

Frasers

PROPERTY GROUP

Frasers Property (China) Limited

星獅地產(中國)有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code : 00535)

RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 DECEMBER 2005

The Board of Directors (the “Board”) of Frasers Property (China) Limited (the “Company”) announces the first quarter unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 31 December 2005 together with comparative figures.

UNAUDITED CONSOLIDATED INCOME STATEMENT

For the three months ended 31 December 2005

	For the three months ended 31 December	
	2005	2004
	HK\$'000	HK\$'000
Turnover	38,853	129,655
Cost of sales	(17,174)	(100,725)
Direct operating expenses	(18,821)	(17,342)
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Gross profit	2,858	11,588
Other revenues	2,231	571
Provisions written back/(made)	692	(3)
Administrative expenses	(5,743)	(3,295)
Changes in fair value of investment properties	–	43,314
Other income/(expenses), net	–	48
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Operating profit	38	52,223
Finance costs	(6,636)	(2,621)
Share of results of associated companies	(4)	(4)
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(Loss)/profit before income tax	(6,602)	49,598
Income tax credit/(expense)	1,514	(3,490)
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(Loss)/profit for the period	(5,088)	46,108
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Attributable to:		
Shareholders of the Company	(5,070)	31,631
Minority interests	(18)	14,477
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	(5,088)	46,108
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(Loss)/earnings per share for (loss)/profit attributable to the shareholders of the Company during the period		
– basic (HK cents)	(0.11)	1.12
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UNAUDITED CONSOLIDATED BALANCE SHEET

As at 31 December 2005

	As at	
	31 December 2005 HK\$'000	30 September 2005 HK\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	111,927	63,614
Investment properties	498,877	499,233
Land use rights	40,324	40,573
Interests in associated companies	169	173
Available-for-sale financial assets	16,387	16,387
Deferred income tax assets	1,254	1,474
	<u>668,938</u>	<u>621,454</u>
Current assets		
Properties held for sale	193,654	211,047
Properties under development	1,449,897	1,274,476
Debtors, deposits and prepayments	362,356	363,730
Bank balances and cash	232,375	282,953
	<u>2,238,282</u>	<u>2,132,206</u>
Total assets	<u>2,907,220</u>	<u>2,753,660</u>

	As at	
	31 December 2005 <i>HK\$'000</i>	30 September 2005 <i>HK\$'000</i>
EQUITY		
Capital and reserves attributable to the Company's shareholders		
Share capital	456,165	456,165
Reserves	<u>637,854</u>	<u>643,638</u>
	1,094,019	1,099,803
Minority interests	<u>273,029</u>	<u>272,488</u>
Total equity	<u><u>1,367,048</u></u>	<u><u>1,372,291</u></u>
LIABILITIES		
Non-current liabilities		
Bank borrowings	532,655	766,564
Deferred income tax liabilities	<u>157,547</u>	<u>159,546</u>
	<u>690,202</u>	<u>926,110</u>
Current liabilities		
Creditors and accruals	300,274	139,482
Provision for taxation	114	–
Bank borrowings	<u>549,582</u>	<u>315,777</u>
	<u>849,970</u>	<u>455,259</u>
Total liabilities	<u><u>1,540,172</u></u>	<u><u>1,381,369</u></u>
Total equity and liabilities	<u><u>2,907,220</u></u>	<u><u>2,753,660</u></u>
Net current assets	<u><u>1,388,312</u></u>	<u><u>1,676,947</u></u>
Total assets less current liabilities	<u><u>2,057,250</u></u>	<u><u>2,298,401</u></u>

Notes:

1 Basis of preparation and accounting policies

This consolidated financial information should be read in conjunction with the annual financial statements for the nine months period ended 30 September 2005.

The accounting policies and methods of computation used in the preparation of this consolidated financial information are consistent with those used in the annual financial statements for the nine months ended 30 September 2005.

2 (Loss)/earnings per share

Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

	For the three months ended 31 December	
	2005	2004
(Loss)/profit attributable to shareholders of the Company (HK\$'000)	(5,070)	31,631
Weighted average number of ordinary shares in issue	4,561,651,720	2,836,188,944
Basic (loss)/earnings per share (HK cents)	<u>(0.11)</u>	<u>1.12</u>

Diluted

Diluted earnings per share has not been shown as there is no dilutive potential ordinary shares.

REVIEW OF RESULTS FOR THE THREE MONTHS ENDED 31 DECEMBER 2005

Turnover for the three months ended 31 December 2005 amounted to HK\$39 million against HK\$130 million of the corresponding period in 2004. The decrease was primarily due to reduced sales realized from completed projects in the mainland. For the three-month period under review, the Group recorded a loss attributed to shareholders of HK\$5 million compared to a profit of HK\$32 million for the corresponding period in 2004. The results of the corresponding period in 2004 had benefited from the recognition of an income of HK\$43 million arising from the changes in fair value of investment properties. On a per-share basis, the Group recorded a loss of HK0.11 cents.

The value of the Group's total assets increased to HK\$2,907 million as at 31 December 2005 from HK\$2,754 million as at 30 September 2005. The increase was attributed to development costs capitalised. On a per-share basis, the consolidated net assets value of the Group as at 31 December 2005 slightly decreased to HK24.0 cents from HK24.1 cents as at 30 September 2005.

By Order of the Board
Frasers Property (China) Limited
Ang Ah Lay
Executive Director and Chief Executive Officer

Hong Kong, 6 February 2006

As at the date hereof, the Board comprises one executive director, namely Mr. Ang Ah Lay; four non-executive directors, namely Dr. Han Cheng Fong (whose alternate is Mr. Hui Choon Kit), Ms. Chong Siak Ching (whose alternate is Mr. Goh Kok Huat), Mr. Goh Yong Chian, Patrick and Ms. Wang Poey Foon, Angela; and three independent non-executive directors, namely Mr. Alan Howard Smith, J.P., Mr. Kwong Che Keung, Gordon and Mr. Hui Chiu Chung, J.P.

* *For identification purpose only*

“Please also refer to the published version of this announcement in The Standard”