

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))

**CLOSE OF PRIVATE PLACEMENT OF 64,000,000 NEW UNITS (“NEW UNITS”) IN
ASCENDAS REAL ESTATE INVESTMENT TRUST (“A-REIT”) AT AN ISSUE PRICE OF
S\$2.417 PER NEW UNIT**

*Capitalised terms used herein, unless otherwise defined, shall have the meaning ascribed to them in the announcement of Ascendas Real Estate Investment Trust dated 1 August 2016 in relation to the launch of the proposed private placement (the “**Announcement**”).*

1. Introduction

Further to the Announcement in relation to the private placement of New Units at an issue price of between S\$2.344 and S\$2.417 per New Unit (the “**Private Placement**”), Ascendas Funds Management (S) Limited, in its capacity as manager of A-REIT (the “**Manager**”), is pleased to announce that Citigroup Global Markets Singapore Pte. Ltd. and DBS Bank Ltd., as joint lead managers and underwriters (the “**Joint Lead Managers and Underwriters**”), in consultation with the Manager, have closed the book of orders for the Private Placement.

The Private Placement was over 6 times covered and drew strong demand from new and existing institutional, accredited and other investors mainly from Asia and the United States.

2. Issue Price

The issue price has been fixed at the top end of the price range at S\$2.417 per New Unit (the “**Issue Price**”), as agreed between the Manager and the Joint Managers and Underwriters, following an accelerated book-building process.

The Private Placement Issue Price of S\$2.417 per New Unit represents a discount of:

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

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trades in the Units done on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the full Market Day¹ on 1 August 2016 (being the Market Day on which the Placement Agreement was signed); and

- (ii) (for illustrative purposes only) 1.0% to the adjusted VWAP² (“**Adjusted VWAP**”) of S\$2.4417 per Unit.

The gross proceeds from the Private Placement amounted to approximately S\$154.7 million.

The Issue Price of S\$2.417 per New Unit represent a 20.9% premium to the adjusted net asset value per Unit³ (based on A-REIT’s unaudited financial results for the financial period from 1 April 2016 to 30 June 2016).

3. Use of Proceeds

Subject to relevant laws and regulations, the Manager intends to use the gross proceeds of approximately S\$154.7 million from the Private Placement in the following manner:

- (i) approximately S\$112.1 million (which is equivalent to 72.4% 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 million⁴;
- (ii) approximately S\$40.0 million (which is equivalent to 25.9% 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; and
- (iii) approximately S\$2.6 million (which is equivalent to 1.7% 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.

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 full Market Day on 1 August 2016 (being the Market Day on which the Placement Agreement was signed) and subtracting the Advanced Distribution of approximately 5.80 cents per Unit. 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.

3 The adjusted net asset value per Unit is computed based on the net asset value per Unit of S\$2.04 as at 30 June 2016 subtracting the estimated DPU per Unit of 3.996 cents for the financial period from 1 April 2016 to 30 June 2016.

4 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.

with the balance of the gross proceeds of the Private Placement 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 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. Authority to Issue New Units

The 64,000,000 New Units to be issued under the Private Placement will be issued pursuant to the General Mandate given to the Manager at the annual general meeting held on 28 June 2016.

In relation to paragraph 5 of the Announcement, it should be noted that the amount of Units that can be issued under the General Mandate is 1,337,222,335 Units, of which no more than 534,888,934 Units may be issued for a non pro-rata placement (instead of 1,337,222,335 Units as stated in the Announcement). The 64,000,000 New Units to be issued pursuant to the Private Placement would constitute 2.4% of the 2,674,444,670 Units in issue as at 28 June 2016 (the "**Base Figure**"), which is within the 20.0% limit for issue of new Units other than on a pro rata basis.

Accordingly, the Manager is relying on the general mandate given by the Unitholders to the Manager obtained at the annual general meeting held on 28 June 2016, and the prior approval of the Unitholders is not required for the issue of the New Units under the Private Placement.

5. Listing of, Dealing in and Quotation of the New Units

The trading of the New Units on the SGX-ST pursuant to the Private Placement is currently expected to commence at 9.00 a.m. on 11 August 2016.

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.

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
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.