

Press Release  
20 November 2003



## **A-REIT Enhances Portfolio with Proposed Acquisition of IDS HQ**

Ascendas Real Estate Investment Trust (“A-REIT”) has entered into a Put and Call Option Agreement (the “Option Agreement”) with IDS Logistics Services Pte. Ltd. (“IDS Logistics”) on 20 November 2003 for the sale and lease-back of the IDS Logistics Corporate Headquarters (“IDS HQ”) for a purchase price of S\$50.0 million. Upon completion of the transaction, IDS Logistics will lease-back the property for 10 years.

The acquisition of the IDS HQ will further diversify A-REIT’s property portfolio and the tenancy mix in A-REIT’s properties. In addition, A-REIT’s lease expiry profile will be extended due to the long-term lease-back arrangement with IDS Logistics. Returns to unitholders will also be enhanced by the accretive property yield. IDS HQ will be purchased at a yield of 8.27 per cent. for the first year. With the settlement of the acquisition anticipated to take place by March 2004, the IDS HQ will contribute positively to A-REIT’s earnings for the current financial year ending 31 March 2004. Assuming that the acquisition is funded at an optimal gearing level of 30 per cent. debt / 70 per cent. equity and that A-REIT had purchased, held and operated the property for six months ended 30 September 2003, the pro forma financial effect on A-REIT’s distributable income per unit would be 0.05 cents per unit (equivalent to 0.10 cents per unit on an annualised basis).

Mr Goh Kok Huat, Chief Executive Officer of the Manager said, “The proposed acquisition of the IDS HQ will diversify A-REIT’s tenant mix into the logistics and distribution centre sector, an important growth industry in Singapore and will further extend A-REIT’s lease expiry profile. It also demonstrates our continued ability to source yield-accretive acquisition opportunities for A-REIT.”

## Details of the Proposed Acquisition

<b>Property</b>	<b>IDS Logistics Corporate HQ</b>
<b>Purchase price</b>	S\$50.0 million
<b>Property yield (before acquisition cost)</b>	8.27 per cent.
<b>Net lettable area</b>	21,883 sqm
<b>Lease term</b>	10 years
<b>Annual rental</b>	\$4.2 m (for first year) with three-yearly market reviews with a ratchet clause and a cap of 15.0 per cent. on rental increases for the first review and a cap of 20.0 per cent for the subsequent reviews.
<b>Expected date of completion</b>	March 2004
<b>Certain conditions precedent</b>	Approval of Jurong Town Corporation for the sale and lease-back of the property

The purchase of the IDS HQ may be funded through additional borrowings or from issuing new equity or a combination of both. The Manager is currently reviewing various financing alternatives as well as the optimal level of gearing for A-REIT and will advise unitholders of the proposed funding method as soon as it has been finalised.

### The Property

The IDS HQ is located at 279 Jalan Ahmad Ibrahim, Singapore 639938 and is accessible via the Ayer Rajah Expressway and West Coast Highway. The IDS HQ is a 4-storey logistics centre with an ancillary office building and a single-storey rack clad building which incorporates an Automated Storage Retrieval System (“ASRS”). The property has a net lettable area of 21,883 sqm on a land area of 32,617 sqm (subject to survey). The land is held on a 30-year lease commencing 1 September 1998, with an option to renew for a further term of 28 years. Since its completion in October 2001, IDS HQ has been fully occupied by IDS Logistics. IDS Logistics is a wholly-owned subsidiary of Li & Fung (Distribution) Ltd and has over 1,500 employees.

- End -

### About A-REIT

A-REIT is the first business space and light industrial REIT listed on the SGX-ST. Including the Ultro Building acquired on 30 October 2003, it has a diversified portfolio of eleven properties comprising business park (including science park), light industrial and built-to-suit properties in Singapore, with a book value of approximately S\$676 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, Ghim Li Global, Honeywell, Lilly Systems Biology, OSIM International, Teradyne and Venture Corporation, just to name a few. The rental income from the tenants contributes to the stability of A-REIT's distributions.

A-REIT is managed by **Ascendas-MGM Funds Management Limited**, a joint venture between Singapore-based Ascendas Investment Pte Ltd, a related corporation of Ascendas Land (Singapore) Pte Ltd, and Australian-based Macquarie Goodman Industrial Management Pty Limited.

For enquiries, please contact:

Ho Mei Peng Investor Relations Ascendas-MGM Funds Management Ltd Tel: +65 6774 9152 Mobile: +65 9668 8290 Email: <a href="mailto:meipeng.ho@ascendas-mgm.com">meipeng.ho@ascendas-mgm.com</a>	Stephen Hawkins Trust Manager Ascendas-MGM Funds Management Ltd Tel : +65 6774 9690 Mobile : +65 9627 8425 Email : <a href="mailto:stephen.hawkins@ascendas-mgm.com">stephen.hawkins@ascendas-mgm.com</a>
--	--

## Disclaimer

*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.*