



**A- REIT Raises S\$115 million to Fund Acquisitions
Issue of Up To 83.2 Million New Units
at an Issue Price of between S\$1.3825 and S\$1.4250 per New Unit**

- Up to 83.2 million New Units to be issued at price of between S\$1.3825 and S\$1.4250 per new unit
- The proceeds from the proposed Placement are intended to be used to assist in funding A-REIT's acquisition of Progen Building and C & P Logistics Hub
- The acquisition of the Properties is expected to generate a property yield (before acquisition costs) of approximately 7.9 per cent

Singapore, 15 June 2004 – Ascendas-MGM Funds Management Limited (“**Manager**”), the manager of Ascendas Real Estate Investment Trust (“**A-REIT**”), is issuing up to 83.2 million new A-REIT units (“**New Units**”) for placement to institutional and certain other investors at an issue price of between S\$1.3825 and S\$1.4250 per New Unit (the “**Placement**”) to raise S\$115.0 million for A-REIT.

The Manager intends to use the net proceeds of the proposed Placement to assist in funding the acquisitions of Progen Building and C & P Logistics Hub (together with the recently acquired Nan Wah Building, the “**Properties**”). Prior to the completion of the acquisitions of Progen Building and C & P Logistics Hub expected to take place by September 2004, the Manager may use some of the net proceeds of the proposed Placement to repay a portion of A-REIT's existing borrowings (including the borrowings incurred by A-REIT for the recent purchase of Nan Wah Building).

The Manager believes that the acquisitions of the Properties will improve the earnings and distributions enjoyed by A-REIT's unitholders (“**Unitholders**”) because the Properties are expected to generate a property yield (before acquisition costs) of approximately 8.4 per

cent (Progen Building) and 7.8 per cent (C & P Logistics Hub). The additional borrowings to be incurred to partly finance the acquisitions of Progen Building and C & P Logistics Hub will also facilitate the enhancement of A-REIT's mix of equity and debt financing by increasing the gearing of A-REIT from 29.1% (as at the date of this announcement) to approximately 33.8% on completion of the acquisitions of the Properties, thereby improving returns to Unitholders.

The Manager also believes that the acquisitions of the Properties provide for growth through stepped rental increases incorporated into the long term leases of Nan Wah Marketing Pte Ltd, Progen Pte Ltd and C & P Holdings Pte Ltd. The stepped rental increases, combined with the Manager's ability to continue to improve cash flows as leases expire underpin future growth in earnings and distributions for Unitholders.

Subject to Singapore Exchange Securities Trading Limited ("**SGX-ST**") granting its approval in-principle for the listing of and quotation for the New Units on the Official List of the SGX-ST, the trading of the New Units on the SGX-ST is expected to commence on 24 June 2004. The Placement was underwritten by Citigroup Global Markets Singapore Pte. Ltd. ("Citigroup").

Mr Tan Ser Ping, Chief Executive Officer of the Manager said, "The acquisitions of the Progen Building and C & P Logistics Hub are yield-accretive and will further diversify A-REIT's portfolio and tenancy-mix. The weighted average lease term to expiry of the Properties of 9.2 years will result in an increase in A-REIT's overall weighted average lease term to expiry to 5.5 years as compared to a term of 4.6 years prior to the acquisition of Nan Wah Building. All these will contribute to the income stability of A-REIT."

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About A-REIT (www.a-reit.com)

A-REIT is the first business space and light industrial REIT listed on the SGX-ST. It has a diversified portfolio of 17 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\$1.04 billion. These properties house a tenant base of over 350 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 Siemens, TT International Tradepark, Honeywell,

IHPC, Zuellig Pharma, IDS Logistics Services, OSIM International, Venture Corporation, Ultro Technologies, Ghim Li Global and Nan Wah Marketing.

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, and the Standard & Poor inaugural S&P Asia PowerPicks 2004 portfolio.

A-REIT is managed by **Ascendas-MGM Funds Management Limited**, a joint venture between Singapore-based Ascendas Pte Ltd and Macquarie Goodman Management Ltd of Australia.

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Disclaimer

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 similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

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 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.