

Ascendas Reit prices S\$452m placement at S\$2.54 per unit; 2.2 times subscribed

by Wong Kai Yi, The Business Times UPDATED FRI, SEP 07, 2018 - 9:00 AM

ASCENDAS Real Estate Investment Trust (Reit) priced a private placement of 178 million new units at S\$2.54 per new unit for gross proceeds of around S\$452.1 million.

The placement was 2.2 times subscribed, and came at the mid-point of the indicative price range of between S\$2.528 and S\$2.606 per unit. The Reit manager said that the deal drew "strong demand" from new and existing institutional, accredited and other investors.

The price per unit represents a discount of 6.09 per cent to the volume-weighted average price (VWAP) of S\$2.7047 per share for the trading day on Sept 6, 2018, when the placement agreement was signed. Adjusting for an advanced distribution of 7.25 Singapore cents per pre-existing unit, the placement price is a 3.5 per cent discount to the prevailing market price.

Ascendas Reit said it will use S\$250 million, or 55.3 per cent of gross proceeds, to partially fund the acquisition of a second UK logistics portfolio comprising 12 properties located in the UK. Some S\$109 million, or 24.1 per cent of gross proceeds, will fund the development of a build-to-suit facility in Singapore.

The remainder will be split between funding debt repayment and future acquisitions, and paying fees and expenses incurred in connection with the private placement.

Trading of the new units will commence upon the market's open on Sept 18.

Ascendas Reit ended trading on Thursday down 1.83 per cent, or five Singapore cents, to S\$2.69.