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Frasers Property (China) Limited

星獅地產（中國）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 535)

**ADJUSTED UNAUDITED CONSOLIDATED NET
ASSET VALUE OF THE GROUP FOR THE PURPOSE OF
CONSIDERING THE SCHEME**

Reference is made to the announcements dated 8 May 2012, 29 May 2012 and 18 June 2012 and the scheme document dated 5 July 2012 (“**Scheme Document**”) jointly issued by FCL (China) Pte. Ltd., Riverbook Group Limited (together, “**Joint Offerors**”) and Frasers Property (China) Limited (“**Company**”) in relation to the proposed privatisation of the Company by way of a scheme of arrangement under Section 99 of the Companies Act. Unless otherwise defined, terms used herein shall have the same meanings as those used in the Scheme Document.

**ADJUSTED UNAUDITED CONSOLIDATED NET ASSET VALUE OF THE GROUP
ATTRIBUTABLE TO THE SHAREHOLDERS AS AT 31 MARCH 2012 FOR THE PURPOSE
OF CONSIDERING THE SCHEME**

The Board wishes to draw the attention of the Shareholders and public investors to the information on the adjusted unaudited consolidated net asset value of the Group attributable to the Shareholders as at 31 March 2012 set out under the section headed “Letter from the Board – Additional Information – (4) Adjusted Net Asset Value” in the Scheme Document for the purpose of providing an NAV figure to the Shareholders for the purpose of considering the Scheme. The Board notes that the valuations from CBRE HK Limited as at the Valuation Date were used to calculate the adjusted net asset value whereas under the Group’s accounting policies, investment property under construction and properties under development are stated at cost less any impairment losses and properties held for sale are stated at the lower of cost and net realisable value. The following is a reproduction of the relevant section of the Scheme Document.

“(4) Adjusted Net Asset Value

In light of, among other things, the matters disclosed in paragraphs (2) and (3) above, the Board is of the view that the unaudited consolidated net asset value (“**NAV**”) of the Group attributable to the Shareholders as at 31 March 2012 shall be adjusted from HK\$2,379,410,000 to HK\$3,596,164,000 for the purposes of providing an NAV figure to the Shareholders for the purposes of considering the Scheme. Details of the adjustments are as follows:

* *For identification purpose only*

	Investment properties <i>HK\$'000</i>	Investment property under construction <i>HK\$'000</i>	Properties under development <i>HK\$'000</i>	Properties held for sale <i>HK\$'000</i>	Unaudited consolidated net asset value <i>HK\$'000</i>
Unaudited consolidated NAV of the Group attributable to the Shareholders as at 31 March 2012 (<i>Note 1</i>)					2,379,410
<i>NAV per Share as at 31 March 2012 (based on 6,849,401,580 Shares in issue as at the Latest Practicable Date)</i>					<u>HK\$0.347</u>
Add: Revaluation surplus arising from the valuation of the property interests held by the Group as at the Valuation Date (<i>Note 2</i>)	648,663	357,350	2,533,311	85,440	3,624,764
Less: Deferred taxation arising from the revaluation surplus (<i>Note 3</i>)	205,288 (<i>Note 4</i>)	116,139	1,519,986	41,694	1,883,107
Less: Revaluation surplus net of deferred taxation attributable to non-controlling interest	<u>55,030</u>	<u>0</u>	<u>457,516</u>	<u>12,357</u>	<u>524,903</u>
Net valuation surplus attributable to owners of the Company	<u>388,345</u> (<i>Note 1</i>)	<u>241,211</u>	<u>555,809</u>	<u>31,389</u>	<u>1,216,754</u>
Adjusted NAV					<u>3,596,164</u>
<i>Adjusted NAV per Share (based on 6,849,401,580 Shares in issue as at the Latest Practicable Date)</i>					<u>HK\$0.525</u> (<i>Notes 4 and 5</i>)

Notes:

1. The valuations of the properties for the purpose of the privatisation of the Company have not been finalised at the interim report of the Company dated 8 May 2012. Accordingly, valuations of the investment properties have not been adopted for the purpose of the interim results.

The valuation report as prepared by CBRE HK Limited is set out in Appendix II to this document.

2. Being the capital value of the property interests held by the Group as at the Valuation Date as assessed by CBRE HK Limited less the carrying value of the property interests held by the Group of approximately HK\$3,664.1 million as at 31 March 2012.

3. Being the estimated related taxation, which is calculated based on the estimated land appreciation tax, corporate income tax and withholding tax that would crystallise upon disposal of the properties at the valuation price.
4. While the Company intends to dispose of Sohu.com Internet Plaza in Beijing, no land appreciation tax on the surplus on revaluation of this property has been provided for given that the property is continually held as investment property and has not yet been reclassified to properties held for sale. In the event that the property is reclassified to properties held for sale and is disposed of, there will be an additional land appreciation tax to be borne by the Company. If such land appreciation tax and the related amount attributable to the non-controlling interest are taken into account, the adjusted NAV would be marginally reduced to approximately HK\$0.522 per Share.
5. The Group has yet to obtain various approvals and negotiate with the PRC authorities the additional land-related payment in respect of the land site for Phases 3 to 5 of Shanghai Shanshui Four Seasons Project. However, as at the Latest Practicable Date, the Company was uncertain as to whether approval for the project registration can be obtained and the Company was unable to estimate the amount of the additional land-related payment that the Group needs to pay if such approval is obtained. As stated in the valuation report as set out in Appendix II to this document, in valuing this property, CBRE HK Limited has not taken into account such additional land-related payment and any amount that needs to be paid by the Group will reduce the market value of the property by the same amount. For Independent Shareholders' additional reference, the adjusted NAV would be reduced to approximately HK\$0.469 per Share if it is assumed that the value of this property remains the same as its book value and there is no appreciation in value.
6. According to the Group's accounting policies, gains or losses arising from change in the fair value of investment properties would be included in the income statement in the year in which they arise. Investment property under construction and properties under development are stated at cost less any impairment losses and properties held for sale are stated at the lower of cost and net realisable value."

Shareholders and public investors are advised to refer to the valuation report issued by CBRE HK Limited which is contained in Appendix II to the Scheme Document for further details.

Shareholders should consider the full terms of the Scheme Document when considering the impact of the adjusted NAV.

Shareholders and other investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 5 July 2012

As at the date of this announcement, the Board comprises one executive Director, namely Mr. Leung Ka Hing, Harry; five non-executive Directors, namely Mr. Cheong Fook Seng, Anthony, Ms. Chong Siak Ching (whose alternate is Mr. Chia Nam Toon), Mr. Hui Choon Kit, Mr. Lim Ee Seng and Mr. Tang Kok Kai, Christopher; 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.