

**FRASERS PROPERTY LIMITED**

*Incorporated in Singapore*

*Company Registration No. 196300440G*

**PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF  
FCL EMERALD (1) PTE. LTD.****1. INTRODUCTION**

The board of directors of Frasers Property Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that the Company has today entered into a share purchase agreement (the "**SPA**") with HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Frasers Centrepoint Trust ("**FCT**", and the trustee of FCT, the "**FCT Trustee**") for the sale by the Company of two (2) ordinary shares (the "**Sale Shares**") in the capital of FCL Emerald (1) Pte. Ltd. ("**FCLE**"), representing the entire issued and paid-up share capital of FCLE, to the FCT Trustee (the "**Proposed Transaction**").

FCLE holds 49% of the issued units of NEX Partners Trust ("**NP Trust**") and 49% of the issued shares of Frasers Property Coral Pte. Ltd. ("**FPCP**"), the trustee-manager of NP Trust. FPCP (in its capacity as trustee-manager of NP Trust) in turn holds 50% of the issued shares of Gold Ridge Pte. Ltd. ("**Gold Ridge**"), which holds the retail mall known as "NEX" located at 23 Serangoon Central, Singapore 556083 (the "**Property**"). The remaining 51% of the issued units of NP Trust and issued shares of FPCP are held by the FCT Trustee.

**2. THE PROPOSED TRANSACTION****2.1 Principal Terms and Conditions of the SPA**

The principal terms of the SPA include, among others, that the completion of the Proposed Transaction ("**Completion**") is subject to the following conditions precedent:

- (a) the approval of the unitholders of FCT for the Proposed Transaction at an extraordinary general meeting to be convened by FCT;
- (b) FCT securing sufficient financing for the Proposed Transaction on terms and conditions satisfactory to FCT;
- (c) the Company or FCT obtaining a confirmation from the Inland Revenue Authority of Singapore ("**IRAS**") that additional conveyance duties are not payable by FCT in respect of the Proposed Transaction, or otherwise obtaining a remission of any additional conveyance duties payable by FCT in connection with the Proposed Transaction on terms (if any) reasonably acceptable to FCT; and

- (d) the Company or FCT obtaining a confirmation from IRAS that additional conveyance duties are not payable by the Company in respect of the Proposed Transaction, or otherwise obtaining a remission of any additional conveyance duties payable by the Company in connection with the Proposed Transaction on terms (if any) reasonably acceptable to the Company.

## 2.2 Consideration for the Proposed Transaction

The consideration (the "**Consideration**") payable by the FCT Trustee to the Company in cash under the SPA is estimated to be approximately S\$8.2 million and was negotiated on a willing-buyer and willing-seller basis, based on the sum of:

- (a) 24.5% (representing FCLE's effective shareholding interest in Gold Ridge) of the adjusted net asset value ("**NAV**") of Gold Ridge, which takes into account the agreed property value of the Property of S\$2,127.0 million ("**Agreed Property Value**");
- (b) 49.0% (representing FCLE's percentage interest in NP Trust and FPCP) of (i) the adjusted NAV of NP Trust (excluding NP Trust's investment in Gold Ridge); and (ii) the NAV of FPCP; and
- (c) the adjusted NAV of FCLE (excluding FCLE's investments in NP Trust and FPCP),

in each case, as at the date of Completion (the "**Completion Date**"). The Consideration will be subject to post-Completion adjustments in accordance with the SPA.

Immediately after Completion and on the Completion Date, the FCT Trustee shall:

- (i) fund FCLE with an amount equivalent to the total amount (the "**Intercompany Outstanding Amount**") owing by FCLE to the Company and Frasers Property Treasury Pte. Ltd. ("**FPTPL**") (being a wholly-owned subsidiary of the Company) (including any accrued interest) pursuant to certain intercompany loans and intercompany arrangements as at Completion (the "**Repayment Amount**"). The Intercompany Outstanding Amount as at Completion is expected to be approximately S\$313.1 million; and
- (ii) (as holder of the Sale Shares) procure that FCLE use the Repayment Amount to repay the Intercompany Outstanding Amount to the Company and/or FPTPL (as the case may be) on the Completion Date.

The total acquisition price payable by the FCT Trustee in respect of the Proposed Transaction (the "**Acquisition Price**") would therefore be the sum of the Consideration and the Intercompany Outstanding Amount, being approximately S\$321.3 million.

### 2.3 Value of the Sale Shares

Based on the audited consolidated financial statements of the Group for the financial year ended 30 September 2023 ("**FY2023**") (being the latest announced financial statements of the Group) (the "**FY2023 Audited Financial Statements**"), the book value attributable to the Sale Shares is S\$29.5 million<sup>1</sup>.

The Company intends to use the net proceeds from the Proposed Transaction (being the Acquisition Price less any fees and expenses incurred or to be incurred by the Company in connection with the Proposed Transaction) for working capital purposes including but not limited to repaying and servicing borrowings.

### 2.4 Valuation of the Property

The FCT Trustee has commissioned an independent valuer, Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("**Colliers**"), and Frasers Centrepoint Asset Management Ltd. (in its capacity as manager of FCT) (the "**Manager**") has commissioned an independent valuer, Jones Lang LaSalle Property Consultants Pte Ltd ("**JLL**"), to respectively value the Property.

The Agreed Property Value was negotiated between the Company and the Manager on a willing-buyer and willing-seller basis with reference to the independent valuations by Colliers and JLL. The Agreed Property Value is the average of the two independent valuations of the Property of S\$2,144.0 million (Colliers) and S\$2,110.0 million (JLL) as at 31 December 2023.

## 3. RATIONALE FOR THE PROPOSED TRANSACTION

The Proposed Transaction is in line with the strategy of the Group to recycle capital from stabilised investment properties via its real estate investment trusts ("**REITs**"), which are of strategic importance to the Group. This active portfolio management approach enables the Group to both optimise capital productivity and support the growth of its REITs.

## 4. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

- 4.1 Chapter 10 of the Listing Manual classifies transactions by the Company into (a) non-disclosable transactions, (b) disclosable transactions, (c) major transactions and (d) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following applicable bases of comparison set out in Rules 1006(a), 1006(b) and 1006(c) of the Listing Manual:

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<sup>1</sup> The Consideration represents a deficit of S\$21.3 million over the book value of the Sale Shares. However, as the Consideration was determined by reference to an adjusted NAV of FCLE, NP Trust, FPCP and Gold Ridge (collectively, the "**FCLE Group**"), please refer to paragraph 5 instead for the detailed pro forma financial effects of the Proposed Transaction on the NAV per Share and earnings per Share ("**EPS**").

- (i) the NAV of the assets to be disposed of, compared with the Company's NAV;
- (ii) the net profits attributable to the assets disposed of, compared with the Company's net profits; and
- (iii) the aggregate value of the consideration received, compared with the Company's market capitalisation.

The relative figures for the Proposed Transaction computed on the bases set out above are as follows:

<b>Comparison of</b>	<b>Proposed Transaction</b>	<b>Group</b>	<b>Relative Figure (%)</b>
<b>NAV (S\$ million)</b>	29.5 <sup>(1)</sup>	9,894.9 <sup>(2)</sup>	0.3
<b>Net profits<sup>(3)</sup> (S\$ million)</b>	21.8 <sup>(4)</sup>	400.8 <sup>(2)</sup>	5.4
<b>Consideration for the Proposed Transaction against market capitalisation (S\$ million)</b>	321.3 <sup>(5)</sup>	3,672.8 <sup>(6)</sup>	8.8

**Notes:**

- (1) Based on the unaudited NAV of the FCLE Group as at 30 September 2023.
- (2) Based on the FY2023 Audited Financial Statements.
- (3) Under Rule 1002(3) of the Listing Manual, "net profits" is defined as profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (4) Based on the unaudited net profits of the FCLE Group for FY2023.
- (5) Based on the estimated Acquisition Price of S\$321.3 million, which is subject to post-Completion adjustments.
- (6) Based on 3,926,041,573 ordinary shares in the capital of the Company ("**Shares**") in issue and the weighted average price of S\$0.94 per Share on the SGX-ST on 24 January 2024, being the trading day immediately prior to the date of this Announcement.

4.2 Pursuant to Chapter 10 of the Listing Manual, where a disposal of assets is one where any of the relative figures as computed on the bases set out in Rule 1006 exceeds 5% but does not exceed 20%, the transaction is classified as a "disclosable transaction" under Chapter 10 of the Listing Manual.

4.3 As the relative figures in respect of the Proposed Transaction as computed on the bases set out in Rules 1006 (b) and (c) exceed 5% but do not exceed 20%, the Proposed Transaction constitutes a "disclosable transaction" under Chapter 10 of the Listing Manual and as such, the approval of the shareholders of the Company ("**Shareholders**") is not required for the Proposed Transaction.

## 5. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

5.1 **FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Proposed Transaction on the NAV per Share and EPS presented below are strictly for illustrative purposes only and do not represent the Company's actual financial performance or position after completion of the Proposed Transaction. The pro forma financial effects in this paragraph 5 were prepared based on the FY2023 Audited Financial Statements<sup>2</sup> and the following assumptions:

- (a) the effect of the Proposed Transaction on the Company's NAV per Share for FY2023 is based on the assumption that the Proposed Transaction had completed on 30 September 2023, after adjusting for the Group's share of fair value change arising from the difference between the Agreed Property Value and the value of the Property stated in the FY2023 Audited Financial Statements; and
- (b) the effect of the Proposed Transaction on the Company's EPS for FY2023 is based on the assumption that the Proposed Transaction had completed on 1 October 2022, after adjusting for portfolio management fees, the FCT Trustee's trustees' fees and net borrowing costs to fund the Proposed Transaction.

### 5.2 Pro Forma NAV

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Proposed Transaction on the NAV per Share as at 30 September 2023, as if the Proposed Transaction was completed on 30 September 2023, are as follows:

	Before the Proposed Transaction	After the Proposed Transaction <sup>(1)</sup>
NAV (S\$ million)	9,894.9	9,893.9
Number of Shares ('000)	3,926,042	3,926,042
NAV per Share (S\$)	2.52	2.52

<sup>2</sup> The FY2023 Audited Financial Statements take into account the financial effects of the acquisition by FPCP (in its capacity as trustee-manager of NP Trust) of 50% of the issued and paid-up share capital of Gold Ridge that was completed on 6 February 2023. For further information on the acquisition, refer to the Company's announcement on 26 January 2023.

**Note:**

- (1) As FCT is a subsidiary of the Group, the pro forma financial effects of the Proposed Transaction on the NAV per Share also take into account FCT's interest in the Proposed Transaction (including, without limitation, the financial effects of FCT's mode of funding the Proposed Transaction).

### 5.3 Pro Forma EPS

**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Proposed Transaction on the Company's EPS for FY2023, as if the Proposed Transaction was completed on 1 October 2022, is as follows:

	<b>Before the Proposed Transaction</b>	<b>After the Proposed Transaction<sup>(1)</sup></b>
Attributable profit to Shareholders (before fair value change and exceptional items) after adjusting for distributions to perpetual securities holders (S\$ million)	300.3	301.4
Attributable profit to Shareholders (after fair value change and exceptional items) after adjusting for distributions to perpetual securities holders (S\$ million)	123.2	110.1
EPS (before fair value change and exceptional items) <sup>(2)</sup> (cents)	7.7	7.7
EPS (after fair value change and exceptional items) <sup>(2)</sup> (cents)	3.1	2.8
Weighted average number of Shares ('000)	3,926,042	3,926,042

**Notes:**

- (1) As FCT is a subsidiary of the Group, the pro forma financial effects of the Proposed Transaction on the EPS also take into account FCT's interest in the Proposed Transaction (including, without limitation, the financial effects of FCT's mode of funding the Proposed Transaction).
- (2) EPS is calculated by dividing the Group's attributable profit (after adjusting for distributions to perpetual securities holders of S\$49,951,000) by the weighted average number of Shares in issue during the financial year.

## 6. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company have any interest, direct or indirect, in the Proposed Transaction other than their interests as directors and/or Shareholders and/or their indirect interests in FCT through the Company.

**7. NO DIRECTORS' SERVICE CONTRACTS**

No person is proposed to be appointed as a director of the Company in connection with the Proposed Transaction.

**8. DOCUMENTS FOR INSPECTION**

Copies of the following documents will be made available for inspection by Shareholders by appointment only during normal business hours at the office of the Company in Singapore at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958, for a period of three (3) months from the date of this Announcement:

- (a) the SPA; and
- (b) the valuation reports issued by Colliers and JLL in respect of the Property.

**BY ORDER OF THE BOARD**

Catherine Yeo  
Company Secretary  
25 January 2024