

Ascendas Reit acquires its third suburban office in Australia for A\$106.2 million

22 December 2017, Singapore – Ascendas Funds Management (S) Limited (the “**Manager**”), the Manager of Ascendas Real Estate Investment Trust (“**Ascendas Reit**”), is pleased to announce the completion of the acquisition of a suburban office property located at No. 108 Wickham Street, Fortitude Valley, in Queensland, Australia (“**108 Wickham Street**”), for A\$106.2 million¹ (S\$109.0 million²) (the “**Acquisition**”).

Mr Manohar Khiatani, non-executive Director on the Board of the Manager said, “In Australia, we are focused on growing our portfolio in locations with long-term growth potential. Our recent acquisitions reflect our confidence in the outlook of the Queensland economy and the demand for suburban office space in Brisbane. With this acquisition, the Australian portfolio will grow by 8% to S\$1.6 billion and will be more diversified not only by cities but also by property segment.”

Details of the Acquisition

The Trust Company (Australia) Limited as trustee of Ascendas Business Park Trust No.1 (indirectly wholly-owned by Ascendas REIT Australia) has completed the purchase of 108 Wickham Street from 108 Wickham Pty Ltd (the “**Vendor**”).

Ascendas Reit is expected to incur an estimated total transaction cost of A\$7.7 million (S\$7.9 million) which includes stamp duty, professional advisory fees, and acquisition fees payable to the Manager (being 1% of the purchase consideration of A\$106.2 million, which amounts to approximately A\$1.062 million (S\$1.090 million)).

The property is fully occupied and the key tenants include ARUP, a multinational professional services and consultancy firm, and the State of Queensland (Department of Health). The leases have annual rental escalations of between 3.0% and 4.0% and the weighted average lease expiry of the property is 6.7 years as at 30 September 2017.

¹ Includes outstanding incentives reimbursed by the Vendor.

² All conversions from Australian Dollar amounts into Singapore Dollar amounts in this press release are based on the 30 November 2017 exchange rate of A\$1.00: S\$1.0258.

Net property income (“NPI”) yield³ for the first year is approximately 6.5% and 6.1% pre-transaction costs and post-transaction costs respectively.

The annualised pro forma financial effect of the Acquisitions on FY16/17 distribution per Unit (“DPU”) would be an improvement of 0.026 Singapore cents⁴.

The Acquisition will be funded through internal resources and/or existing debt facilities.

Following this Acquisition, Ascendas Reit will own 101 properties in Singapore and 31 properties in Australia. The portfolio pro forma weighted average lease term to expiry is expected to improve to 4.3 years as at 30 September 2017 (from 4.2 years) and Australia will make up 16% of Ascendas Reit’s portfolio by asset value.

About 108 Wickham Street

The freehold property at 108 Wickham Street comprises a 6-storey office building with 141 carpark lots. The total lettable floor area is 11,913 sqm.

The property is located next to Ascendas Reit’s recently acquired suburban office property, 100 Wickham Street, and some 450 metres from Brisbane’s central business district. It is situated within the vibrant suburb of Fortitude Valley, which has in recent times, become a popular commercial area and has undergone significant renewal transformation. 108 Wickham Street is in close proximity to the Fortitude Valley Train Station and Central Train Station, multiple bus routes, the Story Bridge (which links to the South Bank) and three new inner-city road tunnels.

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³ The NPI yield is derived using the estimated net property income expected in the first year of acquisition and the outstanding incentives for the first year which are reimbursed by the Vendor.

⁴ The annualised pro forma DPU for FY16/17 is calculated based on 1) Ascendas Reit had completed the Acquisition on 1 April 2016, held and operated the property for the whole of the financial year ended 31 March 2017, 2) the Acquisition was funded based on a funding structure of 40% debt and 60% equity, 3) the distribution included the outstanding incentives for the first year which are reimbursed by the Vendor, and 4) the Manager elects to receive its base fee 80% in cash and 20% in units.

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 2017, total assets were about S\$10.3 billion, comprising 101 properties in Singapore and 30 properties in Australia. The portfolio includes business and science park/suburban office properties, hi-specs industrial properties, light industrial properties, logistics and distribution centres, integrated development, amenities and retail properties. These properties house a tenant base of around 1,370 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, DSO National Laboratories, DBS, Citibank, Wesfarmers, JPMorgan, Ceva Logistics and Biomedical Sciences Institutes, 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 (EPRA/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, 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 sustainable urban and business space solutions provider with Assets Under Management exceeding S\$20 billion.

Jointly owned by Temasek Holdings and JTC Corporation through a 51:49 partnership, the Group undertakes urbanisation projects spanning townships, mixed-use developments and business/industrial parks. Headquartered in Singapore, Ascendas-Singbridge has projects in 28 cities across 9 countries in Asia, including Australia, China, India, Indonesia, Singapore and South Korea.

Ascendas-Singbridge holds commercial, hospitality and industrial assets across Asia Pacific. It has a substantial interest in and also manages three Singapore-listed funds under its subsidiary Ascendas, namely Ascendas Reit (a Straits Times Index component stock), Ascendas India Trust and Ascendas Hospitality Trust. Besides these listed funds, it also manages a series of private real estate funds.

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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.