

A-REIT divests Ascendas Z-link in China for S\$160 million

27 May 2016, Singapore – Ascendas Funds Management (S) Limited (the “**Manager**”), the manager of Ascendas Real Estate Investment Trust (“**A-REIT**”), is pleased to announce that HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of A-REIT) has entered into a Sale and Purchase Agreement (“**SPA**”) with Cova Beijing ZPark Investment Ltd., a fully owned subsidiary of Cova Zpark Investment Holdings Ltd on 27 May 2016 for the sale of its entire equity interest in its wholly-owned subsidiary, Ascendas ZPark (Singapore) Pte Ltd, which indirectly owns Ascendas Z-link (the “**Property**”), a business park property located in Beijing, the People’s Republic of China (“**Proposed Divestment**”). The attributable property value of the Property is RMB760 million (approximately S\$160 million¹).

Mr Chia Nam Toon, Executive Director and Chief Executive Officer of the Manager said, “We continuously evaluate options relating to our investments from time to time. In view of the attractive offer, we are taking this opportunity to recycle capital and this is in line with our proactive asset management strategy. This move will allow us to re-deploy resources to optimise returns for Unitholders.”

The attributable property value of S\$160 million is equivalent to 2.6x the original price of about S\$62 million paid in 2011 for the Property.

The proforma impact of the divestment on A-REIT’s distribution per unit for the financial year ended 31 March 2016 is an improvement of approximately 0.04 cents, assuming the divestment was completed on 1 April 2015.

¹ Based on RMB/SGD 0.2106

Net proceeds after tax and divestment costs are expected to be S\$135 million. The proceeds from the Proposed Divestment may be recycled to fund committed investments, used to repay existing indebtedness, extend loans to subsidiaries, and/or fund general corporate and working capital needs. If the sale proceeds from the Proposed Divestment were used to repay A-REIT's debts as at 31 March 2016, its aggregate leverage will be reduced from 37.2% to approximately 36.4%.

The Proposed Divestment is expected to complete in the first half of FY2016/17. Post completion, A-REIT will own 103 properties in Singapore, 27 properties in Australia and 2 properties in China.

In accordance with A-REIT's Trust Deed, the Manager is entitled to a divestment fee of S\$0.8 million, being 0.5% of the attributable property value of the Property.

About the Property

Ascendas Z-link

Ascendas Z-link is located at No. 8 Dongbeiwang West Road in the renowned Zhongguancun Software Development Area in the Haidian District. It is sited on a land area of approximately 37,707 sqm and has a gross floor area of 31,427 sqm. Completed in 2004, the Property is a 3-storey multi-tenanted business park building with four inter-connecting blocks and one level basement car park. The Property is currently 100% occupied.

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About A-REIT (www.a-reit.com)

A-REIT is Singapore's first and largest listed business space and industrial real estate investment trust. As at 31 March 2016, total assets amount to about S\$9.9 billion. The diversified portfolio of 103 properties in Singapore, comprises business and science park properties, hi-specs industrial properties, light industrial properties, logistics and distribution centres, integrated development, amenities and retail properties, 27 logistics properties in Australia and 3 properties in China. These properties house a tenant base of around 1,470 international and local companies from a wide range of industries and activities, including research and development, life sciences, information technology, engineering, light manufacturing, logistics service providers, electronics, telecommunications, manufacturing services and back-room office support in service industries. Major tenants include SingTel, Siemens, Honeywell, Zuellig Pharma, Citibank N.A., OSIM International, DBS Bank, Federal Express, Wesfarmers, RSH, Infineon Technologies, Cold Storage and Hyflux.

A-REIT is listed in several indices. These include the FTSE Straits Times Index, the Morgan Stanley Capital International, Inc (MSCI) Index, the European Public Real Estate Association/National Association of Real Estate Investment Trusts (EPRA/NAREIT) Global Real Estate Index and Global Property Research (GPR) Asia 250. A-REIT has an issuer rating of "A3" by Moody's Investor Services.

A-REIT is managed by Ascendas Funds Management (S) Limited (in its capacity as manager of A-REIT), a wholly-owned subsidiary of the Singapore-based Ascendas-Singbridge Group.

About Ascendas-Singbridge Group (www.ascendas-singbridge.com)

Ascendas-Singbridge Group is Asia's leading provider of sustainable urban solutions. With the combined capabilities of Ascendas and Singbridge, the group is uniquely placed to undertake urbanisation projects spanning townships, mixed-use developments and business/industrial parks. Headquartered in Singapore, Ascendas-Singbridge has projects in 29 cities across 10 countries in Asia, including Australia, China, India, Indonesia, Singapore and South Korea.

Ascendas-Singbridge Group has a substantial interest in and also manages three Singapore-listed funds under its subsidiary Ascendas. Besides these listed funds – Ascendas REIT, Ascendas India Trust (a-iTrust) and Ascendas Hospitality Trust (A-HTRUST), Ascendas also manages a series of private real estate funds, which hold commercial and industrial assets across Asia.

Jointly owned by Temasek and JTC Corporation (JTC) through a 51:49 partnership, Ascendas-Singbridge Group is the asset and investment holding arm of the integrated urban solutions platform formed by Temasek and JTC to capitalise on urbanisation trends in the region.

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Important Notice

The value of A-REIT's Units ("**Units**") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders of A-REIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of A-REIT is not necessarily indicative of the future performance of A-REIT.

This release may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income and occupancy, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support A-REIT's future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

Any discrepancies in the figures included herein between the listed amounts and total thereof are due to rounding.