

**NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES, EUROPEAN ECONOMIC AREA,  
CANADA OR JAPAN**



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

**LAUNCH OF PRIVATE PLACEMENT TO RAISE GROSS PROCEEDS OF  
NO LESS THAN S\$150.0 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 private placement of 64,000,000 new units in A-REIT (“**New Units**”) to institutional and other investors at an issue price of between S\$2.344 and S\$2.417 per New Unit (both figures inclusive) (the “**Issue Price Range**”) to raise gross proceeds of no less than S\$150.0 million (the “**Private Placement**”).

**2. Details of the Private Placement**

The Manager, Citigroup Global Markets Singapore Pte. Ltd. (“**Citi**”) and DBS Bank Ltd. (“**DBS**”, together with Citi, the “**Joint Lead Managers and Underwriters**”) have today entered into a placement agreement (the “**Placement Agreement**”) in relation to the Private Placement. Pursuant to the Placement Agreement, each of the Joint Lead Managers and Underwriters has agreed to procure subscriptions for or place out, as applicable, and failing which, to subscribe and pay for, the New Units at the issue price per New Unit (the “**Issue Price**”) to be determined, on the terms and subject to the conditions of the Placement Agreement. 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. The Private Placement is fully underwritten by the Joint Lead Managers and Underwriters on the terms and subject to the conditions of the Placement Agreement.

The Issue Price Range of between S\$2.344 and S\$2.417 per New Unit (both figures inclusive) represents a discount of between:

- (i) 6.2% and 3.3% to the volume weighted average price (“**VWAP**”) of S\$2.4997 per

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.

Unit for trades in the Units done on the SGX-ST for the Market Day<sup>1</sup> on 1 August 2016 (being the Market Day on which the Placement Agreement was signed); and

- (ii) (for illustrative purposes only) 4.0% and 1.0% to the adjusted VWAP<sup>2</sup> (“**Adjusted VWAP**”) of S\$2.4417 per Unit.

The Issue Price will be determined by the Manager and the Joint Lead Managers and Underwriters following a book-building process. The Manager will make an announcement via SGXNET once the Issue Price has been determined.

### 3. Use of Proceeds

Subject to relevant laws and regulations, the Manager intends to use the gross proceeds of no less than S\$150.0 million (based on the minimum Issue Price of S\$2.344 per New Unit) from the Private Placement in the following manner:

- (i) approximately S\$108.5 million (which is equivalent to 72.3% of the gross proceeds of the Private Placement) to partially fund the acquisitions (the “**Proposed Acquisitions**”) of a business park property located in Sydney, Australia and a logistics property located in Melbourne, Australia (the “**Properties**”) and the associated costs, subject to completion of negotiations with the vendors and satisfactory due diligence. The purchase consideration of the Properties (subject to the completion of the negotiations with the vendors) are expected to be approximately S\$185.0 million<sup>3</sup>;
- (ii) approximately S\$40.0 million (which is equivalent to 26.7% of the gross proceeds of the Private Placement) to be used to fund an asset enhancement of a Hi-Specs property located in Singapore to convert the property from a multi-tenant building to a single-tenant building (the “**Asset Enhancement**”); and
- (iii) approximately S\$1.5 million (which is equivalent to 1.0% of the gross proceeds of the Private Placement) to pay the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by A-REIT in connection with the Private Placement,

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

---

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

2 The Adjusted VWAP is computed based on the VWAP of all trades in the Units on the SGX-ST for the Market Day on 1 August 2016 (being the Market Day on which the Placement Agreement was signed) and subtracting the Advanced Distribution (as defined herein) of approximately 5.80 cents per Unit. This amount is only an estimate based on information currently available to the Manager and the Manager’s estimate of A-REIT’s revenue and expenses, and the actual Advanced Distribution may differ.

3 The Manager is currently in the process of conducting due diligence on the Properties and it may or may not proceed with any of the Proposed Acquisitions. The Manager will make appropriate announcements in relation to the Proposed Acquisitions in due course in accordance with the SGX-ST Listing Manual.

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

Pending the deployment of the net proceeds from the Private Placement, 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 Private Placement 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 Private Placement**

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

##### **4.1 Benefits of the Proposed Acquisition and Asset Enhancement**

Given the high quality specifications of the Properties, the acquisitions would further strengthen A-REIT’s position in Australia. The Manager expects to acquire the Properties at attractive yields which would result in DPU accretion. The Manager believes that this will enhance distributable income to Unitholders.

The Manager believes that the Asset Enhancement would be beneficial to A-REIT as it will allow the Manager to both optimise the rentals and occupancy rates for the related asset, as well as secure a multinational corporation tenant for 100% of the building for a long lease term.

##### **4.2 Strengthen A-REIT’s balance sheet and capital structure and enhance its financial flexibility**

A-REIT’s Aggregate Leverage is expected to decrease from 36.2% as at 11 July 2016 (taking into account the divestment of Ascendas Z-Link) to 34.7% immediately after the Private Placement assuming that pending deployment of net proceeds of the Private Placement, the net proceeds from the Private Placement are fully used to repay debt facilities as illustrated in the table below.

A-REIT’s Aggregate Leverage would be 36.1%, immediately after the Private Placement, assuming that the Proposed Acquisition and Asset Enhancement will be funded immediately after the Private Placement. Without the proceeds raised from the Private Placement, A-REIT’s Aggregate Leverage would, following the funding of the Proposed Acquisition and the Asset Enhancement, increase to 37.6%.

(in SGD million)	As of 30 June 2016	Immediately after completion of divestment of Ascendas Z-Link on 11 July 2016	Immediately after the Private Placement and pending deployment of the net proceeds of the Private Placement for their intended use <sup>(1)</sup>	Immediately after the Private Placement and taking into account the Proposed Acquisition and the Asset Enhancement <sup>(2)</sup>
<b>Borrowings and Deferred Payment</b>	3,625	3,495	3,346	3,571
<b>Deposited Property</b>	9,797	9,656	9,656	9,881
<b>Aggregate Leverage</b>	37.0%	36.2%	34.7%	36.1%

**Notes:**

- (1) Based on A-REIT's unaudited financial statements as at 30 June 2016, after completion of divestment of Ascendas Z-Link on 11 July 2016, and assuming that pending deployment of the net proceeds of the Private Placement as described in the section "Use of Proceeds" above, the net proceeds are fully used to repay debt facilities.
- (2) Based on A-REIT's unaudited financial statements as at 30 June 2016, after completion of divestment of Ascendas Z-Link on 11 July 2016, and assuming the deployment of the net proceeds of the Private Placement for their intended use as described in the section "Use of Proceeds" above.

Following the Private Placement and taking into account the Proposed Acquisition and the Asset Enhancement, A-REIT is expected to have borrowing capacity of approximately S\$1.6 billion based on an assumed Aggregate Leverage of 45.0%, 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 Private Placement will increase the number of Units in issue by 64,000,000, which represents an increase of 2.4% 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.

#### **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 28 June 2016, pursuant to which the Manager may, during the period from 28 June 2016 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 28 June 2016 (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 28 June 2016, the number of Units in issue was 2,674,444,670.

The amount of Units that can be issued under the General Mandate is 1,337,222,335 Units, of which no more than 1,337,222,335 Units may be issued for a non pro-rata placement. The Manager has not issued any Units since 28 June 2016 on a non pro-rata basis (the “**Issued Units**”).

64,000,000 New Units to be issued pursuant to the Private Placement would constitute 2.4% of the Base Figure, which is within the 20.0% limit for issue of new Units other than on a pro-rata basis. Accordingly, the prior approval of the Unitholders is not required for the issue of the New Units under the Private Placement.

## 6. **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 United States Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act and in compliance with applicable state laws.

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

## 7. **Status of the New Units**

### 7.1 **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 April 2016 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 listed on 11 August 2016. The current expectation of the Manager is that the quantum of distribution per Unit under the Advanced Distribution will be approximately 5.80 cents<sup>4</sup>. 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 30 September 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.

## **7.2 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.**

## **8. 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 will be made upon the receipt of such in-principle approval from the SGX-ST (the "**AIP**").

BY ORDER OF THE BOARD  
ASCENDAS FUNDS MANAGEMENT (S) LIMITED  
(Company Registration No. 200201987K)  
(as manager of Ascendas Real Estate Investment Trust)

---

<sup>4</sup> 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 and the actual Advanced Distribution may differ, and is computed on the basis that no exchangeable collateralised securities will be exchanged into Units before the Books Closure Date. Accordingly, the actual quantum of the distribution may differ from the above estimated distribution if any further exchange notices are received before the Books Closure Date. The actual quantum of the distribution will be announced on a later date after the closure of the Transfer Books and Register of Unitholders.

Mary Judith de Souza  
Company Secretary  
1 August 2016

### **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, European Economic Area, 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 absent registration or an exemption from registration under the Securities Act. There will be no public offering of the securities referred to herein in the United States.

The value of Units and the income derived from them, if any, 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 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.