

Fraser's Property Limited

Incorporated in Singapore

Company Registration No. 196300440G

PROPOSED PARTICIPATION IN JOINT VENTURES AND BRIDGING LOAN FOR INVESTMENT IN CERTAIN LAND PLOTS

1. INTRODUCTION

- 1.1 The Board of Directors of Fraser's Property Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that on 27 March 2022, an indirect wholly-owned subsidiary of the Company, Suzhou Sing Heng Le Enterprise Development Co., Ltd. ("**SHL**") 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 SHL and the JV Partners have agreed, among others, to participate in a potential investment in certain land plots in the People's Republic of China (the "**Proposed Investment**") whether with or without other third parties. Under the Framework Agreement, SHL will be providing funding of approximately RMB1,840 million (approximately S\$394.41 million) (the "**Participation Amount**") towards the costs to be paid in relation to the Proposed Investment.
- 1.2 In addition, another indirect wholly-owned subsidiary of the Company, Singlong Property Development (Suzhou) Co., Ltd. ("**SSL**") entered into a loan agreement with one of the JV Partners (the "**Loan Agreement**"), pursuant to which SSL will, among others, extend an interest-bearing bridging loan of RMB1,200 million (approximately S\$257.16 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 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 RMB4.66636 : 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 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.

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, SHL 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, unless alternative application of such amounts has been agreed by the parties.

If the Proposed Investment materialises, the parties will enter into joint ventures in relation to project companies to be established to own and develop the subject land plots (the "**Joint Ventures**"), pursuant to which SHL will acquire indirect interest of up to 25.0% in each of the Joint Ventures. The Company will also release a separate announcement in compliance with the applicable listing rules if the Proposed Investment materialises.

3.2 Loan Agreement

Under the terms of the Loan Agreement, the total principal amount of the Loan to be extended will be RMB1,200 million (approximately S\$257.16 million) and will be for a term of up to 1 July 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 Investment Amount within ten (10) working days of entry into the Loan Agreement.

4. FINANCIAL EFFECTS

The pro forma financial effects of the provision of the Proposed 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 Investment Amount. The pro forma financial effects have been prepared based on the audited 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 Investment Amount is approximately RMB 3,040 million (approximately S\$651.57 million);
- (b) the effect of the provision of the Proposed 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 Investment Amount had been provided on 30 September 2021;

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

4.1 NTA

	Before the provision of the Proposed Investment Amount	After the provision of the Proposed 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 Investment Amount	After the provision of the Proposed Investment Amount
Profit Attributable to Shareholders (S\$'000)	775,099	758,533
Weighted Average Number of Shares	3,432,010,227	3,432,010,227
EPS (Singapore cents)	22.6	22.1

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 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 Investment Amount, compared with the Group's net asset value	7.4 ⁽²⁾

(c)	Aggregate value of the Proposed Investment Amount, compared with the Company's market capitalisation	15.3 ⁽³⁾
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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 Investment Amount. Rule 1006(e) is not applicable to the Company.
- (2) Based on the aggregate value of the Proposed Investment Amount and the Group's net asset value as at 30 September 2021 of approximately S\$8,831,734,000.
- (3) Based on the aggregate value of the Proposed Investment Amount as compared with the market capitalisation of the Group based on a total number of 3,926,041,573 Shares in issue (excluding treasury shares) and the volume weighted average price per Share of S\$1.0844 transacted on 25 March 2022, being the last market day preceding this Announcement.

Based on the above, the provision of the Proposed 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 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 Investment Amount.

By Order of the Board

Catherine Yeo
Company Secretary
28 March 2022