



## Press Release

### **A-REIT to acquire Ness Building for S\$21 million**

**2 November 2004, Singapore** – Ascendas Real Estate Investment Trust (“**A-REIT**”) has on 1 November 2004 signed a put-and-call option agreement with Freight Links Fabpark Pte Ltd to acquire the Ness Building located at Tampines Industrial Avenue 2/3, Singapore, for a purchase price of S\$21 million. The Ness Building will generate a property yield of 10 per cent.

The Ness Building has been given the Temporary Occupation Permit (TOP) on 20 September 2004 and the property will be leased to Ness Display Singapore Pte Ltd for 15 years with effect from 21 September 2004. Upon completion of the sale and purchase of the property expected to be by October 2005, the lease with Ness Display Singapore will be assigned to A-REIT. The net income from this property will be S\$2.11 million in the first year. Expenses including land rent, property tax, maintenance and utilities will be paid by Ness Display Singapore Pte Ltd.

Sited on a land area of 15,119 sqm (subject to survey), the Ness Building has a gross floor area of 9,593 sqm. The land has a lease of 60 years with effect from 1 January 2004 from JTC Corporation.

Freight Links Fabpark Pte Ltd, the vendor of Ness Building is a wholly-owned subsidiary 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 tenant, Ness Display Singapore Pte Ltd is wholly owned by Ness Display Co., Ltd, a Korean company who is one of the world’s leading manufacturing companies in the development of innovative organic light emitting diode (OLED) technology for the future generations of flat panel displays.

Assuming that the proposed acquisition of the NESS Building is 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 building 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 0.11 cents<sup>(1)</sup>.

Mr Tan Ser Ping, Chief Executive Officer of Ascendas-MGM Funds Management Limited, the manager of A-REIT, said, "This acquisition is part of the portfolio of properties owned by Freight Links. We are happy to be the strategic real estate partner to Freight Links thereby enabling them to focus on their core business."

To-date, A-REIT has a total of 19 properties in its portfolio. It has announced a total of 14 acquisitions yet to be completed, namely, Autron Building, CG Aerospace Building, Exklusiv Centre, Fedex Building, Freight Links (Changi) Building, Freight Links (Toh Guan) Building, MacDermid Building, SB Building, Steel Industries Building, Techpoint, Volex Building and Wisma Gulab, 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 being developed along Depot Road for lease to Hewlett-Packard.

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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, Federal Express, Johnson & Johnson, ST Microelectronics and Procter & Gamble.

A-REIT is included 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

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<sup>1</sup> Based on A-REIT's 19 properties including C&P Logistics Hub Phase Two which is expected to be completed in December 2004 for S\$82.9m and the Property had been acquired and held from 1 April 2003 through to 31 March 2004, and its optimal gearing level of 30 per cent debt and 70 per cent equity.

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.