

Ascendas Reit extends footprint in Brisbane, Australia, with A\$33.5m acquisition of Cargo Business Park

2 August 2018, Singapore – Ascendas Funds Management (S) Limited (the “**Manager**”), the Manager of Ascendas Real Estate Investment Trust (“**Ascendas Reit**”), is pleased to announce the Proposed Acquisition of a logistics property, Cargo Business Park, located at 56 Lavarack Avenue, in Brisbane, Australia (the “**Property**”) (the “**Proposed Acquisition**”), for A\$33.5 million¹ (S\$33.9 million²) (the “**Purchase Consideration**”) from TS1 (Qld) Pty Ltd (the “**Vendor**”).

Mr William Tay, Executive Director and Chief Executive Officer of the Manager said, “Cargo Business Park is strategically located near the Brisbane Airport and CBD. Its uniqueness allows us to cater to customers who require a combination of warehousing, showroom and office space in the same building. The excellent quality of this property makes this acquisition attractive for Ascendas Reit.”

Details of the Acquisition

Perpetual Corporate Trust Limited as trustee of Ascendas Longbeach Trust No. 10 (indirectly wholly-owned by Ascendas REIT Australia) has entered into a sale and purchase agreement to acquire the Property.

The Purchase Consideration of A\$33.5 million is in line with the market valuation of the Property (A\$33.5 million as at 30 July 2018³).

Ascendas Reit is expected to incur an estimated total transaction cost of A\$2.6 million (S\$2.6 million) which includes stamp duty, professional advisory fees, and acquisition fees payable to the Manager in cash (being 1% of the purchase consideration of A\$33.5 million, which amounts to approximately A\$0.335 million (S\$0.339 million)).

¹ Includes rental guarantee provided by the Vendor for the vacant spaces.

² All conversions from Australian Dollar amounts into Singapore Dollar amounts in this press release are based on the 31 July 2018 exchange rate of A\$1.00: S\$1.0126.

³ The valuation was commissioned by Ascendas Funds Management (Australia) Pty Ltd and Perpetual Corporate Trust Limited (in its capacity as trustee of Ascendas Longbeach Trust No. 10), and was carried out by Valuation Services (Qld) Pty Ltd (subsidiary of Knight Frank) using the capitalisation method, discounted cash flow and direct comparison methods.

The Property is 87.4% occupied and the Vendor will provide a 12-month rental guarantee for the vacant spaces. Some of the tenants in the Property include Commonwealth of Australia (Bureau of Meteorology), Asics and Nike. The Property has a healthy retention rate of approximately 78%⁴, demonstrating the appeal of the location, quality and specifications of the Property.

The leases have annual rental escalations of between 3.0% and 4.0% and the weighted average lease expiry of the Property is 2.6 years as at 30 June 2018.

Net property income yield⁵ for the first year is approximately 7.4% and 6.8% pre-transaction costs and post-transaction costs respectively. The Proposed Acquisition is expected to be accretive to Ascendas Reit's Distribution per Unit.

The Proposed Acquisition will be funded through internal resources and/or existing debt facilities and completion is expected to take place in 2Q FY18/19.

Following the Acquisition, Ascendas Reit will own 99 properties in Singapore and 34 properties in Australia. The portfolio pro forma weighted average lease term to expiry is expected to maintain at 4.1 years as at 30 June 2018.

About Cargo Business Park

Cargo Business Park comprises one 4-storey and two 3-storey buildings that sit on freehold land. The property is approximately 12 years old and has a gross lettable area of 8,216 sqm. The warehouse/showroom space is located on the ground floor and the office space is on the upper floors.

The Property is well-located in the established industrial precinct of Eagle Farm in Brisbane, Australia. Eagle Farm is approximately 9 kilometres (km) north east of Brisbane Central Business District and 6 km from the Brisbane Domestic and International Airport. The Property enjoys excellent access to the old and new Gateway Motorways which links to the Pacific Motorway to the south and the Bruce Highway to the north.

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⁴ By rental income.

⁵ The net property income yields are derived from the estimated net property income expected in the first year of acquisition and includes a 12-month rental guarantee provided by the Vendor, for the vacant spaces.

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 June 2018, total assets were about S\$10.4 billion, comprising 99 properties in Singapore and 33 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 1,310 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 development 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.