

Ascendas Reit acquires its fourth suburban office in Australia for A\$110.9 million

3 October 2019, Singapore – Ascendas Funds Management (S) Limited (the “**Manager**”), the Manager of Ascendas Real Estate Investment Trust (“**Ascendas Reit**”), is pleased to announce the acquisition of a suburban office building, to be constructed at 254 Wellington Road, in Melbourne, Australia (the “**Property**”), for A\$110.9 million¹ (S\$104.4 million²) (the “**Purchase Consideration**”) from ESR FPA (Wellington Road) Pty Limited (the “**Vendor**”).

Mr William Tay, Executive Director and Chief Executive Officer of the Manager said, “This will be our fourth suburban office property in Australia. We are very pleased with this acquisition as it is well-located in the Monash Technology Precinct in Melbourne, has 65% of the space pre-committed for 10 years and is DPU accretive.”

Details of the Acquisition

The Trust Company (Australia) Limited, as trustee of Ascendas Business Park Trust No. 2 (indirectly wholly-owned by Ascendas Reit), has today entered into an agreement with the Vendor for the purchase of the freehold land and the subsequent development of the suburban office building at 254 Wellington Road.

The Purchase Consideration of A\$110.9 million, which comprises the land and development cost, is in line with the “as if complete” market valuation of the Property (A\$110.9 million as at 1 August 2019³).

Ascendas Reit is expected to incur an estimated total transaction cost of A\$1.3 million (S\$1.2 million) which includes stamp duty, professional advisory fees, and acquisition

¹ Includes incentives to be reimbursed by the Vendor.

² All conversions from Australian Dollar amounts into Singapore Dollar amounts in this press release are based on the 30 September 2019 exchange rate of A\$1.00000: S\$0.94121.

³ The valuation was commissioned by the Manager and The Trust Company (Australia) Limited (in its capacity as trustee of Ascendas Business Park Trust No. 2) and was carried out by Urbis Valuations Pty Ltd using the capitalisation and discounted cash flow methods.

fees payable to the Manager in cash (being 1% of the Purchase Consideration of A\$110.9 million, which amounts to approximately A\$1.109 million (S\$1.044 million)).

The Property is expected to receive practical completion in 2Q 2020, upon which automotive company, Nissan Motor Co. (Australia) Pty Ltd, will commence a 10-year lease for 65.2% of the space. This lease has a built-in rent escalation of 3.0% per annum. The Vendor will continue to market the remaining space in the Property. From practical completion of the Property, the Vendor will provide a three-year rental guarantee for any remaining vacant space.

Net property income yield⁴ for the first year is approximately 5.8% and 5.7% pre-transaction costs and post-transaction costs respectively. The annualised pro forma financial effect of the acquisition on FY18/19 distribution per Unit would be an improvement of 0.014 Singapore cents⁵. The acquisition will be funded through internal resources and/or existing debt facilities.

Including the Property, Ascendas Reit will own 97 properties in Singapore, 36 properties in Australia and 38 properties in the United Kingdom. The Australian portfolio's pro forma weighted average lease term to expiry is expected to improve to 4.5 years from 4.3 years as at 30 June 2019.

⁴ The net property income (NPI) yield is derived from the estimated NPI expected in the first year of acquisition (includes incentives for the first year to be reimbursed by the Vendor and one year of rental guarantee provided by the Vendor for the vacant space).

⁵ The annualised pro forma DPU for FY18/19 is calculated based on following assumptions 1) Ascendas Reit had completed the acquisition on 1 April 2018, held and operated the property for the whole of the financial year ended 31 March 2019, 2) the acquisition was funded based on a funding structure of 40% debt and 60% equity, 3) the Manager elects to receive its base fee 80% in cash and 20% in units.

About The Property

254 Wellington Road is a new, state-of-the-art suburban office building comprising an 8-level corporate office, workshop, café, end-of-trip facilities and multi-level car parking for 911 vehicles. The Property has a net lettable area of 17,507 sqm and sits on freehold land. It is expected to achieve 5 Star NABERS Energy Rating and 5 Star Green Star Design.

It is well-located within Melbourne's desirable south eastern suburb of Mulgrave, situated on the southern side of Wellington Road and within proximity of greater Melbourne. Mulgrave is 21 kilometres south east of the Melbourne Central Business District.

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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 2019, investment properties under management stands at S\$11.1 billion, comprising 98 properties in Singapore, 35 properties in Australia and 38 properties in the United Kingdom. Ascendas Reit's portfolio includes business and science parks, suburban office properties, high-specifications industrial properties, light industrial properties, logistics and distribution centres, and integrated developments, amenities and retail properties. These properties house a tenant base of around 1,350 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, DSO National Laboratories, Citibank, DBS, Wesfarmers, Ceva Logistics, JPMorgan and A*STAR Research Entities.

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, a wholly owned subsidiary of Singapore-listed CapitaLand Limited, one of Asia's largest diversified real estate groups.

About CapitaLand Limited (www.capitaland.com)

CapitaLand Limited (CapitaLand) is one of Asia's largest diversified real estate groups. Headquartered and listed in Singapore, it owns and manages a global portfolio worth S\$129.1 billion as at 30 June 2019. CapitaLand's portfolio spans across diversified real estate classes which includes commercial, retail; business park, industrial and logistics; integrated development, urban development; as well as lodging and residential. With a presence across more than 200 cities in over 30 countries, the Group focuses on Singapore and China as its core markets, while it continues to expand in markets such as India, Vietnam, Australia, Europe and the USA.

CapitaLand has one of the largest real estate investment management businesses globally. It manages eight listed real estate investment trusts (REITs) and business trusts as well as over 20 private funds. Since it pioneered REITs in Singapore with the listing of CapitaLand Mall Trust in 2002, CapitaLand's REITs and business trusts have expanded to include Ascendas Reit, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust, Ascendas India Trust, CapitaLand Malaysia Mall Trust and Ascendas Hospitality Trust.

For media and investor queries, please contact:

Ms Yeow Kit Peng
Head, Capital Markets & Investor Relations
Ascendas Funds Management (S) Ltd
Tel: +65 6508 8822
Email: yeow.kitpeng@capitaland.com

Ms Wyllyn Liu
Senior Manager, Investor Relations
Ascendas Funds Management (S) Ltd
Tel: +65 6508 8840
Email: wyllyn.liu@capitaland.com

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.