



A-REIT to acquire Techpoint from Ascendas for S\$75 million

- Acquisition will provide a property yield of 8.5 per cent

31 August 2004, Singapore – Ascendas Real Estate Investment Trust (“**A-REIT**”) has signed a put-and-call option agreement with Ascendas Land (Singapore) Pte Ltd (“**Ascendas**”), a wholly-owned subsidiary of Ascendas Pte Ltd, to acquire the Techpoint building (the “**Property**”) for S\$75.0 million. This acquisition is expected to contribute positively to A-REIT’s earnings and will expand A-REIT’s portfolio to S\$1.3 billion.

Techpoint is a six-storey high-tech industrial building in the Ang Mo Kio vicinity. Its tenants include multinational corporations such as Celestica Electronics, Motorola and Schneider Electric, and leading local enterprises such as STATS ChipPAC, Caldecott Publishing and Mediacorp Publishing. In the first year of acquisition, the property is expected to generate a yield of 8.5 per cent.

The acquisition is expected to be completed by December 2004, following which all existing leases at Techpoint will be assigned to A-REIT. In addition, Ascendas will provide A-REIT with a rental guarantee for up to three years, over the vacant space and leases expiring in the first year of ownership.

Funding for the acquisition may be through additional borrowings and/or from new equity. Assuming that it is funded at A-REIT’s optimal gearing level of 30 per cent debt and 70 per cent equity, and that A-REIT held and operated Techpoint for the entire financial year ended 31 March 2004, the annualised pro forma financial effect on A-REIT’s distributable income per unit for the financial year ended 31 March 2004 would have been 0.19 cents.

Mr Tan Ser Ping, Chief Executive Officer of A-REIT manager, Ascendas-MGM Funds Management Ltd, said, “Acquiring Techpoint from Ascendas provides many benefits to A-REIT. It is accretive, giving a very good yield of 8.5 per cent. In addition, it further diversifies the portfolio tenant mix. Techpoint is also the first property to be acquired from Ascendas under the right-of-first-refusal arrangement granted by Ascendas to A-REIT at its initial public offering.

“This partnership between Ascendas and A-REIT benefits unitholders by leveraging on Ascendas’ excellent track record in developing customised buildings and managing them. Our mutually beneficial collaboration creates a clear edge over competitors as the properties would be highly accretive by the time they are acquired by A-REIT,” added Mr Tan.

Certain conditions precedent to the proposed acquisition by A-REIT:

The proposed acquisition of Techpoint is conditional upon, among others:

- securing the approval of A-REIT’s unitholders at an extraordinary general meeting to be convened by A-REIT at a later date to be determined by the Manager (as the transaction is deemed to be an interested party transaction); and
- A-REIT obtaining sufficient financing for the proposed acquisition of Techpoint.

The Property

Techpoint is a six-storey high-tech industrial building located at 10 Ang Mo Kio Street 65, in the central northern part of Singapore, and about 12 km from the city centre. It is easily accessible by the Central Expressway and Pan Island Expressway. Techpoint has a net lettable area of 42,230 sqm built on a land area of approximately 22,481 sqm. The land is held on a 65-year lease expiring on 31 March 2052, for which land premium has been paid upfront.

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About A-REIT (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 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, Ultro 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 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 Ltd (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.