



For immediate release

NEWS RELEASE

## **CapitaLand and Ascendas-Singbridge in S\$11-billion deal to create Asia's largest diversified real estate group**

***Combined AUM of over S\$116 billion across six asset classes in more than 30 countries***

**Singapore, 14 January 2019** – CapitaLand Limited (“CapitaLand”) announced today that it has entered into a transaction with Temasek to acquire from its subsidiary, Ascendas-Singbridge Pte Ltd (“ASB”), all the shares in the two wholly owned intermediary subsidiaries of ASB<sup>1</sup>, the effect of which will be to create the largest diversified real estate group in Asia (the “Group”)<sup>2</sup>. The proposed transaction (the “Transaction”) is valued at S\$11 billion and is subject to approval by CapitaLand’s independent shareholders at an Extraordinary General Meeting (“EGM”), expected to be convened by 1H 2019.

Post transaction, the combined total assets under management (AUM) of the Group will exceed S\$116 billion. The Group’s expanded asset classes will include logistics/business parks, industrial, lodging, commercial, retail and residential. Its geographical presence will span more than 180 cities across 32 countries. In addition, the Group will leapfrog CapitaLand’s Year 2020 AUM target of S\$100 billion, putting it amongst the top 10 real estate investment managers globally<sup>3</sup>; as well as the manager of the three largest real estate investment trusts (REITs) listed on the Singapore Exchange, namely Ascendas Real Estate Investment Trust (“Ascendas Reit”), CapitaLand Mall Trust (“CMT”) and CapitaLand Commercial Trust (“CCT”).

Under the terms of the agreement, Temasek will effectively receive S\$6.0 billion, which will be satisfied 50% in cash (S\$3.0 billion) and 50% in new CapitaLand shares (S\$3.0 billion). The shares will be priced at S\$3.50 per share, representing a premium of 11.3%, or approximately S\$0.36, over CapitaLand’s one-month volume weighted average price of S\$3.1447. The consideration takes into account the adjusted net asset value of ASB, which includes the value of its fund management platform and the trading value of its three sponsored listed trusts. Temasek’s ownership of CapitaLand will increase from approximately 40.8% to about 51.0% upon the close of the Transaction.

---

<sup>1</sup> These two subsidiaries, Ascendas Pte Ltd (APL) and Singbridge Pte Ltd (SB), are the holding companies of the business of ASB. APL holds business space and industrial development platforms and fund management platforms; and SB holds the joint ventures for large scale urban development projects.

<sup>2</sup> As measured based on publicly available AUM information for diversified real estate developers in the Asia Pacific region.

<sup>3</sup> Source: IPE Real Estate Top 100 Investment Management Survey 2018 (as of 30 Jun 2018).

(<https://realassets.ipe.com/top-100-and-surveys/top-100-real-estate-investment-managers-2018/realassets.ipe.com/top-100-and-surveys/top-100-real-estate-investment-managers-2018/10027996.fullarticle>)

ASB is Asia's leading provider of business space solutions. Headquartered in Singapore, ASB's business presence spans 11 countries including Singapore, China, India, Australia, the United Kingdom and the United States (US). Over 80% of ASB's S\$23.6 billion AUM is in business spaces, more than half of which or approximately S\$12.4 billion, is in new economy sectors of logistics/business parks and data centres. Its flagship projects include Singapore Science Park and Changi Business Park in Singapore, International Tech Park Bangalore and International Tech Park Chennai in India, as well as Dalian Ascendas IT Park and Singapore Hangzhou Science and Tech Park in China. ASB also invests in, develops and manages large scale sustainable urban developments in the region. These projects include Sino-Singapore Guangzhou Knowledge City, Singapore-Sichuan Hi-Tech Innovation Park and the Sino-Singapore Jilin Food Zone. ASB has interests in, and also manages three listed trusts, namely Ascendas Reit, Singapore's first industrial and business space trust; Ascendas India Trust ("a-iTrust"), the first Indian property trust in Asia; and Ascendas Hospitality Trust ("A-HTRUST"), which comprises a portfolio of 14 hotels in Australia, Korea, Japan and Singapore.

Commenting on the Transaction, Mr Ng Kee Choe, Chairman of the Board of CapitaLand Limited, said: "CapitaLand is very enthusiastic about this transformational transaction and the prospect of growing the combined platforms into a leading global real estate group. Our complementary strengths position us strongly for growth amidst the changing real estate environment in Singapore and internationally. With enlarged scale, expanded capabilities and resources, and a global footprint, we look forward to delivering high quality growth sustainably. This transaction represents a compelling opportunity to realise benefits not available to each company on a standalone basis; we will have more opportunities to create enhanced value for our shareholders. And with multiple platforms across the various sectors and geographies, we will be able to offer attractive career opportunities for our staff."

Mr Wong Kan Seng, Chairman of Ascendas-Singbridge Pte Ltd, said: "As Asia's leading integrated business space and innovative urbanisation solutions provider, ASB's rapidly growing business is highly complementary to CapitaLand's. The combined scale and expertise of the Group will enable it to better capitalise on the opportunities arising from the rapid pace of urbanisation in the region. ASB's established relationships with local governments and business communities will also enable the Group to develop urban solutions that effectively address local initiatives and requirements across the region. The greater benefits to be reaped through cross pollination across asset classes and geographies will create a strong and thriving platform for the Group's future growth."

Mr Lee Chee Koon, President & Group CEO of CapitaLand, said: "As CapitaLand continues its leadership in residential, retail and lodging, the combined platforms will give us capabilities across the commercial/business space value chain, while adding a strong foothold in logistics and business parks. Geographically, the deal strengthens CapitaLand's presence in our core markets of Singapore and China, while adding meaningful scale in India, US and Europe. This deal immediately adds a portfolio of operating assets that contribute income today, while adding a sizeable pipeline of development projects for the future. Our fund management business will be strengthened by the enlarged platform, offering both breadth and depth of asset classes. I am confident that this will allow the Group to build a diversified and resilient company, one that can deliver sustainable returns

above our cost of equity on a long-term basis. We will be able to do this because of the scale and capabilities this transaction creates for the Group to compete globally.”

Mr Miguel Ko, Executive Director & Group CEO of Ascendas-Singbridge, said: “ASB’s strong financial track record, our expertise in handling large scale projects profitably and our access to sizeable contiguous landbank across core markets, will become strong contributors to the Group’s performance. With almost two-thirds of our AUM under fund management, ASB’s established fund management business will be contributing a meaningful proportion of recurring fee income to the Group. ASB’s early-mover advantage in high-growth markets and attractive new economy sectors, will also bolster the Group’s ambition to become the developer of leading edge urban solutions in Asia. The Group with its enlarged scale will also be able to attract the best talent and offer exciting growth opportunities for its employees.”

## **WHAT THE COMBINATION OFFERS**

### **1. Augments strengths of existing core markets**

In the existing core markets of Singapore and China, the AUM will grow by 40% and 9% respectively. The value of the Group’s properties in Singapore will be worth S\$38.6 billion or 33% of the Group’s AUM. This includes more than one million square feet (sq ft) of development pipeline contributed by projects such as the redevelopment of 79 Robinson Road and the mixed-use executive centre at Rochester Park. Singapore Science Park will also offer potential rejuvenation opportunities. In China, the newly added portfolio from ASB will fit neatly within CapitaLand’s strategic focus in its five core city clusters. The value of the Group’s properties in China will be worth S\$48.2 billion or 41% of the Group’s AUM. This includes more than 60 million sq ft of development pipeline. With our enlarged development pipeline across the core markets of Singapore and China, combined with the potential to unlock the value of mature assets for reinvestment through portfolio optimisation, the Group will be in a favourable position to deliver strong performance across cycles.

### **2. Achieves immediate scale in new sectors and markets**

The Group will have immediate scale and capabilities in the logistics/business park sector through developer-owner-operator platforms with established track records. It is poised to benefit from growth megatrends, including e-commerce driven consumption, urbanisation and knowledge industries. Over 100 properties in logistics/business parks and data centres will be added to the portfolio and these are expected to drive the Group’s growth moving forward.

ASB has already built up a S\$2.6 billion AUM exposure in India’s business space sector and launched a-iTrust as an established vehicle to own income-producing business space assets in India. A INR20-billion programme (approx. S\$400 million) to invest in prime logistics and industrial real estate in India was also launched in June 2018. With this early-mover advantage, India will become an important market for the Group as it further develops these new economy sectors. ASB’s OneHub Saigon in Vietnam – a 12-hectare business park development in Ho Chi Minh City, designed to cater for a wide variety of high-tech, R&D, logistics/e-commerce tenants, will also be a strategic addition to CapitaLand’s fast-growing presence in Vietnam.

The new growth markets for CapitaLand like the US and Europe will also get an immediate boost as the Group seeks to balance its global exposure through deeper presence in these developed markets. In 2018, ASB expanded its footprint in the US, through an acquisition of a portfolio of 33 suburban office assets in Portland, Raleigh and San Diego. In Europe, Ascendas Reit acquired 38 logistics properties in the UK within the same year. The Group will benefit from the enhanced access into these developed markets.

### **3. Accelerates growth of income**

With multiple drivers for returns on equity and income growth, through its fund management platform, development pipeline, investment properties and best-in-class operating platforms, the new economy growth sectors as well as continual capital recycling, the Group's strong quality of earnings will be reinforced.

With 31 REITs and private funds under its belt, the Group will become one of the top 10 largest real estate investment managers globally<sup>3</sup> and the largest in Asia. Both CapitaLand and ASB have a track record in cultivating strong strategic relationships with reputable capital partners. The Group will be able to continue cultivating these blue-chip partners to invest in other funds or new funds. The historical pro forma fee income for CapitaLand will grow from S\$238 million to S\$337 million; an increase of over 40%. The Group plans to grow the asset management business further to transform into a global real estate asset manager.

### **4. Increases competitiveness**

With its enhanced scale and depth, the Group will be in prime position to offer the most comprehensive solutions to its clients. The Group will harness technology to create operational efficiencies, build on its enlarged international network of customers, boost employee productivity and realise economies of scale. The combined digital capabilities, from back- to front-end will enable the Group to tap meaningful data points, both online and offline, to map out complete customer journeys.

The number of CBD and suburban offices will grow from 39 to 83 properties across ten countries, with a total GFA of about 27 million sq ft. This will enable the Group to vertically integrate the entire value chain, from business parks to grade A offices. The cross selling of these tenant bases through integrated leasing networks across multiple sub-sectors and geographies by leveraging in-house smart technologies, will significantly deepen and strengthen the commercial platform of the Group.

## **BUSINESS & ORGANISATION STRUCTURE**

Employees of the Group can look forward to benefit from more wide-ranging career opportunities across enlarged platforms and multiple geographies, which will allow them to develop new skills and broaden their expertise. At the same time, synergies are expected, given the complementary nature of ASB's business to CapitaLand's. An Integration Committee comprising members from both companies will be formed. The Committee will oversee the integration of the two organisations and employees.

## **CONDITIONS TO THE TRANSACTION**

The Transaction is subject to relevant regulatory conditions and the approval of CapitaLand's independent shareholders. As an interested party, Temasek and its associated parties will not be allowed to vote at the EGM. Following the execution of the agreement between the parties and today's announcement, CapitaLand will be issuing a notice of meeting to its respective shareholders to convene the EGM, expected to be held by 1H 2019. A shareholder circular including the Independent Financial Advisor report and the valuer report will also be sent out. As the Transaction will trigger an obligation on Temasek to make a mandatory general offer for the shares in CapitaLand which it does not own, a whitewash resolution will be tabled at the EGM to seek the approval of CapitaLand shareholders to waive their right to receive the offer from Temasek. The Transaction is expected to be completed by 3Q 2019.

J.P. Morgan (S.E.A.) Limited and WongPartnership LLP are acting as sole financial advisor and legal counsel to CapitaLand respectively. Allen & Gledhill LLP is acting as legal counsel to ASB.

### **About CapitaLand Limited ([www.capitaland.com](http://www.capitaland.com))**

CapitaLand is one of Asia's largest real estate companies. Headquartered and listed in Singapore, it is an owner and manager of a global portfolio worth over S\$92 billion as at 30 September 2018, comprising integrated developments, shopping malls, lodging, offices, homes, real estate investment trusts (REITs) and funds. Present across more than 160 cities in over 30 countries, the Group focuses on Singapore and China as core markets, while it continues to expand in markets such as Vietnam and Indonesia.

CapitaLand's competitive advantage is its significant asset base and extensive market network. Coupled with extensive design, development and operational capabilities, the Group develops and manages high-quality real estate products and services. It also has one of the largest investment management businesses in Asia and a stable of five REITs listed in Singapore and Malaysia – CapitaLand Mall Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust and CapitaLand Malaysia Mall Trust.

### **[Follow @CapitaLand on social media](#)**

**Facebook:** @capitaland / [facebook.com/capitaland](https://www.facebook.com/capitaland)

**Instagram:** @capitaland / [instagram.com/capitaland](https://www.instagram.com/capitaland)

**Twitter:** @capitaLand / [twitter.com/capitaland](https://twitter.com/capitaland)

**LinkedIn:** [linkedin.com/company/capitaland-limited](https://www.linkedin.com/company/capitaland-limited)

**YouTube:** [youtube.com/capitaland](https://www.youtube.com/capitaland)

### **About Ascendas-Singbridge Group ([www.ascendas-singbridge.com](http://www.ascendas-singbridge.com))**

Ascendas-Singbridge Group is a leading provider of sustainable urban development and business space solutions with Assets Under Management exceeding S\$20 billion.

Ascendas-Singbridge Group undertakes projects spanning townships, mixed-use developments, business/industrial parks, offices, hotels and warehouses. Headquartered in Singapore, the Group has a presence across 11 countries in Asia, Australia, Europe and the United States of America.

Ascendas-Singbridge Group has deep capabilities in real estate fund management, holding commercial, hospitality and industrial assets. It has a substantial interest in and also

manages three Singapore-listed funds under its subsidiary Ascendas, namely Ascendas Reit (a Straits Times Index component stock), Ascendas India Trust and Ascendas Hospitality Trust. Besides these listed funds, it also manages a series of private real estate funds.

---

**Issued by: CapitaLand Limited (Co. Regn.: 198900036N) & Ascendas-Singbridge Pte Ltd (Co. Regn.: 201429036E)**

Media contact

Tan Bee Leng  
Head, Group Communications  
Tel: +65 6713 2871  
Email: [tan.beeleng@capitaland.com](mailto:tan.beeleng@capitaland.com)

Victoria Great  
ASB Group Communications  
Tel.: +65 6508 8527  
Email: [victoria.great@ascendas-singbridge.com](mailto:victoria.great@ascendas-singbridge.com)

Analyst contact

Grace Chen  
Head, Investor Relations &  
Capital Markets Compliance  
Tel: +65 6713 2883  
Email: [grace.chen@capitaland.com](mailto:grace.chen@capitaland.com)