

## Divestment of A-REIT Jiashan Logistics Centre in China for S\$26 million

8 June 2016, Singapore – 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) has entered into a Sale and Purchase Agreement (“**SPA**”) with Goodman Developments Asia and GCLP Developments No. 3 (BVI) Limited (the “**Purchasers**”) on 8 June 2016 for the sale of its entire equity interest in its wholly-owned subsidiary, A-REIT J.W. Investment Pte. Ltd., which indirectly owns A-REIT Jiashan Logistics Centre (the “**Property**”), a logistics facility located near Shanghai, the People’s Republic of China (“**Proposed Divestment**”). The attributable value of the Property is S\$26.0 million<sup>1</sup> (RMB125 million).

Mr Chia Nam Toon, Executive Director and Chief Executive Officer of the Manager said, “In continuation with our capital recycling strategy, we have accepted the Purchasers’ offer to buy the recently-completed Jiashan Logistics Centre to realise a gain of about S\$5.1 million over the total development cost. This will further strengthen our resources to look at other opportunities in Singapore, Australia and China.”

The attributable property value of S\$26.0 million is 24% higher than the total development cost of about S\$20.9 million, and 3% higher than the book value of S\$25.2 million as at 31 March 2016.

The proforma impact of the divestment on A-REIT’s distribution per unit for the financial year ended 31 March 2016 would have improved by approximately 0.03 cents, assuming the divestment was completed on 1 April 2015.

Net proceeds from selling A-REIT J.W. Investment Pte. Ltd, after tax and divestment costs, are expected to be S\$23.5 million. The proceeds from the Proposed Divestment may be

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<sup>1</sup> Based on RMB/SGD 0.2077

recycled to fund committed investments, used to repay existing indebtedness, extend loans to subsidiaries, and/or fund general corporate and working capital needs. If the proceeds from the Proposed Divestment were used to repay A-REIT's debts as at 31 March 2016, A-REIT's aggregate leverage will be reduced by approximately 0.2%.

If the proceeds from both divestments of Ascendas Z-link and A-REIT Jiashan Logistics Centre were used to repay A-REIT's debts as at 31 March 2016, A-REIT's aggregate leverage will be reduced by approximately 1.0%.

The Proposed Divestment is expected to complete in 1Q FY2016/17. Post completion of divestments of both Ascendas Z-link and A-REIT Jiashan Logistics Centre, A-REIT will own 103 properties in Singapore, 27 properties in Australia and 1 property in China.

In accordance with A-REIT's Trust Deed, the Manager is entitled to a divestment fee of S\$0.13 million, being 0.5% of the attributable property value of the Property.

### **About the Property**

#### **A-REIT Jiashan Logistics Centre**

A-REIT Jiashan Logistics Centre is located at the south western border of Shanghai in Jiashan, Zhejiang Province. It is sited on a land area of approximately 57,513 sqm and has a gross floor area of 35,729 sqm. Completed in March 2016, the Property is a single-storey logistics facility.

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

A-REIT is Singapore's first and largest listed business space and industrial real estate investment trust. As at 31 March 2016, total assets amount to about S\$9.9 billion. The diversified portfolio of 103 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, 27 logistics properties in Australia and 3 properties in China. These properties house a tenant base of around 1,470 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.

A-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. 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-Singbridge Group.

### **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 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**

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.