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**A-REIT - net distributable income outperforms forecast by 7.8 per cent
2.78 cents per unit distribution**

16 April 2003, Singapore – The Board of Directors of Ascendas-MGM Funds Management Limited, the Manager of A-REIT (“Ascendas Real Estate Investment Trust”), is pleased to announce net distributable income of \$15.2 million for the period ended 31 March 2003 to A-REIT unitholders (“Unitholders”). A distribution of 2.78 cents per unit will be paid to Unitholders for the period from 19 November 2002 to 31 March 2003, which is 7.8 per cent higher than the forecast contained in the Prospectus for the same period.

**Summary of A-REIT’s Results
(for reporting period ended 31 March 2003) ¹**

	Actual	Forecast²	Variance (per cent)
Net profit (\$'000)	14,290	13,510	5.8
Available for distribution (\$'000)	15,182	14,086	7.8
Distribution per unit (cents)	2.78	2.58	7.8

For more details on financial results, please refer to the A-REIT Financial Statements and Distribution Announcement released on MASNET on 16 April 2003.

Delivered attractive yield

For the period ended 31 March 2003, Unitholders will receive a distribution of 2.78 cents per unit. This represents an annualised yield of 8.6 per cent based on the IPO price of

¹ Although A-REIT was established on 9 October 2002, the acquisition of the properties was completed on 19 November 2002. Consequently, the actual income derived from the properties for the first financial period was from 19 November 2002 to 31 March 2003, a period of 133 days.

² The extrapolated forecast for the period from 19 November 2002 to 31 March 2003 (133 days) has been derived on a best estimate basis by the Manager from the forecast stated in the Prospectus dated 5 November 2002, which is for the period from 1 November 2002 to 31 March 2003.

\$0.88 per unit. The annualised yield exceeds the IPO forecast of 8.0 per cent. Based on the market price of \$0.815 per unit as at 31 March 2003, the distribution of 2.78 cents per unit represents an annualised yield of 9.3 per cent. The distribution will be paid to Unitholders on 26 May 2003, Monday, based on Unitholders who are on the Register as at 5.00 pm on 28 April 2003, Monday (the “Books Close Date”).

Mr Goh Kok Huat, Chief Executive Officer of the Manager said, “The net profit from A-REIT’s property portfolio outperformed the Prospectus forecast by 5.8 per cent despite the current challenging economic conditions. The Manager has been pro-actively renewing existing leases and marketing available space at rental rates in line or above the forecast and the assumptions outlined in the Prospectus. This illustrates the Manager’s commitment and ability to deliver stable returns from the well-managed property portfolio located in proven locations.”

Delivered stable returns

Stable occupancy - On a portfolio basis, the average occupancy rate of A-REIT’s properties is 82.6 per cent for the five months ended 31 March 2003, which is above the Prospectus forecast average³ of 82.5 per cent. A-REIT’s properties also outperformed the average URA⁴ occupancy for similar properties. A-REIT’s occupancy rate for business park properties was 84.0 per cent and 82.0 per cent for the light industrial multiple-user space compared to the URA occupancy statistics⁴ of 77.2 per cent and 79.9 per cent respectively.

Continued renewals - A-REIT has successfully secured new and renewed leases for a total of 36,854 sqm in the six months period from October 2002 to March 2003. This space represented approximately 15 per cent of net lettable area in A-REIT’s portfolio and amounted to \$8.1 million annualised rental income. The committed rental rates are in line with or above the forecast and assumptions outlined in the Prospectus.

New leasing results - New take-ups for the past six months totalled 5,484 sqm. These tenants include: Proctor and Gamble in The Alpha, Adhesive Research in The

³ Average occupancy rate is based on the total weighted average of the number of days of the Net Lettable Area occupied by the tenant over the period.

⁴ Urban Redevelopment Authority statistics as at 31 December 2002.

Capricorn, The Prominent Company in The Gemini, Niteac Engineering, Federal Marketing & Printing and MKS Instruments in Techplace I, Sakura Tech (which later expanded) in Techplace II and Nature Environment Products in Techlink.

Expansion for existing tenants - The Manager has developed strong partnerships with its tenants and a total of 2,804 sqm of space was taken-up by expansion of existing tenants. Tenants who have expanded include: Akzo Nobel and Olympus Technologies in The Gemini; Federal Express in Techlink; Giant Technology Singapore and T&G Mould Manufacturing in Techplace I; Venture Corporation and Etuan Mechatronic in Techplace II.

Strong retention – The Manager has succeeded in renewing a total of 28,566 sqm of leases including those with the following tenants - National Starch & Chemical, NEC Semiconductor, Olympus Technologies, Univac Precision, Venture Corporation and Zen Voce Manufacturing.

Gross Rental Income already substantially committed for March 2004 - For the forecast period ending 31 March 2004, approximately 84 per cent of Gross Rental Income is based on committed leases compared to a level of 67 per cent stated in the Prospectus. The Manager will work continually to renew the leases within the portfolio and attract more tenants to the properties to further secure the Gross Rental Income for the year ending 31 March 2004 and later years.

Stable valuations - A-REIT's property portfolio was valued at \$607.54 million as at 31 March 2003, with a surplus of S\$0.39 million recorded over the last valuation of \$607.15 million in August 2002.

Growth opportunities

The Manager of A-REIT will continue to seek to deliver growth for Unitholders via active asset management of the existing portfolio including increasing the occupancy offering superior customer service and asset enhancement.

The Monetary Authority of Singapore announced on 28 March 2003 that Real Estate Investment Trusts are allowed to raise external debt funding to a level of 35 per cent of

deposited property. With this additional gearing capacity, the Manager will be able to fund acquisitions of properties that will be beneficial to Unitholders of A-REIT. As foreshadowed in the Prospectus, the Manager is currently seeking opportunities for high quality properties which meet the investment profile of A-REIT.

- End -

This press release should be read in conjunction with A-REIT's Financial Statements and Distribution Announcement for the period from 9 October 2002 to 31 March 2003 announced on MASNET.

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.

Awards

In December 2002, A-REIT was voted the "Best New Structure Equity Deal" in the Asset Asian Awards 2003 (Triple A) presented by The Asset, Asia's most respected finance magazine. The board of editors in consultation with the market participants recognised that the listing of A-REIT is an important development to the rest of Asia and it has surmounted the difficulties in offering such new structures to the market.

About A-REIT

A-REIT is the first business space and light industrial REIT listed on the Singapore Exchange. It has a diversified portfolio of eight properties comprising business park (including science park), light industrial and built-to-suit properties in Singapore, valued at approximately S\$607.5 million (as at 31 March 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 Bioprocessing Technology Centre, Federal Express, Honeywell, Institute of Microelectronics, Lilly Systems Biology, 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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