



A-REIT to acquire Aztech Building for \$23.0 million

21 December 2005, 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 a put and call agreement today to acquire Aztech Building (the “**Property**”) for a purchase price of \$23.0 million from Aztech Systems Limited (“**Aztech Systems**”).

The acquisition of the Property will be accretive to A-REIT’s distributable income per unit (DPU) and the pro forma financial effect of the acquisition on the DPU for the financial year ended 31 March 2005 would be an additional 0.06 cents per unit ⁽¹⁾.

According to Mr Tan Ser Ping, Chief Executive Officer of the Manager, “We are pleased with the acquisition of the Aztech Building, which is a well-located, high-quality investment grade property with a strong anchor tenant. In addition, we expect demand for the location to improve significantly once the nearby Circle Line is completed.”

Aztech Building at No. 31 Ubi Road 1, Singapore 408694

The Aztech Building is located off Paya Lebar Road, within the business and industrial hub of Ubi and is accessible via the Pan Island Expressway and the upcoming Kallang-Paya Lebar Expressway. It is also in close proximity to the proposed Circle Line MRT (Macpherson station) under construction now and expected to be completed by 2010.

⁽¹⁾ Assuming that: A-REIT had purchased, held and operated the property for the whole of the financial year ended 31 March 2005 (based on 58 properties including Hamilton Sundstrand Building and Thales Building); the acquisition was fully funded by available bank debt facilities; and in respect of the property, the Manager had elected to receive its base Fee entirely in cash and its performance Fee entirely in units.

Completed on 1 December 1993 and 1 July 1997 respectively, the property comprises a four-storey light industrial building and a nine-storey annex building. Upon completion of the transaction, Aztech Systems will lease back the entire property for 7 years (subject to HDB's approval) with stepped rental increases in Year 3 and Year 5. Aztech Systems is listed on the Singapore Exchange and provides Electronic Manufacturing Services (EMS) and OEM/ODM design and manufacturing services. Headquartered in Singapore, it has over 1,800 employees worldwide.

Aztech Systems will pay for maintenance and utilities while A-REIT will be responsible for the payment of land rent, property tax and lease management fee. A-REIT will also incur acquisition costs amounting to \$0.43 million of which \$0.23 million (being 1% of the purchase price) is the acquisition fee payable to the Manager.

The property sits on a land area of 7,114.6 sqm with a land lease tenure of 30 + 30 years with effect of 1 March 1990 and has a gross floor area and net lettable area of 17,753 sqm and 13,997 sqm respectively.

The acquisition of the Property is subject to conditions precedent including A-REIT securing sufficient financing and the approval from Housing Development Board for the assignment of the land lease as well as the approval of the transaction by the shareholders of Aztech Systems.

A-REIT currently has a portfolio of 59 properties and has announced four other proposed acquisitions: a building along Depot Road being developed by Ascendas Pte Ltd for lease to a US Fortune 500 multinational company which is a pre-committed project expected to be completed in 2006; Thales Building which is currently under construction and expected to be completed by January 2006; 50 Kallang Avenue, expected to be completed by February 2006; and the newly announced property, Aztech Building which is expected to be completed by February 2006

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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 59 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\$2.6 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 (EPRA/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 Goodmann 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.