

A-REIT distributable income above forecast by 14.0 per cent
Distribution of 4.05 cents per unit for half year

The Board of Directors of Ascendas-MGM Funds Management Limited, the manager (“Manager”) of Ascendas Real Estate Investment Trust (“A-REIT”), is pleased to announce that A-REIT has delivered distributable income of \$22.1 million for the six-month period from 1 April to 30 September 2003 (the “Period”) which is 14.0 per cent higher than the IPO forecast. For this Period, the unitholders of A-REIT (“Unitholders”) will receive a distribution of 4.05 cents per unit.

Summary of A-REIT Results (for half year ended 30 September 2003)

	Actual	Forecast¹	Variance (per cent)
Net Profit (\$m)	20.5	18.6	10.0
Distributable Income (\$m)	22.1	19.4	14.0
Distribution per unit (cents)	4.05	3.55	14.1

For more details on the financial results, please refer to the A-REIT Half Year Financial Statements dated 16 October 2003 released on MASNET.

Mr Goh Kok Huat, Chief Executive Officer of the Manager said, “Our strategy has proven to be effective and is reflected in the results. We have demonstrated the ability to professionally manage the property portfolio and to deliver stable returns to unitholders of A-REIT. For the Period, A-REIT’s unit price has increased 28.8 per cent from the closing price of S\$0.815 per unit on 31 March 2003 to S\$1.05 per unit on 30 September 2003. We will continue to work to deliver returns to Unitholders.”

Attractive Yield

Based on the distribution of 4.05 cents per unit, the distribution represents an annualised trading yield of 9.2 per cent based on the IPO price of \$0.88 per unit. Based on the closing

¹ The extrapolated forecast for first half-year period from 1 April 2003 to 30 September 2003 has been derived on a best estimate basis by the Manager from the forecast stated in the IPO prospectus dated 5 November 2002.

price of \$1.05 per unit on 30 September 2003, the annualised trading yield is 7.7 per cent. The distribution per unit of 4.05 cents will be paid to Unitholders on Friday, 21 November 2003 based on Unitholders who are on the Register as at 5.00 pm on Tuesday, 28 October 2003 (the “Books Close Date”).

Resilient Portfolio

In the portfolio leasing update released on 14 October 2003, the Manager announced that 32,640 sqm of business and industrial space, representing 13.4 per cent of the net lettable area in the portfolio has been renewed or leased to new tenants in the three months ended 30 September 2003. These leases represent an annualised rental income of S\$7.5 million. On a portfolio basis, the average occupancy rate of A-REIT’s nine properties is 81.2 per cent for the six months ended 30 September 2003.

For the financial period ending 31 March 2004, 96 per cent of forecast gross rental income is based on committed leases in the nine properties (up from 94 per cent as previously announced in July 2003).

Acquisitions

In the Period, the Manager has acquired a ninth property, OSIM HQ Building. On 13 October 2003, A-REIT announced the completion of the acquisition of Ghim Li Building and is working to complete one other property, namely, Ultro Building by November 2003. On 22 September 2003, A-REIT entered into a Put and Call agreement to acquire another building that is currently being developed by Ascendas Land (Singapore) Pte Ltd for Infineon Technologies Asia Pacific Pte Ltd. The acquisition will proceed after obtaining A-REIT’s unitholders approval and the granting of a temporary occupation permit which is expected in the third quarter of 2004.

Future Strategies

Moving forward, the Manager will work to deliver stable distributions to the unitholder through active management of the existing portfolio and yield-accretive acquisition opportunities which will diversify the tenant and industry mix, extend the lease expiry profile and improve the weighted term to expiry of A-REIT. The Manager is in the midst of discussions with other potential property owners for sale and lease-back of properties as well as potential acquisition of multi-tenanted properties in Singapore.

- End -

This press release should be read in conjunction with the A-REIT Financial Statements Announcement for the first half-year period from 1 April to 30 September 2003 announced on MASNET.

About A-REIT

A-REIT is the first business space and light industrial REIT listed on SGX-ST. Including the Ghim Li Building acquired on 13 October 2003, it has a diversified portfolio of ten properties comprising business park (including science park), light industrial and built-to-suit properties in Singapore, with a book value of approximately S\$658 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, 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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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.