

A-REIT to acquire Hyflux Building for S\$19.0 million

14 March 2005, Singapore – Ascendas Real Estate Investment Trust (“**A-REIT**”) has signed a put-and-call option agreement today to acquire Hyflux Building (the “**Property**”) for a purchase price of S\$19.0 million from Hydrochem (S) Pte Ltd (“**Hydrochem**”).

The acquisition of the Property will be accretive to A-REIT’s distributable income per unit (DPU). The pro forma financial effect of the acquisition on DPU for the financial year ended 31 March 2004 is expected to be an additional 0.08 cents per unit assuming that :

- A-REIT has purchased, held and operated the Property as well as properties acquired since the start of A-REIT’s current financial year, for the whole of the financial year ended 31 March 2004; and
- The acquisition is fully funded using available bank facilities.

Mr Tan Ser Ping, Chief Executive Officer of Ascendas-MGM Funds Management Limited, the manager of A-REIT (the “**Manager**”), said, “Following our recent acquisitions and equity raising, A-REIT now has a gearing of 28.0% which allows us to make a number of further yield-accretive acquisitions using available bank debt. The Hyflux Building is a well located property with an established lease, which further diversifies both A-REIT’s portfolio and tenant mix.”

Hyflux Building at 202 Kallang Bahru, Singapore 339339

Hydrochem, the vendor of Hyflux Building, is a wholly-owned subsidiary of Hyflux Limited (“**Hyflux**”). Hyflux is a Singapore listed company, specializing in water treatment and providing integrated treatment systems for advanced water treatment and membrane filtration.

With the sale of the building, Hydrochem will lease back space for 15 years at an annual rental of \$1.5 million and will be responsible for the payment of land rent, property tax,

maintenance, utilities and capital expenditure for the mechanical and electrical equipment, while A-REIT will pay the lease administration fees.

Sited on a land area of 10,677 sqm, the Hyflux Building comprises an eight-storey light industrial property completed in the 1980s and a single-storey workshop with a mezzanine floor completed in 2004. Currently, the Hyflux Building houses the corporate HQ, R&D laboratories, production area as well as a workshop for the Hyflux's group of companies. Strategically located along Kallang Bahru, the Hyflux Building is in close proximity to the Kallang and Lavender Mass Rapid Transit ("MRT") stations. Accessibility to the city center and the Changi International Airport is convenient via the Pan Island Expressway (PIE) and East Coast Parkway (ECP).

Details of the Property and Lease

Name of Property	Purchase Price (\$ m)	Property Yield Before Costs (%)	Rent Escalation	Net Lettable Area (sqm)	Lease Tenure (years)	Major Tenants	Asset Class	Land Lease Expiry
Hyflux Building	19.0	8.0	Rent increases biennially in line with CPI	16,980	15 years with an option to renew for another 5 years	Hyflux group of companies	Light Industrial	2041

The signing of the sale and purchase agreement for the Property will be subject to the fulfillment of securing financing by A-REIT to acquire the Property, and approval from JTC Corporation for the transfer of the land lease to A-REIT.

A-REIT currently has a portfolio of 36 properties with a book value of S\$2.1 billion. A-REIT had also previously announced three other proposed acquisitions: a building along Depot Road being developed by Ascendas Pte Ltd for lease to Hewlett-Packard which is a pre-committed project expected to be completed in 2006, Ness Building, which is expected to be completed in October 2005 as well as AEM-Everttech Building, which is expected to be completed in April 2005.

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About A-REIT (www.a-reit.com)

A-REIT is the first business space and light industrial real estate investment trust (“REIT”) listed on the Singapore Exchange Securities Trading Limited (the “SGX-ST”). It has a diversified portfolio of 36 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\$2.1 billion. These properties house a tenant base of over 470 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 SingTel, C&P Logistics, Siemens, TT International, Honeywell, IHPC, Zuellig Pharma, IDS Logistics Services, OSIM International, Venture Corporation, Federal Express, Freight Links Express, Johnson & Johnson, RSH, Infineon Technologies and Procter & Gamble.

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 won the “Most Transparent Company” in the SIAS 5th Investors’ Choice Awards under the REIT category in September 2004. In July 2004, A-REIT received the most votes for Best Investor Relations by sell-side analysts in Singapore, in the 2004 Asia Equities Market Report conducted by Institutional Investor Research Group.

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.