

A-REIT acquires 27 International Business Park for S\$18.6 million

12 January 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 a put and call option agreement (“Option Agreement”) on 9 January 2007 to acquire 27 International Business Park (the “**Property**”) for a purchase price of S\$18.6 million from Primefield Co. Pte. Ltd (“**PCPL**”).

The Manager has exercised the call option under the Option Agreement, and HSBC Institutional Trust Services (Singapore) Limited as Trustee of A-REIT (the “Trustee”) and PCPL completed the sale and purchase of the Property today.

The acquisition of the Property 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 2006 would be an additional 0.02 cents per unit ⁽¹⁾.

Said Mr Tan Ser Ping, Chief Executive Officer of the Manager, “We are pleased that A-REIT is acquiring its third property located in the International Business Park in Jurong East. This area, earmarked for high technology, research and development (R&D), high value-added and knowledge intensive companies, is a choice location for many multinational companies including Creative Technology, Sony Electronics, Johnson & Johnson and MobileOne.

With this latest acquisition, we will further diversify and enlarge A-REIT’s tenant base. As the economy continues on an upswing, we remain committed to pursuing accretive acquisitions to enhance A-REIT’s portfolio income stability and lease expiry profile.”

⁽¹⁾ Assuming that: A-REIT had purchased, held and operated the Property for the whole of the financial year ended 31 March 2006 (based on 65 properties); the acquisition was funded by 40% 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.

Description of 27 International Business Park

Strategically located in International Business Park, the Property is in close proximity to other well-known developments in the area including Creative Resource, German Centre, The Strategy and The Synergy. It is easily accessible via the major expressways, namely, the Pan Island Expressway and the Ayer Rajah Expressway.

Completed in December 1997, the Property comprises a five-storey multi-tenanted business park building with a basement car park with 74 lots. It has a gross floor area of 12,143 sqm and lettable area of approximately 9,079 sqm. It sits on a land area of 8,677 sqm with a land lease tenure of 60 years with effect from 1 December 1995.

Major tenants in the Property include: Power One, Bio-Rad Laboratories, Emerson Network Power, I-Flex Solutions and AXS InfoComm.

A-REIT is responsible for the payment of land rent, property tax, maintenance and utilities and lease administration fee. A-REIT will also incur acquisition costs amounting to S\$0.33 million of which S\$0.19 million (being 1% of the purchase price) is the acquisition fee payable to the Manager.

A-REIT currently has a portfolio of 70 properties and has previously announced five additional proposed acquisitions, worth in aggregate about S\$212.9 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 70 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 S\$3.0 billion. These properties house a tenant base of over 740 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 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 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.