

**A-REIT to acquire freehold Wisma Gulab
from listed company, RSH for S\$55.7 million**

24 September 2004, Singapore – Ascendas Real Estate Investment Trust (“**A-REIT**”) today signed a put-and-call option agreement with RSH Holdings Pte Ltd to acquire Wisma Gulab (the “**Property**”) located at 190 MacPherson Road, at a price of S\$55.7 million. The Property, A-REIT’s first freehold acquisition, will provide a property yield of 7.9¹ per cent. in the first year of ownership.

Comprising a nine-storey light industrial building, the Property currently serves as the warehouse and corporate office of SGX-listed RSH Limited, formerly known as Royal Sporting House. It is strategically located at the corner of Genting Road and MacPherson Road, and is readily accessible via the Pan Island Expressway (PIE) from the city centre and Changi International Airport.

The Property sits on freehold land covering an area of 5,070 sqm and has net lettable area of 11,821 sqm. Added improvements to the Property include a basement carpark with 26 lots, and 15 lorry parking lots on the periphery of the Property.

Upon completion of the sale, RSH Limited will lease the entire property for 15 years, and bear the expenses for property maintenance and property tax.

Funding for the acquisition may be through additional borrowings and/or from new equity. Assuming the acquisition is funded at the optimal gearing level of 30 per cent. debt and 70 per cent. equity, and that A-REIT had purchased, held and operated the Property for

¹ Based on the initial payment of S\$43.5 million. The remaining S\$12.2 million will be paid in two further installments of S\$5.0 million and S\$7.2 million, at the end of the 5th and 7th years of ownership, respectively.

the entire financial year ended 31 March 2004², the annualised pro forma financial effect on A-REIT's distributable income per unit would have been 0.13 cents.

Mr Tan Ser Ping, Chief Executive Officer of the A-REIT Manager, Ascendas-MGM Funds Management Ltd, said, "Wisma Gulab is a quality light industrial property. We are pleased to be partnering RSH, a leading marketer, distributor and retailer for sports, golf, active lifestyle and fashion products in the Asia Pacific region.

Significantly, this yield-accretive acquisition is the first freehold property in A-REIT's portfolio. It will also diversify the A-REIT portfolio and extend the weighted average lease term to expiry to 5.5 years from 5.2 years."

The sale of the Property is subject to A-REIT obtaining satisfactory financing for the acquisition and the approval of the shareholders of RSH Limited for the sale of the Property.

To-date, A-REIT has a total of 19 properties in its portfolio. It recently announced another four acquisitions including Exklusiv Centre and Techpoint. The remaining two are pre-committed projects which are being developed by Ascendas Pte Ltd: the first, a build-and-lease development at Kallang for Infineon Technologies; and the second, a building being developed at Depot Road.

RSH Limited

SGX Main Board listed, RSH Limited is the leading pan-Asian marketer, distributor and retailer for sports, golf, active lifestyle and fashion products. The RSH Group has a portfolio of over 70 international brand-names and a distribution network spanning over 40 countries in Asia and beyond. It operates multi-brand retail chains for Royal Sporting House, Golf House and Pro Shops, Stadium by Royal Sporting House, Studio R, as well as specialty stores like Reebok, Puma, Nautica, Lacoste and Rockport. In addition to ZARA, RSH Limited's portfolio of international fashion brand-names include Mango, Bebe, Waipai, and Womens' Secret.

² After adjustment for properties acquired after the balance date.

Currently, RSH Limited has a retail network incorporating over 350 free-standing stores and 420 shops-in-shop in 11 countries, including Singapore, Malaysia, Brunei, Philippines, Thailand, Hong Kong, Vietnam, India, United Arab Emirates, Australia and New Zealand.

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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 19 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\$1.24 billion (excluding C & P Logistics Hub Phase II due for completion in December 2004). 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, Honeywell, IHPC, Zuellig Pharma, IDS Logistics Services, OSIM International, Venture Corporation, Ultron Technologies, Ghim Li Global, Nan Wah Marketing and Progen Holdings.

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.

For enquiries, please contact:

Ho Mei Peng Investor Relations Manager Ascendas-MGM Funds Management Ltd Tel: +65 6774 9152 Mobile: +65 9668 8290 Email: meipeng.ho@ascendas-mgm.com	Philip Pearce Senior Investment Manager Ascendas-MGM Funds Management Ltd Tel : +65 6774 9844 Mobile : +65 9627 8632 Email : philip.pearce@ascendas-mgm.com
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Important Notice

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, Ascendas-MGM Funds Management Limited (the “Manager”), the manager of A-REIT 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 of A-REIT 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.