



IFA to the Independent Directors and the Audit and Risk Committee of Ascendas Funds Management (S) Limited (in its capacity as the manager of Ascendas Real Estate Investment Trust) and HSBC Institutional Trust Services (Singapore) Limited (in its capacity as the trustee of Ascendas Real Estate Investment Trust) in relation to (i) the Proposed Acquisition of 75% of the total issued share capital of Ascendas Fusion 5 Pte. Ltd. and (ii) the Proposed Issuance of Consideration Units as IPTs

Ascendas Real Estate Investment Trust ("**Ascendas Reit**") is Singapore's first and largest business space and industrial real estate investment trust established with the investment strategy of owning and operating a diversified portfolio that will provide investors with a stable and predictable income stream and long-term growth prospects.

As at 31 March 2021, Ascendas Reit had a market capitalisation of approximately S\$12.3 billion and investment properties under management of approximately S\$15.1 billion. As at 16 April 2021, Ascendas Reit's portfolio comprised 211 properties located in Singapore, Australia, the United States and the United Kingdom/Europe. Ascendas Reit is managed by Ascendas Funds Management (S) Limited (the "**Manager**"), an indirect wholly-owned subsidiary of CapitaLand Limited ("**CapitaLand**").

HSBC Institutional Trust Services (Singapore) Limited, as trustee of Ascendas Reit (the "**Trustee**"), held 25.0% of the issued share capital of Ascendas Fusion 5 Pte. Ltd. (the "**Target Company**"). In turn, the Target Company owns 100.0% of the land comprising Lot 5012W, Lot 5013V and Lot 5019X, each of Mukim 3 (the "**Land**"), and the buildings erected on the Land which are used for business park purposes, and known as 1 Fusionopolis Place Singapore 138522 and 3 Fusionopolis Place Singapore 138523 (together with the Land, the "**Property**").

On 4 May 2021, the Trustee and PLC 8 Holdings Pte. Ltd. (the "**Ascendas Reit HoldCo**") a wholly-owned subsidiary of the Trustee, entered into a share purchase agreement (the "**Share Purchase Agreement**") with Ascendas Fusion 5 Holding Pte. Ltd. (the "**Vendor**"), an indirect wholly-owned subsidiary of CapitaLand, to acquire 102,150,000 ordinary shares of the Target Company representing the balance 75.0% of the total issued share capital of the Target Company not held by the Trustee (the "**Sale Shares**" and the acquisition of the Sale Shares, the "**Proposed Acquisition**") for approximately S\$372.8 million (the "**Sale Shares Consideration**").

The agreed property value of the Property on a 100.0% basis ("**Agreed Property Value**"), which was negotiated on a willing-buyer and willing-seller basis with reference to two independent valuations, was S\$720.0 million (and was an approximately 2% discount to the average of the two independent valuations).

The Sale Shares Consideration was estimated to be approximately S\$372.8 million based on 75% of the adjusted net asset value of the Target Company which was attributable to the Sale Shares as at completion, taking into account 75% of the Agreed Property Value.

The Manager proposed to issue new Units to the Vendor of up to S\$83.0 million in part payment of the Sale Shares Consideration payable for the Proposed Acquisition on completion (the "**Consideration Units**" and the issue of the Consideration Units to the Vendor, the "**Proposed Issuance of Consideration Units**"). In connection with the Proposed Acquisition, an equity fund raising was carried out by way of a private placement as announced on 4 May 2021 (the "**Private Placement**") and the issue

price for each Unit issued under the Private Placement was S\$2.9440. As such, the issue price for the Consideration Units was S\$2.9440, being the same as the issue price for Units issued pursuant to the Private Placement. The Private Placement issue price represented a discount of 5.2% to the volume weighted average price of S\$3.1062 per Unit for trades in the Units done on the SGX-ST for the Market Day on 4 May 2021 (being the Market Day on which the placement agreement in connection with the Private Placement was signed).

CapitaLand held, through Ascendas Land International (Investments) Pte. Ltd. and the Manager, an aggregate interest in 723,109,762 Units, which was equivalent to approximately 17.37% of the total number of Units in issue. The Manager and the Vendor are indirect wholly-owned subsidiaries of CapitaLand and the Target Company is also a subsidiary of CapitaLand, with CapitaLand holding an indirect 75.0% interest in the Target Company through the Vendor. CapitaLand is therefore regarded as a “controlling unitholder” of Ascendas Reit under both the listing manual of the SGX-ST (the ‘**Listing Manual**’) and Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the “**Property Funds Appendix**”). In addition, as the Manager is an indirectly wholly-owned subsidiary of CapitaLand, CapitaLand is regarded as a “controlling shareholder” of the Manager under the Listing Manual and the Property Funds Appendix. As the Vendor is an “associate” of CapitaLand, which is regarded as a “controlling unitholder” of Ascendas Reit, and a “controlling shareholder” of the Manager for the purposes of Chapter 9 of the Listing Manual and the Property Funds Appendix respectively, the Vendor is (for the purposes of the Listing Manual) an interested person and (for the purposes of the Property Funds Appendix) an interested party of Ascendas Reit. Therefore, the Proposed Acquisition and the Proposed Issuance of Consideration Units (collectively, the “**Proposed IPTs**”) constituted “interested person transactions” under Chapter 9 of the Listing Manual, and “interested party transactions” under the Property Funds Appendix, in respect of which the approval of Unitholders was required.

SAC Capital acted as the independent financial adviser (“**IFA**”) to the Independent Directors and the Audit and Risk Committee of the Manager and the Trustee as to whether the Proposed IPTs are on normal commercial terms and not prejudicial to the interests of Ascendas Reit and its minority Unitholders. The circular, containing *inter alia*, SAC Capital’s IFA letter, was electronically despatched to Unitholders on 31 May 2021.

At the EGM held on 16 June 2021, Ascendas REIT received Unitholders’ approval for the resolutions in respect of the Proposed IPTs. Following Completion, the Target Company became a wholly-owned subsidiary of the Trustee, with the Trustee directly holding 136,186,380 ordinary shares of the Target Company representing 99.99% of the issued share capital of the Target Company, with the balance 13,620 shares of the Target Company representing 0.01% of the issued share capital of the Target Company held by the Ascendas Reit HoldCo.

About SAC Capital

SAC Capital enjoys a long-standing reputation as a specialist in corporate finance, and we have been a trusted advisor to our clients and partners since 2004.

As an expert in the small-medium enterprise space across various disciplines – Initial Public Offerings (IPOs), mergers and acquisitions (M&As), corporate transactions for listed companies, underwriting and share placement, fund raising and Catalyst Sponsorship – we understand our clients’ needs very well, and we are able to steer them in the right direction.

Financial Advisory - acting as FA and IFA

We provide financial advisory services for corporate exercises, taking into account the various compliance requirements, working alongside our clients to achieve their objectives.

Acting as Financial Adviser or Independent Financial Adviser, we have wide ranging experiences spanning Reverse Takeovers, General Offers, Interested Person Transactions and Delistings. The accumulated experiences from all the advisory engagements completed since 2004, numbering in excess of 150, gives us in depth knowledge of a broad spectrum of corporate advisory services.

Fundraising, M&A and Underwriting

Our Capital Markets (CM) unit assists our clients in fund-raising activities in both private and public equity markets. Our services include IPOs, secondary placements, rights issues, convertible bonds, pre-IPO financing, strategic equity and M&A. We deal with each client's specific requirements and provide customised capital markets solutions.

We are a leading placement agent and underwriter of equity and equity-linked offerings in Singapore, having completed offerings in the Lifestyle, Consumers, Healthcare, Technology, Media and Telecom (TMT), Real Estate, Manufacturing, Mineral, Oil and Gas (MOG) and Specialised Engineering sectors. Notwithstanding the above, the CM unit is sector agnostic with a wide range of expertise. CM unit also assists our clients in their communications with the equity markets.

Mainboard & Catalyst Listing

We advise our clients on equity fund raising which includes IPOs. Our work involves advising on, amongst others, restructuring exercises and compliance requirements of the Singapore Exchange and other regulatory authorities for the purpose of equity fund raising.

We also advise on Reverse Takeovers and secondary listings. We seek to understand our client's long term business plan and strategy so as to provide the appropriate advice to tailor to their needs and requirements.

Catalist Sponsorship

We are one of the leaders in the market in the Catalist Sponsorship space, with a view to support the growth of our sponsored issuers. Our principal scope of services as a Catalist Sponsor is to advise and guide our sponsored issuers in relation to their continuing listing obligations, on an ongoing basis under the Catalist Rules. Our experienced team of professionals work closely with the directors and management team of the sponsored issuers and assist them in disclosure and compliance matters for corporate actions and developments.


Research


With comprehensive knowledge of the local capital market, our experience and access to information means that the company is well placed to produce research reports. We seek to fill the gap in the industry where there is minimal research coverage for small and medium enterprises (SMEs) listed on the SGX. SAC Capital aims to provide a platform which assists investors in making informed decision when investing in these high-growth small/medium companies while promoting awareness and educating the general public of the merits of investing in listed SMEs.


Connect with us


SAC CAPITAL PRIVATE LIMITED

1 Robinson Road
#21-00 AIA Tower
Singapore 048542
Tel: +65 6232 3200
Fax: +65 6232 3244

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