

**A-REIT completes investment in
SENKEE Logistics Hub Phase II for S\$62.86 million**

01 February 2008 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 completed the investment in SENKEE Logistics Hub with the completion of the acquisition of SENKEE Logistics Hub Phase II, an asset enhancement, undertaken by SENKEE Logistics Pte Ltd (the “**Vendor**”), for S\$62.86 million.

The completion of this transaction 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 2007 would be an additional 0.10 cents per unit ⁽¹⁾.

Mr Tan Ser Ping, Chief Executive Officer of the Manager said, “We are pleased to conclude the acquisition of SENKEE Logistics Hub with the completion of the asset enhancement works by the Vendor.

The strategic location of SENKEE Logistics Hub and the operational efficiency offered by the building are ideal for companies looking for quality distribution and warehousing space. We are delighted to note that the entire Phase II asset enhancement has been fully tenanted.

The completion of this asset enhancement transaction with the Vendor will further enhance our portfolio and provide us with a stable and predictable income stream that will contribute positively to the DPU for our unitholders.”

⁽¹⁾ Assuming that: A-REIT had purchased, held and operated the properties for the whole of the financial year ended 31 March 2007 (based on 77 properties); the acquisitions were funded using the optimal gearing level of 40% debt and 60% gearing; and in respect of the Properties, the Manager had elected to receive its base fee 80% in cash and 20% in units and its performance fee entirely in units.

Background of transaction

Located at 21 Pandan Avenue, SENKEE Logistics Hub Phase I was acquired in September 2005 for S\$42.3 million. It is a five-storey ramp-up logistics facility with direct loading and unloading facilities at the doorstep of each floor and a total gross floor area and net lettable area of 41,516 sqm and 28,421 sqm respectively. The building is currently 100% leaseback to SENKEE Logistics Pte Ltd for 10 years starting from 23 Sep 2005.

Upon the completion of the acquisition of SENKEE Logistics Hub Phase I, both parties entered into an Asset Enhancement Agreement whereby the Vendor undertook the asset enhancement works, otherwise known as SENKEE Logistics Hub Phase II, to redevelop an existing container park located on 19 Pandan Avenue into a similar ramp-up warehouse to maximize its existing plot ratio. The development was committed to be sold to A-REIT upon issuance of the Temporary Occupational Permit.

With land tenure of 30 years (with an option to extend for another 15 years upon fulfillment of JTC's requirement) with effect from February 2004, SENKEE Logistics Hub Phase II is a five-storey ramp-up warehouse with a net lettable area and gross floor area of 43,323 sqm and 44,567 sqm respectively. The Vendor will be responsible for the maintenance & utilities, property tax and land rent while A-REIT will be responsible for the lease administration fees. Current occupancy for both buildings stands at 100%. A-REIT will also incur acquisition costs amounting to S\$0.83 million of which approximately S\$0.63 million (being 1% of the purchase price) represents the acquisition fee payable to the Manager.

SENKEE Logistics Pte Ltd was first established as a sole proprietorship in 1958 and was converted into a private company in 1970. The principal activities of the company are to provide third party land and sea logistics.

A-REIT currently has a portfolio of 80 properties and has previously announced the following investments in developments and acquisitions:

- a) 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.

- b) An integrated business park development totalling 75,000 sqm is under construction at Plot 8 Changi Business Park. The first phase (about 21,000 sqm) of the development is expected to be completed in 1Q 2009.
- c) Acquisitions of CGGVeritas Hub and Rutherford & Science Hub for a total of \$69.8 million expected to be completed by March 2008.
- d) Acquisitions of Acer Building for S\$75 million and Sim Siang Choon Building for S\$31.888 million which are expected to be completed in February and March 2008 respectively

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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 total assets of S\$3.51 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.