

## **Ascendas Reit acquires two properties in Australia for A\$168.2 million**

9 September 2016, Singapore – Ascendas Funds Management (S) Limited (the “**Manager**”), the manager of Ascendas Real Estate Investment Trust (“**Ascendas Reit**”), is pleased to announce:

- (1) the acquisition of a business park property located at 197-201 Coward Street, Mascot, Sydney, Australia (the “**197-201 Coward Street**”), for A\$143.4.0m (S\$145.6 million<sup>1</sup>) from Frasers Property Australia, and
- (2) the forward purchase of a logistics property, Stage 4, Power Park Estate, Dandenong South, located in Melbourne, Australia (the “**Stage 4 Power Park Estate**”), for A\$24.8 million (S\$25.2 million<sup>1</sup>) from Goodman Dandenong Trust, (collectively, the “**Acquisitions**”).

Mr Chia Nam Toon, Executive Director and Chief Executive Officer of the Manager said, “These acquisitions are part of Ascendas Reit’s plans to progressively build on and diversify its existing portfolio in Australia. We will continue to seek more quality freehold properties that will help enhance Ascendas Reit’s ability to generate stable and visible cash flows to our Unitholders.”

### **Details of the Acquisitions**

The Trust Company (Australia) Limited as trustee of Ascendas Business Park Trust No.1 and Perpetual Corporate Trust Limited as trustee of Ascendas Longbeach Trust No.9 (both trusts are indirectly wholly-owned by Ascendas REIT Australia), have entered into two separate sale agreements with the respective vendors to acquire 197-201 Coward Street and Stage 4 Power Park Estate.

For the two acquisitions, Ascendas Reit is expected to incur an estimated total transaction cost of A\$10.8 million (S\$11.0 million) which includes stamp duty, professional advisory fees, and acquisition fees payable to the Manager (being 1% of the

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<sup>1</sup> An illustrative exchange rate of A\$1.00: S\$1.015 is used for all conversions from Australian Dollar amounts into Singapore Dollar amounts in this press release.

aggregate purchase consideration of A\$168.2 million of 197-201 Coward Street and Stage 4 Power Park Estate, which amounts to approximately A\$1.68 million (S\$1.71 million)).

197-201 Coward Street has a weighted average lease expiry of 5 years as at 1 August 2016 and is 100% occupied by a diverse range of users including the head offices of the logistics firm TNT. Rental escalation of between 3.5% to 4% per annum is embedded in the leases. All existing tenancies have been assigned to Perpetual Corporate Trust Limited.

Construction of Stage 4 Power Park Estate is expected to complete in 1Q 2017. This will coincide with lease commencement of 68% of the space to a pre-committed logistics user. The lease is for 8 years with 3 further terms of 3 years each. The vendor will provide rental support for the remaining space.

Initial net property income yield of approximately 6.9% and 6.7% pre-transaction costs are expected in the first year for 197-201 Coward Street and Stage 4 Power Park Estate respectively. Post transaction costs, both acquisitions are expected to generate net property income yield of approximately 6.5% in the first year.

The annualised pro forma financial effect of the Acquisitions on FY15/16 distribution per unit would improve to 15.374 cents<sup>2</sup>.

Following the Acquisitions, Ascendas Reit's pro forma weighted average lease term to expiry is expected to increase from 3.64 years as at 30 June 2016 to 3.66 years<sup>3</sup>.

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<sup>2</sup> Assuming Ascendas Reit had completed both acquisitions on 1 April 2015, held and operated the properties for the whole of the financial year ended 31 March 2016; and assuming the Proposed Acquisitions were funded based on a funding structure of 40% debt and 60% equity. FY15/16 actual DPU was 15.357 cents.

<sup>3</sup> Assuming both the completion of the Proposed Acquisitions and the lease commencement at Stage 4 Power Park Estate were on 30 June 2016. Excludes Ascendas Z-link which was divested on 11 July 2016.

### **About 197-201 Coward Street, Mascot (Sydney)**

The freehold property at 197-201 Coward Street comprises two 8 storey A-Grade Office Park towers. Total net lettable area is 22,628 sm. Both towers are served by a freestanding multi-storey carpark with 543 lots.

The property is located in a commercial precinct 10 km south of the Sydney CBD, less than 2 km from the Sydney international and domestic airports, 300 m from Mascot rail station and less than 8 km north of Port Botany. It is well served by public transport, both buses and trains.

### **About Stage 4, Power Park Estate, Dandenong South (Melbourne)**

Stage 4, Power Park Estate, Dandenong South is a prime single-storey modern logistics facility under development. When completed in 1Q 2017, the property will have an estimated total gross lettable area of 18,007 sm.

The design and layout of the property is generic, functional and efficient for a wide range of logistics style users, with a high quality building specification. The freehold property is located within the Power Park Industrial Estate in the established industrial suburb of Dandenong South. It has excellent connectivity to arterial roads, the Port of Melbourne and the proposed Port Shuttle intermodal terminal.

Ascendas Reit has two existing logistics properties in the Dandenong South precinct.

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## **About Ascendas Reit ([www.ascendas-reit.com](http://www.ascendas-reit.com))**

Ascendas Reit is Singapore's first and largest listed business space and industrial real estate investment trust. As at 30 June 2016, total assets amount to about S\$9.8 billion. The diversified portfolio of 102 properties in Singapore, comprise business and science park properties, hi-specs industrial properties, light industrial properties, logistics and distribution centres, integrated development, amenities and retail properties. In Australia, Ascendas Reit owns 28 logistics properties and one business park property. It also has one business park property in China. These properties house a tenant base of around 1,450 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.

Ascendas 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. ASCENDAS REIT has an issuer rating of "A3" by Moody's Investors Service.

Ascendas Reit is managed by Ascendas Funds Management (S) Limited (in its capacity as manager of Ascendas Reit), a wholly-owned subsidiary of the Singapore-based Ascendas-Singbridge Group.

Ascendas REIT Australia and its sub-trusts, are managed by Ascendas Funds Management (Australia) Pty Ltd, which is a wholly-owned subsidiary of Ascendas Funds Management (S) Limited.

## **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 Ascendas 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 Ascendas 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 Ascendas Reit is not necessarily indicative of the future performance of Ascendas 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 Ascendas 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.