

Fraser's Property Limited

Incorporated in Singapore

Company Registration No. 196300440G

PROPOSED INVESTMENT INTO PGIM REAL ESTATE ASIARETAIL FUND LIMITED

1. INTRODUCTION

Fraser's Property Limited ("**FPL**", and together with its subsidiaries, the "**Group**") refers to its announcement on 18 February 2019 entitled "Proposed Investment Into PGIM Real Estate AsiaRetail Fund Limited" ("**18 February Announcement**").

Unless otherwise specified or defined in this announcement, words and expressions used in this announcement bear the same meanings as defined in the 18 February Announcement.

FPL is pleased to announce that Fraser's Property Investments (Bermuda) Limited (the "**Purchaser**"), a wholly owned subsidiary of FPL, has on 20 March 2019 entered into a conditional sale and purchase agreement (the "**Sale and Purchase Agreement**") with a shareholder of the Company (the "**Vendor**"), pursuant to which the Purchaser has agreed to buy from the Vendor, and the Vendor has agreed to sell to the Purchaser, 158,145 shares in the capital of the Company (the "**Sale Shares**") (such sale and purchase transaction hereinafter called the "**Second Acquisition**").

2. THE SECOND ACQUISITION

2.1 Information on the Company and the Sale Shares

Information on the Company can be found in paragraph 2.1 of the 18 February Announcement.

The Sale Shares comprise approximately 29.99% stake in the Company. Subject to completion under the sale and purchase agreement referred to in the 18 February Announcement taking place and the Purchaser acquiring 94,013 shares in the capital of the Company thereunder (the "**First Acquisition**"), the Second Acquisition will bring the Purchaser's total stake in the Company to approximately 47.82%.

2.2 Consideration for the Sale Shares

Pursuant to the terms and subject to the conditions of the Sale and Purchase Agreement, the consideration for the Sale Shares is approximately S\$601.5 million (the "**Consideration**").

The Consideration was arrived at on a willing-buyer and willing-seller basis, taking into consideration the net asset value of the Sale Shares and the underlying performance of the properties owned by the Company.

The book value and net asset value of the Sale Shares as at 31 December 2018 amount to approximately S\$598.1 million (which includes the dividend payable in respect of the Sale Shares for the fourth quarter of 2018 ("**4Q 2018 Dividend**").

The Purchaser shall pay the Consideration in full to the Vendor on the later of (a) the date falling three (3) Business Days after fulfilment of the last condition precedent (as set out in paragraph 2.3 below); and (b) the date falling three (3) Business Days after receipt of the 4Q 2018 Dividend by the Vendor (or such other date agreed between the Parties) (the "**Completion Date**").

Subject to certain conditions being met, the Purchaser shall pay an additional sum of approximately S\$9.0 million (the "**Additional Sum**") to the Vendor.

2.3 Other Salient Terms of the Sale and Purchase Agreement

The Sale Shares shall be sold to the Purchaser with effect from the Completion Date, free from all encumbrances and together with all rights, dividends and entitlements attaching and/or accruing to the Sale Shares as from (but excluding) the Completion Date. Distributions to shareholders, including of the proceeds of property sales or extraordinary income, declared in respect of the Sale Shares at any time on or after 7 March 2019, shall accrue to the Purchaser.

Completion of the Second Acquisition ("**Completion**") shall be conditional on certain conditions being fulfilled, including without limitation conditions substantially similar to those listed in paragraph 2.3 of the 18 February Announcement.

The Sale and Purchase Agreement also contains other customary terms such as limited representations and warranties, terms relating to termination and confidentiality obligations.

3. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

Based on the latest announced unaudited consolidated financial statements of the Group for 1Q2019, the relative figures computed in respect of the Second Acquisition alone, on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST, are as follows¹:

Net profit test (Rule 1006(b))	Net profits attributable to the Sale Shares = S\$9 million	Net profits of the Group = S\$278 million	3.2%
Market capitalisation test (Rule 1006(c))	Consideration ² = S\$610 million	FPL's market capitalisation (calculated based on the weighted average price of S\$1.7453 per Share and 2,919,487,919 Shares (excluding treasury shares) as at 19 March 2019, being the market day immediately preceding the date of the Sale and Purchase Agreement = S\$5,095 million	12.0%

(Rules 1006(a), (d) and (e) are not applicable as the Second Acquisition is an acquisition of assets and no shares of FPL are being issued in consideration of the Second Acquisition.)

¹ figures are rounded to whole numbers and percentages to one decimal place

² for purposes of this calculation, including both the Consideration and the Additional Sum

Based on the latest announced unaudited consolidated financial statements of the Group for 1Q2019, the consolidated relative figures computed in respect of the First and Second Acquisitions on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST are as follows³:

Net profit test (Rule 1006(b))	Net profits attributable to the Sale Shares = S\$15 million	Net profits of the Group = S\$278 million	5.4%
Market capitalisation test (Rule 1006(c))	Consideration ⁴ = S\$970 million	FPL's market capitalisation (calculated based on the weighted average price of S\$1.7453 per Share and 2,919,487,919 Shares (excluding treasury shares) as at 19 March 2019, being the market day immediately preceding the date of the Sale and Purchase Agreement = S\$5,095 million	19.0%

4. RATIONALE AND KEY BENEFITS OF THE ACQUISITION

- 4.1 The investments in the Company are line with the Group's strategy to grow recurring income sources in one of the Group's key asset classes. The assets in the Company are primarily suburban retail properties in Singapore, an asset class in which the Group has significant experience.
- 4.2 The investments in the Company further enhance the resilience of the Group's portfolio of investment properties. Suburban retail is an asset class that has demonstrated resilience across property cycles. The investments offer an opportunity for the Group to grow its presence in the retail sector in Singapore through exposure to the Company's portfolio of quality retail properties.
- 4.3 The investments in the Company allow the Group to explore opportunities with the Company's manager and shareholders that can potentially enhance the Company's portfolio value and performance. These may include the Group contributing its expertise in suburban retail properties and in Singapore to propose value-add options for the portfolio aimed at achieving the Company's objectives.

5. SOURCES(S) OF FUNDS FOR THE SECOND ACQUISITION AND FINANCIAL EFFECTS

5.1 Source(s) of Funds

FPL intends to finance the Second Acquisition via internal funds or external borrowings or a combination thereof.

³ figures are rounded to whole numbers and percentages to one decimal place

⁴ for purposes of this calculation, including both the Consideration and the Additional Sum

5.2 Pro Forma Financial Effects

For illustrative purposes only, the cumulative *pro forma* financial effects of the First and Second Acquisitions on FPL as set out below are prepared based on the Group's latest audited consolidated financial statements for FY2018, and are subject to the following key assumptions:

- (a) the effects of the First and Second Acquisitions on the Group's EPS for FY2018 are based on the assumption that the First and Second Acquisitions had been effected at the beginning of FY2018;
- (b) the effects of the First and Second Acquisitions on the Group's NTA per Share for FY2018 are based on the assumption that the First and Second Acquisitions had been effected at the end of FY2018; and
- (c) the effects of the First and Second Acquisitions are based on the unaudited consolidated financial statements of the Company for the financial year ended 31 December 2018.

The financial effects set out below are theoretical in nature and are therefore not necessarily indicative of the future financial position and earnings of FPL or the Group.

(1) EPS

	Before the First Acquisition	After the First Acquisition ⁵	After the First and Second Acquisitions
Profit after tax and non-controlling interests (before fair value change and exceptional items) (S\$'million)	507	509	511
Profit after tax and non-controlling interests (after fair value change and exceptional items) (S\$'million)	759	763	770
EPS (before fair value change and exceptional items) (Singapore cents)	14.70	14.75	14.83
EPS (after fair value change and exceptional items) (Singapore cents)	23.35	23.50	23.73
Weighted average number of issued Shares ('million)	2,910.6	2,910.6	2,910.6

The EPS has been calculated after adjusting for distributions to perpetual securities holders of S\$79 million.

⁵ figures are taken from paragraph 5.2(1) of the 18 February Announcement

(2) NTA per Share

	Before the First Acquisition	After the First Acquisition ⁶	After the First and Second Acquisitions
NTA (S\$'million)	6,602	6,600	6,597
Number of issued Shares ('million)	2,912.0	2,912.0	2,912.0
NTA per Share (S\$)	2.27	2.27	2.27

The NTA has been adjusted for the transaction costs of the First Acquisition and the First and Second Acquisitions respectively.

6. OTHER INFORMATION

6.1 Director's Service Contracts

No person is proposed to be appointed as a director of FPL in connection with the Second Acquisition.

6.2 Interests of the Directors and Controlling Shareholders

None of the directors of FPL and, as far as the directors of FPL are aware, none of the controlling Shareholders of FPL, has any interest, direct or indirect, in the Second Acquisition (otherwise than through their holdings of Shares, if any).

7. DOCUMENTS FOR INSPECTION

A copy of the Sale and Purchase Agreement will be available for inspection by prior appointment during normal business hours at the registered office of FPL at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958 from the date of this announcement up to and including the date falling three months after the date of this announcement.

BY ORDER OF THE BOARD

Catherine Yeo
Company Secretary

21 March 2019

⁶ figures are taken from paragraph 5.2(2) of the 18 February Announcement