



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

ANNOUNCEMENT

A-REIT'S PROPOSED ACQUISITION OF RUTHERFORD & SCIENCE HUB IN SCIENCE PARK I AND CGGVERITAS HUB

1. INTRODUCTION

1.1 Proposed Acquisitions

Ascendas-MGM Funds Management Limited, as manager of Ascendas Real Estate Investment Trust ("**A-REIT**", and the manager of A-REIT, the "**Manager**"), has identified two properties, being Rutherford and Science Hub in Science Park I ("**Rutherford & Science Hub**") and CGGVeritas Hub ("**CGGVeritas Hub**") (together, the "**Properties**") for acquisition by A-REIT (the "**Proposed Acquisitions**").

The vendor of CGGVeritas Hub is Ascendas (Tuas) Pte Ltd (the "**CGGVeritas Hub Vendor**"), which is a wholly-owned subsidiary of Ascendas Land (Singapore) Pte Ltd ("**Ascendas**"), which is in turn a wholly-owned subsidiary of Ascendas Pte Ltd. The vendor of Rutherford & Science Hub is Ascendas (the "**Rutherford & Science Hub Vendor**").

In connection with the Proposed Acquisitions, HSBC Institutional Trust Services (Singapore) Limited, as trustee of A-REIT (the "**Trustee**"), has on 24 January 2008 entered into two separate conditional put and call option agreements (the "**Option Agreements**") with the CGGVeritas Hub Vendor and the Rutherford & Science Hub Vendor.

Pursuant to the terms of the Option Agreements, the Trustee has the option (the "**Call Options**") to require the CGGVeritas Hub Vendor and the Rutherford & Science Hub Vendor to enter into an agreement for the sale of the Properties (in the form of the sale and purchase agreement appended to the respective Option Agreements (the "**Sale and Purchase Agreements**"). Correspondingly, each of the CGGVeritas Hub Vendor and the Rutherford & Science Hub Vendor has the option (the "**Put Options**") to require the Trustee to enter into the respective Sale and Purchase Agreements for the purchase of each of the Properties.

An option fee of S\$300,000 is payable for the entry into the Option Agreement for Rutherford & Science Hub and an option fee of S\$100,000 is payable for the entry into the Option Agreement for CGGVeritas (together, the "**Option Fees**").

1.2 Disclosure Requirements Under the Listing Manual and the Property Funds Guidelines

As at the date of this Announcement, Ascendas holds an aggregate direct interest in 253,981,942 units in A-REIT (“**Units**”), comprising approximately 19.16 per cent. of the total number of Units in issue, and is therefore regarded as a “controlling unitholder” of A-REIT under the Listing Manual (the “**Listing Manual**”) of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) as well as the Property Funds Guidelines (the “**Property Funds Guidelines**”) in the Code of Collective Investment Schemes issued by the Monetary Authority of Singapore. Ascendas Pte Ltd is also a related corporation of the Manager.

As a controlling unitholder as well as a related corporation of the Manager, Ascendas is regarded as an “interested person” of A-REIT for the purposes of Chapter 9 of the Listing Manual and an “interested party” of A-REIT for the purposes of the guidelines relating to interested party transactions under the Property Funds Guidelines.

The Manager is making this announcement because the Proposed Acquisitions will constitute an interested person transaction under Chapter 9 of the Listing Manual and an interested party transaction under the Property Funds Guidelines.

2. INFORMATION ON THE PROPERTIES

Rutherford & Science Hub

2.1 The Land and the Building

Rutherford & Science Hub are located within Science Park I and are readily accessible via the Ayer Rajah Expressway. Rutherford & Science Hub sits on a combined land area of 26,977 sqm and the two buildings will have a land tenure of 60 years upon completion of the acquisition.

Rutherford is a four-storey hi-tech building housing tenants primarily in the research and development field. It has a gross floor area of 20,183 sqm and a lettable floor area of 15,630 sqm.

Science Hub is a four-storey amenity centre providing facilities and services in postal and bill payment. Science Hub also has a gymnasium, eateries and meeting/seminar rooms. It has a gross floor area of 6,100 sqm and a lettable floor area of 3,966 sqm. On completion of the Sale and Purchase Agreement with Ascendas, A-REIT will grant a 5-year lease to Ascendas for 1,393 sqm of Science Hub for a nominal rent for Ascendas to operate the gymnasium facility at Science Hub for the benefit of tenants at Rutherford and Science Park I at a subsidised rate. Ascendas will be responsible for the maintenance and repair of the gymnasium premises during the lease term.

2.2 Property Value

Two independent valuations, with one of the valuers commissioned by the Trustee, were carried out. Rutherford & Science Hub was valued S\$51,520,000 and S\$51,900,000 by Jones Lang LaSalle Property Consultants Pte Ltd and CB Richard Ellis (Pte) Ltd respectively. The valuations were derived using the discounted cash flow and income method.

Under the Property Fund Guidelines, the purchase price is not to be higher than the two assessed values. The purchase price of Rutherford & Science Hub is S\$51,520,000.

CGGVeritas Hub

2.3 The Land and the Building

CGGVeritas Hub is a built-to-suit four-storey light industrial facility undertaken by Ascendas (Tuas) Pte Ltd for Veritas Geophysical (Asia Pacific) Ltd.

CGGVeritas Hub is located at 9 Serangoon North Avenue 5 and is sited on a land area of 4,996 sqm. It has a gross floor area and lettable floor area of 9,797 sqm and 8,666 sqm respectively. The land lease is 30 years with effect from 1 January 2007 with an option to renew for another 30 years.

The building is leased to Veritas Geophysical (Asia Pacific) Ltd for 12 years with effect from 12 November 2007 and houses Veritas Geophysical (Asia Pacific) Ltd's Asia Pacific region offices which provide a full suite of integrated products and services. These include seismic acquisition, imaging, interpretation and marketing of geophysical information.

2.4 Property Value

Two independent valuations, with one of the valuers commissioned by the Trustee, were carried out. CGGVeritas was valued S\$18,250,000 and S\$18,500,000 by Jones Lang LaSalle Property Consultants Pte Ltd and CB Richard Ellis (Pte) Ltd respectively. The valuations were derived using the discounted cash flow and income method.

Under the Property Fund Guidelines, the purchase price is not to be higher than the two assessed value. The purchase price of CGGVeritas Hub is S\$18,250,000.

3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION FOR RUTHERFORD & SCIENCE HUB

3.1 The principal terms of the Option Agreement for Rutherford & Science Hub are as follows:

3.1.1 Purchase to be on the terms and conditions of the Sale and Purchase Agreement: The Call Option granted by Ascendas to the Trustee and the Put Option granted by the Trustee to Ascendas provide for the sale and purchase of the 60-year lease of the Property to be on the terms and conditions of the Sale

and Purchase Agreement in the event that either the Trustee or Ascendas becomes entitled to exercise, respectively, the Call Option or the Put Option and so exercises its option.

- 3.1.2 **Conditions Precedent:** The rights of the Trustee and Ascendas to exercise, respectively, the Call Option and the Put Option are conditional, *inter alia*, upon Ascendas obtaining and registering an instrument of transfer for JTC to transfer legal title to Ascendas for a lease of 99 years commencing from 1 June 1982 within six months from the date of the Option Agreement or such other date as may be determined in accordance with the Option Agreement.

4. **PRINCIPAL TERMS OF THE PROPOSED ACQUISITION OF CGGVERITAS HUB**

The principal terms of the Option Agreement for CGGVeritas Hub are as follows:

- 4.1.1 **Purchase to be on the terms and conditions of the Sale and Purchase Agreement:** The Call Option granted by Ascendas (Tuas) Pte Ltd to the Trustee and the Put Option granted by the Trustee to Ascendas (Tuas) Pte Ltd provide for the sale and purchase of the Property to be on the terms and conditions of the Sale and Purchase Agreement in the event that either the Trustee or Ascendas (Tuas) Pte Ltd becomes entitled to exercise, respectively, the Call Option or the Put Option and so exercises its option.
- 4.1.2 **Conditions Precedent:** The rights of the Trustee and Ascendas (Tuas) Pte Ltd Ascendas (Tuas) Pte Ltd to exercise, respectively, the Call Option and the Put Option are conditional, *inter alia*, upon Ascendas (Tuas) Pte Ltd obtaining and executing the Agreement for Lease with JTC for the grant of the 30 years lease, with an option to renew for another 30 years with effect from 1 January 2007, within six months from the date of the Option Agreement or such other date as may be determined in accordance with the Option Agreement.

5. **PRINCIPAL TERMS OF THE PROPOSED ACQUISITION OF THE PROPERTIES**

- 5.1.1 **Purchase Price:** The total aggregate purchase price for the Properties is S\$69.77 million (the "**Purchase Price**"), comprising S\$51,520,000million for Rutherford & Science Hub and S S\$18,250,000 million for CGGVeritas Hub, were negotiated on a willing-buyer and willing-seller basis. In addition, A-REIT will have to pay approximately S\$1.05 million in acquisition costs for the Properties comprising the Manager's acquisition fees and other transaction costs.
- 5.1.2 The Option Fees for the Option Agreements was paid by the Trustee upon the execution of the Option Agreement. The Option Fee is wholly refundable in the event, *inter alia*, that any of the said Conditions Precedent as set out in paragraphs 3.1.2 and 4.1.2 above are not met by the date falling six months after the date of the respective Option Agreements. In addition, if the Call Option or the Put Option are exercised, the Option Fee will be applied towards the

Purchase Price of each Property upon entry by the parties into the respective Sale and Purchase Agreements.

5.1.3 Termination of the Option Agreements: If any of the Conditions Precedents as set out in paragraphs 3.1.2 and 4.1.2 above are is not fulfilled by in accordance with the terms of the respective Option Agreements, such Option Agreement shall *ipso facto* cease and determine and, save for the obligation to refund the Option Fee to the Trustee and subject to any rights accrued to any party under the respective Option Agreement arising from any antecedent breach of such Option Agreement by the other party, neither party shall have any further claim against the other for costs, damages, compensation or otherwise.

6. RATIONALE AND BENEFIT OF THE PROPOSED ACQUISITIONS TO A-REIT

6.1 The Proposed Acquisition is in Line with Manager's Investment Strategy

The Manager aims to achieve distribution growth and to enhance the value of A-REIT's property portfolio over time through, *inter alia*, selectively acquiring additional properties that meet the Manager's investment criteria. The Proposed Acquisitions will be in line with the investment strategy of the Manager as it is currently expected that the Properties will be accretive to A-REIT's distributable income. Based on its Purchase Price, Rutherford & Science Hub are expected to deliver a property yield of approximately 6.3 per cent in the first year of its ownership by A-REIT while CGGVeritas Hub is expected to deliver a property yield of approximately 7.3 per cent.

6.2 Diversification of A-REIT's Portfolio

The Proposed Acquisition will further diversify A-REIT's portfolio of properties as well as the tenant-mix in A-REIT's properties.

7. METHOD OF FINANCING AND FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The Manager intends to finance the Proposed Acquisitions wholly with debt.

The pro forma financial effects of the Proposed Acquisitions presented below are strictly for illustration purposes, and do not reflect the actual financial position of A-REIT after completion of the Proposed Acquisitions. They have been prepared based on the audited financial statements of A-REIT for the financial year ended 31 March 2007 (and based on a portfolio of 77 properties), taking into account the current estimated costs of the Proposed Acquisitions as well as the assumption that the Proposed Acquisitions are wholly financed with debt.

Assuming that the Proposed Acquisitions had been completed on 1 April 2006, A-REIT's distributable income per Unit would have increased by 0.15 Singapore cents.

8. AUDIT COMMITTEE STATEMENT

The Audit Committee of the Manager (which comprises a majority of the independent directors of the Manager) is of the view that the Proposed Acquisitions are made on normal commercial terms and will not be prejudicial to the interests of A-REIT and its minority Unitholders.

9. OTHER INTERESTED PERSON TRANSACTIONS

Together with the Purchase Price and acquisition costs of the Proposed Acquisitions, the interested person transactions between A-REIT and Ascendas and/or its associates for the current financial year up to 31 December 2007 (being the latest practicable date prior to the date of this Announcement), amount to S\$70.85 million .

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

Certain directors of Ascendas (Tuas) Pte Ltd and its direct holding company, Ascendas Land (Singapore) Pte Ltd, collectively hold an aggregate of 254,498,942 direct interest in Units.

Mr Lew Syn Pau, the Chairman of Ascendas Pte Ltd, is also the Chairman of the Board of Directors of the Manager. Ms Chong Siak Ching, the President and Chief Executive Officer of Ascendas Pte Ltd and a director of Ascendas Pte Ltd, is also a director of the Manager. Mr Swee Kee Siong, the Senior Advisor of Ascendas Pte Ltd, is also a director of the Manager.

Ascendas holds an aggregate direct interest in 253,981,942 Units, comprising approximately 19.16 per cent of the total number of Units in issue. Save as disclosed herein and based on information available to the Manager, none of the directors of the Manager and none of the substantial Unitholders of A-REIT has any interest, direct or indirect, in the Proposed Acquisitions.

11. OTHER INFORMATION

Documents for Inspection

Copies of the following documents are available for inspection during normal business hours (prior appointment will be appreciated) at the registered office of the Manager at 75 Science Park Drive, #01-03 CINTECH II, Singapore 118255, for a period of 3 months commencing from the date of this Announcement:

11.1.1 the Option Agreements;

11.1.2 the form of the Sale and Purchase Agreements (appended to the respective Option Agreements); and

11.1.3 the valuation reports.

BY ORDER OF THE BOARD
ASCENDAS-MGM FUNDS MANAGEMENT LIMITED

Maria Theresa Belmonte

Asst Company Secretary

24 January 2008

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 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.

This Announcement 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.

The past performance of A-REIT is not necessarily indicative of the future performance of A-REIT.