

Press Release
09 January 2004



A-REIT To Acquire the Property, “The Siemens Center”, Located in MacPherson

Ascendas Real Estate Investment Trust (“A-REIT”) has entered into a Put and Call Option Agreement (the “Option Agreement”) with Cobalt Asset Management Ltd and M+W Zander (S) Pte Ltd (together, the “Vendors”) on 09 January 2004 for the sale of the property, The Siemens Center (“Property”) for a purchase price of S\$65.75 million. Upon completion of the acquisition, the existing lease of the anchor tenant, Siemens Pte Ltd (“Siemens”) will be novated from the Vendors to A-REIT. Siemens occupies 82 per cent. of space in the Property for a term of fifteen years commencing from July 2003. The lease is guaranteed by Siemens AG (the ultimate holding company of Siemens). The remaining 18 per cent. of space in the Property will be available for lease.

The purchase price is payable in installments with an initial payment of S\$53.5 million to the Vendors upon settlement of the acquisition. The remaining S\$12.25 million will be paid on the third (S\$4.25 million), fourth (S\$4.25 million) and fifth (S\$3.75 million) anniversaries of the date of settlement. The sale of the Property to A-REIT will be conditional upon, *inter alia*, A-REIT securing sufficient financing to undertake the acquisition of the Property and fulfilment of other terms."

The Property will be purchased at a yield of 8.26¹ per cent. for the first year. The Property is expected to contribute positively to A-REIT’s earnings from the date of settlement of the acquisition which is anticipated to take place by 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 the six months ended 30 September 2003, the pro forma financial effect on A-REIT’s distributable income per unit would be 0.02 cents per unit (equivalent to 0.04 cents per unit on an annualised basis).

¹ Calculated based on the initial payment of S\$53.5m upon settlement of the acquisition. The remaining S\$12.25m of the purchase price will be paid on the 3rd (S\$4.25m), 4th (S\$4.25m) and 5th (S\$3.75m) anniversaries, respectively.

In the past months, the Manager has announced five proposed acquisitions amounting to S\$285.35 million (See Table 1). The proposed acquisitions are expected to require funding through additional borrowings and an issue of new units in A-REIT (“Units”). The Manager has commenced planning (including working closely with the relevant authorities) to undertake an issue of new Units. It is expected that the proposed equity raising will require the approval of A-REIT’s unitholders and it is also currently contemplated that the equity raising will include a preferential offering of Units to existing unitholders. Further information will be provided upon the finalisation of the funding structure.

Table 1 : Summary of A-REIT’s Announced Proposed Acquisitions

	Property	Net Lettable Area (sqm)	Purchase Price (S\$m)	Property Yield	Announcement Date
1	IDS Logistics Corporate Headquarters	21,883	50.00	8.27%	20 Nov 2003
2	TT International Tradepark	42,765	92.00	7.87% ²	21 Nov 2003
3	Trivec Building	23,812	32.00	8.35%	5 Dec 2003
4	Changi International Logistics Centre	39,787	45.60	8.60%	23 Dec 2003
5	Siemens Center	28,377	65.75	8.26% ¹	09 Jan 2004
	Total	156,624	285.35		

Mr Goh Kok Huat, Chief Executive Officer of the Manager said, “This Property, together with the earlier announced acquisitions, will take A-REIT’s total assets to approximately S\$1 billion. We are delighted that we have the opportunity to acquire these properties which provide a good mix of long term versus short term leases, single-tenanted versus multi-tenanted facilities and to venture into properties used for logistics purposes. These acquisitions are expected to be yield-accretive and will bring positive returns to our unitholders.”

² Calculated based on the initial payment of S\$83.2m upon settlement of the acquisition. The remaining S\$8.8m of the purchase price will be paid at the end of year 3, whereupon the rent paid by T.T. International Tradepark Pte Ltd, the tenant in the property, increases commensurately to S\$7.2m.

Details of the Proposed Acquisition

Property	:	The Siemens Center
Purchase price	:	S\$65.75 million
Property yield (before acquisition cost)	:	8.26 ¹ per cent.
Net lettable area	:	28,377sqm (subject to survey)
Lease term	:	15 years commencing from July 2003
Expected date of completion	:	March 2004

Certain conditions precedent

- A-REIT securing sufficient financing to undertake the acquisition of the property
- Approval of Jurong Town Corporation (“JTC”) for the sale of the Property

The Property

The Siemens Center is located at 60 Macpherson Road, Singapore 348615 near the centre of Singapore and is easily accessed via the Pan Island Expressway as well as the Central Expressway. The Property comprises a 15-storey tower block containing offices, a service centre, laboratories and R&D centres; a 2-storey annex building with amenities such as a gymnasium and a cafeteria, and an 8-storey block containing workshops and offices. The total net lettable area of The Siemens Center is 28,377 sqm (subject to survey) built on a land area of 17,386 sqm (subject to survey). The land is to be held on a 30-year lease commencing 16 December 2001, with an option to renew for a further term of 30 years (subject to confirmation by JTC on the further term). Completed in 2003, the anchor tenant is Siemens, which occupies 82 per cent. of the space in the Property. With close to 2,000 staff, Siemens is a leading German company in Singapore – It delivers state-of-the-art solutions and technology in the fields of automation and control, power, transportation, healthcare, information and communications, and lighting. In all, Siemens provides a full range of services which includes engineering, design, software development, marketing and maintenance as well as manufacturing.

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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.

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Disclaimer

The value of Units and the income 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 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 similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.