

## A-REIT to acquire two properties for S\$49 million

20 October 2006, 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 on 20 October 2006 to acquire two properties: Super Industrial Building and 26 Senoko Way, (together the “**Properties**”), for an aggregate purchase price of S\$49 million from Singapore Exchange listed Super Coffeemix Manufacturing Ltd (“**Super Coffeemix**”).

The acquisition of the Properties will be accretive to A-REIT’s distributable income per unit (DPU) and the pro forma financial effect of the acquisition on the DPU for the financial year ended 31 March 2006 would be an additional 0.04 cents per unit <sup>(1)</sup>.

Said Mr Tan Ser Ping, Chief Executive Officer of the Manager, “Super Coffeemix is a successfully established household brand in the instant beverage products in South East Asia. We are pleased to have them as our tenant in our growing portfolio. 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.”

Super Coffeemix CEO Mr David Teo said, “We are very pleased to enter into this transaction with A-REIT as it provides an opportunity for Super Coffeemix to unlock the value of the Properties and enables our resources to be more efficiently redeployed towards the expansion of our business across Asia.”

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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 2006 (based on 66 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 entirely in cash and its performance fee entirely in units.

### **Super Industrial Building (SIB 1)**

Located at 2 Senoko South Road, Super Industrial Building is a 7-storey light industrial building with warehouse, production area, ancillary office and showroom. It is sited within the designated food zone in Woodlands East Industrial Estate and accessible via Tampines Expressway, Seletar Expressway and Bukit Timah Expressway.

SIB 1 will be acquired for a purchase price of S\$33.5 million with a land lease of 60 years with effect from 1 June 1996 (includes an option to renew for 30 years). It sits on a land area of 9,387 sqm and has gross floor area and net lettable area of 23,457 sqm and 18,079 sqm respectively.

### **26 Senoko Way (SIB 2)**

26 Senoko Way is also located within the designated food zone in Woodlands East Industrial Estate and is served by Tampines Expressway, Seletar Expressway and Bukit Timah Expressway. It is a 2-storey light industrial building with a 4-storey linked extension block currently used as production area and ancillary office.

SIB 2 sits on a land area of 9,320 sqm and lease tenure of 60 years with effect from 16 September 1992 (includes an option to renew for 30 years). It will be acquired for a purchase price of S\$15.5 million. It has a gross floor area of 12,616 sqm and a net floor area of 10,723 sqm.

Super Coffeemix will leaseback the Properties for 7 years with stepped rental increases and an option to renew for another 7 years upon completion of the transaction. They will be responsible for land rent, property tax, maintenance and utilities while A-REIT will pay the lease administration fees. A-REIT will also incur acquisition costs amounting to S\$0.82 million of which S\$0.49 million (representing 1% of the purchase price) represents the acquisition fee payable to the Manager.

The purchase price for the Properties was arrived at on a willing-buyer and willing-seller basis. The Manager has commissioned an independent property valuer, CB Richard Ellis (Pte) Ltd, to value the Properties. CB Richard Ellis (Pte) Ltd, in its certificate dated 2 October 2006, stated that the open market value of SIB 1 and SIB 2 is S\$33.5 million and \$15.5 million respectively.

The sale and purchase of the Properties is conditional upon, amongst other, the approval of the shareholders of Super Coffeemix, if required. The transaction is expected to be completed in January 2007.

### **Interests of Directors and Controlling Shareholder**

No Director of the Manager or controlling shareholder of A-REIT has any interest, direct or indirect, in the transaction, other than by way of acquisition fees and ongoing management fees. Such fees are on the basis that was disclosed in the A-REIT prospectus dated 5 November 2002, therefore the Listing Rules relating to Interested Person Transactions are not applicable to these fees.

A-REIT currently has a portfolio of 67 properties and has previously announced four proposed investments, worth in aggregate about S\$180 million, that have yet to be completed: Separate warehouse retail facilities are currently being built for Courts (Singapore) Limited and Cold Storage Singapore (1983) Pte Ltd which are expected to be completed by November 2006 and March 2007 respectively. A partial build-to-suit business park will be built at Plot 15 Changi Business Park for about \$28.6m and is expected to be completed by early 2008, as well as a logistic and distribution facility, currently being built by the vendor, Goldin Enterprises Pte Limited, will be acquired for S\$22.5 million in 2008 upon satisfaction of certain conditions precedent.

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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 67 properties in Singapore, comprising business and science park properties, hi-tech industrial properties, light industrial properties, and logistics and distribution centres, with a book value of S\$2.9 billion. These properties house a tenant base of over 740 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.

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 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.