



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

ANNOUNCEMENT

PROPOSED PRIVATE PLACEMENT OF UP TO 40,816,326 NEW UNITS ("NEW UNITS") IN ASCENDAS REAL ESTATE INVESTMENT TRUST ("A-REIT") AT AN ISSUE PRICE OF BETWEEN S\$2.45 AND S\$2.50 PER NEW UNIT

1. Introduction

The Board of Directors of Ascendas-MGM Funds Management Limited (in its capacity as the manager of A-REIT, the "**Manager**") hereby announces that the Manager proposes to raise funds by way of a private placement of up to 40,816,326 New Units in A-REIT at an issue price (the "**Issue Price**") of between S\$2.45 and S\$2.50 per New Unit (the "**Private Placement**") to raise gross proceeds of approximately S\$100.0 million. The total number of New Units to be issued under the Private Placement will depend on the actual Issue Price.

2. Details of the Private Placement

In connection with the Private Placement, the Manager has today entered into a placement agreement (the "**Placement Agreement**") with Citigroup Global Markets Singapore Pte. Ltd. (the "**Lead Manager and Underwriter**") as the lead manager and underwriter for the private placement of up to 40,816,326 New Units pursuant to section 302C of the Securities and Futures Act, Chapter 289 of Singapore at the Issue Price.

At an Issue Price of S\$2.50 (being the top-end of the issue price range), 40,000,000 New Units will be issued; at an Issue Price of S\$2.45 (being the bottom-end of the issue price range), 40,816,326 New Units will be issued. The actual Issue Price will be determined following an accelerated book building process by agreement between (i) the Manager and (ii) the Lead Manager and Underwriter on a date currently expected to be 14 February 2007 (such date being subject to change), and will be announced by the Manager thereafter.

The Manager will be making a formal application to Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of, and dealing in and quotation of the New Units on the Main Board of the SGX-ST. The Private Placement shall be subject to certain conditions precedent more particularly set out in the Placement Agreement, including the approval in-principle of the SGX-ST for the listing of, and dealing in and quotation of, the New Units on the Main Board of the SGX-ST.

Placement of New Units to The Capital Group Companies, Inc under the Private Placement

The Manager has previously obtained a general waiver from the SGX-ST from the requirements of Rule 812 of the Listing Manual from the SGX-ST (the "**Listing Manual**") to permit the placement of new Units in A-REIT ("**Units**") to substantial unitholders of A-REIT¹ ("**Substantial Unitholders**"), without having to obtain specific approval from the unitholders of A-REIT (the "**Unitholders**") in a general meeting of Unitholders, in the situation where:

- (i) new Units are proposed to be placed to one or more Substantial Unitholders as well as other Unitholders and/or investors; and
- (ii) the number of New Units to be placed to each such Substantial Unitholder is no more than what is required to maintain its proportionate unitholding, in percentage terms, at its pre-placement level,

subject to the following conditions:

- (i) the Manager certifies that it is independent of each such Substantial Unitholder; and
- (ii) the Manager announces the rationale for the placement to each such Substantial Unitholder.

The Manager proposes to place New Units under the Private Placement to The Capital Group Companies, Inc ("**Capital Group**"). In accordance with the above requirements, the Manager hereby certifies that it is independent of Capital Group and will announce any such placement of New Units to Capital Group and the rationale for such placement through SGXNET accordingly.

Status of the New Units

Upon issue, the New Units will only be entitled to participate in A-REIT's distributable income for the period from the date of their issue (the "**Issue Date**") to 31 March 2007 whereas the existing Units are entitled to participate in A-REIT's distributable income in respect of the whole of the current distribution period (1 January 2007 to 31 March 2007). From the next distribution period (1 April 2007 to 30 June 2007) onwards, the New Units will rank *pari passu* in all respects with the existing Units, including the right to any distribution which may be paid for that distribution period, and all distributions thereafter.

As the New Units will not be entitled to participate in A-REIT's distributable income for the period from 1 January 2007 to the day immediately prior to the Issue Date, it will be necessary for the New Units to trade under a temporary stock counter, "Ascendasreit A", on the Main Board of the SGX-ST separate from the existing A-REIT stock counter for the existing Units, "Ascendasreit", for the period commencing from the Issue Date to the last day of "cum-distribution" trading for both the New Units and the existing Units in respect of the current distribution period ending on 31 March 2007. After the last day of "cum-distribution" trading, the New Units trading on the temporary stock counter and the

¹ Other than Ascendas Pte Ltd and Macquarie Goodman Industrial Management Pty Limited, the controlling shareholders of the Manager with representation on the Board of Directors of the Manager.

existing Units will be aggregated and traded under the existing A-REIT stock counter on the Main Board of the SGX-ST on the next market day, *i.e.* the first day of “ex-distribution” trading for both the New Units and the existing Units.

3. Authority to Issue the New Units

The trust deed constituting A-REIT, read with Rule 887(1) of the Listing Manual, provides that new Units may be issued without the prior approval of the Unitholders in a general meeting of Unitholders if the issue (together with any other issue of Units in the same financial year) would not exceed 10.0% of the number of Units in issue at the end of the last financial year.

At the end of the last financial year, the number of Units in issue was 1,277,203,708.

4,108,616 Units have been issued in the present financial year. The maximum number of New Units to be issued pursuant to the Private Placement (40,816,326 New Units), together with the 4,108,616 Units issued in the present financial year, would constitute approximately 3.5% of the number of Units in issue at the end of the last financial year, which is below the 10.0% limit. Accordingly, prior approval of the Unitholders is not required for the issue of the New Units.

4. Use of Proceeds

In line with the Manager’s acquisition growth strategy for A-REIT, A-REIT will constantly acquire new properties and undertake property development activities to develop suitable properties to be held by A-REIT upon completion.

Subject to the relevant laws and regulations, the net proceeds of the Private Placement may be used, at the Manager’s absolute discretion, to partly or wholly finance such acquisitions and development activities. Pending the deployment of the net proceeds, the Manager may at its absolute discretion, use such proceeds for general working capital requirements or repayment of a portion of A-REIT’s existing borrowings.

A-REIT is developing the following properties: HansaPoint@CBP (estimated total cost of development: S\$28.6 million) and Plot 7 & 8 Changi LogisPark (North) (estimated total cost of development: S\$32.0 million). In addition, A-REIT intends to acquire the following properties, which are currently under development by their respective vendors, upon their completion: a five-storey ramp up warehouse, currently under construction by SENKEE Logistics Pte Ltd, for a purchase consideration of S\$63.8 million and a logistic and distribution facility located at Pioneer Walk for a purchase consideration of S\$22.5 million.

5. Document for Inspection

The Placement Agreement will be available for inspection (upon appointment) during normal business hours 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.

BY ORDER OF THE BOARD
ASCENDAS-MGM FUNDS MANAGEMENT LIMITED
(Company Registration No. 200201987K)
(as manager of Ascendas Real Estate Investment Trust)

Maria Theresa Belmonte
Assistant Company Secretary
14 February 2007

Important Notice

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 similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. 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 value of Units and the income derived from them, if any, 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 should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. 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.

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