



[Constituted in the Republic of Singapore
pursuant to the Trust Deed dated 9 October 2002 (as amended)]

ANNOUNCEMENT IN COMPLIANCE WITH RULE 905 OF THE LISTING MANUAL

1. BACKGROUND

Under Rule 905 (1) of the Listing Manual (the "**Listing Manual**") of Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), an issuer is required to make an immediate announcement of any interested person transaction of a value equal to or more than 3% of the group's latest audited net tangible assets ("**NTA**"). Under Rule 905 (2) of the Listing Manual, if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group's latest audited NTA, an issuer is required to make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year. Rules 905(1) and 905(2) do not apply to any transaction below \$100,000.

Based on the Audited Financial Statements of Ascendas Real Estate Investment Trust ("A-REIT"), the NTA of A-REIT was approximately S\$3,291.7 million as at 31 March 2011. 3% of the NTA is approximately S\$98.75 million.

The total value of all interested person transactions entered into by A-REIT with the Ascendas Group in the financial year commencing 1 April 2011 to 31 March 2012, amounts to approximately S\$366.0 million, which exceeds 3% of A-REIT's NTA. The Ascendas Group comprises Ascendas Pte Ltd and its associates, including Jurong Town Corporation being the ultimate shareholder of Ascendas Pte Ltd.

On 8 June 2011, A-REIT was awarded the tender for the business park site development at Fusionopolis amounting to S\$110.0 million (refer to announcement no. 57 made on 8 June 2011) and on 22 March 2012, unitholders had approved the acquisition of Cintech I to IV for a total consideration of S\$183.0 million. For the purposes of Rules 905 (1) and 905 (2) of the Listing Manual, the total value of all interested person transactions of S\$366.0 million includes the Fusionopolis tender and the acquisition of Cintech I to IV.

2. INTRODUCTION TO THE LATEST INTERESTED PERSON TRANSACTION WITH THE ASCENDAS GROUP FOR THE PURPOSES OF COMPLIANCE WITH RULES 905 (1) AND 905 (2)

On 3 October 2011, Ascendas Funds Management (S) Limited (the "**Manager**"), the manager of A-REIT, announced the acquisition of Ascendas Z-Link ("**Ascendas Z-Link**") through the acquisition of all the shares in Ascendas ZPark (Singapore) Pte. Ltd. ("**AZS**"). The Property was owned by Ascendas Hi-Tech Development (Beijing) Co. Ltd.

(“**AHTDBC**”), a wholly owned subsidiary of AZS which was owned by a Fund managed by a company within the Ascendas Group and in which Ascendas held an interest of 25.58%.

Property management services for Ascendas Z-Link are provided by Ascendas Shanghai Co., Ltd. Beijing Branch (“**ASBJ**”) pursuant to a Property Management Agreement (“**China PMA**”). This arrangement was already in existence when Ascendas Z-Link was acquired by A-REIT on 3 October 2011. However, the terms were subsequently amended after A-REIT’s acquisition and the expiry date was changed to 30 June 2012 and A-REIT also paid a lower fee with effect from 3 January 2012.

The Board of Directors of the Manager wishes to announce that the aggregate amount of fees payable to ASBJ under the China PMA exceeds S\$100,000 and results in the aggregate interested person transactions between A-REIT and the Ascendas Group exceeding 3% of the group's latest NTA in the financial year ended 31 March 2012. For the duration of the China PMA from 3 October 2011 until 30 June 2012, the total amount payable to ASBJ by A-REIT is about S\$157,000.

3. DISCLOSURE REQUIREMENTS UNDER THE LISTING MANUAL AND THE PROPERTY FUNDS APPENDIX

ASBJ, being a wholly-owned subsidiary of Ascendas Pte Ltd, is deemed to be an “interested person” for purposes of Chapter 9 of the Listing Manual (the “**Listing Manual**”) of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and an “interested party” for purposes of Appendix 6 of the Code on Collective Investment Schemes.

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.

Based on the aforesaid, this transaction with ASBJ pursuant to the China PMA will constitute an “interested person transaction”

4. INFORMATION ON THE CHINA PMA

The scope of the China PMA includes:

- 1) Lease management services, including lease renewals, tenant expansions and other tenancy related matters, revenue forecasting and planning, and tenant relationship management.
- 2) Property management services, including maintenance management, contract management, cost management, administrative management, all pre-marketing support, handing over and taking over of premises, tenant fit-outs, building safety, and overall estate management support.

- 3) Marketing services including advising on marketing programs, market conditions, prospecting new tenants, conducting viewings and all lease negotiations.
- 4) Project management services, including project management and coordination services relating to any property refurbishment, retrofitting, replacement, upgrading and/or renovation expenditure as part of asset enhancement.
- 5) Financial and accounting services, including rental collections and arrears management, cashflow management, preparation of property-level financial accounts, forecasts and other ad-hoc financial reports.

5. RATIONALE FOR THE APPOINTMENT OF ASBJ

The appointment of ASBJ as Property Manager for Ascendas Z-Link was made after comparison of various competitive quotes obtained from the open market in Beijing as well as taking into account qualitative comparison.

The fees and terms and conditions of the China PMA offered by ASBJ were in line with normal commercial terms in the Beijing market.

The following qualitative factors were considered:

- a) by having ASBJ continue providing services at Z-Link, the relationships built with the three existing tenants as well as other potential key accounts within the Ascendas Beijing (or China) platform could be retained; and
- b) the relationship cultivated with the relevant government authorities (over the years accumulated by Ascendas in China) which is an important value-add factor on top of monetary fee terms.

6. 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 ASBJ to provide services under the China PMA is based on normal commercial terms and is not prejudicial to the interests of A-REIT and its minority Unitholders.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

Ms Chong Siak Ching is a Non-Executive Director of the Manager. She is also the President and Chief Executive Officer as well as a Director of Ascendas Pte Ltd. As at the date of this announcement, Ms Chong has an aggregate direct and indirect interest of 357,000 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 ASBJ pursuant to the China PMA.

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
9 April 2012

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.