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

PROPOSED JOINT ACQUISITION OF 50% OF GOLD RIDGE PTE. LTD. WHICH HOLDS THE PROPERTY LOCATED AT 23 SERANGOON CENTRAL

1. INTRODUCTION

1.1 The Acquisition and the Joint Venture

The board of directors of Frasers Property Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is pleased to announce that Frasers Property Coral Pte. Ltd. (in its capacity as trustee-manager of NEX Partners Trust ("**NP Trust**" and the trustee-manager of NP Trust, the "**NP Trustee-Manager**")), a private trust held by FCL Emerald (1) Pte. Ltd. ("**FCL Emerald**"), a wholly-owned subsidiary of the Company, and HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Frasers Centrepoint Trust ("**FCT**", and the trustee of FCT, the "**FCT Trustee**")), has today entered into a share purchase agreement (the "**SPA**") with Mercatus Tres Pte. Ltd. ("**Mercatus**") to acquire (the "**Acquisition**") 50% of the issued and paid-up share capital of Gold Ridge Pte. Ltd. (the "**Target**"), which holds the retail mall known as "NEX" located at 23 Serangoon Central, Singapore 556083 (the "**Property**").

Upon completion of the Acquisition, the NP Trustee-Manager will hold 168,764,576 ordinary shares in the issued and paid-up share capital of the Target ("**Target Shares**"), representing 50% of the total number of issued Target Shares.

In connection with the Acquisition, FCL Emerald, the FCT Trustee and the NP Trustee-Manager have today entered into a joint venture in respect of the relationship between FCL Emerald and the FCT Trustee as 49%-51% joint venture partners (the "**Agreed Proportion**"), through their respective 49%-51% unitholding in NP Trust and shareholding in the NP Trustee-Manager (the "**Joint Venture**").

1.2 Use of Proceeds from the Rights Issue

The board of directors of the Company also refers to the Company's announcements on 10 February 2021, 26 February 2021, 8 March 2021, 29 March 2021, 1 April 2021, 29 June 2021, 23 September 2021, 13 December 2021, 27 January 2022, 22 February 2022, 19 April 2022, 9 June 2022, 16 August 2022 and 20 October 2022 (the "**Previous Announcements**"), and the offer information statement dated 8 March 2021 (the "**Offer Information Statement**") issued by the Company in relation to the Rights Issue (as defined in the Offer Information Statement).

Further to the Previous Announcements, the Company would like to announce that it intends to utilise a further S$220.1 million out of the gross proceeds of S$1,159.8 million raised from the Rights Issue towards the payment of FCL Emerald's share of the Acquisition. Please refer to paragraph 3.3 of this announcement (this "**Announcement**") for further details.

2. INFORMATION ON THE PROPERTY

The Property is a 7-storey retail mall strategically located at 23 Serangoon Central. The Property is the largest mall in the North-East region of Singapore, and is connected to the Serangoon Bus Interchange and the Serangoon Mass Rapid Transit Interchange station for both the North East Line and the Circle Line.

The Property features a comprehensive mix of retail, entertainment and dining options, including Isetan, a 24-hour Cold Storage supermarket, a 24-hour FairPrice Xtra supermarket, Anytime Fitness, Shaw Theatres and the Serangoon Public Library.

The Property has a total net lettable area of approximately 634,631 square feet and has a committed occupancy rate of 99.9% as at 30 November 2022.

The following table sets out a summary of selected information on the Property as at 30 November 2022:

Property	NEX
Location	23 Serangoon Central, Singapore 556083
Title	99-year leasehold title commencing from 26 June 2008
Gross Floor Area (square feet)	942,131
Net Lettable Area (square feet)	634,631
Number of Car Park Lots	400
Committed Occupancy as at 30 November 2022	99.9%

3. THE ACQUISITION AND THE JOINT VENTURE

3.1 Consideration and Total Acquisition Cost

The consideration payable by the NP Trustee-Manager for the Acquisition is an amount in cash of S$652.5 million, being 50% of the adjusted net asset value of the Target, subject to completion adjustments in accordance with the SPA (the "**Consideration**"). The Consideration takes into account, among others, the adjusted net asset value of 100% of the Target of S$1,305.0 million, as determined with reference to the agreed property value of the Property of S$2,077.8 million (the "**Agreed Property Value**").

Based on the above, the estimated total cost of the Company's 49% share of the Acquisition (based on the Agreed Proportion) is approximately S$321.6 million, comprising the Company's 49% share of the Consideration and estimated professional and other fees and expenses incurred in connection with the Acquisition of approximately S$1.9 million. The remaining 51% share of the Consideration will be borne by FCT.

3.2 **Valuation**

The Property was independently valued at a value of S$2,078.0 million as at 31 December 2022 (the "**Valuation**") by Colliers International Consultancy & Valuation (Singapore) Pte Ltd (the "**Valuer**"), who was jointly appointed by the Company and Frasers Centrepoint Asset Management Ltd., as manager of FCT (the "**FCT Manager**").

The Agreed Property Value of S$2,077.8 million was negotiated between the Company and the FCT Manager (as buyer) and Mercatus (as seller) on a willing-buyer and willing-seller basis with reference to the Valuation.

3.3 **Method of Financing**

The Company intends to finance FCL Emerald's share of the Acquisition through a combination of debt and existing cash resources, including an amount of S$220.1 million (the "**Rights Issue Utilisation Amount**") out of the gross proceeds of S$1,159.8 million raised from the Rights Issue.

Under Rule 704(30) of the Listing Manual, where there is any material deviation from the stated use of proceeds raised from the Rights Issue, the issuer must immediately announce the reasons for such deviation. In this regard, the Company wishes to announce the following:

(a) As stated in the Offer Information Statement, (i) an amount of S$700 million of the proceeds of the Rights Issue is to be utilised for the acquisition, investment, capital expenditure and development of industrial, logistics and business park assets (the "**ILBPA Use of Proceeds**"), and (ii) up to S$330 million[1] of the proceeds of the Rights Issue is to be utilised for general corporate purpose, transaction costs, strategic investments, acquisitions, fixed commitments, and development or redevelopment of existing assets (the "**GCP Use of Proceeds**").

(b) The Company has, as at the date of this Announcement, utilised an aggregate amount of S$688.7 million of such proceeds to fund the acquisition and capital and development expenditure of certain industrial and logistics assets located in Australia (the "**Prior Acquisitions**"), as disclosed in the Previous Announcements dated 29

[1] The maximum amount of up to S$330 million of the proceeds of the Rights Issue to be utilised for the GCP Use of Proceeds set out in the Offer Information Statement was based on estimated net proceeds from the Rights Issue of up to S$1,280 million (after deducting estimated expenses incurred in connection with the Rights Issue). The gross proceeds raised by the Company from the Rights Issue amounted to approximately S$1,159.8 million. Accordingly, the actual amount of proceeds of the Rights Issue available to be utilised for the GCP Use of Proceeds has been reduced to S$209.8 million.

June 2021, 23 September 2021, 13 December 2021, 27 January 2022, 22 February 2022, 19 April 2022, 9 June 2022, 16 August 2022 and 20 October 2022. There is a balance amount of S$11.3 million that has not been utilised for the ILBPA Use of Proceeds.

(c) The Company intends to re-allocate the balance amount of S$11.3 million that has not been utilised for the ILBPA Use of Proceeds to the GCP Use of Proceeds, and utilise it as part of the Rights Issue Utilisation Amount to partially finance FCL Emerald's share of the Acquisition instead. The Company is of the view that utilising the balance amount of S$11.3 million towards partially financing FCL Emerald's share of the Acquisition is in the interest of the Company.

Save as disclosed above, the use of proceeds for the Rights Issue Utilisation Amount as set out in this paragraph 3.3 is in accordance with the intended use of proceeds stated in the Offer Information Statement. The Company will make further periodic announcements on the use of the remaining proceeds of the Rights Issue.

3.4 **Principal Terms and Conditions of the SPA**

The SPA contains customary provisions relating to the Acquisition, including representations and warranties and pre-completion covenants regarding the operation of the business of the Target, limitations of liability and other commercial terms.

The Acquisition is conditional upon the receipt of documents and approvals required in connection with the Acquisition, including a shareholders' agreement duly executed by the Target and the other shareholder of the Target.

3.5 **Relationship Between the JV Partners**

As at the date of this Announcement, the Company, through its subsidiaries, is deemed to have an interest in an aggregate of 701,701,874 units in FCT ("**FCT Units**"), representing approximately 41.19% of the total number of FCT Units in issue. Consequently, the Company is regarded as a "controlling unitholder" of FCT under the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). In addition, the FCT Manager is a wholly-owned subsidiary of the Company. The Company is therefore regarded as a "controlling shareholder" of the FCT Manager under the Listing Manual.

Other than their interest in FCT and the FCT Manager held through the Company, the controlling shareholders of the Company ("**Shareholders**") do not hold any other interests in FCT and the FCT Manager. Accordingly, the Joint Venture falls within the exception under Rule 915(3) of the Listing Manual.

In addition, as stated in the announcement released by the FCT Manager today in relation to the Acquisition and the Joint Venture, the entry into the Joint Venture by the FCT Trustee falls within the exception under Rule 916(2) of the Listing Manual and accordingly, the approval of unitholders of FCT for the entry into the Joint Venture is not required.

4. RATIONALE FOR THE ACQUISITION AND THE JOINT VENTURE

The Company believes that the Acquisition and the Joint Venture will bring the following key benefits to the Company and its Shareholders:

(a) the Acquisition and the Joint Venture will further strengthen the Company's business platform in one of the Group's key asset classes. The Property is a suburban retail property in Singapore, an asset class in which the Group has an established business platform and strong capabilities, in line with the Group's strategy; and

(b) the Acquisition and the Joint Venture will 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 Acquisition offers an opportunity for the Group to grow its presence in the suburban retail sector in Singapore through its investment in the Property.

5. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

5.1 Chapter 10 of the Listing Manual classifies transactions by the Company into (a) non-disclosable transactions, (b) disclosable transactions, (c) major transactions and (d) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following applicable bases of comparison set out in Rules 1006(b) and 1006(c) of the Listing Manual:

(i) the net profits attributable to the assets acquired, compared with the Company's net profits; and

(ii) the aggregate value of the consideration given, compared with the Company's market capitalisation.

Rule 1006(d) of the Listing Manual does not apply in relation to the Acquisition as no shares of the Company ("**Shares**") will be issued as consideration for the Acquisition.

The relative figures for the Acquisition computed on the bases set out above are as follows:

Comparison of	**Acquisition**	**Group**	**Relative Figure (%)**
Profit before tax (S$ million)	27.6[(1)]	2,129.5[(2)]	1.3
Consideration for the Acquisition against market capitalisation (S$ million)	319.7[(3)]	3,579.0[(4)]	8.9

Notes:

(1) Based on the Company's 49% share of 50% of the unaudited profit before tax of the Target.

(2) Based on the audited consolidated financial statements of the Group for the financial year ended 30 September 2022 ("**FY2022**") (being the latest announced financial statements of the Group) (the "**FY2022 Audited Financial Statements**").

(3) Based on the Company's 49% share of the estimated Consideration, which is subject to completion adjustments.

(4) Based on 3,926,041,573 Shares in issue and the weighted average price of S$0.9116 per Share on the SGX-ST on 25 January 2023, being the trading day immediately prior to the date of this Announcement.

5.2 Pursuant to Chapter 10 of the Listing Manual, where an acquisition of assets is one where any of the relative figures as computed on the bases set out in Rule 1006 exceeds 5% but does not exceed 20%, the transaction is classified as a "disclosable transaction" under Chapter 10 of the Listing Manual.

5.3 As the relative figures in respect of the Acquisition as computed on the bases set out in Rules 1006(b) and 1006(c) exceed 5% but do not exceed 20%, the Acquisition constitutes a "disclosable transaction" under Chapter 10 of the Listing Manual and as such, the approval of Shareholders is not required for the Acquisition.

6. PRO FORMA FINANCIAL EFFECTS OF THE ACQUISITION AND THE JOINT VENTURE

6.1 **FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Acquisition and the Joint Venture (the "**Transactions**") on the net asset value ("**NAV**") per Share and earnings per Share ("**EPS**") presented below are strictly for illustrative purposes only and do not represent the Company's actual financial performance or position after completion of the Transactions. The pro forma financial effects in this paragraph 6 were prepared based on the FY2022 Audited Financial Statements and the following assumptions:

(a) the effect of the Acquisition on the Company's NAV per Share for FY2022 is based on the assumption that the Acquisition had completed on 30 September 2022; and

(b) the effect of the Acquisition on the Company's EPS for FY2022 is based on the assumption that the Acquisition had completed on 1 October 2021, after adjusting for the Group's share of profit after tax of the Target, portfolio management fees, the FCT Trustee's trustees' fees and net borrowing costs to fund the Acquisition.

6.2 **Pro Forma NAV**

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Transactions on the NAV per Share as at 30 September 2022, as if the Transactions were completed on 30 September 2022, are as follows:

	Before the Transactions	After the Transactions[1]
NAV[2] (S$'000)	10,345,881	10,345,881
Number of Shares (excluding treasury shares) ('000)	3,926,042	3,926,042
NAV per Share (S$)	2.6	2.6

Notes:

(1) As FCT is a subsidiary of the Group, the pro forma financial effects of the Transactions on the NAV per Share also take into account FCT's interest in the Transactions.

(2) NAV represents equity attributable to the owners of the Company.

6.3 **Pro Forma EPS**

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Transactions on the Company's EPS for FY2022, as if the Transactions were completed on 1 October 2021 and NP Trust held 50% of the Target and the Property through to 30 September 2022, are as follows:

	Before the Transactions	After the Transactions[1]
Attributable profit to Shareholders (before fair value change and exceptional items) (S$'000)	342,001	348,102
Attributable profit to Shareholders (after fair value change and exceptional items) (S$'000)	871,429	887,827
Basic EPS (before fair value change and exceptional items)[2] (cents)	8.7	8.9
Basic EPS (after fair value change and exceptional items)[2] (cents)	22.2	22.6
Diluted EPS (before fair value change and exceptional items)[3] (cents)	8.6	8.8
Diluted EPS (after fair value change and exceptional items)[3] (cents)	22.0	22.4
Weighted average number of Shares ('000)	3,923,832	3,923,832
Weighted average number of Shares for diluted EPS computation ('000)	3,955,359	3,955,359

Notes:

(1) As FCT is a subsidiary of the Group, the pro forma financial effects of the Transactions on the Company's EPS also take into account FCT's interest in the Transactions.

(2) EPS is calculated by dividing the Group's attributable profit (after adjusting for distributions to perpetual securities holders of S$56,845,000) by the weighted average number of Shares in issue during the financial year.

(3) In respect of diluted EPS, the weighted average number of Shares is adjusted for the effects of dilutive potential Shares, which comprise Share awards granted to employees.

7. DISCLOSURE OF INTERESTS

As at the date of this Announcement:

(a) each of Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi holds a deemed interest in an aggregate of 3,411,180,640 Shares; and

(b) each of Mr. Panote Sirivadhanabhakdi and Mr. Thapana Sirivadhanabhakdi holds a deemed interest in 70,000,000 Shares.

As at the date of this Announcement and based on information available to the Company, each of Thai Beverage Public Company Limited, International Beverage Holdings Limited, InterBev Investment Limited, Siriwana Co., Ltd., Shiny Treasure Holdings Limited, TCC Assets Limited, Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi is a controlling Shareholder as well as a controlling unitholder of FCT.

Save as disclosed in this Announcement, as at the date of this Announcement, based on the latest information available to the Company, none of the directors of the Company or the controlling Shareholders has any interest, direct or indirect, in the Acquisition or the Joint Venture.

8. NO DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Acquisition or the Joint Venture.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents will be made available for inspection by Shareholders by appointment only during normal business hours at the office of the Company in Singapore at 438 Alexandra Road, #21-00 Alexandra Point, Singapore 119958, for a period of three (3) months from the date of this Announcement:

(a) the SPA; and

(b) the valuation report dated 31 December 2022 issued by the Valuer in respect of the Property.

BY ORDER OF THE BOARD

Catherine Yeo
Company Secretary
26 January 2023