

Press Release



A-REIT signs agreements for acquisitions worth \$271.7 million **- expected to generate weighted average property yield of 7.6%**

27 July 2005, Singapore – Ascendas-MGM Funds Management Limited (the “**Manager**”), the manager of Ascendas Real Estate Investment Trust (“**A-REIT**”) has signed separate put-and-call option agreements to acquire nine properties for a total purchase price of \$271.7 million. The weighted average property yield for the nine properties is expected to be 7.6% based on the estimated net property income for the first year of acquisition. The nine properties are Techview, Techquest, LogisHub@Clementi, Hoya Building, Hamilton Sundstrand Building, Thales Building, Cityneon Design Centre, NNB Industrial Building and SENKEE Logistics Hub (comprising two stages of which stage 2 is an asset enhancement) (together, the “**Properties**”).

Of the nine properties, six (with a value of \$143.6 million) will be acquired from the Ascendas Group. The option agreements were signed on 26 July 2005. The acquisition of these properties will be subject to the approval of A-REIT unitholders at an extraordinary general meeting to be scheduled in the near future.

The other three separate option agreements were signed with SENKEE Logistics Pte Ltd (“**SENKEE**”) for SENKEE Logistics Hub on 26 July 2005; Cityneon Displays (S) Pte Ltd (“**Cityneon Display**”) for CityNeon Design Centre on 22 July 2005 and Ng Nam Bee Marketing Pte Ltd (“**Ng Nam Bee**”) for NNB Industrial Building on 19 July 2005 respectively.

The pro forma financial effect of the Properties on A-REIT’s distributable income per Unit for the financial year ended 31 March 2005 is 0.43 cents, assuming that:

- A-REIT had purchased, held and operated the nine properties as well as other properties acquired since the start of A-REIT's current financial year, for the whole of the financial year ended 31 March 2005;
- the acquisition of the nine properties had been funded using the optimal gearing level of 30% debt and 70% equity; and
- In respect of each of the nine properties, the Manager had elected to receive its base Fee entirely in cash and the relevant portion of its performance Fee entirely in units.

Mr Tan Ser Ping, Chief Executive Officer of the Manager, said, "We are pleased to acquire these well-positioned quality properties which will provide further accretion to A-REIT's distributable income and will further diversify A-REIT's portfolio. Given the acquisition opportunities available to us, we expect to conclude a few more transactions over the next few weeks."

The purchase of the Properties may be funded through additional borrowings or by issuing new equity or a combination of both. The Manager is currently reviewing various financing alternatives as well as the optimal level of gearing for A-REIT for the proposed acquisitions. The Manager will advise A-REIT's unitholders of the proposed funding method as soon as it has been finalised and provide information relating to the financial effects of the proposed acquisition, such as the net property income which will be attributable to the individual property as well as the impact of the proposed acquisition on the net asset value per Unit, the distribution per Unit and A-REIT's gearing.

Summary of Properties and Lease Terms (property description in the Appendix)

Property	Appraised Value (S\$ million)	Purchase Price (S\$ million)	Property Yield Before Costs FY2005/06 (%)	Rental Escalation	Lease Tenure (Years)	Land Area (sqm)	Net Lettable Area (sqm)	Major Tenants	Asset Class	Land Lease Expiry
Techview	76.0	76.0	7.2	N.A.	Multi-tenanted Building	22,516	36,912	Amkor Technology Singapore, IBM Singapore, Saleslink International & Rohde & Schwarz Support Centre Asia Ltd	Hi-Tech Industrial	8-Jul-56
Techquest	7.5	7.5	7.4	N.A.	Multi-tenanted Building	6,506	6,266	Scandent Group, Sonic Singapore, Blueprint Impex & YKK AP Singapore	Business Park	15-Jun-55
LogisHub@ Clementi	18.1	18.1	8.0	N.A.	Multi-tenanted Building	23,529	22,419	John Wiley & Sons (Asia) Pte Ltd, Arrow Electronics Asia (S) Pte Ltd and Hub Distributors Pte Ltd	Logistics & Distribution Centres	15-May-53
Hoya Building	5.3	5.3	11.2	N.A.	10	6,451	5,092	Hoya Medical Singapore Pte Ltd	Light Industrial	15-May-33
Hamilton Sundstrand Building	31.0	31.0	7.7 ⁽¹⁾	stepped rental increases p.a.	12	30,965	16,837	Hamilton Sundstrand Pacific Aerospace Pte Ltd	Light Industrial	28-Feb-65
Thales Building	5.8	5.8	8.1	stepped rental increases p.a.	10	10,159	6,049	Thales Avionics Asia Pte Ltd	Light Industrial	30-Jun-47
Cityneon Design Centre	10.0	10.0	8.4	N.A.	Multi-tenanted Building	4,776	9,726	Cityneon Displays (S) Pte Ltd, Peak Resources Pte. Ltd. and Pigeon Singapore Pte. Ltd.	Light Industrial	30-Nov-39
NNB Industrial Building	12.0	12.0	8.3	stepped rental increases p.a.	10	8,282	9,794	Ng Nam Bee Marketing Pte Ltd	Light Industrial	15-Jan-56
SENKEE Logistics Hub	Stage 1: 42.3 Stage 2: N.A. ⁽²⁾	Stage 1: 42.3 Stage 2: 63.8	7.2 ⁽³⁾	stepped rental increases p.a.	Stage 1: 10	30,874	Stage 1: 28,421 Stage 2: GFA 43,000	SENKEE Logistics Pte Ltd	Logistics & Distribution Centres	31-Jan-49 ⁽⁴⁾
Total/ Weighted Average	207.9	271.7	7.6%			144,058	184,516			

Notes:

(1) The specialized air-conditioning M&E equipment of Hamilton Sundstrand Building (of S\$5.95 million) has not been included in this computation as it will be recorded in the balance sheet as a fixed asset and depreciated in line with tax depreciation rates.

(2) Valuation excludes SENKEE's stage 2 asset enhancement as it has not been constructed yet.

(3) Property yield is based on purchase price and net property income of stage 1 of SENKEE Logistics Hub. Stage 2 is expected to provide a similar yield.

(4) Conditional upon JTC Corporation ("JTC") granting a 15-year option.

A-REIT currently has a portfolio of 44 properties. A-REIT had also previously announced two other proposed acquisitions: a building along Depot Road being developed by Ascendas Pte Ltd for lease to a US Fortune 500 multinational company which is a pre-committed project expected to be completed in 2006 and Ness Building, which is expected to be completed in October 2005.

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

A-REIT is the first business space and light industrial real estate investment trust (“REIT”) listed on the SGX-ST. It has a diversified portfolio of 44 properties in Singapore, comprising business park (including science park), light and hi-tech industrial properties, and logistics and distribution centres, with a book value of S\$2.3 billion. These properties house a tenant base of over 500 international and local companies from a range of industries and activities, including research and development, life sciences, information technology, engineering and light manufacturing. Major tenants include SingTel, C&P Logistics, Siemens, TT International, Honeywell, IHPC, Zuellig 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 FTSE Global Small Cap Asia Pacific Ex Japan Index Series, the European Public Real Estate Association/National Association of Real Estate Investment Trusts (EPRA/NAREIT) Global Real Estate Index, Global Property Research (GPR) Asia 250 and the Standard & Poor inaugural S&P Asia PowerPicks 2004 portfolio.

A-REIT is managed by **Ascendas-MGM Funds Management Limited** (in its capacity as manager of A-REIT), a 60:40 joint venture between Singapore-based Ascendas Pte Ltd and Australian-based Macquarie Goodmann Management Limited.

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Appendix

Description of the Properties

1. Techview

Techview is owned by Ascendas (KB View) Pte Ltd ("**Ascendas KBV**"). Techview is located at 1 Kaki Bukit View and is easily accessible by the Pan-Island Expressway (PIE). Completed in 1998, the property comprises a five-storey building, with a total net lettable area of approximately 36,912 sqm and has a parking capacity of approximately 500 parking lots. The total gross floor area is 50,985 sqm on a land area of 22,516 sqm (both subject to survey).

The multi-tenanted property, with an occupancy rate of 87%, has existing tenants which include IBM Singapore Pte Ltd, Amkor Technology Singapore Pte Ltd, Rohde & Schwarz Systems & Communications Asia Pte Ltd and Edwards Lifesciences (S) Pte Ltd. Ascendas KBV will provide A-REIT with a rental guarantee for two years, over the vacant space.

2. Techquest

Techquest is owned by Ascendas Land (Singapore) Pte Ltd ("**Ascendas Land**"). Techquest is located at 7 International Business Park, which is in close proximity to the Ayer Rajah Expressway (AYE) and is set within the neighbourhood of buildings tenanted by companies like Creative, Acer and M1.

The property comprises a five-storey building, with a total net lettable area of approximately 6,266 sqm (subject to survey). The multi-tenanted building with a current occupancy rate of 72% has existing tenants which include Scandent Group, Sonic Singapore, Blueprint Impex & YKK AP Singapore. Ascendas Land will provide A-REIT with a rental guarantee for two years, over the vacant space and leases expiring in the current financial year ended 31 March 2006

3. LogisHub@Clementi

LogisHub@Clementi is owned by Ascendas (Tuas) Pte Ltd ("**Ascendas Tuas**"). LogisHub@Clementi is located in No. 2 Clementi Loop and is in close proximity

to the PIE. The property comprises a four-storey warehouse with ancillary office space, with a total net lettable area of approximately 22,419 sqm (subject to survey).

The multi-tenanted property, with an occupancy rate of 53%, has existing tenants which include John Wiley & Sons (Asia) Pte Ltd, Arrow Electronics Asia (S) Pte Ltd and Hub Distributors Pte Ltd. Ascendas Tuas will provide A-REIT with a rental guarantee for two years, over the vacant space and leases expiring in the current financial year ended 31 March 2006.

Ascendas Tuas has informed A-REIT that a prospective tenant has accepted its offer on 25 July 2005 to take up some of the vacant space and possession is expected to take place in September 2005, which will then bring the property's occupancy rate to around 71%.

4. Hoya Building

Hoya Building is owned by Ascendas Land. Hoya Building is located at 455A Jalan Ahmad Ibrahim and is well served by the AYE. Hoya Building is leased to Hoya Medical Singapore Pte Ltd, which is part of Hoya Group, Japan's first specialty manufacturer of optical glass established in 1941. The group has continued to grow as a global enterprise through the expansion of its diverse business activities, which encompass electro-optics, photonics, vision care, healthcare and crystal products.

The property comprises a two-storey building, with a total net lettable area of approximately 5,092 sqm (subject to survey).

5. Hamilton Sundstrand Building

Hamilton Sundstrand Building is owned by Ascendas Tuas. Hamilton Sundstrand Building will be leased to Hamilton Sundstrand Pacific Aerospace Pte Ltd upon completion of construction expected to be in October 2005. Hamilton Sundstrand, a subsidiary of United Technologies Corporation, is among the largest global suppliers of technologically advanced aerospace and industrial products.

Developed by Ascendas Tuas, the building is made up of a single-storey factory with mezzanine and a single-storey ancillary office. The property is located along Changi North Rise and is adjacent to the Thales Building. The total gross floor area of Hamilton Sundstrand Building is 17,737 sqm on a land area of 30,965 sqm (both subject to survey).

6. Thales Building

Thales Building is owned by Ascendas Tuas. Thales Building is situated along Changi North Rise Road and is adjacent to Hamilton Sundstrand Building.

Thales Building comprises a three-storey industrial building and its sole tenant is Thales Avionics Asia Pte Ltd, which is one of the world's largest professional electronics groups, serving the defence, aerospace and security markets. The total gross floor area of the property is 6,248 sqm on a land area of 10,159 sqm (both subject to survey). The construction of the property is expected to be completed by January 2006.

7. Cityneon Design Centre

Cityneon Design Centre is owned by Cityneon Displays (S) Pte Ltd ("**Cityneon**") and is located at 84 Genting Lane within the Kallang/MacPherson Industrial Area. It is well served by MacPherson Road and enjoys close proximity to the PIE.

The property comprises a seven-storey (including one level of covered carparks) light industrial development with ancillary offices. The building currently has an occupancy rate of 97.8%. Its anchor tenants include Cityneon Displays, Peak Resources Pte Ltd and Pigeon Singapore Pte Ltd who make up 60.1% of the total net lettable area.

The total gross floor area is 11,917 sqm on a land area of 4,776 sqm (both subject to survey).

Cityneon was founded in 1956 and has been providing event and exhibition services for almost 50 years. Headquartered in Singapore with a staff strength of

230, Cityneon serves its international clients through a global network of fully-owned offices, associates and strategic partners, delivering events and exhibitions across the Americas, Europe, Middle East, Asia and the Far East.

8. NNB Industrial Building

NNB Industrial Building is owned by Ng Nam Bee Marketing Pte Ltd (“**NNB**”) and is located at 10 Woodlands Link, on the northern part of Singapore and within Woodlands East Industrial Estate. It is readily accessible to the city by Bukit Timah Expressway, Kranji Expressway and Seletar Expressway.

The property comprises a three-storey warehouse within designated food zone. The total gross floor area is 11,537 sqm on a site area of 8,282 sqm (subject to survey).

The sole tenant occupying 100% of the net lettable area is NNB, a local company involved in the processing of rice, trading and distribution of rice and other edible products.

9. SENKEE Logistics Hub

SENKEE Logistics Hub is owned by SENKEE Logistics Pte Ltd. Stage 1 of the SENKEE Logistics Hub is located at 21 Pandan Avenue and stage 2 which is an asset enhancement, will be sited at 19 Pandan Avenue. Pandan Avenue is served by the nearby Ayer Rajah Expressway (AYE). The stage 1 property comprises a five-storey ramp up logistics facility with direct loading and unloading facilities at the doorstep and total gross floor area of 41,658 sqm (subject to survey).

Construction of the stage 2 asset enhancement will commence within 24 months from the completion of stage 1 and will comprise an additional five-storey ramp up warehouse facility. The expected estimated gross floor area will be 43,000 sqm (subject to survey). It is expected to be completed within 12 months.

SENKEE Logistics was first established as a sole proprietorship in 1958 and was converted into a private company in 1970. The principal activities of the company are providing third party land and sea logistics.

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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.