

## A-REIT acquires The Kendall for S\$112.0 million

30 March 2015, Singapore – Ascendas Funds Management (S) Limited (the “Manager”), the manager of Ascendas Real Estate Investment Trust (“**A-REIT**”) is pleased to announce that A-REIT has completed the acquisition of The Kendall at 50 Science Park Road (the “**Property**”) (the “**Acquisition**”) for a purchase consideration of S\$112.0 million (the “**Purchase Consideration**”) from Singapore Science Park Ltd (the “**Vendor**”), a wholly-owned subsidiary of the sponsor of A-REIT, Ascendas Group<sup>1</sup>.

Mr Tan Ser Ping, Executive Director and Chief Executive Officer of the Manager said, “The Kendall is a 5 year old building catering to Research & Development and related companies, whose operations remain an important driver of innovation and economic growth in Singapore. This acquisition enhances our portfolio with another high quality science park property which will support the exclusive community of researchers, engineers and support staff in the Singapore Science Park.”

The Kendall is the 27<sup>th</sup> property that A-REIT has acquired from its sponsor, the Ascendas Group since its IPO in 2002.

A-REIT is expected to incur estimated transaction costs of about S\$1.7 million, which includes S\$1.1 million in acquisition fees payable to the Manager (being 1% of the purchase consideration of S\$112.0 million). 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 Acquisition is expected to generate a net property income yield of approximately 6.8% (post-acquisition costs) in the first year. The annualised pro forma financial effects of the Acquisition on the distribution per Unit would be approximately 0.063 cents<sup>2</sup> per Unit for the financial year ended 31 March 2014.

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<sup>1</sup> Ascendas Pte Ltd and its subsidiaries.

<sup>2</sup> Assuming A-REIT had purchased, held and operated the Property for the whole of the financial year ended 31 March 2014 and assuming the 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 the Property**

The Kendall is a 6-storey multi-tenanted building located within the Singapore Science Park II. The property is easily accessible via Pasir Panjang Road and the Haw Par Villa Circle Line Station is located nearby.

The Property is sited on a land area of 10,095 sqm, which has remaining land lease tenure of 64 years. It has a gross floor area and net lettable area of 20,190 sqm and 16,824 sqm respectively. Current occupancy rate of the Property stands at approximately 93.2%.

With this Acquisition, A-REIT owns a total of 105 properties in Singapore and two business park properties in China.

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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 105 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 and 2 business park properties in China. As at 31 December 2014, total assets amount to about S\$7.9 billion. These properties house a tenant base of around 1,390 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, Zuellig 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.

## **About 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. 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, 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 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. 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.