

A-REIT completes divestment of 1 Kallang Place

21 May 2014, Singapore – Further to the press release dated 21 April 2014, Ascendas Funds Management (S) Limited (the “**Manager**”), the manager of Ascendas Real Estate Investment Trust (“**A-REIT**”) is pleased to announce that the divestment of 1 Kallang Place to Flextronics Manufacturing (Singapore) Pte Ltd, a related company of the incumbent tenant, Flextronics Plastics (Singapore) Pte Ltd, has been completed today for S\$12.6 million.

The sale price of S\$12.6 million represents a 5% premium over the original purchase price of S\$12.0 million. The proforma impact on A-REIT’s net property income and distribution per Unit for FY13/14 is approximately S\$1.06 million and 0.04 cents respectively, assuming that the divestment was completed on 1 April 2013.

Following this divestment, A-REIT owns 102 properties in Singapore and 2 business park properties in China. The proceeds from the divestment may be recycled to fund committed investments, used to repay existing indebtedness, fund general corporate and working capital needs, and/or to make distributions to Unitholders.

In accordance to A-REIT’s Trust Deed, the Manager is entitled to a divestment fee of 0.5% of the sale price of the Property.

This is a voluntary announcement as this divestment is not a disclosable transaction.

About the Property

1 Kallang Place is a 7-storey light industrial warehouse facility that was acquired by A-REIT in 2007 in a sale and leaseback transaction. The Property has a gross floor area of approximately 15,490 sqm, and the remaining land lease tenure is slightly over 10 years as at the date of this announcement. The book value of the property was S\$10.5 million as at 31 March 2014.

- End -

About A-REIT (www.a-reit.com)

A-REIT is Singapore's first listed business space and industrial real estate investment trust. It has a diversified portfolio of 102 properties in Singapore, comprising business and science park properties, hi-specs industrial properties, light industrial properties, and logistics and distribution centres, and 2 business park properties in China. As at 31 March 2014, total assets amount to about S\$7.4 billion. These properties house a tenant base of around 1,300 international and local companies from a wide range of industries and activities, including research and development, life sciences, information technology, engineering, light manufacturing, logistics service providers, electronics, telecommunications, manufacturing services and back-room office support in service industries. Major tenants include SingTel, C&P Logistics, Siemens, Honeywell, Zuellig Pharma, Citibank N.A., OSIM International, DBS Bank, Federal Express, Baidu, Inc., Johnson & Johnson, RSH, Infineon Technologies, Procter & Gamble and Hyflux.

A-REIT is listed in several indices. These include the Morgan Stanley Capital International, Inc (MSCI) Index, the European Public Real Estate Association/National Association of Real Estate Investment Trusts (EPRA/NAREIT) Global Real Estate Index and Global Property Research (GPR) Asia 250 and FTSE ST Mid Cap. A-REIT has an issuer rating of "A3" by Moody's Investor Services.

A-REIT is managed by Ascendas Funds Management (S) Limited (in its capacity as manager of A-REIT), a wholly-owned subsidiary of the Singapore-based Ascendas Group.

About Ascendas (www.ascendas.com)

Ascendas is Asia's leading provider of business space solutions with more than 30 years of experience. Based in Singapore, Ascendas has built a strong regional presence and serves a global clientele of over 2,400 customers in 25 cities across 10 countries including Singapore, China, India, South Korea and Vietnam.

Ascendas specialises in masterplanning, developing, managing and marketing IT parks, industrial & logistics parks, business parks, science parks, hi-specs facilities, office and retail spaces. Leveraging on its track record and experience, Ascendas has introduced new business space concepts such as integrated communities and solutions which seamlessly combine high-quality business, lifestyle, retail and hospitality spaces to create conducive human-centric work-live-play-learn environments. Its flagship projects include the Singapore Science Park and Changi City at Changi Business Park in Singapore, International Tech Park Bangalore in India and Ascendas-Xinsu in Suzhou Industrial Park, China. Ascendas provides end-to-end real estate solutions, assisting companies across the entire real estate process.

In November 2002, Ascendas launched Singapore's first business space trust, Ascendas Real Estate Investment Trust (A-REIT), and in August 2007, Ascendas India Trust (a-iTrust) was launched as the first listed Indian property trust. In July 2012, Ascendas listed Ascendas Hospitality Trust (A-HTRUST), which comprises a portfolio of quality hotels in Australia, China, Japan and Singapore. Besides managing listed real estate funds, Ascendas also manages a series of private funds with commercial and industrial assets across Asia.

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Important Notice

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

Any discrepancies in the Figures included herein between the listed amounts and total thereof are due to rounding.