



(Constituted in the Republic of Singapore  
Pursuant to a trust deed dated 9 October 2002 (as amended))

# ACQUISITION OF APERIA FOR A TOTAL TRANSACTION VALUE OF S\$458 MILLION

## 1. INTRODUCTION

### 1.1 The Acquisition

Ascendas Funds Management (S) Limited (the "**Manager**"), the manager of Ascendas Real Estate Investment Trust ("**A-REIT**"), is pleased to announce that HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of A-REIT (the "**Trustee**"), has acquired an integrated industrial mixed-use property (comprising business space and white commercial space) on a 60-year leasehold land parcel with a gross floor area of 86,696 square metres at Kallang Avenue, known as the Aperia (the "**Property**") via the acquisition of a special purpose investment vehicle, PLC 8 Holdings Pte. Ltd. ("**PLC 8 Holdings**") (the "**Acquisition**"). The Acquisition was completed on 8 August 2014.

### 1.2 Disclosure Requirements under the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Listing Manual**")

The relative figures for the acquisition computed on the bases set out in Rule 1006 are as follows:-

	As at latest practicable date
<b>Rule 1006 (a)</b>	
Net asset value of the assets to be disposed of compared to net asset value of A-REIT	Not applicable
<b>Rule 1006(b)</b>	
Net profits attributable to the assets acquired compared to A-REIT's net profits	Not applicable as there are no profits attributable to the Property currently
<b>Rule 1006(c)</b>	
Aggregate value of consideration to be given compared with A-REIT's market capitalisation as at the close of business day on the latest practicable date	8.3%
<b>Rule 1006(d)</b>	
Number of units to be issued by A-REIT as consideration for an acquisition	Not applicable

Based on the computation under Rule 1006(c), A-REIT's acquisition of the Property is a discloseable transaction under Chapter 10 of the Listing Manual.

## 2. **INFORMATION ON THE PROPERTY**

The Property is a 60-year leasehold industrial land (commencing from 22 February 2012) zoned "Business 1 – White" with a maximum permissible plot ratio of 3.0 of which 0.5 is for white use. The mixed-use development consists of a 14 storey and a 17 storey Business 1 Tower with a three storey retail podium with a total gross floor area of approximately 86,696 square metres. The Property offers high-specification business space designed for industrial and supporting business, and white commercial space for retail facilities and amenities. Some of the lifestyle-convenient amenities include childcare centres, enrichment centres, shops and F&B outlets.

The land premium of S\$218.3 million for the 60-year leasehold in respect of the Property, payable under the terms of Building Agreement (as defined below), has been fully paid.

## 3. **DETAILS OF THE ACQUISITION**

### 3.1 **Consideration and Valuation**

The Acquisition was made through the purchase of the entire issued share capital of PLC 8 Holdings from Mr Lim Chap Huat (the "**Vendor**") under a sale and purchase agreement ("**SPA**"). Following the completion of the SPA, the Trustee will be the sole beneficial owner of PLC 8 Development Pte. Ltd. ("**PLC 8 Development**"), the wholly-owned subsidiary of PLC 8 Holdings and the legal owner of the Property.

The amount payable by A-REIT in connection with the Acquisition (the "**Consideration**") was negotiated based on the development costs of the Property in 2012.

An independent property valuation on the Property was commissioned by the Trustee, and DTZ Debenham Tie Leung (SEA) Pte. Ltd. ("**DTZ**") in its valuation report dated 18 July 2014 (the "**Valuation Report**") had stated that the market value of the Property is assessed by DTZ to be S\$488 million. This market value is assessed based on the income capitalisation approach and discounted cash flow analysis.

### 3.2 **Total Transaction Value**

As part of the Acquisition, A-REIT will be taking over the outstanding liabilities of PLC 8 Development, which include its existing debts pursuant to various bank facilities which PLC 8 Development had taken out for the purposes of developing the Property. The total transaction value of the Acquisition is approximately S\$458 million (the "**Total Transaction Value**"), comprising, *inter alia*:

- (a) the repayment of approximately S\$256 million in bank facilities currently outstanding to the lenders to PLC 8 Development as well as accrued interest; and
- (b) all outstanding liabilities of PLC 8 Holdings, including assuming the fair market value of certain convertible bonds issued by PLC 8 Development (and held by A-REIT), trade and other payables, the estimated professional and other transaction fees and expenses incurred or to be incurred by A-REIT in connection with getting the certificate of statutory completion for the Property of approximately S\$202 million.

A-REIT is expected to incur transaction costs of about S\$5.0 million, which includes an acquisition fee of S\$4.58 million payable to the Manager for the Acquisition in accordance

with the trust deed dated 9 October 2002 (as amended) constituting A-REIT (being 1% of the Total Transaction Value), and professional fees incurred in connection with the Acquisition.

### **3.3 Certain Terms and Conditions of the SPA**

The principal terms of the SPA include, among others, the following:

- (a) the Vendor has warranted that PLC 8 Development is the owner of the leasehold interest for a term of 60 years commencing on 22 February 2012 in respect of the Property ("**Leasehold Interest**");
- (b) the Vendor has warranted that to the best of his knowledge, information and belief, none of certain directors of PLC 8 Development, namely the Vendor, Leo Jee Lin and Lim Cheng Hwa have received any written notice from Jurong Town Corporation ("**JTC**") that the Company or PLC 8 Development are in breach of any term of the building agreement entered into between PLC 8 Development and JTC in respect of the Property (incorporating the terms of the JTC's conditions of tender and JTC's technical conditions of tender in respect of the Property) (the "**Building Agreement**") or that the Building Agreement has been terminated and the Vendor has no actual knowledge of any outstanding breaches on the part of any of the Company or PLC 8 Development under the Building Agreement or that the Building Agreement has been terminated; and
- (c) the Vendor has warranted that as at the date of the SPA, there are no encumbrances (whether legal or equitable and whether fixed or floating) created by PLC 8 Holdings or PLC 8 Development and affecting the Property, save for the encumbrance created pursuant to the assignment of building agreement dated 22 February 2012 between PLC 8 Development and United Overseas Bank Limited and the mortgage in escrow in respect of the Leasehold Interest.

## **4. RATIONALE OF THE ACQUISITION**

The Property is centrally located at the fringe of the Central Business District of Singapore. Sitting at the junction of arterial roads, it is accessible by various private and public transport options. The Property is within five minutes' walk to the Lavender Mass Rapid Transit ("**MRT**") Station (two stations from City Hall MRT Station) and is a less than 10 minutes' ride to the Central Business District. The acquisition of the Property will be in line with the Manager's stated growth strategy of acquiring well-located, good quality business space so as to deliver stable distribution and sustainable total returns to unitholders. Given the quality of this development, the robust infrastructure, coupled with convenient amenities, the Property would further strengthen A-REIT's leading position in the Singapore business space sector and bring about economies of scale in operations.

## **5. METHOD OF FINANCING AND FINANCIAL EFFECTS OF THE ACQUISITION**

### **5.1 Method of Funding**

The Acquisition is partially funded by approximately S\$274.0 million out of the S\$406.4 million of gross proceeds raised from the private placement of 160 million new units by A-REIT at S\$2.54 per unit, as announced by the Manager on 8 March 2013 on SGX-ST and the balance is funded by debt.

### **5.2 Financial Effects**

- (a) Based on the assumption that the Acquisition had been effected at the end of the financial year ended 31 March 2014, A-REIT's consolidated net tangible asset per unit would increase by one cent.
- (b) Based on the assumption that the Acquisition had been effected at the beginning of the financial year ended 31 March 2014, the Acquisition is not expected to have any material impact on the distribution per unit of A-REIT for the financial year ended 31 March 2014 (as the Property was under development).

## **6. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS**

No Director of the Manager or controlling unitholder of A-REIT has any interest, direct or indirect, in the Acquisition.

## **7. OTHER INFORMATION**

### **7.1 Directors' Service Contracts**

No person is or is proposed to be appointed as a director of the Manager in connection with the Acquisition.

### **7.2 Documents for Inspection**

Copies of the SPA and Valuation Report are available for inspection during normal business hours (by prior appointment only) at the registered office of the Manager at 61 Science Park Road, #02-18 The Galen, Singapore Science Park II, Singapore 117525, for a period of three (3) months commencing from the date of this Announcement.

BY ORDER OF THE BOARD

### **ASCENDAS FUNDS MANAGEMENT (S) LIMITED**

(Company Registration No. 200201987K)  
(as manager of Ascendas Real Estate Investment Trust)

Mary Judith de Souza  
Company Secretary  
8 August 2014

**Important Notice**

The value of 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 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.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.

The past performance of A-REIT is not necessarily indicative of the future performance of A-REIT.

This announcement 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 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 future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on the Manager's current view of future events.