

Frasers Property Limited

Incorporated in Singapore

Company Registration No. 196300440G

PROPOSED PARTICIPATION IN JOINT VENTURE AND BRIDGING LOAN FOR INVESTMENT IN LAND

1. INTRODUCTION

- 1.1 The Board of Directors of Frasers Property Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that on the date of this Announcement, an indirect wholly-owned subsidiary of the Company, Suzhou Sing He Xiang Management Consultancy Co., Ltd. ("**SHX**") has entered into a strategic alliance framework agreement (the "**Framework Agreement**") with a joint venture partner and its related entity (each a "**JV Partner**") pursuant to which SHX and the JV Partners have agreed, among others, to participate in a potential investment in land (the "**Proposed Investment**")¹ whether with or without other third parties. Under the Framework Agreement, SHX will be providing funding of approximately RMB1,600,144,000 (approximately S\$337.0 million) (the "**Participation Amount**") towards the costs to be paid in relation to the Proposed Investment.
- 1.2 In addition, SHX will enter into a loan agreement with one of the JV Partners (the "**Loan Agreement**"), pursuant to which SHX will, among others, extend an interest-bearing bridging loan of RMB1,000,090,000 (approximately S\$210.6 million) to the said JV Partner, which will be utilised by the said JV Partner towards payments in relation to the Proposed Investment (the "**Bridging Loan**", and together with the Participation Amount, the "**Proposed SHX Investment Amount**").
- 1.3 For the avoidance of doubt, none of the JV Partners is an "interested person" of the Company for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**").
- 1.4 Unless indicated otherwise, the indicative RMB-to-S\$ exchange rate to be used for the purposes of this announcement is RMB4.74834 : S\$1. The exchange rate as stated above is used for illustration purposes only and should not be construed as a representation that the relevant numbers have been or could be converted at the rate above or at any other rate.

2. RATIONALE

The Company is of the view that the provision of the Proposed SHX Investment Amount towards the Proposed Investment would enable the Group to form a strategic alliance with the JV Partners and potentially jointly participate in other investment opportunities in the future.

¹ The Proposed Investment is by way of a tender, and subject to the tender being awarded to the parties. The details of the Proposed Investment are currently confidential due to the commercial sensitivities of the tender process.

3. SALIENT TERMS

3.1 Framework Agreement

The relevant JV Partner is responsible for ensuring that the funds to be paid in connection with the Proposed Investment by all parties are utilised for purposes of the Proposed Investment.

If the Proposed Investment does not materialise, SHX will be entitled to a full refund of all amounts paid under the Framework Agreement within a specified period, in accordance with the terms of the Framework Agreement.

If the Proposed Investment materialises, the parties will enter into a joint venture in relation to a project company to be established to own and develop the subject land (the "**Joint Venture**"), pursuant to which SHX will acquire an indirect interest of up to 40.0% in the Joint Venture.

3.2 Loan Agreement

Under the terms of the Loan Agreement, the total principal amount of the Loan to be extended will be RMB1,000,090,000 (approximately S\$210.6 million) and will be for a term of up to 1 April 2022. The Loan shall bear interest at the rate of 8.0% per annum.

The Loan Agreement also provides for the following:

- (a) the Loan can only be applied towards payments in relation to the Proposed Investment; and
- (b) the relevant JV Partner will, and will procure that its holding company will, provide a liquidity support letter in relation to the Proposed SHX Investment Amount within seven (7) working days of entry into the Loan Agreement.

4. FINANCIAL EFFECTS

The pro forma financial effects of the provision of the Proposed SHX Investment Amount as presented below are purely for illustrative purposes only and are not indicative of the actual financial position of the Group after the provision of the Proposed SHX Investment Amount. The pro forma financial effects have been prepared based on the unaudited consolidated financial statements of the Group for the financial year ended 30 September 2021 ("**FY2021**" and "**FY2021 Financial Statements**" respectively), and are subject to the following key bases and assumptions:

- (a) the aggregate value of the Proposed SHX Investment Amount is RMB 2,600,234,000 (approximately S\$547.6 million);
- (b) the effect of the provision of the Proposed SHX Investment Amount on the Company's net tangible assets ("**NTA**") per ordinary share of the Company ("**Share**") for FY2021 is based on the assumption that the Proposed SHX Investment Amount had been provided on 30 September 2021;

- (c) the effect of the provision of the Proposed SHX Investment Amount on the Company's earnings per Share ("**EPS**") of the Group for FY2021 is based on the assumption that the Proposed SHX Investment Amount had been provided on 1 October 2020; and
- (d) transaction costs in relation to the provision of the Proposed SHX Investment Amount are assumed to be insignificant.

4.1 NTA

	Before the provision of the Proposed SHX Investment Amount	After the provision of the Proposed SHX Investment Amount
NTA (S\$'000)	8,831,734	8,831,734
Number of Shares	3,916,085,672	3,916,085,672
NTA per Share (S\$)	2.26	2.26

4.2 EPS

	Before the provision of the Proposed SHX Investment Amount	After the provision of the Proposed SHX Investment Amount
Profit Attributable to Shareholders (S\$'000)	775,099	760,735
Weighted Average Number of Shares	3,432,010,227	3,432,010,227
EPS (Singapore cents)	22.6	22.2

Note:

The EPS has been calculated after adjusting for distributions to perpetual securities holders of S\$58.0 million.

5. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

Based on the FY2021 Financial Statements (being the latest announced consolidated accounts as set out in Appendix 7.2), the relative figures in relation to the provision of the Proposed SHX Investment Amount computed on the bases as set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006 ⁽¹⁾	Bases	Relative Figures (%)
(a)	Aggregate value of the Proposed SHX Investment Amount, compared with the Group's net asset value	5.7 ⁽²⁾
(c)	Aggregate value of the Proposed SHX Investment Amount, compared with the Company's market capitalisation	12.0 ⁽³⁾

Notes:

- (1) Rule 1006(b) is not applicable as there are no assets to be acquired or disposed. Rule 1006(d) is not applicable as no equity securities will be issued by the Company in connection with the provision of the Proposed SHX Investment Amount. Rule 1006(e) is not applicable to the Company.
- (2) Based on the aggregate value of the Proposed SHX Investment Amount and the Group's net asset value as at 30 September 2021 of approximately S\$9,544,150,000.
- (3) Based on the aggregate value of the Proposed SHX Investment Amount as compared with the market capitalisation of the Group based on a total number of 3,916,085,672 Shares in issue (excluding treasury shares) and the volume weighted average price per Share of S\$1.1657 transacted on 24 November 2021, being the last market day preceding this Announcement.

Based on the above, the provision of the Proposed SHX Investment Amount constitutes a discloseable transaction under Chapter 10 of the Listing Manual and is not subject to the approval of the shareholders of the Company as the relative figures under Rules 1006(a) and (c) exceed 5% but are less than 20%.

6. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the provision of the Proposed SHX Investment Amount.

7. DIRECTOR'S SERVICE CONTRACTS

No person is proposed to be appointed to the Company in connection with the provision of the Proposed SHX Investment Amount.

By Order of the Board

Catherine Yeo
Company Secretary
25 November 2021