



## Press Release

### **A-REIT to buy 4 properties at a total purchase price of S\$56.5 million**

**4 October 2004, Singapore** – Ascendas Real Estate Investment Trust (“**A-REIT**”) has over the last month, signed put-and-call option agreements with four vendors, to buy four properties, namely Autron Building, SB Building, Steel Industries Building and Volex Building (the “**Properties**”) at a total purchase price of S\$56.5 million. The Properties will provide an average property yield of 8.4 per cent.

Upon completion of the acquisitions of the Properties and other recently announced property acquisitions comprising Exklusiv Centre, Techpoint, Wisma Gulab and Infineon Building, A-REIT’s portfolio will have a total asset value of S\$1.5 billion and total gross floor area of 910,000 sqm. The total number of properties in A-REIT’s portfolio will also increase from the current 19 to 27 properties.

Autron Building is sited in Serangoon North, SB Building is located in Changi South, Steel Industries Building is at Tai Seng Drive and Volex Building is in Tampines. The Properties are readily accessible via the main expressways. Three of the properties have land titles on 60-year leases with JTC Corporation while Volex Building has a 60-year land lease from HDB, with varying expiry dates.

Autron Singapore Pte Ltd, Soilbuild Group Holdings Pte Ltd and Volex (Asia) Pte Ltd will lease-back their respective buildings for a term of 12 years and Steel Industries Pte Ltd will lease-back the Steel Industries Building for a term of 5 years. Completion of the acquisitions is expected to be in December 2004.

Mr Tan Ser Ping, Chief Executive Officer of Ascendas-MGM Funds Management Limited, the manager of A-REIT said, “These strategically located Properties with quality tenants will provide a yield of 8.4 per cent. In addition, there is growth potential for the portfolio with the leases providing built-in rental escalations. This is positive and yield-accretive for A-REIT.”

Details of the respective acquisitions:

	<b>Properties</b>	<b>Purchase Price (\$m)</b>	<b>Net Income (\$m)</b>	<b>Property Yield</b>	<b>Rental Escalation</b>	<b>NLA/ GFA (sqm)</b>	<b>Major Tenants</b>
1	Autron Building at 53 Serangoon North Ave 4	14.0	1.2	8.3	Stepped increases in Year 4, Year 7 and Year 10	8,329 / 10,589	Autron Singapore Pte Ltd
2	SB Building at 25 Changi South Street 1	17.8	1.2	8.7 <sup>1</sup>	Stepped increases	11,895 / 13,998	Soilbuild Group Holdings Pte Ltd
3	Volet Building at 35 Tampines Street 92	9.4	0.8	8.0	Stepped increases	8,000 / 8,931	Volet (Asia) Pte Ltd
4	Steel Industries Building at 5 Tai Seng Drive	15.3	1.3	8.5	N.A.	11,254/ 12,930	Steel Industries Pte Ltd  Subtenants : DHL, Nu Horizons, Schneider Electric
	<b>TOTAL</b>	<b>56.5</b>	<b>4.5</b>	<b>8.4<sup>2</sup></b>		<b>39,478 / 46,448</b>	

Funding for the acquisitions of the Properties may be through additional borrowings and/or from new equity. Assuming the acquisitions are funded at the optimal gearing level of 30 per cent. debt and 70 per cent. equity, and that A-REIT had purchased, held and operated the Properties for the entire financial year ended 31 March 2004<sup>3</sup>, the annualised pro forma financial effect on A-REIT's distributable income per unit would have been 0.16 cents.

The present portfolio consists of 19 properties. In the past two months, A-REIT has announced the acquisition of a total of 8 other properties (including the four properties detailed in this press release). In addition, the Infineon Building development,

<sup>1</sup> Based on the initial payment of S\$14 million. The deferred settlement component of S\$3.8 million will be paid at the end of the 5<sup>th</sup> year.

<sup>2</sup> Adjusted for the deferred settlement component of SB Building.

<sup>3</sup> After adjustment for properties acquired after balance date.

announced on 22 September 2003 has been awarded a temporary occupation permit on 27 September 2004. On 30 July 2004, A-REIT also announced a put and call arrangement in relation to the development project with a lease to HP, which is scheduled for completion in April 2006.

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### **About A-REIT ([www.a-reit.com](http://www.a-reit.com))**

A-REIT is the first business space and light industrial REIT listed on the SGX-ST. It has a diversified portfolio of 19 properties in Singapore, comprising business park (including science park), light and hi-tech industrial properties, and logistics and distribution centres, with a book value of S\$1.24 billion (excluding C & P Logistics Hub Phase II due for completion in December 2004). These properties house a tenant base of over 350 international and local companies from a range of industries and activities, including research and development, life sciences, information technology, engineering and light manufacturing. Major tenants include Siemens, TT International, Honeywell, IHPC, Zuellig Pharma, IDS Logistics Services, OSIM International, Venture Corporation, Ultra Technologies, Ghim Li Global, Nan Wah Marketing and Progen Holdings.

A-REIT is listed in several indices. These include the Morgan Stanley Capital International, Inc (MSCI) Index, the FTSE Global Small Cap Asia Pacific Ex Japan Index Series, the European Public Real Estate Association/National Association of Real Estate Investment Trusts (EPRA/NAREIT) Global Real Estate Index, and the Standard & Poor inaugural S&P Asia PowerPicks 2004 portfolio.

A-REIT won the "Most Transparent Company" in the SIAS 5<sup>th</sup> Investors' Choice Awards under the REIT category in September 2004. In July 2004, A-REIT was voted 1<sup>st</sup> Place for Best Investor Relations by sell-side analysts in Singapore, in the 2004 Asia Equities Market Report conducted by Institutional Investor Research Group.

A-REIT is managed by **Ascendas-MGM Funds Management Limited**, a joint venture between Singapore-based Ascendas Pte Ltd and Macquarie Goodman Management Ltd of Australia.

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**Important Notice**

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, Ascendas-MGM Funds Management Limited (the “**Manager**”), the manager of A-REIT 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 of A-REIT may only deal in their Units through trading on the 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.