

Press Release
23 December 2003



A-REIT to Acquire Multi-Tenanted Changi International Logistics Centre

Ascendas Real Estate Investment Trust (“A-REIT”) has entered into a Put and Call Option Agreement (the “Option Agreement”) with Changi International Logistics Centre, Limited (the “Vendor”) on 23 December 2003 for the sale of the multi-tenanted Changi International Logistics Centre (the “Property”) for a purchase price of S\$45.6 million.

The Property is a multi-tenanted facility servicing predominantly logistic-type operators, with the anchor tenant¹ being Zuellig Pharma Pte Ltd (“Zuellig Pharma”) who occupies 45.0 per cent of space (17,901 sqm), including a six-year lease ending March 2010. The Vendor will provide a rental guarantee of two years from the date of settlement of the acquisition, anticipated to take place by March 2004 for 19 per cent. of space which is currently vacant (7,626 sqm). The sale of the Property to A-REIT will be conditional upon A-REIT securing sufficient financing to undertake the acquisition of the Property and Jurong Town Corporation approving the sale of the Property.

The Property will be purchased at a yield of 8.6 per cent. for the first year. The Property is expected to contribute positively to A-REIT’s earnings from the date of settlement of the acquisition which is anticipated to take place by March 2004. Assuming that the acquisition is funded at an optimal gearing level of 30 per cent. debt / 70 per cent. equity and that A-REIT had purchased, held and operated the Property for six months ended 30 September 2003, the pro forma financial effect on A-REIT’s distributable income per unit would be 0.02 cents per unit (equivalent to 0.04 cents per unit on an annualised basis).

Mr Goh Kok Huat, Chief Executive Officer of the Manager said, “Changi International Logistics Centre is well situated, near to the Changi Airport and it has a good blend of

¹ Zuellig Pharma has 4 leases, of which (a) 321.35 sqm will expire in April 2005; (b) 3,998.0 sqm will expire in October 2006; (c) 7,223.65 sqm will expire in October 2009 and (d) 6,358.0 sqm will expire in March 2010.

long term versus short term leases. This property will certainly add to the stability of A-REIT's portfolio and contribute positively to returns to unitholders."

Details of the Proposed Acquisition

Property	:	Changi International Logistics Centre
Purchase price	:	S\$45.6 million
Property yield (before acquisition cost)	:	8.6 per cent.
Net lettable area	:	39,787 sqm
Expected date of completion	:	March 2004
Lease term	:	- Anchor tenant, Zuellig Pharma ¹
		- Rental guarantee of 2 years from the Vendor for 19% of space currently vacant (7,626 sqm)

Certain conditions precedent

- A-REIT securing sufficient financing to undertake the acquisition of the Property.
- Approval of Jurong Town Corporation for the sale of the Property.

The purchase of the Property may be funded through additional borrowings or from issuing new equity or a combination of both. The Manager is currently reviewing various financing alternatives as well as the optimal level of gearing for A-REIT and will advise details of the proposed funding method as soon as it has been finalised.

The Property

The Property is located at 19 Loyang Way, Singapore 508724 and is accessible via East Coast Parkway and the Pan Island Expressway. It is located within 7 minutes drive to the Changi International Airport. The Property is a multi-tenanted distribution facility with a front block incorporating a 4-storey office and a 2-storey warehouse as well as a rear block consisting of a 4-storey office and a 4-storey warehouse. In addition, there are thirty-two loading bays, six cargo lifts, eighty car parking lots and fifty-six lorry lots. Its net lettable area is 39,787 sqm built on a land area of 30,146 sqm. The land is held on a 30-year lease commencing 16 October 1990, with an option to renew for a further term of 30 years. Completed in two stages in the mid and late 1990s, companies currently occupying space in the building include Zuellig Pharma Pte Ltd, Dimerco Express (S) Pte Ltd, Daikin Asia Servicing Pte Ltd, Schering AG and Exel Singapore Pte Ltd.

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About A-REIT

A-REIT is the first business space and light industrial REIT listed on the SGX-ST. Including the Ultro Building acquired on 30 October 2003, it has a diversified portfolio of eleven properties comprising business park (including science park), light industrial and built-to-suit properties in Singapore, with a book value of approximately S\$676 million. 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 Biopharmaceutical Manufacturing Technology Centre, Federal Express, Ghim Li Global, Honeywell, Lilly Systems Biology, OSIM International, Teradyne and Venture Corporation, just to name a few. The rental income from the tenants contributes to the stability of A-REIT's distributions.

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

For enquiries, please contact:

Ho Mei Peng Investor Relations Ascendas-MGM Funds Management Ltd Tel: +65 6774 9152 Mobile: +65 9668 8290 Email: meipeng.ho@ascendas-mgm.com	Stephen Hawkins Trust Manager Ascendas-MGM Funds Management Ltd Tel : +65 6774 9690 Mobile : +65 9627 8425 Email : stephen.hawkins@ascendas-mgm.com
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Disclaimer

The value of units in A-REIT ("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 Singapore Exchange Securities Trading Limited ("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.