



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

APPOINTMENT OF ASCENDAS (SHANGHAI) CO., LTD AS PROJECT MANAGER FOR A-REIT'S PROPOSED ACQUISITION IN SHANGHAI, CHINA

1. INTRODUCTION

1.1 Appointment of Project Manager

The Board of Directors of Ascendas Funds Management (S) Limited, as Manager (the "**Manager**") of Ascendas Real Estate Investment Trust ("**A-REIT**"), had on 11 February 2011, announced that it will be acquiring a business space property under development located at No. 200 Jinsu Road, Jinqiao Export and Processing Zone ("**JEPZ**"), Pudong New District, Shanghai, China (the "**Proposed Acquisition**") from Hyday Holding Ltd. (the "**Vendor**") upon its completion expected in 2H FY12/13.

The Board of Directors wishes to announce that it has appointed Ascendas (Shanghai) Co., Ltd to supervise the construction of the Proposed Acquisition (the "**Project Manager**") at a fee of RMB 2,178,000.

The principal scope of works for the Project Manager is as follows:

- assist A-REIT in the review of the design and specification of the development;
- assist A-REIT in reviewing, short-listing and appointing consultants with the requisite qualifications for the project;
- assist A-REIT in the review of contract documentations;
- assist A-REIT to ensure that all necessary government approvals required for the development are secured;
- ensure that the designs and specifications are carried out accordingly by the developer;
- monitoring of project schedule and progress;
- submission of periodic reports advising on the quality, project status and progress;
- attend on A-REIT's behalf any site and progress meetings;
- assist A-REIT in monitoring and evaluating any variations to the contract;
- monitor construction quality;
- monitor all equipment commissioning works;
- monitor project handover, including the compilation of operation manuals, warranties, licenses and as-built drawings;

- inspection and monitoring of defects works rectification;
- assist A-REIT in marketing efforts for the project by furnishing all related technical information;
- assist and monitor handover process to A-REIT; and
- advise on closure of final accounts by contractor.

The Project Manager is tasked to ensure the Proposed Acquisition is developed accordingly to pre-agreed designs and specifications. By having the Project Manager on-site, it will ensure efficient and regular updates to A-REIT on the progress of the Proposed Acquisition during development phase as well as assist A-REIT in the necessary documentation procedures upon completion of the Proposed Acquisition.

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

Ascendas (Shanghai) Co., Ltd as an indirect wholly-owned subsidiary of Ascendas Pte Ltd, is deemed to be interested person/ party of A-REIT.

As at the date of this announcement, Ascendas Pte Ltd holds an aggregate deemed interest of 395,867,641 units in A-REIT (“Units”) through the Units held by Ascendas Land (Singapore) Pte Ltd and the Manager, which is equivalent to 19.01% of the total number of Units currently in issue.

Therefore, the proposed appointment of Ascendas (Shanghai) Co., Ltd as the Project Manager will constitute an “interested person transaction” for the purposes under Chapter 9 of the Listing Manual (the “**Listing Manual**”) of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). and an “interested party transaction” for the purposes under Appendix 2 of the Code on Collective Investment Schemes (the “**Property Funds Appendix**”).

2. INFORMATION ON THE APPOINTMENT OF THE PROJECT MANAGER

The role of the Project Manager is to ensure and monitor the development specifications and timeline of the Proposed Acquisition as agreed with the Vendor. The Project Manager will be responsible for the monitoring of project schedule and progress submission of periodic reports, ensuring the designs and specifications of the development are carried out accordingly, assisting A-REIT in the review of contract documentations, assisting as well as monitoring the handover process amongst others.

To ensure a competitive fee for the appointment of the Project Manager, three quotes were obtained from various project management companies, including Ascendas (Shanghai) Co., Ltd, CBRE China and Aecom in Shanghai. The Manager has interviewed all parties and is satisfied that all parties are able to undertake the role of the Project Manager.

In view of the competitive fee proposal and the track record of Ascendas (Shanghai) Co., Ltd, the Manager has decided to appoint Ascendas (Shanghai) Co., Ltd as the Project Manager for the Proposed Acquisition.

3. AUDIT COMMITTEE STATEMENT

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

4. OTHER INTERESTED PERSON/PARTY TRANSACTIONS

The total of all interested person transactions or interested party transactions (other than the appointment of the Project Manager) between A-REIT and Ascendas Pte Ltd and its associates for the current financial year as at 31 August 2011 is approximately S\$136.9 million (including transactions which are exempted under Rule 916 of the Listing Manual), which is about 4.2% of A-REIT's latest audited net tangible assets. Save as disclosed in this announcement, there are no other interested person transactions or interested party transactions entered into during the current financial year.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

As at the date of this announcement, none of the directors of the Manager is a director of Ascendas (Shanghai) Co., Ltd. Ms Chong Siak Ching, a non-executive Director of the Manager, is the President and Chief Executive Officer and also a director of Ascendas Pte Ltd. Ascendas Pte Ltd is an indirect holding company of Ascendas (Shanghai) Co., Ltd.

As at the date of this announcement, Ms Chong has an aggregate direct and indirect interest of 186,000 Units in A-REIT. Ascendas Pte Ltd has an aggregate indirect interest of 395,867,641 Units, through 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 appointment of the Project Manager.

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
23 September 2011

Important Notice

The value of A-REIT's Units (the "**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.