



## Press Release

### **A-REIT to add five properties to its portfolio for a total of S\$138.5 million**

***- Acquisitions will generate an average property yield of 9.0 per cent***

14 October 2004, Singapore – Ascendas Real Estate Investment Trust (“**A-REIT**”) today signed separate put-and-call option agreements with three vendors to acquire four properties: Freight Links (Changi) Building, Freight Links (Toh Guan) Building, Fedex Building and MacDermid Building. Prior to this, A-REIT signed a put-and-call option agreement on 4 October 2004 to acquire CG Aerospace Building. Acquisition of the five properties (the “**Properties**”) will be at an aggregate purchase price of S\$138.5 million. The Properties will generate an average property yield of 9.0 per cent.

#### CG Aerospace Building: 3 Changi South Street 2, Singapore 486548

CG Aerospace Warehouse (S) Pte Ltd is the vendor for CG Aerospace Building, a multi-tenanted property located within the Changi South Industrial Area. Its key tenants are “K” Line Services (S) Pte Ltd, Tradeport Singapore Pte Ltd and the National Library Board.

#### Freight Links (Changi) Building: 9 Changi South Street 3, Singapore 486361

Freight Links Express Districentre Pte Ltd is the vendor of Freight Links (Changi) Building, located within the Changi South Industrial Area. Upon completion of the sale and purchase of the property, the vendor will enter into a seven-year lease over the property.

#### Freight Links (Toh Guan) Building: 5 Toh Guan Road East, Singapore 608831

Freight Links Express Distripark Pte Ltd is the vendor of Freight Links (Toh Guan) Building, sited at Toh Guan Road East. Upon completion of the sale and purchase of the property, the vendor will enter into an eight-year lease over the property.

The vendors of Freight Links (Changi) Building and Freight Links (Toh Guan) Building are wholly-owned subsidiaries of Freight Links Express Holdings Ltd, one of Singapore's leading logistics management and integrated freight forwarding companies listed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

Fedex Building: 6 Changi South Street 2, Singapore 486349

Cargo Distribution Pte Ltd is the vendor of Fedex Building, located at Changi South. Upon completion of the sale and purchase of the property, Federal Express (Singapore) Pte Ltd and Cargo Distribution will lease their respective space for six years.

MacDermid Building: 20 Tuas Avenue 6, Singapore 639307

Cargo Distribution Pte Ltd is the vendor of MacDermid Building, located at Tuas Avenue. Upon completion of the sale and purchase of the property, MacDermid Singapore Pte Ltd's three-year lease over the property will be assigned to A-REIT.

All the Properties are held on 60-year leases granted by JTC Corporation, with varying expiry dates.

The proposed acquisitions are expected to require funding through additional borrowings and an issue of new units in A-REIT ("**Units**"). A-REIT's Manager, Ascendas-MGM Funds Management Ltd ("**AMGM**"), is finalising its plans for an issue of new Units and an announcement of such plans will be made in due course.

Assuming that the proposed 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 (including the existing 19 properties) for the financial year ended 31 March 2004, the annualised pro forma financial effect on A-REIT's distributable income per Unit would have been 0.45 cents.

Mr Tan Ser Ping, Chief Executive Officer of AMGM, said, "We are delighted to have the opportunity to acquire these yield-accretive properties, which will provide a good mix of long-term and short-term leases, extend A-REIT's weighted average lease term to expiry profile and enhance its income stability.

Significantly, with the inclusion of the five acquisitions, A-REIT will increase the size of the “Logistics and Distribution Centres” segment in its portfolio from the current 6 properties to 11 properties. In view of the government’s aim to develop Singapore into a global integrated logistics hub, we are confident that A-REIT’s investment in these quality logistics properties will bring positive returns to unitholders.”

### Details of the Proposed Acquisitions

Properties	Purchase Price (S\$m)	Net Income (S\$m)	Property Yield (%)	Rental Escalation	Net Lettable Area (sqm)
Freight Links (Changi) Building <i>at 9 Changi South Street 3</i>	32.0	2.39	9.3 <sup>1</sup>	Stepped increases from Year 2 - 7	20,724
Freight Links (Toh Guan) Building <i>at 5 Toh Guan Road East</i>	36.4	2.60	8.9 <sup>2</sup>	Stepped increases from Year 2 - 8	23,723
Fedex Building <i>at 6 Changi South Street 2</i>	33.5	2.62	7.8	N.A.	14,358
MacDermid Building <i>at 20 Tuas Avenue 6</i>	5.5	0.60	11.0	N.A.	4,321
CG Aerospace Building <i>at 3 Changi South Street 2</i>	31.1	2.28	9.9 <sup>3</sup>	N.A.	20,699
<b>TOTAL</b>	<b>138.50</b>	<b>10.49</b>	<b>9.0<sup>4</sup></b>		<b>83,825</b>

<sup>1</sup> Based on the property value of S\$25.6 million, being its acquisition price of S\$32.0 million less the deferred settlement component of S\$6.4 million

<sup>2</sup> Based on the property value of S\$29.1 million, being its acquisition price of S\$36.4 million less the deferred settlement component of S\$7.3 million

<sup>3</sup> Based on the property value of S\$23.0 million, being its acquisition price of S\$31.1 million less the deferred settlement component of S\$8.1 million

<sup>4</sup> Based on total property value of S\$116.7 million, being the acquisition prices less the deferred settlement component of the respective properties

A-REIT currently has a portfolio of 19 properties. It has recently announced nine acquisitions: Autron Building, SB Building, Steel Industries Building, Volex Building, Wisma Gulab, Techpoint, Exklusiv Centre, as well as two pre-committed projects being developed by Ascendas Pte Ltd: the first, a build-and-lease development for Infineon Technologies; and the second, a building along Depot Road being developed for lease to Hewlett-Packard, expected to be completed in 2006. With the additional five acquisitions, A-REIT's portfolio is expected to increase to 32 properties by December 2004.

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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 real estate investment trust (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, Ultron 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 received the most votes 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 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.