

## Fraser's Property Limited

*Incorporated in Singapore*

*Company Registration No. 196300440G*

### **DIVESTMENT OF ENTIRE EQUITY INTEREST IN BEIJING FRASER SUITES REAL ESTATE MANAGEMENT CO., LTD.**

#### **1. INTRODUCTION**

- 1.1 Fraser's Property Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that its subsidiary, Excellent Esteem Limited ("**Vendor**"), has entered into a sale and purchase agreement ("**SPA**") with 上海福庭企业管理有限公司 ("**Purchaser**", and together with the Vendor, the "**Parties**") for the sale of 100% of the equity capital ("**Sale Equity Interests**") in Beijing Fraser Suites Real Estate Management Co., Ltd. ("**Target**") to the Purchaser ("**Proposed Divestment**").
- 1.2 The Purchaser is a joint venture company established by Tishman Speyer RMB Funds ("**Tishman Speyer**") and Shanghai Dowell Trading Co., Ltd. ("**Shanghai Dowell**").
- 1.3 The Target is wholly owned by the Vendor and owns an apartment project named "Beijing Fraser Suites International Apartment" (北京辉盛阁国际公寓) ("**Property**"), located at No. 12, Jintong West Road, Chaoyang District, Beijing, the PRC. Upon completion of the Proposed Divestment ("**Completion**"), the Vendor would have disposed of its entire shareholding interest in the Target and the Target will cease to be a subsidiary of the Vendor.
- 1.4 The Proposed Divestment is in the ordinary course of business of the Company.

*All information in respect of the Purchaser, Tishman Speyer and Shanghai Dowell are based solely on information and representations made and provided by the Purchaser to the Company. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.*

#### **2. PURCHASE PRICE AND PAYMENT**

- 2.1. The purchase price for the Sale Equity Interests (the "**Purchase Price**") is RMB 1,605,857,120, and was arrived at after arm's length negotiations between the Vendor and the Purchaser and on a willing-buyer and willing-seller basis, determined based on the assets and liabilities of the Target as at 31 December 2020.
- 2.2. The Purchase Price payable by the Purchaser to the Vendor shall be satisfied by the Purchaser in cash. RMB 20,478,571 has been paid to the Vendor as earnest monies pursuant to a letter of intent signed by the Vendor, Tishman Speyer and Shanghai Dowell on 21 September 2020.

**3. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "LISTING MANUAL") IN RELATION TO THE PROPOSED DIVESTMENT**

Notwithstanding that the Proposed Divestment is in the ordinary course of business of the Company, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual based on the latest announced audited consolidated financial statements of the Group for the financial year ended 30 September 2020 ("FY2020") are set out below for shareholders' information:

BASE OF CALCULATION		RELATIVE FIGURES (%)
(a)	Net asset value ("NAV") of the Sale Equity Interests to be disposed of, compared with the Group's NAV	3.1% <sup>(1)</sup>
(b)	Net profit / (loss) attributable to the Sale Equity Interests to be disposed of, compared with the Group's net profits	13.0% <sup>(2)</sup>
(c)	Aggregate value of the Purchase Price received <sup>(3)</sup> , compared with the Company's market capitalisation of S\$3,753 million <sup>(4)</sup> based on the total number of issued shares excluding treasury shares	8.7%
(d)	Number of equity securities to be issued by the Company as consideration for an acquisition, compared with the number of equity securities of the Company previously in issue	Not applicable
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil or gas company, but not to an acquisition of such assets	Not applicable

**Notes:**

- (1) Based on the NAV of the Sale Equity Interests, being approximately S\$236 million as at 30 September 2020, and an exchange rate of RMB 1 : S\$ 0.2033, compared with the Group's NAV, being approximately S\$7,560 million as at 30 September 2020, based on the latest announced audited consolidated accounts of the Group for FY2020.
- (2) The net profits attributable to the Sale Equity Interests for the purposes of this calculation is approximately S\$126 million, based on an exchange rate of RMB 1 : S\$ 0.2033, computed based on the audited net profits of the Target for FY2020. The Group's audited net profit for FY2020 was S\$965 million.
- (3) Based on the Purchase Price of approximately S\$326 million payable by the Purchaser to the Vendor for the Sale Equity Interests, and an exchange rate of RMB 1 : S\$ 0.2033.

- (4) The Company's market capitalisation is computed based on the number of issued shares (excluding treasury shares) as at 20 January 2021, being 2,933,219,228 shares, and the weighted average price of shares transacted on 20 January 2021 of S\$1.2796 per share.

#### 4. **FINANCIAL INFORMATION**

##### **Value attributable to the Sale Equity Interests**

(a) Book value

Based on the Group's audited consolidated financial statements for FY2020, the book value attributable to the Sale Equity Interests as at 30 September 2020 is approximately RMB1,161 million (approximately S\$236 million<sup>(5)</sup>). The estimated net gain in relation to the disposal of the Sale Equity Interests is approximately S\$90 million.

(b) Net tangible assets ("NTA")

Based on the Group's audited consolidated financial statements for FY2020, the NTA attributable to the Sale Equity Interests as at 30 September 2020 is approximately RMB1,153 million (approximately S\$234 million<sup>(5)</sup>).

(c) Latest available open market value

The open market value of the Sale Equity Interests is not available as the Sale Equity Interests are not listed or traded on any securities exchange. No valuation of the Sale Equity Interests was commissioned for the purpose of the Proposed Divestment.

#### 5. **FINANCIAL EFFECTS OF THE PROPOSED DIVESTMENT**

5.1 The financial effects of the Proposed Divestment on the Group are set out below. The financial effects are shown for illustrative purposes only and they do not necessarily reflect the exact future financial position and performance of the Group immediately after Completion. The financial effects set out below have been calculated using the latest audited consolidated financial statements of the Group for FY2020.

5.2 NTA

Assuming that the Proposed Divestment had been completed on 30 September 2020, the effect of the Proposed Divestment on the NTA per share of the Company as at 30 September 2020 is as follows:

	<b>Before the Proposed Divestment</b>	<b>After the Proposed Divestment</b>
NTA (S\$'million)	6,847	6,923
Number of shares ('million)	2,925.7	2,925.7
NTA per share (S\$ cents)	2.34	2.37

<sup>(5)</sup> Based on an exchange rate of RMB 1 : S\$ 0.2033.

### 5.3 Earnings per Share ("EPS")

Assuming that the Proposed Divestment had been completed on 1 October 2019, the effect of the Proposed Divestment on the EPS of the Company for FY2020 is as follows:

	<b>Before the Proposed Divestment</b>	<b>After the Proposed Divestment</b>
Profit after tax and non-controlling interests (before fair value change and exceptional items) (S\$'million)	153	153
Profit after tax and non-controlling interests (after fair value change and exceptional items) (S\$'million)	112	182
EPS (before fair value change and exceptional items) (S\$ cents)	5.21	5.23
EPS (after fair value change and exceptional items) (S\$ cents)	3.81	6.19
Weighted average number of shares (excluding treasury shares and subsidiary holdings) ('000)	2,932.4	2,932.4

The EPS has been calculated after adjusting for distributions to perpetual securities holders of S\$76 million.

By Order of the Board

**Catherine Yeo**  
Company Secretary  
21 January 2021