

## Fraser's Property Limited registers S\$1,293 million PBIT<sup>1</sup> in FY19

- ◆ Investment properties provided stable earnings base and partially offset effects of lumpy development income
- ◆ Enhanced key platforms, including the Group's retail platform with the acquisition of an ~88% stake in PGIM ARF<sup>2</sup> and the formation of an integrated multi-national industrial and logistics platform, while further scaling up the Thailand country platform with the increase in holdings in Golden Land<sup>3</sup>

**SINGAPORE, 15 NOVEMBER 2019**

Fraser's Property Limited ("Fraser's Property", and together with its subsidiaries, the "Group") today announced its financial results for its full year ended 30 September 2019 ("FY19").

### FINANCIAL HIGHLIGHTS

	<b>FY19 (S\$ 'mil)</b>	<b>FY18 (S\$ 'mil) (Restated)<sup>4</sup></b>	<b>Inc/(Dec) (%)</b>
<b>Revenue</b>	3,791.9	4,320.9	(12.2)
<b>PBIT</b>	1,292.6	1,333.2	(3.0)
<b>APBFE<sup>5</sup></b>	350.1	482.8	(27.5)
<b>Fair Value Change</b>	321.6	402.9	(20.2)
<b>Exceptional Items</b>	(111.4)	(136.0)	(18.1)
<b>Attributable Profit</b>	560.3	749.7	(25.3)

Mr Panote Sirivadhanabhakdi, Group Chief Executive Officer of Fraser's Property, commented, "The merits of the strategic steps we took to enlarge the Group's base of recurring income sources over the past few years were especially noteworthy in FY19. Over the past 5 years, the Group's PBIT from recurring income sources has been increasing year-on-year. In FY19, PBIT from recurring income was up 16% compared to FY18 and provided a stable earnings base that helped to partially offset the effects of inherently lumpy development PBIT, which decreased 43% year-on-year."

"We believe having platforms with the appropriate scale and focus will give us a sustained competitive advantage, and we continued building our platforms from strength to strength," added Mr Sirivadhanabhakdi. "In FY19, we announced the formation of a multi-national integrated industrial and logistics platform and a Singapore retail platform. In addition, we now have a diversified Thailand country platform following the successful voluntary tender offer for Golden Land by Fraser's Property Thailand ("FPT") which was completed in August 2019. Further developing these key platforms has enabled us to focus our resources to build upon

NB: Unless otherwise specified, all figures in this press release are as at 30 September 2019, the end of Fraser's Property Limited's latest reported financial year.

<sup>1</sup> Profit before interest, fair value change, taxation and exceptional items

<sup>2</sup> PGIM Real Estate AsiaRetail Fund Limited

<sup>3</sup> Golden Land Property Development Public Company Limited

<sup>4</sup> Financial information for FY18 has been restated to take into account the retrospective adjustments on the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) framework ("SFRS(I)") and new/revised SFRS(I). Certain financial statement line items have been reclassified to conform with current year's presentation.

<sup>5</sup> Attributable profit before fair value change and exceptional items

the experience and meaningful scale of our network. This places us in a stronger position to deliver long-term shareholder value.”

Maintaining Frasers Property’s historical 50% – 60%<sup>6</sup> payout ratio based on APBFE, the Board has proposed a 6.0 Singapore cents per share total dividend for FY19, comprising a proposed 3.6 Singapore cents per share final dividend and the 2.4 Singapore cents per share interim dividend paid on 10 June 2019. The total dividend for FY18 was 8.6 Singapore cents per share.

## KEY HIGHLIGHTS IN FY19 AND YEAR-TO-DATE FY20

Having built meaningful scale in the industrial and logistics segment following a series of strategic initiatives to develop an integrated sector value chain in Australia and Europe, the Group announced the formation of an integrated industrial and logistics operating platform, Frasers Property Industrial. With industrial and logistics assets under management (“AUM”) of ~S\$5.2 billion<sup>7</sup>, as well as development and third-party capital management capabilities across the two continents, Frasers Property Industrial will be reported as a standalone strategic business unit (“SBU”) from FY20.

In Singapore, the Group invested ~S\$1.4 billion<sup>8</sup> in PGIM ARF over the course of FY19 and as of 1 October 2019, holds an ~88%<sup>9</sup> stake in PGIM ARF. Including PGIM ARF’s retail malls in Singapore, the Group has a retail portfolio in Singapore with total net lettable area of 288,000 sq m across 14 properties. On 15 October 2019, the Group announced the formation of a Singapore retail platform with dedicated resources to further develop the Group’s retail capabilities. Frasers Property Retail represents AUM of ~S\$8.6 billion<sup>10</sup>.

In Thailand, FPT successfully completed the voluntary tender offer for Golden Land<sup>11</sup> in August 2019. FPT currently holds a ~95%<sup>12</sup> stake in Golden Land and is now in the process of delisting Golden Land.

The Group maintained its efforts to diversify its funding sources and, in line with the Group’s sustainability focus, tapped the green loan market. Following its first green loan that was secured in September 2018 for the refinancing of Frasers Tower, the Group secured four more green loans in FY19. In total, the Group has secured S\$3.4 billion of green loans, with green loans comprising ~18%<sup>13</sup> of the Group’s gross debt as at 30 September 2019. In addition, the Group issued S\$600 million 4.98% subordinated perpetual securities over two tranches in FY19.

On the capital management front, the Group continued to recycle capital through its real estate investment trusts. It sold its 33 $\frac{1}{3}$ % stake<sup>14</sup> in the Waterway Point mall in Singapore to FCT for S\$240.5 million<sup>15</sup> and injected 13 industrial and logistics properties in Germany and Australia into FLT for S\$520.8 million<sup>16,17</sup>. In addition, the Group sharpened its focus on capital partnerships with third-party investors and raised

<sup>6</sup> Before adjusting for distributions to perpetual securities holders.

<sup>7</sup> Comprises industrial & logistics property assets (outside Thailand) in which the Group has an interest, including assets held by Frasers Logistics & Industrial Trust (“FLT”).

<sup>8</sup> Comprising stakes in PGIM ARF held by Frasers Property and Frasers Centrepoint Trust (“FCT”).

<sup>9</sup> On 1 October 2019, due to redemption of shares in the capital of PGIM ARF, the Group’s stakes in PGIM ARF held by FPL and FCT increased to 88%.

<sup>10</sup> Comprises retail assets in Singapore in which the Group has an interest, including PGIM ARF<sup>2</sup>’s retail assets in Singapore and retail assets held by FCT (excluding Eastpoint Mall, Valley Point Shopping Centre, Robertson Walk and Central Plaza).

<sup>11</sup> FPT acquired a ~94.5% stake in Golden Land via a tender offer that was completed in August 2019 and subsequently acquired a further ~0.3%.

<sup>12</sup> Based on FPT’s announcement to the Stock Exchange of Thailand on 20 September 2019.

<sup>13</sup> Includes debt related to Frasers Tower, which is not included in the Group’s consolidated financial statements as it is equity accounted as a joint venture.

<sup>14</sup> Comprising 33 $\frac{1}{3}$ % of the total issued units of Sapphire Star Trust and 33 $\frac{1}{3}$ % of the issued share capital of FC Retail Trustee Pte. Ltd.

<sup>15</sup> Based on FCT’s announcement dated 11 July 2019 on the completion of its acquisition of Waterway Point.

<sup>16</sup> Based on the exchange rates of S\$/A\$ : 0.9500 and €1/S\$ : 1.5400 as at 3 July 2019.

<sup>17</sup> The injections of 11 of the properties have been completed and the injections of the remaining two are expected to be completed by 1Q FY20.

S\$442.7 million<sup>18</sup> following an equity injection by a long-term strategic investor in the Frasers Tower<sup>19,20</sup> office building in Singapore. In Thailand, FPT entered into a 51:49 joint venture (“JV”) with Mitsui Fudosan Asia (Thailand) Co., Ltd. to develop and manage warehouses and logistics facilities, and entered into a 75:25 JV with Sahathai Terminal Public Company Limited to invest, own, develop, operate, and manage logistics parks, warehouses, and industrial properties.

## LOOKING AHEAD

Moving ahead, the Group will continue strengthening its scalable platforms, including further developing its capabilities. Central to this is leveraging the Group’s multi-national scope while maintaining business agility.

Frasers Property Singapore will focus on strengthening its retail business and explore opportunities to leverage its scale and network to better serve its tenants, shoppers and communities. These include collaboration possibilities with the asset manager of PGIM ARF and continued efforts to bring the physical and digital retail worlds together. On the residential front, marketing and sales of launched projects as well as the upcoming completion of Seaside Residences in the second half of calendar 2020 remain the main areas of focus.

Frasers Property Australia (“FPA”) is working to release around 2,000 residential units with planned completion and settlement of around 1,950 residential units in FY20. On the non-residential front, FPA is currently developing 12 new assets. Six assets with an investment value of S\$232 million on delivery are to be retained on balance sheet, and six assets with a combined gross development value of S\$466 million are to be sold.

In the hospitality space, Frasers Hospitality opened six properties<sup>21</sup> in FY19 and signed-up another five<sup>22</sup> properties. The business is focused on initiatives to enhance operational efficiencies, including the consolidation of cluster resources, as well as the continued roll-out of a customised revenue management system for revenue optimisation.

The Group’s larger base of recurring income and balanced geographical mix enhances its business resilience in a challenging environment, and it will remain vigilant to capture opportunities at the appropriate times.

## END

### About Frasers Property Limited

Frasers Property Limited (“Frasers Property” and together with its subsidiaries, the “Group”), is a multi-national company that develops, owns and manages a diverse, integrated portfolio of properties. Listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) and headquartered in Singapore, the Group has total assets of approximately S\$37.6 billion as at 30 September 2019.

Frasers Property’s assets range from residential, retail, commercial & business parks, to industrial & logistics in Southeast Asia, Australia, Europe and China. Its well-established hospitality business owns and/or operates serviced apartments and hotels in over 70 cities across Asia, Australia, Europe, the Middle East and Africa. The Group is unified

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<sup>18</sup> Subject to post-closing adjustments and based on 50% of the adjusted net asset value of Aquamarine Star Trust (“AST”) immediately after closing on an agreed property value of S\$1,965 million.

<sup>19</sup> Via a subscription of new units in AST.

<sup>20</sup> Following the completion of the equity injection, the Group and the strategic investor each holds a 50% stake in Frasers Tower.

<sup>21</sup> Modena by Fraser Buriram; Fraser Place Puteri Harbour; Capri by Fraser, Johor Bahru / Malaysia; Fraser Residence Orchard; Fraser Suites Hamburg; and Capri by Fraser, China Square / Singapore.

<sup>22</sup> Modena by Fraser Chengdu, Modena by Fraser Hanoi, Fraser Suites Pazhou Guangzhou, Fraser Residence Nanjing, and Fraser Residence Chongqing.



by its commitment to deliver enriching and memorable experiences to customers and stakeholders, leveraging its knowledge and capabilities from across markets and property sectors, to deliver value in its multiple asset classes.

Frasers Property is also the sponsor of three real estate investment trusts and one stapled trust listed on the SGX-ST. Frasers Centrepoint Trust, Frasers Commercial Trust, and Frasers Logistics & Industrial Trust are focused on retail, commercial & business parks, and industrial & logistics properties respectively. Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust) is a stapled trust focused on hospitality properties. In addition, the Group has two real estate investment trusts listed on the Stock Exchange of Thailand. Frasers Property Thailand is the sponsor of Frasers Property Thailand Industrial Freehold & Leasehold REIT, which is focused on logistics and industrial properties in Thailand and Golden Land Property Development Public Company Limited is the sponsor of Golden Ventures Leasehold Real Estate Investment Trust, which is focused on commercial properties.

For more information on Frasers Property, please visit [frasersproperty.com](http://frasersproperty.com)

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