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

**LAUNCH OF EQUITY FUND RAISING TO RAISE GROSS PROCEEDS OF
NO LESS THAN S\$408.0 MILLION**

1. Introduction

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**”), wishes to announce the proposed equity fund raising (the “**Equity Fund Raising**”) comprising an offering of 180,360,511¹ new units in A-REIT (the “**New Units**”) to raise gross proceeds of no less than S\$408.0 million² by way of:

- (i) a private placement of 90,000,000 New Units to institutional and other investors at an issue price of between S\$2.223 and S\$2.290 per New Unit (the “**Private Placement Issue Price Range**”) to raise gross proceeds of no less than S\$200.1 million (the “**Private Placement**”); and
- (ii) a pro-rata and non-renounceable preferential offering of 93,735,511 New Units (the “**Base Preferential Offering Units**”) ³ on the basis of three New Units for every 80 existing units in A-REIT (the “**Units**”) held as at a date and time to be separately announced (the “**Preferential Offering Books Closure Date**”) to Entitled Unitholders (as described in paragraph 8 below) (fractions of a new Unit

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- 1 Calculated based on 90,000,000 New Units to be issued under the Private Placement and 93,735,511 New Units to be issued under the Preferential Offering (being the Base Preferential Offering Units to be issued under the Preferential Offering (each as defined herein)) and assuming full subscription of the Base Preferential Offering Units.
 - 2 Calculated based on 90,000,000 New Units to be issued at S\$2.223 per New Unit under the Private Placement (the “**Minimum Private Placement Issue Price**”) and 93,735,511 New Units (being the Base Preferential Offering Units to be issued under the Preferential Offering) to be issued at S\$2.218 per New Unit under the Preferential Offering (the “**Minimum Preferential Offering Issue Price**”) and assuming full subscription of the Base Preferential Offering Units.
 - 3 Taking into account the provisional allotments of New Units of Entitled Unitholders on the basis of three New Units for every 80 existing Units held on the Preferential Offering Books Closure Date (fractions of a new Unit to be disregarded). The number of Base Preferential Offering Units does not take into account the additional Units which will be provisionally allotted as a result of the Rounding Mechanism (as defined herein).

This announcement is not an offer of securities for 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.

to be disregarded and subject to the Rounding Mechanism) at an issue price of 0.5 cents less than the issue price per New Unit under the Private Placement (the “**Private Placement Issue Price**”) to raise gross proceeds of no less than S\$207.9 million⁴ (the “**Preferential Offering**”), assuming full subscription of the Base Preferential Offering Units.

2. Details of the Equity Fund Raising

The Manager and J.P. Morgan (S.E.A.) Limited (the “**Sole Manager and Underwriter**”) have today entered into a placement agreement (the “**Placement Agreement**”) in relation to the Private Placement. Pursuant to the Placement Agreement, the Sole Manager and Underwriter has agreed to procure subscriptions for or place out, as applicable, and failing which, to subscribe and pay for, the New Units to be issued pursuant to the Private Placement at the Private Placement Issue Price. The Private Placement shall be subject to certain conditions precedent set out in the Placement Agreement, including the approval in-principle of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of and quotation for the New Units on the Main Board of the SGX-ST.

For the avoidance of doubt, the Preferential Offering is not underwritten by the Sole Manager and Underwriter.

The Private Placement Issue Price Range of between S\$2.223 and S\$2.290 per New Unit represents a discount of between:

- (i) 6.2% and 3.4% to the volume weighted average price (“**VWAP**”) of S\$2.3706 per Unit for trades in the Units done on the SGX-ST for the Market Day⁵ on 8 December 2015 (being the Market Day preceding the day on which the Placement Agreement was signed) and up to the time the Placement Agreement was signed on 9 December 2015; and
- (ii) (for illustrative purposes only) 5.0% and 2.1% to the adjusted VWAP⁶ (“**Adjusted VWAP**”) of S\$2.3400 per Unit.

The Preferential Offering Issue Price Range of between S\$2.218 and S\$2.285 per New Unit represents a discount of between:

- (i) 6.4% and 3.6% to the VWAP of S\$2.3706 per Unit; and
- (ii) (for illustrative purposes only) 5.2% and 2.4% to the Adjusted VWAP of S\$2.3400 per Unit.

4 Calculated based on 93,735,511 New Units (being the Base Preferential Offering Units to be issued under the Preferential Offering) to be issued at S\$2.218 per New Unit under the Preferential Offering (being the Minimum Preferential Offering Issue Price), and assuming full subscription of the Base Preferential Offering Units.

5 “**Market Day**” refers to a day on which the SGX-ST is open for securities trading.

6 The Adjusted VWAP is computed based on the VWAP of all trades in the Units on the SGX-ST for the Market Day on 8 December 2015 (being the Market Day preceding the day on which the Placement Agreement was signed) and up to the time the Placement Agreement was signed on 9 December 2015 and subtracting the Advanced Distribution (as defined herein) of approximately 3.060 cents per Unit. This amount is only an estimate based on information currently

The Private Placement issue Price will be determined by the Manager and the Sole Manager and Underwriter following a book-building process. The Manager will make an announcement via SGXNET once the Private Placement Issue Price has been determined. The issue price per New Unit for the Preferential Offering (the “**Preferential Offering Issue Price**”) will be determined once the Private Placement Issue Price has been determined.

In relation to the Preferential Offering, Ascendas Pte Ltd (“**APL**”) has provided an irrevocable undertaking to the Manager (the “**Undertaking**”) that it will (i) procure that the Subscribing Entities (as defined below) accept, subscribe and pay in full for their total provisional allotment of New Units under the Preferential Offering and (ii) procure that the Subscribing Entities will accept, subscribe and pay in full for excess New Units, the details of which are set out in paragraph 10 below.

The Manager is of the view that the Preferential Offering does not need to be underwritten as APL is providing the Undertaking. Taking into account the Undertaking, the minimum proceeds to be raised from the Equity Fund Raising will be sufficient to meet A-REIT’s present funding requirements.

3. Use of Proceeds

Subject to relevant laws and regulations, the Manager intends to use the gross proceeds of no less than S\$408.0 million from the Equity Fund Raising⁷ (calculated based on the Minimum Private Placement Issue Price and the Minimum Preferential Offering Issue Price) in the following manner:

- (i) approximately S\$224.7 million (which is equivalent to 55.1% of the minimum gross proceeds of the Equity Fund Raising) to partially fund the proposed acquisition (the “**Proposed Acquisition**”) of the property commonly known as One@Changi City, together with the plant and property therein (collectively, the “**Property**”) and the associated costs;
- (ii) approximately S\$82.0 million (which is equivalent to 20.1% of the minimum gross proceeds of the Equity Fund Raising) to partially fund a potential acquisition (the “**Potential Australian Acquisition**”) of a logistics property in Australia (the “**Australian Property**”)⁸ and the associated costs;
- (iii) approximately S\$98.5 million (which is equivalent to 24.1% of the minimum gross proceeds of the Equity Fund Raising) to be used for funding debt repayment and future acquisitions; and

available to the Manager and the Manager’s estimate of A-REIT’s revenue and expenses (including estimated and pro-rated performance fees payable to the Manager), and the actual Advanced Distribution may differ.

7 Calculated based on the Base Preferential Offering Units and assuming full subscription of the Base Preferential Offering Units.

8 The Manager is currently in the process of conducting due diligence on the Australian Property and it may or may not proceed with the Potential Acquisition. The Manager will make the appropriate announcements in relation to the Potential Acquisition in due course (if required) in accordance with the Listing Manual of the SGX-ST.

- (iv) approximately S\$2.8 million (which is equivalent to 0.7% of the minimum gross proceeds of the Equity Fund Raising) to pay the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by A-REIT in connection with the Equity Fund Raising,

with the balance of the gross proceeds of the Equity Fund Raising, if any, to be used for general corporate and/or working capital purposes.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, use the net proceeds from the Equity Fund Raising at its absolute discretion for other purposes, including, without limitation, to repay existing indebtedness.

Pending the deployment of the net proceeds from the Equity Fund Raising, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions or used to repay outstanding borrowings or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Equity Fund Raising via SGXNET as and when such funds are materially utilised and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. Where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

4. Rationale for the Equity Fund Raising

The Manager believes that the Equity Fund Raising will bring the following benefits to unitholders of A-REIT (“**Unitholders**”):

4.1 Benefits of the Proposed Acquisition

The Manager intends to use the net proceeds from the Equity Fund Raising towards the Proposed Acquisition. As stated in the announcement dated 9 December 2015 (the “**Acquisition Announcement**”), the benefits of the Proposed Acquisition to A-REIT and its Unitholders include:

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.

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

- **Strategic location and good connectivity**

The Property is strategically located in the heart of Changi Business Park in close proximity to the Expo mass rapid transit (“**MRT**”) station which serves the East-West line. It 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.

Strengths of the Property

Properties with more than 50 years land lease tenure are rare, given JTC Corporation's ("JTC") policy position 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.

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.

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 net lettable area is approximately 14.0% below current market rent and there may be potential for future rental growth.

4.2 Strengthen A-REIT's balance sheet and capital structure and enhance its financial flexibility

A-REIT's Aggregate Leverage⁹ is expected to decrease from 39.4% as at 30 November 2015 to 35.0% immediately after the Equity Fund Raising assuming that pending deployment of net proceeds of the Equity Fund Raising, the net proceeds from the Equity

9 "Aggregate Leverage" is defined in the Property Funds Appendix (Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore as the ratio of A-REIT's borrowings and deferred payments (including deferred payments for assets whether to be settled in cash or Units) to the value of its deposited property.

Fund Raising are fully used to repay debt facilities as illustrated in the table below.

A-REIT's Aggregate Leverage would be 36.3%, immediately after the Equity Fund Raising, assuming that the Proposed Acquisition and the Potential Australian Acquisition will be funded immediately after the Equity Fund Raising. Without the proceeds raised from the Equity Fund Raising, A-REIT's Aggregate Leverage would, following the funding of the Proposed Acquisition and the Potential Australian Acquisition, increase to 40.4%.

(in SGD million)	As of 30 November 2015	Immediately after the Equity Fund Raising and pending deployment of the net proceeds of the Equity Fund Raising for their intended use ⁽¹⁾	Immediately after the Equity Fund Raising and taking into account the Proposed Acquisition and the Potential Australian Acquisition ⁽¹⁾
Borrowings and Deferred Payment	3,646	3,241	3,548
Deposited Property	9,266	9,266	9,787
Aggregate Leverage	39.4%	35.0%	36.3%

Note:

(1) Based on A-REIT's unaudited financial statements as at 30 November 2015 and assuming that pending deployment of the net proceeds of the Equity Fund Raising as described in the section "Use of Proceeds" above, the net proceeds are fully used to repay debt facilities. In relation to the Proposed Acquisition, approximately S\$210.0 million of the purchase consideration for the Property will be paid in Units to Ascendas Frasers Pte. Ltd., as the vendor of the Property (the "**Vendor**") (or its nominee(s)) and the acquisition fee of S\$4.2 million will be paid in Units to the Manager.

Following the Equity Fund Raising and taking into account the Proposed Acquisition and the Potential Australian Acquisition, A-REIT is expected to have borrowing capacity of approximately S\$1.56 billion based on an assumed Aggregate Leverage of 45.0%¹⁰, which will enable A-REIT to capitalise on potential growth opportunities, as and when they may arise. A-REIT will continue to evaluate growth opportunities in a disciplined manner taking into account its weighted average cost of capital.

4.3 Possible increase in trading liquidity of Units

The New Units to be issued pursuant to the Equity Fund Raising will increase the number of Units in issue by approximately 183.7 million, which represents an increase of 7.6% of the total number of Units currently in issue.

This increase in the total number of Units in issue and enlarged Unitholder base are expected to improve the trading liquidity of the Units.

¹⁰ The Property Funds Appendix currently provides that the Aggregate Leverage of A-REIT may exceed 35.0% of the value of its deposited property (up to a maximum of 60.0%) if a credit rating of A-REIT is obtained from Fitch Inc.,

5. Authority to Issue New Units

The New Units will be issued pursuant to a general mandate (the “**General Mandate**”) given to the Manager at the annual general meeting (“**AGM**”) held on 29 June 2015, pursuant to which the Manager may, during the period from 29 June 2015 to (i) the conclusion of the next AGM of A-REIT or (ii) the date by which the next AGM of A-REIT is required by applicable regulations to be held, whichever is earlier, issue new Units and/or securities, warrants, debentures or other instruments convertible into Units (“**Convertible Securities**”) such that the number of new Units (and/or Units into which the Convertible Securities may be converted) does not exceed 50.0% of the total number of Units in issue (excluding treasury Units, if any) as at 29 June 2015 (the “**Base Figure**”), of which the aggregate number of new Units (and/or Units into which the Convertible Securities may be converted) issued other than on a pro-rata basis to existing Unitholders, shall not be more than 20.0% of the Base Figure.

As at 29 June 2015, the number of Units in issue was 2,407,746,767.

The amount of Units that can be issued under the General Mandate is 1,203,873,383 Units, of which no more than 481,549,353 Units may be issued for a non pro-rata placement. The Manager has issued 1,866,849 Units since 29 June 2015 on a non pro-rata basis (the “**Issued Units**”).

90,000,000 New Units to be issued pursuant to the Private Placement (together with the Issued Units) would constitute 3.7% of the Base Figure, which is within the 20.0% limit for issue of new Units other than on a pro-rata basis and 93,735,511 New Units (being the Base Preferential Offering Units) to be issued pursuant to the Preferential Offering¹¹ (together with the 90,000,000 New Units to be issued pursuant to the Private Placement and the Issued Units) would constitute 7.6% of the Base Figure, which is within the 50.0% limit for issuances of new Units under the General Mandate.

Accordingly, the prior approval of the Unitholders is not required for the issue of the New Units under the Equity Fund Raising.

6. Issue Price of the Consideration Units

As stated in the Acquisition Announcement, subject to the Unitholders’ approval, out of the total purchase consideration of S\$420.0 million payable to the Vendor in connection with the Proposed Acquisition, approximately S\$210.0 million will be satisfied by way of issuance of Units (the “**Consideration Units**”) to the Vendor (or its nominee(s)). Given that the Consideration Units and the New Units to be issued under the Equity Fund Raising are to be issued for the same purpose of partly funding the total acquisition cost in connection with the Proposed Acquisition, the issue price of the Consideration Units will be the same as Private Placement Issue Price (which will be determined in accordance with the provisions of the Trust Deed and the Listing Manual, taking into account, *inter alia*,

Moody’s Investors Services, Inc. or Standard & Poor’s Rating Services, and disclosed to the public. With effect from 1 January 2016, the Aggregate Leverage of A-REIT may not exceed 45.0% of its deposited property.

11 Assuming full subscription of the Base Preferential Offering Units.

market conditions).

The issuance of the Consideration Units to the Vendor (or its nominee(s)), which is 50.0% owned by APL, will align the interests of APL with that of A-REIT and its minority Unitholders. The Vendor will nominate Ascendas Land (Singapore) Pte Ltd (“**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.

7. Eligibility to Participate in the Private Placement

The offer of New Units under the Private Placement will be made to institutional and other investors.

The New Units have not been and will not be registered under the Securities Act, and may be offered or sold only (i) within the United States in accordance with Rule 144A, and in such cases only to “qualified institutional buyers” as defined in Rule 144A, or (ii) in offshore transactions as defined in and in reliance on Regulation S or (iii) pursuant to another available exemption from registration under the Securities Act.

The Manager, along with the Sole Manager and Underwriter, reserve the absolute discretion in determining whether to allow such participation as well as the persons who may be allowed to do so.

8. Details of the Preferential Offering

In connection with the Preferential Offering, the Manager intends to issue no less than 93,735,511 New Units¹² at the Preferential Offering Issue Price¹² to Entitled Unitholders on the basis of three New Units for every 80 Existing Units held (fractions of a New Unit to be disregarded and subject to the Rounding Mechanism) as at the Preferential Offering Books Closure Date in order to raise gross proceeds of no less than S\$207.9 million¹³.

As the Preferential Offering is made on a non-renounceable basis, the provisional allotment of New Units cannot be renounced in favour of a third party or traded on the SGX-ST. Each Entitled Unitholder will be provisionally allotted the New Units under the Preferential Offering on the basis of their unitholdings in A-REIT as at the Preferential Offering Books Closure Date (fractions of a New Unit to be disregarded and subject to the Rounding Mechanism).

Where an Entitled Unitholder’s provisional allotment of New Units under the Preferential Offering is other than in integral multiples of 100 Units, it will be increased to such number which, when added to the Entitled Unitholder’s unitholdings as at the Preferential Offering

12 This is the number of Base Preferential Offering Units and does not take into account the additional Units which would be provisionally allotted as a result of the Rounding Mechanism, assuming full subscription of the Base Preferential Offering Units.

13 Assuming full subscription of the Base Preferential Offering Units

Books Closure Date, results in an integral multiple of 100 Units (the “**Rounding Mechanism**”).

For the avoidance of doubt, the Rounding Mechanism will be extended to investors who have subscribed for or purchased Units under the Central Provident Fund Investment Scheme and/or the Supplementary Retirement Scheme, and to Units held by depository agents. However, in the case of Units held through depository agents, the Rounding Mechanism will be applied at the level of the aggregate number of Units held in the securities accounts of such depository agents with The Central Depository (Pte) Limited. As such, investors whose Units are held through such depository agents may not enjoy the benefit of such additional provisional allotment of New Units pursuant to the Rounding Mechanism on an individual level.

Entitled Unitholders are at liberty to accept or decline their provisional allotments of New Units and are eligible to apply for additional New Units in excess of their provisional allotments under the Preferential Offering (“**Excess New Units**”). Entitled Unitholders are prohibited from trading, transferring, assigning or otherwise dealing with (in full or in part) their (i) provisional allotments of New Units or (ii) eligibility to apply for Excess New Units.

The New Units under the Preferential Offering represented by the provisional allotments of (i) Entitled Unitholders who decline or do not accept, in full or in part, their provisional allotments of New Units under the Preferential Offering and/or (ii) ineligible Unitholders, may be issued to satisfy applications for Excess New Units as the Manager may, in its absolute discretion, deem fit.

In the allotment of Excess New Units, preference will be given to the rounding of odd lots. Directors of the Manager and substantial Unitholders will rank last in priority for the rounding of odd lots and allotment of Excess New Units.

9. **Eligibility to Participate in the Preferential Offering**

Entitled Unitholders. Only Entitled Depositors are eligible to participate in the Preferential Offering.

Entitled Depositors. Unitholders with Units standing to the credit of their respective securities accounts with The Central Depository (Pte) Limited (“**CDP**”) as at the Preferential Offering Books Closure Date (“**Depositors**”) will be provisionally allotted with New Units under the Preferential Offering on the basis of 3 New Units for every 80 Existing Units then standing to the credit of their securities accounts with CDP (fractions of a New Unit to be disregarded and subject to the Rounding Mechanism).

To be “Entitled Depositors”, Depositors must have registered addresses in Singapore with CDP as at the Preferential Offering Books Closure Date or, if they have registered addresses outside Singapore, must provide CDP with a registered address in Singapore for the service of notices and documents at least three Market Days prior to the Preferential Offering Books Closure Date, in order to receive their provisional allotment of New Units under the Preferential Offering.

Foreign Unitholders. The making of the Preferential Offering may be prohibited or restricted in certain jurisdictions under their relevant securities laws. Thus, for practical

reasons and in order to avoid any violation of the securities legislation applicable in countries (other than Singapore) where Unitholders may have as their addresses registered with CDP, the Preferential Offering will not be extended to Unitholders whose registered addresses with CDP are outside Singapore, and who have not, at least three Market Days prior to the Preferential Offering Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents. Unitholders whose registered addresses with CDP are outside Singapore and who wish to participate in the Preferential Offering will have to provide CDP with addresses in Singapore for the service of notices and documents at least three Market Days prior to the Preferential Offering Books Closure Date. Details of the Preferential Offering and procedures for acceptance of and payment and excess application for New Units under the Preferential Offering by Entitled Unitholders will be set out in an instruction booklet to be despatched to Entitled Unitholders in due course (the “**Instruction Booklet**”). A further announcement on the despatch will be made by the Manager at the appropriate time.

For the avoidance of doubt, even if a Unitholder has provided a Singapore address as aforesaid, the offer of New Units under the Preferential Offering to him will be subject to compliance with applicable securities laws outside Singapore. The Manager further reserves the right to reject any acceptances of the Preferential Offering and any application for Excess New Units under the Preferential Offering where it believes, or has reason to believe, that such acceptances or applications may violate the applicable laws of any jurisdiction.

The Preferential Offering Books Closure Date will be separately announced in due course after the AIP (as defined herein) has been received.

10. Commitment by Ascendas Pte Ltd

To demonstrate its support for A-REIT and the Equity Fund Raising, APL¹⁴, the largest Unitholder which owns an aggregate deemed interest of approximately 17.4% in A-REIT through ALS and Ascendas Funds Management (S) Limited (“**AFM**”) as at the date of this announcement, has provided an irrevocable undertaking to the Manager that:

- (i) it will procure that ALS and AFM (each a wholly-owned subsidiary of APL) (the “**Subscribing Entities**”) accept, subscribe and pay in full for their total provisional allotment of New Units under the Preferential Offering (the “**Entitlement Application**”), provided that the aggregate subscription amount of the Entitlement Application and the Excess Application (as defined below) shall not exceed S\$35.0 million; and
- (ii) procure that the Subscribing Entities will accept, subscribe and pay in full for New Units under the Preferential Offering to the extent that they remain unsubscribed after satisfaction of all applications (if any) for excess New Units by way of making

14 As at the date of this announcement, ALS and AFM together directly hold Units representing approximately 17.4% in of the total number of Units in issue. ALS is wholly-owned by APL which is in turn wholly-owned by APL. AFM is wholly-owned by Ascendas Investment Pte Ltd, which is in turn wholly-owned by APL. Accordingly, APL is deemed to be interested in the Units held by ALS and AFM.

an application for all the excess New Units (the “**Excess Application**”), provided that the aggregate subscription amount of the Entitlement Application and the Excess Application shall not exceed S\$35.0 million.

11. Status of the New Units

11.1 Entitlement to Advanced Distribution

A-REIT’s policy is to distribute its distributable income on a semi-annual basis to Unitholders.

In connection with the Private Placement, the Manager intends to declare, in respect of the Units in issue on the day immediately prior to the date on which the New Units pursuant to the Private Placement are issued (the “**Existing Units**”), a distribution of the distributable income for the period from 1 October 2015 to the day immediately prior to the date on which the New Units are issued pursuant to the Private Placement (the “**Advanced Distribution**”).

The New Units pursuant to the Private Placement are expected to be issued on 18 December 2015. The current expectation of the Manager is that the quantum of distribution per Unit under the Advanced Distribution will be approximately 3.060 cents¹⁵. A further announcement on the actual amount of Advanced Distribution (which may differ from the estimate above) will be made by the Manager in due course after the management accounts of A-REIT for the relevant period have been finalised.

The next distribution thereafter will comprise A-REIT’s distributable income for the period from the day the New Units are issued pursuant to the Private Placement to 31 March 2016 (the “**Relevant Period Distribution**”). Semi-annual distributions will resume thereafter.

The Advanced Distribution is intended to ensure that the distributable income accrued by A-REIT up to the day immediately preceding the date of issue of the New Units (which at this point, will be entirely attributable to the Existing Units) is only distributed in respect of the Existing Units, and is being proposed as a means to ensure fairness to holders of the Existing Units.

11.2 Status of New Units issued pursuant to the Private Placement

The New Units issued pursuant to the Private Placement will, upon issue, rank *pari passu* in all respects with the Existing Units, including the right to A-REIT’s distributable income from the day of issuance of the New Units under the Private Placement as well as all distributions thereafter, other than in respect of the Advanced Distribution.

For the avoidance of doubt, the holders of the New Units to be issued pursuant to the Private Placement will not be entitled to the Advanced Distribution but shall be eligible to participate in the Preferential Offering.

¹⁵ This amount is an estimate only based on information currently available to the Manager and the Manager’s estimate of A-REIT’s revenue and expenses (including estimated and pro-rated performance fees payable to the Manager) and the actual Advanced Distribution may differ.

11.3 Status of New Units issued pursuant to the Preferential Offering

The New Units issued pursuant to the Preferential Offering will, upon issue, rank pari passu in all respects with the Units in issue on the day immediately prior to the date on which the New Units are issued pursuant to the Preferential Offering including the right to the Relevant Period Distribution as well as distributions thereafter, other than in respect of the Advanced Distribution.

For the avoidance of doubt, the holders of the New Units to be issued pursuant to the Preferential Offering will not be entitled to the Advanced Distribution.

12. Application to the SGX-ST for Approval in-Principle

The Manager will make a formal application to the SGX-ST for the listing of, dealing in, and quotation of, the New Units on the Main Board of the SGX-ST. An appropriate announcement (the “**AIP Announcement**”) will be made upon the receipt of such in-principle approval from the SGX-ST (the “**AIP**”).

13. Indicative Timetable for the Equity Fund Raising

The indicative timetable for the Equity Fund Raising will be set out in the AIP Announcement.

BY ORDER OF THE BOARD

ASCENDAS FUNDS MANAGEMENT (S) LIMITED

(Company Registration No. 200201987K)

(as manager of Ascendas Real Estate Investment Trust)

Mary Judith de Souza

Company Secretary

9 December 2015

Important Notice

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Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. 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.

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

All figures in this announcement unless expressed differently or otherwise stated are rounded off to one decimal place.