

A-REIT acquires five properties for S\$63.05 million

1 February 2007, 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 today signed separate put and call option agreements (“Option Agreements”) with Flextronics Distribution Centre (S) Pte Ltd, Flextronics Plastics (S) Pte Ltd, Flextronics Technology (S) Pte Ltd, Li Xin Plastic Industries Pte Ltd and Flextronics Mould Manufacturing Pte Ltd (together the “**Flextronics Group**”) to acquire five properties for an aggregate purchase price of S\$63.05 million. The Flextronics Group is a leading Electronics Manufacturing Services provider with a network of facilities in over 30 countries.

The Manager has simultaneously exercised the respective call options under the various Option Agreements, and HSBC Institutional Trust Services (Singapore) Limited as Trustee of A-REIT (the “Trustee”) and the Flextronics Group have entered into separate sale and purchase agreements and completed the sale and purchase of the five properties today.

The five properties acquired are : 2 Changi South Lane (“Flextronics Changi”), 1 Kallang Place (“Flextronics Kallang”), 18 Woodlands Loop (“Flextronics Woodlands Loop”), and 9 & 11 Woodlands Terrace (“Flextronics Woodlands Terrance”) (together the “**Properties**”). The Flextronics Group will lease the Properties for 7 years with stepped annual rental increases and an option to renew for another 10 years.

Said Mr Tan Ser Ping, Chief Executive Officer of the Manager, “We are pleased to have the opportunity to acquire this portfolio of quality properties and to have Flextronics, a leading and established electronics manufacturing provider, as one of our major tenants. Given the strategic locations and the versatility of the Properties, there could be opportunities to enhance and reposition the Properties in the future. With this transaction, A-REIT’s acquisition and development projects announced for the current financial year-to-date totaled about \$488 million over 20 buildings.”

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 2006 would be an additional 0.05 cents per unit ⁽¹⁾

Flextronics Changi

Conveniently located at 2 Changi South Lane and within the Changi South Industrial estate, Flextronics Changi is in close proximity to Singapore Expo, Changi Business Park and Changi Airport. It is a 6-storey light industrial cum warehouse facility with ancillary offices on a 60-year land lease tenure with effect from 16 October 1997. It sits on a land area of 14,165 sqm and has gross floor area and net lettable area of 26,300 sqm and 20,939 sqm respectively.

Flextronics Kallang

Flextronics Kallang is within close proximity to the Kallang and Lavendar MRT Stations. It is also easily accessible via the CTE and PIE expressways. With land lease tenure of 30 years commencing from 1 December 1994, Flextronics Kallang is a 7-storey light industrial cum warehouse facility that sits on a land area of 7,288 sqm with a gross floor area of 15,490 sqm and a lettable floor area of 12,265 sqm. Given the central location of this property, there are potential opportunities to enhance and reposition the building for increased returns. The land lease may be extended for a further 30 years upon satisfying certain JTC investment criteria.

Flextronics Woodlands Loop

Flextronics Woodlands Loop is sited in the north of Singapore and is served by the Bukit Timah Expressway, Kranji Expressway and Seletar Expressway. It has a land area of 7,419 sqm with a gross floor area of 18,422 sqm and a lettable floor area of 16,601 sqm. The 6-storey light industrial cum warehouse facility with ancillary offices has a 60-year land lease tenure with effect from 16 February 1997.

⁽¹⁾Assuming that: A-REIT had purchased, held and operated the Properties for the whole of the financial year ended 31 March 2006 (based on 69 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.

Flextronics Woodlands Terrace

Flextronics Woodlands Terrace comprises two single storey industrial facilities with a mezzanine level at 9 & 11 Woodlands Terrace. The facilities are readily accessible via the Bukit Timah Expressway, Kranji Expressway and Seletar Expressway and have a total land area of 10,033 sqm on a 60-year land lease tenure commencing from 1 January 1995 for 9 Woodlands Terrace and 16 January 1996 for 11 Woodlands Terrace. The facilities have a combined gross floor area and lettable floor area of 5,555 sqm and 4,560 sqm respectively.

The Flextronics Group will be responsible for land rent, property tax, maintenance and utilities while A-REIT will pay lease administration fees. A-REIT will also incur acquisition costs amounting to S\$0.87 million of which S\$0.63 million (representing 1% of the total purchase price) represents the acquisition fee payable to the Manager.

Interests of Directors and Controlling Shareholder

No Director of the Manager or controlling shareholder of A-REIT has any interest, direct or indirect, in the transaction, other than by way of acquisition fees and ongoing management fees. Such fees are on the basis that was disclosed in the A-REIT prospectus dated 5 November 2002, therefore the Listing Rules relating to Interested Person Transactions are not applicable to these fees.

A-REIT currently has a portfolio of 71 properties and has previously announced five additional proposed acquisitions, worth in aggregate about S\$213 million that have yet to be completed:

1. A warehouse retail facility worth about \$66 million which is being built for Cold Storage Singapore (1983) Pte Ltd is expected to be completed in March 2007.
2. A partial build-to-suit business park property will be built at Plot 15 Changi Business Park with Rohde & Schwarz Singapore Pte Ltd as the anchor tenant. The \$28.6 million building is expected to be completed by early 2008.
3. 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 \$32 million development project is expected to be completed by early 2008.

4. An additional five-storey ramp up warehouse currently under construction by SENKEE Logistics Pte Ltd, an asset enhancement for Phase 2 of SENKEE Logistics Hub, will be acquired for \$63.8 million upon satisfaction of certain conditions precedent. The construction is expected to be completed in early 2008.
5. A logistic and distribution facility, currently being built by the vendor, Goldin Enterprises Pte Limited, will be acquired for S\$22.5 million in the second half of 2008 upon satisfaction of certain conditions precedent.

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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 76 properties in Singapore, comprising business and science park properties, hi-tech industrial properties, light industrial properties, and logistics and distribution centres, with a book value of about S\$3.1 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.

A-REIT has a corporate family credit rating of A3 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 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.