

## Fraser's Property's Attributable Profit Grew 10% to S\$759 million in FY18

- ◆ FY18 earnings anchored by recurring income sources, reflecting the Group's initiatives to expand recurring income base to enhance portfolio resilience, coupled with development income
- ◆ Strengthened logistics and industrial platform via additional investments in Continental Europe and Thailand
- ◆ Grew platform in the United Kingdom ("UK") with entry into the business parks sector
- ◆ Proposes final dividend of 6.2 Singapore cents per share

### SINGAPORE, 9 NOVEMBER 2018

Fraser's Property Limited ("Fraser's Property", and together with its subsidiaries, the "Group") today announced its financial results for the full year ended 30 September 2018 ("FY18").

### FINANCIAL HIGHLIGHTS

	<b>FY18</b> <b>(S\$ 'mil)</b>	<b>FY17</b> <b>(S\$ 'mil)</b>	<b>Inc/(Dec)</b> <b>(%)</b>
<b>Revenue</b>	4,311.6	4,026.6	7.1
<b>PBIT</b>	1,278.7	1,089.0	17.4
<b>Attributable Profit</b> <b>Before Fair Value Change</b> <b>and Exceptional Items ("APBFE")</b>	507.2	488.2	3.9
<b>Fair Value Change</b>	387.8	215.3	80.1
<b>Exceptional Items</b>	(136.0)	(14.4)	N/M
<b>Attributable Profit</b>	759.0	689.1	10.1

Mr Panote Sirivadhanabhakdi, Group Chief Executive Officer of Fraser's Property, commented, "Our balanced approach has served us well. The Group's diversification into investment properties in developed markets has helped to smoothen the effects of the inherent lumpiness of development income. To further strengthen Fraser's Property's resilience amid an environment of increasing macroeconomic volatility, we continued to expand the Group's recurring income base during the year. In particular, we deepened our presence in the logistics, industrial, and business park segments in markets that we are already familiar with, broadening the scale of our platforms in these sectors. The Group's financial performance in FY18 benefitted from maiden contributions from our business parks in the UK and the first full-year contribution from our logistics and industrial assets in Continental Europe."

Mr Sirivadhanabhakdi added, "The development business is facing multiple headwinds, and heightened geopolitical risks have been presenting various challenges, one of which is to the F&B segment of our MHDV hospitality business in the UK. In today's uncertain environment, it is important that we remain nimble and adaptable. We will maintain our efforts at optimising the operating performance of our investment properties through asset value creation and enhancement, while concurrently reviewing our investment properties portfolio regularly to identify opportunities to unlock value. The initiatives we have undertaken reinforce our network of geographic-focused and asset class-focused platforms. We remain centred on Asia-Pacific and Europe as we continue to harness the strength of the Group to create more value for our customers, business partners, employees and shareholders."

In view of the Group's financial performance, the Board has proposed a final dividend of 6.2 Singapore cents per share. Including the 2.4 Singapore cents per share interim dividend paid out earlier this year, the Group's proposed total dividend for FY18 is maintained at 8.6 Singapore cents per share.

## KEY HIGHLIGHTS IN FY18

Fraser's Property undertook several initiatives in FY18 to further scale up its logistics and industrial platform, as well as its UK platform. These include completing the buy-out of the remaining stake in Geneva Properties, the acquisition of the project and asset management platform of Alpha Industrial, as well as 12 of Alpha Industrial's 22 logistics and light industrial properties. Subsequently in October and November 2018, the Group completed the acquisition of six additional Alpha Industrial assets, with the remaining four to be acquired by the end of 2018. In Germany, the Group acquired six cross-dock facilities and three warehouses<sup>1</sup>. Over in Thailand, the Group increased its deemed interest in TICON Industrial Connection Public Company Limited ("TICON") from 40.95% to 67.05% on 2 April 2018, and to 89.46%<sup>2</sup> following the completion of a tender offer for shares in TICON in May 2018. TICON was consolidated as a subsidiary of the Group from 2 April 2018. Meanwhile, in the UK, the Group acquired six strategically located, quality business parks<sup>3</sup>.

In line with the Group's strategy to optimise capital productivity by recycling capital from stabilised investment properties via its REIT platforms and supporting their growth in the process, Fraser's Logistics & Industrial Trust ("FLT") acquired interests in 21 properties valued at approximately S\$984.4 million<sup>4</sup> from the Group's portfolio in Germany and the Netherlands. Subsequently in October 2018, FLT acquired interests in an additional property valued at approximately S\$39.0 million<sup>5</sup> from the Group's portfolio in the Netherlands. The assets continue to be managed by the Group's team in Europe.

Fraser's Property further expanded into Vietnam through its indirect wholly-owned subsidiary Fraser's Property Investments (Vietnam) 2 Pte. Ltd, entering into conditional agreements to acquire 75% each of the issued share capital of Phu An Khang Real Estate Joint Stock Company ("PAK") and Phu An Dien Real Estate Joint Stock Company ("PAD") in April 2018 and July 2018, respectively. Both PAK and PAD will develop residential-cum-commercial projects in District 2 and Thu Duc District, respectively, in Ho Chi Minh City, Vietnam.

Partnering Singapore's GIC and leading co-working space provider, JustCo, Fraser's Property is also looking to jointly develop a co-working space platform across Asia. The three partners are jointly investing US\$177 million to enable JustCo to build on its presence in Singapore, Indonesia, Thailand, as well as expand into other Asian markets.

On the corporate front, Fraser's Property further diversified its funding sources. Notably, the Group tapped the bond market in Thailand with the issuance of debentures, with tenors ranging from 3 years to 10 years due between 2021 and 2018, totalling Baht 11 billion. In addition, the Group refinanced existing loans

---

<sup>1</sup> Including a photovoltaic system located on the roof of one of the warehouses.

<sup>2</sup> Fraser's Assets Co., Ltd. ("FAL"), Fraser's Property's 49%-owned joint venture, through an acquisition of shares in TICON from Rojana Industrial Park Public Company Limited, increased the Group's deemed interest in TICON from 40.95% to 67.05%, thereby triggering a tender offer for the remaining ordinary shares of TICON (not held by Fraser's Property Holdings (Thailand) Co., Ltd. and FAL) by FAL. Upon closing of the tender offer, FAL acquired a further 22.42% of TICON's share capital, increasing the Group's deemed interest in TICON from 67.05% to 89.46%.

<sup>3</sup> Including Farnborough Business Park, which was acquired via a 50:50 joint venture with Fraser's Commercial Trust

<sup>4</sup> As announced by FLT on 20 April 2018 and based on 100% interest in each of the properties

<sup>5</sup> Based on the exchange rate of €1.00 : S\$1.5725 as of 31 October 2018

relating to the development of Frasers Tower, and raised S\$1.2 billion via Southeast Asia's first syndicated secured green loan under the Asia Pacific Loan Market Association's Green Loan Principles<sup>6</sup>.

## LOOKING AHEAD

In Singapore, the residential developments that have been launched have been substantially sold and/or completed. During the financial year, Frasers Property purchased a site on Jiak Kim Street that will potentially yield around 455 residential units. This development is expected to be launched in the first half of 2019. The Group's portfolio of retail malls remains resilient, recording improving occupancy rates and positive rental reversions. The recent addition of the south wing to Northpoint City allows the Group to continue benefiting from Singapore's resilient suburban retail mall market. In the commercial space, Frasers Tower has been completed and over 90% of its leasable area has been leased, on the back of the recovery in the office market. Leasing activities at Alexandra Technopark has also gained traction after the completion of its transformation into a business campus equipped with a wider range of amenities and facilities.

On the residential front in Australia, 2,200<sup>7</sup> units are planned for release in the upcoming financial year ("FY19"), compared to over 1,800<sup>8</sup> units released in FY18. Meanwhile, 2,300<sup>6</sup> units are planned for completion and settlement in FY19, compared to over 3,000 units settled during FY18. In the commercial and industrial, and retail segment, 12 facilities totalling 166,500 sq m are being developed, and the Group secured 68 ha of land across five industrial sites<sup>9</sup> in New South Wales, Victoria and Queensland. Four of the facilities being developed for sale to third parties have a gross development value of around S\$171 million<sup>9</sup> while eight with total investment value on delivery of approximately S\$193 million<sup>7,10</sup> will be added to the Group's investment properties portfolio in Australia upon completion.

The Group's hospitality business has been experiencing challenging market conditions in the UK. Consumer sentiments have declined, impacting Malmasion Hotel du Vin Group's F&B segment, and leading to the Group providing for an impairment of intangible assets in FY18. The team will persist with efforts to improve the operating performance of its UK properties. In the meantime, in other parts of the world, Frasers Hospitality deepened its presence in seven existing markets and is developing and/or extensively renovating three wholly-owned properties. Fraser Suites Hamburg, Germany, and Capri by Fraser, China Square, Singapore, are both expected to open in 2019, while Capri by Fraser, Ginza, Japan, is expected to open by 2021.

**END**

---

<sup>6</sup> The Green Loan Principles set out a clear framework to promote integrity in the development of the green loan market by clarifying the characteristics of a green loan, based around the following four core components:

- i. Use of Proceeds: The loan proceeds will finance and/ or refinance green projects (including other related and supporting expenditures, including research and development) with clear environmental benefits.
- ii. Project Selection and Evaluation: The borrower demonstrates its clear environmental sustainability objectives, process to determine eligible green projects and the related eligibility criteria. The borrower is also encouraged to disclose any green standards or certifications.
- iii. Management of Proceeds: To maintain transparency and promote the integrity of a green loan, the proceeds of the green loan should be credited to a dedicated account or otherwise tracked by the borrower in an appropriate manner.
- iv. Reporting: The borrower should make and keep readily available up to date information on the allocation of proceeds and impact reporting to the green loan lenders annually until fully drawn, and as necessary thereafter in the event of material developments.

<sup>7</sup> Includes 100% of joint arrangements – joint operation and JV – and project development agreements

<sup>8</sup> Conditional on rezoning and titles: ~58 ha across three industrial sites

<sup>9</sup> Based on exchange rate S\$1 : A\$0.9878

<sup>10</sup> Book carrying value in the Group's investment property portfolio



## **ABOUT FRASERS PROPERTY LIMITED**

Fraser's Property Limited ("Fraser's Property" and together with its subsidiaries, the "Group"), is a multi-national company that owns, develops and manages a diverse, integrated portfolio of properties. 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\$32 billion as at 30 September 2018.

Fraser's Property's assets range from residential, retail, commercial and business parks, to logistics and industrial in Singapore, Australia, Europe, China and Southeast Asia. Its well-established hospitality business owns and/or operates serviced apartments and hotels in over 80 cities across Asia, Australia, Europe, the Middle East and Africa. The Group is unified by its commitment to deliver enriching and memorable experiences to customers and stakeholders, leveraging on its knowledge and capabilities from across markets and property sectors, to deliver value in its multiple asset classes.

Fraser's Property is also the sponsor of three real estate investment trusts and one stapled trust listed on the SGX-ST. Fraser's Centrepoint Trust, Fraser's Commercial Trust, and Fraser's Logistics & Industrial Trust are focused on retail, commercial, and logistics and industrial properties respectively. Fraser's Hospitality Trust (comprising Fraser's Hospitality Real Estate Investment Trust and Fraser's Hospitality Business Trust) is a stapled trust focused on hospitality properties.

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

## **FOR MEDIA QUERIES, PLEASE CONTACT:**

### **Fraser's Property Limited**

Gerry WONG / Karina CHOO / SIEW Lay Eng  
T +65 6277 2679 / +65 6277 2677 / +65 6277 2678  
E [comms@frasersproperty.com](mailto:comms@frasersproperty.com)

### **Newgate Communications**

LIM Yuan See / Bob ONG / SING Li Lin / Elizabeth YEONG  
T +65 6532 0606  
E [yuansee.lim@newgatecomms.com.sg](mailto:yuansee.lim@newgatecomms.com.sg) / [bob.ong@newgatecomms.com.sg](mailto:bob.ong@newgatecomms.com.sg) /  
[lilin.sing@newgatecomms.com.sg](mailto:lilin.sing@newgatecomms.com.sg) / [elizabeth.yeong@newgatecomms.com.sg](mailto:elizabeth.yeong@newgatecomms.com.sg)