

SE BUSINESS
HD **Frasers to proceed with S\$3.1 billion Australand takeover**

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SINGAPORE — Frasers Centrepoint Ltd (FCL), a **company** backed by Thai billionaire Charoen Sirivadhanabhakdi, will pursue its offer to **buy** the Australand **Property Group** for about A\$2.6 billion (S\$3.1 billion), in the Singapore real **estate company**'s biggest proposed acquisition after trumping a bid by Stockland, another Australian **property company**.

Frasers has completed due diligence and will proceed with an off-market takeover offer to acquire all Australand shares following a bid last month of A\$4.48 per share, the two firms said in a regulatory filing yesterday. That compares with Stockland's all-share bid, valued at A\$4.43 as of June 3.

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The acquisition would give Frasers control of Australand's A\$2.3 billion worth of office and industrial properties and A\$9.3 billion of developments in Australia, where the Singapore **company** is already building the 2,000-**apartment** Central **Park** project in downtown Sydney.

Frasers is seeking to boost its operations in faster-growing markets abroad at a time when the local market is slowing, and has flagged Australia and **China** as preferred destinations.

"The due diligence affirms the rationale and strategic fit for FCL to acquire Australand," FCL's **group** chief executive officer, Mr Lim Ee Seng, said in the statement. "FCL had planned on achieving several key strategic objectives over the medium term, including increasing the proportion of overseas earnings and recurring income as well as enhancing our platform in Australia."

Overseas business contributed to 38 per cent of Frasers' earnings before interest and tax in the year ended March 31, compared with 10 per cent a year earlier, the **company** said in May.

Analysts say the deal will help boost FCL's recurring income base and diversify risk from the Singapore **residential** market, which has been hit by a raft of cooling measures.

It is also a sign of Mr Charoen's growing appetite for acquisitions outside Thailand after he took over conglomerate Fraser and Neave last year.

The offer is subject to conditions, including acceptance by more than 50 per cent of Australand's shareholders and approval from Australia's Foreign Investment Review **Board**. Australand directors have unanimously recommended FCL's offer. AGENCIES

CO ahlau : Australand Property Group | ceprol : Frasers Centrepoint Ltd | stotru : Stockland | dbsl : CapitaLand Limited | stocor : Stockland Corporation Ltd

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