

## **A-REIT acquires The Galen for S\$126.0 million**

*18 March 2013, Singapore* – Ascendas Funds Management (S) Limited (the “Manager”), the manager of Ascendas Real Estate Investment Trust (“**A-REIT**”) is pleased to announce the acquisition of The Galen at 61 Science Park Road (the “**Property**”) (the “**Acquisition**”) at S\$126.0 million (the “**Purchase Consideration**”) from Singapore Science Park Ltd (the “**Vendor**”).

Mr Tan Ser Ping, Executive Director and Chief Executive Officer of the Manager said, “We are pleased to strengthen A-REIT’s footprint in the Science Park segment with the acquisition of The Galen. With the addition of this property, A-REIT will have 11 properties in the Science Park segment, thereby offering further opportunities to enhance operational efficiency and economy of scale.”

### **About the Property**

Located within Singapore Science Park II, one of the two designated Science Parks in Singapore, the Property is easily accessible via West Coast Highway / Pasir Panjang Road and the nearby Haw Par Villa Mass Rapid Transit Station.

The Property is a 6-storey multi-tenanted science park building sited on a land area of 16,308 sqm. It has a gross floor area and net lettable area of 30,685 sqm and 21,775 sqm respectively and has an occupancy rate of approximately 97.5%.

On completion of the Acquisition, which is expected to take place by end-March 2013, a land lease of 66-year tenure will be granted to A-REIT. Annual land rent payable of S\$12 per annum has been waived by the State of Singapore. Within A-REIT’s portfolio of 101 properties in Singapore, the annual land rent for all its Science Park properties has been waived.

A-REIT is expected to incur an estimated transaction costs of about S\$1.89 million, which includes S\$1.26 million in acquisition fees payable to the Manager (being 1% of the Purchase Consideration). As the Acquisition constitutes an interested party transaction, 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 total acquisition cost of the Property (the "**Total Acquisition Cost**") is currently estimated to be approximately S\$127.9 million.

The Acquisition is expected to generate a net property income yield of approximately 6.8%. The pro forma financial effects of the Acquisition on the distribution per Unit for FY11/12 would be an additional 0.052 cents<sup>1</sup> per Unit.

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**About A-REIT ([www.a-reit.com](http://www.a-reit.com))**

A-REIT is Singapore's first listed business space and industrial real estate investment trust. It has a diversified portfolio of 101 properties in Singapore, comprising business and science park properties, hi-tech industrial properties, light industrial properties, and logistics and distribution centres, and 1 business park property in China. As at 31 December 2012, total assets amount to about S\$6.7 billion. These properties house a tenant base of over 1,200 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, C&P Logistics, Siemens, Honeywell, Zuellig Pharma, Citibank N.A., OSIM International, DBS Bank, Federal Express, Baidu, Inc., Johnson & Johnson, RSH, Infineon Technologies, Procter & Gamble and Hyflux.

A-REIT is listed in several indices. These include 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 and FTSE ST Mid Cap. A-REIT has a corporate family 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.

**About the Ascendas Group ([www.ascendas.com](http://www.ascendas.com))**

Ascendas is Asia's leading provider of business space solutions with more than 30 years of experience across the region. Based in Singapore, Ascendas has built a strong regional presence and serves a global clientele of over 2,400 customers in 33 cities across 10 countries including Singapore, China, India, South Korea and Australia.

Ascendas specializes in masterplanning, developing, managing and marketing IT parks, industrial & logistics parks, business parks, science parks, hi-tech facilities, office and retail space for a host of industries. Leveraging on its track record and experience, Ascendas has introduced new business space concepts such as integrated communities

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<sup>1</sup> Assuming A-REIT had purchased, held and operated the Property for the whole of the financial year ended 31 March 2012 (based on 102 properties), the Acquisition was funded by using the proceeds from its placement of 160,000,000 new units in A-REIT which was announced on 8 March, and in respect of the Proposed Acquisition, the Manager had elected to receive its base fee as 80% in cash and 20% in units. If the Acquisition was funded based on a funding structure of 40% debt and 60% equity, the pro forma financial effects of the Acquisition on the distribution per Unit for FY11/12 would be an additional 0.11 cents per Unit.

and solutions which seamlessly combine high-quality business, lifestyle, retail and hotel spaces to create conducive human-centric work-live-play-learn environments. Its flagship projects include the Singapore Science Park, International Tech Park Bangalore in India and Dalian-Ascendas IT Park in China. Ascendas provides end-to-end real estate solutions, assisting corporate customers through 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 launched as Asia's first listed Indian property trust. In July 2012, Ascendas listed Ascendas Hospitality Trust (A-HTRUST), which comprises a portfolio of 10 quality hotels in China, Japan and Australia. 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 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 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 other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support 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.