

Frasers Property Limited reports S\$276 million attributable profit in 1H FY21

- ◆ Results boosted by recognition of a gain on change in use of a portfolio of industrial properties; attributable profit would be S\$23 million excluding this gain
- ◆ Business performance impacted by the prevailing COVID-19 pandemic situation, especially the hospitality segment
- ◆ Enhanced financial flexibility and strengthened REIT platforms position the Group to better capitalise on growth opportunities

SINGAPORE, 12 MAY 2021

Frasers Property Limited (“Frasers Property”, and together with its subsidiaries, the “Group”) today announced its financial results for its first half year ended 31 March 2021 (“1H FY21”).

FINANCIAL HIGHLIGHTS

	1H FY21 (S\$ 'mil)	1H FY20 (S\$ 'mil)	Inc/(Dec) (%)
Revenue	1,566.1	2,133.5	(26.6)
PBIT¹	836.8	790.1	5.9
Attributable Profit	275.8	233.8	18.0

Mr Panote Sirivadhanabhakdi, Group Chief Executive Officer of Frasers Property, commented, “The COVID-19 pandemic continues to have a significant impact on our performance. Similar to the hospitality industry, our hospitality business remains the hardest hit segment as occupancies and room rates are severely affected due to widespread travel restrictions and lockdowns. While the global economic activity continues to recover from depressed levels as many governments partially ease lockdown restrictions, resurgent COVID-19 outbreaks in some countries pose downside risks. Significant uncertainties will therefore remain in the macro and business environment.”

“Amid such volatility, it is critical to sharpen our focus on delivering long-term shareholder value by actively looking for ways to strengthen our Group’s foundation and position ourselves for sustainable growth. It is equally important to maintain our ongoing initiatives to drive productivity and operational efficiency across our businesses and asset portfolio. With these priorities in mind, we undertook the recent rights issue to focus on business resilience and enhance financial flexibility, thereby enabling the Group to be better positioned to capitalise on growth opportunities and be a future-ready business,” Mr Sirivadhanabhakdi concluded.

As part of the Group’s strategic initiatives to grow its industrial and logistics asset base, a portfolio of industrial properties in Australia and Europe has been transferred from properties held for sale to investment properties. Arising from this transfer, a gain on the change in use, representing the difference between the fair value at the date of transfer and its previous carrying amount, was recognised. Excluding this gain on the change in use, PBIT and attributable profit would be S\$479 million and S\$23 million, respectively.

¹ Profit before interest, fair value change, taxation and exceptional items

In keeping with its efforts to enhance financial flexibility, Frasers Property's board of directors (the "Board") has decided to maintain the suspension of its interim dividend.

KEY HIGHLIGHTS IN YEAR-TO-DATE FY21

Frasers Property embarked on several key initiatives to enhance its business resilience, build financial agility and strengthen its balance sheet. It raised approximately S\$1,159 million in net proceeds through a renounceable rights issue exercise (the "Rights Issue") that was completed on 5 April 2021. The proceeds are expected to allow the Group to capture growth opportunities through acquisitions and investments in sectors that have showed resilience amidst the challenges of the COVID-19 pandemic, with a specific focus on industrial, logistics and business park assets. The Group also intends to use part of the net proceeds from the Rights Issue as seed capital to establish private funds, joint ventures or similar arrangements with partners to invest in property assets, including commercial and ancillary assets.

In addition, Frasers Property announced on 19 April 2021 that it has secured an A\$300 million five-year syndicated sustainability linked loan in Australia, in line with its strategy to focus on green or sustainable financing as part of its commitment to be a purpose-driven organisation. This marks the fifteenth green or sustainability linked financing secured by the Group since it raised its first green loan in September 2018, bringing the Group's total amount of green or sustainable financing secured to date to approximately S\$4.7 billion.

The Group continued to see the strengthening of its REIT platforms in recent months, providing the Group with enhanced flexibility for further growth. Frasers Logistics & Commercial Trust ("FLCT") has been included as a constituent of the FTSE Straits Times Index from 13 April 2021, a testament to its increased scale as a result of the merger of the former Frasers Commercial Trust into the enlarged FLCT. In April 2021, FLCT obtained a 'BBB+ with Stable Outlook' rating from S&P Global Ratings, which reflects S&P's view that FLCT will maintain highly predictable cash flows and good asset quality over the next 12-24 months. In addition, Frasers Centrepoint Trust ("FCT") embarked on the divestments of Bedok Point, Anchorpoint and YewTee Point, in line with its efforts to rebalance its portfolio to optimise returns.

LOOKING AHEAD

Frasers Property maintains a high level of business and financial discipline even as it continues to manage the operational challenges posed by the pandemic. The Group's overall business and balance sheet remain healthy. Health, well-being and safety will remain top priorities as the Group works hard to drive operational enhancements to improve productivity and efficiency while actively managing its portfolio to optimise performance.

Following the completion of the Seaside Residences private condominium project in Singapore, which has been fully sold, the Group is targeting to launch a 496-unit executive condominium project at Fernvale Lane – Parc Greenwich – in the fourth quarter of FY21. It has also been granted provisional permission from the Urban Redevelopment Authority to redevelop the recently acquired Bedok Point from FCT into a residential development with commercial units on the ground floor. Asset enhancement initiatives for Alexandra Point commenced in February 2021 and include upgrading works that will reinforce its position as a landmark commercial building. The suburban mall business remains resilient and relevant, with tenants' sales recovery continuing to outpace shopper traffic recovery. Frasers eStore was launched in January 2021 as part of Frasers Property Retail's omnichannel approach to enhancing user experience. Strengthening of its retail management capabilities will continue to be a key focus area.

In Australia, over 1,300 residential units are scheduled for settlement over the remainder of FY21. In April 2021, Burwood Brickworks was formally recognised as the most sustainable shopping centre in the world when it achieved the Living Building Challenge² Petal Certification. In the same month, the Group launched its Ed.Square Town Centre Stage 1 mall, with specialties and food & beverage tenants joining major retailers Coles and Liquorland, which have been open for trade since September 2020. Meanwhile, stabilisation continues to progress for the Group's recently completed retail assets, Burwood Brickworks and Eastern Creek Quarter Stage 1, while active leasing efforts are underway to drive office occupancy.

On the industrial and logistics front, Frasers Property Industrial has ten assets in Australia and three in Europe spanning ~391,000 sqm in aggregate that are planned for completion over the next two years. Four of these assets in Australia have already been sold to third parties and will be delivered to them upon completion. In addition, Frasers Property Industrial replenished its land bank, with two sites in Australia totalling ~187,000 sqm, a site in Germany spanning ~79,000 sqm, and two sites in the Netherlands totalling ~204,000 sqm. On the back of strong leasing activity with renewals and new leases for ~346,000 sqm of space secured across the Group's Australia and Europe industrial and logistics portfolio in 1H FY21, Frasers Property Industrial's portfolio is approximately 98.3% occupied.

Frasers Hospitality is actively managing its portfolio and continually refining plans amid the evolving pandemic situation. Its stronger long-stay corporate and domestic travel base provides a degree of stability while it executes on marketing strategies focused on brand-building within each region, with attention particularly on a potential surge in domestic travel within China. Frasers Hospitality's productivity and cost management measures remain in place to aid business recovery. The team will also continue on their digital roadmap that would enhance current marketing platforms and improve operational efficiencies.

Building from a position of strength, the Group will continue to execute its strategic action plan to strengthen its foundation. With its focus on building business and financial resilience, and further developing core capabilities through innovation, digitalisation and sustainability, Frasers Property is poised to continue growing a future-ready business.

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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 developer-owner-operator 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\$39.2 billion as at 31 March 2021.

Frasers Property's multi-national businesses operate across five asset classes, namely, residential, retail, commercial & business parks, 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 and 20 countries across Asia, Australia, Europe, the Middle East and Africa.

Frasers Property is also the sponsor of two real estate investment trusts ("REITs") and one stapled trust listed on the SGX-ST. Frasers Centrepoint Trust and Frasers Logistics & Commercial Trust are focused on retail, and industrial & commercial 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 industrial & logistics properties in Thailand, and Golden Ventures Leasehold Real Estate Investment Trust, which is focused on commercial properties.

² Administered by the International Living Future Institute, the [Living Building Challenge®](#) is the most advanced measure of sustainability in the built environment. Burwood Brickworks is the first retail centre development globally to have formally achieved Living Building Challenge® Petal Certification



The Group is committed to inspiring experiences and creating places for good for its stakeholders. By acting progressively, producing and consuming responsibly, and focusing on people, Frasers Property aspires to raise sustainability ideals across its value chain, and build a more resilient business. It has committed to be a net-zero carbon corporation by 2050. Building on its heritage as well as leveraging its knowledge and capabilities, the Group aims to create lasting shared value for its people, the businesses and communities it serves. Frasers Property believes in the diversity of its people and are invested in promoting a progressive, collaborative and respectful culture.

For more information on Frasers Property, please visit frasersproperty.com or follow us on [LinkedIn](#).

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