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

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## TAX RULING IN RELATION TO THE S\$300,000,000 FIXED RATE SUBORDINATED PERPETUAL SECURITIES

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Ascendas Funds Management (S) Limited (the "**Manager**"), the manager of Ascendas Real Estate Investment Trust ("**A-REIT**"), refers to its announcements dated 5 October 2015 and 14 October 2015 relating to the issue of S\$300,000,000 fixed rate subordinated perpetual securities (the "**Securities**") by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of A-REIT) (the "**Issuer**") and its offering circular dated 14 October 2015 issued in connection with the offering of the Securities.

Based on the tax ruling received on 11 April 2016 from the Inland Revenue Authority of Singapore ("**IRAS**"):

- (a) for the purposes of Singapore income tax, the Securities issued are regarded as "debt securities" for the purpose of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore (the "**ITA**") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations ("**QDS Regulations**");
- (b) the distributions (including optional distributions) on the Securities will be regarded as interest expenses;
- (c) holders of the Securities (the "**Holders**") may be granted tax exemption and concession available for qualifying debt securities ("**QDS**") on the distributions (including the optional distributions) incurred on the Securities, provided that all the governing conditions under the QDS Regulations, Section 43N and Section 13(16) of the ITA for QDS are met; and

- (d) A-REIT may be granted tax deduction under Section 14(1)(a) of the ITA on the distributions (including the optional distributions) incurred on the Securities, provided that:
- (i) such distributions (including the optional distributions) are incurred by A-REIT on capital (raised through the issuance of the Securities) employed in acquiring the income of A-REIT that is chargeable to tax; and
  - (ii) the requirements under Section 14 of the ITA are satisfied and the deduction is not prohibited under any other provisions of the ITA.

The tax ruling obtained from the IRAS is based on facts presented to the IRAS and on the IRAS' current interpretation and application of the existing tax laws.

Holders are advised to consult their own tax advisers on the tax consequences that may be applicable to them, in Singapore or in their own tax jurisdiction.

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  
12 April 2016

#### **IMPORTANT NOTICE**

The value of units in Ascendas Real Estate Investment Trust ("**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 Singapore Exchange Securities Trading Limited (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.

This release 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 other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support 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.