



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

PROPOSED DIVESTMENT OF A-REIT CITY @ JINQIAO

1. INTRODUCTION

1.1 Proposed Divestment of A-REIT CITY @ JINQIAO

Pursuant to Rule 704(18)(c) of the Listing Manual of the Singapore Exchange Securities Trading Limited, Ascendas Funds Management (S) Limited (the "**Manager**"), the manager of Ascendas Real Estate Investment Trust ("**Ascendas Reit**"), wishes to announce that HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Ascendas Reit) (the "**Trustee**") has on 27 October 2016 entered into a Sale and Purchase Agreement ("**SPA**") with Wkland Investments II Limited (the "**Purchaser**") and Vanke Property (Hong Kong) Company Limited (the "**Parent Co**"), the Purchaser and the Parent Co both being indirect wholly-owned subsidiaries of China Vanke Co., Ltd, pursuant to which the Trustee has agreed to sell, and the Purchaser has agreed to purchase, all of Ascendas Reit's equity interest (the "**Sale Shares**") in Ascendas Reit's wholly-owned subsidiary, Shanghai (JQ) Investment Holdings Pte Ltd (the "**Target Company**") subject to the terms and conditions set out in the SPA ("**Proposed Divestment**").

The Target Company's wholly owned subsidiary, A-REIT (Shanghai) Realty Co., Ltd. ("**China Subsidiary**"), owns A-REIT City @ Jinqiao (the "**Property**"), a business park property in Shanghai, the People's Republic of China.

2. INFORMATION ON THE PROPOSED DIVESTMENT

2.1 Consideration Sum

The aggregate consideration for (i) the purchase of the Sale Shares and (ii) assignment of Ascendas Reit's shareholder loan to the Target Company, is approximately S\$228.1 million ("**Consideration Sum**"). On Completion, the Purchaser shall in accordance with the SPA, pay or procure the payment to the Trustee of the Consideration Sum.

The agreed attributable value of the Property is S\$221.6 million¹ (RMB1,078 million), which was arrived at by agreement after negotiations on an arm's length basis after taking into account the financial position and business prospects of the Target Company and the Property.

¹ Based on RMB/SGD 0.2056

2.2 Book Value of the Sale Shares and Shareholder Loan

The book value and net tangible asset value of the Sale Shares as recorded in the audited consolidated financial statements of Ascendas Reit as at 31 March 2016 was approximately S\$77.6 million.

The book value of Ascendas Reit's shareholder loan to the Target Company as recorded in the audited consolidated financial statements of Ascendas Reit as at 31 March 2016 was approximately S\$110.1 million.

2.3 Completion

The Proposed Divestment is expected to complete in 3Q FY16/17. Following completion of the Proposed Divestment, the Target Company and the China Subsidiary will cease to be subsidiaries of Ascendas Reit.

2.4 Manager's Fee

In accordance with Ascendas Reit's Trust Deed, the Manager is entitled to a divestment fee of S\$1.1 million, being 0.5% of the attributable value of the Property.

3. COMPLIANCE WITH RULES OF THE LISTING MANUAL

As the relative figures computed on the bases set out in Rule 1006 of the Listing Manual amount to 5% or less, the Proposed Divestment does not constitute a discloseable transaction under the provisions of Rule 1010 of the Listing Manual.

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

27 October 2016

IMPORTANT NOTICE

The value of Ascendas Reit's Units (“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 of Ascendas Reit 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 Ascendas Reit is not necessarily indicative of the future performance of Ascendas Reit.

This release may contain forward-looking statements that involve assumptions, 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 Ascendas Reit's 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.

Any discrepancies in the figures included herein between the listed amounts and total thereof are due to rounding.