

Press Release
5 May 2003



**A-REIT to acquire OSIM HQ, a quality property on a long-term lease
Property yield of 9.28 per cent. in the first year**

5 May 2003, Singapore – Ascendas-MGM Funds Management Limited, the Manager of A-REIT (“Ascendas Real Estate Investment Trust”), is pleased to announce the proposed acquisition by A-REIT of the OSIM Headquarters building located at 65 Ubi Avenue 1 Singapore 408939 (the “OSIM HQ”) from OSIM International Ltd (“OSIM”) for a total purchase price of S\$35 million.

Bermuda Trust (Singapore) Limited (as trustee of A-REIT) (the “Trustee”) and OSIM have today entered into a Put and Call Option Agreement (the “Option Agreement”) in respect of the sale and lease-back of OSIM HQ.

Under the terms of the Sale and Purchase Agreement to be entered into by the Trustee and OSIM upon the exercise of the Option Agreement, the Trustee will pay to OSIM S\$25 million on completion of the sale and purchase of the OSIM HQ, expected to be in late July 2003. The balance of the purchase price of S\$10 million will be paid in two equal instalments of S\$5 million each on the first and second anniversary of the actual date of completion. The OSIM HQ is expected to deliver a property yield of 9.28 per cent. (before acquisition costs) in the first year (8.72 per cent. after acquisition costs).

The purchase of OSIM HQ will, on completion, bring immediate accretive returns to A-REIT unitholders by increasing net income and will also provide enhanced income stability by extending the A-REIT lease expiry profile.

Mr Goh Kok Huat, Chief Executive Officer of the Manager said, “This first acquisition bodes well for A-REIT as there is an immediate contribution to A-REIT’s net property income. The Manager will continue to seek properties strategically located and occupied by quality tenants to maximise returns to unitholders. “

Mr Stephen Hawkins, the Trust Manager said, “The Manager is pleased to establish this sale-and-lease back partnership with OSIM, a global leader in healthcare lifestyle products and a company listed on the Singapore Exchange. The 12-year lease term with OSIM also adds stability to the income from A-REIT’s diversified property portfolio.”

It is proposed that the acquisition will be fully funded by external borrowings and this would raise A-REIT’s gearing to 24.7 per cent from the current level of 19.6 per cent (as at 31 March 2003).

OSIM HQ – a quality property in choice location

The built-to-suit OSIM HQ comprises an 8-storey warehouse and office space with lettable area of approximately 13,532 sqm. Built on a land area of 7,073 sqm, the property has a plot ratio of 2.5. The total land tenure is 60 years, with 54 years remaining. OSIM HQ has been valued at \$35 million by Colliers International as at 31 March 2003.

OSIM HQ is located at 65 Ubi Ave 1, alongside the Pan Island Expressway (PIE) on the eastern side of Singapore. It has easy access to the Paya Lebar MRT Station and is within 15 minutes drive from the East Coast Park Expressway (ECP).

The sale of OSIM HQ is subject to the approval of OSIM shareholders at an extraordinary general meeting to be convened by OSIM.

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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.

About A-REIT

A-REIT is the first business space and light industrial REIT listed on the Singapore Exchange. It has a diversified portfolio of eight properties comprising business park (including science park), light industrial and built-to-suit properties in Singapore, valued at approximately S\$607.5 million (as at 31 March 2003). These properties house a tenant base of over 300 international and local companies operating in a range of industries and activities, including research and development, life sciences, information technology, engineering and light manufacturing. Tenants include Bioprocessing Technology Centre, Federal Express, Honeywell, Institute of Microelectronics, Lilly Systems Biology, Teradyne and Venture Corporation, just to name a few. The rental income from the tenants contributes to the stable distributions to be delivered by A-REIT.

A-REIT is managed by **Ascendas-MGM Funds Management Limited**, a joint venture between Singapore-based Ascendas Investment Pte Ltd, a related company of Ascendas Land (Singapore) Pte Ltd, and Australian-based Macquarie Goodman Industrial Management Pty Limited.

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