



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

**ASCENDAS REAL ESTATE INVESTMENT TRUST PRIVATE PLACEMENT
LAUNCH OF PRIVATE PLACEMENT OF UP TO 209,425,000 NEW UNITS (“NEW UNITS”)
IN ASCENDAS REAL ESTATE INVESTMENT TRUST (“A-REIT”)**

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 up to 209,425,000 New Units to institutional and other investors at an issue price of between S\$1.91 and S\$1.96 per New Unit (the “**Issue Price Range**”) to raise gross proceeds of approximately S\$400.0 million (the “**Private Placement**”). The net proceeds from the Private Placement amount to approximately S\$393.3 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 Citigroup Global Markets Singapore Pte Ltd (the “**Sole Lead Manager and Underwriter**”) has today entered into a placement agreement (the “**Placement Agreement**”) in relation to the Private Placement. Pursuant to the Placement Agreement, the Sole Lead Manager and Underwriter has 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 per New Unit (the “**Issue Price**”).

The Issue Price Range of between S\$1.91 and S\$1.96 per New Unit represents a discount of between:

- (i) 4.3% and 6.7% to the volume weighted average price of 2.0482 per unit in A-REIT (“**Unit**”); and
- (ii) (for illustrative purposes only) 2.6% and 5.0% to the adjusted volume weighted

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average price¹ of S\$2.0113 per Unit,

for trades in the Units done on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the full Market Day² on 30 March 2011.

The issue price per New Unit (“**Issue Price**”) will be determined by the Manager and Sole Lead Manager and Underwriter 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 31 March 2011.

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 in the United States to a limited number of institutional “accredited investors” (within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act) or to “Qualified Institutional Buyers” (within the meaning of Rule 144A under the Securities Act) pursuant to the exemptions from the registration requirements of the Securities Act under Section 4(2) or Rule 144A thereof.

The Manager, along with the Sole Lead Manager and Underwriter, 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 approximately S\$400.0 million from the Private Placement in the following manner:

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- 1 The adjusted volume weighted average price is computed based on the volume weighted average price of all trades in the Units on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on the full Market Day on 30 March 2011 and subtracting the Cumulative Distribution (as defined herein) of approximately 3.69 cents per Unit. This amount is an estimate only based on information currently available to the Manager, and the actual Cumulative Distribution may differ.
 - 2 “**Market Day**” refers to a day on which the SGX-ST is open for securities trading.

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- (i) approximately S\$35.9 million will be used to fund A-REIT's eleventh development project for the construction of a built-to-suit logistics facility in the eastern part of Singapore (which is equivalent to 9.0% of the gross proceeds of the Private Placement);
- (ii) approximately S\$97.0 million will be used to fund A-REIT's ongoing asset enhancement initiatives at Techview and 10 Toh Guan Road and redevelopment of 1 Senoko Ave (FoodAxis @ Senoko), (which is equivalent to 24.3% of the gross proceeds of the Private Placement);
- (iii) approximately S\$117.6 million will be used to fund the forward purchase of a business space property located at No. 200 Jinsu Road, Jinqiao Export Processing Zone ("JEPZ"), Shanghai, China (which is equivalent to 29.4% of the gross proceeds of the Private Placement)
- (iv) approximately S\$125.6 million will be used to fund the acquisition of Neuros & Immunos at Biopolis (which is equivalent to 31.4% of the gross proceeds of the Private Placement);
- (iv) approximately S\$6.7 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 1.7% of the gross proceeds of the Private Placement),

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

Built-to-suit logistics facility

The built-to-suit facility logistics facility is located at the eastern part of Singapore, next to the Airport Logistics Park of Singapore (ALPS). It is easily accessible via the East Coast Parkway and the Pan Island Expressway. The proposed development will be a part 1-storey and part 2-storey air cargo express logistics facility. The development has a land tenure of 60 years from December 2010 and sits on a land area of 40,831 square metres ("sq m") with an estimated gross floor area of 26,277 sq m upon completion. The estimated investment amounts to S\$35.9 million with the lease being 100% pre-committed to a multi-national company for 10 years with annual rental escalation and option to renew for another two terms of five years each.

Asset Enhancement Initiatives

A-REIT is currently undertaking three asset enhancement initiatives within its portfolio as follows:

- (1) Redevelopment of FoodAxis @ Senoko

The existing facility has been demolished to maximise the plot ratio from 0.6 times to its maximum allowable plot ratio of 2.5 times and will be repositioned as a food hub to address the limited supply of food processing space in Singapore. FoodAxis @ Senoko is situated in the northern part of Singapore, at the junction of Admiralty Road West and Senoko Avenue and is easily accessible by major

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expressways. The facility sits on a land area of 17,344 sq m with an estimated gross floor area of 43,362 sq m upon completion. The total estimated redevelopment cost is approximately S\$59.0 million.

(2) Asset Enhancement of Techview

Techview is a hi-tech industrial property located at 1 Kaki Bukit View (at the eastern part of Singapore) and is within close proximity to major expressways.

The Manager will reconfigure the floor plates through creation of an internal courtyard on upper levels of the building so as to enhance the attractiveness and value of the property. In addition, Techview will benefit from the planned Downtown Line MRT when the proposed Kaki Bukit MRT Station is completed in 2017. The asset enhancement works is estimated to cost S\$4.3 million.

(3) Asset Enhancement of 10 Toh Guan Road

10 Toh Guan Road, is situated in the western part of Singapore and is within walking distance to the Jurong East MRT Station and a major retail mall within the region. This area is earmarked by the Government as a major regional centre (Jurong Lake District).

The Manager has obtained relevant approvals to reposition the building for higher value added uses over two phases. The asset enhancement will comprise the removal of the existing Automated Service & Recovery System and upgrading of the building into higher value usage. The total estimated cost for the exercise is at S\$33.7 million.

A-REIT's forward purchase of business park facility in Shanghai

In February 2011, A-REIT announced its first foray into China with the forward purchase of a business park property located at No. 200 Jinsu Road within Jinqiao Export and Processing Zone at Pudong New District, Shanghai, China. The property is sited on a land area of 31,952 sq m with expected gross floor area of about 79,880 sq m.

Located in North Jinqiao and within the JEPZ, the business park facility is some 30 minutes drive from the Pudong International Airport and 25 km away from the Hongqiao International Airport. It is also in close proximity to the Waihuan (External Ring) Expressway and a Line 9 subway station to be operational by October 2011. This subway line will connect JEPZ to the core area of Shanghai World Expo as well as Xujiahui (one of the top commercial areas in Shanghai). The JEPZ, being the first national economic and technological development zone to have an "export processing zone" in China, has established a strong base as an advanced manufacturing industry. The JEPZ is expected to be progressing into the second phase of its development which is to develop itself into a manufacturing-centric service industry, i.e. R&D and technology support centre.

The purchase price is approximately S\$117.6 million. A-REIT will acquire the property through the share purchase of Shanghai (JQ) Investment Holdings Pte Ltd, a wholly-

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owned special purpose vehicle of the vendor, Hyday Holding Ltd (a subsidiary of Qingjian International (South Pacific) Group Development Co., Pte Ltd).

Acquisition of Neuros & Immunos

On 31 March 2011, HSBC Institutional Trust Services (Singapore) Limited, as trustee of A-REIT, entered into a conditional sale and purchase agreement with Ascendas (Tuas) Pte Ltd which is a wholly-owned subsidiary of Ascendas Pte Ltd to acquire Neuros & Immunos. Neuros & Immunos is strategically located within Biopolis at one-north, Asia's home for biomedical sciences. Biopolis is within walking distance to Buona Vista MRT Station. The properties are easily accessible to other parts of Singapore via Ayer Rajah Expressway (AYE) and Pan-Island Expressway (PIE).

Neuros & Immunos comprises a pair of seven-storey research laboratories and ancillary office building with gross floor area of 36,931 sq m and net lettable area of 28,345 sq m. It offers laboratory space and a conducive research environment which makes it the choice location for a quality biomedical research & development centre. The property is currently 100% occupied.

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 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

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payment for acquisition of income-producing properties are important.

The Manager is currently in discussion on a potential acquisition with respect to a portfolio of properties worth approximately S\$200 million. Pending final negotiations and signing of the sale and purchase documentation, the transaction might be completed within the next three to six months.

In addition to the above-mentioned, the Manager believes that there are other opportunities for built-to-suit developments, asset enhancement initiatives, and acquisition opportunities and the Private Placement will allow A-REIT to capitalise on these opportunities.

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

A-REIT's Aggregate Leverage³ is expected to decrease from 34.7% as at 31 December 2010 to 25.1% (after taking into account the latest revaluation of A-REIT's properties and 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) as illustrated in the following table.

In its annual revaluation exercise, A-REIT properties achieved a net revaluation gain of approximately S\$307.6 million over its book value as at 31 December 2010.

	As of 31 Dec 2010	As of 31 Dec 2010 including revaluation gains ⁽¹⁾	Immediately after the Private Placement and pending deployment of the net proceeds of the Private Placement for their intended use ^{(1), (2)}
Borrowings and Deferred Payment	S\$1,716.0 million	S\$1,716.0 million	S\$1,322.7 million
Deposited Property	S\$4,952.1 million	S\$5,259.7 million	S\$5,259.7 million
Aggregate Leverage	34.7%	32.6%	25.1%

Notes:

- (1) Based on 31 December 2010 unaudited financial statements and adjusted for the revaluation gains of S\$307.6 million over its book value as at 31 December 2010 arising from A-REIT's annual revaluation exercise.
- (2) Assuming that, pending deployment of the net proceeds of the Private Placement as described in the

3 "Aggregate Leverage" is defined in the Property Funds Appendix (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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section "Use of Proceeds" above, the net proceeds of 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. A-REIT will continue to evaluate growth opportunities in a disciplined manner taking into account its weighted average cost of capital.

Assuming the net proceeds of the Private Placement has been deployed for the built-to-suit logistics facility, asset enhancement initiatives, forward purchase of the business park facility in Shanghai and acquisition of Neuros & Immunos (which are further described in the section "Use of Proceeds" above), the aggregate leverage is expected to be approximately 30.1% which will allow A-REIT to continue to actively pursue growth opportunities.

Possible increase in trading liquidity of Units

The New Units to be issued pursuant to the Private Placement will increase the number of Units in issue by up to 209,425,000, which is an increase of up to 11.2% of the total number of Units, in issue as at 30 March 2011.

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 the annual general meeting held on 28 June 2010, pursuant to which the Manager may, during the period from 28 June 2010 to 28 June 2011, 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 28 June 2010 (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 of A-REIT ("**Unitholders**"), shall not be more than 20.0% of the Base Figure.

As at 28 June 2010, the number of Units in issue was 1,871,153,701.

The New Units to be issued pursuant to the Private Placement (up to 209,425,000 New Units) would constitute up to 11.2% 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.

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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 Cumulative 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 has however declared, in respect of the Existing Units, a distribution of the distributable income for the period from 1 January 2011 to the day immediately prior to the date on which the New Units are issued pursuant to the Private Placement (the “**Cumulative Distribution**”). The New Units are expected to be issued on 11 April 2011.

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 June 2011. Quarterly distributions will resume thereafter.

The current expectation of the Manager is that the quantum of distribution per unit in A-REIT (“**Unit**”) under the Cumulative Distribution will be approximately 3.69 cents⁴.

The Cumulative 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, dealing in, and quotation of the New Units on the Main Board of the SGX-ST.

4 The cumulative distribution for the period from 1 January 2011 to the day immediately prior to the date on which the New Units are issued pursuant to the Private Placement is estimated based on January 2011 and February 2011 actual revenue and expenses and normalised March 2011 and April 2011 revenue and expenses. The cumulative distribution does not include retained interest income from a finance lease granted to a tenant of approximately S\$4.5 million for the nine months ended December 2011 as this is still pending the final ruling by the Inland Revenue Authority of Singapore regarding the tax transparency treatment of such interest income. In the event that the tax ruling is not obtained, this interest income is subject to prevailing corporate tax rate and up to 0.3 cents is distributable as a capital distribution.

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
31 March 2011

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 publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada or Japan. This announcement is not an offer of securities for sale into the United States, Canada or Japan. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made 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 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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