



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

A-REIT'S PROPOSED ACQUISITION OF NEUROS & IMMUNOS FOR S\$125.6 MILLION

1. INTRODUCTION

1.1 Proposed Acquisition

Ascendas Funds Management (S) Limited (the "**Manager**"), the manager of Ascendas Real Estate Investment Trust ("**A-REIT**"), has identified the properties, Neuros & Immunos, located at 8/8A Biomedical Grove, Biopolis, Singapore (the "**Properties**") for acquisition by A-REIT (the "**Proposed Acquisition**"). The Properties are owned by Ascendas (Tuas) Pte Ltd (the "**Vendor**").

In connection with the Proposed Acquisition, HSBC Institutional Trust Services (Singapore) Limited (the "**Trustee**"), as trustee of A-REIT, has entered into a conditional sale and purchase agreement (the "**Sale and Purchase Agreement**") with the Vendor today on the principal terms set out in paragraph 3 below.

1.2 Disclosure Requirements Under the Listing Manual: Interested Person

The Vendor is a wholly-owned subsidiary of Ascendas Land (Singapore) Pte Ltd ("**ALS**"), which in turn is a wholly-owned subsidiary of Ascendas Pte Ltd.

As at the date of this announcement, ALS holds an aggregate direct interest of 359,706,000 units in A-REIT ("**Units**"), which is equivalent to approximately 19.2 per cent. of the total number of Units currently in issue. ALS is therefore regarded as a "controlling unitholder" of A-REIT under Appendix 2 (Property Funds) of the Code on Collective Investment Scheme (the "**Property Funds Appendix**") issued by the Monetary Authority of Singapore.

As a wholly-owned subsidiary of the controlling unitholder of A-REIT, the Vendor is regarded as an "interested person" of A-REIT for the purposes of Chapter 9 of under the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the Property Funds Appendix.

The Manager is making this announcement because the Proposed Acquisition will constitute an interested person transaction under both Chapter 9 of the Listing Manual and the Property Funds Appendix.

2. INFORMATION ON THE PROPERTIES

Neuros & Immunos

2.1 The Properties

Strategically located at Biopolis, a premier research hub for biomedical science at one-north, Neuros & Immunos are within walking distance to the Buona Vista Mass Rapid Transit station and is easily accessible to other parts of Singapore via the Ayer Rajah Expressway and the Pan-Island Expressway.

Neuros & Immunos are a 7-storey business/science park building sited on a land area of 8,051 sqm on a 30+30 years land lease tenure with effect from February 2005. It has a gross floor area and net lettable area of 36,931 sqm and 28,345 sqm respectively. These properties are currently 100% occupied.

2.2 Properties Value

Pursuant to paragraph 5.1(c) of the Property Fund Appendix, two independent valuations, with one of the valuers commissioned by the Trustee, were carried out. The Properties was valued at S\$125,600,000 and S\$126,000,000 by CB Richard Ellis and Jones Lang Lasalle respectively.

Under paragraph 5.1(d) of the Property Fund Appendix, the purchase price is not to be higher than the two assessed values. The purchase price of the Properties is S\$125,600,000. As this amount is not more than the average of the two valuations, no written confirmation from the Trustee under paragraph 5.1(c) of the Property Funds Guidelines is required.

3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

3.1 The Sale and Purchase Agreement

3.2 The principal terms of the Sale and Purchase Agreement are as follows:

3.2.1 **Purchase to be on the terms and conditions of the Sale and Purchase Agreement:** The sale and purchase of the Properties to be on the terms and conditions as set out in the Sale and Purchase Agreement.

3.2.2 **Conditions precedent:** The sale and purchase is subject to the following conditions ("**Conditions Precedent**") being satisfied:-

- (i) JTC Approval (as defined in the Sale and Purchase Agreement) being obtained;
- (ii) Trustee obtaining results on due diligence of the Properties (including legal and building due diligence) which must be reasonably satisfactory to Trustee;
- (iii) Trustee receiving replies to legal requisitions which must be reasonably satisfactory to Trustee;

3.2.3 Purchase Price: The purchase price of the Properties is S\$125.6 million (the “**Purchase Price**”). The Purchase Price was negotiated on a willing-buyer and willing-seller basis. In addition, the Trustee will have to pay approximately S\$1.9 million in transactional costs comprising the Manager’s acquisition fee and other transaction costs.

As the Proposed Acquisition is an interested party transaction, the acquisition fee will be paid to the Manager in Units which shall not be sold within one (1) year of the date of issuance.

3.2.4 Completion: The parties agree that completion of the Sale and Purchase Agreement (“**Completion**”) will take place on 31 March 2011 or two weeks after all the Conditions Precedent have been fulfilled (whichever is the later) or such other date as the parties may agree in writing. Rescission of the Sale and Purchase Agreement: If by 16 June 2011, any of the Conditions Precedent is still not fulfilled, either party shall be entitled by notice in writing to the other party to rescind the Sale and Purchase Agreement. On rescission, the Deposit and all moneys paid by the Trustee to the Vendor under the Sale and Purchase Agreement shall immediately be returned to the Trustee without interest and the Trustee shall immediately return to the Vendor all the Title Documents (if any) held by the Trustee and at the Trustee’s cost withdraw any caveats and cancel any entry relating to the Property which it or its mortgagee has lodged at the Singapore Land Authority. Each party shall bear its own solicitors’ costs in the matter and neither shall have any further claim or demand against the other for damages, costs, compensation or otherwise.

4. RATIONALE AND BENEFIT OF THE PROPOSED ACQUISITIONS TO A-REIT

4.1 The Proposed Acquisition is in Line with Manager’s Investment Strategy

The Manager aims to achieve growth in distributable income and to enhance the value of A-REIT’s property portfolio over time through, *inter alia*, selectively acquiring additional properties that meet the Manager’s investment criteria. The Proposed Acquisition is in line with the investment strategy of the Manager as the Properties will be accretive to A-REIT’s distributable income.

Diversification of A-REIT’s Portfolio

The Proposed Acquisition will further diversify A-REIT’s portfolio of properties as well as the tenant-mix in A-REIT’s properties. It will also enable A-REIT to further expand and enhance its presence in Business and Science Park segment.

5. METHOD OF FINANCING AND FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

Assuming A-REIT had purchased, held and operated the Properties under the Proposed Acquisition for the whole of the financial year ended 31 March 2010 (based on 92 properties), the Proposed Acquisition was funded by using the capital structure of 40% debt and 60% equity, and in respect of the Proposed Acquisition, the Manager had elected to receive its base fee as 80% in cash and 20% in units, the annualised pro forma financial effect on A-REIT's distributable income per unit would be 0.03 cents.

6. AUDIT COMMITTEE STATEMENT

The Audit Committee of the Manager (which comprises four independent directors of the Manager) is of the view that the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of A-REIT and its minority Unitholders.

7. OTHER INTERESTED PERSON TRANSACTIONS

There were no other transactions between A-REIT and the Vendor for the current financial year.

The current total of interested person transactions between A-REIT and Ascendas Pte Ltd and/or its associates (other than the Vendor) for the current financial year is approximately S\$8.4 million (the "**Current Total**") as at 28 February 2011 (being the latest practicable date prior to the date of this announcement), excluding the Proposed Acquisition. The aggregate of the Current Total and the Purchase Price would be less than 5% of A-REIT's latest audited net tangible assets or net asset value. Hence, pursuant to Chapter 9 of the Listing Manual and the Property Funds Guidelines, the Proposed Acquisition would not require unitholders' approval.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

Ms Chong Siak Ching, the President and Chief Executive Officer of Ascendas Pte Ltd, is a director of Ascendas Pte Ltd, ALS and the Manager.¹ As at the date of this announcement, Ms Chong, holds an aggregate direct and indirect interest in 186,000 Units. ALS and the Manager collectively hold an aggregate direct interest in 390,935,901 Units.

Save as disclosed herein and based on information available to the Manager, none of the directors of the Manager and none of the substantial Unitholders of A-REIT have any interest, direct or indirect, in the Proposed Acquisition.

¹ Ms Chong Siak Ching abstained from taking part in any decisions or recommendations relating to the Proposed Acquisition.

9. OTHER INFORMATION

9.1 Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Proposed Acquisition or any other transaction contemplated in relation to the Proposed Acquisition.

9.2 Documents for Inspection

Copies of the following documents are available for inspection during normal business hours (prior appointment will be appreciated) at the registered office of the Manager at 61 Science Park Road, The Galen #02-18, Singapore 117525, for a period of 3 months commencing from the date of this Announcement:

9.2.1 valuation reports from CB Richard Ellis and Jones Lang Lasalle, both dated 28 February 2011 ; and

9.2.2 the Sale and Purchase Agreement.

BY ORDER OF THE BOARD
ASCENDAS FUNDS MANAGEMENT (S) LIMITED

Mary J De Souza

Company Secretary

31 March 2011

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.