

Ascendas Reit continues to grow its Australian logistics portfolio with S\$69.1 million acquisition

23 December 2020, Singapore – Ascendas Funds Management (S) Limited (the “Manager”), in its capacity as the Manager of Ascendas Real Estate Investment Trust (Ascendas Reit), is pleased to announce the proposed acquisition (the “Proposed Acquisition”) of a new logistics property, to be developed at 500 Green Road, Crestmead, in Brisbane, Australia (the “Property” or “500 Green Road”), for S\$69.1 million¹ (A\$70.3 million)² (“Acquisition Consideration”). The Property will be developed by Goodman Property Services (Aust) Pty Limited, a wholly-owned subsidiary of Goodman Limited (the Developer).

Mr William Tay, Executive Director and Chief Executive Officer of the Manager said, “This acquisition extends our logistics footprint in key distribution markets that will benefit from the robust domestic consumption and e-commerce demand in Australia. In addition, the new logistics development is expected to achieve a 5 Star Green Star rating on completion, further enhancing the overall quality of our Australian portfolio.”

Key Merits of 500 Green Road

The Property is well located in Crestmead, approximately 32 kilometres south of the Brisbane CBD. Crestmead is an established hub for interstate, intrastate and metropolitan distribution given its close proximity to key motorways such as the Logan, Gateway and Pacific Motorways that provide connections to key population areas on the eastern seaboard.

There has been a lack of new high-quality logistics stock coming to the Brisbane market and the vacancy rate in the south corridor remains low at 2.4% (source: CBRE).

¹ An illustrative exchange rate of A\$1,000: S\$0.983 is used for all conversions from Australian Dollar amounts into Singapore Dollar amounts in this press release.

² Includes land and development cost and 2.5-year rental guarantee provided by the Developer, for the vacant space in 500 Green Road from practical completion of the Property.

Designed to be highly efficient, the Property will have a flexible design that offers warehouse sizes from 9,000 square metres to 38,000 square metres. Key features include high ceiling height of 12.2 metres (ridge), LED lighting and solar panels on the roof structure. The Property is targeting a 5 Star Green Star Design & As Built rating by the Green Building Council of Australia.

The flexible design of the Property will allow Ascendas Reit to capture a wide spectrum of market demand which is underpinned by the large domestic consumption and growing e-commerce sector. In the 12 months to September 2020, around 12.0% of Australia's total retail trade estimate was spent on online retail, which is about 38.7% higher than the 12 months to September 2019³.

500 Green Road will be Ascendas Reit's tenth logistics property in Brisbane. Total net lettable area of the logistics portfolio in Brisbane is expected to increase by approximately 21% to 220,532 sqm.

Details of the Proposed Acquisition

The Acquisition Consideration of S\$69.1 million (A\$70.3 million), which comprises the land and development cost, is in line with the "as if complete" market valuation of the Property at S\$69.1 million (A\$70.3 million)⁴.

Ascendas Reit is expected to incur an estimated transaction cost of S\$1.4 million (A\$1.4 million) which includes stamp duty, professional advisory fees, and acquisition fees payable to the Manager in cash (being 1% of the Acquisition Consideration, which amounts to approximately S\$0.691 million (A\$0.703 million)).

Net property income (NPI) yield for the first year is approximately 5.6% and 5.4%⁵ pre-transaction costs and post-transaction costs respectively. The annualised pro forma impact on FY2019 distribution per Unit (DPU) would be an estimated improvement of 0.014 Singapore cents assuming the Proposed Acquisition was acquired and completed on 1 April 2019⁶.

³ Source: National Australia Bank Limited: NAB Online Retail Sales Index September 2020.

⁴ The valuation (as at 10 December 2020) was commissioned by the Manager and Perpetual Corporate Trust Limited (in its capacity as trustee of Ascendas REIT Australia) and was carried out by Jones Lang LaSalle Advisory Services Pty Limited using the capitalisation and discounted cash flow methods.

⁵ The NPI yield is derived using the estimated NPI, including rental guarantee for the vacant space provided by the Developer, in the first year of acquisition.

⁶ The annualised pro forma DPU impact on FY2019 DPU is calculated based on the following assumptions a) Ascendas Reit had acquired the completed Property on 1 April 2019, held and operated the completed Property from 1 April 2019 to 31 December 2019, b) the Proposed Acquisition was funded based on a funding structure of 40% debt and 60% equity, and c) the Manager elects to receive its base fee 80% in cash and 20% in units.

For the purpose of the Proposed Acquisition, Ascendas Longbeach Trust No. 12, an indirectly wholly-owned Australian trust of Ascendas REIT Australia, was established.

The Trust Company (Australia) Limited as trustee of Ascendas Longbeach Trust No. 12 has entered into a land sale agreement with the custodian for GAI2 Crestmead Trust, the trustee of which is Goodman Funds Management Australia Limited, for the acquisition of the freehold land at 500 Green Road, and a development management agreement with the Developer for the ensuing development of the Property.

The acquisition of the land has been completed today and the development of the Property is estimated to complete in 4Q 2021. The Developer will provide a 2.5-year rental guarantee from the completion of the Property for any vacant space.

The Proposed Acquisition will be funded by Ascendas Reit through internal resources and/or existing debt facilities.

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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 September 2020, investment properties under management stands at S\$12.95 billion, comprising 198 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 more than 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, DSO National Laboratories, Citibank, DBS, CareFusion, Wesfarmers, 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. 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 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 about S\$133.3 billion as at 30 September 2020. 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 220 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 six listed real estate investment trusts (REITs) and business trusts as well as over 20 private funds. CapitaLand launched Singapore's first REIT in 2002 and today, its stable of REITs and business trusts comprises CapitaLand Integrated Commercial Trust, Ascendas Real Estate Investment Trust, Ascott Residence Trust, CapitaLand Retail China Trust, Ascendas India Trust and CapitaLand Malaysia Mall Trust.

CapitaLand places sustainability at the core of what it does. As a responsible real estate company, CapitaLand 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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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.

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