



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

**ASCENDAS REAL ESTATE INVESTMENT TRUST PLACEMENT
LAUNCH OF PLACEMENT TO RAISE GROSS PROCEEDS OF NO LESS THAN
S\$350.0 MILLION (“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 placement of 140,000,000 New Units to institutional and other investors at an issue price of between S\$2.50 (the “**Minimum Offering Price**”) and S\$2.55 (the “**Maximum Offering Price**”) per New Unit (the “**Issue Price Range**”) to raise gross proceeds of no less than S\$350.0 million (the “**Private Placement**”).

2. Details of the Private Placement

The Manager, Citigroup Global Markets Singapore Pte. Ltd. and DBS Bank Ltd. (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 S\$2.50 and S\$2.55 per New Unit represents a discount of between:

- (i) 3.1% and 5.0% to the volume weighted average price of S\$2.6328 per unit in A-REIT (“**Unit**”); and
- (ii) (for illustrative purposes only) 2.1% and 4.1% to the adjusted volume

This announcement is not for distribution, directly or indirectly, in or into the United States, Canada or Japan. This announcement is not an offer of securities for sale into the United States, Canada or Japan. The securities described herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold in the United States except pursuant to an applicable exemption from registration. There will be no public offer of securities in the United States.

weighted average price¹ of S\$2.6058 per Unit,

for trades in the Units done on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the full Market Day² on 7 March 2013.

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 8 March 2013.

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 Securities Act, and may be offered or sold only (a) within the United States in accordance with Rule 144A, and in such cases only to “qualified institutional buyers” as defined in Rule 144A, or (b) in offshore transactions as defined in and in reliance on Regulation S or (c) pursuant to another available exemption from registration 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 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\$350.0 million from the Private Placement (based on the Minimum Offering Price) in the following manner:

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- 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 7 March 2013 and subtracting the Advanced Distribution (as defined herein) of approximately 2.70 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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- (i) approximately S\$126.0 million (which is equivalent to 36.0% of the gross proceeds of the Private Placement) to fund the potential acquisition of a property located within Singapore Science Park II (the “**Science Park Property**”), which makes such property easily accessible through Pasir Panjang Road and the nearby Haw Par Villa Mass Rapid Transit (“**MRT**”) station. The purchase consideration of this multi-tenanted property (subject to the completion of the negotiations with the vendor) is expected to be approximately S\$126.0 million;
- (ii) approximately S\$210.0 million (which is equivalent to 60.0% of the gross proceeds of the Private Placement) to partly fund the potential acquisition of an integrated industrial mixed use property (comprising business space and white commercial space) at Kallang Avenue (the “**Kallang Property**”), which is centrally located at the fringe centre of the Central Business District of Singapore and is located in close proximity to the Lavender MRT station, which is two stations away from the City Hall MRT interchange. The property is currently under construction and is expected to have a value of approximately S\$490.0 million; and
- (iii) approximately S\$5.4 million (which is equivalent to 1.5% of the gross proceeds of the Private Placement) 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**”),

with the balance of the gross proceeds, if any, to be used for general corporate and working capital purposes.

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.

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5. Rationale for the Private Placement

The Manager believes that the Private Placement will bring the following benefits to unitholders of A-REIT (“Unitholders”):

Facilitates the Manager’s acquisition of two top tier assets which would further enhance the quality of A-REIT’s portfolio and improve distributable income to Unitholders

The Manager intends to deploy proceeds from the Private Placement towards the acquisition of the Science Park Property and the Kallang Property (together, the “Properties”).

Given the high quality specifications and strategic location of the Properties, the acquisition would further strengthen A-REIT’s leading position in the Business & Science Parks segment. The enlargement of A-REIT’s Business & Science Parks portfolio would also bring about economies of scale and enhances operational efficiencies for A-REIT.

In addition, the proposed acquisition of the property located within Science Park II will complement and enhance A-REIT’s foothold in the science parks segment within the Science Park vicinity in Singapore. With the addition of this property, A-REIT will have 11 properties in the Science Park segment, thereby offering further opportunities to enhance operational efficiency and economy of scale.

In addition, the Manager expects to acquire the Properties at attractive yields which would result in DPU accretion once the proceeds are fully deployed and the occupancy of the Kallang Property stabilised. The Manager believes that this will enhance distributable income to Unitholders.

Strengthen A-REIT’s balance sheet and capital structure and enhance its financial flexibility

A-REIT’s Aggregate Leverage³ is expected to decrease from 32.8% as at 31 December 2012 to 27.6% immediately after the Private Placement assuming that pending deployment of net proceeds of the Private Placement, the net proceeds from the Private Placement are fully used to repay debt facilities as illustrated in the table below.

3 “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.

A-REIT's aggregate leverage would be 34.6%, immediately after the Private Placement, assuming the Projects have been funded immediately after the Private Placement. Without the proceeds raised from the Private Placement, A-REIT's aggregate leverage would, following the funding of the Projects, increase to 39.2%.

	As of 31 December 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 taking into account the Projects ^{(1), (2) and (3)}
Borrowings and Deferred Payment	S\$2,192.3 million	S\$1,847.7 million	S\$2,557.4 million
Deposited Property	S\$6,686.0 million	S\$6,686.0 million	S\$7,395.7 million
Aggregate Leverage	32.8%	27.6%	34.6%

Notes:

- (1) Based on unaudited financial statements for the financial period ended 31 December 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 above mentioned potential acquisitions of the Science Park Property and the Kallang Property as well as the investment amount yet to be funded of S\$216.9 million as per A-REIT's presentation on its unaudited financial statements for the financial period ended 31 December 2012 (collectively, the "Projects").
- (3) As at December 2012, A-REIT has subscribed for approximately S\$123.2 million of convertible bonds issued by the developer of the Kallang Property. The convertible bonds carries a coupon rate of 2.00% per annum and is secured over the assets of the developer of the Kallang Property but ranked after the security given by the developer to secure bank financing of the Kallang Property.

Following the Private Placement and taking into account the Projects, A-REIT is expected to have borrowing capacity of approximately S\$1,401.2 million based on an assumed Aggregate Leverage of 45.0%, 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 140,000,000, which is an increase of 6.25% of the total number of Units currently in issue.

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This increase in the total number of Units in issue and enlarged Unitholder base are 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 as given to the Manager pursuant to the annual general meeting held on 28 June 2012, pursuant to which the Manager may, during the period from 28 June 2012 to (i) the conclusion of the next AGM of A-REIT or (ii) the date by which the next AGM of A-REIT is required by applicable regulations to be held, whichever is earlier, 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 2012 (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 2012, the number of Units in issue was 2,237,552,568.

140,000,000 New Units to be issued pursuant to the Private Placement would constitute 6.26% 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.

The amount of Units that can be issued under the general mandate is 1,118,776,284 Units, of which no more than 447,510,513 Units may be issued for a non pro rata placement. The Manager has issued 1,393,522 Units since 28 June 2012.

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.

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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 January 2013 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 19 March 2013. The current expectation of the Manager is that the quantum of distribution per Unit under the Advanced Distribution will be approximately 2.70 cents.

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 31 March 2013. 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 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
8 March 2013

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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. This announcement is not an offer of securities for sale into the United States, 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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