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News of the week

Stockland's takeover plans for Australand **Property Group** took another turn when its revised and final A\$2.5 billion bid was trumped by Singapore's Frasers Centrepoint Ltd.

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The Singapore-listed midcap developer backed by Thai beer billionaire Charoen Sirivadhanabhakdi on June 4 made an A\$4.48-per-security, all-cash offer to acquire Australand that values the target at A\$2.6 billion. This compared to Stockland's offer that valued the smaller rival at about A\$4.35 per security.

The Australand **board** intends to recommend the Frasers offer if no superior offer eventuates and has granted Frasers an exclusive four-week period to conduct due diligence, leaving Stockland in the lurch.

Frasers' offer is subject to receiving 50.1% acceptance and Foreign Investment Review **Board** approval.

If successful, the deal will allow Frasers to own Australand's A\$2.4 billion of **residential** and **commercial** properties and A\$9.3 billion of developments in Australia. The **firm** is accelerating its diversification efforts amid a challenging housing market in Singapore and said it viewed Australia as its "core market."

On the other side, Stockland will be on the prowl for other acquisition opportunities, including perhaps some Australand assets, and it will likely off-load its 19.9% strategic stake in Australand to realize about A\$80 million of profit.

M&A news

Singapore giant CapitaLand Ltd. said it now holds more than 90% of subsidiary CapitaMalls Asia Ltd. and will be taking it private. The **company**'s shares will be suspended from trading June 9 after CapitaLand agreed to acquire 3,614,324,178 shares, or 92.7% of listed share capital.

By way of explanation, CapitaLand CEO Lim Ming Yan said in a news release: "With the delisting of CMA, the **group**'s simplified structure and 'One CapitaLand' strategy will provide us with a strong platform to seize opportunities in integrated developments. We will be able to better leverage resources across the **group**'s businesses to maximize overall project returns."

Other activity

\* Pressure is on Westfield Retail Trust investors to approve Westfield **Group**'s controversial A\$70 billion restructuring plan now that the reconvened meeting date is set for June 20. Westfield founder Frank Lowy vowed to list a rival **group** to hold its Australian and New Zealand business if the proposal does not proceed.

Westfield Retail Chairman Richard Egerton-Warburton threatened that the "plan B" **company** would be more attractive to investors with its internalized management platform and an almost identical **property** portfolio to Westfield Retail. However, UniSuper, Westfield Retail's largest shareholder with an 8.49% stake, most recently said the rival **group** would not necessarily harm Westfield Retail. Lowy's spinoff would have high debt levels due to the restructuring costs and would be forced to sell off assets, and Westfield Retail would be first in line to pick up any assets it would need to sell due to its pre-emptive rights, according to UniSuper's letter to investment clients.

\* Singaporean developer Hiap Hoe received approval for the construction of its first and flagship **hotel** and **apartment** project in Australia in Melbourne's Docklands. The **apartment** complex, to be dubbed Marina Tower, will contain the tallest building in the New Quay precinct at 43 stories.

\* Marriott International Inc. is planning to add about 10% to 15% of the 200 planned Ritz-Carlton brand hotels to the Asia-Pacific region over the next three years, Bloomberg News reported.

\* Hopewell Holdings Ltd. won the bid for a **residential** plot on Schooner Street in Wan Chai, **Hong Kong**, for HK\$233 million.

\* Cheung Kong Holdings Ltd. **sold** the entire first batch of 591 flats at the 1,717-unit City Point project in Tsuen Wan, **Hong Kong**, in less than seven hours.

#### Development pipeline

\* Mori Building Co., Japan's biggest developer, is planning to spend ¥1 trillion to build about 10 projects with partners over the next decade in Minato ward, Tokyo, as the city prepares for the Olympic Games in 2020.

\* Australia's Goodman **Group** has kicked off rollout of a US\$1.4 billion development pipeline in key U.S. logistics markets including California, Pennsylvania and New Jersey, as it expects North America to become a key market for the **company** over the next four years.

#### Now Featured on SNL

The Eastern Front: Frasers Centrepoint goes bold with Australand takeover bid: Frasers Centrepoint has swooped in on Stockland's takeover try for Australand **Property Group**, pulling the rug out from under the Australian bidder.

The Eastern Front: Westfield likely to whip up more votes: Westfield **Group's** rescheduled vote on June 20 may receive more support for its restructuring plans, industry observers told SNL Financial.

Hires and Fires: European/Asian real **estate** moves through June 2: SNL Financial presents a weekly rundown of recent significant management and **board** changes and personnel moves in the European and Asia-Pacific real **estate** industries.

Sovereign wealth funds' shifting focus (Part 2 of 2): SNL Financial discussed with Savills' Marcus Lemli the markets that sovereign wealth funds are targeting.

As of June 5, US\$1 was equivalent to A\$1.07 or ¥102.46.

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