

A-REIT marks completion of HansaPoint@CBP with 100% occupancy and clinched another two Properties for S\$107.0 million

28 January 2008, Singapore – Ascendas-MGM Funds Management Limited (the “**Manager**”), the manager of Ascendas Real Estate Investment Trust (“**A-REIT**”) is pleased to announce the following :-

1. Successful completion of HansaPoint@CBP with 100% occupancy upon the grant of Temporary Occupation Permit for the development on 22 January 2008; and
2. Signing of separate put and call option agreements to acquire Acer Building at 29 International Business Park for S\$75.0 million from Acer Computer International Ltd (“Acer”) on 25 January 2008 and Sim Siang Choon Building at 21 Changi South Avenue 2 from Sim Siang Choon Hardware (S) Pte Ltd (“Sim Siang Choon”) for S\$31.888 million on 28 January 2008.

Mr Tan Ser Ping, Chief Executive Officer of the Manager, said: “We started the construction of HansaPoint@CBP with 28% pre-commitment and are pleased to have achieved 100% occupancy during the construction of the building. The strategic location and high quality specification of the development are attractive points to many companies looking for quality business space outside the high cost central business district. This is a testament to A-REIT’s development and marketing capabilities. We thank all our customers for their trust and confidence in our ability to provide quality real estate solutions to meet their operating needs.

To complement the continual growth of A-REIT, we have consistently pursued selective acquisition opportunities of strategic assets which will reinforce the strength of our existing portfolio. We are delighted to have successfully secured the acquisitions of Acer Building and Sim Siang Choon Building.

In addition, we continue to have access to the Ascendas Group's Singapore based properties as demonstrated by the recently announced acquisitions of Rutherford, Science Hub and CGGVeritas Hub.

All the above acquisition transactions will provide a predictable and stable income stream and will contribute immediately to the distribution available to Unitholders."

Description of HansaPoint@CBP

HansaPoint@CBP was conceptualised by A-REIT with Rohde & Schwarz Systems & Communications Asia Pte Ltd ("Rohde & Schwarz"), an existing customer of A-REIT, as the anchor tenant. Rohde & Schwarz, a leading supplier of solutions in the fields of test and measurement, broadcasting, radio-monitoring and radio-location as well as mission-critical radio-communications, will take up approximately 28% of the net lettable area for five years. Other tenants in the development include Credit Suisse and Citco Fund Services (Singapore) Pte Ltd.

With a development cost of \$28.6 million, the seven-storey building is in close proximity to the Singapore Expo and Singapore Changi Airport and is easily accessible via the Pan Island Expressway and East Coast Parkway. It has a gross floor area and a net lettable area of 19,478 sqm and 16,640 sqm respectively.

HansaPoint@CBP is the third development project that A-REIT has undertaken since the revision in Property Funds Guidelines in October 2005 which allows REITs to undertake development projects for up to 10% of its deposited property value. A-REIT completed the development of two separate warehouse retail facilities for Courts (Singapore) Ltd and Cold Storage Singapore (1983) Pte Ltd in December 2006 and February 2007 respectively and has three other projects under construction.

Description of Acer Building

Strategically located in International Business Park (IBP), Acer Building is easily accessible via the major expressways, namely, the Pan Island Expressway and the Ayer Rajah Expressway.

Completed in May 1996, Acer is a fully air-conditioned business park property comprising two 8-storey towers interlinked by a 4-storey podium with one level of basement carpark. It currently has a total lettable floor area and gross floor area of 20,231 sqm and 29,185 sqm respectively. It sits on a land area of 11,729 sqm with a land tenure of 30+30 years with effect from May 1996.

Acer Computer (Singapore) Pte Ltd (“Acer Singapore”) and Logistron Services Pte Ltd (“Logistron”), the local subsidiaries of Acer Computer International Ltd, will leaseback approximately 23% (4,770 sqm) of the current net lettable area for five years with an option to renew for another 3+2 years. The remaining space is leased to third parties and the tenancies will be assigned to A-REIT on completion. Current occupancy of Acer Building stands at 97.0%.

The Manager has identified asset enhancement potential to create an additional 1,200 sqm (about 6%) of lettable space. The estimated capital expenditure for the asset enhancement works is \$1.25 million and is expected to be completed within 12 months of the completion of the acquisition.

With this acquisition, A-REIT will enhance its presence in the IBP, adding on to its existing portfolio of three properties in IBP and achieve greater operational synergy.

A-REIT is responsible for the payment of land rent, property tax, maintenance and utilities and lease administration fee. A-REIT will also incur acquisition costs of \$1.125 million of which S\$0.75 million (being 1% of the purchase price) is the acquisition fee payable to the Manager. This transaction is subject to JTC’s approval and is expected to be completed in February 2008.

Description of Sim Siang Choon Building

Located at the fringe of Changi Business Park at Changi South Industrial Estate, Sim Siang Choon Building is a 4-storey warehouse building, incorporating an ancillary showroom on the first storey and a separate single-storey warehouse.

It is easily accessible via major expressways such as the East Coast Parkway and the Pan-Island Expressway and is a stone’s throw away from A-REIT’s business park development at Plot 8 Changi Business Park.

Sited on a land of 9,790 sqm with land lease tenure of 30+30 years with effect from 1 October 1994, the Property has a total gross floor area of 13,171 sqm and a total lettable floor area of 10,915 sqm.

Upon completion of the transaction, Sim Siang Choon will leaseback the Property for 6 years with rental escalation and an option to renew for another 6 years. They will be responsible for land rent, property tax, maintenance and utilities while A-REIT will pay the lease administration fees and insurance. Sim Siang Choon is a leading retailer in the sanitary, kitchen and home-improvement products in Singapore whose parent company is listed in Singapore Stock Exchange.

A-REIT will incur acquisition costs amounting to S\$0.88 million of which S\$0.318 million (being 1% of the purchase price) represents the acquisition fee payable to the Manager. The sale and purchase of the Property is conditional upon, amongst other things, the approval of the shareholders of Sim Siang Choon Ltd, and JTC. The transaction is expected to be completed in March 2008.

DPU Impact

The completion of HansaPoint@CBP and acquisition of Acer Building and Sim Siang Choon Building will result in a positive impact on A-REIT's DPU. The combined annualised pro forma financial effect of the three properties (including the identified asset enhancement for Acer Building) for the financial year ended 31 March 2007 would be an additional 0.23 cents per unit ⁽¹⁾.

A-REIT has earlier announced the following investments in developments and acquisitions to be completed in phases:

1. A partial build-to-suit distribution facility which is currently under development at Plot 7 & 8 Changi LogisPark (North) with Zuellig Pharma Pte Ltd as the anchor tenant. The development project is expected to be completed by mid 2008.

⁽¹⁾ Assuming that: A-REIT had purchased, held and operated the Property for the whole of the financial year ended 31 March 2007 (based on 77 properties) and the investments were funded using the optimal gearing level of 40% debt and 60% equity.

2. A five-storey ramp up warehouse, as part of an asset enhancement of SENKEE Logistics Hub, currently under construction by SENKEE Logistics Pte Ltd, will be acquired for \$63.8 million upon satisfaction of certain conditions precedent. The completion of this acquisition is expected to be completed in early 2008.
3. A partial build-to-suit ramp up high specification industrial facility is currently under construction at Pioneer Walk and is expected to be completed in two phases in the third and fourth quarter of 2008.
4. An integrated business space with amenity facilities totalling 75,000 sqm is under development at Plot 8 Changi Business Park. The first phase (about 21,000 sqm) of the development is expected to be completed in 1Q 2009.
5. Acquisitions of CGGVeritas Hub and Rutherford & Science Hub for a total of \$69.8 million expected to be completed by March 2008.

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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. It has a diversified portfolio of 80 properties in Singapore, comprising business and science park properties, hi-tech industrial properties, light industrial properties, and logistics and distribution centres, with a total asset of S\$3.45 billion. These properties house a tenant base of over 750 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 and FTSE ST Mid Cap

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 Goodman International 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.