

Press Release
5 December 2003



A-REIT to Acquire Multi-Tenanted Trivec Building in Changi

Ascendas Real Estate Investment Trust (“A-REIT”) has entered into a Put and Call Option Agreement (the “Option Agreement”) with Trivec (S) Pte Ltd (“Trivec”) on 5 December 2003 for the sale and lease-back of the multi-tenanted Trivec Building (the “Property”) for a purchase price of S\$32.0 million.

Upon completion of the acquisition, Trivec will lease-back 92.9 per cent. of the Property for two years with 3Com Asia Pacific Rim Pte Ltd, an existing tenant leasing the remainder of the Property. Trivec, who has been managing the Property for the past two years, will work closely with the Manager to renew the underlying leases to existing subtenants of Trivec. The sale of the Property to A-REIT will be conditional upon A-REIT securing sufficient financing to undertake the acquisition of the Property.

The Property will be purchased at a yield of 8.35 per cent. for the first year. The Property is expected to contribute positively to A-REIT’s earnings from the date of settlement of the acquisition which is anticipated to take place by March 2004. Assuming that the acquisition is funded at an optimal gearing level of 30 per cent. debt / 70 per cent. equity and that A-REIT had purchased, held and operated the Property for six months ended 30 September 2003, the pro forma financial effect on A-REIT’s distributable income per unit would be 0.03 cents per unit (equivalent to 0.06 cents per unit on an annualised basis).

The Property is presently 100 per cent occupied. In addition, the existing plot ratio of 1.03 is below the allowable plot ratio of 1.60. Accordingly the Manager will explore opportunities to complete in stages extensions to the Property that will create additional gross floor area. This provides for the future prospect to increase lettable area which will in turn further enhance unitholders’ returns.

Mr Goh Kok Huat, Chief Executive Officer of the Manager said, “The proposed acquisitions of the Trivec Building as well as IDS HQ and TT International Tradepark will increase the number of properties in A-REIT’s portfolio from eleven to fourteen, diversifying the exposure and lowering the risk to any particular property, tenant or industry sub-sector.”

Details of the Proposed Acquisition

Property	Trivec Building
Purchase price	S\$32.0 million
Property yield (before acquisition cost)	8.35 per cent.
Net lettable area	23,812 sqm
Expected date of completion	March 2004
Certain conditions precedent	<ul style="list-style-type: none"> • A-REIT securing sufficient financing to undertake the acquisition of the Property. • Approval of Jurong Town Corporation for the sale of the Property.

The purchase of the Property may be funded through additional borrowings or from issuing new equity or a combination of both. The Manager is currently reviewing various financing alternatives as well as the optimal level of gearing for A-REIT and will advise details of the proposed funding method as soon as it has been finalised.

The Property

The Property is located at No. 3 Changi North Street 2, Singapore 498827 accessible via Tampines Expressway and Pan Island Expressway. It is in close proximity to the Changi International Airport and Singapore Expo. The Property comprises a part 3-storey and part 4-storey multi-tenanted industrial cum logistics building with common facilities such as conference room, training room, cafeteria, car park lots and warehousing space. Its total net lettable area is 23,812 sqm built on a land area of 30,237 sqm. The current utilised plot ratio is 1.03, but the maximum plot ratio is 1.60 which allows for additional built-up space when required. The land is held on a 30-year lease commencing 1 November 1996, with an option to renew for a further term of 30 years. Completed in 1998, tenants currently leasing space in the building include Nippon Express (S) Pte Ltd,

TRW Aeronautical Systems Singapore Pte Ltd, Vishay Intertechnology and Office A2Z (S) Pte Ltd. These entities will be subtenants of Trivec in respect of the space to be leased by Trivec under the leaseback arrangement described above.

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About A-REIT

A-REIT is the first business space and light industrial REIT listed on the SGX-ST. Including the Ultro Building acquired on 30 October 2003, it has a diversified portfolio of eleven properties comprising business park (including science park), light industrial and built-to-suit properties in Singapore, with a book value of approximately S\$676 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. Tenants include Biopharmaceutical Manufacturing Technology Centre, Federal Express, Ghim Li Global, Honeywell, Lilly Systems Biology, OSIM International, Teradyne and Venture Corporation, just to name a few. The rental income from the tenants contributes to the stability of A-REIT's distributions.

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 Goodmann Industrial Management Pty Limited.

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Disclaimer

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, 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 Singapore Exchange Securities Trading Limited ("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.