FRASERS PROPERTY LIMITED
(Incorporated in Singapore)
(Company Registration No. 196300440G)

59th ANNUAL GENERAL MEETING TO BE HELD ON 18 JANUARY 2023
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

Frasers Property Limited (the "**Company**") refers to its announcement dated 23 December 2022 ("**AGM Announcement**") in relation to the Company's 59th Annual General Meeting ("**AGM**") which will be conducted in a wholly physical format on Wednesday, 18 January 2023 at 2.00 p.m. (Singapore time) at The Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966.

The Company notes that it has not received any questions related to the resolutions to be tabled for approval at the AGM from its shareholders as of 5.00pm on Tuesday, 10 January 2023 (the "**submission deadline**"). As stated in the AGM Announcement, the Company will endeavour to address the substantial and relevant questions received after the submission deadline, and those received "live" at the AGM, during the AGM itself.

The Company has received some questions from the Securities Investors' Association of Singapore ("**SIAS**") in relation to its annual report for the financial year ended 30 September 2022. Please refer to the SIAS website at https://sias.org.sg/qa-on-annual-reports, and Annex A below for the list of questions received from SIAS, and the Company's responses to these questions.

BY ORDER OF THE BOARD

Catherine Yeo
Company Secretary
12 January 2023

ANNEX A: RESPONSES TO QUESTIONS FROM SIAS

Q1

On 22 August 2022, the company announced the creation of a group corporate function, Frasers Property Capital, to focus on growing capital partnerships with long-term investors across markets and asset classes.

As noted in the interview with the Group CEO (page 40), the focus on "capital partnerships" is in line with the group's capital management strategy of diversifying its capital sources, which will allow the group to pursue market opportunities with more agility. For example, the group most recently partnered with Mitsui Fudosan Australia for the development of MAC Residences at Macquarie Park in New South Wales.

i. What are the targets set by the board for Frasers Property Capital in terms of capital raised?

ii. Has management considered managing external capital from institutional investors, large family offices and ultra-high-net-worth individuals etc via private real estate funds? What are the benefits of forming project-based capital partnerships as compared to the fund management model (which typically provides the fund manager with an investment horizon over 5-7 years and more)?

In addition, the group's 5-year financial track record is shown on page 19 of the annual report. An extract showing the return on (average) equity (ROE) is reproduced below.

FINANCIAL HIGHLIGHTS

	2018[1]	2019	2020	2021	**2022**
Revenue ($'m)	4,320.9	3,791.9	3,597.0	3,763.8	**3,877.0**
Profit before interest, fair value change on investment properties, taxation and exceptional items ($'m)	1,333.2	1,292.6	1,245.6	1,424.7	**1,249.2**
Return on average shareholders' equity (%)[3]					
Attributable profit before fair value change on investment properties and exceptional items	5.5	3.4	2.0	4.0	**3.4**
Attributable profit after fair value change on investment properties and exceptional items	9.1	6.3	1.5	9.1	**8.8**

(Source: company annual report)

iii. Has the board reviewed, and is the board satisfied with, the average ROE achieved by the group in the past 5-year/10-year?

iv. Separately, can management (re)state its vision and plans for Frasers Hospitality Trust (FHT) given that the privatisation was not approved by stapled securityholders in September 2022? How does management intend to crystallise value from FHT?

Response to Q1(i) and Q1(ii)

- Frasers Property Capital was established to build on our existing capabilities and to drive existing opportunities within Frasers Property Limited (**"Frasers Property"**, and together with its subsidiaries, the **"Group"**) as a priority.
- We are not doing this to grow assets under management (AUM) for the sake of growing AUM. The key is taking a relationship-based approach by bringing in the right partners and matching the right opportunity to the risk appetite of the partner in alignment with our long term strategies. As such, Frasers Property Capital's growth will be opportunity-led.

	• Frasers Property Capital will consider a variety of external capital that aligns with our risk and strategy outlook. We aspire to provide scalability in the sectors and geographies that we have established. • We have worked on different forms of capital partnerships through the years and are open to looking at all options, including fund management. • Our current focus is on longer-term capital partnerships. As fiduciaries, it is prudent to take the project-based approach in the first instance to showcase our competencies and investment discipline as we build up our track record in the fund management space. • In this way, we provide our partners: 1. Strong alignment as a joint venture partner 2. Ability to underwrite identified opportunities 3. Leverage via our vertically integrated platforms in the sectors and geographies we are in 4. Opportunity to scale investments across sectors and geographies
	Response to Q1(iii) • Since Frasers Property's listing on the SGX-ST in 2014, we have been taking steps to enhance the Group's business strategy. We have been investing in future ready capabilities, as well as reshaping our geographic and asset mix, and recurring versus non-recurring income mix in the process. The resilience in the Group's portfolio of property assets and businesses against the challenging business backdrop over the past two years bears testament to Frasers Property's firm foundation that it has built over the years. • Our focus is on delivering sustainable returns over the long-term. How we invest capital, generate a sustainable level of return for shareholders, and execute to deliver those returns continue to be at the top of the management's minds. • ROE is amongst the many metrics the Board uses to assess and measure the Group's performance. • We continually review our business structure and evaluate our assets and portfolio on the whole and look for opportunities to enhance or unlock value. Should there be any viable opportunities to meaningfully increase shareholder value in a sustainable manner across cycles, we will pursue them.
	Response to Q1(iv) • We respect the decision of Frasers Hospitality Trust's ("**FHT's**") stapled securityholders and the outcome of the Scheme Meeting. • We remain committed as the sponsor of FHT and will continue to support FHT in its strategic initiatives. • Recovery trajectory of the hospitality portfolio may be bumpy but Frasers Property Limited continues to take a long-term view on the hospitality business. • The immediate priority for our hospitality business is to continue executing our cost containment programme while seeking opportunities to leverage the recovery in travel demand in markets we operate in. • At Frasers Property, our long-term strategy is centred on leveraging our synergistic multi-asset class capabilities to create value, and hospitality remains one of the Group's core businesses.

Q2	The group's interest rate policy is to maintain a mix of fixed and floating rate debts with varying tenors, and to have between 50% and 80% of its borrowings at fixed rate (or swapped to fixed rates). As at 30 September 2022, almost three quarters (74.5%) of the group's debts were on fixed rate or hedged. The average cost of debt on a portfolio basis was 2.7% per annum as at 30 September 2022, compared to 2.3% per annum as at 30 September 2021. In Note 35(c) (page 257 – Financial risk management: Interest rate risk: Sensitivity analysis for interest rate risk), it was shown that a 100-basis point increase in interest rates would decrease profit before tax by $39.7 million. i. In view of the interest rate trends, what are management's plans to control/optimise its borrowing costs? ii. Is the $500 million five-year green, 4.49% green retail bond a costly source of capital? iii. Separately, what is the level of natural hedging for the group's investments in Australia and Europe/UK? As disclosed in the section titled "Treasury highlights" (pages 44 & 45 of the annual report), the group has a target of between 80% and 100% for its net debt-to-equity ratio. As at 30 September 2022, this ratio was lower, at 64.8%. Net borrowings decreased to $12.6 billion as at 30 September 2022, from $13.5 billion a year ago. iv. Can management help shareholders better understand the underlying reasons for the lower gearing? Is the lower gearing the result of a more conservative approach by management in view of rising interest rates and market uncertainties?
	Response to Q2(i) and Q2(ii): • Management plans to continue to hedge its floating interest rate exposures in line with the Group's debt maturities. • Beyond our hedging policy, amongst others, we have a three-pronged approach to optimise financing costs as part of our capital management strategy: 1. Our businesses are focused on quality projects and sustainability features, which enables the Group to get optimal financing terms, including green and sustainable financing. 2. We diversify our sources of funding, by tapping pools of funds in Singapore and international markets that may be underserved. 3. We issue debt whenever there is a window of opportunity to tap the markets proactively at a competitive interest rate. • A good example would be the Group's retail green notes which were issued to take advantage of an under tapped retail market segment whilst there was a short pause in rate hikes. • The Singapore corporate retail bond market has not been served since March 2021. The strong demand for the Group's retail green notes allowed us to upsize the issuance from S$420 million at the close of the institutional placement to $500 million. • The retail green notes issuance was part of our capital management strategy to diversify sources of funding for the Group. In addition, we were able to lock in a competitive interest rate in light of the rapidly rising interest rates environment.

	Response to Q2(iii): • To help mitigate the effects of foreign currency movements on our assets, whenever possible, the Group would borrow in the currencies of the countries in which its properties or investments are located to match the future revenue streams to be generated from its assets. • As at 30 September 2022, around 66% of the Group's total property assets of S$33.5 billion was outside Singapore. The level of debt is optimised based on the underlying asset and market. All of the debt used to fund these assets is in the currency of the assets, ie. natural hedge.
	Response to Q2(iv): • The Group has always adopted a disciplined approach towards capital management. • The lower net debt-to-equity ratio as at 30 September 2022 reflected the combined effects of the Group's prudent stance amid the prevailing market environment of inflationary pressures, recessionary risks and interest rate hikes, as well as resulting higher hurdle rates for investments, and improved equity position as at the reporting date on the Group's net gearing position. • We maintain our target of between 80% and 100% for the Group's net debt-to-equity ratio.
Q3	As disclosed in the corporate governance report, the nominating committee (NC) used the business networks of the board to source for potential candidates for board appointments as part of its board renewal exercise (page 120). The newly-appointed directors are Mr Chin Yoke Choong, Mrs Siripen Sitasuwan and Mr Pramoad Phornprapha. The company further disclosed that Mr Chin was known to the NC as he had previously served as an independent director of Frasers Logistics & Commercial Asset Management Pte. Ltd and Frasers Commercial Asset Management Ltd. Mrs Siripen was formerly an ID of FPL from 25 October 2013 to 10 March 2014 and she has served on the board of Fraser and Neave, Limited for 9 years from May 2013 until May 2022. Mr Pramoad is known to the board and the NC through the personal networks of members of the board. i. Has the board/NC considered if the long association of two of the newly appointed directors with the group would interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company? ii. How does the use of personal/business network and the appointment of former directors help the board to achieve an appropriate level of independence and diversity of thought?

	Response to Q3: • All directors are selected through due process. The process for the selection of directors takes into account, amongst other things, the composition and progressive renewal of the Board and Board Committees, the Board Diversity Policy, the succession plans for directors and the balance of skills, knowledge and experience required for the Board to discharge its responsibilities effectively. In the case of a potential new director, the NC will consider, inter alia, the candidate's experience, qualification, expertise, skillset, personal qualities and general and sector-specific knowledge in relation to the needs of the Board and the Group's business, as well as whether the candidates will add diversity to the Board. • The NC considers a range of different channels to source and screen candidates for Board appointments, including, amongst others, tapping on the existing networks of the Board's contacts and recommendations. Given that the networks of the Board are wide-ranging and span across various industries and multiple geographies, these enabled a range of suitable candidates with different backgrounds and qualifications which would add to the diversity (including gender, age and geographical background) and core competencies/skill set of the Board to be identified. • As part of the appointment process, candidates are carefully evaluated by the NC so that recommendations made on proposed candidates are objective and well supported. In approving the appointment of independent directors, the NC/Board considered and determined that none of the identified appointees had any relationship (whether familial, business, financial, employment or otherwise) with the Group which could interfere, or be perceived to interfere, with his/her independent judgement. • For Mrs Siripen (who was appointed after the close of FY2022), the NC/Board deliberated and considered her independent notwithstanding her previous appointment as an independent director of Fraser and Neave, Limited, which is separately listed, independently managed and whose core business is entirely different from that of the Company's. • For Mr Chin (who was appointed during FY2022), as disclosed on page 122 of the annual report, the NC/Board were satisfied that his previous appointments on Frasers Logistics & Commercial Asset Management Pte. Ltd. (**"FLCAM"**), the manager of Frasers Logistics & Commercial Trust (**"FLCT"**), and payment of director's fees to him in respect of such appointments "did not affect his continued ability to exercise strong objective judgement and be independent in conduct and character (in particular, in the expression of his views and in his participation in the deliberations and decision making of the Board and the Board Committees of which he is a member) and act in the best interests of all Shareholders as a whole." It is also noted that FLCT is a separately listed entity and Mr Chin was a non-executive and independent director of FLCAM.