



(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 150,000,000 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 150,000,000 New Units to institutional and other investors at an issue price of between 199.00 cents (the “**Minimum Offering Price**”) and 204.00 cents (the “**Maximum Offering Price**”) per New Unit (the “**Issue Price Range**”) to raise gross proceeds of between approximately S\$298.5 million and approximately S\$306.0 million (the “**Private Placement**”). The net proceeds from the Private Placement amount to between approximately S\$294.0 million and approximately S\$301.4 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, Citigroup Global Markets Singapore Pte. Ltd. and J.P. Morgan (S.E.A.) Limited (the “**Joint Lead Managers and Underwriters**”) have today entered into a placement agreement (the “**Placement Agreement**”) in relation to the Private Placement. Pursuant to the Placement Agreement, the Joint Lead Managers and Underwriters have 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 199.00 cents and 204.00 cents per New Unit

This announcement is not for distribution, directly or indirectly, in or into the United States, Canada or Japan. This announcement does not constitute an invitation or an offer of securities. 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.

represents a discount of between:

- (i) 2.1% and 4.5% to the volume weighted average price of 208.44 cents per unit in A-REIT (“Unit”); and
- (ii) (for illustrative purposes only) 1.3% and 3.7% to the adjusted volume weighted average price¹ of 206.75 cents per Unit,

for trades in the Units done on Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the full Market Day² on 2 May 2012.

The Issue Price will be determined by the Manager and the Joint Lead Managers and Underwriters 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 3 May 2012.

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 “Qualified Institutional Buyers” (within the meaning of Rule 144A under the Securities Act).

The Manager, along with the Joint Lead Managers and Underwriters, reserve the absolute discretion in determining whether to allow such participation as well as

1 The adjusted volume weighted average price is computed based on the volume weighted average price of all trades in the Units on the SGX-ST on the full Market Day on 2 May 2012 and subtracting the Advanced Distribution (as defined herein) of approximately 1.689 cents per Unit. This amount is only an estimate based on information currently available to the Manager, and the actual Advanced Distribution may differ.

2 “Market Day” refers to a day on which the SGX-ST is open for securities trading.

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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\$298.5 million from the Private Placement (based on the Minimum Offering Price) in the following manner:

- (i) approximately S\$57.0 million will be used to wholly fund the following asset enhancement initiatives:
 - (a) approximately S\$14.6 million (which is equivalent to 4.9% of the gross proceeds of the Private Placement) for the asset enhancement initiative in relation to 9 Changi South Street 3;
 - (b) approximately S\$42.4 million (which is equivalent to 14.2% of the gross proceeds of the Private Placement) for the asset enhancement initiative in relation to the property known as Tech Place II; and
- (ii) approximately S\$100.3 million will be used to wholly fund the following developments:
 - (a) approximately S\$68.0 million (which is equivalent to 22.8% of the gross proceeds of the Private Placement) for the construction costs of the business park development at Fusionopolis; and
 - (b) approximately S\$32.3 million (which is equivalent to 10.8% of the gross proceeds of the Private Placement) for the construction costs of the Unilever Four Acres Singapore built-to-suit facility;
- (iii) approximately S\$90.0 million will be used to fund the forward purchase of a business space property located at No. 200 Jinsu Road, Jinqiao Export Processing Zone, Shanghai, China (which is equivalent to 30.2% of the gross proceeds of the Private Placement);
- (iv) approximately S\$46.5 million will be used for general corporate and working capital purposes (which is equivalent to 15.6% of the gross proceeds of the Private Placement)³; and

3 Based on the Maximum Offering Price, approximately S\$53.9 million will be used for general corporate and working capital purposes (which is equivalent to 17.6% of the gross proceeds of the Private Placement).

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- (v) approximately S\$4.7 million will be used to pay the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by A-REIT (the “**Issue Expenses**”) (which is equivalent to 1.6% of the gross proceeds of the Private Placement)⁴.

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 of A-REIT (“**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 when pursuing potential growth opportunities. The sufficiency of funds is essential and offers A-REIT a competitive advantage for acquisition of income-producing properties.

In addition to the above-mentioned, the Manager believes that there are other

⁴ Based on the Maximum Offering Price, approximately S\$4.8 million will be used to pay the Issue Expenses (which is equivalent to 1.6% of the gross proceeds of the Private Placement).

opportunities for built-to-suit developments, asset enhancement initiatives, and acquisition and investment 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

Based on the Minimum Offering Price, A-REIT’s Aggregate Leverage⁵ is expected to decrease from 36.6% (as at 31 March 2012) to (i) 32.1% (immediately after the Private Placement and pending deployment of net proceeds of the Private Placement) and (ii) 34.6% (after taking into account the Projects (as defined herein) 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.

	As of 31 March 2012	Immediately after the Private Placement and pending deployment of the net proceeds of the Private Placement for their intended use ⁽¹⁾	Immediately after the Private Placement and pending deployment of the net proceeds of the Private Placement for their intended use and after the Projects ^{(1), (2)}
Borrowings and Deferred Payment	S\$2,401.1 million	S\$2,107.1 million	S\$2,354.4 million
Deposited Property	S\$6,564.4 million	S\$6,564.4 million	S\$6,811.7 million
Aggregate Leverage	36.6%	32.1%	34.6%

Notes:

- (1) Based on unaudited financial statements for the financial year ended 31 March 2012 and assuming that, pending deployment of the net proceeds of the Private Placement as described in the section “Use of Proceeds” above, the net proceeds are fully used to repay debt facilities.
- (2) Inclusive of the remaining funding requirements for the following asset enhancement projects: 9 Changi South Street 3 and Tech Place II; and investments in Unilever Four Acres Singapore, Business Park facility at Fusionopolis and forward purchase of a business park property at Jinqiao, Shanghai, China (collectively, the “**Projects**”).

5 “**Aggregate Leverage**” is defined in the Property Funds Appendix (Appendix 6 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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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, following the Private Placement and taking into account the Projects, is expected to create additional borrowing capacity of S\$617.1 million based on an assumed Aggregate Leverage of 40.0%, 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.

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 150,000,000, which is an increase of 7.2% of the total number of Units currently in issue.

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 given to the Manager at the annual general meeting held on 28 June 2011, pursuant to which the Manager may, during the period from 28 June 2011 to 28 June 2012, 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 2011 (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, shall not be more than 20.0% of the Base Figure.

As at 28 June 2011, the number of Units in issue was 2,082,410,675.

The New Units to be issued pursuant to the Private Placement (150,000,000 New Units) would constitute 7.2% 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 Advanced 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 April 2012 to the day immediately prior to the date on which the New Units are issued pursuant to the Private Placement (the “**Advanced Distribution**”).

The New Units are expected to be issued on 14 May 2012. The current expectation of the Manager is that the quantum of distribution per Unit under the Advanced Distribution will be approximately 1.689 cents⁶.

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 2012. Quarterly distributions will resume thereafter.

The Advanced 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

6 The advance distribution for the period from 1 April 2012 to the day immediately prior to the date on which the New Units are issued pursuant to the Private Placement is estimated based on normalised April and May 2012 revenue and expenses. The advance distribution comprises amount available for distribution from operations and amount available for distribution classified as capital distribution from a tax perspective, equivalent to the amount of interest income (net of tax) from a finance lease with a tenant. Such distribution is not taxable in the hands of Unitholders, save for Unitholders who are holding the units as trading assets.

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.

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
3 May 2012

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. 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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