

A-REIT space take-up buoyed by strong demand in Q1

- New space take-up almost triple of previous financial year's Q1
- New and renewed leases represent S\$5.3 million annualised income
 - Longer leases of up to 5 years

8 July 2004, Singapore – The Ascendas Real Estate Investment Trust (“**A-REIT**”) posted improved occupancy in the three-month quarterly period ended 30 June 2004 (the “**first quarter**”), buoyed by Singapore’s recovering economy, its recent acquisitions and increased take-ups in its properties.

New (including expansions) and renewed leases, amounted to a total net lettable area of 26,141 sqm or 5.67% of A-REIT’s total net lettable area of 461,425 sqm, in the first quarter. The space take-up was 2.8 times higher than in the same quarter of FY 03/04, and 36% better than in the previous quarter.

New leases constituted nearly half, or 14,017 sqm, of the total take-up of which expansion by existing tenants accounted for a quarter of total new take-up. Significantly, a number of new leases were signed for up to 5 years instead of the usual 2-3 year terms. These leases represent S\$5.3 million in annualised rental income to A-REIT.

The recent acquisitions and take-ups have enhanced total portfolio average occupancy to 89.1% in the first quarter, compared with 81.2% in the same period the last financial year. The portfolio occupancy rate as at 30 June 2004 was 89.8%.

Average monthly gross rentals in the first quarter registered at S\$ 24.13 per sqm for business space (including science park); S\$ 15.17 per sqm for hi-tech industrial space; S\$ 16.14 per sqm for light industrial space; and S\$ 17.64 per sqm for logistics space.

Mr Stephen Hawkins, the Trust Manager, said: “A-REIT’s performance in the first quarter clearly reflects the improved business sentiment in Singapore. There has been more demand for space this quarter compared to the same quarter in the last financial year. Longer leases have been committed by quality tenants and the expansion by existing A-REIT tenants is indicative of strong owner-tenant relationships.”

A-REIT welcomes the following new tenants to the portfolio:

- Johnson & Johnson which signed on for 1,096 sqm of space at The Aries;
- Sigma-Aldrich which leased 972 sqm and Zhongqi Pharmaceuticals Technology with 858 sqm of space at The Capricorn;
- Biosensors (1,489 sqm), Pixelmetrix (1,118 sqm) and Pacific Beverages (977 sqm) at Techlink; and
- Mitsubishi Heavy Industries South East Asia (782 sqm), ST Systems (376 sqm) and Starlabs Enterprise (354 sqm) at Techplace I.

Existing tenants expanding their space include:

- Federal Express which took up an additional 628 sqm and eSys Distribution with another 1,128 sqm at Techlink;
- Enzer Electronics (406 sqm) at Techplace I;
- Sakura Tech (361 sqm) at Techplace II; and
- RISIS (139 sqm) at Siemens Center.

Tenants that renewed space include:

- Cell Transplant Singapore which renewed 471 sqm of space at The Alpha;
- Hock Cheong Printing (1,971 sqm), Kyogi Precision (686 sqm) and Millice (552 sqm) at Techplace I; and
- Global Mould Manufacturing (726 sqm) and Magnetronics Technology (388 sqm) at Techplace II.

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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 total book value of S\$1.02 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, Johnson & Johnson, Procter & Gamble, 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.