

Press Release



A-REIT to acquire two properties worth \$40.9 million

6 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 completed the acquisition of 37A Tampines Street 92 for \$12.25 million on 1 December 2005 and signed a put and call option agreement to acquire 50 Kallang Avenue for \$28.6 million today.

The put and call option agreement for 50 Kallang Avenue was signed with Noel Gifts International Limited (“**Noel**”) today while the put and call option agreement for 37A Tampines Street 92 was signed with Steel Industries Pte Ltd (“**Steel Industries**”) on 25 November 2005.

The pro forma financial effect of the two properties on A-REIT’s distributable income per unit for the financial year ended 31 March 2005 would be 0.07 cents⁽¹⁾.

Mr Tan Ser Ping, Chief Executive Officer of the Manager, said, “We have acquired 22 properties with total value amounting to \$495.2 million since the beginning of this financial year, including this latest acquisition of 37A Tampines Street 92. In addition, we have announced the acquisition of another four properties worth \$107.6 million, which will be completed over the next few months. These properties will benefit A-REIT by providing organic growth

⁽¹⁾ Assuming that: A-REIT had purchased, held and operated the two properties for the whole of the financial year ended 31 March 2005 (based on 59 properties including Hamilton Sundstrand Building and Thales Building); the acquisition of 37A Tampines Street 92 had been funded using 100% debt; while 50 Kallang Avenue will be funded using 30% debt and 70% equity; and in respect of the two properties, the Manager had elected to receive its base Fee entirely in cash and its performance Fee entirely in units.

through the annual stepped rental increases built into the various leases and will further diversify the tenant mix and industry sectors in the portfolio.”

Summary of properties information

	Property	Appraised Value (S\$ million)	Purchase Price (S\$ million)	Pro forma DPU Impact ⁽¹⁾ (cents)	Rental Escalation	Lease Tenure (Years)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Major Tenants	Asset Class	Land Lease Expiry
1	37A Tampines Street 92	12.40	12.25	0.03	Stepped rental increases p.a.	8.0	4,805	12,011	9,604	Steel Industries Pte Ltd	Light Industrial	30-Jun-54
2	50 Kallang Avenue	28.60	28.60	0.04	N.A.	Multi-tenanted	7,591	18,584	14,420	Noel Gifts International Limited	Hi-tech Industrial	15-Nov-55
	Total	41.0	40.85	0.07			12,396	30,595	24,024			

Description of 37A Tampines Street 92

37A Tampines Street 92 is located within Tampines Industrial Park A, in close proximity to the Singapore Expo, Changi Business Park and Changi Airport and accessible via the East Coast Expressway and Pan Island Expressway.

The property is an eight-storey light industrial building for office and production use. Upon completion of the transaction, Steel Industries will lease back the whole building for eight years with annual stepped rental increases. Steel Industries is a Singapore company dealing with a wide range of steel metal, iron and bronze products for the installation and building of household equipment.

Steel Industries will pay for the land rent, property tax and maintenance and utilities expenses while A-REIT will be responsible for the lease management fee. A-REIT will also incur costs relating to the acquisition amounting to \$0.24 million, of which \$0.12 million (being 1% of the purchase price) is the acquisition fee payable to the Manager.

Completed in 1997, the property sits on a land area of 4,805 sqm with remaining land lease tenure of 49 years expiring on 30 June 2054. The property has a net lettable area of 9,604 sqm and a gross floor area of about 12,011 sqm.

Description of 50 Kallang Avenue

The property is located at 50 Kallang Avenue in the central part of Singapore, near Kallang MRT station. It is easily accessible via Nicoll Highway, East Coast Parkway and Pan Island Expressway.

The property is a nine-storey multi-tenanted high tech industrial building. Its major tenants include **Noel**, a creative gift company listed on the Singapore Exchange; **International Rectifier Southeast Asia Pte Ltd**, a company who is engaged in advanced power management technology; and **Azure Technologies Pte Ltd**, a wholly owned subsidiary of the Vanda Group and a member of Hutchison Telecommunications International Ltd.

A-REIT will be responsible for the land rent, property tax, maintenance and utilities expenses and lease administration fees. A-REIT will also incur costs relating to the acquisition amounting to \$0.57 million of which \$0.29 million (being 1% of the purchase price) is the acquisition fee payable to the Manager.

Completed in 1997, the property sits on a land area of 7,591 sqm (subject to survey) with remaining land lease tenure of 50 years expiring on 15 November 2055. The property has a net lettable area of 14,420 sqm and a gross floor area of about 18,584 sqm. The sale of the property is subject to the approval by shareholders of Noel.

A-REIT now has a portfolio of 58 properties. A-REIT had also 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; Hamilton Sundstrand Building and Thales Building which are currently under construction and expected to be completed by December 2005 and January 2006 respectively; and 50 Kallang Avenue, expected to be completed by February 2006.

- End -

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 58 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 included 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 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.