



Press Release

A-REIT enhances portfolio with two acquisitions worth \$71 million - also completes the purchase of a S\$30.6 million property

5 May 2005, Singapore – Ascendas-MGM Funds Management Limited (the “**Manager**”), the manager of Ascendas Real Estate Investment Trust (“**A-REIT**”) has signed separate put-and-call option agreements to acquire Pacific Tech Centre and Weltech Industrial Building on 5 May 2005 and 26 April 2005 respectively, for a total purchase price of S\$71 million. The option agreements were signed with Federal Paint Factory (S) Ltd (“**Federal Paint**”) and Weltech Industries Pte Ltd (“**Weltech Industries**”) respectively.

The Manager is also pleased to announce the completed acquisition of 7 Changi South Street 2 Building from Avenue Distribution Pte Ltd (“**Avenue Distribution**”) for a price of S\$30.6 million¹ today.

The weighted average property yield for the three properties is expected to be 7.5%.

The pro forma financial effect of the Proposed Acquisitions and 7 Changi South Street 2 Building on A-REIT’s distributable income per Unit for the financial year ended 31 March 2005 is expected to be as follows:

Property	DPU Impact (cents per unit)	Funding assumptions
7 Changi South Street 2 Building	0.13	100% debt
Pacific Tech Centre	0.10	30% debt / 70% equity
Weltech Industrial Building	0.02	30% debt / 70% equity
Total	0.25	

⁽¹⁾ A-REIT will pay the initial price of \$28.6 million upon completion of the acquisition on 5 May 2005. The remaining \$2 million will be paid over next four years at equal instalments of \$0.5 million effective from the end of second year from the completion date of 5 May 2005.

assuming that:

- A-REIT had purchased, held and operated the three properties as well as other properties acquired since the start of A-REIT's current financial year, for the whole of the financial year ended 31 March 2005;
- the acquisition of the 7 Changi South Street 2 Building had been funded wholly with debt and Pacific Tech Centre and Welltech Industrial Building had been funded using the optimal gearing level of 30% debt and 70% equity; and
- In respect of each of the properties acquired since 31 March 2005 being, AEM-Evertch Building, Da Vinci Building, Hyflux Building, MSL Building, 7 Changi South Street 2 Building, Pacific Tech Centre, Weltech Industrial Building, the Manager elects to receive its base Fee entirely in cash and the relevant portion of its performance Fee entirely in Units.

Mr Tan Ser Ping, Chief Executive Officer of the Manager, said, "The acquisition of three more properties with a total value of S\$101.6 million comes soon after our completion of four properties in early April 2005. This demonstrates the Manager's ability to capitalise on the opportunities available and to acquire properties with accretion to A-REIT's earnings."

Property Description and Lease Terms

Name of Property	Purchase Price (\$ m)	Rent Escalation	Net Lettable Area (sqm)	Lease Tenure (years)	Major Tenants	Asset Class	Land Lease Expiry
7 Changi South Street 2 Building	30.6 ⁽¹⁾	Stepped rental increases p.a.	13,660	5 yrs	A global logistics company	Logistics	2054
Pacific Tech Centre	62.0	Multi-tenanted	19,626	Multi-tenanted	Sa Sa Cosmetics; Mobileway 365 Pacific; Amway (Singapore);	Hi-tech Industrial	2061
Weltech Industrial Building	9.0	Stepped rental increases p.a.	6,509	8 yrs plus option to renew another 5 yrs	Sunningdale Precision Industries Ltd	Light Industrial	2056
TOTAL/ WEIGHTED AVERAGE	101.6		39,795				

7 Changi South Street 2 Building

7 Changi South Street 2 Building is a fully air-conditioned part 3-storey and part 5-storey warehouse cum office building with a basement carpark. It has a net lettable area of 13,660 sqm, and is situated on land covering 11,703 sqm. The land is on leasehold title of 60 years and expires on 30 September 2054.

The Property is easily accessible from major expressways, and is situated within the Changi South Industrial Estate with surrounding development including purpose-built industrial factories, Singapore Expo and Laguna National Golf and Country Club.

Avenue Distribution is currently leasing the property to a global logistics company. Upon completion of the sale, Avenue Distribution will enter into a 5-year lease for the property with A-REIT. Upon expiry of the lease, the existing leases will be novated to A-REIT. Avenue Distribution will bear the cost of lease administration, property tax, land rent, maintenance and utilities and pay an initial rent of \$2.4 million.

Pacific Tech Centre at No. 1 Jalan Kilang Timor

Upon completion of the sale expected to be by September 2005, Federal Paint will assign all the existing leases to A-REIT. The top three tenants with lease terms between 2 to 3 years currently residing in the multi-tenanted Pacific Tech Centre include Sa Sa Cosmetic Co (S) Pte Ltd; Mobileway 365 Pte Ltd and Amway (Singapore) Pte Ltd. A-REIT will bear the cost of lease administration, property tax, maintenance and utilities as this is a multi-tenanted property.

The Pacific Tech Centre is a fully air-conditioned 10-storey hi-tech industrial building sited on a land area of 9,917 sqm with gross floor area of 25,718 sqm and net lettable area of 19,626 sqm. The land lease has a 99-year title expiring in December 2061. The property is centrally located along Jalan Bukit Merah, with access to the city center and major expressways.

Weltech Industrial Building at 25 Ubi Road 4

Upon completion of the sale expected to be by June 2005, Sunningdale Precision Industries Ltd (“**Sunningdale**”), a company listed on the Singapore Stock Exchange

since July 2003, will lease back the entire net lettable area of 6,509 sqm for a period of 8 years with an option to renew for another 5 years. In the lease terms, the initial rent is \$1 million with subsequent contractual stepped rental increases per annum. A-REIT will bear the cost of lease administration, property tax and land rent, while Sunningdale will be responsible for the utilities and maintenance costs.

Sunningdale is in the design and manufacturing of precision moulds as well as the injection moulding of precision engineering plastic components. It is also a contract manufacturer of assembled plastic products. The company currently has six production facilities, two in Singapore, one in Johor Bahru, Malaysia and the remaining three in China.

The Weltech Industrial Building is a 5-storey light industrial building sited on a land area of 4,000 sqm with gross floor area of 7,998 sqm. The land lease has a 60-year title expiring in March 2056. The property is strategically located in Ubi Road 4, with access to the city center and airport via the Pan-Island Expressway (PIE).

A-REIT currently has a portfolio of 41 properties following the completion of the acquisition of 7 Changi South Street 2 Building. A-REIT had also previously announced three other proposed acquisitions: a building along Depot Road being developed by Ascendas Pte Ltd for lease to Hewlett-Packard which is a pre-committed project expected to be completed in 2006, Ness Building, which is expected to be completed in October 2005 as well as BBR Building, which is expected to be completed in May/June 2005.

- End -

About A-REIT (www.a-reit.com)

A-REIT is the first business space and light industrial real estate investment trust ("REIT") listed on the SGX-ST. It has a diversified portfolio of 41 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\$2.1 billion. These properties house a tenant base of over 470 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 SingTel, C&P Logistics, Siemens, TT International, Honeywell, IHPC, Zuellig Pharma, IDS Logistics Services, OSIM International, Venture Corporation, Federal Express,

Freight Links Express, Johnson & Johnson, RSH, Infineon Technologies, Procter & Gamble, Nippon SP Tech, Singapore Technologies Logistics.

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** (in its capacity as manager of A-REIT), a 60:40 joint venture between Singapore-based Ascendas Pte Ltd and Australian-based Macquarie Goodmann Management Limited.

For enquiries, please contact:

<p>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</p>	<p>Philip Pearce Portfolio Manager Ascendas-MGM Funds Management Ltd Tel : +65 6774 9844 Mobile : +65 9627 8632 Email : philip.pearce@ascendas-mgm.com</p>
--	--

Important Notice

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 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.

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 other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.