

## Fraser's Property Limited achieved PBIT<sup>1</sup> of S\$461 million in 1Q FY20

- ◆ Earnings continued to be anchored by the Group's enlarged recurring income base, and was further boosted by recognition of development income from China and Thailand
- ◆ Balanced portfolio and scalable platforms provide resilience and position the Group for sustainable growth

### SINGAPORE, 7 FEBRUARY 2020

Fraser's Property Limited ("Fraser's Property", and together with its subsidiaries, the "Group") today announced its financial results for its first financial quarter ended 31 December 2019 ("1Q FY20").

### FINANCIAL HIGHLIGHTS

|                            | 1Q FY20<br>(S\$ 'mil) | 1Q FY19<br>(S\$ 'mil) | Inc/(Dec)<br>(%) |
|----------------------------|-----------------------|-----------------------|------------------|
| <b>Revenue</b>             | 1,178.7               | 1,083.3               | 8.8              |
| <b>PBIT<sup>1</sup></b>    | 461.2                 | 370.7                 | 24.4             |
| <b>APBFE</b>               | 142.2                 | 140.3                 | 1.4              |
| <b>Fair Value Change</b>   | 13.4                  | 5.1                   | 162.2            |
| <b>Exceptional Items</b>   | 3.8                   | 0.2                   | N/M              |
| <b>Attributable Profit</b> | 159.4                 | 145.6                 | 9.5              |

Mr Panote Sirivadhanabhakdi, Group Chief Executive Officer of Fraser's Property, commented, "Earnings for 1Q FY20 continued to benefit from the Group's larger recurring income base, particularly the maiden contribution from PGIM ARF<sup>2</sup>, in which the Group currently holds an ~88%<sup>3</sup> stake and began consolidating from 1 July 2019. These results reflect our focus on building scalable business platforms across asset classes and geographies to enhance portfolio resilience. A higher level of development project completions in China and Thailand further boosted our earnings, which cushioned the impact of the lower level of settlements in Australia. We will continue to keep close tabs on macroeconomic and real estate market fundamentals and calibrate our exposure to development projects and investment properties accordingly."

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

In keeping with the Group's larger emphasis on building platforms with appropriate scale and focus, a new multi-national integrated industrial and logistics strategic business unit, Fraser's Property Industrial, and a retail-focused platform in Singapore, Fraser's Property Retail, were formed in October 2019.

As part of the evolution of Fraser's Property Singapore's operations, the Group's commercial, development and residential businesses in Singapore is now led by a newly formed Commercial, Development & Residential Committee with Mr Koh Teck Chuan as Executive Chairman. This committee is accountable to the Fraser's Property Singapore Board for the formulation of strategies to grow and future-proof the commercial, development and residential businesses in Singapore, and for optimising returns from the existing portfolio.

<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> On 1 October 2019, due to redemption of shares in the capital of PGIM ARF, the Group's degree of stake in PGIM ARF held by Fraser's Property and Fraser's Centrepoint Trust increased to 88%.

“Teck Chuan has made progressive steps with Frasers Hospitality’s portfolio management and growth strategy in the past year. His extensive experience in the real estate sector will be invaluable in his added role as we work towards building a sustainable real estate platform in Singapore,” continued Mr Sirivadhanabhakdi.

In line with its strategy of recycling stabilised investment properties to optimise capital productivity and support the growth of its REITs<sup>4</sup>, Frasers Property entered into a conditional agreement to divest its remaining 50% interest in the Farnborough Business Park in the United Kingdom’s Thames Valley to Frasers Logistics & Industrial Trust (“FLT”) for S\$157.7million<sup>5,6</sup>. The transaction is subject to the approval of FLT’s unitholders at an extraordinary general meeting to be convened in due course, and inter-conditional on the approvals of unitholders of FLT and Frasers Commercial Trust (“FCOT”) of a merger of FLT and FCOT by way of a trust scheme of arrangement.

## LOOKING AHEAD

The Group closely monitors all regional and global developments that could have an impact on its multi-national business operations. Two key impact areas in particular are the Novel Coronavirus outbreak globally and the bushfires in Australia. While the Group anticipates some impact on parts of its operations, it is keeping a watchful eye on both situations which are still evolving. The Group’s immediate priority is to ensure the safety and well-being of customers and staff at all its properties and will continue to put in place appropriate measures.

In Singapore, Frasers Property Retail remains focused on exploring opportunities to leverage its scale and network to better serve its tenants, shoppers and communities. On the commercial front, Frasers Property Singapore commenced business operations at the retail podium at Cross Street Exchange<sup>7</sup> in phases from November 2019, following the completion of asset enhancement works. 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 plans to release around 1,750 residential units for sale in FY20 and added to its residential land bank with the acquisition of a site in Keperra, Queensland during the quarter. On the retail front, two retail assets with total NLA of ~13,300 sqm were completed during the quarter, including Burwood Brickworks shopping centre, which will be held as investment properties. A further two retail assets with total NLA of ~34,800 sqm are being developed.

In the industrial and logistics space, Frasers Property Industrial realised strong leasing activity totalling ~123,300 sqm of renewals and new leases in Europe, and achieved 100% occupancy for its portfolio in Australia. On the development front, Frasers Property Industrial is developing 11 new assets with total GFA of ~277,600 sqm to be completed over the course of the next 12 months. During the quarter, Frasers Property Industrial added ~6 ha to its land bank in Australia, and ~4 ha to its land bank in Europe.

Frasers Hospitality opened Malmaison Edinburg City in 1Q FY20, adding to its portfolio of around 18,000 serviced apartments and hotel rooms across more than 70 cities in over 20 countries. A further 3,500 units are in the pipeline.

The Group will continue to manage its businesses and asset portfolio in a prudent manner across geographies and business segments. With a diversified portfolio which delivers a strong recurring income base, the Group will increase its focus on capital management and asset repositioning. The Group is well

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<sup>4</sup> Real estate investment trusts

<sup>5</sup> Based on exchange rate S\$/£ : 1.6984 as at 30 September 2019

<sup>6</sup> Includes S\$79.6m (consideration for the asset) and S\$78.1m (shareholder’s loan)

<sup>7</sup> 18, 20 and 22 Cross Street were renamed “Cross Street Exchange” on 1 January 2020

positioned, through its real estate platforms in all the key markets it is in, to create asset value through a combination of development and asset/operational enhancement initiatives.

**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\$38.8 billion as at 31 December 2019.

Frasers Property's multi-national businesses operate across five asset classes, namely, residential, retail, commercial & business parks, to 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 three real estate investment trusts (“REITs”) and one stapled trust listed on the SGX-ST. Frasers Centrepoin 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 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 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 and hospitality 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 and property sectors, to deliver value in its multiple asset classes.

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

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