

Press Release  
9 July 2003



**A-REIT's 26,422 sqm of Space Successfully Taken Up or Renewed  
representing \$5.5 million annualised rental income**

9 July 2003, Singapore – Ascendas-MGM Funds Management Limited, the manager (“Manager”) of Ascendas Real Estate Investment Trust (“A-REIT”) is pleased to provide the following A-REIT portfolio update for the three-month period from 1 April to 30 June 2003 (the “Period”). A total of 26,422 sqm of business and industrial space has been successfully taken up or renewed in the Period, representing 11 per. cent. of the net lettable area in A-REIT’s portfolio of properties (excluding OSIM HQ Building). These leases represent \$5.5 million annualised rental income.

The average gross rentals of the new leases and renewals in business space (including science park), hi-tech industrial space and industrial space in the Period are S\$28.15 per sqm per month, S\$21.25 per sqm per month and S\$15.76 per sqm per month respectively. These average rental rates are in line with the forecasts stated in A-REIT’s IPO prospectus dated 5 November 2002.

For the period ending 31 March 2004, 93 per cent of gross rental income is based on committed leases (up from 84 per cent as previously announced in April 2003). This includes the benefit of the long term lease with OSIM International (“OSIM”) from the recently acquired OSIM HQ Building. The 12-year lease to OSIM has raised the level of committed rental income from 90 per cent to 93 per cent.

In this Period, the average occupancy rate across A-REIT’s portfolio of nine properties is 81.2 per cent. Approximately, 4,945 sqm of the 26,422 sqm space are new leases and 21,477 sqm are renewed leases.

The average term to expiry of the leases in the portfolio is now 2.6 years (an increase of 5 per cent since 31 March 2003). This reflects the benefit of the OSIM HQ building

acquisition and also the ongoing pro-active management of lease renewals in the portfolio.

Mr Goh Kok Huat, the Chief Executive Officer of the Manager said, “The leasing results demonstrate the Manager’s commitment to maximising portfolio performance on behalf of unitholders and show the resilience of the properties in the portfolio. The Manager will continue with its strategy to grow the portfolio and deliver stable distributions to unitholders.”

Mr Stephen Hawkins, the Trust Manager said, “The Manager has worked hard to lease space in the current difficult economic conditions and the increase in new leases showed that our marketing strategy has been effective.”

A-REIT welcomes the following new tenants to the portfolio: IBIDEN Singapore Pte Ltd, a Japanese manufacturer of printed circuit boards with electronic products which leases 770 sqm of space in Techlink; Hygreen Systems Pte Ltd, one of the leading system integrators in Singapore and the Asia Pacific region, leasing 211 sqm of space in Techlink; EnWorkz Pte Ltd who focus 100% on delivering solutions for the energy industry leasing 100 sqm of space in The Aries.

The Manager has developed strong partnerships with its tenants and the following existing tenants have expanded in A-REIT’s premises: Sunmicro FA Pte Ltd in Techplace I; Magnetronic Technology Pte Ltd, Sakura Tech (S) Pte Ltd and Venture Corporation in Techplace II.

The following tenants have renewed their leases with A-REIT include: Voium Communications in The Alpha; Fujikura Technology Singapore and Silesia Flavours SEA in The Gemini; Vibration & Sound Services in Techlink; Daifuku Mechatronics, Enzer Electronics Pte Ltd, Hock Cheong Printing Pte Ltd, Hybrionic Pte Ltd, Proway Engineering Plastic Pte Ltd and Univac Precision Engineering Pte Ltd in Techplace I; Kulicke & Soffa (SEA) Pte Ltd (previously signed under American Fine Wire, Ltd which is under the Kulicke & Soffa Group), Manufacturing Integration Technology and Sin Hin Canteen in Techplace II.

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## **Disclaimer**

*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, 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. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.*

*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 the SGX-ST. Including the OSIM HQ Building acquired on 20 June 2003, it 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 company of Ascendas Land (Singapore) Pte Ltd, and Australian-based Macquarie Goodman Industrial Management Pty Limited.

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