

Press Release
9 December 2015



A-REIT to acquire One@Changi City for S\$420.0 million

9 December 2015, Singapore – Ascendas Funds Management (S) Limited (the “**Manager**”), the manager of Ascendas Real Estate Investment Trust (“**A-REIT**”) is pleased to announce A-REIT’s proposed acquisition of the property located at 1 Changi Business Park Central 1, Singapore 486036 and commonly known as One@Changi City (the “**Property**”) (the “**Proposed Acquisition**”) for a purchase consideration of S\$420.0 million (the “**Purchase Consideration**”) from Ascendas Frasers Pte Ltd (the “**Vendor**”). The Vendor is a 50:50 joint-venture between Ascendas Development Pte Ltd¹ and a wholly-owned subsidiary of Frasers Centrepoint Limited.

Mr Tan Ser Ping, Executive Director and Chief Executive Officer of the Manager said, “One@Changi City is strategically located in the heart of Changi Business Park, and next to the Expo MRT station. It is one of the two mixed-use developments in the vicinity comprising Changi City Point (a suburban retail mall) and Capri by Fraser, Changi City (a hotel residence). The business park tenants enjoy access to a wide array of amenities such as food and beverage outlets, hotel and conference facilities, which are all within walking distance.

Including this acquisition of One@Changi City, A-REIT will have 7 properties within Changi Business Park, reinforcing its presence and market share in the Business Park segment in the eastern region of Singapore. One@Changi City is currently 97.1% occupied with high quality tenants such as Credit Suisse and J.P. Morgan.”

Details of the Proposed Acquisition

HSBC Institutional Trust Services (Singapore) Limited (as trustee of A-REIT) has today entered into a conditional put and call option agreement (the “**Option Agreement**”) with the Vendor to acquire the Property at the stated Purchase Consideration.

¹ Ascendas Frasers Pte Ltd is 50% owned by Ascendas Development Pte Ltd, a wholly-owned subsidiary of Ascendas Pte Ltd, which is a controlling shareholder of the Manager and a controlling unitholder of A-REIT.

For the Proposed Acquisition, A-REIT is expected to incur transaction and stamp duty costs of about S\$18.9 million, which includes a S\$4.2 million acquisition fee payable to the Manager (being 1% of the Purchase Consideration). As the Proposed Acquisition constitutes an interested party transaction under Appendix 6 of the Code on Collective Investment Schemes (the “**Property Funds Appendix**”), the acquisition fee will be paid in the form of Units, which shall not be sold within one year from the date of issuance.

The Proposed Acquisition is expected to generate a net property income yield of approximately 6.0% (before acquisition costs) and 5.9% (post-acquisition costs) in the first year of ownership. The annualised pro forma financial effects of the Proposed Acquisition on the distribution per Unit would be approximately 0.067 cents² per Unit for the financial year ended 31 March 2015. 92.0% of the leased space at the Property is about 14% below current market rent and there may be potential for future rental growth.

Under Chapter 9 of the SGX-ST Listing Manual and Paragraph 5 of the Property Funds Appendix, for a interested person transaction which is greater than 5.0% of A-REIT’s latest audited net tangible assets (“**NTA**”) (when aggregated with all other transactions with the same interested person), A-REIT must announce the transaction and obtain unitholders’ approval via an extraordinary general meeting (“**EGM**”). The Purchase Consideration of S\$420.0 million will represent 8.4% of A-REIT’s latest audited NTA and therefore the Proposed Acquisition will require unitholders’ approval via an EGM.

Subject to the unitholders’ approval via the EGM, approximately S\$210.0 million of the Purchase Consideration is proposed to be paid in the form of new Units (Consideration Units, “**CU**”) issued to the Vendor (or its nominee(s)). The issue price for the CU will be the same as the issue price for the Private Placement. Based on the illustrative minimum issue price for the Private Placement, it represents a 10.0% premium over adjusted net asset value (“**NAV**”) per Unit³. The issuance of CU will enable A-REIT to maintain a healthy balance

² Assuming A-REIT had purchased, held and operated the Property for the whole of the financial year ended 31 March 2015 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.

³ The NAV per Unit as at 30 September 2015 was S\$2.10. Adjusting for the 1H FY15/16 distribution which was paid in November 2015, the adjusted NAV was S\$2.02.

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sheet, and further align the interest of its sponsor, Ascendas Group, with that of A-REIT and its unitholders.

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

About the Property

One@Changi City is a nine-storey multi-tenanted business park property located within Changi Business Park. The property is easily accessible via the Pan-Island Expressway and East Coast Parkway. It is a short walking distance to Expo MRT station.

The Property is sited on a land area of 46,969 sqm, which has remaining land lease tenure of approximately 53 years. It has a gross floor area and net lettable area of 71,158 sqm and 63,106 sqm respectively. The current occupancy rate of the Property stands at approximately 97.1%.

Following the completion of the Proposed Acquisition, A-REIT will own a total of 103 properties in Singapore, 26 properties in Australia and 2 properties in China.

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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. It has a diversified portfolio of 102 properties in Singapore, comprising business and science park properties, hi-specs industrial properties, light industrial properties, logistics and distribution centres, integrated development, amenities and retail properties, 26 logistics properties in Australia and 2 business park properties in China. As at 30 September 2015, total assets amount to about S\$8.3 billion before completion of acquisitions of 26 logistics properties in Australia on 23 October 2015 and 18 November 2015. These properties house a tenant base of around 1,430 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, Zuelig Pharma, Citibank N.A., OSIM International, DBS Bank, Federal Express, Baidu, Inc., Johnson & Johnson, RSH, Infineon Technologies, Cold Storage and Hyflux.

A-REIT is listed in several indices. These include the FTSE Straits Times Index (with effect from 4 June 2014), 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 Group and a member of the Ascendas-Singbridge Group.

About Ascendas Group (www.ascendas.com)

A member of the Ascendas-Singbridge Group, Ascendas is Asia's leading provider of business space solutions with more than 30 years of experience. Based in Singapore, Ascendas has built a strong regional presence and serves a global clientele of over 2,400 customers in 26 cities across 10 countries including Singapore, China, India, Malaysia, South Korea and Vietnam.

Ascendas specialises in masterplanning, developing, managing and marketing IT parks, industrial & logistics parks, business parks, science parks, hi-specs facilities, office and retail spaces. Leveraging on its track record and experience, Ascendas has introduced new business space concepts such as integrated communities and solutions which seamlessly combine high-quality business, lifestyle, retail and hospitality spaces to create conducive human-centric work-live-play-learn environments. Its flagship projects include the Singapore Science Park and Changi City at Changi Business Park in Singapore, International Tech Park Bangalore in India and Ascendas-Xinsu in Suzhou Industrial Park, China. Ascendas provides end-to-end real estate solutions, assisting companies across the entire real estate process.

In November 2002, Ascendas launched Singapore's first business space trust, Ascendas Real Estate Investment Trust (A-REIT), and in August 2007, Ascendas India Trust (a-iTrust) was listed as the first Indian property trust in Asia. In July 2012, Ascendas listed Ascendas Hospitality Trust (A-HTRUST), which comprises a portfolio of quality hotels in Australia, China, Japan and Singapore. Besides managing listed real estate funds, Ascendas also manages a series of private funds with commercial and industrial assets across Asia.

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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.