



A-REIT to acquire two properties for S\$78.0 million

23 March 2006, 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 signed separate put and call option agreements today to acquire two properties: Sembawang Kimtrans Logistics Centre and Logistics 21 (together, the “**Properties**”) for an aggregate price of S\$78.0 million from Singapore Exchange listed Sembawang Kimtrans Limited (“**SKL**”).

The acquisition of the Properties will be accretive to A-REIT’s distributable income per unit (DPU) and the pro forma financial effect of the acquisitions on the DPU for the financial year ended 31 March 2005 would be an additional 0.07 cents per unit ⁽¹⁾.

Said Mr Tan Ser Ping, Chief Executive Officer of the Manager, “We have been working on this deal for the last two years and are extremely pleased to have concluded it with the signing of the Memorandum of Understanding on 24 February 2006.”

“These two properties are of very high quality as they are ramp-up warehouses with container depots which allows for fully integrated logistics use. Overall, the Properties present excellent opportunities for future value creation.” Mr Tan added.

SKL is a 26.10% associate of SembCorp Logistics Ltd. The SKL Group offers a range of logistics services that can be packaged and customized to provide turnkey logistics solutions that are classified into two broad categories of marine and mining logistics; and integrated logistics.

⁽¹⁾ Assuming that: A-REIT had purchased, held and operated the properties for the whole of the financial year ended 31 March 2005 (based on 66 properties); the acquisitions were funded using the optimal gearing level of 40% debt and 60% equity; and in respect of the properties, the Manager had elected to receive its base fee entirely in cash and its performance fee entirely in units.

Said Mr Peter Tan, Chief Executive Officer of SKL, “As this is a sale and leaseback transaction, it is important for us to consider a buyer whom we can trust to manage the properties well and have a good working relationship with. A-REIT has emerged from our rigorous and competitive selection process. As a leading industrial property owner in Singapore, it has the requisite management and operating expertise. Most importantly, it understands our needs very well and has built up a strong working relationship with us in the process. The transactions will allow us to continue to operate in the buildings and further enable us to devote our resources for expansion.”

Summary of properties information

	Property	Appraised Value (\$ million)	Purchase Price (\$ million)	Pro forma DPU Impact ⁽¹⁾ (cents)	Rental Escalation	Lease Tenure (Years)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Tenant	Asset Class	Land Lease Expiry
1	Sembawang Kimtrans Logistics Centre	19.63	19.63	0.02	Stepped rental increases	8	11,486	16,353	14,016	Sembawang Kimtrans Limited	Logistics & Distribution	15-Feb-2057
2	Logistics 21	58.37	58.37	0.05	Stepped rental increases	8	28,630	39,971	34,006	Logistics 21 Pte Ltd	Logistics & Distribution	30-Sep-2055
	Total	78.00	78.00	0.07			40,116	56,324	48,022			

Description of Sembawang Kimtrans Logistics Centre

Sembawang Kimtrans Logistics Centre is located at 30 Old Toh Tuck Road and is accessible via the Ayer Rajah Expressway and Pan Island Expressway. The property comprises a four-storey ramp-up warehouse with ancillary office, a rooftop carpark and a container depot.

Upon completion of the transaction, SKL will lease back the entire property for 8 years with stepped rental increases.

The property will be acquired for a purchase price of S\$19.63 million. The tenant will be responsible for the payment of land rent, property tax, maintenance and utilities expenses while A-REIT will pay the lease administration fees. A-REIT will also incur acquisition costs amounting to S\$0.3 million of which S\$0.2 million (being 1% of the purchase price) is the acquisition fee payable to the Manager.

Completed in 1998, the property sits on a land area of 11,486 sqm with a land lease tenure of 60 years with effect from 16 February 1997 and has a gross floor area and net lettable area of 16,353 sqm and 14,016 sqm respectively.

Description of Logistics 21

Logistics 21 is located at 21 Jalan Buroh and is accessible via the West Coast Highway and the Ayer Rajah Expressway. The property comprises a three-storey ramp-up warehouse with ancillary office, a rooftop carpark and a container depot.

Upon completion of the transaction, Logistics 21 Pte Ltd, a wholly owned subsidiary of SKL, will lease back the entire property for 8 years with stepped rental increases.

The property will be acquired for a purchase price of S\$58.37 million. The tenant will be responsible for the payment of land rent, property tax, maintenance and utilities while A-REIT will pay the lease administration fees. A-REIT will also incur acquisition costs amounting to S\$0.9 million of which S\$0.6 million (being 1% of the purchase price) is the acquisition fee payable to the Manager.

Completed in 2003, the property sits on a land area of 28,630 sqm with a land lease tenure of 58 years with effect from 1 October 1997 and has a gross floor area and net lettable area of 39,971 sqm and 34,006 sqm respectively.

The sale of the above two properties is conditional upon the approval of the shareholders of SKL.

A-REIT currently has a portfolio of 63 properties and has announced four other proposed acquisitions: 150 Ubi Avenue 4 Building expected to be completed in March 2006; LabOne Building expected to be completed by mid-2006 and two recently announced development projects – separate warehouse retail facilities for Courts (Singapore) Limited and Cold Storage Singapore (1983) Pte Ltd expected to be completed by October/November 2006 and January/February 2007, respectively.

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About A-REIT (www.a-reit.com)

A-REIT is the first business space and light industrial real estate investment trust ("REIT") listed on the SGX-ST. It has a diversified portfolio of 63 properties in Singapore, comprising suburban office space (including business park and science park properties), high specifications industrial mixed use properties, light industrial properties, and logistics and distribution centres, with a book value of S\$2.8 billion. These properties house a tenant base of over 680 international and local companies from a range of industries and activities, including research and development, life sciences, information technology, engineering and light manufacturing. 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 and Group Exklusiv Pte Ltd.

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 (EPR/NAREIT) Global Real Estate Index and Global Property Research (GPR) Asia 250.

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 Macquarie Goodman Management 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.