



(Constituted in the Republic of Singapore
pursuant to trust deed dated 9 October 2002 (as amended))

ANNOUNCEMENT

ISSUE OF 109,919,571 NEW UNITS (THE “NEW UNITS”) IN ASCENDAS REAL ESTATE INVESTMENT TRUST (“A-REIT”) AT AN ISSUE PRICE OF S\$1.8650 PER NEW UNIT (THE “PLACEMENT”)

Further to its announcements of 21, 22 and 23 February 2005 in relation to the Placement, the Board of Directors of Ascendas-MGM Funds Management Limited (in its capacity as the manager of A-REIT, the “**Manager**”) wishes to announce that the Placement has been fully taken up by institutional and certain other investors, and that the Manager has today issued 109,919,571 **New Units** at an issue price of S\$1.8650 per New Unit pursuant thereto.

In-principle approval has been given by Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing and quotation of these New Units on the Main Board of the SGX-ST, subject to compliance with, *inter alia*, the SGX-ST’s listing requirements. The New Units will commence trading under a temporary stock counter, *Ascendasreit A*, on the Main Board of the SGX-ST at 2 p.m. today.

The SGX-ST’s in-principle approval is not an indication of the merits of the Manager, the New Units or the Placement.

The net proceeds of the Placement amount to S\$202.3 million and have been applied towards partially financing the acquisitions of Telepark, Kim Chuan Telecommunications Complex, KA Centre and KA Place. The remaining costs of these acquisitions (less the deferred component of the purchase price of Telepark which is payable only at the end of the third year after the completion of the acquisition of Telepark) and the refundable input tax payable by A-REIT to the Inland Revenue Authority of Singapore in respect of the purchase prices of the aforementioned properties will be financed by additional borrowings to be incurred by A-REIT.

Placement to Substantial Unitholder

The SGX-ST has waived the requirement under Rule 812 of its Listing Manual that approval of A-REIT’s unitholders (“**Unitholders**”) be obtained for placements of new units in A-REIT (“**Units**”) to The Capital Group Companies, Inc. (“**Capital Group**”) (a substantial Unitholder), subject to the conditions that (i) the number of new Units to be placed to Capital Group is no more than what is required to maintain its proportionate unitholding at its pre-placement level (in percentage terms), (ii) the Manager certifies that it is independent of Capital Group and (iii) the Manager announces any such placement.

Pursuant to the aforementioned waiver, 7,913,000 New Units have been placed to Capital Group

under the Placement. As a result of this, Capital Group's unitholding is maintained at its pre-Placement level of 7.2%¹ (without taking into account any Units which Capital Group may have acquired through open market transactions after 31 January 2005²).

In compliance with the conditions of the aforementioned waiver, the Manager hereby certifies that it is independent of Capital Group.

Status of the New Units

The New Units will only be entitled to participate in the distributable income of A-REIT for the period from the date of this Announcement to 31 March 2005 whereas the existing Units are entitled to participate in A-REIT's distributable income in respect of the whole of the current distribution period (1 January 2005 to 31 March 2005). From the next distribution period following the current distribution period, the New Units will rank *pari passu* in all respects with the existing Units, including the right to any distribution which may be paid for that distribution period, and all distributions thereafter.

Temporary Trading Counter on the SGX-ST

As the New Units will not be entitled to participate in A-REIT's distributable income for the period from 1 January 2005 to 1 March 2005, it is necessary for the New Units to trade under a separate stock counter on the SGX-ST for the period commencing from the date of this Announcement to the last day of "cum-distribution" trading for both the New Units and the existing Units in respect of the current distribution period from 1 January 2005 to 31 March 2005, which is expected to be in April 2005. After the last day of "cum-distribution" trading, the New Units and the existing Units will be aggregated and traded under the existing A-REIT stock counter on the SGX-ST on the next market day, *i.e.* the first day of "ex-distribution" trading for both the New Units and the existing Units.

BY ORDER OF THE BOARD
ASCENDAS-MGM FUNDS MANAGEMENT LIMITED
(Company Registration No. 200201987K)
(as manager of Ascendas Real Estate Investment Trust)

Tay Hsiu Chieh
Company Secretary
2 March 2005

Important Notice

¹ As at 31 January 2005, being the latest practicable date prior to the lodgment with the Monetary Authority of Singapore of the offer information statement relating to the Placement.

² Being the latest practicable date prior to the lodgment with the Monetary Authority of Singapore of the offer information statement relating to the Placement.

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 on the SGX-ST. It is intended that Unitholders 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.