FRASERS PROPERTY
星狮地产

Frasers Property (China) Limited
星獅地產（中國）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 535)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

ANNUAL RESULTS

The Board of Directors (the "Board") of Frasers Property (China) Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 September 2012 together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 30 September 2012

	Notes	**2012** *HK$'000*	2011 *HK$'000*
Revenue	*3*	**199,264**	302,604
Cost of sales		**(10,001)**	(67,786)
Gross profit		**189,263**	234,818
Direct operating expenses		**(81,433)**	(73,657)
Other income and gain	*3*	**71,707**	57,088
Changes in fair values of investment properties		**667,648**	226,103
Other operating expenses		**(24,401)**	(29,271)
Administrative expenses		**(33,794)**	(29,932)
Finance costs	*4*	**(29,626)**	(30,421)
Profit before tax	*5*	**759,364**	354,728
Tax	*6*	**(214,766)**	(131,526)
Profit for the year		**544,598**	223,202
Attributable to:			
Owners of the Company		**497,150**	205,836
Non-controlling interests		**47,448**	17,366
		544,598	223,202
Earnings per share attributable to owners of the Company:			
– Basic (HK$)	*7*	**0.0726**	0.0301
– Diluted (HK$)	*7*	**0.0724**	0.0300

* *For identification purpose only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2012

	2012 *HK$'000*	2011 *HK$'000*
Profit for the year	**544,598**	223,202
Other comprehensive income		
Cash flow hedges:		
Effective portion of changes in fair values of hedging instruments arising during the year, net	**2,462**	971
	2,462	971
Exchange fluctuation reserves:		
Release on disposal of a subsidiary	**–**	(31,860)
Exchange differences on translation of foreign operations	**3,606**	176,848
	3,606	144,988
Other comprehensive income for the year, net of tax	**6,068**	145,959
Total comprehensive income for the year	**550,666**	369,161
Attributable to:		
Owners of the Company	**503,201**	312,061
Non-controlling interests	**47,465**	57,100
	550,666	369,161

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2012

	Notes	2012 HK$'000	2011 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,728**	1,813
Investment properties		**2,129,075**	1,456,147
Prepayments, deposits and other receivables		**1,847**	1,891
Available-for-sale financial investment		**8,822**	8,822
Deferred tax assets		**–**	7,569
Total non-current assets		**2,141,472**	1,476,242
CURRENT ASSETS			
Properties held for sale		**79,061**	90,251
Properties under development		**2,104,039**	1,862,115
Trade receivables	8	**4,946**	1,316
Prepayments, deposits and other receivables		**13,029**	540,014
Due from a non-controlling shareholder		**63,254**	–
Due from the immediate holding company		**–**	63,385
Derivative financial instrument		**–**	971
Restricted cash		**74**	73
Deposits, bank and cash balances		**1,276,805**	899,394
Total current assets		**3,541,208**	3,457,519
CURRENT LIABILITIES			
Trade payables	9	**28,152**	38,014
Advanced receipts, accruals and other payables		**163,181**	247,390
Interest-bearing bank and other borrowings		**1,178,079**	485,904
Due to a non-controlling shareholder		**76,590**	–
Due to a related company		**189**	–
Due to the immediate holding company		**–**	81,634
Due to a fellow subsidiary		**–**	42
Tax payable		**69,023**	80,133
Total current liabilities		**1,515,214**	933,117

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
30 September 2012

	2012	2011
	HK$'000	*HK$'000*
NET CURRENT ASSETS	**2,025,994**	2,524,402
TOTAL ASSETS LESS CURRENT LIABILITIES	**4,167,466**	4,000,644
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**260,504**	818,799
Deferred tax liabilities	**401,015**	223,696
Total non-current liabilities	**661,519**	1,042,495
NET ASSETS	**3,505,947**	2,958,149
EQUITY		
Equity attributable to owners of the Company		
Issued capital	**686,414**	684,940
Reserves	**2,135,987**	1,630,654
	2,822,401	2,315,594
Non-controlling interests	**683,546**	642,555
TOTAL EQUITY	**3,505,947**	2,958,149

Notes:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and derivative financial instruments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

1.1 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets*
HKAS 24 (Revised)	*Related Party Disclosures*
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*
Improvements to HKFRSs 2010	Amendments to a number of HKFRSs issued in May 2010

Other than as further explained below regarding the impact of HKAS 24 (Revised), the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting HKAS 24 (Revised) are as follows:

HKAS 24 (Revised) clarifies and simplifies the definitions of related parties. The new definitions emphasise a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard. The adoption of the revised standard did not have any impact on the financial position or performance of the Group.

1.2 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans* [3]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities* [3]
HKFRS 9	*Financial Instruments* [5]
HKFRS 10	*Consolidated Financial Statements* [3]
HKFRS 11	*Joint Arrangements* [3]
HKFRS 12	*Disclosure of Interests in Other Entities* [3]
HKFRS 13	*Fair Value Measurement* [3]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 *Transition Guidance* [3]
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income* [2]
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets* [1]
HKAS 19 (2011)	*Employee Benefits* [3]
HKAS 27 (2011)	*Separate Financial Statements* [3]
HKAS 28 (2011)	*Investments in Associates and Joint Ventures* [3]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* [4]
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine* [3]
Annual Improvement Project	*Annual Improvements to HKFRSs 2009-2011 Cycle* [3]

1 Effective for annual periods beginning on or after 1 January 2012
2 Effective for annual periods beginning on or after 1 July 2012
3 Effective for annual periods beginning on or after 1 January 2013
4 Effective for annual periods beginning on or after 1 January 2014
5 Effective for annual periods beginning on or after 1 January 2015

Further information about those changes that are expected to significantly affect the Group is as follows:

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the "Additions") and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated at fair value through profit or loss using the fair value option ("FVO"). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income ("OCI"). The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on hedge accounting and impairment of financial assets continues to apply. The Group expects to adopt HKFRS 9 from 1 October 2015.

HKFRS 10 establishes a single control model that applies to all entities including special purpose entities or structured entities. It includes a new definition of control which is used to determine which entities are consolidated. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled, compared with the requirements in HKAS 27 and HK(SIC)-Int 12 *Consolidation – Special Purpose Entities*. HKFRS 10 replaces the portion of HKAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also includes the issues raised in HK(SIC)-Int 12.

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK(SIC)-Int 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. It describes the accounting for joint arrangements with joint control. It addresses only two forms of joint arrangements, i.e., joint operations and joint ventures, and removes the option to account for joint ventures using proportionate consolidation.

HKFRS 12 includes the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities that are previously included in HKAS 27 *Consolidated and Separate Financial Statements*, HKAS 31 *Interests in Joint Ventures* and HKAS 28 *Investments in Associates*. It also introduces a number of new disclosure requirements for these entities.

Consequential amendments were made to HKAS 27 and HKAS 28 as a result of the issuance of HKFRS 10, HKFRS 11 and HKFRS 12. The Group expects to adopt HKFRS 10, HKFRS 11, HKFRS 12, and the consequential amendments to HKAS 27 and HKAS 28 from 1 October 2013.

HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. The Group expects to adopt HKFRS 13 prospectively from 1 October 2013.

Amendments to HKAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items which will never be reclassified. The Group expects to adopt the amendments from 1 October 2013.

HKAS 12 Amendments clarify the determination of deferred tax for investment property measured at fair value. The amendments introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, the amendments incorporate the requirement previously in HK(SIC)-Int 21 *Income Taxes – Recovery of Revalued Non-Depreciable Assets* that deferred tax on non-depreciable assets, measured using the revaluation model in HKAS 16, should always be measured on a sale basis. The Group expects to adopt HKAS 12 Amendments from 1 October 2012.

HKAS 19 (2011) includes a number of amendments that range from fundamental changes to simple clarifications and re-wording. The revised standard introduces significant changes in the accounting for defined benefit pension plans including removing the choice to defer the recognition of actuarial gains and losses. Other changes include modifications to the timing of recognition for termination benefits, the classification of short-term employee benefits and disclosures of defined benefit plans. The Group expects to adopt HKAS 19 (2011) from 1 October 2013.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) the property development segment – development, investment and management of properties;

(b) the business park segment – development, investment and management of business parks; and

(c) the corporate segment – the Group's corporate management services to the residential, commercial and business park projects.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit before tax except that interest income and finance costs are excluded from such measurement.

Segment assets exclude deferred tax assets and certain deposits, bank and cash balances as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, tax payable, deferred tax liabilities and amounts due to a non-controlling shareholder and a related company as these liabilities are managed on a group basis.

During the current and prior years, there were no intersegment transactions.

Year ended 30 September 2012	**Property development** *HK$'000*	**Business park** *HK$'000*	**Corporate** *HK$'000*	**Total** *HK$'000*
Segment revenue:				
Sales to external customers	**21,666**	**177,598**	**–**	**199,264**
Segment results:	**(11,964)**	**806,769**	**(33,373)**	**761,432**
Reconciliation				
Interest income				**27,558**
Finance costs				**(29,626)**
Profit before tax				**759,364**
Segment assets:	**2,997,198**	**2,280,842**	**12,471**	**5,290,511**
Reconciliation				
Other unallocated assets				**392,169**
Total assets				**5,682,680**
Segment liabilities:	**113,305**	**56,371**	**21,657**	**191,333**
Reconciliation				
Other unallocated liabilities				**1,985,400**
Total liabilities				**2,176,733**
Other segment information:				
Changes in fair values of investment properties	**–**	**(667,648)**	**–**	**(667,648)**
Depreciation	**275**	**231**	**32**	**538**
Amortisation of land use rights	**15,205**	**–**	**–**	**15,205**
Capital expenditure*	**391**	**1,520**	**52**	**1,963**

* *Capital expenditure consists of additions to property, plant and equipment and investment properties.*

Year ended 30 September 2011	Property development *HK$'000*	Business park *HK$'000*	Corporate *HK$'000*	Total *HK$'000*
Segment revenue:				
Sales to external customers	142,386	160,218	–	302,604
Segment results:	57,055	344,951	(29,803)	372,203
Reconciliation				
Interest income				12,946
Finance costs				(30,421)
Profit before tax				354,728
Segment assets:	3,189,851	1,578,537	10,145	4,778,533
Reconciliation				
Other unallocated assets				155,228
Total assets				4,933,761
Segment liabilities:	210,576	55,507	19,321	285,404
Reconciliation				
Other unallocated liabilities				1,690,208
Total liabilities				1,975,612
Other segment information:				
Changes in fair values of investment properties	–	(226,103)	–	(226,103)
Depreciation	269	255	27	551
Amortisation of land use rights	14,733	–	–	14,733
Capital expenditure*	445	2,756	29	3,230

* *Capital expenditure consists of additions to property, plant and equipment and investment properties.*

3. REVENUE, OTHER INCOME AND GAIN

Revenue, which is also the Group's turnover, represents sales of properties, gross rental income and property management fee received and receivable from the principal activities and utility income during the year.

An analysis of revenue, other income and gain recognised during the year was as follows:

	2012	2011
	HK$'000	*HK$'000*
Revenue		
Sale of properties	**18,079**	138,992
Gross rental income	**119,017**	104,353
Property management fee income	**52,598**	50,311
Utility income	**9,570**	8,948
	199,264	302,604
Other income and gain		
Recovery of retention money *(Note)*	**41,372**	–
Gain on disposal of a subsidiary	**–**	42,424
Interest income	**27,558**	12,946
Others	**2,777**	1,718
	71,707	57,088

Note: Amount, net of tax, represented the retention money recovered relating to the disposal of the Group's interest in a land development site in Beijing in the prior years.

4. FINANCE COSTS

An analysis of finance costs was as follows:

	2012 *HK$'000*	2011 *HK$'000*
Interest on bank and other borrowings wholly repayable within five years	**49,615**	26,520
Other finance costs	**7,221**	8,362
Total finance costs incurred	**56,836**	34,882
Less: Interest capitalised to properties under development	**(27,210)**	(4,461)
	29,626	30,421

5. PROFIT BEFORE TAX

The Group's profit before tax was arrived at after charging/(crediting):

	2012 *HK$'000*	2011 *HK$'000*
Depreciation	**685**	803
Less: Amounts capitalised to properties under development	**(147)**	(252)
	538	551
Gross rental income *(Note 3)*	**(119,017)**	(104,353)
Less: Outgoing expenses *(Note a)*	**21,927**	22,190
Net rental income *(Note b)*	**(97,090)**	(82,163)
Loss on disposal of items of property, plant and equipment	**42**	8
Changes in fair values of investment properties	**(667,648)**	(226,103)
Impairment of an other receivable	**17,404**	–
Reversal of impairment of an other receivable	**(74)**	–
Amortisation of land use rights	**15,205**	14,733
Minimum lease payments under operating lease in respect of land and buildings	**3,023**	3,243
Employees benefits expenses (including directors' emoluments):		
Wages and salaries	**37,130**	29,701
Share-based compensation expenses	**1,597**	1,499
Pension schemes contributions	**1,071**	796
Less: Forfeited contribution	**(197)**	(51)
Net pension schemes contributions	**874**	745
Total employees benefits expenses	**39,601**	31,945
Auditors' remuneration	**2,209**	1,536
Foreign exchange gains, net	**(998)**	(5,982)

Notes:

(a) The outgoing expenses for the year were included in "direct operating expenses" on the face of the consolidated income statement.

(b) Rental income on investment properties was included in net rental income.

6. TAX

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the year (2011: Nil). Taxation on Mainland China profits was calculated on the estimated assessable profits for the year at the rates of tax prevailing in the jurisdiction in which the Group operates.

The provision of land appreciation tax ("LAT") has been estimated according to the requirements set forth in the relevant PRC laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

The amount of tax charge in the consolidated income statement represented:

	2012	2011
	HK$'000	*HK$'000*
Current – Hong Kong	**–**	–
Current – Mainland China		
Charge for the year	**29,708**	40,058
Under-provision in prior years	**457**	10,770
LAT in Mainland China	**557**	28,963
Deferred	**184,044**	51,735
	214,766	131,526

A reconciliation of the tax charge applicable to profit before tax at the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax charge at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, were as follows:

	2012		2011	
	HK$'000	***%***	*HK$'000*	*%*
Profit before tax	**759,364**		354,728	
Tax at Hong Kong profits tax rate at 16.5% (2011: 16.5%)	**125,295**	**16.5**	58,530	16.5
Effect of different taxation rate of specific province or enacted by local authority in Mainland China	**68,118**	**9.0**	30,615	8.6
Adjustment in respect of current tax of previous period	**457**	**–**	10,770	3.0
Income not subject to tax	**(22,916)**	**(3.0)**	(28,470)	(8.0)
Expenses not deductible for tax	**23,182**	**3.1**	16,142	4.6
Utilisation of previously unrecognised tax losses	**(585)**	**(0.1)**	(2,197)	(0.6)
Tax losses for which no deferred tax asset was recognised	**9,555**	**1.3**	11,065	3.1
LAT in Mainland China	**557**	**–**	28,963	8.2
Others	**11,103**	**1.5**	6,108	1.7
Tax charge at the effective rate	**214,766**	**28.3**	131,526	37.1

7. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic earnings per share

The calculation of basic earnings per share was based on the profit for the year attributable to owners of the Company, and the weighted average of 6,850,932,845 (2011: 6,848,629,761) ordinary shares in issue during the year.

(b) Diluted earnings per share

The calculation of diluted earnings per share was based on the profit for the year attributable to owners of the Company. The weighted average number of ordinary shares used in the calculation was the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all potentially dilutive ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share were based on:

	2012	2011
	HK$'000	*HK$'000*
Earnings		
Profit attributable to owners of the Company, used in the basic earnings per share calculation	**497,150**	205,836

	Number of shares	
	2012	2011
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**6,850,932,845**	6,848,629,761
Effect of dilution – weighted average number of ordinary shares:		
Share options	**13,935,693**	8,414,365
	6,864,868,538	6,857,044,126

8. TRADE RECEIVABLES

	Group	
	2012	2011
	HK$'000	*HK$'000*
Trade receivables	**4,959**	1,329
Impairment	**(13)**	(13)
	4,946	1,316

Trade receivables represent sale proceeds in respect of sold properties and rental receivables. Sale proceeds in respect of sold properties are payable by the purchasers pursuant to the terms of the sale and purchase agreements. Rental receivables are billed in advance and are payable by tenants upon receipts of billings within an average credit terms of one month.

Under normal circumstances, the Group does not grant credit terms to its customers. The Group seeks to maintain strict control over its outstanding receivables and to minimise credit risk. Overdue balances are regularly reviewed by Management. In view of the aforementioned and the fact that the Group's trade receivables relate to a certain number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing and unsecured.

All trade receivables at the end of the reporting period were less than one month past due.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

The movements in provision for impairment of trade receivables during the year were as follows:

	Group	
	2012	2011
	HK$'000	*HK$'000*
At the beginning of the financial year	**13**	12
Exchange realignment	**–**	1
At 30 September	**13**	13

Included in the above provision for impairment of trade receivables was a provision for individually impaired trade receivables of HK$13,000 (2011: HK$13,000) with a carrying amount before provision of HK$13,000 (2011: HK$13,000).

The individually impaired trade receivables relate to customers that were experiencing delinquency in interest or principal payments.

9. TRADE PAYABLES

An ageing analysis of the trade payables as at the reporting date, based on the invoice date, was as follows:

	Group	
	2012	2011
	HK$'000	*HK$'000*
Within 1 month	**27,652**	32,247
1 to 3 months	**208**	4,358
Over 3 months	**292**	1,409
	28,152	38,014

Trade payables were non-interest-bearing and were normally settled within an average term of one month.

FINANCIAL REVIEW

The accounting policies and methods of computation used in the preparation of the financial statements for the year ended 30 September 2012 were consistent with those used in the previous year ended 30 September 2011, except where the change in accounting policy is required by accounting standards which came into effect during the financial year.

RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

The revenue of the Group for the year ended 30 September 2012 decreased by 34% to HK$199.3 million from HK$302.6 million for the year ended 30 September 2011. The substantial decrease was primarily due to the delayed sales of the last three units of phase 1 of Shanghai Shanshui Four Seasons project whereas twenty-two units were sold and recognised in the last financial year. The decrease was partially offset by the increase in rental income generated from higher rental rates upon the renewal of the leases for some major tenants of Vision Shenzhen Business Park (VSBP).

Despite the drop in revenue and gross profit, the Group recorded a profit attributable to owners of the Company of HK$497.2 million for the year ended 30 September 2012 versus HK$205.8 million for the year ended 30 September 2011, an increase of 142%. Such increase was mainly contributed by an increase in fair values of investment properties of approximately HK$667.6 million, and a successful claim of a retention money of approximately HK$41.4 million, and partially offset by a provision for reimbursement of approximately HK$7.0 million made for the same court case, while the last financial year's results included the increase in fair values of investment properties amounting to HK$226.1 million and a gain on disposal of a subsidiary of HK$42.4 million but offset by the provision for another litigation claim of HK$29.3 million.

The Group recorded basic earnings per share of HK$0.0726.

FINAL DIVIDEND

The Board has resolved not to propose any final dividend for the year ended 30 September 2012 (year ended 30 September 2011: Nil).

BUSINESS SEGMENTS

Property development

For the year ended 30 September 2012, revenue from the property development segment decreased to HK$21.7 million or 11% of the total revenue, compared to HK$142.4 million or 47% of the total revenue for the year ended 30 September 2011. Of the HK$21.7 million revenue, HK$15.2 million was from the sales of residential units at the Shanghai Shanshui Four Seasons project while another HK$4.0 million was from the sales and management of car-park lots at Scenic Place, Beijing.

Business park

During the year under review, revenue generated by the business park segment grew by 11%, from HK$160.2 million for the year ended 30 September 2011 to HK$177.6 million, or 89% of the total revenue, for the year ended 30 September 2012. This improved revenue was due to the higher rental rates enjoyed by VSBP.

SHAREHOLDERS' FUNDS

The Group's total shareholders' funds increased from HK$2,315.6 million as at 30 September 2011 to HK$2,822.4 million as at 30 September 2012, representing an increase of 22%. On a per-share basis, the consolidated net asset value of the Group attributable to the owners of the Company as at 30 September 2012 increased to HK$0.411 against HK$0.338 as at 30 September 2011. The total shareholders' funds constituted approximately 50% of the total assets of HK$5,682.7 million as at 30 September 2012.

FINANCIAL RESOURCES, LIQUIDITY AND CAPITAL STRUCTURE

Liquidity and capital resources

The Group's deposit, bank and cash balances and restricted cash increased by 42% to HK$1,276.9 million as at 30 September 2012 from HK$899.5 million as at 30 September 2011, mainly due to the receipt during the current year of HK$512.0 million proceeds from the divestment of a subsidiary in the last year, net of the cash on hand was applied to the development of the Shanghai Shanshui Four Seasons project.

Total borrowings of the Group increased by 10% to HK$1,438.6 million as at 30 September 2012 from HK$1,304.7 million as at 30 September 2011. The net debt (measured by total bank and other borrowings minus cash and bank deposits) fell to HK$161.7 million as at 30 September 2012 from HK$405.2 million as at 30 September 2011, the reduction of the net debt was mainly due to the increase of deposit, bank and cash balances.

The Group's gearing ratio (defined as the total borrowings over total equity, including non-controlling interests) fell to 41% as at 30 September 2012 from 44% as at 30 September 2011.

Short-term and long-term bank and other borrowings

The maturity profiles of the Group's bank and other borrowings outstanding as at 30 September 2012 and 30 September 2011 were summarised below:

	As at	
	30 September 2012	30 September 2011
	HK$'000	*HK$'000*
Within the first year or on demand	**1,178,079**	485,904
In the second year	**260,504**	107,379
In the third to fifth years, inclusive	**–**	711,420
Wholly repayable within five years	**1,438,583**	1,304,703

FINANCIAL MANAGEMENT

Foreign currency risk

As at 30 September 2012, bank and other borrowings denominated in United States dollars and Hong Kong dollars remained at the same levels while those in Renminbi (RMB) increased during the year under review. As RMB is expected to fluctuate, the Group has entered into RMB forward contracts during the year to fix the exchange rates ahead of a highly probable future payment of the land premium for the Shenzhen project. All the contracts were settled before the end of the reporting period. However, the Group will review and monitor its currency exposure from time to time and will consider to hedge its foreign currency risks when appropriate.

The currency denominations of the Group's bank and other borrowings outstanding as at 30 September 2012 and 30 September 2011 were summarised below:

	As at	
	30 September 2012	30 September 2011
	HK$'000	*HK$'000*
Hong Kong dollar	**715,588**	711,420
Renminbi	**443,729**	312,455
United States dollar	**279,266**	280,828
Total	**1,438,583**	1,304,703

Interest rate risk

The Group obtained bank and other borrowings to finance the development of its projects and accordingly, the Group was exposed to changes in interest rates which affected the cost of borrowings. As at 30 September 2012, all bank and other borrowings of the Group were on a floating rate basis. The interest rate risk exposure was considered acceptable and no hedging was considered necessary. The Group will continue to monitor the suitability and cost efficiency of hedging instrument (including interest rates swaps) and consider a mix of fixed and floating rate borrowings in order to manage interest rate risks.

PLEDGE OF ASSETS

As at 30 September 2012, certain of the Group's bank and other borrowings were secured by certain properties under development with aggregate carrying value of HK$1,063.7 million (30 September 2011: HK$816.7 million).

CONTINGENT LIABILITIES

As at 30 September 2012, the Group did not have any significant contingent liabilities.

REVIEW OF OPERATIONS

Greater Shanghai – development property

Shanghai Shanshui Four Seasons

The Group holds a 54.85% controlling interest in a 71-hectare development site located in Songjiang, Shanghai, which was acquired in September 2005. With a permissible gross floor area of approximately 837,000 sm, this sizable property site opened the way for development properties to be constructed in several phases.

As at 30 September 2012, all of the 418 residential units in phase 1 were sold. There is still about 737,000 sm of gross floor area available for development, which will sustain the Group's growth momentum in the years to come. Phase 2, consisting of sub-phases 2A and 2B and possessing a gross floor area of about 262,000 sm, is currently under construction. With its many attributes, including ease of accessibility and contemporary design, the Group is confident that phase 2 will be well received by discerning home buyers.

Greater Guangzhou – investment property and development property

Vision Shenzhen Business Park (VSBP)

VSBP encompasses roughly 125,000 sm of office space and approximately 1,000 car park lots offered on a lease basis. There are seven medium-rise office buildings surrounding a 16,000 sm well-manicured park that includes sports and recreational amenities. Despite commanding rental rates well above average, phases 1 and 2 are fully occupied. While committed to providing exceptional services to tenants, the Group is able to efficiently manage the property by leveraging economies of scale.

The Group is planning the master layouts for phase 3, and construction is scheduled to commence at a later time. Having reached an amicable resolution with Shenzhen authorities leading to a signed framework agreement on 9 June 2010, the Group will retain possession of a 51,000 sm site with a maximum buildable gross floor area of 240,000 sm. Phase 3 will be developed in several stages based on market dictates.

Others

Sohu.com Internet Plaza (SIP)

SIP is a joint venture between the Group and a subsidiary of the highly respected Tsinghua University. Completed in 2004, the 13-storey advanced facility is located within the Tsinghua Science Park in Zhongguancun, Haidian district, Beijing. Following the sale of certain floors to Sohu in January 2007, the building has been renamed SIP.

Subsequent to the sale, the gross floor area for office usage stood at 10,145 sm while 3,829 sm has been allocated for retail space. In addition to offering property management that is on par with the highest international standards, SIP delivers a wide range of value-added services and facilities. Combined with its prestigious location, the facility presently enjoys a 100% occupancy rate.

FUTURE PROSPECTS

The past year under review witnessed a continuously volatile global economic environment. The threat of the Euro zone sovereign debt crisis lingered, the overall economic recovery in the United States was lagging behind and the slowdown in economic growth in China continued. China's central government cut banks' deposit reserve ratio for three consecutive times since December last year, and announced its state policy to "place stabilising economic growth as a priority" in May this year. Also in June this year, the benchmark loan interest rate was reduced for two consecutive times. All these actions, coupled with a series of other measures, are aimed at stabilising China's economic growth. Currently, although the threat of inflation in China has been curbed and economic indicators start to show positive signs of stabilisation and recovery, the economic downturn pressure will continue in the near future due to weak performance in foreign trade, investment and consumption. It is expected that China will continue to make adjustments to its economic structure and promote industrial upgrading by introducing various measures in the coming year in an effort to ensure its sustainable and healthy economic development.

As the most important driver for domestic economic growth, China's real estate industry is still under the significant impact of industrial adjustment and control policies including home purchase restrictions and restrictions in property-related loans, under which speculative activities and investment demand have been effectively curbed. However, the worst moment for the real estate market is now over. Thanks to the differentiated policies implemented by both central and local governments in early 2012 to encourage rigid demand, the weak market sentiment since the second half of 2011 has shown gradual improvement and the real estate market bottoms out, demonstrating a positive momentum of increased trading volume and stabilised price. We believe that, with the growing number of rigid demand home buyers and home-improvement buyers (that is, those who intend to sell their current homes and buy another one for the purpose of improving their living conditions), a favourable market sentiment for the real estate industry will continue and the overall market will demonstrate a trend of healthy development.

At CPC's 18th Party Congress held in November 2012, the heat topics on China's urbanisation process and the plan to double per capita income revealed a possible positive change in the landscape of the real estate market. In view of the current bottom out process of China's economy, we are of the opinion that, in the absence of significant rebound in property prices, it is not necessary and unlikely to further tightened policies for the regulation of the real estate industry. We believe that the focus of future macro-control policies for the real estate industry will remain on differentiated adjustment, in particular, adhering to home purchase restrictions while encouraging rigid demand. With the leadership transition of the Chinese government, it is expected that a long-term mechanism for regulating the real estate industry will gradually be developed to forge a better and more sustainable development environment for the industry.

Confronted with tough regulatory policies on the real estate industry and a changing market and business environment, the Group will adopt a positive business strategy and capitalise on market opportunities in the following aspects:

(1) As regards residential property business (our traditional business segment), the Group will endeavor to complete the development of the Shanghai Shanshui Four Seasons project. Meanwhile, leveraging on the resources of the parent company, the Group will further strengthen its competitive edges in terms of product positioning, cost management, development efficiency, management and control model, customer service and property management, to expand the scale of its residential property business and sustain the growth momentum of the Group;

(2) The Group will proactively seek investment opportunities in the commercial real estate segment, especially quality properties located at prime areas of major cities and regional commercial-residential composite projects, so as to achieve synergic development for both its commercial and residential real estate segments. The Group will maximise the premium of its residential products by enhancing land value through commercial operations, and commercial real estate business will enhance the Group's capability to withstand economic cycles and market fluctuations, so as to secure steady and sustainable development in the future and achieve more stable long-term return on investment.

Despite the challenging market situation, the management remains prudently optimistic and is confident that by leveraging on the resources and core competitiveness developed by the parent company of the Group in the Chinese real estate market, sustainable growth of the Group will be achieved which in turn will lead to value creation for our shareholders.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2012, the Company and its subsidiaries had 210 (2011: 194) employees. Salaries of employees are maintained at competitive levels while bonuses may be granted on a discretionary basis with reference to the performance of the Group as well as the individual's performance. Other employee benefits include mandatory provident fund, insurance and medical cover, subsidised educational and training programmes as well as a share option scheme.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the year.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance practices as set out in the Code on Corporate Governance Practices (the "CG Code"), as amended from time to time, in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The corporate governance principles of the Company emphasise a quality board of directors, sound internal control, principles and practices, and transparency and accountability to all shareholders of the Company. To the best knowledge and belief of the Directors, the Directors consider that the Company has complied with the code provisions of the CG Code throughout the year ended 30 September 2012 and up to the date of this announcement.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers, as amended from time to time, (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code for dealing in securities of the Company by the directors of the Company. Having made specific enquiry, all Directors confirmed that they had complied with the required standards set out in the Model Code throughout the year. The Model Code also applies to other specified senior management of the Company.

AUDIT COMMITTEE

The Audit Committee of the Board currently comprises four independent non-executive directors. It is chaired by an independent non-executive director. A set of written terms of reference, which described the authority and duties of the Audit Committee, was adopted by the Board and the contents of which are in compliance with the Code Provisions and Recommended Best Practices of the CG Code. The said terms of reference of the Audit Committee are posted on the Company's website.

The Audit Committee is accountable to the Board and the principal duties of the Audit Committee include the review and supervision of the Group's financial reporting process and internal controls. The Committee is also provided with other resources to enable it to discharge its duties fully.

The Audit Committee has reviewed with the Management of the Company and Ernst & Young, the auditors of the Company, the accounting principles and practices adopted by the Group and has discussed auditing, internal controls and financial reporting matters, including the review of the annual results and report of the Company for the year ended 30 September 2012.

BOARD OF DIRECTORS

As at the date hereof, the Board comprises four executive Directors, namely Mr. Ling Ke, Mr. Huang Juncan, Mr. Wei Chuanjun and Mr. Xu Jiajun; and four independent non-executive Directors, namely Mr. Kwee Chong Kok, Michael, Mr. Chong Kok Kong, Mr. Hui Chiu Chung, *J.P.* and Ms. Wong Siu Ming, Helen.

By Order of the Board
Frasers Property (China) Limited
Kwee Chong Kok, Michael
Chairman

Hong Kong, 29 November 2012