



PROPOSED ISSUE AND PLACEMENT OF 160,500,000 NEW UNITS IN ASCENDAS REAL ESTATE INVESTMENT TRUST

1. The Board of Directors of Ascendas-MGM Funds Management Limited (the “**Manager**”), the manager of Ascendas Real Estate Investment Trust (“**A-REIT**”), is pleased to announce that Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) has, on 19 January 2004, given its in-principle approval, subject to, *inter alia*, compliance with the SGX-ST’s listing requirements, for the listing and quotation of 160,500,000 new units in A-REIT (“**New Units**”) on the Main Board of the SGX-ST.
2. The Manager proposes to issue the 160,500,000 New Units (the “**Proposed Issue**”) for placement by Citigroup Global Markets Singapore Pte. Ltd., DBS Bank Ltd and J.P. Morgan (S.E.A.) Limited (together, the “**Joint Lead Managers and Underwriters**”) through:
 - (a) a preferential offering of 82,006,076 New Units to the Singapore Registered Unitholders¹ on a non-renounceable basis of three New Units for every twenty of the existing units in A-REIT (“**Units**”) held as at the Books Closure Date² (fractions of a Unit to be disregarded) (the “**Preferential Offering**”);
 - (b) an offering of 16,050,000 New Units to retail investors in Singapore through the automated teller machines of participating banks (the “**ATM Offering**”); and
 - (c) a placement by the Joint Lead Managers and Underwriters of 62,443,924 New Units to retail and institutional investors (the “**Private Placement**”).
3. Further to the above, the Manager is pleased to announce that the SGX-ST has granted a waiver in respect of Rule 812(1) of the SGX-ST’s Listing Manual (the “**Listing Manual**”) so that the following categories of persons who are Singapore Registered Unitholders can participate in the Preferential Offering (the “**Preferential Offering Waiver**”):
 - (a) the Substantial Unitholders³ and the Directors of the Manager;
 - (b) the immediate family members (*i.e.* spouse, children, adopted children, step-children, siblings and parents) of (i) the Directors of the Manager and (ii) Substantial Unitholders;

¹ Unitholders of A-REIT as at the Books Closure Date (as defined in note 2 below) other than those whose registered addresses with The Central Depository (Pte) Limited (“**CDP**”) are outside Singapore and who have not, at least five market days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents.

² The date on which the Transfer Books and Register of Unitholders of A-REIT will be closed to determine the provisional allocations of Singapore Registered Unitholders under the Preferential Offering, being 5.00 p.m. on 16 February 2004.

³ A Substantial Unitholder is a person with an interest in one or more Units constituting not less than 5.0% of all Units in issue.

- (c) substantial shareholders, related companies (as defined in Section 6 of the Companies Act, Chapter 50 of Singapore), associated companies and sister companies of the Substantial Unitholders;
 - (d) corporations in whose shares the Substantial Unitholders and the Directors of the Manager have an aggregate interest of at least 10.0%; and
 - (e) any person who, in the opinion of the SGX-ST, falls within categories (a) to (d).
4. However, with the exception of the Directors of the Manager and their immediate family members, the above categories of persons may not apply for New Units under the ATM Offering. The Directors of the Manager and their immediate family members may apply for New Units under the ATM Offering as the SGX-ST has granted a waiver in respect of Rule 812(1) of the Listing Manual in order that they may do so (the “**ATM Offering Waiver**”). In the event that the Directors of the Manager and/or their immediate family members are allotted New Units under the ATM Offering, the Manager will announce such allotments prior to the listing of the New Units.
5. The Manager is also pleased to announce that the SGX-ST has indicated that it has no objection to the placement of New Units to the Substantial Unitholders as at 15 January 2004 under the Private Placement subject to separate unitholder approvals (*i.e.* separate resolutions) being obtained for each such placement (the “**Private Offering Waiver**”). The said Substantial Unitholders are Ascendas Land (Singapore) Pte Ltd, MGM Singapore Pte. Ltd., The Capital Group of Companies, Inc. and Prudential Asset Management (Singapore) Limited.
6. The trust deed constituting A-REIT (the “**Trust Deed**”) provides that the prior approval of the unitholders of A-REIT (the “**Unitholders**”) by Extraordinary Resolution⁴ is required for the issue of new Units if the number of such Units exceeds 20.0% of the outstanding Units prior to the issue. As the 160,500,000 New Units comprised in the Proposed Issue constitute approximately 29.4% of the Units that are in issue as at the date of this announcement, the Manager will be convening an Extraordinary General Meeting (the “**EGM**”) of the Unitholders to be held on 10 February 2004 to seek Unitholders’ approval for the Proposed Issue. At the EGM, the Manager will also be seeking Unitholders’ approval for the placement of New Units to each of the Substantial Unitholders named in paragraph 5 above.
7. The Manager intends to use the proceeds of the Proposed Issue for partly financing the proposed acquisitions of the following properties (the “**Acquisitions**”):

⁴ A resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed constituting A-REIT.

- (a) Changi International Logistics Centre;
- (b) IDS Logistics Corporate Headquarters;
- (c) Siemens Center;
- (d) Trivec Building; and
- (e) TT International Tradepark.

The Manager may, however, at its absolute discretion, use the proceeds of the Proposed Issue to acquire any other suitable property or properties for A-REIT. The Manager will make periodic announcements on the utilisation of the proceeds of the Proposed Issue as such funds are disbursed.

8. In conjunction with the Proposed Issue, the Manager proposes to declare a distribution of A-REIT's distributable income for the period from 1 October 2003 to the day immediately prior to the date the New Units are expected to be issued pursuant to the Proposed Issue (the "**Advance Distribution**"), in lieu of the original scheduled distribution of A-REIT's distributable income for the period from 30 September 2003 to 31 March 2004. The New Units are currently expected to be issued on 5 March 2004. Unitholders whose securities accounts with the CDP are credited with Units as at the Books Closure Date will be entitled to the Advance Distribution to be paid on or about 26 April 2004. **For the avoidance of doubt, the New Units will not be entitled to participate in the Advance Distribution.**
9. Further details of the Proposed Issue, the Acquisitions and the Advance Distribution are set out in the circular dated 19 January 2004, which has been issued to Unitholders for the purposes of the EGM. The circular is also available at A-REIT's web-site: www.a-reit.com.sg
10. Approval in-principle by the SGX-ST is not to be taken as an indication of the merits of the Proposed Issue, the New Units, A-REIT, the Preferential Offering Waiver, the ATM Offering Waiver or the Private Placement Waiver.

BY ORDER OF THE BOARD

Ascendas-MGM Funds Management Limited
(as manager of Ascendas Real Estate Investment Trust)

Tay Hsiu Chieh
Company Secretary
Singapore
19 January 2004

Disclaimer

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.

About A-REIT

A-REIT is the first business space and light industrial REIT listed on the SGX-ST. It has a diversified portfolio of 11 properties comprising business park (including science park), light and hi-tech industrial properties in Singapore, with a book value of approximately S\$698 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. Major tenants include Biopharmaceutical Manufacturing Technology Centre, Federal Express, Ghim Li Global, Honeywell, Lilly Systems Biology, OSIM International, Teradyne, Ultro Technologies and Venture Corporation.

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 Goodmans Industrial Management Pty Limited.

For enquiries, please contact:

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