



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

**ANNOUNCEMENT
PAYMENT OF BASE FEE
BY WAY OF ISSUE OF UNITS
IN ASCENDAS REAL ESTATE INVESTMENT TRUST**

The Board of Directors of Ascendas Funds Management (S) Limited ("**Ascendas-FMS**") wishes to announce that 834,647 units in Ascendas Real Estate Investment Trust ("**A-REIT**") ("**Units**") have been issued to Ascendas-FMS, in its capacity as Manager of A-REIT. The Units were allotted today at an issue price of S\$2.2436 per Unit, being payment of 20% of the base fee ("**Base Fee**") component of the management fee for the period from 19 November 2007 to 18 May 2008.

The Base Fee is calculated in the Trust Deed constituting A-REIT (the "**Trust Deed**") by taking 0.5% per annum of the value of all the gross assets of A-REIT. In accordance with the Trust Deed, the issue price was determined based on the volume weighted average traded price for a unit for all trades done on Singapore Exchange Securities Trading Limited ("**SGX-ST**") in the ordinary course of trading on the SGX-ST for 10 business days immediately preceding the date of issue of Units to Ascendas-FMS.

This mode of paying 50% of the Base Fee in Units was disclosed in the section entitled "The Manager and the Sponsors" on page 125 of the prospectus dated 5 November 2002 issued in connection with the initial public offering of units.

At A-REIT's Unitholders' Meeting held on 28 June 2007, A-REIT's unitholders approved an extraordinary resolution supplementing the Trust Deed to allow the Manager to elect from time to time to receive both its Base Fee and performance fee wholly in Units or wholly in cash or in any combination of both with effect from 19 November 2007. The Manager has elected to receive 20% of the Base Fee in units and 80% in cash for all properties after 19 November 2007. The Manager will continue to receive the performance fee, if any, in Units. This arrangement will continue to demonstrate the alignment of the interest of the Manager with the interests of the Unitholders of AREIT. The change in the basis for the payment of the management fee will have no significant impact on the DPU for the coming year.

Following the above issue of Units, the total A-REIT units on issue is 1,329,618,440 of which Ascendas-FMS's holding is 21,676,807 units or approximately 1.63%.

By Order of the Board

Ascendas Funds Management (S) Limited (Company Registration No. 200201987K)
as Manager of Ascendas Real Estate Investment Trust

Ms Maria Theresa Belmonte
Assistant Company Secretary
24 June 2008

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 85 properties in Singapore, comprising business and science park properties, hi-tech industrial properties, light industrial properties, and logistics and distribution centres, with total assets of about S\$4.2 billion. These properties house a tenant base of over 790 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, TT International, Honeywell, IHPC, Zueligg Pharma, LFD (Singapore), OSIM International, Venture Corporation, Federal Express, Freight Links Express, 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 corporate family credit rating of A3 was assigned to A-REIT by Moody's Investors Service in December 2005 and reaffirmed in January 2008.

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.

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Important Notice

The value of 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 Singapore Stock Exchange ("**SGX-ST**").

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for unit.

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.