



NEWS RELEASE

For immediate release

Ascendas Reit to acquire a cold storage logistics facility in Singapore for S\$191.9 million

14 Sep 2022, Singapore – Ascendas Funds Management (S) Limited, as the manager (the “**Manager**”) of Ascendas Real Estate Investment Trust (“**Ascendas Reit**”), is pleased to announce Ascendas Reit’s proposed acquisition of a cold storage logistics facility located at 1 Buroh Lane, Singapore (the “**Property**”) from A3 Lux Alpha S.a.r.l (the “**Vendor**”) (the “**Proposed Acquisition**”). The purchase consideration for the Proposed Acquisition is S\$191.9 million (the “**Purchase Consideration**”).

Mr William Tay, Executive Director and Chief Executive Officer of the Manager said, “This is our first cold storage facility investment in Singapore. This modern Grade-A 5-storey ramp-up logistics facility is one of the best cold storage facilities in Singapore. Featuring a good combination of chiller, freezer and ambient storage spaces, it caters to a diverse food and beverage storage requirements. We are confident to achieve good rental growth due to the limited supply and strong demand for this type of facilities.”

Key Merits of the Proposed Acquisition

1. Aligned with Ascendas Reit’s strategy to expand its logistics portfolio

Demand for warehouse space in Singapore continues to be healthy as companies are expected to increase inventory levels amidst supply chain disruptions, higher freight cost and inflationary pressures. Availability of logistics space remains limited as the upcoming logistics supply has achieved high pre-commitment rates.¹

The food sector in Singapore is highly regulated by the authorities and certain food storage and food processing can only be conducted within designated food zones. Limited supply

¹ Source: CBRE Research, “A broad-based recovery”, Singapore Q1 2022.

of good quality cold storage facilities is expected to underpin demand and rent growth for this sub-segment.

The Proposed Acquisition is well aligned with Ascendas Reit's strategic intention to grow its logistics portfolio with quality properties that can meet the demand for warehousing space.

On a pro forma basis², the proportion of logistics properties will rise to 26%³ (S\$4.31 billion) of Ascendas Reit's total investment properties valued at of S\$16.75 billion.

2. Good quality, well-located and modern cold storage facility

The Property is situated in the western region of Singapore within the Jalan Buroh Food Zone where over 30 licensed food establishments are located. It is located within a 5-minute drive to Ayer Rajah Expressway and is in close proximity to Singapore's major sea ports e.g. Jurong Port and Tuas Mega Port.

The Property is a five-storey ramp-up logistics distribution centre with chiller, freezer, air-conditioned and ambient storage space as well as ancillary office space. Its specifications cater to the diverse requirements of food producers and distributors, food & beverage retailers and importers etc. who require different types of storage space under one roof.

The modern cold storage facility was newly built about 7 years ago.

3. Fully occupied with long weighted average lease to expiry ("WALE")

As at 30 June 2022, the Property is fully occupied by five well-established tenants including a supermarket chain and leading distributors of fruits and vegetables. With a long WALE of 7.0 years and built-in rent escalations of 2% to 3% every three years, the Proposed Acquisition is expected to expand Ascendas Reit's customer base and strengthen its income stability.

4. Distribution per Unit ("DPU") accretive acquisition

The estimated net property income ("NPI") yield⁴ for the first year post acquisition is approximately 7.0% and 6.9% pre-transaction costs and post-transaction costs respectively.

² As at 30 June 2022.

³ Includes the seven logistics properties in Chicago, United States, that were acquired on 10 June 2022.

⁴ The NPI yield is derived using the estimated NPI expected in the first year after acquisition.

The Proposed Acquisition is expected to be funded by Ascendas Reit through internal resources and/or existing debt facilities. On this basis, the estimated *pro forma* impact on the DPU for the financial year commencing on 1 January 2021 and ended 31 December 2021 (FY2021) is expected to be an improvement of 0.086 Singapore cents or a DPU accretion of 0.56% assuming the Proposed Acquisition was completed on 1 January 2021⁵.

The Proposed Acquisition is expected to be completed in the fourth quarter of 2022.

Details of the Proposed Acquisition

HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Ascendas Reit Moonshine Trust (the “Trustee”), entered into a Share Purchase Agreement with the Vendor today, to acquire the total issued share capital of A3 SG ETA PTE. LTD., the holding company of the Property.

The Purchase Consideration of S\$191.9 million was negotiated on a willing-buyer and willing-seller basis and is in line with the independent market valuation⁶ of the Property of S\$195 million as of 10 May 2022.

The total cost of the Proposed Acquisition is estimated to be approximately S\$196.2 million comprising (i) the Purchase Consideration of S\$191.9 million, (ii) the acquisition fee payable to the Manager of approximately S\$1.919 million (being 1% of the Purchase Consideration), and (iii) stamp duty, professional and other fees and expenses of S\$2.4 million.

Upon completion of the Proposed Acquisition, Ascendas Reit will own 230 properties comprising 97 properties in Singapore, 48 properties in the United States, 36 properties in Australia and 49 properties in the United Kingdom/Europe.

- End -

⁵ The estimated *pro forma* DPU impact is calculated based on the following assumptions a) Ascendas Reit had completed the Proposed Acquisition on 1 January 2021, and held and operated the Property through 31 December 2021, b) the Proposed Acquisition was funded 100% by debt, and c) the Manager elects to receive its base fee 80% in cash and 20% in units.

⁶ This is in accordance with the requirements of Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. The valuation (dated 10 May 2022) was commissioned by the Manager and HSBC Institutional Services (Singapore) Limited (as trustee of Ascendas Reit) and carried out by Savills Valuation And Professional Services (S) Pte Ltd using the discounted cashflow analysis and income capitalisation approaches.

About Ascendas Real Estate Investment Trust (www.ascendas-reit.com)

Ascendas Real Estate Investment Trust (Ascendas Reit) is Singapore's first and largest listed business space and industrial real estate investment trust. It was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in November 2002.

As at 30 June 2022, Ascendas Reit's investment properties under management stood at S\$16.6 billion. It owns a total of 228 properties across three segments, namely Business Space and Life Sciences; Logistics; and Industrial and Data Centres. These properties are located in the developed markets of Singapore, Australia, the United States and the United Kingdom/Europe.

These properties house a tenant base of more than 1,600 international and local companies from a wide range of industries and activities, including data centres, information technology, engineering, logistics & supply chain management, biomedical sciences, financial services (back room office support), electronics, government and other manufacturing and services industries. Major tenants include Singtel, DSO National Laboratories, SEA Group, Stripe, DBS, Citibank, Pinterest, CareFusion, Equinix and J.P. Morgan.

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 (EPR/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, a wholly owned subsidiary of CapitaLand Investment Limited, a leading global real estate investment manager with a strong Asia foothold.

About CapitaLand Investment Limited (www.capitalandinvest.com)

Headquartered and listed in Singapore, CapitaLand Investment Limited (CLI) is a leading global real estate investment manager (REIM) with a strong Asia foothold. As at 30 June 2022, CLI had about S\$125 billion of real estate assets under management, and about S\$86 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and more than 20 private vehicles across Asia-Pacific, Europe and USA. Its diversified real estate asset classes cover retail, office, lodging, business parks, industrial, logistics and data centres.

CLI aims to scale its FUM and fee-related earnings through fund management, lodging management and its full stack of operating capabilities, and maintain effective capital management. As the investment management arm of CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand's development arm.

As a responsible company, CLI places sustainability at the core of what it does and has committed to achieve net zero emissions by 2050. CLI contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

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Important Notice

This press release may contain forward-looking statements. 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, availability of real estate properties, competition from other developments or companies, shifts in customer demands, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training, property operating expenses), 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 current view of management regarding future events. No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this press release. Neither Ascendas Funds Management (S) Limited ("**Manager**") nor any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use of, reliance on or distribution of this press release or its contents or otherwise arising in connection with this press release.

The past performance of Ascendas Real Estate Investment Trust ("**Ascendas Reit**") is not indicative of future performance. The listing of the units in the Ascendas Reit ("**Units**") on the Singapore Exchange Securities Trading Limited (SGX-ST) does not guarantee a liquid market for the Units. The value of the 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. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST.

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

Annex

Summary of Property (as at 30 June 2022)

Address	1 Buroh Lane
Total Gross Floor Area	59,971 sqm
Weighted Average Lease Expiry (by rental income)	7 years
Occupancy Rate	100%
Remaining Land Lease Tenure	21 years



Location of Target Property:

