

NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES, EUROPEAN ECONOMIC AREA (OTHER THAN INSTITUTIONAL PROFESSIONAL CLIENTS IN THE UNITED KINGDOM), CANADA, JAPAN OR AUSTRALIA



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

CLOSE OF PRIVATE PLACEMENT OF 178,007,000 NEW UNITS (“NEW UNITS”) IN ASCENDAS REAL ESTATE INVESTMENT TRUST (“ASCENDAS REIT”) AT AN ISSUE PRICE OF S\$2.540 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 6 September 2018 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 178,007,000 New Units at an issue price of between S\$2.528 and S\$2.606 per New Unit (the “**Private Placement**”), Ascendas Funds Management (S) Limited, in its capacity as manager of Ascendas Reit (the “**Manager**”), is pleased to announce that DBS Bank Ltd. (“**DBS**”) and J.P. Morgan (S.E.A.) Limited (“**JPM**”, and together with DBS, 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 approximately 2.2 times covered and drew strong demand from new and existing institutional, accredited and other investors.

2. Issue Price

The issue price has been fixed at S\$2.540 per New Unit (the “**Issue Price**”), as agreed between the Manager and the Joint Lead Managers and Underwriters, following an accelerated book-building process.

The Issue Price of S\$2.540 per New Unit represents a discount of:

- (i) (for illustrative purposes only) 3.50% to the adjusted volume weighted average

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.

price¹ (“**VWAP**”) of S\$2.6322 per Unit; and

- (ii) 6.09% to the VWAP of S\$2.7047 per Unit for trades in the Units done on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the full Market Day² on 6 September 2018 (being the Market Day on which the Placement Agreement was signed).

The gross proceeds from the Private Placement amounted to approximately S\$452.1 million.

The Issue Price of S\$2.540 per New Unit represents a 25.1% premium to the adjusted net asset value per Unit³ (based on Ascendas Reit’s unaudited financial results for the financial period from 1 April 2018 to 30 June 2018).

3. Use of Proceeds

Subject to relevant laws and regulations, the Manager intends to use the gross proceeds of approximately S\$452.1 million from the Private Placement in the following manner:

- (i) approximately S\$250.0 million⁴ (which is equivalent to 55.3% of the gross proceeds of the Private Placement) to partially fund the acquisition of a second UK logistics portfolio⁵ (the “**Proposed UK Acquisition**”) and the associated costs, subject to completion of negotiations with the vendor and satisfactory due diligence⁶;
- (ii) approximately S\$109.0 million (which is equivalent to 24.1% of the gross proceeds of the Private Placement) to partially fund the development of a build-to-suit facility located in Singapore (the “**Proposed Singapore Development**”), subject to completion of negotiations with the vendor and satisfactory due diligence⁷;
- (iii) approximately S\$88.9 million (which is equivalent to 19.7% of the gross proceeds of the Private Placement) to be used for funding debt repayment and future acquisitions; and

1 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 6 September 2018 (being the Market Day on which the Placement Agreement was signed) and subtracting the Advanced Distribution (as defined in the Announcement) of approximately 7.25 cents per Unit. This amount is an estimate only based on information currently available to the Manager and the Manager’s estimate of Ascendas Reit’s revenue and expenses, and the actual Advanced Distribution may differ.

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

3 The adjusted net asset value per Unit is computed based on the net asset value per Unit of S\$2.07 as at 30 June 2018 subtracting the estimated distributions per Unit of 4.002 cents for the financial period from 1 April 2018 to 30 June 2018.

4 For optimal capital management purposes, amounts set aside for potential acquisition may be used to repay some debt around the time of the acquisition while Ascendas Reit takes on additional debt to fund the acquisition.

5 On 16 August 2018, the Manager had announced the completion of the acquisition of a UK logistics portfolio comprising 12 logistics properties located in the United Kingdom (the “**First UK Logistics Portfolio**”).

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

7 The Manager is currently in the process of evaluating the Proposed Singapore Development and it may or may not proceed with the Proposed Singapore Development. The Manager will make appropriate announcements in relation to the Proposed Singapore Development in due course in accordance with the SGX-ST Listing Manual.

- (iv) approximately S\$4.2 million (which is equivalent to 0.9% 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 Ascendas 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.

Notwithstanding its current intention, in the event that the Private Placement is completed but the Proposed UK Acquisition and/or the Proposed Singapore Development does not proceed for whatever reason, 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 and fund capital expenditures.

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. 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 18 September 2018.

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.

5. Placement of New Units to DBS' Treasury Investments Unit ("DBS TI")

DBS TI has been allocated 9,800,000 New Units under the Private Placement. Ascendas Land (Singapore) Pte Ltd (the "**Sponsor**") is a substantial unitholder of Ascendas Reit. As of the date of this announcement and based on information available to the Manager, Temasek Holdings (Private) Limited ("**Temasek**") owns 51.0% of the Sponsor. Accordingly, Temasek, through its interest in the Sponsor, is deemed a substantial unitholder of Ascendas Reit. DBS is a wholly owned subsidiary of DBS Group Holdings Ltd ("**DBSH**") and based on the latest annual report of DBSH for the financial year ended 31 December 2017, Temasek had a direct and deemed interest of 29.27% in DBSH as at 1 March 2018.

In response to an application by DBS, which is a Joint Lead Manager and Underwriter, the SGX-ST has stated that it has no objections to the placement of New Units to DBS TI

pursuant to Rule 812(4) of the Listing Manual of the SGX-ST, subject to the following conditions: (a) DBS operates independently from and is not involved in the management of Ascendas Reit and the Sponsor, and the Manager, the Sponsor and DBS do not share any common director; (b) the Private Placement is for the purpose of acquisition in the ordinary course of business; (c) Temasek's charter provides that it will only provide strategic directions to Ascendas Reit and the Sponsor and it does not involve itself in their day-to-day commercial decisions; (d) Temasek does not have board representation in the Manager or the Sponsor; (e) the Private Placement is effected through an independent process of book building and the allocation and pricing of the Private Placement will be done in consultation and with the approval of Ascendas Reit; (f) any amount placed to DBS should not be more than 25.0% of the total New Units under the Private Placement; (g) DBSH not owning an interest of 5.0% or more in Ascendas Reit; and (h) disclosure via SGXNET by Ascendas Reit of the placement to DBS TI and disclosure of the above conditions.

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
7 September 2018

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 release, publication or distribution, directly or indirectly, in or into the United States, European Economic Area (other than institutional professional clients in the United Kingdom), Canada, Japan or Australia, and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations.

The securities referred to herein have not been and will not be registered under 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 or under the securities laws of any state or other jurisdiction of the United States, and any such new Units may not be offered or sold within the United States except pursuant to an exemption from, or transactions not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Any public offering of securities to be made in the United States would be made by means of a prospectus that may be obtained from an issuer and would contain detailed information about such issuer and the management, as well as financial statements. 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 Ascendas Reit is not necessarily indicative of the future performance of Ascendas Reit.

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