



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

ANNOUNCEMENT

Issue of Units to Manager in lieu of Management Fees

The Board of Directors of Ascendas-MGM Funds Management Limited ("**Ascendas-MGM**") wishes to announce that 754,343 units in Ascendas Real Estate Investment Trust ("**A-REIT**") ("**Units**") have been issued to Ascendas-MGM, in its capacity as Manager of A-REIT. The Units were allotted yesterday at an issue price of S\$2.3344 per Unit, being payment of 50% of the base fee ("**Base Fee**") component of the management fee for the period from 19 May 2007 to 18 November 2007 in respect of the first 19 properties¹ of A-REIT.

The Base Fee is calculated in the Trust Deed constituting A-REIT (the "**Trust Deed**") by taking 0.5% per annum of the value of all the gross assets of A-REIT. In accordance with the Trust Deed, the issue price was determined based on the volume weighted average traded price for a unit for all trades done on Singapore Exchange Securities Trading Limited ("**SGX-ST**") in the ordinary course of trading on the SGX-ST for 10 business days immediately preceding the date of issue of Units to Ascendas-MGM.

This mode of paying 50% of the Base Fee in Units was disclosed in the section entitled "The Manager and the Sponsors" on page 125 of the prospectus dated 5 November 2002 issued in connection with the initial public offering of units.

At A-REIT's extraordinary general meeting held on 2 November 2004, A-REIT's unitholders approved an extraordinary resolution where the Manager may, in relation to each new property acquired by A-REIT, irrevocably elect at any time to receive the Base Fee and performance fee payable under the Trust Deed in the form of cash and/or Units. In respect of the 59 properties acquired by A-REIT since November 2004, the Manager elected to receive its Base Fee entirely in cash and its performance fee entirely in Units. For the first 19 properties owned by A-REIT, the Manager continued to receive its Base Fee in equal proportions of cash and Units while the performance fee is paid entirely in Units.

¹ The first 19 properties are: Alpha, Aries, Capricorn, Gemini, Honeywell, Techlink, Techplace I, Techplace II, OSIM HQ Building, Ghim Li Building, Ultro Building, Changi Logistics Centre, Siemens Center, Trivec Building, TT International Tradepark, IDS Logistics Corporate HQ, Nan Wah Building, Progen Building, C&P Logistics Hub.

At A-REIT's Unitholders' Meeting held on 28 June 2007, A-REIT's unitholders approved an extraordinary resolution supplementing the Trust Deed to allow the Manager to elect from time to time to receive both its Base Fee and performance fee wholly in Units or wholly in cash or in any combination of both with effect from 19 November 2007. The Manager has elected to receive 20% of the Base Fee in units and 80% in cash for all properties after 19 November 2007. The Manager will continue to receive the performance fee, if any, in Units. This arrangement will continue to demonstrate the alignment of the interest of the Manager with the interests of the Unitholders of AREIT. The change in the basis for the payment of the management fee will have no significant impact on the DPU for the coming year.

Following the above issue of Units, the total A-REIT units on issue is 1,325,560,491 of which Ascendas-MGM's holding is 17,618,858 units.

By Order of the Board

Ascendas-MGM Funds Management Limited (Company Registration No. 200201987K)
as manager of Ascendas Real Estate Investment Trust

Ms Maria Theresa Belmonte
Assistant Company Secretary
14 December 2007

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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 Singapore Stock Exchange ("**SGX-ST**").

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for unit.

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.