

## **A-REIT to acquire 8 Loyang Way 1 for S\$25.0 million**

24 March 2008, Singapore – Ascendas-MGM Funds Management Limited (the “**Manager**”), the manager of Ascendas Real Estate Investment Trust (“**A-REIT**”) is pleased to announce that A-REIT has signed a put and call option agreement (“**Option Agreement**”) today to acquire 8 Loyang Way 1, a light industrial property for S\$25.0 million from Seow Khim Polythelene Co Pte Ltd (the “**Vendor**”).

Mr Tan Ser Ping, Chief Executive Officer of the Manager said, “We are pleased to have the opportunity to acquire 8 Loyang Way 1 from Seow Khim Polythelene, a leading manufacturer of consumer plastic products. Being a sale and leaseback transaction, this acquisition will provide us with a stable and predictable income stream and will contribute positively to the DPU for our unitholders. “

The acquisition of the Property will be accretive to A-REIT’s DPU. The annualised pro forma financial effect of the acquisition on the DPU for the financial year ended 31 March 2007 would be an additional 0.03 cents per unit <sup>(1)</sup>.

### **Description of 8 Loyang Way 1**

Strategically located in the eastern part of Singapore at Loyang Industrial Estate, the property is within short driving distance to Changi International Airport and well connected to other parts of Singapore via Pan Island Expressway (PIE) and Tampines Expressway (TPE).

The property comprises two blocks of 4-storey light industrial buildings sitting on JTC land plot of 9,768 sqm with the land lease expiring on 16 July 2052.

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<sup>(1)</sup> Assuming that: A-REIT had purchased, held and operated the properties for the whole of the financial year ended 31 March 2007 (based on 77 properties); the acquisitions were funded using the optimal gearing level of 40% debt and 60% equity; and in respect of the Properties, the Manager had elected to receive its base fee 80% in cash and 20% in units and its performance fee entirely in units.

The property has a gross floor area and net lettable area of 13,725 sqm and 11,158 sqm respectively. Upon completion, the Vendor will leaseback the property for a period of 12 years with stepped rental escalation, and an option to renew the lease for another 3 years on expiry.

A-REIT is responsible for the payment of insurance and lease administration fees while the Vendor is responsible for the land rent, property tax, maintenance expenses and utilities. A-REIT will incur estimated transactional costs of \$0.5 million inclusive of S\$0.25 million (being 1% of the purchase price) being the acquisition fee payable to the Manager. The transaction is subject to JTC's approval and is expected to be completed in May 2008.

A-REIT currently has a portfolio of 82 properties and has previously announced the following proposed investments:

- a) A partial build-to-suit distribution facility which is currently under development at Plot 7 & 8 Changi LogisPark (North) with Zuellig Pharma Pte Ltd as the anchor tenant. The development project is expected to be completed by the third quarter of 2008.
- b) A partial build-to-suit ramp up high specification industrial facility is currently under construction at Pioneer Walk and is expected to be completed in two phases in the third and fourth quarter of 2008.
- c) An integrated business space with amenity facilities totalling 75,000 sqm is under development at Plot 8 Changi Business Park. The first phase (about 21,000 sqm) of the development is expected to be completed in 1Q 2009.
- d) Acquisitions of CGGVeritas for S\$18.25 million and Rutherford and Science Hub for S\$51.52 million

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**About A-REIT ([www.a-reit.com](http://www.a-reit.com))**

A-REIT is Singapore's first listed business space and industrial real estate investment trust. It has a diversified portfolio of 82 properties in Singapore, comprising business and science park properties, hi-tech industrial properties, light industrial properties, and logistics and distribution centres, with a total asset of about S\$3.6 billion. These properties house a tenant base of over 750 international and local companies from a wide range of industries and activities, including research and development, life sciences, information technology, engineering, light manufacturing, logistics service providers, electronics, telecommunications, manufacturing services and back-room office support in service industries. Major tenants include SingTel, C&P Logistics, Siemens, TT International, Honeywell, IHPC, Zuellig Pharma, LFD (Singapore), OSIM International,

Venture Corporation, Federal Express, Freight Links Express, Johnson & Johnson, RSH, Infineon Technologies, Procter & Gamble and Hyflux.

A-REIT is listed in several indices. These include the Morgan Stanley Capital International, Inc (MSCI) Index, the European Public Real Estate Association/National Association of Real Estate Investment Trusts (EPRA/NAREIT) Global Real Estate Index and Global Property Research (GPR) Asia 250 and FTSE ST Mid Cap

A corporate family credit rating of A3 was assigned to A-REIT by Moody's Investors Service in December 2005.

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 Goodman International 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.