

Ascendas Reit divests No. 25 Changi South Street 1 in Singapore

24 February 2020, Singapore – Ascendas Funds Management (S) Limited (the “**Manager**”), the manager of Ascendas Real Estate Investment Trust (“**Ascendas Reit**”) is pleased to announce that HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Reit) (the “**Trustee**”) has entered into a sale and purchase agreement on 24 February 2020 with Hao Mart Pte Ltd (the “**Purchaser**”) for the sale of No. 25 Changi South Street 1 in Singapore (the “**Property**”) for S\$20.3 million (“**Proposed Divestment**”).

This divestment is in line with the Manager’s proactive asset management strategy to improve the quality of Ascendas Reit’s portfolio and optimise returns for Unitholders. The Manager has evaluated various options and decided that it is an opportune time to divest the Property and redeploy the capital.

The proposed sale price of S\$20.3 million is 14.0% higher than the original purchase price of S\$17.8 million and 2.0% higher than the market valuation of the Property of S\$19.9 million¹ as at 31 December 2019. The Proposed Divestment is not expected to have any material effect on Ascendas Reit’s net asset value and distribution per Unit for the financial year ending 31 December 2020.

Assuming the Proposed Divestment was completed on 1 January 2019, the proforma impact on Ascendas Reit’s net property income and distribution per Unit for the financial year ended 31 December 2019 would have been an increase of S\$0.2 million and 0.006 Singapore cents respectively.

¹ The valuation was commissioned by the Manager and the Trustee, and was carried out by Edmund Tie & Company (SEA) Pte Ltd using the capitalisation approach and discounted cash flow approach.

Net proceeds after divestment costs are expected to be S\$19.6 million. The proceeds may be recycled to fund committed investments, repay existing indebtedness, extend loans to subsidiaries, fund general corporate and working capital needs and/or make distributions to Unitholders. If the net proceeds were used to repay Ascendas Reit's borrowings as at 31 December 2019, its aggregate leverage will be reduced from 35.1% to approximately 35.0%.

The Proposed Divestment is expected to complete within the first quarter of 2020, following which Ascendas Reit will own 96 properties in Singapore, 35 properties in Australia, 38 properties in the United Kingdom and 28 properties in the United States.

In accordance with Ascendas Reit's Trust Deed, the Manager is entitled to a divestment fee of 0.5% of the sale price of the Property, which would be paid in cash.

About the Property

25 Changi South Street 1 is a two-storey ramp-up warehouse building located along Changi South Street 1. It has a gross floor area of 13,998 sq m. The property is approximately 19 years old and has a remaining land lease tenure of about 37 years.

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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 31 December 2019, investment properties under management stands at S\$12.8 billion, comprising 200 properties across the developed markets of Singapore, Australia, the United Kingdom and the United States. 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 1,490 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, CareFusion, 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\$131.7 billion as at 30 September 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 seven 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 Real Estate Investment Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust, Ascendas India Trust and CapitaLand Malaysia Mall Trust.

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 expressed 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) Ltd ("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, reliance 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 (the "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.