



A-REIT and Ascendas partner in another pre-committed build-and-lease project

- **Ascendas secures project from US multinational, signs deal with A-REIT for the Trust to acquire the property for up to S\$41.3 million**

30 July 2004, Singapore - Ascendas Real Estate Investment Trust (“**A-REIT**”) today signed a conditional put-and-call option agreement with Ascendas Pte Ltd, through its wholly-owned subsidiary, Ascendas (Tuas) Pte Ltd (“**Ascendas**”), to acquire a property to be located in the Alexandra Road vicinity (the “**Property**”) at a price of up to S\$41.3 million.

Ascendas secured the build-and-lease (B&L) project from a Fortune 500 US multinational corporation whose Asia Pacific headquarters is in Singapore (the “**Tenant**”). Ascendas will develop and manage the seven-storey building and A-REIT will acquire the building from Ascendas when construction is completed, which is expected to be in April 2006. As the acquisition constitutes an interested party transaction, unitholders’ approval may be required up to six months prior to completion.

Under the 10-year lease agreement, the Tenant will lease a minimum of 70.0%, or 18,580 sqm, of the total net lettable area with the option to lease the remaining space within 6 months of the lease commencement.

Ascendas will provide A-REIT a rental guarantee for up to 18 months up to a maximum sum of S\$1.7 million if the remaining space is not taken up upon completion.

The Property is expected to deliver a property yield of 8.3% to A-REIT unitholders in the first year. The actual purchase price of the Property will be determined when the Tenant finalises its space requirements.

Funding for the A-REIT acquisition may be through additional borrowings or from new equity, or a combination of both.

Ms Chong Siak Ching, Group CEO and President of Ascendas, noted: "This latest B&L deal demonstrates Ascendas' competitive offering and ability to meet the stringent requirements of a leading global company. Our flexible lease structuring also allows the company the option to take up more space closer to the completion of the building.

"Off-balance sheet financing options such as our B&L scheme are becoming popular. It allows companies to free up scarce capital resources for their core business in addition to leasing a quality building to ensure operational efficiency from day one."

Mr Tan Ser Ping, CEO of the Manager, Ascendas-MGM Funds Management Ltd, said, "This is the second pre-committed deal that A-REIT has teamed up with Ascendas, following the Infineon Building last year. The construction of the Infineon Building is in progress and is expected to be completed in October 2004. Our partnership with Ascendas will ensure more opportunities for A-REIT to add properties that are leased to quality tenants. "

Conditions precedent to the proposed acquisition by A-REIT

The proposed acquisition is conditional upon, amongst others:

- 1) securing the approval of the unitholders of A-REIT, if required, at an extraordinary general meeting to be convened by A-REIT at a date to be arranged by the Manager, within 6 months before the completion of the proposed acquisition, estimated to be April 2006;
- 2) a temporary occupation permit ("TOP") for the Property being granted by the Building and Construction Authority; and
- 3) the entry of a lease agreement between Ascendas and the Tenant.

About the Property

The Property will comprise a 7-storey facility with 2 basement car park levels and a net lettable area of about 26,013 sqm. The land plot covers an area of 10,000 sqm in the western part of Singapore. The total land tenure, under the land lease to be issued by JTC Corporation, will be 60 years (expected to commence from 1 December 2004), being 30 years lease with a further 30 years option. The 30 years option is subject to certain conditions being met which will be satisfied once the development of the Property is completed.

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About A-REIT

A-REIT is the first business space and light industrial real estate investment trust listed on the Singapore Exchange Securities Trading Limited. It has a diversified portfolio of 19 properties in Singapore comprising business park (including science park), and light and hi-tech industrial properties and logistics and distribution centres with a book value of S\$1.30 billion. 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 and logistics. Major tenants include Siemens, TT International, Honeywell, IHPC, Zuellig Pharma, IDS Logistics Services, OSIM International, Venture Corporation, Ultron Technologies, Ghim Li Global, Nan Wah Marketing and Progen Holdings.

A-REIT is included in several indices. They are 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.

About Ascendas

Ascendas has a well-established track record as Asia's leading provider of total business space solutions. Based in Singapore, Ascendas has built a strong regional presence from over 30 years of serving a global clientele of more than 1,000 customers. It develops, manages and markets industrial space (manufacturing, logistics and distribution centres), suburban business space (business and science parks and high-tech facilities) and urban office/retail space.

Adding value at every stage, Ascendas customises developments and bundles e-infrastructure as part of its seamless solutions to create "plug-and-play" business environments. Its flagships include Singapore Science Park, International Tech Park Bangalore and Ascendas-Xinsu in Suzhou Industrial Park. Its key regional markets include Singapore, China, India, the Philippines and South Korea.

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