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Frasers Property Limited launches Rights Issue, with a focus on growth in Industrial & Logistics and Business Parks

- ◆ Frasers Property secured S\$739 million in Industrial & Logistics and Business Park development pipeline as at 31 December 2020
- ◆ Rights Issue to enhance financial agility and flexibility, through stepping up of capital partnerships initiative and strengthening of balance sheet
- ◆ Secured commitment of approximately S\$1,109 million in gross proceeds from two shareholders
- ◆ Acceptance of Rights Shares and application for excess Rights Shares will commence on 11 March 2021 and close on 25 March 2021

The terms in this media release have the same meaning as the terms defined in the offer information statement lodged with the Monetary Authority of Singapore on 8 March 2021 (the "Offer Information Statement").

SINGAPORE, 8 MARCH 2021

Frasers Property Limited ("Frasers Property", and together with its subsidiaries, the "Group") today lodged the Offer Information Statement for its Rights Issue, which is made on a renounceable basis to Entitled Shareholders on the basis of 37 Rights Shares for every 100 existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded. Priced at S\$1.18 per Rights Share, the net proceeds¹ from the Rights Issue are expected to raise up to approximately S\$1,280 million. Frasers Property's two controlling Shareholders, TCC Assets Limited ("TCCA") and Thai Beverage Public Company Limited ("ThaiBev"), have each undertaken to subscribe for their, or, as the case may be, procure subscription for their subsidiary's respective proportion of the Rights Issue, amounting to 86.63 per cent. of the Rights Issue in aggregate of approximately S\$1,109 million in gross proceeds.

RATIONALE FOR THE RIGHTS ISSUE

Mr Panote Sirivadhanabhakdi, Group Chief Executive Officer of Frasers Property, commented, "Prevailing macroeconomic, social and geopolitical uncertainties have led to added challenges to business whilst concurrently giving rise to new opportunities and trends. The COVID-19 pandemic has accelerated some of these trends, specifically in the areas of e-commerce adoption, the drive to build supply chain resiliency, as well as the reimagining of spaces to allow for flexible, multiple use of spaces. Building from a position of

¹ After deducting estimated expenses in connection with the Rights Issue.

strength and expertise, the Rights Issue will enhance the Group's ability to be agile and responsive to these trends and ultimately, grow long-term shareholder value."

Leveraging its track record to capitalise on the abovementioned opportunities, the Right Issue will enable the Group to prepare a future-ready business by:

(i) Enhancing business resilience through continued exposure to industrial, logistics ("I&L") and business park assets

I&L and business park assets are amongst the Group's core asset classes. From 30 September 2015 to 30 September 2020, the Group grew the assets under management ("AUM") of its I&L and business park portfolios at a CAGR of 26.7 per cent. and 51.0 per cent. respectively, to reach a combined AUM of S\$8.4 billion. As at 30 September 2020, these portfolios comprise 149 properties across five countries with a high quality and diversified tenant base across stable and growing industries.

The Group's I&L and business park portfolio has demonstrated resilience amidst the challenges of COVID-19. As at 30 September 2020, the occupancy and WALE of the Group's I&L and business park portfolio stood at 98.1 per cent. and 6.0 years respectively. Portfolio valuation in FY2020 on a same-store basis upheld capital value, with a slight growth of approximately 3.8 per cent.², year-on-year.

The Group is equipped to capture opportunities in the I&L and business park sectors with its multi-national expertise in development, asset and investment management of these asset classes. As at 31 December 2020, the Group has secured a strong development pipeline of approximately S\$739 million of assets in Australia and Europe, which provides visibility of delivering further growth of its I&L and business park over FY2021 and FY2022.

In this regard, the Group intends to allocate S\$700 million of the net proceeds from the Rights Issue to capture growth opportunities through acquisition of and investment in I&L and business park assets as well as capital expenditure for its development pipeline of its I&L and business park portfolio.

(ii) Building financial agility through capital partnerships

The Group has been stepping up its capital partnership initiatives with third-party investors across various real estate sectors, including commercial, retail and mixed developments, as part of its capital partnership strategy, which enables the Group to optimise capital productivity while retaining management of strategic investment properties within its portfolio.

Over the last 10 years, the Group has established a strong track record of capital partnerships, having worked with approximately 25 capital partners³ and an AUM⁴ of more than S\$18 billion across various sectors, including commercial, retail and mixed developments.

Leveraging the Group's capabilities in development, asset and property management, and capitalising on the track record of capital partnerships, the Group intends to use S\$250 million of the net proceeds from the Rights Issue as seed capital to establish private funds or joint ventures or similar arrangements to invest in property assets. This is expected to improve capital flexibility and efficiency to drive further growth and achieve sustainable earnings by growing recurring fee-based income.

² Based on the investment property book values as at 30 September 2019 and 30 September 2020 extracted from respective Frasers Property annual reports.

³ Based on joint ventures and capital partnerships entered into or exited from between January 2010 and January 2021

⁴ Comprising projects' gross development value and book value of assets under joint ventures and capital partnerships from January 2010 to January 2021

(iii) Strengthening the Group's balance sheet for future flexibility

The Rights Issue is expected to strengthen the Group's balance sheet and is a continuation of the proactive actions taken by the Group to manage its gearing position.

As at 31 December 2020, the net gearing of the Group was reduced to 99.3% from 105.0% as at 30 September 2020, following the divestment of 63.11 per cent of Asia RetailFund ("ARF") to Frasers Centrepont Trust ("FCT") and an equity fund raising by FCT. Purely for illustrative purposes only, post the Rights Issue, the Group's *pro forma* net gearing as at 31 December 2020 will further decrease to 85.0% and its balance sheet will be strengthened with an estimated S\$3.8 billion of cash and deposits⁵ (after taking into account the net proceeds of up to approximately S\$1,280 million assumed to be arising from the Rights Issue), with unrecognised revenue across Australia, Singapore, China and Thailand of approximately S\$1.7 billion⁶.

USE OF PROCEEDS

Frasers Property intends to utilise the net proceeds¹ from the Rights Issue for the following purposes⁷:

- (i) S\$700 million for the acquisition, investment, capital expenditure and development of industrial, logistics and business park assets;
- (ii) S\$250 million for the establishment of private funds or joint ventures or similar arrangements to invest in property assets (including commercial and ancillary assets); and
- (iii) Up to S\$330 million for general corporate purposes, including working capital, transaction costs, strategic investments, acquisitions, fixed commitments, and development or redevelopment of existing assets.

Frasers Property will make periodic announcements via SGXNET on the utilisation of the proceeds from the Rights Issue, as and when the funds from the Rights Issue are materially disbursed.

KEY DATES

Entitled Shareholders, as at the Record Date of 8 March 2021 at 5.00 p.m., can begin to make acceptance of Rights Shares and application for excess Rights Shares at S\$1.18 per Rights Share from 9.00 a.m. on 11 March 2021 till 5.00 p.m. on 25 March 2021 (9.30 p.m. for Electronic Applications through ATMs of the Participating Banks). Listing and trading of Rights Shares is expected to commence on 5 April 2021.

END

About Frasers Property Limited

Frasers Property Limited ("Frasers Property" and together with its subsidiaries, the "Frasers Property Group" or the "Group"), is a multi-national developer-owner-operator of real estate products and services across the property value chain. 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\$38.7 billion as at 30 September 2020.

⁵ The Group had S\$2.5 billion in cash and deposits (including structured deposits) as at 31 December 2020.

⁶ As at 31 December 2020; pre-sold revenue to be recognised.

⁷ In the event that the Rights Issue is not fully subscribed, the net proceeds to be utilised for the purpose set out under sub-paragraph (iii) will be reduced accordingly. In particular, in the event that only the Undertaken Rights Shares are subscribed for under the Rights Issue, the net proceeds to be utilised for the purpose set out under sub-paragraph (iii) will be S\$158 million (instead of S\$330 million).



Frasers Property's multi-national businesses operate across five asset classes, namely, residential, retail, commercial & business parks, industrial & logistics as well as hospitality. The Group has businesses in Southeast Asia, Australia, Europe and China, and its well-established hospitality business owns and/or operates serviced apartments and hotels in over 70 cities and 20 countries across Asia, Australia, Europe, the Middle East and Africa.

Frasers Property is also the sponsor of two real estate investment trusts ("REITs") and one stapled trust listed on the SGX-ST. Frasers Centrepont Trust and Frasers Logistics & Commercial Trust are focused on retail, and industrial & commercial properties, respectively. Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust) is a stapled trust focused on hospitality properties. In addition, the Group has two REITs listed on the Stock Exchange of Thailand. Frasers Property (Thailand) Public Company Limited is the sponsor of Frasers Property Thailand Industrial Freehold & Leasehold REIT, which is focused on industrial & logistics properties in Thailand, and Golden Ventures Leasehold Real Estate Investment Trust, which is focused on commercial properties.

The Group is unified by its commitment to deliver enriching and memorable experiences to customers and stakeholders, leveraging its people, knowledge and capabilities from across markets to deliver value in its multiple asset classes.

For more information on Frasers Property, please visit frasersproperty.com or follow us on [LinkedIn](#).

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Anyone wishing to subscribe for the Rights Shares should read the Offer Information Statement in full and must make an application in the manner set out in the Offer Information Statement. Any decision to subscribe for the Rights Shares should be made solely on the basis of the information contained in the Offer Information Statement and no reliance should be placed on any information other than that contained in the Offer Information Statement.

The information contained in this press release is not for release, publication or distribution to persons in the United States and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations. The issue, exercise or sale of Rights Shares and the acquisition or purchase of the Rights Shares are subject to specific legal or regulatory



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The securities referred to herein have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States absent registration or an applicable exemption from registration. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the Company and will contain detailed information about the Company and management, as well as financial statements. The Company has not registered and does not intend to register any of the securities referred to herein in the United States.

The distribution of this press release, the Offer Information Statement, the OIS Notification Letter, the provisional allotment letters and/or the application forms for Rights Shares and excess Rights Shares into jurisdictions other than Singapore may be restricted by law. Persons into whose possession this press release and such other documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Any other information and materials on the Company's website, any website directly or indirectly accessible by hyperlinks on the Company's website and any other website are not incorporated in, and do not form part of, this press release.

This press release may contain forward-looking statements that involve known and unknown risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. These forward-looking statements speak only as at the date of this press release. Past performance is not necessarily indicative of future performance. No assurance can be given that future events will occur or that assumptions are correct. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Company's current view on future events.