



## **Ascendas Reit to Acquire 12, 14 and 16 Science Park Drive for S\$420.0 million**

5 December 2016, Singapore – Ascendas Funds Management (S) Limited (the “**Manager**”), the manager of Ascendas Real Estate Investment Trust (“**Ascendas Reit**”) is pleased to announce Ascendas Reit’s proposed acquisition of DSO National Laboratories buildings and DNV GL Technology Centre, located at 12, 14 & 16 Science Park Drive (the “**Property**”) (the “**Proposed Acquisition**”) for a purchase consideration of S\$420.0 million (the “**Purchase Consideration**”) from Ascendas Land (Singapore) Pte Ltd (the “**Vendor**”). Ascendas Pte Ltd, the holding company of the Vendor, is a controlling shareholder of the Manager and a controlling Unitholder of Ascendas Reit.

Mr Chia Nam Toon, Executive Director and Chief Executive Officer of the Manager said, “Ascendas Reit has the unique advantage of having access to Singapore Science Park properties through its Sponsor, the Ascendas-Singbridge Group. This acquisition will extend our market leadership in the overall business & science park space. The long lease expiries and built-in rental escalations will also reinforce the stability and predictability to Ascendas Reit’s earnings.”

### **Details of the Proposed Acquisition**

HSBC Institutional Trust Services (Singapore) Limited, as trustee of Ascendas Reit, has today entered into a conditional put and call option agreement with the Vendor to acquire the Property at the Purchase Consideration.

For the Proposed Acquisition, Ascendas Reit is expected to incur an estimated total transaction cost of S\$17.5 million, which includes stamp duty, professional advisory fees, and acquisition fees payable to the Manager (such acquisition fees being 1% of the Purchase Consideration which amounts to approximately S\$4.2 million). As the Proposed Acquisition constitutes an interested party transaction under Appendix 6 of the Code on Collective Investment Schemes, the acquisition fee will be paid in the form of units in

Ascendas Reit (“**Units**”), which shall not be sold within one year from the date of issuance. The Proposed Acquisition also constitutes an “interested person transaction” under Chapter 9 of the listing manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and as the Purchase Consideration of S\$420.0 million represents 7.3% of Ascendas Reit’s latest audited net tangible assets as at 31 March 2016, the approval of unitholders of Ascendas Reit (“**Unitholders**”) is required for the Proposed Acquisition.

Subject to, among others, Unitholders’ approval, S\$100 million of the Purchase Consideration may be paid in the form of new Units in Ascendas Reit issued to the Vendor (“**Consideration Units**”). The issue price for the Consideration Units will be determined by the volume weighted average price for all trades on the SGX-ST for the period of 10 business days commencing on the first day of "ex-dividend" trading in relation to the books closure date for the advanced distribution, or as the case may be, cumulative distribution declared by the Manager and ending on the business day immediately preceding the date of completion of the Proposed Acquisition. The issuance of Consideration Units will enable Ascendas Reit to maintain a healthy balance sheet, and further align the interest of its sponsor, Ascendas-Singbridge Group, with that of Ascendas Reit and its Unitholders.

A circular will be issued to Unitholders in due course, together with a notice of extraordinary general meeting, for the purpose of seeking the approval of Unitholders for the Proposed Acquisition and issuance of Consideration Units.

The Property comprises three built-to-suit Science Park buildings under a single land title. Two of the buildings are leased to DSO National Laboratories, Singapore’s national defence research & development organisation. The third building is leased to DNV GL Singapore Pte Ltd, a Norwegian risk management company, for its South East Asia regional headquarters. The leases have a weighted average lease expiry (“**WALE**”) of 16.5 years and weighted average built-in rental escalation of 2.2% to 2.5% per annum. Including the Proposed Acquisition, Ascendas Reit’s portfolio WALE is expected to improve from 3.7 years to 4.4 years as at 30 September 2016<sup>1</sup>.

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<sup>1</sup> Assuming the Property was acquired on 30 September 2016 and A-REIT City @ Jinqiao was divested on 30 September 2016.

The Proposed Acquisition is expected to generate a net property income yield of approximately 6.3% (before acquisition costs) and 6.0% (post-acquisition costs) in the first year of ownership. The annualised pro forma financial effect of the Proposed Acquisition on the distribution per Unit would be approximately 0.059 cents<sup>2</sup> per Unit for the financial year ended 31 March 2016.

The completion of the Proposed Acquisition is expected to take place within the current financial year.

### **About the Property**

DSO National Laboratories comprise two 8-storey buildings and DNV GL Technology Centre comprises a 7-storey building. The Property is located in Singapore Science Park 1, off South Buona Vista Road. It is within walking distance to Kent Ridge MRT station, and is a few minutes' drive to West Coast Highway and Ayer Rajah Expressway.

The Property is sited on a land area of 39,436 sqm, which has remaining land lease tenure of approximately 64.7 years (as at 30 September 2016). It has a contractual gross floor area and net lettable area of 78,871 sqm. The Property is 100% occupied.

Following the completion of the Proposed Acquisition, Ascendas Reit will have 103 properties in Singapore and 28 properties in Australia.

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<sup>2</sup> Assuming Ascendas Reit had purchased, held and operated the Property for the whole of the financial year ended 31 March 2016 and assuming the Proposed Acquisition was funded based on a funding structure of 40% debt and 60% equity. In respect of the Property, the Manager elects to receive its base fee 80% in cash and 20% in units.

## **About Ascendas Reit ([www.ascendas-reit.com](http://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, its total assets amount to about S\$9.9 billion. Its diversified portfolio of 102 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. In Australia, Ascendas Reit owns 27 logistics properties and one business park property. These properties house a tenant base of around 1,410 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, just 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 (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](http://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 Group 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**

This press release should be read in conjunction with the announcement dated 5 December 2016 in relation to, among others, the Proposed Acquisition.

The value of Ascendas Reit's 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.