



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

A-REIT ALLOCATED SITE AT NEPAL HILL TO DEVELOP UNILEVER FOUR ACRES SINGAPORE

1. INTRODUCTION

1.1 Allocation of Site

The board of directors of Ascendas Funds Management (S) Limited, as manager of Ascendas Real Estate Investment Trust (“**A-REIT**”), is pleased to announce that A-REIT, through HSBC Institutional Trust Services (Singapore) Limited, as trustee of A-REIT (the “**Trustee**”), will be developing a global leadership development centre, Unilever Four Acres Singapore (“**Unilever Four Acres Singapore**”) for Unilever Asia Private Limited (“**Unilever**”) at an estimated development cost of S\$32.3 million (excluding the land premium for the underlying land) (the “**Unilever Development**”). In connection with the Unilever Development, the Trustee has accepted the offer from JTC Corporation (“**JTC**”) in relation to the land underlying Unilever Four Acres Singapore (the “**Land Allocation**”) at Private Lot at Nepal Park, forming part of Government Survey Lot 4843W (PT) Mukim No. 3 (the “**Site**”) and has (through Unilever) paid a land premium of S\$26.4 million (the “**Land Premium**”).

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 392,867,641 units in A-REIT (“**Units**”), which is equivalent to approximately 18.9% 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 Corporation (“**JTC**”), JTC is regarded as a “controlling unitholder” of A-REIT and a “controlling shareholder” of the Manager under Appendix 2 of the Code on Collective Investment Schemes (the “**Property Funds Appendix**”) and 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 the Property Funds Appendix an “interested party” and for the purposes of Chapter 9 of the Listing Manual an “interested person” of A-REIT.

Therefore, the Land Allocation will constitute an “interested party transaction” under the Property Funds Appendix and an “interested person transaction” under the Listing Manual.

2. INFORMATION ON THE SITE AND THE DEVELOPMENT

2.1 The Site

The Site is located at Nepal Hill within one-north, an area identified for leadership and talent development under the Leadership Initiatives, Networks, Knowledge (LINK) initiative by JTC.

Nepal Hill also houses the Human Capital Leadership Institute, with other renowned institutes of higher learning, such as the INSEAD Asia campus and the Nanyang Technological University @ one-north within close proximity.

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 Site was valued at S\$26.5 million and S\$26.4 million by Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Jones Lang LaSalle Property Consultants Pte Ltd respectively.

As the Site is allocated to A-REIT for the purpose of development for Unilever, under the build-to-suit arrangement made between A-REIT and Unilever ("**BTS Arrangement**"), Unilever would be responsible for the payment of the Land Premium of S\$26.4 million and had already paid the said sum to JTC, and such payment by Unilever would be deemed as payment by A-REIT of the Land Premium.

2.2 Unilever Four Acres Singapore

Unilever Four Acres Singapore will be a part one-storey and part three-storey recreation and training facility with a total gross floor area of about 9,180 square metres, comprising a three-storey training block, a one-storey recreation and business centre and 10 black and white bungalows. It will serve as Unilever's home for leadership development for its senior leaders, with a focus on Asia with completion expected in 2013.

3. PRINCIPAL TERMS OF THE CONDITIONS FOR THE ALLOCATION OF THE SITE

3.1 The principal terms of the Conditions of Allocation are as follows:

3.1.1 Allocation terms and conditions: The allocation of the Site is subject to the terms and conditions as set out in JTC's letter of offer and Schedule of Building Terms ("**BT**").

3.1.2 Land Premium: The Land Premium for the Lease Term (as described in paragraph 3.1.3 below) is S\$26.4 million. A-REIT shall pay the Land Premium no later than 15 July 2011.

3.1.3 Lease Term: A lease of the Site for a term of 30 years shall be granted by JTC to A-REIT upon fulfilment of the Fixed Investment Criteria (as described in paragraph 3.1.4 below) and compliance with all the covenants, stipulations, terms and conditions in JTC's letter of offer and the BT.

3.1.4 Fixed Investment Criteria:

The Fixed Investment Criteria are as follows:

- (i) fulfilment of an aggregated investment of at least \$33.7 million on building and civil works on the Site, the amount of which includes the cost of the existing structures on the Site (valued at \$5.7 million) to be paid as part of the Land Premium; and
- (ii) develop the land to a gross floor area at gross plot ratio of 0.4 times in accordance with the planning design guidelines provided by JTC.

3.1.5 Authorised Use: The permitted usage of the Site during the Lease Term is “Corporate University (Business Park)”.

3.1.6 Anchor Sublessee: The anchor sublessee of Unilever Four Acres Singapore shall be Unilever. A-REIT may sublet or grant licences to other parties (other than Unilever) to occupy Unilever Four Acres Singapore, subject to the consent of JTC and provided that, the anchor sublessee shall occupy at least 50.0% of the total floor area of Unilever Four Acres Singapore.

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

4.1 The Site will enlarge A-REIT’s presence in one-north

The purpose of acquiring the site is to develop the property for Unilever under the BTS Arrangement.

The development will be A-REIT’s third property within one-north, which will further enhance A-REIT’s operational efficiency and economies of scales in operations as well as enlarging A-REIT’s presence in one-north. This development 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 under the BTS Arrangement will provide 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

Having considered the rationale for the Land Allocation and the terms of the BTS Arrangement, the Audit Committee of the Manager (which comprises four independent directors of the Manager) is of the view that the Land Allocation 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 (other than the Land Allocation) between A-REIT and JTC and/or its associates for the current financial year is approximately S\$110.1 million (including transactions which are exempted under Rule 916 of the Listing Manual), which is about 3.3% of A-REIT's latest audited net tangible assets.

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 392,867,641 Units, and APL and JTC are deemed to be interested in the Units held by Ascendas Land (Singapore) Pte Ltd and the Manager. Save as disclosed above, and based on the information available to the Manager as at the date of this announcement, none of the directors of the Manager or substantial Unitholders have an interest in the Land Allocation.

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
20 July 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 announcement 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.