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

61st ANNUAL GENERAL MEETING TO BE HELD ON 16 JANUARY 2025
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

Frasers Property Limited (the "**Company**" or "**Frasers Property**" and, together with its subsidiaries, the "**Group**") refers to the Notice of its 61st Annual General Meeting ("**AGM**") dated 23 December 2024 (the "**Notice**"), convening the AGM which will be held on Thursday, 16 January 2025 at 2.00 p.m. at the Grand Ballroom, Level 2, InterContinental Singapore, 80 Middle Road, Singapore 188966.

The Company has not received any substantial and relevant questions related to the resolutions to be tabled for approval at the AGM from shareholders via the channels specified in the Notice as of 5.00 p.m. on Friday, 3 January 2025 (the "**submission deadline**"). As stated in the Notice, the Company will respond to questions or follow-up questions submitted after the submission deadline either within a reasonable timeframe before the AGM, or at the AGM itself.

The Company has received some questions from the Securities Investors Association (Singapore) ("**SIAS**") in relation to its annual report for the financial year ended 30 September 2024. Please refer to the SIAS website at https://sias.org.sg/qa-on-annual-reports, and Annex A below for the list of questions received from the SIAS, and the Company's responses to these questions.

The Company will respond to questions received after the submission deadline at the AGM itself.

BY ORDER OF THE BOARD

Catherine Yeo
Company Secretary
10 January 2025

ANNEX A: RESPONSES TO QUESTIONS FROM SIAS

Q1 The highlights of the group's progress in value creation are shown on page 31 of the annual report.

(Source: company annual report)

i What is management's outlook on the residential market in Singapore, and how does the group intend to position itself in light of current market trends?

Singapore is a key market for Frasers Property where we have established a strong track record in residential and mixed-use developments. We remain committed to this market and we continue to adopt strategies that balance returns with capital efficiency. We will keep reviewing opportunities in both government land sales and private treaty deals, particularly those with positive site attributes.

We are optimistic about the resilience of the Singapore residential market, underpinned by healthy fundamentals. The demand from homebuyers is driven by several factors: population growth surpassing the six-million mark, healthy household balance sheets, and Singapore's stability and healthy economic conditions. These elements are attractive for home ownership and investments.

Recent launches with good quality products and desirable site attributes have continued to see healthy sales rates, and we expect healthy demand to continue for such projects.

ii.	What strategic considerations drove the group's decision to take a 25% minority stake in "The Orie" development, and how does this align with the group's broader residential strategy in Singapore? In addition, what is the targeted segment for the redevelopment of Robertson Walk and Fraser Residence Robertson Quay[1]?
	Frasers Property's 25% stake in "The Orie" development reflects the Group's strategic focus on partnerships that balance risk with returns while diversifying its residential portfolio. This collaboration with City Developments Limited and Sekisui House leverages the collective expertise of three reputable real estate players to create an iconic development. "The Orie" previewed on 3 January 2025 and received robust response, as anticipated, being the first private residential launch in Toa Payoh in over eight years. The redevelopment of Robertson Walk and Fraser Place Robertson Walk will transform them into a new mixed-use development, featuring 348 luxury residential units, complemented by an exciting mix of dining and entertainment options in Singapore's prime District 9. This new mixed-use development will appeal to homebuyers and investors seeking unique, vibrant and high-quality living spaces by the Singapore River, with lifestyle amenities at their doorstep.
iii.	Can management elaborate further on the opportunities and risks it sees in the growth markets of China, Thailand and Vietnam? For China in particular, what factors does management identify as potential catalysts for recovery, and when does it anticipate a stabilisation or rebound in the real estate market?
	Frasers Property views China, Thailand, and Vietnam as growth markets with meaningful opportunities. The Group's integrated investor-developer-operator model and local teams enable us to effectively navigate market dynamics, focusing on creating, sustaining, and unlocking value while pursuing a disciplined and collaborative approach in these emerging markets. <u>China</u> The China housing sector has begun to stabilise following a series of government stimulus measures introduced since September 2024 to support the economy and housing sector. However, macro conditions such as consumer sentiment and manufacturing activity remain weak. While the government has signalled more fiscal support for the economy in the December Politburo meeting, market analysts have suggested that more concerted and substantive fiscal measures are needed for sustained economic recovery. Challenges persist in lower-tier cities, but core tier-1 cities where Frasers Property is invested, are expected to remain resilient due to broad-based demand and tighter supply. The core tier-1 cities are key beneficiaries of the recent relaxations in housing purchase restrictions, which have unlocked pent-up demand. Nationwide residential sales in December 2024 increased by 15% month-over-month and 17% year-over-year, with Shanghai recording an 18% month-over-month increase in new home sales to 0.8 million sqm[2] of gross floor area. Land auction activity in Shanghai has also

[1] The name of the property is Fraser Place Robertson Walk. The property was erroneously stated as Fraser Residence Robertson Quay on page 30 of Frasers Property Limited FY24 annual report.
[2] Source: CRIC

	picked up, with more developers submitting bids and premiums exceeding government reserve prices. Thailand Thailand's economy is projected to grow between 2.3% to 3.3% in 2025[3], supported by increased government spending, rising private sector demand, and a robust tourism recovery. The industrial and logistics sector continues to attract investment, benefiting from the "China Plus One" strategy and manufacturing relocations amid US-China trade tensions. While challenges persist in the residential market due to high household debt and stricter loan criteria, economic stimulus measures and a declining interest rates outlook offer potential for recovery. In the commercial sector, we remain focused on leveraging our competitively positioned Grade A assets in Bangkok against other commercial properties to capture opportunities and higher margins. Vietnam The real estate market in Vietnam showed signs of gradual recovery in 2024, driven by government efforts to make regulations and the legal framework clearer and more transparent, promoting a more level playing field between locals and foreign investors. Significant investments in infrastructure have also contributed to this recovery. As Vietnam's economy continues to thrive, with GDP growth of 7.1% in 2024 fuelled by strong exports and robust foreign investment inflows, we remain committed to strategic acquisitions to capitalise on rapid urbanisation and infrastructure improvements. Beyond key urban centres, we are exploring growth prospects in emerging areas and maintaining a strong focus on delivering current projects that align with evolving market needs. Collaboration with strategic partners remains a cornerstone of our approach to driving sustainable long-term growth.
iv.	What is the strategic rationale for maintaining Frasers Property (Thailand) Public Company Limited (FPT) as a separately listed entity on the Stock Exchange of Thailand? Has the group conducted an assessment of whether acquiring the remaining 40.4% non-controlling interest in FPT would be value-accretive, and if so, under what circumstances would such a move be strategically beneficial?
	Thailand's foreign ownership laws for real estate restrict foreign direct ownership to below 50%, making it impractical to acquire the remaining non-controlling interest in FPT. FPL's effective stake in FPT of 59.6% is held through two vehicles - approximately 38.3% of FPT through its wholly owned subsidiary, FPHT, and 43.5% of FPT through Frasers Assets Co., Ltd, a 49:51 JV with TCC Assets Co., Ltd. Additionally, we believe that maintaining FPT's listing on the Stock Exchange of Thailand enhances corporate visibility and improves access to capital.

[3] Source:
nesdc.go.th/ewt_dl_link.php?nid=15871&filename=QGDP_report#:~:text=The%20Thai%20economy%20in%202025,the%20continual%20expansion%20of%20export

Q2	The group recognised net interest expense of $524.5 million in FY2024 (2023: $429.1 million). Total borrowings increased by 5% to $17.3 billion as at 30 September 2024, compared to $16.46 billion a year earlier. In contrast, profit for the year was $519.5 million (2023: $294.7 million), and the group paid out $176.7 million in dividends in FY2023 and has proposed the same amount for FY2024. As at 30 September 2024, the net debt-to-equity ratio increased from 75.8% to 83.4%. The average gross cost of debt is 3.9% per annum. The net interest cover ratio was at 2.6 times. In the past 5 years, the return on shareholders' equity averaged out to be 2.84% per annum. Net asset value per share has decreased from $2.58 in FY2020 to $2.45 in FY2024.
i.	What is the cost of capital and is management closely tracking the important metric?
	The Group employs a multi-pronged approach to optimise financing costs, hedge the floating interest rate exposure to fixed rates, leverage green and sustainability-linked financing, diversify funding sources across local and international markets, and maintain a well-distributed debt maturity profile. These measures ensure robust financial management and resilience in volatile economic environments. Through the disciplined execution of the Group's multi-pronged approach, Frasers Property's average cost of debt on a portfolio basis as at 30 September 2024 stood at 3.9% per annum. This also reflects the Group's ability to secure competitive interest rates despite prevailing market conditions. The Group's cost of debt is tracked on an on-going basis as part of our financial discipline. Where there are substantial changes to the market environment, part of our response would include reviewing the cost of capital. The Group actively manages its interest rate exposure by maintaining a balanced mix of fixed and floating rate borrowings, with 72.9% of its total debt on fixed rates as at 30 September 2024. This approach helps mitigate the impact of interest rate volatility while providing the flexibility to capitalise on market opportunities.
ii.	How does this metric influence decisions on capital structure, project approvals, and dividend policy? Has the high-interest rate environment necessitated stricter thresholds or revised criteria for approving new investments and projects?
	Frasers Property's capital structure prioritises a resilient balance sheet, with cost of debt and net gearing being key considerations in project approvals, capital structuring and dividend decisions. In response to the uncertain macro environment and higher-for-longer interest rates, the Group has raised investment hurdle rates and implemented stricter thresholds requiring approval of the Board Executive Committee ("EXCO"). Additionally, the Group Investment Committee which is chaired by the Group Chief Executive Officer reviews and evaluates significant investments to ensure alignment with the Group's strategy and financial health before submission to the EXCO or FPL Board. Frasers Property's policy is to recommend dividends of up to 75% of Frasers Property's net profit after tax after considering a number of factors, including Frasers Property's level of cash and reserves, results of operations, business prospects, capital requirements and surplus and

	other factors considered relevant by the Board, including the expected financial performance of Frasers Property. Taking into consideration the Group's financial performance, and in keeping with the Group's efforts to maintain financial flexibility amid macro developments, the Board has proposed a first and final dividend at 4.5 Singapore cents per share for FY24, maintaining the same level of 4.5 Singapore cents per share paid for FY23. This translates to a dividend payout ratio of approximately 81% based on attributable profit before fair value change and exceptional items, before distributions to perpetual securities holders.
iii.	What guidance has the board given to management with regard to optimising or reducing the group's borrowings?
	In view of the macro-economic uncertainties and geopolitical tensions, the management (and with the Board's guidance) is reducing the Group's gearing to a more comfortable range. The sharpened focus on capital efficiency, coupled with a strong recurring income base, a structured cash flow funding plan and consistent efforts to evolve Frasers Property's operating model to support the strategy of capital efficiency ensures the Group is well-positioned to support our business operations, meet our financial commitments, and deliver long-term value to shareholders.
iv.	In the past 5 years, the return on shareholders' equity averaged out to be 2.84% per annum. Net asset value per share has decreased from $2.58 in FY2020 to $2.45 in FY2024. How does management assess the effectiveness of its current business model in addressing shareholders' concerns on declining NAV and low ROE? How does the board ensure that the "Pay-for-Performance" framework effectively aligns management incentives with long-term value creation for shareholders?
	We recognise shareholders' desire to see total shareholder returns grow over time, including improvements in dividends and share price performance. The Board and management are committed to sustainable value creation, with a focus on achieving through-the-cycle return on equity (ROE) that exceeds the company's cost of equity. At the current point in the cycle, returns from certain segments have been affected by market-specific challenges that reflect broader industry conditions affecting most real estate companies. We are actively addressing these challenges with strategies to recover and grow value, centred on creating value, sustaining value, and unlocking value. The decrease in net asset value per share between FY2020 and FY2024 was mainly due to (i) foreign currency translation reserve losses primarily as a result of the strengthening of the Singapore Dollar against the Australia Dollar, the Thai Baht and the Euro; and (2) the dilutive effect of FPL's rights issue in FY2021, which was offset by the positive impact of earnings subsequent to the rights issue. Referring to page 14 of the annual report, NAV over the same period had increased from S$7.6 billion to S$9.6 billion. The Board reviews the Group's compensation framework regularly to ensure strong alignment between the Group's long-term value creation and compensation of key management personnel. This approach not only aligns key management's interests with those of

shareholders but also encourages management agility in responses to changing market conditions.

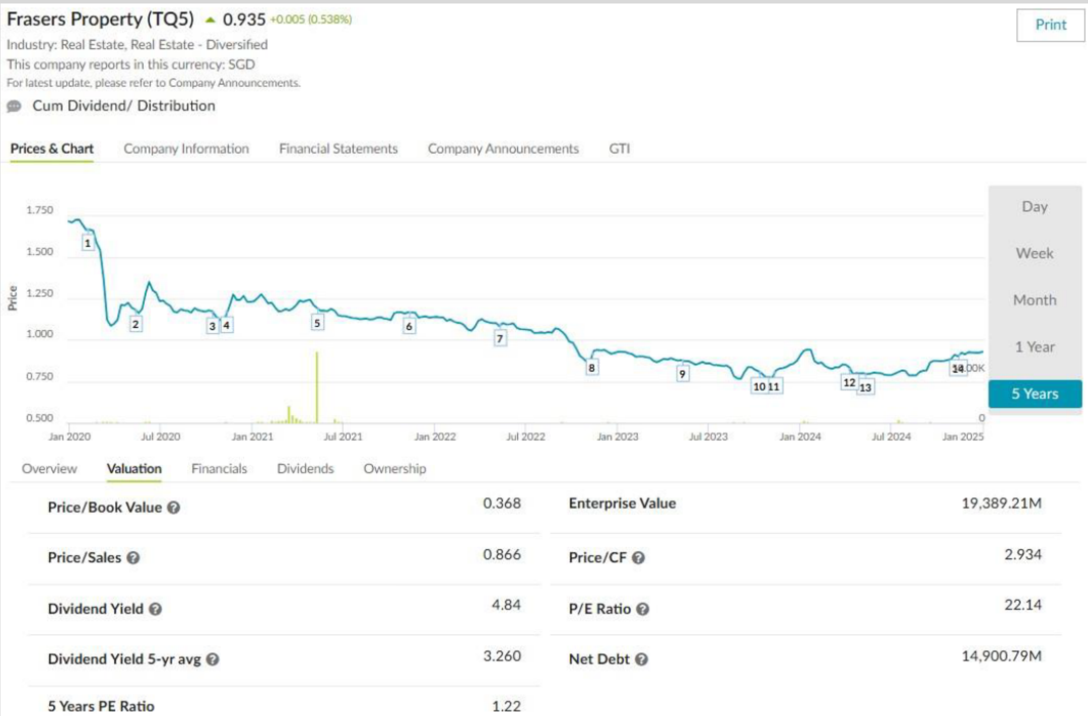
A significant and appropriate proportion of key management's remuneration is variable, linking rewards to corporate and individual performance. These incentives, based on quantitative and qualitative targets, are designed to drive sustainable performance and are approved annually by the Frasers Property's Board Remuneration Committee to ensure they reflect the Group's core values and strategic priorities.

There has been strong alignment of key management's compensation with shareholders' interests, as seen in the changes in key management's variable compensation over the past five years vis-à-vis the Group's financial performance.

Q3

The share price of the company traded to as low as $0.78 for several months in the past year, before recovering to over $0.90 cents in the past month. Nevertheless, the share has lost about half its value over the past five years.

As at 30 September 2024, the company's net asset value per share was $2.45.



(Source: https://investors.sgx.com/securities/stocks?security=TQ5)

Based on SGX Stock Screener, the company trades at a price-to-book of 0.368 times and offers a dividend yield of 4.84%. Stock exchanges and regulators, including Tokyo Stock Exchange and Korea's Financial Services Commission, have started to ask companies to set up and disclose valuation boosting plans. These corporate value-boosting initiatives are needed as it is recognised that "corporate values" of listed companies have to improve and that the main driver in enhancing corporate value is the company itself. Efforts have been targeted at companies that trade below a price-to-book ratio of below 1. The plans focussed on increasing awareness and literacy of the cost of capital, capital efficiency and stock prices of listed companies.

	Specifically, Tokyo Stock Exchange has required companies with price-to-book consistently below 1x to disclose their policies and specific initiatives to improve their valuations. i. Could the board, particularly the independent directors, explain the group's efforts to increase corporate value and improve capital efficiency? ii. Beyond attributing the company's low valuation to external market factors, would the board consider disclosing and implementing targeted strategies to narrow the discount gap, thereby creating value for shareholders?
	The Board is aware of the discount gap and, with significant involvement from the independent directors, has been in discussion with management to close the gap. We are committed to increasing corporate value and improving capital efficiency. Directionally, we are focused on reducing net gearing, improving risk-adjusted returns, tightening cost management, and ensuring our operating model is always fit for purpose. Over the past decade, we have reshaped the Group's portfolio to establish competitive and distinctive business platforms that are diversified across asset classes and geographies. Our strategy centres on three key areas: creating value, sustaining value, and unlocking value. • **Creating Value**: Increasing development exposure in residential segments with favourable risk-reward dynamics and selectively expanding into non-residential asset classes aligned with evolving sector trends. By adapting to market conditions and shifting asset allocation, we aim to improve our quality of earning and deliver risk-adjusted returns that exceed our cost of capital. • **Sustaining Value**: Enhancing the resilience of recurring and fee income streams through core capabilities in asset and property management. • **Unlocking Value**: Recycling capital by divesting assets to REITs or through third-party sales, as well as leveraging strategic capital partnerships with third party investors. The combination of these actions would enable the Group to redeploy resources into higher-return opportunities while diversifying project risks, managing cost of debt and strengthening the balance sheet for long-term resilience. Given the nature of real estate, strategy execution would generally require a few years to yield results. The Group's integrated investor-developer-operator model remains critical to our success, supporting end-to-end value creation across the real estate value chain. This approach ensures agility in navigating market challenges, fosters operational efficiency, and drives the Group's ability to create, sustain, and unlock value.