



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

A-REIT AWARDED BUSINESS PARK SITE AT FUSIONOPOLIS FOR S\$110 MILLION

1. INTRODUCTION

1.1 Award of Site

Ascendas Funds Management (S) Limited (the "**Manager**"), as manager of Ascendas Real Estate Investment Trust ("**A-REIT**") wishes to announce that A-REIT, through HSBC Institutional Trust Services (Singapore) Limited, as trustee of A-REIT (the "**Trustee**"), has been awarded the 6,253 square metre site with a 60-year leasehold interest (the "**Site**") at Fusionopolis within the one-north ("**one-north**") master plan region through a public tender by JTC Corporation ("**JTC**") today. The tender for the Site was launched under the Government Industrial Land Sales Programme by JTC on 25 March 2011 and closed on 20 May 2011.

1.2 Disclosure Requirements under the Listing Manual and the Property Funds Appendix

As at the date of this Announcement, Ascendas Pte Ltd ("**APL**") holds an aggregate deemed interest of 391,565,695 units in A-REIT ("**Units**"), which is equivalent to approximately 18.8% of the total number of Units currently in issue. In addition, the Manager is an indirect wholly-owned subsidiary of APL. As APL is a wholly-owned subsidiary of JTC, JTC is regarded as a "controlling unitholder" of A-REIT under Appendix 2 of the Code on Collective Investment Schemes (the "**Property Funds Appendix**") and a "controlling shareholder" of the Manager under the Listing Manual (the "**Listing Manual**") of Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

Accordingly, JTC (being a "controlling unitholder" of A-REIT and a "controlling shareholder" of the Manager) is (for the purposes of Chapter 9 of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of A-REIT.

Therefore, the acquisition of the Site pursuant to the award (the "**Acquisition**") will constitute an "interested person transaction" under Chapter 9 of the Listing Manual and an "interested party transaction" under the Property Funds Appendix.

However, the Acquisition, which was awarded by way of a public tender, falls within the exception under Rule 916(5) of the Listing Manual.

2. INFORMATION ON THE SITE

2.1 The Site

Located within walking distance to the one-north Mass Rapid Transit (“MRT”) station which is expected to be operational in 4Q2011, the Site has a land area of 6,253 sqm with a 60-year leasehold interest and an allowable plot ratio of 4.0 times. The Site is also easily accessible via the Ayer Rajah Expressway.

2.2 Site 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 Manager has commissioned an independent property valuer, Cushman & Wakefield Singapore Pte Ltd (“**Cushman & Wakefield**”), and the Trustee has commissioned an independent property valuer, Knight Frank Pte Ltd (“**Knight Frank**”), to value the Site. Cushman & Wakefield, in its report dated 20 May 2011, stated that the open market value of the Site is S\$110.5 million and Knight Frank, in its report dated 20 May 2011, stated that the open market value of the Site is S\$110.0 million.

Under paragraph 5.1(d) of the Property Fund Appendix, the purchase price is not to be more than the higher of the two assessed values. The purchase price of the Site is S\$110.0 million (the “**Purchase Price**”). As the Purchase Price is not more than the average of the two valuations conducted by Cushman & Wakefield and Knight Frank, no written confirmation from the Trustee is required under paragraph 5.1(e) of the Property Funds Appendix.

3. PRINCIPAL TERMS OF THE CONDITIONS OF TENDER

3.1 The Conditions of Tender

3.2 The principal terms of the Conditions of Tender are as follows:

3.2.1 Acquisition to be on the terms and conditions of the Conditions of Tender:

The acquisition of the Site to be on the terms and conditions as set out in JTC’s Conditions of Tender (the “**Conditions of Tender**”), including the terms and conditions as set out in the Form of Building Agreement and the Form of Lease attached to the Conditions of Tender.

3.2.2 Purchase Price: The Purchase Price is S\$110 million. The Purchase Price is based on the tendered purchase price submitted by A-REIT as part of the tender process of the public tender launched under the Government Industrial Land Sales Programme. A-REIT shall, within 28 days of JTC’s acceptance of the tender, pay to JTC 25% of the Purchase Price (included in which is the tender deposit), and on or before the expiry of the 90 day period from the date of JTC’s acceptance of the tender, pay to JTC the balance of 75% of the Purchase Price (or where applicable, the unpaid balance of the adjusted Purchase Price). Further details on the development and other transactional costs will be provided

in a separate announcement at a later date, when such costs have been determined.

3.2.3 Lease Term: A lease of the Site for a term of sixty (60) years shall be granted by JTC to A-REIT in the form and on the terms and conditions as set out in the Form of Lease attached as Appendix G to the Conditions of Tender.

3.2.4 Requirement for Development: A-REIT shall be required to develop the Site in accordance with the Building Agreement, the Conditions of Tender and the Technical Conditions of Tender. The development of the Site (the “**Development**”) shall be strictly used for “Business Park” zoning with forty (40) percent “White” quantum for “Office” use only, in accordance with the Master Plan Written Statement.

4. RATIONALE AND BENEFIT OF THE SITE TO A-REIT

4.1 The Site is in Line with the Manager’s Investment Strategy

The strategic location of the Site will reinforce A-REIT’s presence and market share within the Business & Science Parks segment while achieving economies of scale in operations. This property is also in line with the future economic development direction of Singapore to attract further investment from value and knowledge intensive industries.

4.2 The development of the Site is beneficial to Unitholders

The Manager believes that the development of the Site will provide unitholders of A-REIT (“**Unitholders**”) with potentially greater returns compared to outright acquisitions of income-producing properties and thus improve the net asset value of A-REIT’s portfolio as A-REIT will receive any benefit of unrealised valuation gain from the development of the Site.

5. AUDIT COMMITTEE STATEMENT

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

6. OTHER INTERESTED PERSON TRANSACTIONS

The current total of all other interested person transactions (excluding the Acquisition) between A-REIT and JTC and/or its associates for the current financial year are approximately S\$1.2 million (the “**Current Total**”) as at 31 May 2011 (being the latest practicable date prior to the date of this announcement).

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

None of the directors of the Manager is a director of JTC. Ms Chong Siak Ching, a Non-executive Director of the Manager, is the President and Chief Executive Officer and also a director of APL. As at the date of this announcement, Ms Chong has an aggregate direct and indirect interest in approximately 186,000 Units of A-REIT. JTC, through APL, has an aggregate indirect interest in approximately 391,565,695 Units where APL and JTC are deemed to be interested in the Units held by Ascendas Land (Singapore) Pte Ltd and the Manager.

8. OTHER INFORMATION

8.1 Directors' Service Contracts

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

8.2 Documents for Inspection

A copy of the Conditions of Tender is 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.

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

Mary J De Souza
Company Secretary

8 June 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.