



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

ASCENDAS REAL ESTATE INVESTMENT TRUST PRIVATE PLACEMENT

- (I) **LAUNCH OF PRIVATE PLACEMENT OF 185,000,000 NEW UNITS (“NEW UNITS”) IN ASCENDAS REAL ESTATE INVESTMENT TRUST (“A-REIT”); AND**
- (II) **LODGEMENT OF OFFER INFORMATION STATEMENT.**

1. Introduction

The board of directors of Ascendas Funds Management (S) Limited, in its capacity as manager of A-REIT (the “**Manager**”), wishes to announce that the Manager is proposing to carry out a private placement of 185,000,000 New Units to institutional and other investors at an issue price of between S\$1.63 and S\$1.70 per New Unit (the “**Issue Price Range**”) to raise gross proceeds of at least S\$301.6 million (the “**Private Placement**”). Based on an illustrative issue price per New Unit (the “**Issue Price**”) of S\$1.63 per New Unit (the “**Minimum Issue Price**”), which is the lower end of the Issue Price Range, the net proceeds from the Private Placement amount to approximately S\$296.0 million, after deducting the underwriting and selling commission and other estimated fees and expenses (including professional fees and expenses) incurred in connection with the Private Placement.

2. Details of the Placement

The Manager and Cazenove & Co. (Singapore) Pte. Limited (a Standard Chartered group company)¹ and DBS Bank Ltd (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, the Joint Lead Managers and Underwriters have agreed to procure subscriptions for or place out, as applicable, and failing which, to subscribe and pay for, the New Units to be issued pursuant to the Private Placement at the Issue Price.

1 Cazenove & Co. (Singapore) Pte. Limited is a wholly-owned subsidiary of Cazenove Asia Limited and a Standard Chartered group company. The mark “Cazenove” and marks containing “Cazenove” are trade marks of Cazenove IP Limited and are used under limited licence. Cazenove Asia Limited, its subsidiaries and affiliated companies are now subsidiaries or affiliated companies of Standard Chartered Bank (Hong Kong) Limited, and are not affiliated with JPMorgan Cazenove Limited, Cazenove Inc., or their subsidiaries.

This announcement is not an offer of securities for sale into the United States, Canada or Japan. The securities described herein may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended) unless they are registered or exempt from registration. There will be no public offer of securities in the United States.

The Issue Price Range of between S\$1.63 and S\$1.70 per New Unit represents a discount of between 3.8% and 7.8% to the volume weighted average price of S\$1.7674 per unit in A-REIT (“Unit”) for trades in the Units done on Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the full Market Day² on 7 August 2009. The issue price per New Unit (“Issue Price”) will be determined by the Manager and 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 which is expected to be no later than 12 August 2009.

The Private Placement shall be subject to certain conditions precedent more particularly set out in the Placement Agreement, including the approval in-principle of the SGX-ST for the listing of and quotation for the New Units on the Main Board of the SGX-ST.

3. 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 jurisdiction of the United States and may not be offered or sold within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The New Units are being offered and sold outside the United States in reliance on Regulation S under the Securities Act and may be offered and sold to a limited number of institutional “accredited investors” (within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act) in the United States pursuant to the exemption from the registration requirements of the Securities Act under Section 4(2) thereof.

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.

4. Use of Proceeds

Subject to relevant laws and regulations, the Manager intends to use the gross proceeds of at least S\$301.6 million³ from the Private Placement in the following manner:

- (i) approximately S\$175.4 million will be used to fund the development of the high-tech built-to-suit facility for Singapore Telecommunications Limited (“SingTel”) (which is equivalent to 58.2% of the gross proceeds of the Private Placement);

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

³ Based on the Minimum Issue Price.

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- (ii) approximately S\$120.6 million will be used to partly or wholly fund potential acquisition of income-producing properties and built-to-suit development opportunities (which is equivalent to 40.0% of the gross proceeds of the Private Placement); and
- (iii) approximately S\$5.6 million will be used to pay the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by A-REIT (which is equivalent to 1.8% of the gross proceeds of the Private Placement),

with the balance of the net proceeds, if any, to be used for general corporate and working capital purposes.

In the event that the Issue Price is above the Minimum Issue Price, the additional proceeds will be used for general corporate and working capital purposes.

The high-tech built-to-suit facility for SingTel is located at Kim Chuan Road, off Upper Paya Lebar Road. It is easily accessible via the Pan Island Expressway and Kallang-Paya Lebar Expressway and is within walking distance to the future Tai Seng MRT station. It is expected to be completed and operational in the second quarter of 2010. SingTel has committed to lease the property upon its completion for 20 years with an option to extend for an additional 10 years. The development is sited next to the Kim Chuan Telecommunications Complex, an existing building owned by A-REIT which is currently also leased to SingTel. The building will sit on a land area of 13,879 sq m and is expected to have a gross floor area of 32,862 sq m on completion. The estimated investment for the land and base building is S\$99.6 million. A further investment of up to S\$75.8 million would be made in the installation of additional mechanical and electrical equipment to enhance the building specifications to the requirement of SingTel.

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.

5. Rationale for the Private Placement

The Manager believes that the Private Placement will bring the following benefits to Unitholders:

Provide A-REIT with greater financial capacity to capitalise on potential growth opportunities

The Private Placement will provide A-REIT with greater financial capacity to capitalise on potential growth opportunities. The Private Placement will allow A-REIT to pursue potential

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growth opportunities, including acquisitions of income-producing properties and built-to-suit development projects, as and when they may arise to create greater value and returns for Unitholders.

With the proceeds from the Private Placement, A-REIT will be able to act more expeditiously and be more responsive when pursuing potential growth opportunities, which are essential in a competitive environment where the timelines in making bids and making payment for acquisition of income-producing properties are important.

Strengthen A-REIT's balance sheet and capital structure and enhance its financial flexibility

Assuming that, pending the deployment of the net proceeds of the Private Placement as described in the section "Use of Proceeds" above, the net proceeds from the Private Placement are fully used to repay debt facilities, A-REIT's Aggregate Leverage⁴ is expected to decrease from 35.7% as at 9 August 2009, being the latest practicable date prior to this announcement (the "**Latest Practicable Date**") to 29.3%, as illustrated in the following table.

	Before the Private Placement ⁽¹⁾	Immediately after the Private Placement and pending deployment of the net proceeds of the Private Placement for their intended use ⁽²⁾
Borrowings and Deferred Payment	S\$1,644.2 million	S\$1,348.2 million
Deposited Property	S\$4,602.9 million	S\$4,602.9 million
Aggregate Leverage	35.7%	29.3%

Notes:

- (1) As at the Latest Practicable Date.
- (2) Assuming that, pending deployment of the net proceeds of the Private Placement as described in the section "Use of Proceeds" above, the net proceeds of approximately S\$296.0 million from the Private Placement (based on the Minimum Issue Price) are fully used to repay debt facilities.

The reduction in Aggregate Leverage will strengthen A-REIT's capital structure and its credit profile, and enhance A-REIT's balance sheet and its ability to secure additional debt facilities at potentially more competitive terms.

In addition, the reduction in Aggregate Leverage is expected to create additional borrowing capacity, which will enable A-REIT to capitalise on potential growth opportunities, as and when they may arise.

Possible increase in trading liquidity of Units

4 "Aggregate Leverage" is defined in the Property Fund Guidelines (Appendix 2 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "**Authority**")) as the ratio of A-REIT's borrowings and deferred payments (including deferred payments for assets whether to be settled in cash or Units) to the value of its deposited property.

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The New Units to be issued pursuant to the Private Placement will increase the number of Units in issue by 185,000,000, which is an increase of 11.0% of the total number of Units in issue as at 9 August 2009.

This increase in the total number of Units in issue is expected to improve the level of trading liquidity of the Units.

6. Authority to Issue New Units

The New Units will be issued pursuant to a general mandate as given to the Manager pursuant to Rule 887(1) of the Listing Manual of the SGX-ST (the "**Listing Manual**") in an extraordinary general meeting held on 30 June 2009, pursuant to which the Manager may, during the period from 30 June 2009 to 30 June 2010, issue new Units and/or convertible securities or other instruments (including but not limited to warrants) which may be 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 number of Units in issue as at 30 June 2009 (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 30 June 2009, the number of Units in issue was 1,684,920,057.

The New Units to be issued pursuant to the Private Placement (185,000,000 New Units) would constitute 11.0% 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.

7. Status of the New Units

The New Units issued pursuant to the Private Placement will, upon issue, rank *pari passu* in all respects with the Units in issue on the day immediately prior to the date on which the New Units are issued (the "**Existing Units**"), other than in respect of the Advanced Distribution (as defined herein).

A-REIT's policy is to distribute its distributable income on a quarterly basis to Unitholders.

In connection with the Private Placement, the Manager however has declared, in respect of the Existing Units, a distribution of the distributable income for the period from 1 July 2009 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 are expected to be issued on 20 August 2009.

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 2009. Quarterly distributions will resume thereafter.

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The current expectation of the Manager is that the quantum of distribution per unit in A-REIT (“Unit”) under the Advanced Distribution will be approximately 1.93 cents⁵.

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.

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 Private Placement shall be subject to certain conditions precedent more particularly set out in the Placement Agreement, including the approval in-principle of the SGX-ST for the listing of and quotation for the New Units on the Main Board of the SGX-ST.

9. Lodgement of Offer Information Statement

The Manager has today lodged the offer information statement in connection with the Private Placement in respect of 185,000,000 New Units (the “**Offer Information Statement**”) with the Authority.

A copy of the Offer Information Statement is available on the website of the Authority at <http://www.mas.gov.sg>.

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

Maria Theresa Belmonte
Assistant Company Secretary
11 August 2009

⁵ The estimated distribution for the period from 1 July 2009 to the day immediately prior to the date on which the New Units are issued pursuant to the Private Placement is based on normalised July 2009 actual revenue and expenses.

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Important Notice

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.

A potential investor should read the Offer Information Statement before deciding whether to acquire the New Units under the Private Placement. The Offer Information Statement may be accessed online at the website of the Authority at <http://masnet.mas.gov.sg/operasdrprosp.nsf>. The Authority assumes no responsibility for the contents of the Offer Information Statement. The availability of the Offer Information Statement on the website of the Authority does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the investment merits of A-REIT. This announcement is qualified in its entirety by, and should be read in conjunction with the full text of the Offer Information Statement.

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.

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