

## Fraser's Property Limited reports S\$790 million PBIT<sup>1</sup> in 1H FY20

- ◆ Revenue and attributable profit amounted to S\$2,134 million and S\$234 million, respectively
- ◆ Focused on conserving financial resources in view of the significant uncertainties in the months ahead due to the prevailing COVID-19 situation
- ◆ The Board has taken the precautionary decision to temporarily suspend interim dividend
- ◆ The Group's business is built to sustain over the long-term, underpinned by a diversified investment and development portfolio, scalable business platforms, and disciplined capital management

### SINGAPORE, 13 MAY 2020

Fraser's Property Limited ("Fraser's Property", and together with its subsidiaries, the "Group") today announced its financial results for its second quarter and first half year ended 31 March 2020 ("2Q FY20" and "1H FY20", respectively).

### FINANCIAL HIGHLIGHTS

	2Q FY20 (S\$ 'mil)	2Q FY19 (S\$ 'mil)	Inc/(Dec) (%)	1H FY20 (S\$ 'mil)	1H FY19 (S\$ 'mil)	Inc/(Dec) (%)
<b>Revenue</b>	954.7	934.3	2.2	2,133.5	2,017.6	5.7
<b>PBIT<sup>1</sup></b>	328.9	293.7	12.0	790.1	664.3	18.9
<b>Attributable Profit</b>	74.5	120.5	(38.1)	233.8	266.0	(12.1)

Mr Panote Sirivadhanabhakdi, Group Chief Executive Officer of Fraser's Property, commented, "Business as usual' is not an option. Along with many businesses around the world, we are facing an unprecedented crisis that has greatly disrupted the business environment and operating conditions in all our markets. FPL's 1H FY20 results reflected only the initial impact of the COVID-19 outbreak on the Group's financial performance. Until there is clarity on the duration, severity and consequences of this pandemic, significant uncertainties will persist and the operating environment of the Group's various businesses will remain challenging."

The Board deems it prudent to conserve the financial resources of the Company in view of the significant uncertainties in the months ahead. It has therefore taken the precautionary decision to temporarily suspend interim dividend. In addition, effective from 1 May 2020, board members of FPL and its subsidiaries which are managers of REITs and stapled trust listed on the SGX-ST<sup>2</sup>, will take a voluntary 10% reduction in their directors' fees. Group CEO will take a 25% reduction in his base salary, while other members of senior management will take base salary reductions of up to 10%. The directors' fees and salary reductions will be reviewed at the end of FY20.

"We have worked consistently over several years to build scalable business platforms across asset classes and geographies to enhance portfolio resilience," added Mr Sirivadhanabhakdi. "While these extraordinary circumstances will have an impact on our business performance and inevitably, revenue and earnings, we believe the Group's strong foundation will stand us in good stead as we face the headwinds and maintain key business continuity measures. We are taking proactive actions to strengthen our financial position. This includes optimising cash flows and liquidity, reducing operational costs, and deferring uncommitted capital

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

<sup>2</sup> Singapore Exchange Securities Trading Limited

expenditure. At the same time, we remain committed to supporting the safety and well-being of Frasers Property's customers, people and the communities we operate in."

## **KEY HIGHLIGHTS IN YEAR-TO-DATE FY20**

In line with Frasers Property's strategy to build scalable business platforms, it announced several corporate developments in 1H FY20. In Singapore, it formed Frasers Property Retail, a retail-focused platform with around S\$8.6 billion<sup>3</sup> of assets under management ("AUM"), and acquired property manager AsiaMalls Management in February 2020. It formed Frasers Property Industrial as well, a multi-national integrated industrial and logistics strategic business unit with over S\$5.4 billion<sup>4</sup> of AUM. In addition, it acquired Lakeshore Business Park, Heathrow, in the United Kingdom ("UK") for S\$238 million<sup>5</sup>, growing the number of properties in its UK business park portfolio to seven.

Managing its residential development business in a disciplined and prudent manner, the Group replenished its land bank in Singapore and Australia during the reporting period. Maintaining its focus on the deepest parts of each market, the Group successfully bid for a ~500-unit executive condominium site in Fernvale Lane, Singapore and acquired a 473-unit housing and medium density project site in Keperra, Queensland, Australia.

The Group continued to actively manage its balance sheet, recycling capital through its real estate investment trusts in 1H FY20. It completed the divestment of two properties to Frasers Logistics & Industrial Trust ("FLT") for S\$94 million<sup>6</sup> and entered into an agreement to sell its remaining 50% stake in the Farnborough Business Park ("FBP") in the UK's Thames Valley to FLT for S\$158 million<sup>7</sup>. Thereafter, the merger of FLT and Frasers Commercial Trust, which was first proposed on 2 December 2019, was completed on 29 April 2020 and the enlarged REIT was renamed Frasers Logistics & Commercial Trust ("FLCT"). FLCT completed the acquisition of the 50% stake in FBP on 30 April 2020.

## **CHANGE TO HALF-YEARLY REPORTING OF FINANCIAL RESULTS**

Following the amendments to Rule 705(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited which took effect from 7 February 2020, FPL will be announcing its financial results on a half-yearly basis instead of a quarterly basis. The Group remains committed to engaging the investment community through clear, timely, as well as consistent communications, and will provide first and third quarter business updates, commencing with the third quarter ending 30 June 2020. It will continue to keep shareholders updated on material developments relating to the Group in compliance with its continuing disclosure obligations.

## **LOOKING AHEAD**

The Group closely monitors all regional and global developments that could have an impact on its multi-national business operations, including developments resulting from the economic impact and disruptions caused by the COVID-19 outbreak.

Frasers Property Singapore's portfolio of commercial properties registered a 90% occupancy rate in 1H FY20 and its private condominium project Seaside Residences is on schedule for completion in the second half of 2020. Integration work is in progress following the acquisition of AsiaMalls Management. As an enlarged retail management platform, Frasers Property Retail is focused on supporting tenants and ensuring business continuity through the pandemic.

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<sup>3</sup> Comprises property assets in Singapore in which the Group has an interest, including assets held by REITs (excluding Eastpoint Mall) and PGIM ARF's Singapore retail portfolio.

<sup>4</sup> Comprises industrial & logistics property assets (outside Thailand) in which the Group has an interest, including assets held by FLT

<sup>5</sup> Based on an exchange rate of £1: S\$1.7625 as at 21 January 2020

<sup>6</sup> Based on exchange rate €1: S\$1.5403 as per FLT's announcement dated 2 December 2019 and 23 December 2019

<sup>7</sup> Based on an exchange rate of £1: S\$1.75 as per FLT's circular dated 14 February 2020

Frasers Property Australia (“FPA”) has around 1,600 residential units due for settlement in the second half of FY20. Managing settlement risks amid the subdued economic environment is currently its main area of focus. On the retail front, the sale of Central Park Retail for S\$160 million<sup>8</sup> has been settled and Shell Cove Retail, Stage 3, has been sold to a third party for S\$4.8 million<sup>9</sup>. The FPA team is now concentrating on stabilising operations at the recently completed Burwood Brickworks and Eastern Creek Quarter Stage 1 retail assets while managing the development of a new retail asset with 24,332 sq m of NLA<sup>10</sup> at Edmondson Park. These retail assets are positioned as super neighbourhood centres, weighted towards the non-discretionary sector, and anchored by major supermarket tenants.

In the industrial and logistics space, Frasers Property Industrial continues to have a solid development workload, with 12 assets spanning 299,235 sq m planned for completion over the next 12 months. Its investment portfolios in both Australia and Europe are over 99% occupied, with strong leasing activity in 1H FY20 totalling ~146,500 sq m of renewals and new leases across both these regions.

On the hospitality front, the Group is actively exploring alternative uses of its rooms to mitigate the impact of lower customer traffic amid the COVID-19 pandemic. These include government contracts for the hosting of people on stay home notices. Proactive cost containment measures have been implemented speedily as well, with all possible steps being taken to preserve staff employment to the best of the Group’s abilities.

While its people continue to manage the situation on the ground, the Group is concurrently developing plans to ensure that its businesses are positioned to take advantage of the eventual recovery after the pandemic.

**END**

#### **About Frasers Property Limited**

Frasers Property Limited (“Frasers Property” and together with its subsidiaries, the “Frasers Property Group” or the “Group”), is a multi-national owner-operator-developer of real estate products and services across the property value chain. 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\$38.7 billion as at 31 March 2020.

Frasers Property’s multi-national businesses operate across five asset classes, namely, residential, retail, commercial & business parks, industrial & logistics as well as hospitality. The Group has businesses in Southeast Asia, Australia, Europe and China, and 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.

Frasers Property is also the sponsor of two real estate investment trusts (“REITs”) and one stapled trust listed on the SGX-ST. Frasers Centrepoint Trust and Frasers Logistics & Commercial Trust are focused on retail, and industrial & commercial 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 REITs listed on the Stock Exchange of Thailand. Frasers Property (Thailand) Public Company Limited is the sponsor of Frasers Property Thailand Industrial Freehold & Leasehold REIT, which is focused on industrial & logistics 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.

The Group is unified by its commitment to deliver enriching and memorable experiences to customers and stakeholders, leveraging its people, knowledge and capabilities from across markets to deliver value in its multiple asset classes.

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

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<sup>8</sup> Based on average FY20 exchange rate of S\$/A\$: 0.9153

<sup>9</sup> Based on exchange rate S\$/A\$ : 0.8723 as at 31 March 2020

<sup>10</sup> Net lettable area

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