

Press Release
4 September 2003



Proposed Acquisition of Two New Properties By A-REIT
- Ultro Building and Ghim Li Building

4 September, Singapore – Ascendas-MGM Funds Management Limited (the “Manager”), the manager of Ascendas Real Estate Investment Trust (“A-REIT”), is pleased to announce that Bermuda Trust (Singapore) Limited (the “Trustee”), as trustee of A-REIT, has entered into two Put and Call Option Agreements (the “Option Agreements”) on 4 September 2003 in connection with, respectively, the sale and lease-back of the Ultro Building and the sale and lease of the Ghim Li Building (together with the Ultro Building, the “Properties”), both located in the east of Singapore.

The Option Agreements were signed with Ultro Technologies Limited (“Ultro”) and Ghim Li Holdings Co Pte Ltd (“Ghim Li”) to acquire existing buildings presently occupied by these companies as their Corporate Headquarters.

The proposed acquisition of the two properties will provide additional diversification of A-REIT’s property portfolio and tenancy mix. It will also extend A-REIT’s lease expiry profile and enhance returns to unitholders. The properties will be purchased at yields ranging from 8.43 per cent. to 8.51 per cent. (after acquisition costs). Both acquisitions will contribute positively to A-REIT’s earnings for the financial year ending 31 March 2004.

The Ultro Building will be purchased for S\$18.0 million and leased-back to Ultro for a term of 10 years. Ghim Li Building will be purchased for S\$13.5 million and leased to Ghim Li Global Pte Ltd, a wholly owned subsidiary of Ghim Li, for a period of 10 years.

Mr Goh Kok Huat, Chief Executive Officer of the Manager said, “The proposed acquisition of the Ultro and Ghim Li properties demonstrates the Manager’s ability to source acquisition opportunities for A-REIT. These properties will enhance the stability and growth of A-REIT distributions.”

Following the proposed acquisition of these two Properties, the A-REIT portfolio will be made up of eleven properties - four built-to-suit properties (16 per cent.), four science park properties (37 per cent.) and three light industrial properties (47 per cent.)¹.

Details of the Proposed Acquisitions

Properties	Ultrio Building	Ghim Li Building
Purchase price	S\$18.0 million	S\$13.5 million
Property yield (before acquisition cost)	8.91 per cent.	8.84 per cent.
Property yield (after acquisition cost)	8.51 per cent.	8.43 per cent.
Lease term	10 years	10 years
Annual rental	\$1.8 m with stepped increases of 2.5 per cent. per annum	\$1.5 m with stepped increases of 9 per cent. every three years
Expected date of completion	November 2003	October 2003
Conditions precedent	Approval by Ultrio shareholders	NA

The Manager currently proposes that the acquisition of the Ghim Li Building and Ultrio Building will be fully funded through external borrowings, which will raise A-REIT's gearing from 20.5 per cent. (as at 30 June 2003) to 24.3 per cent.

The Properties

1) Ultrio Building

The Ultrio Technologies Building is a 5-storey fully air-conditioned hi-tech industrial complex office comprising 4 levels of production and office space, a warehouse on the ground floor and a semi-basement carpark with 61 parking lots. It has a lettable area of 10,127 sqm on a land area of 4,761 sqm (subject to survey). The land is held on a 30-year lease commencing 1 February 2001, with an option to renew for a further term of 30 years. Since its completion in January 2002, the property has been occupied by Ultrio. Ultrio is an electronics solution

¹ Based on A-REIT's net property income calculated on the assumption that A-REIT had purchased the Properties on 19 November 2002 (the date of listing of A-REIT on Singapore Exchange Securities Trading Limited) and held and operated the Properties through to 31 March 2003.

provider listed on Singapore Exchange Securities Trading Limited with core competencies in the distribution and manufacturing of electronic components.

2) Ghim Li Building

The Property comprises a 4-storey fully air-conditioned office, production and warehouse complex with gross floor area of approximately 8,046 sqm on a land area of 5,617 sqm (subject to survey). The land is held on a 30-year lease commencing 1 March 1995, with an option to renew for a further term of 30 years. The Property is strategically located within 5 minutes drive from Singapore Changi Airport and is accessible via two major expressways – the East Coast Parkway and Pan Island Expressway. Since its completion in July 2000, the Property has been occupied by Ghim Li. Ghim Li is a private company established in 1977 and operating in the garment and textile business with its Corporate Headquarters located in Singapore as well as manufacturing operations in Malaysia, Indonesia, Brunei, Hong Kong, Mexico, USA, Guatemala and Fiji.

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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.

About A-REIT

A-REIT is the first business space and light industrial REIT listed on SGX-ST. Including OSIM HQ Building, it currently has a diversified portfolio of nine properties comprising business park (including science park), light industrial and built-to-suit properties in Singapore, valued at approximately S\$644.2 million (as at 20 June 2003). 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, Honeywell, Lilly Systems Biology, OSIM International, Teradyne and Venture Corporation, just to name a few. The rental income from the tenants contributes to the stable

distributions to be delivered by A-REIT.

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 Goodman Industrial Management Pty Limited.

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