

A-REIT to enhance portfolio with proposed acquisitions of three properties totalling S\$228.5 million

17 February 2010, Singapore – Ascendas Funds Management (S) Limited (the “**Manager**”), the manager of Ascendas Real Estate Investment Trust (“**A-REIT**”) is pleased to announce that A-REIT has signed separate conditional Sale and Purchase agreements (“**S&P Agreements**”) to acquire two properties for a total purchase consideration of S\$131.0 million (the “**Acquisitions**”) and a Memorandum of Understanding (“**MOU**”) for the purchase of a property under development in Jurong for S\$97.5m. These transactions are:

- S&P Agreement to acquire DBS Asia Hub at 2 Changi Business Park Crescent in an Interested Party Transaction (“**IPT**”) for S\$116.0 million (“**DBS Asia Hub**”)
- S&P Agreement to acquire 31 Joo Koon Circle along Jalan Ahmad Ibrahim, near the intersection of Pan Island Expressway and Ayer Rajah Expressway for S\$15.0 million (“**31 Joo Koon Circle**”)
- MOU for the purchase of a property under development in Jurong for S\$97.5 million. This property will only be acquired upon its completion which is expected to be in 2011/2012.

Mr Tan Ser Ping, Chief Executive Officer of the Manager said, “We are pleased to announce these two acquisitions which demonstrate the Manager’s focus on enhancing its portfolio through disciplined investments.

These properties are well located and are easily accessible via major expressways with prominent frontage and good building specifications. In addition, they enjoy full occupancy by established tenants which provide a stable stream of income.

The annualised pro forma financial effect of the Acquisitions on the DPU for the financial year ended 31 March 2009 would be an additional 0.054 cents per unit ⁽¹⁾.”

⁽¹⁾ Assuming A-REIT had purchased, held and operated the Acquisitions for the whole of the financial year ended 31 March 2009 (based on 89 properties); the Acquisitions were funded by using the capital structure of 40% debt and 60% equity; and in respect of the Acquisitions, the Manager had elected to receive its base fee 80% in cash and 20% in units and its performance fee entirely in cash.

Description of DBS Asia Hub

DBS Asia Hub is a built-to-suit facility for DBS Bank (“**DBS**”) by Ascendas (Tuas) Pte Ltd (the “**Vendor**”). The property obtained its Temporary Occupation Permit in September 2009. Strategically located at Changi Business Park, DBS Asia Hub is within walking distance to the Singapore Expo and the Expo MRT station. It is also easily accessible via the Pan Island Expressway (PIE) and East Coast Parkway (ECP).

DBS Asia Hub is a 9-storey business park facility with a basement car park. It sits on a land plot of 18,342 sqm and has a gross floor area of 38,744 sqm. The land lease tenure is 30 + 30 years with effect from October 2007. The property is leased to DBS for 10 years and 1 month with annual rental escalation and an option to renew for another 3 terms of 3 years each. Upon completion of the sale and purchase agreement, the lease with DBS will be assigned to A-REIT.

A-REIT is responsible for the payment of lease administration fee, property tax and land rent while DBS is responsible for the maintenance expenses. A-REIT will incur estimated transactional costs of S\$1.74 million, which includes S\$1.16 million of acquisition fee payable to the Manager (being 1% of the purchase price). As the Vendor is a wholly-owned subsidiary of the controlling unitholder of A-REIT, this acquisition constitutes an IPT. Hence, the acquisition fee will be paid in A-REIT units. These units shall not be sold within one year from their date of issuance. Under Chapter 9 of the Listing Manual and the Property Funds Guidelines, the acquisition of DBS Hub would not require unitholders’ approval as the purchase price and estimated transaction costs together with the current total of interested person transactions between A-REIT and Ascendas Pte Ltd and/or its associates is less than 5% of A-REIT’s latest audited net asset value. This transaction is subject to JTC’s approval and other conditions precedent and is expected to be completed by April 2010.

In addition, DBS can exercise a conditional option for the landlord to construct Phase 2 of DBS Asia Hub. Phase 2 is expected to have a gross floor area of 7,081 sqm. Subject to the fulfilment of certain conditions set out in the S&P Agreement, should DBS exercise the Phase 2 Option, the Trustee shall pay a sum of S\$3 million to the Vendor.

DBS Group Holdings is one of the largest financial services groups in Asia. Headquartered in Singapore, DBS is a well-capitalised bank with a "AA-" and "Aa1" credit ratings that are among the highest in the Asia-Pacific region.

Description of 31 Joo Koon Circle

Easily accessible via AYE and PIE, 31 Joo Koon Circle is a multi-storey light industrial building with a 2-storey annex block. The property enjoys a prominent frontage along Jalan Ahmand Ibrahim and is in close proximity to the Joo Koon MRT station.

Sited on a land area of 19,704 sqm, the property has a gross floor area of 17,484 sqm. Upon completion of this sale and purchase agreement, Flextronics Manufacturing (Singapore) Pte Ltd ("**FMS**") will lease the property for 5 years with annual rental escalation and an option to renew for another 3 terms of 2 years each.

A-REIT is responsible for the payment of lease administration fees while FMS is responsible for the property tax, land rent, maintenance expenses. A-REIT will incur estimated transactional costs of S\$0.3 million, which includes \$S0.15 million being the acquisition fee payable to the Manager (being 1% of the purchase price). The acquisition fee will be paid in cash. The transaction is subject to JTC's approval and other conditions precedents and is expected to be completed by March 2010.

FMS is a related company of Flextronics International Limited. The principal activities of FMS are related to contract manufacturing for original equipment manufacturers in the computer, telecommunication and related electronic industries and the provision of pre-manufacturing and post-manufacturing services such as design, prototyping, testing, distribution, logistics and other support services.

The Manager intends to finance the Acquisitions with the proceeds from the August 2009 private placement of 185,000,000 new units in A-REIT (the "**Private Placement**"). As mentioned in its announcement dated 20 August 2009, part of the proceeds from the Private Placement has been used to repay outstanding borrowings, pending the deployment of such funds for their intended use. S\$131 million of the net proceeds (which is equivalent to approximately 44.3% of the net proceeds of the Private Placement) will be used to finance the Acquisitions. Such use is in accordance with the stated use in the Offer Information Statement and in accordance with the percentage of the gross proceeds of the Private Placement allocated to such use. The Manager wishes to inform that, with the disbursement of funds for the Acquisitions, the funds from the Private Placement have been fully utilised for the purpose stated in the Offer Information Statement dated 11 August 2009.

A-REIT currently has a portfolio of 91 properties and has previously announced the development of Phase 2 of Plot 8 Changi Business Park, a partial built-to-suit facility for Citibank N.A. for S\$37.4 million. The development is expected to be completed in 4Q FY2010/11.

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About A-REIT (www.a-reit.com)

A-REIT is Singapore's first listed business space and industrial real estate investment trust. It has a diversified portfolio of 91 properties in Singapore, comprising business and science park properties, hi-tech industrial properties, light industrial properties, and logistics and distribution centres, with total assets of about S\$4.8 billion. These properties house a tenant base of about 900 international and local companies from a wide range of industries and activities, including research and development, life sciences, information technology, engineering, light manufacturing, logistics service providers, electronics, telecommunications, manufacturing services and back-room office support in service industries. Major tenants include SingTel, C&P Logistics, Siemens, Honeywell, Zuellig Pharma, LFD (Singapore), OSIM International, Venture Corporation, Federal Express, Freight Links Express, Johnson & Johnson, RSH, Infineon Technologies, Procter & Gamble and Hyflux.

A-REIT is listed in several indices. These include the Morgan Stanley Capital International, Inc (MSCI) Index, the European Public Real Estate Association/National Association of Real Estate Investment Trusts (EPRA/NAREIT) Global Real Estate Index and Global Property Research (GPR) Asia 250 and FTSE ST Mid Cap.

A-REIT is managed by Ascendas Funds Management (S) Limited (in its capacity as manager of A-REIT), a wholly-owned subsidiary of the Singapore-based Ascendas Group.

About the Ascendas Group (www.ascendas.com)

Ascendas is Asia's premier provider of business space solutions with a significant presence in the region. Ascendas develops, manages and markets IT Parks, industrial parks (manufacturing, logistics and distribution centres), business parks, science parks, hi-tech facilities, office and retail space. Among its flagships are the Singapore Science Park, International Tech Park Bangalore, Ascendas-Xinsu in Suzhou and Dalian-Ascendas IT Park. More than 1,800 of the world's leading companies, many in the Fortune 500 list, have made Ascendas properties their preferred address in Asia.

Ascendas is also a leading real estate fund management player focused on the management of public-listed property trusts and private real estate funds, investing in a diverse range of industrial and commercial real estate properties across Asia. Listed on the main board of Singapore Exchange Securities Trading Limited are Ascendas Real Estate Investment Trust (A-REIT), Singapore's first business space trust, and Ascendas India Trust (a-iTrust), Asia and Singapore's first Indian property trust. The Ascendas Group also manages a range of private real estate funds which invest in business space in India, China, South Korea and ASEAN. All the funds are supported by Ascendas' strong fund management and real estate expertise, and are testament to its commitment to each of its markets.

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Important Notice

The value of 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 A-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 A-REIT is not necessarily indicative of the future performance of A-REIT.

This release may contain forward-looking statements that involve 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 other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support 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.