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(Constituted in the Republic of Singapore
pursuant to a trust deed dated 9 October 2002 (as amended))

PROPOSED ACQUISITION OF ONE@CHANGI CITY

1. INTRODUCTION

1.1 Proposed Acquisition of One@Changi City

Ascendas Funds Management (S) Limited, in its capacity as manager of Ascendas Real Estate Investment Trust (“**A-REIT**”, and as manager of A-REIT, the “**Manager**”), is pleased to announce that HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of A-REIT (the “**Trustee**”), has on 9 December 2015 entered into a conditional put and call option agreement (the “**Option Agreement**”) with Ascendas Frasers Pte. Ltd. (the “**Vendor**”) in relation to the proposed acquisition (the “**Proposed Acquisition**”) of the property located at 1 Changi Business Park Central 1, Singapore 486036 and commonly known as One@Changi City, together with the Plant and Equipment¹ therein (collectively, the “**Property**”). The Vendor is a joint venture between Frasers Centrepoint Limited (“**FCL**”) and Ascendas Pte Ltd (“**APL**”), where a wholly-owned subsidiary of FCL holds a 50.0% interest in the Vendor and the remaining 50.0% interest is held by Ascendas Development Pte. Ltd., which is wholly-owned by Ascendas Land (Singapore) Pte Ltd (“**ALS**”), a direct wholly-owned subsidiary of APL.

Pursuant to the Option Agreement, the Trustee and the Vendor are required to enter into a sale and purchase agreement for the Property (the “**Purchase Agreement**”) on the day the Call Option (as defined herein) is exercised by the Trustee, or on the day the Put Option (as defined herein) is exercised by the Vendor (as the case may be).

1.2 Information on the Property

The Property is located in the heart of Changi Business Park and is easily accessible via the East Coast Parkway Expressway, Pan-Island Expressway and Tampines Expressway. The Property is well-served by public transport, being in close proximity to the Singapore Expo mass rapid transit (“**MRT**”) station which serves the East-West line and shall also serve the Downtown Line upon the expected completion of the Downtown Line Phase 3 in 2017. The

¹ “**Plant and Equipment**” refers to the fixed plant and equipment (including, without limitation, all fixtures, lifts, air-conditioning equipment and other plant and equipment necessary for the operation of the Property), if any, located in or on or which otherwise exclusively relate to the Property or the operations of the Property and which are owned by the Vendor in its capacity as owner of the Property.

This announcement is not an offer of securities for¹ sale into the United States or elsewhere. The securities described herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold in the United States unless registered under the Securities Act, or except pursuant to an applicable exemption from registration. There will be no public offer of securities in the United States.

Property also benefits from its proximity to Changi Airport.

The Property is the business park component of the mixed-used development known as Changi City, which also has a hotel residence component (Capri by Fraser, Changi City) and a retail component (Changi City Point).

The Property is a nine-storey, high quality multi-tenanted business park building, with contiguous floor plates of 5,400 square metres (“sq m”) to 8,900 sq m per floor, being the largest of its kind in Singapore. The Property has an occupancy rate of 97.1% as at 30 September 2015 with a total of nine tenants. Anchor tenants of the Property include established financial institutions such as Credit Suisse and J.P. Morgan.

The Property was completed in November 2012 and has been certified “Green Mark Gold Plus” by the Building & Construction Authority of Singapore.

The table below sets out a summary of selected information on One@Changi City as at 30 September 2015.

Gross Floor Area (sq m)	71,158
Net Lettable Area (sq m)	63,106
Number of Tenants	9
Occupancy	97.1%
Title	Leasehold for a term of 60 years commencing from 30 April 2009
Number of Car Park Lots	627 ⁽¹⁾

Note:

(1) Shared between One@Changi City, Changi City Point and Capri by Fraser, Changi City.

1.3 Relationship with the Vendor

As at the date of this announcement, APL, through ALS and the Manager, holds an aggregate interest in 418,268,582 units in A-REIT (“Units”), which is equivalent to approximately 17.4% of the total number of Units in issue, and is therefore regarded as a “controlling unitholder” of A-REIT under both the listing manual of the SGX-ST (the “Listing Manual”) and Appendix 6 of the Code on Collective Investment Schemes (the “Property Funds Appendix”). In addition, as the Manager is an indirect wholly-owned subsidiary of APL, APL is therefore regarded as a “controlling shareholder” of the Manager under both the Listing Manual and the Property Funds Appendix.

As APL holds an indirect 50.0% interest in the Vendor, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Vendor (being an associate of a “controlling unitholder” and a “controlling shareholder” of the Manager) is (for the purposes of the Listing Manual) an “interested person” and (for the purposes of the Property Funds Appendix) an “interested party” of A-REIT.

Given that the purchase consideration payable to the Vendor for the Proposed Acquisition (the “Purchase Consideration”) is S\$420.0 million (which is 8.4% of both the latest audited net tangible assets (“NTA”) and the net asset value (“NAV”) of A-REIT as at 31 March 2015), the value of the Purchase Consideration exceeds 5.0% of the NTA and the NAV of A-REIT.

Therefore, the Proposed Acquisition will constitute an “interested person transaction” under Chapter 9 of the Listing Manual as well as an “interested party transaction” under the Property Funds Appendix, in respect of which the approval of unitholders of A-REIT (“**Unitholders**”) is required.

A circular (the “**Circular**”) is expected to be issued to Unitholders in due course, together with a notice of extraordinary general meeting, for the purpose of seeking the approval of Unitholders for the Proposed Acquisition.

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Valuation and Purchase Consideration

The Manager has commissioned an independent property valuer, Knight Frank Pte Ltd (“**Knight Frank**”), and the Trustee has commissioned another independent property valuer, DTZ Debenham Tie Leung (SEA) Pte Ltd (“**DTZ**”, and together with Knight Frank, the “**Independent Valuers**”), to value the Property. The open market value of the Property as at 2 December 2015 is S\$439.0 million and S\$436.6 million as stated by Knight Frank and DTZ in their respective valuation reports. The methods used by the Independent Valuers were the discounted cash flow method and the capitalisation method.

The Purchase Consideration payable to the Vendor in connection with the Proposed Acquisition is S\$420.0 million.

The Purchase Consideration was arrived at on a willing-buyer and willing-seller basis taking into account the independent valuations of the Property set out above.

The Trustee has paid an option fee of S\$10.0 million (the “**Option Fee**”) to the Vendor upon the signing of the Option Agreement, which shall be applied towards payment of the deposit to be paid by the Trustee pursuant to the Purchase Agreement upon exercise of the option. The Option Fee is refundable to the Trustee if the Call Option and the Put Option is not exercised (see paragraph 2.4 below for further details). The balance of S\$410.0 million will be payable upon completion of the Proposed Acquisition (the “**Completion**”).

2.2 Total Acquisition Cost

The total cost of the Proposed Acquisition (the “**Total Acquisition Cost**”) is currently estimated to be approximately S\$438.9 million, comprising:

- (i) the Purchase Consideration of S\$420.0 million;
- (ii) the acquisition fee (the “**Acquisition Fee**”) payable in Units to the Manager for the Proposed Acquisition (the “**Acquisition Fee Units**”) of S\$4.2 million²; and
- (iii) the estimated stamp duty, professional and other fees and expenses of approximately S\$14.7 million incurred or to be incurred by A-REIT in connection with the Proposed Acquisition.

2.3 Consideration Units

Out of the Purchase Consideration of S\$420.0 million, approximately S\$210.0 million will be

² As the Proposed Acquisition will constitute an “interested party transaction” under the Property Funds Appendix, the Acquisition Fee Units, shall not be sold within one year from the date of issuance in accordance with Paragraph 5.6 of the Property Funds Appendix.

satisfied by way of issuance of Units (“**Consideration Units**”) to the Vendor (or its nominee(s)) and the balance of the Purchase Consideration for the amount of approximately S\$210.0 million will be in cash.

Given the inherent unpredictability of stock prices on any securities exchange, the volume weighted average price for a Unit for the period of 10 business days immediately preceding the date of Completion is likely to differ from the issue price under the equity fund raising (the “**Equity Fund Raising**”) announced on 9 December 2015 (the “**EFR Announcement**”). To avoid such an incongruity given that the Consideration Units and the new Units under the Equity Fund Raising are to be issued for the same purpose of partly funding the Total Acquisition Cost, the issue price of the Consideration Units will be the same as the issue price of the new Units to be issued under the Private Placement (as defined herein) (which will be determined in accordance with the provisions of the Trust Deed and the Listing Manual, taking into account, *inter alia*, market conditions)³.

Based on the illustrative issue price of S\$2.223 per Consideration Unit (being the minimum issue price for new Units to be issued under the Private Placement), the total number of Consideration Units is 94,466,936 and represents approximately 3.9% of the total number of Units in issue as at the date of this announcement.

The Consideration Units will not be entitled to distributions by A-REIT for the period immediately preceding the date of issue of the Consideration Units, and will only be entitled to distributions by A-REIT from the date of their issue to the end of the semi-annual financial period in which the Consideration Units are issued, as well as all distributions thereafter.

Save as set out above, the Consideration Units will, upon issue, rank *pari passu* in all respects with the Units in issue on the day immediately preceding the date of issue of the Consideration Units.

2.4 Principal Terms and Conditions of the Option Agreement

(i) Call Option and Put Option

Pursuant to the Option Agreement:

- (a) in consideration of the Trustee’s payment of the Option Fee to the Vendor, the Vendor granted to the Trustee a right (the “**Call Option**”) to require the Vendor to enter into the Purchase Agreement with the Trustee for the acquisition of the Property at the Purchase Consideration and on the terms of the Purchase Agreement; and
- (b) in consideration of the mutual covenants in the Option Agreement, the Trustee granted to the Vendor a right (the “**Put Option**”) to require the Trustee to enter into the Purchase Agreement with the Vendor for the acquisition of the Property at the Purchase Consideration and on the terms of the Purchase Agreement.

(ii) Conditions Precedent

The principal terms of the Option Agreement include the following conditions precedent (the “**Conditions Precedent**”), which are to be fulfilled before the Trustee

³ Please refer to the announcement dated 9 December 2015 in relation to the Equity Fund Raising for further details on the issue price of the new Units to be issued under the Private Placement.

can serve the Call Option notice on the Vendor (or the Vendor can serve the Put Option notice on the Trustee, as the case may be):

- (a) the Unitholders' approval being obtained for the acquisition of the Property (the "**Unitholders' Acquisition Approval**"); and
- (b) JTC Corporation's ("**JTC**") written confirmation that it has no objections to the execution and registration of the transfer instrument in favour of A-REIT in relation to the Property (the "**JTC Final Confirmation**").

(iii) Exercise of Call Option

The Trustee may exercise the Call Option by delivering to the Vendor the Call Option notice before the expiry of the period commencing on the date on which the Trustee notifies the Vendor that it has obtained the Unitholders' Acquisition Approval or the date on which the Vendor notifies the Trustee that it has obtained the JTC Final Confirmation, whichever date is later (or such other date as the Trustee and the Vendor may mutually agree in writing) and ending five business days after the date of such notification (the "**Call Option Exercise Period**"). The Trustee may not serve the Call Option notice on the Vendor except during the Call Option Exercise Period and unless all the Conditions Precedent have been fulfilled.

Upon the Trustee's issuance and service of the Call Option notice, both the Trustee and the Vendor shall be bound to enter into the Purchase Agreement on the same date of such service.

(iv) Exercise of Put Option

The Vendor may exercise the Put Option by delivering to the Trustee the Put Option notice before the expiry of the period commencing immediately after the expiry of the Call Option Exercise Period and ending two business days thereafter (the "**Put Option Exercise Period**").

The Vendor may not serve the Put Option notice on the Trustee:

- (a) except during the Put Option Exercise Period and unless all the Conditions Precedent have been fulfilled;
- (b) if the Trustee has served the Call Option notice on the Vendor during the Call Option Exercise Period; or
- (c) if the Trustee has given notice to terminate the Option Agreement.

Upon the Vendor's issuance and service of the Put Option notice, both the Trustee and the Vendor shall be bound to enter into the Purchase Agreement on the same date of such service.

(v) Application of Option Fee

The Vendor shall apply the Option Fee towards payment of the deposit to be paid by the Trustee pursuant to the Purchase Agreement. The Vendor shall refund the Option Fee to the Trustee within seven business days after the date of expiry of the Put Option Exercise Period if neither the Call Option nor the Put Option has been exercised by the relevant party before the expiry of the Call Option Exercise Period or the Put Option Exercise Period (as the case may be).

(vi) Termination of the Option Agreement

The Trustee shall be entitled to terminate the Option Agreement if:

- (a) there is any material breach of warranty under the Option Agreement;
- (b) there is any material damage by fire or any other causes;
- (c) there is any compulsory acquisition or notice of compulsory acquisition (or intended acquisition) by the government or any other competent authority affecting the building in which the Property is comprised to any extent or measure or 5% or more of the land area of the common property of the development of which the Property forms part; or
- (d) the replies to any of the Trustee's legal requisitions to the local authorities reveal any findings which materially adversely affects the Property or any part(s) thereof.

2.5 Principal Terms and Conditions of the Purchase Agreement

The principal terms of the Purchase Agreement include, among others, the following:

- The Purchase Consideration shall be partly satisfied by the issuance of approximately S\$210.0 million worth of Consideration Units to the Vendor (or its nominee(s)).
- The Trustee shall withhold an amount of S\$82,000 (the "**Rectification Works Security Sum**") on Completion in relation to rectification works to be carried out by the Vendor in respect of certain identified defects in the Property at its cost and expense within three months after Completion.
- The Vendor shall fully indemnify the Trustee against any losses, damages, claims, demands, proceedings, actions, costs, expenses, interest and penalties (the "**JTC Liabilities**") suffered or incurred by the Purchaser arising from any claim, demand, proceeding or action that may be made or instituted by JTC against the Trustee after Completion in respect of the JTC Liabilities, to the extent that such JTC Liabilities resulted from any breach by the Vendor of any term, covenant or condition in the JTC Lease and/or JTC's in-principle written approval to the sale of the Property which existed on or prior to Completion, or which occurred prior to Completion and was subsequently discovered by JTC after Completion.
- The Vendor shall deliver to the Trustee on Completion vacant possession of such part(s) of the Property which are not occupied by (i) the tenants under existing tenancy agreements and new tenancy agreements entered into after the date of the Purchase Agreement or (ii) the tenants holding over.

2.6 Property Management and Lease Management

Upon Completion, Ascendas Services Pte Ltd ("**ASPL**") will provide property management services in respect of the Property as the property manager of A-REIT and the Manager will provide lease management services in respect of the Property.

(i) Property Management

Under the terms of the property management agreement entered into between the Manager, the Trustee and ASPL (the "**Property Management Agreement**"), ASPL will provide certain property management, marketing, project management and car park management services relating to all properties of A-REIT located in Singapore

with effect from 1 October 2012. Upon Completion, the management of the Property will be covered by the Property Management Agreement and all fees and reimbursements payable to ASPL will be in accordance with the Property Management Agreement.

(ii) Lease Management

Under the terms of the lease management agreement entered into between the Manager and the Trustee (the “**Lease Management Agreement**”), the Manager will provide lease management services relating to all properties of A-REIT located in Singapore and the People’s Republic of China with effect from 1 October 2012. Upon Completion, the management of the Property will be covered by the Lease Management Agreement and all fees and reimbursements payable to the Manager or its nominees (as the Manager may direct) will be in accordance with the Lease Management Agreement.

2.7 Other Related Agreements

In connection with the Proposed Acquisition and pursuant to the Purchase Agreement, the Trustee will enter into a deed of ratification, accession and retirement to take over and assume all of the Vendor’s rights and obligations as subsidiary proprietor of the Property under the limited liability partnership agreement in respect of Changi City Carpark Operations LLP (the “**Carpark LLP**”). The primary purpose of the Carpark LLP is limited to the management and operation of the car park serving Changi City Point, Capri by Fraser, Changi City and the Property, which is licensed to the Carpark LLP by the management corporation of Changi City.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSED ACQUISITION AND THE PROPOSED ISSUANCE OF THE CONSIDERATION UNITS

The Manager believes that the Proposed Acquisition and the proposed issuance of the Consideration Units will bring the following key benefits to Unitholders:

3.1 The Proposed Acquisition is in line with A-REIT’s investment strategy

The Proposed Acquisition is in line with the Manager’s aims to deliver predictable distributions and to enhance the value of A-REIT’s property portfolio over time through, *inter alia*, selectively acquiring additional properties that meet the Manager’s investment criteria. The Proposed Acquisition is in line with the Manager’s investment strategy, which includes making value-adding investments comprising development as well as acquisition of income-producing properties with strong underlying real estate fundamentals to deliver long-term sustainable distributions and capital stability to Unitholders.

3.2 Enables A-REIT to capitalise on the competitive strengths of the Property

3.2.1 Strategic location and good connectivity

The Property is strategically located in the heart of Changi Business Park in close proximity to the Expo MRT station which serves the East-West line. It also benefits from its proximity to Changi Airport. The Property is also easily accessible via the East Coast Parkway Expressway, Pan-Island Expressway and Tampines Expressway. Public transport services and connectivity will be further enhanced when the Downtown Line Phase 3 is completed, currently expected to be in 2017, where the Expo MRT station will also serve the Downtown line.

The Property is also located next to Changi City Point (a suburban retail mall) and Capri by Fraser, Changi City (a hotel residence), with access to a wide variety of food and beverage options, amenities, hotel and conference facilities located within walking distance.

3.2.2 Strengths of the Property

Properties with more than 50 years land lease tenure are rare, given JTC's policy to shorten industrial land lease tenures. The Property is not subject to any anchor tenant policy and sublet constraints imposed by JTC and thus allows for more leasing flexibility. In addition, upfront land premium for the remaining land lease term has been fully paid.

Changi City is one of the two mixed-use developments with a business park, retail and hotel component within Changi Business Park located next to the Expo MRT station.

3.3 Complements and enhances A-REIT's market share in Changi Business Park, as well as the overall business and science park sector in Singapore

The Proposed Acquisition will reinforce A-REIT's presence and market share in Changi Business Park as well as the overall business and science park sector. With the addition of the Property, A-REIT will increase its total gross floor area in the business and science park sector from 679,542 sq m to 750,700 sq m.

3.4 Provides income diversification and potential upside, as well as increased exposure to high quality tenants

The Proposed Acquisition will benefit A-REIT and the Unitholders with further income diversification arising from the enlarged tenant base. Following the Proposed Acquisition, A-REIT will benefit from the addition of global financial institutions such as Credit Suisse and J.P. Morgan into A-REIT's tenant base. In addition, approximately 92.0% of the Property's net lettable area is approximately 14.0% below current market rent and there may be potential for future rental growth.

3.5 Rationale for the issuance of Consideration Units

The issuance of the Consideration Units to the Vendor (or its nominee(s)), which is 50.0% owned by APL, will enhance the alignment of the interests of APL with that of A-REIT and its minority Unitholders. The Vendor will nominate ALS to receive the Consideration Units and in return, the Vendor will receive S\$210.0 million in cash from ALS. This also demonstrates APL's commitment to support A-REIT's growth strategy and allows A-REIT to manage its capital structure and create more debt headroom for future growth.

4. METHOD OF FINANCING AND FINANCIAL EFFECTS

4.1 Method of Financing

The Manager intends to finance the Total Acquisition Cost through:

- (i) the issuance of the Consideration Units to the Vendor (or its nominee(s));
- (ii) part of the gross proceeds from the Equity Fund Raising comprising (a) a private placement to institutional and other investors and (b) a non-renounceable preferential

offering, of a total of no less than S\$408.0 million⁴ (see the EFR Announcement for further details); and

(iii) the issue of new Units of S\$4.2 million as the Acquisition Fee.

4.2 Pro Forma Financial Effects

Relevant information relating to the pro forma financial effects of the Proposed Acquisition, including its impact on the net asset value per Unit, the distribution per Unit and A-REIT's aggregate leverage, will be disclosed in the Circular.

5. AUDIT COMMITTEE STATEMENT

The Audit Committee of the Manager will obtain an opinion from Hong Leong Finance Limited, which has been appointed as the independent financial adviser, on the Proposed Acquisition and the proposed issuance of the Consideration Units before forming its view, which will be disclosed in the Circular, as to whether the Proposed Acquisition and the proposed issuance of the Consideration Units are on normal commercial terms and are not prejudicial to the interests of A-REIT and its minority Unitholders.

6. OTHER INTERESTED PERSON TRANSACTIONS

As at the date of this announcement, the value of all interested person transactions (including the Proposed Acquisition) entered into between (1) A-REIT and (2) Temasek Holdings (Private) Limited ("THPL"), JTC, APL and their respective subsidiaries and associates during the course of the current financial year (including the Proposed Acquisition) is approximately S\$428.1 million (which is approximately 8.5% of the NTA and NAV of A-REIT as at 31 March 2015).

As at the date of this announcement, the value of all interested person transactions of A-REIT (including the Proposed Acquisition) for the current financial year is S\$428.2 million (which is approximately 8.5% of the NTA and NAV of A-REIT as at 31 March 2015).

7. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS

As at the date of this announcement, certain directors of the Manager collectively hold an aggregate direct and indirect interest in 25,000 Units.

Mr Koh Soo Keong is the Chairman and an Independent Director of the Manager. Mr Khatani Manohar Ramesh is the Vice Chairman and a Non-Executive Director of the Manager and the President, Chief Executive Officer and a director of APL and certain other companies within the APL group of companies. Mr Chan Pengee Adrian is an Independent Director of the Manager. Mr Teo Eng Cheong is an Independent Director of the Manager. Mr Teo Choon Chye, Marc is an Independent Director of the Manager. Mr Wong Yew Meng is an Independent Director of the Manager. Ms Chong Chiet Ping is an Independent Director of the Manager. Ms Lim Sau Hoong is an Independent Director of the Manager. Mr Tan Ser Ping is the Chief Executive Officer and an Executive Director of the Manager and a director of Ascendas Land International Pte Ltd and Ascendas Investment Pte Ltd (each, a wholly-

⁴ Should the Proposed Acquisition not proceed, the proceeds from the Equity Fund Raising will be deployed to fund future investments or pare down debt.

owned subsidiary of APL).

Based on the Register of Substantial Unitholders' Unitholdings as at the date of this announcement, APL, through ALS and the Manager, holds an aggregate interest in 418,268,582 Units, which is equivalent to approximately 17.4% of the total number of Units in issue.

Based on the Register of Substantial Unitholders' Unitholdings as at the date of this announcement, THPL, through its interests in APL, DBS Bank Ltd. and E M Services Pte. Ltd., has a deemed interest in 433,246,652 Units, which is equivalent to approximately 18.0% of the total number of Units in issue.

Based on the Register of Substantial Unitholders' Unitholdings as at the date of this announcement, JTC, through its interests in APL, has a deemed interest in 418,268,582 Units, which is equivalent to approximately 17.4% of the total number of Units in issue.

Save as disclosed above and based on information available to the Manager as at the date of this announcement, none of the directors of the Manager or the controlling Unitholders have an interest, direct or indirect, in the Proposed Acquisition.

8. OTHER INFORMATION

8.1 Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Proposed Acquisition or any other transactions contemplated in relation to the Proposed Acquisition.

8.2 Disclosure under Rule 1010(13) of the Listing Manual

Chapter 10 of the Listing Manual classifies transactions by A-REIT into (i) non-discloseable transactions, (ii) discloseable transactions, (iii) major transactions and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following bases of comparison set out in Rules 1006(b), 1006(c) and 1006(d) of the Listing Manual:

- (i) the net profits attributable to the assets acquired, compared with the A-REIT's net profits;
- (ii) the aggregate value of the consideration given, compared with the A-REIT's capitalisation; and
- (iii) the number of Units issued by A-REIT as consideration for the Proposed Acquisition, compared with the number of Units previously in issue.

The relative figures for the Proposed Acquisition using the applicable bases of comparison described above are set out in the table below:

	Percentage
Rule 1006(b) Net profits attributable to the assets acquired compared to A-REIT's net profits	6.0% ⁽¹⁾
Rule 1006(c) Aggregate value of consideration to be given	7.4% ⁽²⁾

compared with A-REIT's market capitalisation	
Rule 1006(d) Number of units to be issued by A-REIT as consideration for an acquisition compared with the number of units previously in issue	3.9% ⁽³⁾

Notes:

- (1) Based on A-REIT's annualised unaudited financial accounts for the financial period from 1 April 2015 to 30 September 2015.
- (2) This figure is based on A-REIT's volume weighted average price of S\$2.3706 per Unit on 8 December 2015, being the market day preceding the date of this announcement.
- (3) This figure is based on the minimum issue price of S\$2.223 per Consideration Unit (based on the minimum issue price under the Private Placement) and the number of Units in issue as at 8 December 2015, being the day immediately prior to the entry into of the Option Agreement.

The Manager is of the view that the Proposed Acquisition is in the ordinary course of A-REIT's business as the Proposed Acquisition is within A-REIT's investment policy and does not change A-REIT's risk profile. As such, the Proposed Acquisition should therefore not be subject to Chapter 10 of the Listing Manual. However, as the Proposed Acquisition constitutes an "interested person transaction" under Chapter 9 of the Listing Manual and an "interested party transaction" under the Property Funds Appendix which value exceeds the relevant thresholds under the Listing Manual and the Property Funds Appendix, the Proposed Acquisition will still be subject to the specific approval of Unitholders.

8.3 Documents for Inspection

Copies of the Option Agreement (which contains the form of the Purchase Agreement) and the independent valuation reports of Knight Frank and DTZ are available for inspection during normal business hours at the registered office of the Manager⁵ at 1 Fusionopolis Place, #10-10 Galaxis, Singapore 138522 for a period of three months commencing from the date of this announcement.

BY ORDER OF THE BOARD

ASCENDAS FUNDS MANAGEMENT (S) LIMITED

(as manager of Ascendas Real Estate Investment Trust)

Mary Judith De Souza

Company Secretary

9 December 2015

⁵ Prior appointment with the Manager will be appreciated.

IMPORTANT NOTICE

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units. This announcement is not for publication or distribution, directly or indirectly, in or into the United States, EU Member States, Canada or Japan. This announcement is not an offer of securities for sale into the United States or elsewhere. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold in the United States unless registered under the Securities Act or, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.

The value of 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 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.

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

The past performance of A-REIT is not necessarily indicative of the future performance of A-REIT.

This announcement may contain forward-looking statements that involve 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 future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on the Manager’s current view of future events.