



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

ANNOUNCEMENT

Issue of Units to Manager in lieu of Management Fees

The Board of Directors of Ascendas-MGM Funds Management Limited ("**Ascendas-MGM**") wishes to announce that 880,477 units in Ascendas Real Estate Investment Trust ("**A-REIT**") ("**Units**") have been issued to Ascendas-MGM, in its capacity as manager of A-REIT. The Units were allotted at an issue price of S\$1.9338 per Unit, in lieu of the payment of 50% of the base fee ("**Base Fee**") component of the management fee for the period from 19 May 2005 to 18 November 2005 in respect of the first 19 properties¹ of A-REIT.

The Base Fee is defined in the trust deed constituting A-REIT (the "**Trust Deed**") as 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-MGM.

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 extraordinary general meeting held on 2 November 2004, A-REIT's unitholders approved an extraordinary resolution where the Manager may, in relation to each new property acquired by A-REIT irrevocably elect at any time to receive its base fee and performance fee payable under A-REIT's trust deed in the form of cash and/or Units.

In respect of the 39 properties acquired by A-REIT since November 2004, the Manager has elected to receive its Base Fee entirely in cash and its performance fee entirely in Units.

For the first 19 properties owned by A-REIT, the Manager will continue to receive its Base Fee in equal proportions of cash and Units. The performance fee will continue to be paid entirely in Units.

¹ The first 19 properties are: Alpha, Aries, Capricorn, Gemini, Honeywell, Techlink, Techplace I, Techplace II, OSIM HQ Building, Ghim Li Building, Ultro Building, Changi Logistics Centre, Siemens Center, Trivec Building, TT International Tradepark, IDS Logistics Corporate HQ, Nan Wah Building, Progen Building, C&P Logistics Hub.

Following the above issue of Units, the total A-REIT units on issue is 1,277,203,708 of which Ascendas-MGM's holding is 9,585,075 units.

By Order of the Board

Ascendas-MGM Funds Management Limited (Company Registration No. 200201987K)
as manager of Ascendas Real Estate Investment Trust

Soon Kah Hwee

Assistant Company Secretary

9 December 2005