



A-REIT to Raise S\$205.0 million to Fund Acquisitions

- Up to 112 million New Units to be issued at a price of between S\$1.83 and S\$1.88 per New Unit
- The proceeds from the Placement are intended to partly finance A-REIT's acquisitions of Telepark, Kim Chuan Telecommunications Complex, KA Centre and KA Place
- The pro forma financial effect of these acquisitions on A-REIT's distributable income per A-REIT unit ("**Unit**") is expected to be an additional 0.48 cents¹

Singapore, 21 February 2005 – Ascendas-MGM Funds Management Limited (the "**Manager**"), the manager of Ascendas Real Estate Investment Trust ("**A-REIT**") is issuing up to 112 million new A-REIT units (the "**New Units**") for placement to institutional and certain other investors at an issue price of between S\$1.83 and S\$1.88 per New Unit (the "**Placement**") to raise S\$205.0 million for A-REIT. The proceeds of the proposed Placement are intended to partly finance the acquisitions of Telepark, Kim Chuan Telecommunications Centre, KA Centre and KA Place (together, the "**Properties**").

The Manager believes that the acquisition of the Properties will increase the earnings and distributions enjoyed by A-REIT's unitholders ("**Unitholders**") as the pro forma financial effect on A-REIT's distributable income per A-REIT unit is expected to be an additional 0.48 cents¹. The additional borrowings to be incurred to partly finance the acquisitions of the Properties will result in the enhancement of A-REIT's mix of equity and debt financing. This

¹ Assuming that:

- A-REIT had purchased, held and operated the 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 2004;
- the acquisitions of the Properties had been funded by a placement of new units in A-REIT and additional borrowings, and
- 100% of the Manager's base fee in respect of the Properties and 13 other properties recently acquired by A-REIT is paid in the form of cash.

increase in the gearing of A-REIT from 25.3% (as at 31 January 2005) to approximately 28% upon completion of the acquisitions of the Properties will enhance returns to Unitholders.

The acquisitions of the Properties will provide organic growth through annual stepped rental increases incorporated into the long term leases of Telepark and Kim Chuan Telecommunications Complex. The stepped rental increases, combined with the Manager's ability to continue to increase the occupancy rate and improve the cash flows as leases expire in the multi-tenanted KA Centre and KA Place, will underpin future growth in earnings and distributions for Unitholders.

Mr Tan Ser Ping, Chief Executive Officer of the Manager said, "With these acquisitions, A-REIT's portfolio will exceed S\$2 billion and add DPU accretion of 0.48 cents per Unit. Organic growth in these acquisitions is supported by the inherent stepped rental increases as well as potential upside from the renewal of the shorter term leases as they expire. In addition, the inclusion of a major tenant like Singapore Telecommunications Limited will further enhance and diversify A-REIT's tenancy-mix. "

The acquisitions are expected to be completed in March 2005 and the full financial impact will be realised in the financial year ending 31 March 2006.

Subject to Singapore Exchange Securities Trading Limited (the "**SGX-ST**") granting its approval in-principle for the listing of and quotation for the New Units on the Official List of the SGX-ST, the trading of the New Units on the SGX-ST is expected to commence in early March 2005. The Placement is underwritten by Citigroup Global Markets Singapore Pte. Ltd. and UBS AG.

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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 32 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\$1.8 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 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 and Procter & Gamble.

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 won the “Most Transparent Company” in the SIAS 5th Investors’ Choice Awards under the REIT category in September 2004. In July 2004, A-REIT received the most votes for Best Investor Relations by sell-side analysts in Singapore, in the 2004 Asia Equities Market Report conducted by Institutional Investor Research Group.

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 Goodman Group.

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Important Notice

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 similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and 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.

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.