



Divestment of A-REIT City @ Jinqiao in China for S\$221.6 million

27 October 2016, Singapore – Ascendas Funds Management (S) Limited (the “**Manager**”), the manager of Ascendas Real Estate Investment Trust (“**Ascendas Reit**”) is pleased to announce that HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Reit) has on 27 October 2016 entered into a Sale and Purchase Agreement (“**SPA**”) with Wkland Investments II Limited (the “**Purchaser**”) and Vanke Property (Hong Kong) Company Limited (the “**Parent Co**”), the Purchaser and the Parent Co both being indirect wholly-owned subsidiaries of China Vanke Co., Ltd, for the sale of Ascendas Reit’s entire equity interest in its wholly-owned subsidiary, Shanghai (JQ) Investment Holdings Pte Ltd, which indirectly owns A-REIT City @ Jinqiao (the “**Property**”), a business park property located in Shanghai, the People’s Republic of China (“**Proposed Divestment**”). The attributable value of the Property is S\$221.6 million¹ (RMB1,078 million).

Mr Chia Nam Toon, Executive Director and Chief Executive Officer of the Manager said, “The divestment of A-REIT City @ Jinqiao will provide us the opportunity to redeploy capital and optimise returns for Unitholders. We will continue to review the portfolio from time to time to ensure that the capital is effectively employed.”

The attributable property value of S\$221.6 million is approximately 1.8x of the original property value of about S\$122.3 million paid in 2013, and 8.6% higher than the property book value of S\$204.0 million as at 31 March 2016.

The proforma impact of the Proposed Divestment on Ascendas Reit’s distribution per unit for the financial year ended 31 March 2016 would have improved by approximately 0.13 cents, assuming the divestment was completed on 1 April 2015.

¹ Based on RMB/SGD 0.2056

Net proceeds from selling Shanghai (JQ) Investment Holdings Pte Ltd., after tax and divestment costs, are expected to be S\$211.6 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 proceeds from the Proposed Divestment were used in entirety to repay Ascendas Reit's debts as at 30 September 2016, Ascendas Reit's aggregate leverage will be reduced by approximately 1.4%.

The Proposed Divestment is expected to complete in 3Q FY16/17. Post completion of the divestment of A-REIT City @ Jinqiao, Ascendas Reit will own 102 properties in Singapore and 28 properties in Australia.

In accordance with Ascendas Reit's Trust Deed, the Manager is entitled to a divestment fee of S\$1.1 million, being 0.5% of the attributable value of the Property.

About the Property

A-REIT City @ Jinqiao is located at No. 200 Jinsu Road, in the north section of the Jinqiao Economic and Technological Zone in Shanghai. The property is about 30km from Pudong International Airport and is sited on a land area of 31,952 sqm. A-REIT City @ Jinqiao has a gross floor area of approximately 79,880 sqm and is 83.4% occupied as at 30 September 2016.

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About Ascendas Reit (www.ascendas-reit.com)

Ascendas Reit is Singapore's first and largest listed business space and industrial real estate investment trust. As at 30 September 2016, total assets amount to about S\$9.9 billion. The diversified portfolio of 102 properties in Singapore, comprise business and science park properties, hi-specs industrial properties, light industrial properties, logistics and distribution centres, integrated development, amenities and retail properties. In Australia, Ascendas Reit owns 27 logistics properties and one business park property. It also has one business park property in China. These properties house a tenant base of around 1,450 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, DBS, Citibank, Wesfarmers, Ceva Logistics, JPMorgan and Siemens, to name a few.

Ascendas 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 (EPR/NAREIT) Global Real Estate Index and Global Property Research (GPR) Asia 250. Ascendas Reit has an issuer rating of "A3" by Moody's Investors Service.

Ascendas Reit is managed by Ascendas Funds Management (S) Limited (in its capacity as manager of Ascendas Reit), a wholly-owned subsidiary of the Singapore-based Ascendas-Singbridge Group. Ascendas REIT Australia and its sub-trusts, are managed by Ascendas Funds Management (Australia) Pty Ltd, which is a wholly-owned subsidiary of Ascendas Funds Management (S) Limited.

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 Ascendas 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 Ascendas 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 Ascendas Reit is not necessarily indicative of the future performance of Ascendas 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 Ascendas 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.