



MEDIA RELEASE

16 January 2020

CCCS Consults on the Proposed Acquisition by ARA Logistics Ventures I Limited of Certain Shares in LOGOS China Investments Limited

The Competition and Consumer Commission of Singapore (“**CCCS**”) is inviting public feedback on the proposed acquisition by ARA Logistics Ventures I Limited (“**ARA Logistics**”) of certain shares in LOGOS China Investments Limited (“**LOGOS**”) (collectively, the “**Parties**”) (the “**Proposed Transaction**”).

2. CCCS received an application from ARA Logistics on 6 January 2020 for a decision on the Proposed Transaction. CCCS is now assessing whether the Proposed Transaction would infringe section 54 of the Competition Act (Cap. 50B), which prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition within any market in Singapore.

The Parties

ARA Logistics

3. ARA Logistics is majority-held (indirectly) by ARA Asset Management Holdings Pte. Ltd. (“**ARA**”). ARA is a premier global integrated real assets fund manager, based in Singapore, with country desks across key cities in Australia, China, Europe, Japan, Korea and the US. As at 30 June 2019, the gross assets managed by the ARA group of companies and its associates (“**ARA Group**”) are more than S\$83 billion across over 100 cities in 23 countries. ARA is a fully integrated investment and fund management platform with in-house resources, and extensive experience in investing, managing and divesting real estate assets.

4. ARA Group’s core business activities are:

- (a) real estate development;
- (b) real estate management;
- (c) real estate space for rental;
- (d) convention and exhibition services; and
- (e) fund management services in respect of property funds (for retail and accredited/institutional investors)

5. The brand names used by entities controlled by ARA Group in Singapore include:

- (a) ARA;
- (b) Cache Logistics Trust;
- (c) APM;
- (d) Suntec;
- (e) Suntec REIT; and
- (f) ARA US Hospitality Trust.

LOGOS

6. LOGOS is a company incorporated in the British Virgin Islands and is the holding company of LOGOS China Investments Limited and its affiliates (“**LOGOS Group**”). The LOGOS Group’s principal business is the management of funds which acquire, develop and operate logistics properties in Asia Pacific, including Singapore. LOGOS has A\$4 billion (approx. S\$3.8 billion) of equity commitments across 14 ventures with a targeted end-value of assets under management of over A\$9 billion (approx. S\$8.5 billion).

7. LOGOS Group’s core business activities are:

- (a) real estate development;
- (b) real estate management;
- (c) industrial real estate space for rental; and
- (d) fund management services in respect of property funds (for accredited and institutional investors) which invest in industrial real estate assets.

8. The brand name used by entities controlled by LOGOS Group in Singapore is “LOGOS”.

The Proposed Transaction

9. ARA Logistics submits that the ARA Group and the LOGOS Group overlap for the supply of the following goods and services in Singapore:

- (a) industrial real estate space for rental, specifically warehouse space; and
- (b) fund management services in respect of property funds (for accredited and institutional investors) which invest in industrial real estate assets.

10. ARA Logistics also submits that the narrowest relevant markets are:

- (a) the supply of industrial real estate space for rental with possible segmentation by warehouse space, factory space and business park space in Singapore; and
- (b) the supply of fund management services for industrial real estate assets worldwide.

11. Although ARA Logistics and LOGOS Group also overlap in the provision of real estate development services and real estate management services, ARA Logistics submits that these services are provided only for real estate properties that fall within the portfolio assets of the funds which they manage, and not market-facing to third parties.

12. According to ARA Logistics, the Proposed Transaction will not give rise to anti-competitive effects, given the following:

- (a) presence of large, established competitors, which includes the major industrial REITS and new entrants for the supply of industrial real estate space for rental, and competitors from within and outside of Singapore for fund management services;
- (b) the absence of significant barriers to entry and expansion, for the supply of industrial real estate space for rental, including the Singapore government's initiative to offer smaller industrial plots with shorter tenures to ensure affordability of industrial real estate space for rental; and for fund management services, the ability of investors to place their capital within and outside Singapore with local and foreign fund managers;
- (c) high countervailing buyer power by sophisticated customers, such as tenants for the rental of industrial real estate space which are large MNCs and third party logistics providers, and institutional investors for fund management services; and
- (d) the overall low increase in market shares for each of the relevant markets after the acquisition.

Public Consultation

13. CCCS is inviting public feedback in relation to the Proposed Transaction from 16 January 2020 to 30 January 2020, 2:00 p.m..

14. More information on the public consultation can be accessed and downloaded from the CCCS website at www.cccs.gov.sg under the section "Media & Consultation".

If the submission/correspondence contains confidential information, please also provide CCCS with a non-confidential version of the submission or correspondence.

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About the Competition and Consumer Commission of Singapore (CCCS)

CCCS is a statutory board established under the Competition Act (Chapter 50B) on 1 January 2005 to administer and enforce the Act. It comes under the purview of the Ministry of Trade and Industry. The Act empowers CCCS to investigate alleged anti-competitive activities, determine if such activities infringe the Act and impose suitable remedies, directions and financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act (Cap. 52A) which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for business and consumers in Singapore.

For more information, please visit www.cccs.gov.sg.

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