

# Business Updates

for the first quarter ended 31 December 2022

8 February 2023



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- Any discrepancies in the figures included herein between the listed amounts and total thereof are due to rounding.

# Glossary

## Frasers Property entities

ARF : AsiaRetail Fund Limited  
FCT : Frasers Centrepont Trust  
FCOT : Frasers Commercial Trust  
FHT : Frasers Hospitality Trust  
FLT : Frasers Logistics & Industrial Trust  
FLCT : Frasers Logistics & Commercial Trust  
FPA : Frasers Property Australia  
FPHT : Frasers Property Holdings Thailand Co., Ltd  
FPI : Frasers Property Industrial  
FPL or Frasers Property : Frasers Property Limited  
FPT : Frasers Property (Thailand) Public Company Limited

## Other acronyms

ADR : Average daily rate  
AEI : Asset enhancement initiative  
AOR : Average occupancy rate  
ARR : Average rental rate  
AUM : Assets under management  
FY : Financial year  
GDP : Gross domestic product  
GDV : Gross development value  
GFA: Gross floor area  
JV : Joint venture  
N/M: Not meaningful  
NLA : Net lettable area

FTREIT : Frasers Property Thailand Industrial Freehold & Leasehold REIT  
GOLD : Golden Land Property Development Public Company Limited  
GOLDPF : Gold Property Fund  
GVREIT : Golden Ventures Leasehold Real Estate Investment Trust  
The Group : Frasers Property Limited, together with its subsidiaries

NSW : New South Wales  
QLD : Queensland  
Q-o-Q : Quarter-on-quarter  
REIT : Real estate investment trust  
RevPAR : Revenue per available room  
SBU : Strategic business unit  
sqm : Square metres  
UK : United Kingdom  
VIC : Victoria  
WALE : Weighted average lease expiry  
Y-o-Y : Year-on-year

## Additional notes

- In the tables, the arrow direction indicates the increase (up) or decrease (down) of the absolute figure. The colour indicates if the change is **positive** (green), **negative** (red) or neutral (black). Any change over 200% is indicated as N/M.
- In the tables and charts, any discrepancy between individual amount and the aggregate is due to rounding.
- All exchange rates are as at period end, unless otherwise stated.
  - S\$/A\$ : 0.9133
  - S\$/€ : 1.4340
  - S\$/THB : 0.0389
  - S\$/1,000 VND : 0.05722
  - S\$/RMB : 0.1933
  - S\$/£ : 1.6216



# Contents

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## Business Landscape and Key Highlights

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### Business Unit Highlights

- Singapore
  - Australia
  - Industrial & Logistics
  - Hospitality
  - Thailand & Vietnam
  - Others
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### Balance Sheet Highlights

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### Looking Forward

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# Business landscape

## Embracing structural shifts and navigating macro developments



### Interest rate hikes and volatile foreign currency movements

High proportion of fixed rate debt mitigates the effects of higher interest rates although there will be an impact on the average cost of debt on a portfolio basis as the Group refinances debt moving forward; natural hedging mitigates effects of foreign currency volatility



### Prevailing geopolitical tensions and looming spectre of recession across markets

Continue to focus on managing risk exposures in navigating this uncertainty, while being balanced in seeking opportunities that may arise



### Structural changes and shifting demographics affecting the real estate sector

Innovation and responsiveness of business approach and real estate offerings are key amid acceleration of changes in customer segments and expectations of live, work and play spaces

- Leveraging its **established strategic business platforms**, Frasers Property is well-positioned to navigate the macro developments.
- Remain **disciplined and rigorous** in the Group's approach towards investment, asset management and development execution.
- **Healthy balance sheet** provides Frasers Property with financial agility to navigate through this period of heightened uncertainty, and to capitalise on attractive investment opportunities that may arise.
- **Purpose-led mindset and future-ready posture** will enable the Group to be ready for future opportunities and challenges.

# Key highlights

## Astute management of assets and capital to generate value over time

### Sustained demand for investment property portfolio

- Stable take-ups of mature and new industrial & logistics ("I&L") spaces from high quality tenants in Australia, Europe and Thailand
- Healthy I&L development pipeline with restocking of landbank and steady development progress
- Improved business activities and shopper traffic supported sales for Singapore's retail portfolio
- Active leasing and asset management activities to leverage demand for office spaces arising from flight-to-quality trend

### Hospitality portfolio positioned for recovery

- All properties re-open to capture demand as industry rebounds from pandemic following opening of borders and lifting of pandemic restrictions
- Built presence in key business cities with new openings planned in Phnom Penh, Tianjin, Dalian and Chengdu to tap travel recovery
- Stepped up marketing and cross-selling activities to drive occupancies
- Leveraged technology to adapt service delivery to address the impact of staffing shortages in Europe

### Residential portfolio remains resilient

- Healthy sales of residential projects in Australia and Singapore despite rate hikes and inflation
- Active management of upcoming residential sales and settlements amid continued economic challenges in Thailand
- China launches have been well-received; invested in Songjiang Palace of Yunjian<sup>1</sup> development in Shanghai to replenish residential portfolio
- Pre-sold revenue<sup>2</sup> of S\$2.7 billion across Singapore, Australia, China, and Thailand

### Good financial strength

- Net gearing ratio of 70.2% as at 31 December 2022
- Supported by healthy cash balance, operating cash flows and diversified funding sources
- Well positioned to repay or refinance all debt due in FY23

1. The Group holds 20% effective interest. 2. Includes the Group's effective interest of joint operations ("JOs"), JVs, project development agreements ("PDAs") and associates.

# Singapore development projects on track for completion

- **Sales of launched projects continued to strengthen despite property curbs introduced in December 2021 and September 2022**
  - **Sold 90%<sup>1</sup> of Rivière units** with Temporary Occupation Permit ("TOP") attained on 17 January 2023<sup>4</sup>
  - **Sold 100%<sup>1</sup> of Parc Greenwich EC units** within nine months from launch with target completion in 2H FY24
  - **Sold 77%<sup>1</sup> of Sky Eden@Bedok units** with target completion in 1H FY26
- **Monitoring prevailing headwinds** and implementing contingency plans
  - Multi-pronged marketing strategies to support sales have delivered good results

## Residential Portfolio Activity in 1Q FY23

50

Units sold<sup>1,2</sup>



S\$1.0b

Unrecognised revenue<sup>3</sup>



## Macro Drivers and Industry Trends



Positive home sales momentum continues in 4Q 2022<sup>5</sup>



0.4% increase in Singapore **private residential prices**<sup>5</sup> in 4Q 2022



8.6% increase in Singapore **private residential prices**<sup>5</sup> for the whole of 2022



Rivière, Singapore

1. Including options signed. 2. Includes 100% of JV projects. 3. Includes the Group's subsidiaries at 100% and effective interest of JVs. 4. TOP for serviced apartments is targeted for 1H FY23. 5. [ura.gov.sg/Corporate/Media-Room/Media-Releases/pr23-02](https://www.ura.gov.sg/Corporate/Media-Room/Media-Releases/pr23-02).

# Stable investment properties portfolio metrics in Singapore

## Continued improvement in business performance and cautiously optimistic outlook

- **Suburban retail portfolio occupancy improvements** underpinned by leasing demand
- **Portfolio retail sales and shopper traffic continued to increase** in 4Q 2022
- **Commercial portfolio occupancy continued to trend up for the third consecutive quarter** with positive rental reversion
- Asset enhancement initiative for Alexandra Point, which started in February 2021, is **on track for completion in 3Q 2023**
- Completed joint acquisition with FCT of 50.0% interest in Singapore suburban retail mall NEX for \$652.5 million on 6 February 2023; earnings to be equity accounted

## Macro Drivers and Industry Trends





**Improvement in business activities and shopper traffic** since the significant easing of safe management measures in 2022



**Retail sales<sup>7</sup>** increased Y-o-Y at 7.4% in December 2022, most industries recorded growth. Food & alcohol and wearing apparel & footwear were the top two industries that recorded increases of 37.4% and 23.0%, respectively



Despite dampened market conditions and a slowdown in Q-o-Q rental growth, **Singapore's office market is expected to be defensive** due to tight supply over the short to medium term and resilient occupier demand given the island's status as a global financial and business hub<sup>8</sup>

	Retail Portfolio Metrics <sup>1</sup>	31 Dec 21	31 Mar 22	30 Jun 22 <sup>5</sup>	30 Sep 22	31 Dec 22
	AOR <sup>2</sup>	94.5%	94.4%	94.1%	95.8%	96.9%
	Leases due to expire	24.0% <sup>3</sup>	15.9% <sup>3</sup>	4.8% <sup>3</sup>	28.4% <sup>4</sup>	18.6% <sup>3</sup>
	Commercial Portfolio Metrics <sup>1</sup>	31 Dec 21	31 Mar 22 <sup>6</sup>	30 Jun 22	30 Sep 22	31 Dec 22
	AOR <sup>2</sup>	91.0%	89.3%	89.9%	92.7%	93.4%
	Leases due to expire	8.6% <sup>3</sup>	3.5% <sup>3</sup>	0.1% <sup>3</sup>	11.8% <sup>4</sup>	4.6% <sup>3</sup>

1. Reflects portfolio metrics of AUM. 2. Committed average occupancy rate as a percentage of NLA, excluding community and/or sports facilities space. 3. Leases due to expire over the remainder of the FY as a percentage of NLA, excluding community and/or sports facilities space. 4. Leases due to expire in the next FY as a percentage of NLA, excluding community and/or sports facilities space. 5. Retail portfolio metrics from 30 June 2022 onwards excludes Bedok Point which was closed on 30 June 2022. 6. Commercial portfolio metrics from 31 March 2022 onwards excludes Cross Street Exchange which was divested on 31 March 2022. 7. [singstat.gov.sg/-/media/files/news/mrsdec2022.ashx](https://singstat.gov.sg/-/media/files/news/mrsdec2022.ashx). 8. [Singapore Figures Q4 2022 | CBRE](#).



# Residential business in Australia remains resilient

Supported by high levels of contracts on hand and broadly supportive market environment

- **Significant volume of contracts on hand**
  - Strong secured sales position with 2,649 contracts on hand worth S\$1.2 billion as at 31 December 2022, underpinning FY23 earnings
- **Positive residential sales performance**
  - Positive sales traction achieved across the business with key sales contributions from Mambourin, VIC (51 units), The Grove, VIC (28 units), Baldivis Parks, WA (26 units) and Five Farms, VIC (21 units)
- **Continued active management of sales and settlements amid rising interest rate and higher inflationary environment**

## Residential Portfolio Activity in 1Q FY23

234	Units settled <sup>1</sup>
~210	Units released for sale <sup>1</sup>
219	Units sold <sup>1</sup>
S\$1.2 b	Unrecognised revenue <sup>2</sup> 2,649 contracts on hand as at 31 December 2022

## Macro Drivers and Industry Trends



Australian unemployment rate<sup>3</sup> remained at 3.5% for December 2022



Reserve Bank of Australia's cash rate increased to 3.1% on 7 December 2022<sup>4</sup>



Mambourin, VIC, Australia

NB. All references to units include apartments, houses and land lots. 1. Includes 100% of joint arrangements – JOs and JVs – and PDAs. 2. Includes the Group's effective interest of JOs, JVs and PDAs. 3. [abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release](https://abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release). 4. [rba.gov.au/media-releases/2022/mr-22-41](https://rba.gov.au/media-releases/2022/mr-22-41).

# Leveraging strategic redevelopments to strengthen Australian investment portfolio

## Strategic acquisitions and repositioning of commercial assets as well as stabilisation of retail assets

- **Strategic acquisitions and active leasing efforts strengthening commercial portfolio**
  - Acquired two buildings at Rhodes Corporate Park (Buildings A and C)
  - Repositioning of Rhodes Corporate Park assets continues, enhancing competitiveness
  - Office portfolio metrics depressed due to the strategic Lee Street tenancy relocation required for the upcoming redevelopment of Central Place Sydney ('CPS')
  - Key planning approval achieved during the quarter for the CPS redevelopment
- **Stabilisation of newly completed retail assets**
  - Positive operating trends continue with improved trading conditions
  - Improved AOR reflects successful leasing outcomes, improved operating environment and the completion of Eastern Creek Quarter Stage 2 (ECQ XL), NSW, in June 2022
- **Steady progress for ongoing development project**
  - Build-to-Rent ("BTR"): Development of 366 apartments at Brunswick & Co., Fortitude Valley as part of QLD Government's BTR pilot; target to complete in 1Q FY25

## Macro Drivers and Industry Trends





Macroeconomic conditions remain broadly supportive, driven by lower unemployment<sup>4</sup> and improved GDP growth rates



Office vacancy rates and rental growth adversely affected by the post pandemic environment and evolving workplace expectations



Retail turnover continues to show signs of improvement during the post pandemic environment

	Office Portfolio Metrics <sup>1</sup>	31 Dec 21	31 Mar 22	30 Jun 22	30 Sep 22	31 Dec 22
	AOR <sup>2</sup>	80.3%	81.1%	68.5%	55.5%	57.4%
	WALE <sup>3</sup>	2.6 years	2.4 years	2.2 years	2.2 years	2.4 years
	Retail Portfolio Metrics <sup>1</sup>	31 Dec 21	31 Mar 22	30 Jun 22	30 Sep 22	31 Dec 22
	AOR <sup>2</sup>	80.2%	81.2%	91.2%	93.7%	96.5%
	WALE <sup>3</sup>	6.9 years	6.7 years	7.2 years	7.1 years	7.0 years

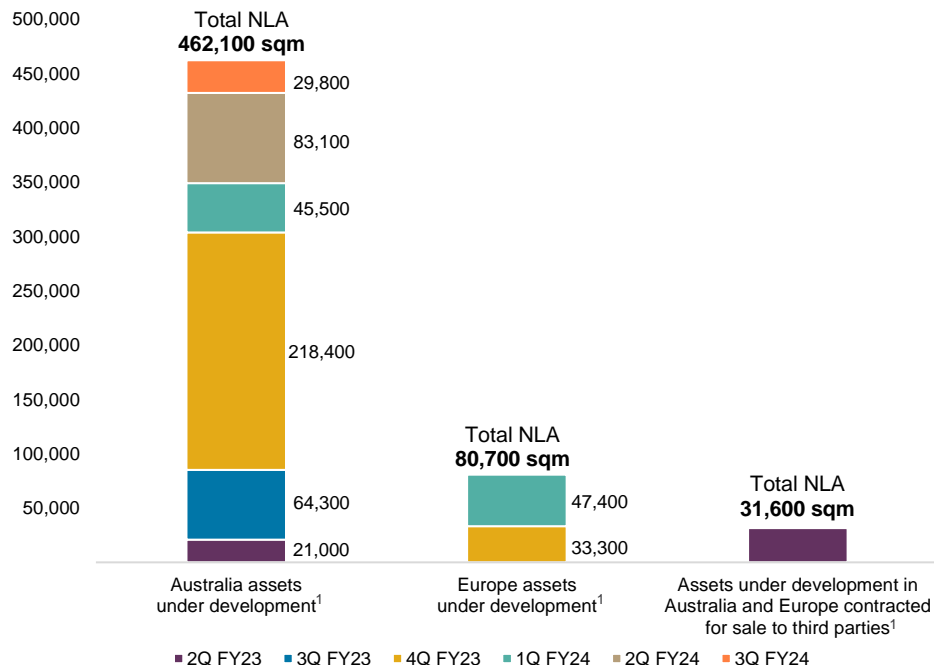
1. Reflects portfolio metrics of AUM, excluding assets held by FLCT. 2. Committed occupancy as at period end by NLA. 3. By Income as at period end. 4. [abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release/unemployment](https://abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release/unemployment).

# Steady growth of industrial and logistics development pipeline

## Sustained demand from high quality tenants

- Completed one development project ~23,000 sqm with two tenancies in Dandenong South, Australia
- Strengthened development pipeline with 19 projects totalling ~575,000 sqm planned for completion in FY23 and FY24
  - VIC totalling ~122,000 sqm – Dandenong South (1 project), Epping (1 project) and Tarneit (2 projects)
  - NSW totalling ~227,000 sqm – Kemps Creek (6 projects) and Macquarie Park (1 project)
  - QLD totalling ~145,000 sqm – Richlands (1 project), Yatala (1 project), Berrinba (1 project) and Stapylton (3 projects)
  - The Netherlands totalling ~81,000 sqm in Bemmelen (1 project) and Breda (1 project)
- Acquired two greenfield development sites in Australia – ~18,000 sqm in Horsley Park, NSW and ~48,000 sqm in Stapylton, QLD
  - Total land bank of 2.4 million sqm across Australia and Europe

## 19 assets under development 12 assets to be completed in FY23 and seven assets in FY24



1. Estimated total NLA.

# Industrial and logistics leasing conditions remain strong

## Supported by robust occupier demand

- Realised **strong leasing activity**<sup>1</sup>
  - ~317,000 sqm of renewals and new leases in Australia
  - ~50,000 sqm of renewals and new leases in Europe
- High occupancy** with quality tenant profile
- Completed the divestment** of four non-core assets in Austria
- Acquired** new asset in Alzenau, Germany ~22,000 sqm in December 2022

## Macro Drivers and Industry Trends





Logistics markets continue to perform favourably supported by strong occupier demand<sup>5</sup>



Rental markets continue to benefit from the tailwinds that have underpinned the sector over the past decade<sup>6</sup>



Record low vacancies are expected to drive rental growth further<sup>7</sup>

	Australia Portfolio Metrics <sup>2</sup>	31 Dec 21	31 Mar 22	30 Jun 22	30 Sep 22	31 Dec 22
	AOR <sup>3</sup>	100.0%	100.0%	100.0%	100.0%	100.0%
	WALE <sup>4</sup>	5.2 years	4.9 years	4.9 years	4.8 years	5.0 years
	Europe Portfolio Metrics <sup>2</sup>	31 Dec 21	31 Mar 22	30 Jun 22	30 Sep 22	31 Dec 22
	AOR <sup>3</sup>	96.4%	97.8%	97.8%	97.8%	97.3%
	WALE <sup>4</sup>	6.0 years	6.0 years	6.0 years	5.9 years	5.8 years

1. Includes lease renewals and new leases for industrial and logistic properties in Australia, Germany and the Netherlands in which the Group has an interest. 2. Reflects portfolio metrics of AUM. 3. Committed occupancy; by NLA.  
4. By income. 5. [jll.com.au/en/trends-and-insights/research/australian-industrial-market-overview-3q22](https://jll.com.au/en/trends-and-insights/research/australian-industrial-market-overview-3q22). 6. [savills.co.uk/research/articles/229130/334123-0](https://savills.co.uk/research/articles/229130/334123-0). 7. [commercialrealestate.com.au/news/vacancy-rate-to-drive-industrial-rents-higher-in-2023-1188379/](https://commercialrealestate.com.au/news/vacancy-rate-to-drive-industrial-rents-higher-in-2023-1188379/).

# Effective management of hospitality portfolio

## Leveraging on strategies to maximise operational efficiencies as industry rebounds from pandemic

- **Driving occupancies while managing manpower constraints**
  - Activating global marketing strategies for cross selling as all properties re-open
  - Ongoing management of brand websites to drive direct bookings through the websites of Frasers Hospitality and its portfolio of brands
  - Leveraging technology to adapt service delivery to mitigate the impact of service staff shortages as group continues on its transformational journey
- **Adding properties under management**
  - Signed new hotel management agreements for Modena Vinh Yen in Vietnam and Fraser Place Zhuhai in China
  - Pre-opening preparations remain on track for the following properties:
    - Capri by Fraser, Phnom Penh, with planned opening in 1Q 2023
    - Fraser Residence Tianjin, Modena Dalian, Fraser Place Chengdu, all slated to open in 2Q 2023

## Macro Drivers and Industry Trends



Anticipated impact of global travel with China's recent revision of its zero COVID policy




Resurgence of both corporate and leisure travel especially in key business cities and over the holiday season



Potential headwinds resulting from the protracted war in Ukraine, resulting in rising cost of living spilling over from Europe



Global shortage of skilled resource continues to impact industry

	Units by Geography <sup>1</sup>	31 Dec 21 <sup>2</sup>	31 Mar 22	30 Jun 22	30 Sep 22	31 Dec 22
	North Asia	4,188	4,224	4,224	4,224	4,000
	Asia Pacific ex North Asia	6,503	6,503	6,067	6,067	6,067
	Europe, Middle East, and Africa	6,009	6,009	6,009	6,030	6,030
	<b>TOTAL</b>	<b>16,700</b>	<b>16,736</b>	<b>16,300</b>	<b>16,321</b>	<b>16,097</b>

1. Includes owned and/or managed units in operation, including assets held by FHT. 2. ANA Crowne Plaza Kobe was reclassified from Asia Pacific ex North Asia to North Asia.



# Hospitality portfolio metrics<sup>1</sup>

## Signs of recovery in most markets following reopening of borders

North Asia	1Q FY23	1Q FY22	Change
AOR	59.4%	48.2%	▲ 11.2 pp
ADR	S\$77.7	S\$88.2	▼ 11.9%
RevPAR	S\$46.2	S\$42.5	▲ 8.7 %

- Improved volume of reservations at Fraser Suites Dalian reflect increased demand for accommodation despite high volume of infections resulting from China's lifting of COVID restrictions in mid December 2022
- Signs of recovery reflected in the positive metrics

Asia Pacific ex North Asia	1Q FY23	1Q FY22	Change
AOR	87.9%	75.9%	▲ 12.0 pp
ADR	S\$254.5	S\$142.4	▲ 78.7%
RevPAR	S\$223.7	S\$108.0	▲ 107.1%

- Portfolio metrics reflect strong demand across all segments of business in the portfolio as countries in this region have lifted nearly all border restrictions and transitioned to an endemic mode, which has boosted travel demand
- Anticipated resurgence of China travellers to SEA countries
- Domestic travel continue to drive occupancies in key cities in Australia

Europe	1Q FY23	1Q FY22	Change
AOR	79.2%	69.9%	▲ 9.3 pp
ADR	S\$237.3	S\$264.6	▼ 10.3%
RevPAR	S\$187.9	S\$184.8	▲ 1.7%

- Headwinds are anticipated due to political turmoil, higher energy prices, manpower shortage and inflationary pressures
- Notwithstanding the above, strong demand continues in most properties in the region

1. Reflects portfolio metrics of assets in which the Group has an interest, excluding owned assets that are not managed by Frasers Hospitality.

# Active management of residential sales and settlements in Thailand

## Continued focus on product innovation to meet evolving customers tastes

- **73 active projects** as at 31 December 2022
  - Active management of upcoming residential sales and settlements amid continued economic challenges
  - Expanded market reach by launching projects in more areas
- **Continued to focus on single-detached houses to target the affluent consumer segment** further added business resilience and improved margins
- **Adapted home designs** to better meet the live, play and work needs and sustainability aspirations of customers

## Residential Portfolio Activity in 1Q FY23

508	Units settled
1,166	Units sold
S\$0.03 b	Unrecognised revenue <sup>1</sup>

1. Includes the Group's subsidiaries at 100%. 2. [bot.or.th/English/MonetaryPolicy/MonetPolicyCommittee/MPR/Pages/default.aspx](https://www.bot.or.th/English/MonetaryPolicy/MonetPolicyCommittee/MPR/Pages/default.aspx). 3. [bot.or.th/English/PressandSpeeches/Press/2022/Pages/n6865.aspx](https://www.bot.or.th/English/PressandSpeeches/Press/2022/Pages/n6865.aspx). 4. [bangkokpost.com/business/2217099/property-market-seen-normalising-in-2023](https://www.bangkokpost.com/business/2217099/property-market-seen-normalising-in-2023).

We are Frasers Property

## Macro Drivers and Industry Trends



Thailand's economic recovery has continued to gain traction. Tourism and private consumption continue to be the key economic drivers going forward, alleviating the impact of global slowdown. GDP growth for 2023 and 2024 is projected at 3.7% and 3.9%, respectively<sup>2</sup>



Thailand's interest rate policy raised from 1.00% to 1.25% in November 2022<sup>3</sup>



Thailand's real estate sector is expected to return to pre-pandemic levels in late 2023, supported by easing of housing loan regulations and the reopening of the country to more foreign visitors<sup>4</sup>



# FPT's I&L portfolio remains stable and poised for further growth

## High quality tenants continue to drive and support steady occupancy rates

- Stable warehouse and factory portfolio average **occupancy rate of ~84%**; with **net leasing growth of 109,341 sqm** during the first quarter of FY23
- Focused on customer centric approach - **introduced a new generation of build-to-suit factories and warehouses** with new sustainability and technology offerings to enhance market positioning
- Stable development pipeline provides visibility for further growth
  - Commenced development of two new logistics parks of ~39,000 sqm NLA** at Wangnoi 2 Ayutthaya and Bangplee 7 Samutprakarn; and Puchaosamingprai Samutprakarn with ~30,000 sqm NLA on schedule for target completion and handover in FY24

## Macro Drivers and Industry Trends





E-commerce remains the key growth driver for industrial and logistics properties<sup>3</sup>



Warehouse spaces demand has expanded significantly with relocating manufacturing bases in response to global supply chain disruptions<sup>4</sup>



Built-to-suit approach continues to be the trend e.g., smart warehouses that utilise automation, robotics and digitisation<sup>5</sup>

	Warehouse Metrics	31 Dec 21	31 Mar 22	30 Jun 22	30 Sep 22	31 Dec 22
	AOR <sup>1</sup>	90.5%	89.4%	87.3%	87.6%	86.5%
	WALE <sup>2</sup>	3.9 years	3.9 years	3.9 years	3.9 years	3.7 years
	Factory Metrics	31 Dec 21	31 Mar 22	30 Jun 22	30 Sep 22	31 Dec 22
	AOR <sup>1</sup>	78.4%	78.8%	79.6%	80.1%	79.4%
	WALE <sup>2</sup>	1.6 years	1.7 years	1.7 years	1.7 years	1.7 years

1. Actual occupancy as at period end; by gross rent. 2. By Income as at period end. 3. [bangkokpost.com/business/2419571/omni-channel-retail-evolution](https://bangkokpost.com/business/2419571/omni-channel-retail-evolution). 4. [thaipr.net/en/business\\_en/3284340](https://thaipr.net/en/business_en/3284340). 5. [us.ill.com/en/trends-and-insights/research/global/gmp/logistics](https://us.ill.com/en/trends-and-insights/research/global/gmp/logistics).

# Commercial properties in Thailand maintained strong occupancy rates

## Robust demand for office spaces; boost in hospitality portfolio recovery

- Maintained high occupancy of ~89% for prime and mature assets
- Active leasing efforts underway to drive occupancy for newer assets
  - Silom Edge, a mixed-use building in the heart of Bangkok's CBD, launched in 4Q FY22, will be fully opened in 2Q FY23
- As at 31 December 2022, office and retail occupancy at **Samyan Mitrtown**<sup>1</sup> maintained at ~94%<sup>2</sup> and ~95%<sup>2</sup>, respectively
- Improvement in hospitality portfolio performance supported by significant recovery in tourism sector

## Macro Drivers and Industry Trends



The Bangkok office market continues on the path to recovery due to continued demand backed by the return-to-office theme<sup>8</sup>



The flight-to-quality trend remains active as occupiers continue to seek sustainable workplaces with green building certification and net zero carbon emissions<sup>9</sup>

	Office & Retail Metrics	31 Dec 21	31 Mar 22	30 Jun 22	30 Sep 22	31 Dec 22
	AOR <sup>2</sup>	92.1% <sup>4</sup>	91.8% <sup>4</sup>	90.0% <sup>4</sup>	90.3%	91.1%
	WALE <sup>3</sup>	1.4 years	1.2 years	1.1 years	1.3 years	1.6 years
	Hospitality Metrics <sup>5</sup>	31 Dec 21	31 Mar 22	30 Jun 22	30 Sep 22	31 Dec 22
	AOR	32.7%	36.3%	41.1%	46.7%	73.9%
	ADR	S\$94.6 <sup>6</sup>	S\$96.4 <sup>6</sup>	S\$103.1 <sup>6</sup>	S\$111.4 <sup>6</sup>	S\$140.0 <sup>7</sup>
	RevPAR	S\$31.0 <sup>6</sup>	S\$35.0 <sup>6</sup>	S\$42.4 <sup>6</sup>	S\$52.0 <sup>6</sup>	S\$103.5 <sup>7</sup>

1. Samyan Mitrtown is a 49% JV held by FPT. 2. Committed occupancy as at period end; by gross rent. 3. By Income as at period end. 4. FY22 AOR was previously calculated using average across the year. FY23 AOR has been restated as at 31 December 2022. 5. Averaged over reporting period. 6. As per FPL's presentation deck for the period. 7. Based on exchange rate of S\$/THB: 0.038221. 8. [reic.or.th/News/RealEstate/456752](https://reic.or.th/News/RealEstate/456752). 9. [rachachat.net/property/news-1147885](https://rachachat.net/property/news-1147885).

# Preparing for next phase of industrial development in Vietnam

## Stabilising commercial business

- **Steady progress in building up commercial occupancy and uplifting rental rates**
  - The occupancy rate at Worc@Q2<sup>1</sup> serviced office tower in HCMC increased to 78.5% as at 31 December 2022; the remaining floors are to be leased at premium rent, with a target to stabilise occupancy rates at over 90% by financial year end
  - Occupancy rate at Melinh Point in HCMC remains stable at over 90%
- **Progressive industrial development**
  - Development of Binh Duong Industrial Park (“BDIP”) Phase 2 comprising ~100,000 sqm of factories and warehouses targeted to commence by 2Q FY23
  - BDIP Phase 1 preleasing rate reached 68%; targeted to be fully leased by 3Q FY23

## Macro Drivers and Industry Trends



GDP grew 8% Y-o-Y in 2022; realised direct foreign investment capital reached the highest level in the past five years at US\$22.4 billion<sup>5</sup>



Grade A offices in HCMC<sup>1</sup> rent increase 3% compared to last quarter, when Grade B offices rent is stable<sup>5</sup>



Asking land price in the Southern Key Economic Region (“SKER”) increased 10% Y-o-Y, and rental rates for ready-built-factories in the SKER stabilised while rental rates for ready-built-warehouses increased 10% Y-o-Y<sup>5</sup>



Commercial Portfolio Metrics	31 Dec 21	31 Mar 22	30 Jun 22	30 Sep 22	31 Dec 22
AOR <sup>2</sup>	79.5% <sup>4</sup>	82.5% <sup>4</sup>	85.6%	87.2%	89.0%
WALE <sup>3</sup>	1.7 years	1.9 years	2.0 years	1.9 years	1.8 years

1. In Ho Chi Minh City (“HCMC”). 2. Committed occupancy as at period end; by NLA. 3. By revenue as at period end. 4. AOR, which was previously calculated using average across the period, has been restated to as at period end.

5. [cushmanwakefield.com/en/vietnam/insights/ho-chi-minh-city-marketbeat-q4-2022](https://cushmanwakefield.com/en/vietnam/insights/ho-chi-minh-city-marketbeat-q4-2022).



# Resilient residential sales momentum in China

## Robust operations capabilities ensure stable sales and handover activities

- **Replenished residential portfolio with investment in Shanghai**
  - Invested in Songjiang Palace of Yunjian<sup>1</sup> in Songjiang District and added 838 residential units
  - Inventory of 1,054 residential units<sup>2</sup> as at 31 December 2022; ongoing five joint venture/associated projects under development on schedule for completion and handover
- **Well-positioned for the expected economic rebound**
  - Continued strong sales momentum at Club Tree<sup>3</sup>, Shanghai; 98.1% sold (1,792 of 1,826 launched units) at an average selling price ("ASP") of S\$10,430 per sqm<sup>4</sup> (RMB53,957 per sqm)
  - Launched 523 units at Songjiang Palace of Yunjian<sup>1</sup>, Shanghai, and sold 48.9% (256 units) with an ASP of S\$11,086 per sqm<sup>4</sup> (RMB57,351 per sqm)
  - Sold all 661 Phase 1 units at Upview Malu<sup>5</sup>, Shanghai, on launch day with an ASP of S\$9,468 per sqm<sup>4</sup> (RMB48,981 per sqm); remaining 352 Phase 2 units will be launched in 2H FY23
  - Handed over 1 residential unit for Opus One<sup>6</sup> in Shanghai; 1 retail unit for Gemdale Megacity in Shanghai; and 1,882 carpark lots in total across Opus One and Gemdale Megacity in Shanghai, and Baitang One in Suzhou
  - 126 long-term lease apartments at Opus One, Shanghai, have been fully leased out while 201 long-term lease apartments at Gemdale Megacity, Shanghai, achieved 90% occupancy

## Macro Drivers and Industry Trends



China government has implemented a 16-point plan to stabilise the property sector<sup>9</sup> and is expected to further implement a package of policies and measures to stabilise the economy, growth, employment and prices<sup>10</sup>



2022 Shanghai residential sales area dropped 4.0% Y-o-Y to 10.2 million sqm, while sales value increased 10.6% to RMB647.4 billion with inventory clear-up period at a healthy 7.3 months<sup>11</sup>



Chengdu office vacancy rate increased by 0.7% Q-o-Q to 25.5% in 4Q 2022<sup>12</sup>

## Residential Portfolio Activity in 1Q FY23

1	Unit settled <sup>2</sup>
379	Units sold <sup>2,7</sup>
S\$0.5 b	Unrecognised revenue <sup>8</sup>



1. The Group holds 20% effective interest. 2. Including 100% of JV / Associate projects. 3. The Group holds 15% effective interest. 4. Based on exchange rate as at period end. 5. The Group holds 12% effective interest. 6. The Group holds 8.75% effective interest. 7. Including options signed. 8. Including the Group's effective interest in an associate and JVs. 9. [businessinsider.com.sg/international/global/china-issues-16-point-plan-rescue-ailing-property-sector](https://businessinsider.com.sg/international/global/china-issues-16-point-plan-rescue-ailing-property-sector). 10. [english.www.gov.cn/premier/news/202301/19/content\\_WS63c88c6cc6d0a757729e5d20.html](https://english.www.gov.cn/premier/news/202301/19/content_WS63c88c6cc6d0a757729e5d20.html). 11. CREIS December 2022. 12. JLL 4Q 2022 Chengdu Commercial and Logistics Market Report.

# UK business maintained robust portfolio metrics

## Well-positioned for continued growth and unlocking opportunities

- **Quality products and proactive asset management support robust portfolio metrics**
  - Completed 'The Rowe' development in Central London in December 2022, a ~15,000 sqm office project targeting the tech sector; leasing in progress
  - Enhance value proposition through ongoing upgrading of portfolio through AELs
- **Ongoing strategic development activity continues**
  - Unlocking embedded development value of land bank across all UK business parks – exploring opportunities for further industrial development to meet tenant demand
  - Prime warehouse and logistics developments for FLCT:
    - Blythe Valley Park (Connexion 2), pre-let of ~11,000 sqm across three units (with expiry/break at 10-years) targeting completion in 2Q FY23
    - Worcester Six, pre-let of ~16,900 sqm to a leading UK flooring distributor, Alliance Flooring targeting completion in 2Q FY23 and for a 15-year lease period
    - Cheshire PC, pre-let of ~62,000 sqm to a leading UK auto distributor, Peugeot Motor Company Plc targeting completion by December 2023 and for a 15-year lease period
- **Continued growth of portfolio under management**

## Macro Drivers and Industry Trends



Bank of England increased interest rates by 125 bps over the past two months to 3.50%, mainly over concerns of increasing inflation<sup>3</sup>



Healthy levels of office leasing activity across Greater London and South East UK<sup>4</sup>



Occupier demand in the UK industrial and logistics market remains strong despite economic headwinds<sup>5</sup>

	Business Park Metrics	31 Dec 21	31 Mar 21	30 Jun 22	30 Sep 22	31 Dec 22
	AOR <sup>1</sup>	90.9%	86.9%	86.3%	88.1%	87.1%
	WALE <sup>2</sup>	5.9 years	6.0 years	5.9 years	5.9 years	5.7 years

1. Actual occupancy; by NLA. 2. By income. 3. [bankofengland.co.uk/](https://www.bankofengland.co.uk/next-monetary-policy-committee-meeting-2-february-2023) Next monetary policy committee meeting 2 February 2023. 4. [the-london-office-market-report-2022-q2-9297.pdf](https://www.the-london-office-market-report-2022-q2-9297.pdf) (knightfrank.com).

5. [jll.co.uk/en/newsroom/uk-industrial---logistics-take-up-hits-8-2-million-sq-ft-in-q2-2](https://www.jll.co.uk/en/newsroom/uk-industrial---logistics-take-up-hits-8-2-million-sq-ft-in-q2-2).

# Healthy balance sheet

## Continued focus on proactive capital management

- **Optimising capital productivity** through REIT platforms<sup>1</sup> and capital partnerships with like-minded joint venture partners
- **Well positioned to repay and/or refinance all debt** due in FY2023
- **Continuing efforts to extend debt maturities** with focus on green and/or sustainable financing
- Gearing increased mainly due to redemption of perpetual securities

Key Financials	As at 31 Dec 22	As at 30 Sep 22	Change
Net debt	S\$13,242.6 m	S\$12,566.9 m	▲ 5.4%
Net debt / Total equity <sup>2</sup>	70.2%	64.8%	▲ 5.4 pp
Net debt / Property assets <sup>3</sup>	39.2%	37.5%	▲ 1.7 pp



Pre-sold  
revenue<sup>4</sup>

**S\$2.7 billion**

across Singapore,  
Australia, China and Thailand



Cash and  
deposits

**S\$2.7 billion**

as at 31 December 2022



Net debt-to-equity  
ratio

**70.2%**

as at 31 December 2022

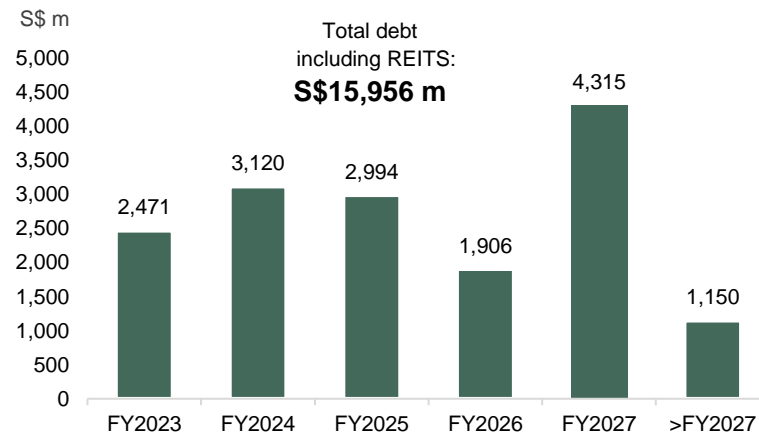


Net interest  
cover<sup>5</sup>

**3 times**

as at 31 December 2022

## Debt maturities profile



1. Refers to the Group's REITs and Stapled Trust 2. Includes non-controlling interests and perpetual securities. 3. Property assets comprise investment properties, property, plant and equipment, investments in JVs and associates, shareholder loans to JVs and associates, properties held for sale and assets held for sale. 4. Includes the Group's effective interest of JOs, JVs, PDAs and associates. 5. Net interest excluding mark to market adjustments on interest rate derivatives and capitalised interest.

# Looking forward

## Disciplined approach towards investment, asset management and development execution

- **Singapore**

- Continue active asset management of retail and commercial portfolio to optimise returns from robust recovery in demand
- Temporary Occupation Permit attained for Rivière on 17 January 2023<sup>1</sup>; 90%<sup>2</sup> of units sold, focus on sales of remaining units
- On target to complete construction of Parc Greenwich EC by 2H FY24, and Sky Eden@Bedok by 1H FY26

- **Australia**

- 2,649 contracts on hand across the business underpins FY23 earnings
- Maintain on schedule delivery of residential and build-to-rent development projects despite post-pandemic related operational challenges
- Continue stabilisation of retail centres and strategic repositioning of commercial assets to enhance portfolio performance

- **Industrial & Logistics**

- Current developments progressing on schedule with 19 projects across Australia and Europe totalling ~575,000 sqm scheduled for completion in FY23 and FY24
- Maintain strong portfolio metrics supported by robust occupier demand and record low vacancies which are expected to drive rental growth further
- Total land bank of 2.4 million sqm across Australia and Europe and development capabilities support a strong pipeline for further value creation
- Strong asset class fundamentals that have underpinned the sector over the past decade are expected to continue

- **Hospitality**

- Resurgence of both corporate and leisure travel especially in key business cities
- Managing productivity and leveraging on strategies to maximise operational efficiencies as industry rebounds from pandemic
- Pre-opening preparations on track for Capri by Fraser, Phnom Penh slated to open in 1Q 2023 and Fraser Residence Tianjin, Modena Dalian, Fraser Place Chengdu set to open in 2Q 2023

1. TOP for serviced apartments is targeted for 1H FY23. 2. Including options signed.

# Looking forward

## Disciplined approach towards investment, asset management and development execution

### • Thailand

- Active management of upcoming residential sales and settlements amid continued economic challenges
- Maintain focus on customer centric approach – introduced a new generation of build-to-suit factories and warehouses with new sustainability and technology offerings to enhance market positioning
- Commenced development of two new logistics parks of ~39,000 sqm NLA; development of Puchaosamingprai Samutprakarn with ~30,000 sqm NLA on schedule for completion and handover in FY24

### • Vietnam

- Active marketing to ramp up and stabilise occupancy at Worc@Q2 office building in HCMC at over 90% by financial year end
- Target full leasing of BDIP Phase 1 by 3Q FY23
- Development of BDIP Phase 2 comprising ~100,000 sqm of factories and warehouses targeted to commence by 2Q FY23

### • China

- Five ongoing joint venture/associated projects under development on schedule for completion and handover
- Target to launch remaining 352 Upview Malu<sup>1</sup>, Shanghai, Phase 2 units in 2H FY23
- Looking at opportunities to replenish land bank

### • UK

- Ongoing upgrading of portfolio through AEIs and strategic development activity to support robust portfolio metrics and unlock embedded development value
- On track to complete FLCT's prime warehouse and logistics developments – Blythe Valley Park (Connexion 2) in 2Q FY23 and Worcester Six in 2Q FY23, as well as Cheshire PC at the end of 1Q FY24

1. The Group holds 12% effective interest.



# Looking forward

## Disciplined approach towards investment, asset management and development execution

- **Business landscape**

- High proportion of fixed rate debt mitigates the effects of higher interest rates although there will be an impact on the average cost of debt on a portfolio basis as the Group refinances debt moving forward
- Natural hedging mitigates effects of foreign currency volatility
- Continue to focus on managing risk exposures in navigating prevailing geopolitical tensions and looming spectre of recession across markets, while being balanced in seeking opportunities that may arise
- Innovation and responsiveness of business approach and real estate offerings are key amid acceleration of changes in customer segments and expectations of live, work and play spaces
- With strong capabilities and business foundation in place, the Group is well positioned to weather through these prevailing macro developments and structural changes affecting the real estate sector



Frasers Tower, Singapore

Inspiring experiences,  
creating places for good.

