (CONT'D)

| | | Stage of Completion % | Estimated Date of Completion | Effective Group Interest % |
|---|---|---|---|---|
| **Australia (cont'd)** | | | | |
| Casiana Grove | A residential development comprising 20 land lots to go. | 97 | 2nd Quarter 2018 | 100.0 |
| Lidcombe Village Civil | A residential development comprising 41 apartment, MD housing, house and land lots to go. | 68 | 3rd Quarter 2019 | 100.0 |
| Baldivis Grove | A residential development comprising 302 land lots to go. | 18 | 2nd Quarter 2022 | 100.0 |
| Greenvale | A residential development comprising 14 MD housing and land lots to go. | 98 | 1st Quarter 2019 | 100.0 |
| Baldivis Parks | A residential development comprising 814 MD housing and land lots to go. | 22 | 2nd Quarter 2026 | 50.0 |
| Wallan | A residential development comprising 1,452 land lots to go. | 25 | 4th Quarter 2026 | 50.0 |
| Parkville | A residential development comprising 631 apartment lots to go. | 44 | 2nd Quarter 2023 | 50.0 |
| Carlton | A residential development comprising 203 apartment and MD housing lots to go. | 73 | 1st Quarter 2020 | 65.0 |
| Avondale Heights | A residential development comprising 135 MD housing lots to go. | – | 2nd Quarter 2019 | 100.0 |
| Point Cook | A residential development comprising 376 MD housing and land lots to go. | 31 | 3rd Quarter 2020 | 50.0 |
| Botany | A residential development comprising 360 apartment and MD housing lots to go. | 18 | 3rd Quarter 2018 | 100.0 |
| Coorparoo Square | A residential development comprising 370 apartment lots to go. | – | 2nd Quarter 2018 | 50.0 |
| Park Ridge | A residential development comprising 54 land lots to go. | 86 | 4th Quarter 2018 | 100.0 |
| Burwood Brickworks | A residential development comprising 713 MD housing, land and apartment lots to go. | – | 2nd Quarter 2025 | 100.0 |
| North Ryde | A residential development comprising 383 apartment lots to go. | – | 3rd Quarter 2018 | 50.0 |
| Warriewood | A development comprising 1 superlot to go. | – | 3rd Quarter 2018 | 100.0 |

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## DEVELOPMENT PROPERTIES HELD FOR SALE (CONT'D)

| | | Stage of Completion % | Estimated Date of Completion | Effective Group Interest % |
|---|---|---|---|---|
| **Australia (cont'd)** | | | | |
| Edmondson Park | A residential development comprising 1,813 apartment lots to go. | – | 3rd Quarter 2024 | 100.0 |
| Brookhaven | A residential development comprising 1,439 land lots to go. | 7 | 2nd Quarter 2024 | 100.0 |
| Deebing Heights | A residential development comprising 966 land lots to go. | – | 2nd Quarter 2026 | 100.0 |
| Shell Cove | A residential development comprising 996 MD housing, house and land lots to go. | 66 | 2nd Quarter 2025 | 50.0 |
| Berwick Waters | A residential development comprising 1,076 land lots to go. | 49 | 2nd Quarter 2024 | 50.0 |
| Sunbury Fields | A residential development comprising 159 land lots to go. | 59 | 4th Quarter 2018 | 100.0 |
| Westmeadows | A residential development comprising 120 MD housing and land lots to go. | 43 | 3rd Quarter 2019 | 100.0 |
| Port Coogee | A residential development comprising 6 land lots to go. | 44 | 4th Quarter 2018 | 50.0 |
| Seaspray | A residential development comprising 3 land lots to go. | 84 | 4th Quarter 2019 | 50.0 |
| ART | A residential development comprising 1 land lot to go. | – | 3rd Quarter 2018 | 50.0 |
| Greenwood | A residential development comprising 138 apartment and MD housing lots to go. | – | 1st Quarter 2021 | 100.0 |
| Ivanhoe | A residential development comprising 1,016 social dwellings and 2,395 apartments to go. | – | 4th Quarter 2029 | 100.0 |
| Wyndham Vale | A residential development comprising 1,174 land lots to go and 20 retail lots to go. | – | 4th Quarter 2026 | 100.0 |
| CEVA Alliance, West Park, Victoria | Built form project with estimated gross lettable area of 37,177 sqm. | – | 1st Quarter 2018 | 100.0 |
| OJI, Yatala, Queensland | Built form project with estimated gross lettable area of 24,486 sqm. | 92 | 1st Quarter 2018 | 100.0 |

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## DEVELOPMENT PROPERTIES HELD FOR SALE (CONT'D)

| | | Stage of Completion % | Estimated Date of Completion | Effective Group Interest % |
|---|---|---|---|---|
| **Australia (cont'd)** | | | | |
| National Tiles & Spec, West Park, Victoria | Built form project with estimated gross lettable area of 30,023 sqm. | – | 1st Quarter 2018 | 100.0 |
| Vivin, Western Sydney Parklands Trust, New South Wales | Built form project with estimated gross lettable area of 26,055 sqm. | – | 3rd Quarter 2018 | 100.0 |
| Primewest, Derrimut, Victoria | Built form project with estimated gross lettable area of 23,028 sqm. | 62 | 1st Quarter 2018 | 100.0 |
| Spec 6 (Silvan/ Rubies), Keysborough, Victoria | Built form project with estimated gross lettable area of 28,335 sqm. | – | 3rd Quarter 2018 | 100.0 |
| PFD, Chullora, New South Wales | Built form project with estimated gross lettable area of 22,208 sqm. | – | 4th Quarter 2018 | 100.0 |
| Rhino Rack & Spec, Eastern Creek, New South Wales | Built form project with estimated gross lettable area of 26,550 sqm. | – | 3rd Quarter 2018 | 100.0 |
| Eastern Creek – Stage 2, New South Wales | Industrial type of estate with an estimated total saleable area of 8,688 sqm. | – | 1st Quarter 2018 | 100.0 |
| Eastern Creek – Stage 3, New South Wales | Industrial type of estate with an estimated total saleable area of 15,082 sqm. | – | 1st Quarter 2018 | 50.0 |
| Eastern Creek – Stage 5, New South Wales | Industrial type of estate with an estimated total saleable area of 55,358 sqm. | 47 | 1st Quarter 2020 | 100.0 |
| Macquarie Park, New South Wales | Office type of estate with an estimated total saleable area of 15,620 sqm. | – | 1st Quarter 2019 | 50.0 |
| Keysborough – Stage 6, Victoria | Industrial type of estate with an estimated total saleable area of 5,394 sqm. | 96 | 3rd Quarter 2018 | 100.0 |
| Keysborough – Stage 8, Victoria | Industrial type of estate with an estimated total saleable area of 79,985 sqm. | 38 | 4th Quarter 2018 | 100.0 |

## DEVELOPMENT PROPERTIES HELD FOR SALE (CONT'D)

| | | Stage of Completion % | Estimated Date of Completion | Effective Group Interest % |
|---|---|---|---|---|
| **Australia (cont'd)** | | | | |
| Truganina – Stage 12, West Park, Victoria | Industrial type of estate with an estimated total saleable area of 62,156 sqm. | 45 | 4th Quarter 2018 | 100.0 |
| Truganina – Stage 13, West Park, Victoria | Industrial type of estate with an estimated total saleable area of 78,840 sqm. | 79 | 1st Quarter 2019 | 100.0 |
| Truganina – Stage 15, West Park, Victoria | Industrial type of estate with an estimated total saleable area of 67,944 sqm. | 61 | 4th Quarter 2020 | 100.0 |
| Inala, Queensland | Industrial type of estate with an estimated total saleable area of 22,222 sqm. | – | 1st Quarter 2019 | 100.0 |
| Berrinba – Church Lot, Queensland | Industrial type of estate with an estimated total saleable area of 30,496 sqm. | – | 1st Quarter 2019 | 100.0 |
| Yatala, Queensland | Industrial type of estate with an estimated total saleable area of 151,189 sqm. | 44 | 3rd Quarter 2021 | 100.0 |
| Burwood – Retail | Retail type of estate with an estimated total saleable area of 25,000 sqm. | – | 4th Quarter 2019 | 100.0 |
| Western Sydney Parklands Trust – Retail | Retail type of estate with an estimated total saleable area of 157,700 sqm. | – | 4th Quarter 2021 | 100.0 |
| Gillman, South Australia | Industrial type of estate with an estimated total saleable area of 15,016 sqm. | – | 1st Quarter 2018 | 50.0 |
| Kellar Street, Berrinba | Industrial type of estate with an estimated total saleable area of 44,580 sqm. | – | 1st Quarter 2020 | 100.0 |
| Mulgrave, Victoria | Office type of estate with an estimated total saleable area of 45,309 sqm. | – | 2nd Quarter 2025 | 50.0 |
| Braeside, Victoria | Industrial type of estate with an estimated total saleable area of 209,269 sqm. | – | 4th Quarter 2022 | 100.0 |
| Eastern Creek Lot 531, New South Wales | Industrial type of estate with an estimated total saleable area of 35,000 sqm. | – | 3rd Quarter 2019 | 100.0 |

## DEVELOPMENT PROPERTIES HELD FOR SALE (CONT'D)

| | | Stage of Completion % | Estimated Date of Completion | Effective Group Interest % |
|---|---|---|---|---|
| **China** | | | | |
| Chengdu Logistics Hub | Leasehold land (lease expires year 2057) of approximately 195,846 sqm situated at Chengdu for a proposed industrial/ commercial development of approximately 548,065 sqm gross floor area for sale, which is separated into Phase 1 of 161,288 sqm and Phase 2 to 4 of 386,777 sqm. Phases 1, 2 and 4 of the development were completed. Phase 3 was sold in September 2012. Phase 2A is yet to be developed. | – | 3rd Quarter 2019 | 80.0 |
| Baitang One | Leasehold land (lease expires year 2074) of approximately 314,501 sqm situated at Gongye Yuan district, Nan Shi Jie Dong, Suzhou for a residential development of a total of approximately 555,285 sqm of gross floor area for sale, which is separated into Phase 1 of 132,520 sqm, Phase 2 of 151,049 sqm and Phase 3 of 273,055 sqm. Phases 1, 2, 3A and 3C1 of the development were completed. | | | |
| | – Phase 3B | 89 | 1st Quarter 2018 | 100.0 |
| | – Phase 3C2 | – | 3rd Quarter 2019 | 100.0 |
| **New Zealand** | | | | |
| Coast Papamoa Beach | Freehold land of approximately 271,168 sqm situated at Tauranga, North Island for a proposed development of approximately 316 land lots of approximately 139,906 sqm of lot area for sale. | – | 3rd Quarter 2018 | 75.0 |
| **United Kingdom** | | | | |
| Wandsworth Riverside Quarter | Freehold land of approximately 20,531 sqm situated at south bank of River Thames, London for a proposed residential and commercial development of 510 residential units and ancillary office and retail space of a total of approximately 32,236 sqm of gross floor area for sale. | 12 | 1st Quarter 2020 | 80.0 |
| Baildon project | Freehold land of approximately 5,870 sqm situated at Baildon. | – | – | 80.0 |
| Brown Street project | Freehold land of approximately 3,157 sqm situated at Brown Street, Glasgow. | – | – | 80.0 |

# PARTICULARS OF GROUP PROPERTIES

AS AT 30 SEPTEMBER 2017

## DEVELOPMENT PROPERTIES HELD FOR SALE (CONT'D)

| | | Stage of Completion % | Estimated Date of Completion | Effective Group Interest % |
|---|---|---|---|---|
| **Vietnam** | | | | |
| G Homes project | Leasehold land of approximately 7,956 sqm located at district 2, Ho Chi Minh city for a residential development of a total of approximately 50,408 sqm of gross floor area for sale, which is separated into high rise of 42,253 sqm for residential apartments (38,566 sqm) and shop house (3,687 sqm) and low rise of 8,155 sqm for landed houses. | – | 2nd Quarter 2021 | 70.0 |

# INTERESTED PERSON TRANSACTIONS

Particulars of interested person transactions ("**IPTs**") for the period from 1 October 2016 to 30 September 2017 as required under Rule 907 of the SGX Listing Manual are set out below.

| Name of interested person | Aggregate value of all IPTs during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) $'000 | Aggregate value of all IPTs 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** [1] | | |
| – Purchase of products and obtaining of services | – | 3,146 |
| – Lease of retail/office/hotel space | 301 | 6,232 |
| – Interest charged on loans | – | 1,808 |
| – Acquisition of interest in a joint venture | 289,169 | – |
| **Frasers Hospitality Trust** | | |
| – Provision of services | – | 116 |
| **Wee Joo Yeow, Non-executive and Independent Director** | | |
| – Sale of property units | 8,122 | – |

**Note :**

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

## MATERIAL CONTRACTS (RULE 1207 (8) OF THE SGX LISTING MANUAL)

There were no material contracts entered into by the Company or any of its subsidiaries involving the interests of any Director or controlling shareholder of the Company during the financial year under review, save as disclosed above and in this Annual Report.

# SHAREHOLDING STATISTICS

AS AT 12 DECEMBER 2017

Class of Shares – Ordinary shares
Voting Rights – One vote per share

## DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

| Size of Holding | No. of Shareholders | % | No. of Shares | % |
|---|---|---|---|---|
| 1 – 99 | 74 | 0.99 | 2,131 | 0.00 |
| 100 – 1,000 | 462 | 6.21 | 309,484 | 0.01 |
| 1,001 – 10,000 | 4,653 | 62.52 | 23,214,307 | 0.80 |
| 10,001 – 1,000,000 | 2,231 | 29.98 | 129,763,196 | 4.47 |
| 1,000,001 and above | 22 | 0.30 | 2,752,035,576 | 94.72 |
| **TOTAL** | **7,442** | **100.00** | **2,905,324,694** | **100.00** |

## TWENTY LARGEST SHAREHOLDERS (AS SHOWN IN THE REGISTER OF MEMBERS AND DEPOSITORY REGISTER)

| No. | Shareholder's Name | No. of Shares Held | %* |
|---|---|---|---|
| 1 | DBS Nominees Pte Ltd | 879,982,074 | 30.29 |
| 2 | United Overseas Bank Nominees Pte Ltd | 863,627,902 | 29.73 |
| 3 | InterBev Investment Limited | 824,847,644 | 28.39 |
| 4 | Citibank Nominees Singapore Pte Ltd | 97,029,137 | 3.34 |
| 5 | DBS Vickers Securities (Singapore) Pte Ltd | 20,866,720 | 0.72 |
| 6 | HSBC (Singapore) Nominees Pte Ltd | 14,590,300 | 0.50 |
| 7 | Raffles Nominees (Pte) Ltd | 12,513,182 | 0.43 |
| 8 | UOB Kay Hian Pte Ltd | 9,635,321 | 0.33 |
| 9 | Lim Ee Seng | 3,673,804 | 0.13 |
| 10 | Phay Thong Huat Pte Ltd | 3,618,000 | 0.12 |
| 11 | DB Nominees (Singapore) Pte Ltd | 3,301,030 | 0.11 |
| 12 | DBSN Services Pte Ltd | 3,116,085 | 0.11 |
| 13 | Morgan Stanley Asia (Singapore) Securities Pte Ltd | 2,104,616 | 0.07 |
| 14 | The Titular Roman Catholic Archbishop of Kuala Lumpur | 2,013,440 | 0.07 |
| 15 | Choo Meileen | 1,812,130 | 0.06 |
| 16 | Chee Swee Cheng & Co Pte Ltd | 1,693,220 | 0.06 |
| 17 | OCBC Nominees Singapore Pte Ltd | 1,418,220 | 0.05 |
| 18 | OCBC Securities Private Ltd | 1,409,180 | 0.05 |
| 19 | Phillip Securities Pte Ltd | 1,319,886 | 0.05 |
| 20 | CIMB Securities (Singapore) Pte Ltd | 1,253,685 | 0.04 |
| **TOTAL** | | **2,749,825,576** | **94.65** |

**Note**

* Percentage is based on 2,905,324,694 shares as at 12 December 2017. There are no Treasury Shares as at 12 December 2017.

# SHAREHOLDING STATISTICS

AS AT 12 DECEMBER 2017

## SUBSTANTIAL SHAREHOLDERS (AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

| | Direct Interest | | Deemed Interest | |
|---|---|---|---|---|
| | No. of Shares | %* | No. of Shares | %* |
| TCC Assets Limited | 1,716,160,124 | 59.07 | – | – |
| InterBev Investment Limited | 824,847,644 | 28.39 | – | – |
| International Beverage Holdings Limited (1) | – | – | 824,847,644 | 28.39 |
| Thai Beverage Public Company Limited (2) | – | – | 824,847,644 | 28.39 |
| Siriwana Company Limited (3) | – | – | 824,847,644 | 28.39 |
| MM Group Limited (4) | – | – | 824,847,644 | 28.39 |
| Maxtop Management Corp. (4) | – | – | 824,847,644 | 28.39 |
| Risen Mark Enterprise Ltd. (4) | – | – | 824,847,644 | 28.39 |
| Golden Capital (Singapore) Limited (4) | – | – | 824,847,644 | 28.39 |
| Charoen Sirivadhanabhakdi (5) | – | – | 2,541,007,768 | 87.46 |
| Khunying Wanna Sirivadhanabhakdi (5) | – | – | 2,541,007,768 | 87.46 |

To the best of the Company's knowledge and based on records of the Company as at 12 December 2017, approximately 12%* of the issued shares of the Company are held in the hands of the public and this complies with Rule 723 of the Listing Manual.

**Notes:**

* Percentage is based on 2,905,324,694 shares as at 12 December 2017. There are no Treasury Shares as at 12 December 2017.

(1) International Beverage Holdings Limited ("**IBHL**") holds a 100% direct interest in InterBev Investment Limited ("**IBIL**") and is therefore deemed to be interested in all of the shares of Frasers Centrepoint Limited ("**FCL**") in which IBIL has an interest.

(2) Thai Beverage Public Company Limited ("**ThaiBev**") holds a 100% direct interest in IBHL, which in turn holds a 100% direct interest in IBIL. ThaiBev is therefore deemed to be interested in all of the shares of FCL in which IBIL has an interest.

(3) Siriwana Company Limited ("**Siriwana**") holds an aggregate of approximately 45.27% interest in ThaiBev. This comprises a direct interest of 43.68% and an indirect interest of 1.59% held through Sirisopha Company Limited ("**Sirisopha**"). Siriwana holds an approximate 99.98% direct interest in Sirisopha which in turn holds an approximate 1.59% direct interest in ThaiBev;

- ThaiBev holds a 100% direct interest in IBHL; and
- IBHL holds a 100% direct interest in IBIL.

Siriwana is therefore deemed to be interested in all of the shares of FCL in which IBIL has an interest.

(4) MM Group Limited ("**MM Group**") holds a 100% direct interest in each of Maxtop Management Corp. ("**Maxtop**"), Risen Mark Enterprise Ltd. ("**RM**") and Golden Capital (Singapore) Limited ("**GC**");

- Maxtop holds a 17.23% direct interest in ThaiBev;
- RM holds a 3.32% direct interest in ThaiBev;
- GC holds a 0.06% direct interest in ThaiBev.
- ThaiBev holds a 100% direct interest in IBHL; and
- IBHL holds a 100% direct interest in IBIL.

MM Group is therefore deemed to be interested in all of the shares of FCL in which IBIL has an interest.

(5) Each of Charoen Sirivadhanabhakdi and his spouse, Khunying Wanna Sirivadhanabhakdi, owns 50% of the issued and paid-up share capital of TCC Assets Limited ("**TCCA**"), and is therefore deemed to be interested in all of the shares of FCL in which TCCA has an interest.

Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi also jointly hold:

- a 51% direct interest in Siriwana. Siriwana holds an aggregate of approximately 45.27% interest in ThaiBev. This comprises a direct interest of 43.68% and indirect interest of 1.59% held through Sirisopha. Siriwana holds an approximate 99.98% direct interest in Sirisopha which in turn holds an approximate 1.59% direct interest in ThaiBev; and
- a 100% direct interest in MM Group. MM Group holds a 100% direct interest in each of Maxtop, RM and GC. Maxtop holds a 17.23% direct interest in ThaiBev; RM holds a 3.32% direct interest in ThaiBev; and GC holds a 0.06% direct interest in ThaiBev.

ThaiBev holds a 100% direct interest in IBHL, which in turn holds a 100% direct interest in IBIL. Each of Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is therefore deemed to be interested in all of the shares of FCL in which IBIL has an interest.

# NOTICE OF ANNUAL GENERAL MEETING

**FRASERS CENTREPOINT LIMITED**
(Incorporated in Singapore)
(Company Registration No. 196300440G)

**NOTICE OF ANNUAL GENERAL MEETING**
Date : **29 January 2018**
Place : **Ballrooms II and III, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966**

**NOTICE IS HEREBY GIVEN** that the 54th Annual General Meeting of FRASERS CENTREPOINT LIMITED (the "**Company**") will be held at Ballrooms II and III, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966 on Monday, 29 January 2018 at 2.00 p.m. for the following purposes:

## ROUTINE BUSINESS

(1) To receive and adopt the Directors' statement and audited financial statements for the year ended 30 September 2017 and the auditors' report thereon.

(2) To approve a final tax-exempt (one-tier) dividend of 6.2 cents per share in respect of the year ended 30 September 2017.

(3) To pass the following resolutions on the recommendation of the Nominating Committee and endorsement of the Board of Directors in respect of appointment of Directors (see note (a) of the explanatory notes):

(a) "That Mr Charoen Sirivadhanabhakdi, who will retire by rotation pursuant to article 94 of the Constitution of the Company and who, being eligible, has offered himself for re-election, be and is hereby re-appointed as a Director of the Company."

Subject to his re-appointment, Mr Charoen will be re-appointed as Chairman of the Board of Directors and Chairman of the Board Executive Committee.

(b) "That Khunying Wanna Sirivadhanabhakdi, who will retire by rotation pursuant to article 94 of the Constitution of the Company and who, being eligible, has offered herself for re-election, be and is hereby re-appointed as a Director of the Company."

Subject to her re-appointment, Khunying Wanna will be re-appointed as Vice-Chairman of the Board of Directors.

(c) "That Mr Chan Heng Wing, who will retire by rotation pursuant to article 94 of the Constitution of the Company and who, being eligible, has offered himself for re-election, be and is hereby re-appointed as a Director of the Company."

Subject to his re-appointment, Mr Chan, who is considered an independent Director, will be re-appointed as a member of the Risk Management Committee, a member of the Nominating Committee and a member of the Remuneration Committee.

(d) "That Mr Weerawong Chittmittrapap, who will retire by rotation pursuant to article 94 of the Constitution of the Company and who, being eligible, has offered himself for re-election, be and is hereby re-appointed as a Director of the Company."

Subject to his re-appointment, Mr Chittmittrapap, who is considered an independent Director, will be re-appointed as Chairman of the Nominating Committee and a member of the Risk Management Committee.

(e) "That Mr Tan Pheng Hock, who will cease to hold office pursuant to article 100 of the Constitution of the Company and who, being eligible, has offered himself for re-election, be and is hereby re-appointed as a Director of the Company."

Mr Tan is considered an independent Director.

(4) To approve Directors' fees of up to S$2,000,000 payable by the Company for the year ending 30 September 2018 (last year: up to S$2,000,000).

(5) To re-appoint KPMG LLP as the auditors of the Company and to authorise the Directors to fix their remuneration.

## SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolutions, of which Resolutions (6), (7), (8) and (9) will be proposed as Ordinary Resolutions and Resolution (10) will be proposed as a Special Resolution:

(6) "That authority be and is hereby given to the Directors of the Company to:

(a) (i) issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(7) "That authority be and is hereby given to the Directors of the Company to:

(a) grant awards in accordance with the provisions of the FCL Restricted Share Plan (the "**Restricted Share Plan**") and/or the FCL Performance Share Plan (the "**Performance Share Plan**"); and

(b) allot and issue such number of ordinary shares of the Company as may be required to be delivered pursuant to the vesting of awards under the Restricted Share Plan and/or the Performance Share Plan,

provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, pursuant to the Restricted Share Plan and the Performance Share Plan, shall not exceed 10% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) from time to time, and in this Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the Singapore Exchange Securities Trading Limited."

(8) "That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of Mandated Transactions described in Appendix 1 to the Letter to Shareholders dated 3 January 2018 (the "**Letter**"), with any party who is of the class of Mandated Interested Persons described in Appendix 1 to the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such Mandated Transactions (the "**IPT Mandate**");

(b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and

(c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution."

(9) "That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**Shares**") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") transacted through the trading system of the SGX-ST and/or any other securities exchange on which the Shares may for the time being be listed and quoted ("**Other Exchange**"); and/or

(ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held;

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and

(iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of a Share over the five consecutive market days on which the Shares are transacted on the SGX-ST or, as the case may be, Other Exchange, immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period;

"**date of the making of the offer**" means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the off-market purchase;

"**Maximum Percentage**" means that number of issued Shares representing 2% of the issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed 105% of the Average Closing Price of the Shares; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution."

(10) "That:

(a) the name of the Company be changed from "Frasers Centrepoint Limited" to "Frasers Property Limited" and that the name "Frasers Property Limited" be substituted for "Frasers Centrepoint Limited" wherever the latter name appears in the Company's Constitution; and

(b) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to this Resolution."

By Order of the Board
Catherine Yeo
Company Secretary

Singapore, 3 January 2018

**Notes:**

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of his shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies (a form is enclosed) must be deposited at the Share Registration Office of the Company at Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road #11-02, Singapore 068898, not less than 72 hours before the time appointed for holding the Annual General Meeting.

**Explanatory notes:**

(a) Detailed information on the Directors who are proposed to be re-appointed can be found under "Board of Directors" and "Corporate Governance" in the Company's Annual Report 2017.

(b) The Ordinary Resolution proposed in item (6) above is to authorise the Directors of the Company from the date of the Annual General Meeting until the next Annual General Meeting to issue shares and/or make or grant instruments that might require shares to be issued, and to issue shares in pursuance of such instruments, up to a limit of 50% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings), with a sub-limit of 20% for issues other than on a *pro rata* basis, calculated as described in the Resolution. As at 8 December 2017 (the "**Latest Practicable Date**"), the Company had no treasury shares and no subsidiary holdings.

(c) The Ordinary Resolution proposed in item (7) above is to authorise the Directors of the Company to offer and grant awards and to issue ordinary shares of the Company pursuant to the FCL Restricted Share Plan (the "**Restricted Share Plan**") and the FCL Performance Share Plan (the "**Performance Share Plan**") provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with existing ordinary shares (including shares held in treasury) delivered and/or to be delivered, pursuant to the Restricted Share Plan and the Performance Share Plan, shall not exceed 10% of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings), over the 10-year duration of the Restricted Share Plan and the Performance Share Plan.

(d) The Ordinary Resolution proposed in item (8) above is to renew the mandate to enable the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9 of the Listing Manual, or any of them, to enter into certain interested person transactions with specified classes of interested persons, as described in Appendix 1 to the Letter to Shareholders dated 3 January 2018 (the "**Letter**"). Please refer to the Letter for more details.

(e) The Ordinary Resolution proposed in item (9) above is to renew the mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares, on the terms and subject to the conditions set out in the Resolution.

The Company intends to use internal resources or external borrowings or a combination of both to finance the purchase or acquisition of its ordinary shares. The amount of financing required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

Purely for illustrative purposes only, the financial effects of an assumed purchase or acquisition of 58,106,493 ordinary shares on the Latest Practicable Date, representing 2% of the issued ordinary shares as at that date, at the maximum price of S$2.16 for one ordinary share (being the price equivalent to 5% above the average of the closing market prices of the ordinary shares for the five consecutive market days on which the ordinary shares were traded on the Singapore Exchange Securities Trading Limited immediately preceding the Latest Practicable Date), in the case of a market purchase and an off-market purchase respectively, based on the audited financial statements of the Company and its subsidiaries for the financial year ended 30 September 2017 and certain assumptions, are set out in paragraph 3.7 of the Letter.

Please refer to the Letter for more details.

(f) The Special Resolution proposed in item (10) above is to approve the proposed change of name of the Company from "Frasers Centrepoint Limited" to "Frasers Property Limited". The rationale for the proposed change of name is set out in the Letter. Please refer to the Letter for more details.

### Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting ("**AGM**") and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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# FRASERS CENTREPOINT LIMITED

(Incorporated in Singapore)
(Company Registration No. 196300440G)

**IMPORTANT**

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in Frasers Centrepoint Limited, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 3 January 2018.

# PROXY FORM
## ANNUAL GENERAL MEETING

I/We ________________________________ (Name) ____________________________ (NRIC/Passport/Co Reg Number)

of ________________________________________________________________________________ (Address)

being a member/members of Frasers Centrepoint Limited (the "**Company**"), hereby appoint:

| Name | Address | NRIC/Passport Number | Proportion of Shareholdings | |
|---|---|---|---|---|
| | | | No. of Shares | % |
| | | | | |

and/or (delete as appropriate)

| Name | Address | NRIC/Passport Number | Proportion of Shareholdings | |
|---|---|---|---|---|
| | | | No. of Shares | % |
| | | | | |

or failing him/them, the Chairman of the Annual General Meeting ("**AGM**") as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the AGM of the Company to be held at 2.00 p.m. on 29 January 2018 at Ballrooms II and III, Level 2, InterContinental Singapore, 80 Middle Road Singapore 188966, and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM (of which Resolution Nos. 1 to 9 will be proposed as Ordinary Resolutions and Resolution No. 10 will be proposed as a Special Resolution) as indicated below. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they may on any other matter arising at the AGM.

| NO. | RESOLUTIONS RELATING TO: | No. of Votes For* | No. of Votes Against* |
|---|---|---|---|
| | **ROUTINE BUSINESS** | | |
| 1. | To receive and adopt the Directors' statement and audited financial statements for the year ended 30 September 2017 and the auditors' report thereon. | | |
| 2. | To approve a final tax-exempt (one-tier) dividend of 6.2 cents per share in respect of the year ended 30 September 2017. | | |
| 3. | (a) To re-appoint Director: Mr Charoen Sirivadhanabhakdi | | |
| | (b) To re-appoint Director: Khunying Wanna Sirivadhanabhakdi | | |
| | (c) To re-appoint Director: Mr Chan Heng Wing | | |
| | (d) To re-appoint Director: Mr Weerawong Chittmittrapap | | |
| | (e) To re-appoint Director: Mr Tan Pheng Hock | | |
| 4. | To approve Directors' fees of up to S$2,000,000 payable by the Company for the year ending 30 September 2018 (last year: up to S$2,000,000). | | |
| 5. | To re-appoint KPMG LLP as the auditors of the Company and to authorise the Directors to fix their remuneration. | | |
| | **SPECIAL BUSINESS** | | |
| 6. | To authorise the Directors to issue shares and to make or grant convertible instruments. | | |
| 7. | To authorise the Directors to grant awards and to allot and issue shares pursuant to the FCL Restricted Share Plan and/or the FCL Performance Share Plan. | | |
| 8. | To approve the proposed renewal of the mandate for interested person transactions. | | |
| 9. | To approve the proposed renewal of the share purchase mandate. | | |
| 10. | To approve the proposed change of name of the Company. | | |

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please indicate the number of shares in the boxes provided.

Dated this ____________ day of ____________________ 2018.

| Total Number of Shares held (Note 1) | |
|---|---|

_______________________________________
Signature(s) of Member(s) or Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

fold and seal here

**NOTES TO PROXY FORM:**

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy or proxies will be deemed to relate to all the shares held by the member.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of his shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the Share Registration Office of the Company at Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road #11-02, Singapore 068898, not less than 72 hours before the time appointed for holding the Annual General Meeting.
5. Completion and return of the instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Annual General Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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Affix
Postage
Stamp

THE COMPANY SECRETARY
**FRASERS CENTREPOINT LIMITED**
c/o Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #11-02
Singapore 068898

fold here

FRASERS CENTREPOINT

**FRASERS CENTREPOINT LIMITED**
Company Registration Number: 196300440G

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**fraserscentrepoint.com**

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