

**A-REIT to acquire a Logistic & Distribution Centre Building for S\$22.5 million**

22 September 2006, Singapore – Ascendas-MGM Funds Management Limited (the “**Manager**”), the manager of Ascendas Real Estate Investment Trust (“**A-REIT**”) is pleased to announce that A-REIT has signed a put and call option agreement today to acquire a building under development located at Pioneer Walk in Jurong Industrial Estate (the “**Property**”), from Goldin Enterprises Pte Ltd (“**Goldin**”) for a purchase price of S\$22.5 million. The Property will only be acquired after Goldin completes the construction of the Property and all conditions precedent are met which include fulfillment of the fixed investment criteria by Goldin and approval from JTC Corporation for the transfer of the land lease.

The acquisition of the Property will be accretive to A-REIT’s distributable income per unit (DPU) and the annualised pro forma financial effect of the acquisition on the DPU for the financial year ended 31 March 2006 would be an additional 0.05 cents per unit <sup>(1)</sup>.

Commenting on A-REIT’s latest proposed acquisition, Mr Tan Ser Ping, Chief Executive Officer of the Manager said, “With this acquisition, our share of the logistics property market stock in Singapore will be more than 13% which we believe enables A-REIT to provide value adding services to the logistics and distribution industry, and further diversify both A-REIT’s portfolio and tenant mix.

As the economy and the property market continue on an upswing, we remain committed to pursuing accretive acquisitions to enhance the longer term income stability and lease expiry profile of A-REIT’s portfolio. At the same time, we will also pursue more build-to-suit development projects.”

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<sup>(1)</sup> Assuming that: A-REIT had purchased, held and operated the Property for the whole of the financial year ended 31 March 2006 (based on 65 properties); the acquisition was wholly funded by bank debt; and in respect of the Property, the Manager had elected to receive its base Fee entirely in cash and its performance Fee entirely in units.

### Description of the Property

The Property which is located at Pioneer Walk in Jurong Industrial Estate will be a two-storey ramp-up warehouse with adjoining office and 40 car park lots, and container depot. It is expected to have a gross floor area of 20,000 sqm, and is situated on a land area of 25,000 sqm. The land is on leasehold title of 30 years which started on 1 May 2006.

The construction of the Property is expected to be completed by middle of 2007. The acquisition is expected to be completed by the end of 2007 after Goldin has fulfilled its conditions precedent. At this time, Goldin will enter into a 10-year lease with A-REIT for 100% of the net lettable area, with annual stepped rental increases.

Goldin will pay for maintenance, utilities, land rent and property tax while A-REIT will be responsible for the lease management fee. A-REIT will also incur costs relating to the acquisition amounting to S\$0.5 million, of which S\$0.2 million (being 1% of the purchase price) is the acquisition fee payable to the Manager.

### Interests of Directors and Controlling Shareholder

No Director of the Manager or controlling shareholder of A-REIT has any interest, direct or indirect, in the transaction, other than by way of acquisition fees and ongoing management fees. Such fees are on the basis that was disclosed in the A-REIT prospectus dated 5 November 2002, therefore the Listing Rules relating to Interested Person Transactions are not applicable to these fees.

A-REIT has previously announced four additional proposed acquisitions, worth in aggregate about S\$178 million, that have yet to be completed: LabOne Building which is expected to be completed by September 2006, two build-to-suit projects for Courts (Singapore) Limited and Cold Storage Singapore (1983) Pte Ltd which are expected to be completed by November 2006 and March 2007 respectively, and a partial build-to-suit business park building at Plot 15 Changi Business Park.

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### **About A-REIT ([www.a-reit.com](http://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 66 properties in Singapore, comprising business and science park properties, hi-tech industrial properties, light industrial properties, and logistics and distribution centres, with a book value of S\$2.9 billion. These properties house a tenant base of over 740 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, 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 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.

A corporate family credit rating of A3 was assigned to A-REIT by Moody's Investors Service in December 2005.

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 Goodman Management Limited.

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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.