

A-REIT to acquire three Science Park properties for S\$183 million

Portfolio grew from 8 to 101 properties within 10 years of its listing in Nov 2002

06 February 2012, Singapore – Ascendas Funds Management (S) Limited (the “**Manager**”), the manager of Ascendas Real Estate Investment Trust (“**A-REIT**”) is pleased to announce the proposed acquisitions of Cintech I, Cintech II, Cintech III and Cintech IV (collectively, the “**Properties**”) at Science Park Drive, for a total purchase consideration of S\$183 million.

Mr Tan Ser Ping, Executive Director and Chief Executive Officer of the Manager said, “We are pleased to acquire this portfolio of quality Science Park assets which will enhance A-REIT’s market share within the Science Park segment in Singapore. With the acquisitions, A-REIT will have eight properties within the two Singapore Science Parks, thus creating opportunity to improve operational efficiency through economies of scale.

In addition, the properties are located within walking distance from the Kent Ridge Mass Rapid Transit station and their quality specifications will be able to cater to the knowledge-based industries of Singapore.”

Details of the Acquisitions

HSBC Institutional Trust Services (Singapore) Limited (as trustee of A-REIT) has entered into a conditional sale and purchase agreement (the “**Sale and Purchase Agreement**”) with Ascendas Land (Singapore) Pte Ltd (the “**Vendor**”) to acquire the Properties (the “**Acquisitions**”) for a total purchase consideration of S\$183.0 million (the “**Purchase Consideration**”).

A-REIT is expected to incur estimated transactional costs of about S\$2.53 million, which includes S\$1.83 million in acquisition fees payable to the Manager (being 1% of the Purchase Consideration). As the Acquisitions constitute an interested party transaction, the acquisition fee will be paid in the form of Units, which shall not be sold within one year from the date of issuance. The total acquisition cost of the Properties (the “**Total Acquisition Cost**”) is currently estimated to be approximately S\$185.5 million.

The Manager may, subject to the approval of Unitholders, make partial payment for the Acquisitions by issuing new Units to ALS amounting to not more than 50% of the Purchase Consideration, ie S\$91.5 million. The final issue price of the Consideration Units will be determined based on the 10-Day Volume Weighted Average Price immediately preceding the completion date of the Acquisitions, in accordance with the provisions of A-REIT's Trust Deed.

The Acquisitions are expected to generate a net property income yield of approximately 7.3%. The annualised pro forma financial effect of the Acquisitions is expected to be 0.16 cents per unit ⁽¹⁾ on the distribution per unit for the financial year ended 31 March 2011.

About the Properties

Located within Singapore Science Park I, one of two designated Science Parks in Singapore, the Properties are easily accessible via the Ayer Rajah Expressway and conveniently connected to the central business district in Singapore, being approximately a 15-minute drive away. The Properties are highly accessible via public transportation, being situated near the Kent Ridge Mass Rapid Transit station and are served by various bus services in the vicinity of the Properties. A majority of the tenants of the Properties are in the research and development industries as well as the technology industries.

Cintech I

Completed in 1988, Cintech I is a four-storey building with two basement levels housing a canteen and a basement car park. It is adjacent to Cintech II and they are linked by a covered passageway. Cintech I had an occupancy rate of 100.0% as at 31 January 2012 with 13 tenants.

Cintech II

Completed in 1990, Cintech II is a two-storey building with two basement levels for car park. As at 31 January 2012, Cintech II had an occupancy rate of 92.7% with 4 tenants.

⁽¹⁾ Assuming A-REIT had purchased, held and operated the Properties for the whole of the financial year ended 31 March 2011 (based on 93 properties); S\$91.5 million of the Purchase Consideration had been satisfied by way of issuance of Consideration Units, with the remainder funded by debt. In respect of the Acquisitions, it has been assured that the Manager had elected to receive 80% of its base management fee in cash and 20% in units.

Cintech III and Cintech IV

Cintech III and Cintech IV are situated on the same plot of land. Cintech III is a four-storey building with a basement car park and Cintech IV is a six-storey building with a basement car park. Cintech III was completed in 1994 and Cintech IV was completed in 2009. As at 31 January 2012, Cintech III and Cintech IV had an occupancy rate of 90.9% and 100.0% respectively, with 24 and 4 tenants respectively.

With the above acquisitions and the completion of development of Fedex Singapore Regional Hub in January 2012, A-REIT will own a total of 100 properties in Singapore and 1 business park property in Beijing, China.

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

A-REIT is Singapore's first listed business space and industrial real estate investment trust. As at 31 December 2011, A-REIT has a diversified portfolio of 96 properties in Singapore, comprising business and science park properties, hi-tech industrial properties, light industrial properties, and logistics and distribution centres, and a business park property in China with total assets of about S\$6.0 billion. These properties house a tenant base of over 1,100 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, LFD (Singapore), OSIM International, Venture Corporation, 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 a corporate family 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 the Ascendas Group (www.ascendas.com)

Ascendas is Asia's premier provider of business space solutions with a significant presence in the region. Ascendas develops, manages and markets IT Parks, industrial parks (manufacturing, logistics and distribution centres), business parks, science parks, hi-tech facilities, office and retail space. Among its flagships are the Singapore Science Park, International Tech Park Bangalore, Ascendas-Xinsu in Suzhou and Dalian-Ascendas IT Park. More than 1,800 of the world's leading companies, many in the Fortune 500 list, have made Ascendas properties their preferred address in Asia.

Ascendas is also a leading real estate fund management player focused on the management of public-listed property trusts and private real estate funds, investing in a diverse range of industrial and commercial real estate properties across Asia. Listed on the main board of Singapore Exchange Securities Trading Limited are Ascendas Real Estate Investment Trust (A-REIT), Singapore's first business space trust, and Ascendas India Trust (a-iTrust), Asia and Singapore's first Indian property trust. The Ascendas Group also manages a range of private real estate funds which invest in business space in India, China, South Korea and ASEAN. All the funds are supported by Ascendas' strong fund management and real estate expertise, and are testament to its commitment to each of its markets.

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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 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.