

Press Release  
19 June 2003



### **A-REIT To Add A Ninth Property - OSIM HQ Building**

19 June 2003, Singapore – Ascendas-MGM Funds Management Limited, the manager (“Manager”) of Ascendas Real Estate Investment Trust (“A-REIT”), is pleased to announce that following OSIM International Ltd (“OSIM”)’s shareholders’ approval for OSIM to sell and lease-back the OSIM Headquarters building (the “OSIM HQ”), Bermuda Trust (Singapore) Limited (as trustee of A-REIT) (the “Trustee”) will, on 20 June 2003 exercise the Call Option pursuant to the Put and Call Option Agreement entered into on 5 May 2003 between OSIM and the Trustee in respect of the sale and lease-back of OSIM HQ. With the addition of OSIM HQ building, A-REIT will have nine properties in its portfolio.

The proposed acquisition of OSIM HQ building located at 65 Ubi Avenue 1 Singapore 408939 by A-REIT from OSIM for a total purchase price of S\$35 million was announced on 5 May 2003. The sale and lease-back of OSIM HQ was approved by OSIM’s shareholders at the Extraordinary General Meeting held by OSIM today at 9.30 a.m.

The Trustee and OSIM will sign the Sale and Purchase Agreement and Lease Agreement (the “Agreements”) on 20 June 2003 and concurrently complete the sale and purchase of OSIM HQ building on 20 June 2003. With the signing of the Agreements and the completion of the sale and purchase of OSIM HQ building on 20 June 2003, the Trustee will pay S\$25 million, being part of the total purchase price of S\$35 million, to OSIM. The balance of the purchase price of S\$10 million will be paid in two equal instalments of S\$5 million each on 20 June 2004 and 20 June 2005. OSIM will in turn lease-back the building from A-REIT for a term of 12 years, with rents payable commencing from 20 June 2003.

The OSIM HQ building will contribute to the rental income of A-REIT, and the estimated increase in A-REIT’s net profit arising from the acquisition of the OSIM HQ building is

S\$2.32 million in the first year of ownership. The property yield from this ninth real estate asset of A-REIT is expected to be 9.28 per cent. before acquisition costs, and 8.72 per cent. after acquisition costs in the first year.

Mr Goh Kok Huat, Chief Executive Officer of the Manager said, "This acquisition has demonstrated the Manager's commitment and ability to deliver upside to A-REIT's unitholders. The immediate accretive returns of this ninth property will be seen in our second quarter results for financial year ending 2004."

Mr Stephen Hawkins, the Trust Manager added, "Our 12-year lease arrangement with OSIM, a company listed on the Singapore Exchange and a global leader in healthy lifestyle products will effectively extend A-REIT's lease expiry profile and add stability and diversity to the tenant base in A-REIT's property portfolio."

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*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 SGX-ST. Excluding OSIM HQ Building described above, 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, 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.

For enquiries, please contact:

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| <p>Ho Mei Peng<br/>Investor Relations<br/>Ascendas-MGM Funds Management Ltd<br/>Tel: +65 6774 9152<br/>Mobile: +65 9668 8290<br/>Email: <a href="mailto:meipeng.ho@ascendas-mgm.com">meipeng.ho@ascendas-mgm.com</a></p> | <p>Philip Pearce<br/>Investment and Business Development Manager<br/>Ascendas-MGM Funds Management Ltd<br/>Tel : +65 6774 9844<br/>Mobile : +65 9627 8632<br/>Email : <a href="mailto:philip.pearce@ascendas-mgm.com">philip.pearce@ascendas-mgm.com</a></p> |
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