



## Press Release

### **A-REIT's portfolio size will exceed S\$2 billion after the addition of four properties for a total price of S\$316.3 million**

21 February 2005, Singapore – Ascendas Real Estate Investment Trust (“**A-REIT**”) has today signed separate put-and-call option agreements with a Singapore-listed company, Singapore Telecommunications Limited (“**SingTel**”), to acquire Telepark, Kim Chuan Telecommunications Complex, KA Centre and KA Place (together, the “**Properties**”) for a total purchase price of S\$316.3 million<sup>(1)</sup>.

SingTel is Asia's leading communications group with significant operations and investments around the world.

Upon completion of the acquisitions, which is expected to be in March 2005, SingTel will enter into a 20-year lease for Telepark (excluding 1,511 sqm of retail space) and Kim Chuan Telecommunications Complex with A-REIT. SingTel also has an option to renew its lease in Kim Chuan Telecommunications Complex for another 10 years. The existing third party leases in relation to KA Centre and KA Place (both amounting to about 10,541 sqm of space) as well as third party retail tenancies in Telepark (1,220 sqm of retail space) will be assigned to A-REIT.

Mr Tan Ser Ping, Chief Executive Officer of Ascendas-MGM Funds Management Limited, the manager of A-REIT (the “**Manager**”), said, “We are delighted to have the opportunity to acquire this portfolio of quality properties and have a high profile and successful company like SingTel as one of our major tenants. The Properties are on 99-year land leases and have long rental terms which will further diversify and stabilise A-REIT's property portfolio. The acquisitions of the Properties will also provide yield accretion to A-REIT.

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<sup>(1)</sup> The total purchase price of S\$316.3 million includes a deferred component of S\$7.6 million to be paid at the end of the third year after the completion of the acquisition of Telepark.

After the Properties are acquired, A-REIT's portfolio will exceed S\$2 billion. The Manager will continue to seek similar income accretive acquisitions in the future as well as generating further value from A-REIT's existing portfolio."

The Properties will reflect positively on A-REIT's earnings when acquired. The pro forma financial effect of the acquisitions on A-REIT's distributable income per A-REIT unit ("**Unit**") for the financial year ended 31 March 2004 is expected to be an additional 0.48 cents per Unit assuming that:

- A-REIT has purchased, held and operated the Properties as well as properties acquired since the start of A-REIT's current financial year, for the whole of the financial year ended 31 March 2004;
- the acquisition of the Properties had been funded by a placement of new units in A-REIT and additional borrowings; and
- 100% of the Manager's base fee in respect of the Properties and the 13 other properties recently acquired by A-REIT<sup>(2)</sup> will be paid in the form of cash (please see below).

### **Change in payment structure for management fees**

At A-REIT's last extraordinary general meeting held on 2 November 2004, A-REIT's unitholders approved an extraordinary resolution where the Manager may, in relation to each new property acquired by A-REIT irrevocably elect at any time to receive its base fee ("**Base Fee**") and performance fee ("**Performance Fee**") payable under A-REIT's trust deed in the form of cash and/or Units.

In respect of each of the Properties, the Manager intends to elect to receive its Base Fee entirely in cash and its Performance Fee entirely in Units.

In respect of the 13 properties recently acquired by A-REIT<sup>(2)</sup>, the Manager also intends to elect to receive its Base Fee entirely in cash and its Performance Fee entirely in Units.

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<sup>(2)</sup> The 13 properties recently acquired by A-REIT are Infineon Building, Techpoint, Wisma Gulab, Autron Building, Exklusiv Centre, SB Building, Steel Industries Building, Volex Building, CG Aerospace Building, Fedex Building, Freight Links (Changi) Building, Freight Links (Toh Guan) Building and MacDermid Building.

The change to the payment method of the Base Fee in relation to these 17 properties will be effective from 1 April 2005.

For all the other properties currently owned by A-REIT, the Manager will continue to receive its Base Fee in equal proportions of cash and Units. The Performance Fee will continue to be paid entirely in Units.

### **Details of the Properties**

#### Telepark at 5 Tampines Central 6, Singapore 529482

Sited on a land area of 11,001 sqm, the eight-storey office building with a basement car park and a small portion of retail space was completed in 1995, and has a net lettable area of 24,252 sqm. Telepark is within walking distance of Tampines Mass Rapid Transit (“MRT”) station and is accessible via Pan Island Expressway and East Coast Parkway. The property will be acquired for a purchase price of S\$186 million.

#### KA Centre and KA Place at, respectively, 150 Kampong Ampat and 159 Kampong Ampat, Singapore

Completed in 1997, KA Centre and KA Place are both seven-storey hi-tech industrial buildings located in Kampong Ampat. KA Centre has a net lettable area of 13,509 sqm with a land area of 7,630 sqm while KA Place has a net lettable area of 6,946 sqm with a land area of 3,817 sqm. Both properties are accessible by Pan Island Expressway and Central Expressway. The purchase prices for KA Centre and KA Place are S\$19.2 million and S\$11.1 million, respectively.

#### Kim Chuan Telecommunications Complex at 38 Kim Chuan Road, Singapore 537055

Completed in 2001, Kim Chuan Telecommunications Complex is a ten-storey hi-tech industrial building with a net lettable area of 25,129 sqm, sited on a land area of 17,048 sqm after sub-division (subject to final survey). Located off Upper Paya Lebar Road, the property is within walking distance of Aljunied MRT station with easy access to the Pan Island Expressway. It is also near the future Upper Paya Lebar MRT station on the Circle Line that is scheduled for completion in 2007. The property will be acquired at a purchase price of S\$100 million.

All the Properties are held on 99-year leases granted by Singapore Land Authority, with varying expiry dates.

A-REIT currently has a portfolio of 32 properties. A-REIT had also previously announced three other proposed acquisitions: a building along Depot Road being developed by Ascendas Pte Ltd for lease to Hewlett-Packard which is a pre-committed project expected to be completed in 2006, Ness Building, which is expected to be completed in October 2005 as well as AEM-Evertech Building, which is expected to be completed in April 2005. With the acquisition of the Properties, A-REIT's portfolio is expected to increase to 36 properties by March 2005.

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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 Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). It has a diversified portfolio of 32 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\$1.8 billion. These properties house a tenant base of over 470 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 C&P Logistics, Siemens, TT International, Honeywell, IHPC, Zuellig Pharma, IDS Logistics Services, OSIM International, Venture Corporation, Federal Express, Freight Links Express, Johnson & Johnson, RSH, Infineon Technologies and Procter & Gamble.

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** (in its capacity as manager of A-REIT), a 60:40 joint venture between Singapore-based Ascendas Pte Ltd and Australian-based Macquarie Goodmann Management Limited.

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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, 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 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.

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 other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.