

A-REIT signed agreement for 1 Changi South Lane
- expected to generate property yield of 7.6%

1 September 2005, Singapore – Ascendas-MGM Funds Management Limited (the “**Manager**”), the manager of Ascendas Real Estate Investment Trust (“**A-REIT**”) is pleased to announce that it has signed the put and call option agreement today to acquire 1 Changi South Lane for a purchase price of \$34.8 million from Accord Famous Logistics Pte Ltd. The property was previously identified as a **Changi Property** with a property yield of 7.6% in A-REIT’s announcements and in the circular dated 25 August 2005.

1 Changi South Lane is located in Changi South and is readily accessible by the Pan Island Expressway and East Coast Parkway from the city centre.

The property comprises a three-storey warehouse building, currently leased to a number of tenants including SKF South East Asia Pte Ltd and FPS Global Logistics Pte Ltd.

The total gross floor area and net lettable area of the property is 25,583 sqm and 23,146 sqm, respectively, on a land area of 16,005 sqm (subject to survey). The land lease tenure is 60 years expiring on 31 August 2058.

The acquisition of the property is expected to be completed by end-October 2005. It is one of the fourteen properties which A-REIT announced on 25 August 2005 will be funded through an issue of new units in A-REIT up to S\$240 million and additional borrowings.

A-REIT currently has a portfolio of 44 properties. A-REIT had also previously announced thirteen 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, Ness Building, which is expected to be completed in October 2005, Hamilton Sunstrand Building and Thales Building which are currently under construction and expected to complete by October 2005 and January 2006 respectively; 1 Jalan Kilang, 11 Tampines Street 92, Hoya Building, LogisHub@Clementi, Techquest and Techview, Cityneon Design Centre, NNB Industrial Building and SENKEE Logistics Hub.

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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 44 properties in Singapore, comprising business park (including science park), light and hi-tech industrial properties, and logistics and distribution centres, with a book value of S\$2.3 billion. These properties house a tenant base of over 500 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.

A-REIT is listed in several indices. These include the Morgan Stanley Capital International, Inc (MSCI) Index, the FTSE Global Small Cap Asia Pacific Ex Japan Index Series, the European Public Real Estate Association/National Association of Real Estate Investment Trusts (EPRA/NAREIT) Global Real Estate Index, Global Property Research (GPR) Asia 250 and the Standard & Poor inaugural S&P Asia PowerPicks 2004 portfolio.

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.